

Economic and International Affairs Scrutiny Panel

Quarterly Hearing

Witness: The Minister for Sustainable Economic Development

Thursday, 20th February 2025

Panel:

Deputy M. Tadier of St. Brelade (Chair)

Deputy K.M. Wilson of St. Clement

Deputy M.B. Andrews of St. Helier North

Witnesses:

Deputy K.F. Morel of St. John, St. Lawrence and Trinity, The Minister for Sustainable Economic Development

Mr. R. Corrigan, Chief Officer, Economy

Mr. H. Harvey, Head of Local Economy

Mr. T. Brackenbury, Sector Head of Aviation and Maritime

[13:36]

Deputy M. Tadier of St. Brelade (Chair):

Minister, welcome to this quarterly hearing of the Economic and International Affairs Scrutiny Panel. We are pleased to have you with us and with your team. If I can just jump straight into it, I think we know the protocol. What we normally do, of course, is introduce ourselves for the record. We hope that there are people listening out there, watching potentially. So I am Deputy Montfort Tadier. I am the chair of the panel.

Deputy K.M. Wilson of St. Clement (Vice-Chair):

Karen Wilson, vice-chair. My apologies for my voice.

Deputy M.B. Andrews of St. Helier North:

My name is Deputy Max Andrews, and I am also a panel member.

Deputy M. Tadier:

If we can pass over to you.

The Minister for Sustainable Economic Development:

Thank you. Deputy Kirsten Morel, Minister for Sustainable Economic Development.

Chief Officer, Economy:

Richard Corrigan, chief officer, Department for the Economy.

Head of Local Economy:

Heath Harvey, Head of Local Economy.

Sector Lead for Aviation and Maritime:

Thomas Brackenbury, sector lead for Aviation and Maritime, Department for the Economy.

Deputy M. Tadier:

Thanks again for coming in and for taking our questions. We are just going to jump in with, I suppose, some fairly open questions to you. Minister, we are now entering the last full year of the political term. What are your key priorities for 2025?

The Minister for Sustainable Economic Development:

As you say, it is the final year of 4, and the future economy programme is still the key driver of everything we do in aligning our work. It is also the key piece of alignment for the rest of the Government as far as the economy is concerned. It is the strategy which enables us to work with other departments to try to get the Island into a position where productivity has risen to a level that we are able to deliver the healthcare services, et cetera, that will be needed by 2040 because of the demographic changes. That underpins everything that we do. Outside of that, we have seen a number of things, capital projects, such as Elizabeth Castle and the Opera House, which obviously during the current year we are going to see that open. Also the Elizabeth Castle refurbishments, I believe, being open as well. We have got key legislation that we are hoping to bring before the end of this year or beginning of next year. That includes the Liquor Licensing Law, changes to the 1974 law there, events legislation, which the panel will be very aware of. Obviously, we are still working to get the primary legislation at least ready for debate probably beginning of next year. Tourism order, so that is following on from changes made to the tourism order last year where we deleted

some areas around spatial requirements. We are seeking to go further with that and make further changes, which make it easier for people to work within the hotel industry, particularly in the guest-house industry. We also should expect to see heritage and antiquities legislation coming through, as well as various other bits of legislation. As far as inward investment is concerned, this is a key area for the Island. I really want us to attract inward investment. I am really pleased that we are seeing applications come from businesses such as high street retailers, which is part of us going out there and seeking businesses. But as well as retail, also continuing to seek hotel investment. I think so far sites are the difficulty with hotel ... finding sites are the difficulties with attracting hotel investment.

Deputy M. Tadier:

Can I stop you there? Thanks for that In terms of hotel sites, I have had it put to me by somebody that the States is looking to sell or develop Aviemore into housing or part of the Aviemore project. We know that is subject to a proposition by Deputy Alex Curtis. Could that be used for a hotel site? Is any consideration being given to alternatives just than open housing there?

The Minister for Sustainable Economic Development:

I do not know very much about the Aviemore site. I know it has got beautiful views, so it is a great start from a hotel perspective.

Deputy M. Tadier:

It is already a tourism ... part of it is the Haute de la Garenne site of course that is being used for accommodation.

The Minister for Sustainable Economic Development:

Is it? Yes, I mean you are right, Haut de la Garenne, is but I did not know part of the Aviemore site was part of the Haut de la Garenne.

Deputy M. Tadier:

Yes, it is adjacent.

The Minister for Sustainable Economic Development:

To my knowledge it has not been considered for a hotel site. I genuinely have no idea how suitable it would be. Beyond having nice views, I do not know. You would have to ...

Deputy M. Tadier:

Do you think there is scope for the Council of Ministers to consider a different use for that site?

I am not in a position to say.

Deputy M. Tadier:

Sorry, it is a bit out of left field but just it reminded me of a conversation.

The Minister for Sustainable Economic Development:

No, it is a good question, but I am just ... unfortunately I just know very little about that site except having walked past it in the past.

Deputy M. Tadier:

Thank you.

The Minister for Sustainable Economic Development:

Continuing from there, if I may. We are continuing to see a medical technology cluster develop in the Island. This is, I think, really exciting for the Island and it is happening in different areas of medical technology. This is part of what I think we need in terms of Jersey becoming more innovative and becoming a centre for innovation in this area. Interestingly, our demographic changes play to that. They are of strength in this area, as well as Jersey being a small 100,000 population as well.

Deputy M. Tadier:

Does that involve - sorry to cut in - the use of medical tech or is it development of tech or what?

The Minister for Sustainable Economic Development:

It is research and development and potentially use as well within the population. There are different companies operating in different areas. Some of them developing botanical pharmaceuticals, you might say. Others developing existing pharmaceuticals, but developing more efficient ways of making them.

Deputy M. Tadier:

And this is over and above the cannabis industry, is it not?

The Minister for Sustainable Economic Development:

Yes, this is beyond the cannabis industry, exactly. In fact, I was speaking to some consultants at the hospital recently and there is this cluster developing. They are very aware of it. Some of the innovators at the hospital, who I think you would all know, are very linked in with that. We are also now looking at potential for how do we use the Island's data? Are we able to pull that data in some

way with individual Islanders' consent to make that available for scientific research as well? Care is also another area; we have seen the impact funds focus on care technology recently. I think we are going to see ... I think we do need to address the kind of care ... not system, but the facilities for care in terms of how many we have. That can go everywhere from step down housing all the way through to residential care homes or specialist residential care homes. Deputy Wilson will probably know a lot more about this than I do. But I think it is an area where we do need to seek investment.

Deputy M. Tadier:

Obviously we are responding to ... you have a big list of works there, which is, I think, encouraging. It is no doubt challenging. Maybe on that last point, to what extent would you get involved in the delivery of care versus what the Minister for Health and Social Services does and how closely are you working?

The Minister for Sustainable Economic Development:

I do not get involved in the delivery of care at all, but what I would do is happily put department resources from an inward investment perspective. So looking to attract investment into the industry in Jersey; that is something I would happily work on.

Deputy M. Tadier:

That would tie in with future economy, but also people in the economy who may not be working, in fact, and who need to.

The Minister for Sustainable Economic Development:

Exactly.

Deputy M. Tadier:

I will pass over to colleagues because they might have some points that arise from that initial question and answer. In terms of the future economy, when you talk about the future you have given us a date of 2040. First of all, what are the challenges around 2040 that need a change in the way that the economy is currently operating?

The Minister for Sustainable Economic Development:

The principal challenge is that by 2040, over a third of the population will be retired and we will have seen a 10 per cent fall in the working population at the same time. What you have there is quite simply people are retired, their wages are effectively paid by pensions, et cetera. As people get older, they tend to have more health needs as well. So we are going to have a large population which has those needs.

[13:45]

But underneath that, at the moment, our model is the working population supports that retired population, but the working population is, at current trends, going to shrink. So you will have fewer people trying to support more people, and that is a critical problem. It is not just Jersey's problem; France has it, the U.K. (United Kingdom) has it, but Jersey's is more significant. You have probably seen a population pyramid which shows that Jersey's population bulge in that retired area goes beyond the U.K.

Deputy M. Tadier:

So in terms of how you seek to respond in terms of change to the economy, what changes are you likely to wish to push forward?

The Minister for Sustainable Economic Development:

This is where the enabling business part comes in. We do need businesses, or individuals actually, we need people who are working to ... and I know this is always a difficult thing to say, but be more productive, and that is economically productive in their work. That effectively means producing greater output for the same or less input.

Deputy M. Tadier:

What about tax take? How does that come in? How does the Government make sure it has enough tax revenues?

The Minister for Sustainable Economic Development:

This is the thing. In order to maintain that retired population, we will need in many ways higher tax, ... not more taxation, more revenue into Government. That is what I am trying to say. At the moment, with our tax situation where we are, we would need to generate more productivity in the economy in order to create that higher revenue. If you were just to raise taxes, which is an option, you are then going to potentially see people leave because of higher taxation or you are going to see less economic productivity because of higher taxation. It is a real balance. It is an option, just do not worry about the economy, just raise taxes. But that will have an impact and that impact could see less tax take to the Exchequer.

Deputy M.B. Andrews:

Can I just ask, Minister, obviously you came into office in 2022 and the Assembly elected you as Minister for Sustainable Economic Development, so do you believe that the Island is on the right course if we are to come to the end of this term of office in June 2026; so where we have seen good

progress across this 4-year period with yourself in your position as Sustainable Economic Development from a productivity perspective?

The Minister for Sustainable Economic Development:

We have made progress. I would say it is good progress because we have started to move in the right direction, whereas previously Jersey was not moving in the right direction. So remember as well that I operate in the non-financial services sector; my portfolio is non-financial services, so it is everything else. We are seeing that change, we saw a 0.4 per cent. I know it does not sound huge, but a 0.4 per cent increase in economic in G.V.A. (gross value added) from that sector, whereas it was previously 0.2 per cent and before that 0.1 per cent, so we are seeing that increase. But it is a lot of work. When you are an advanced economy, getting further gains is much, much harder than if you are a developing economy. It really is that simple. So we are, I would say, one of the most developed economies in the world. To try to get further productivity gains out of that is really hard. But the industries I speak to are listening, they are working really hard to adapt and we are seeing some fantastic productivity increases in some areas. Agriculture is one I often talk about, but we are also seeing that in other areas such as hospitality and things like this. We are seeing businesses understand that they need to understand the future economy programme and work within it to have a successful Island in 50 years' time.

Deputy M.B. Andrews:

Obviously the panel has an understanding of your legislative work programme until the end of this term of office, but is there anything that you would like to see be implemented during the next term of office for your remit that you cover?

The Minister for Sustainable Economic Development:

One of the things I think we need to do is ... inward investment is something where we still need to work hard at. It is very easy for us to think that people are aware of Jersey. The reality is that 99 per cent of the world is not aware of Jersey. I think this was well seen when officers recently went to events for retailers and they spoke to retailers. They spoke to many of them. One of the things they got back was: "Oh, we had not thought of Jersey." From that 5 retailers turned around and said: "We want to know more and we will speak to you and we want to know more." I think that is really important, is we need to understand that Jersey is not on people's radar. So from an inward investment perspective, I think that is something we need to push as well as ... and they are linked to the innovation side, Jersey does not have a very well-developed innovation ecosystem. I think that is something we really need to develop strongly.

Chief Officer, Economy:

No, I think the whole world is competing for the same.

Certainly the western world.

Chief Officer, Economy:

Yes, western world certainly. To improve productivity, to drive up value in the economy. It is a competition for knowledge and for talent, because it is a services sector, principally, that Jersey has. Our export products are financial services and tourism in terms of bringing outside money into the Island. It is important. That is where we have to be placing our bets going forwards, how we bring new money into the Island, either through growth in those 2 sectors in particular, or inward investment into existing sectors where you may have business owners looking to move away, looking to retire, looking to decrease the size of exposure they have in a particular sector. Ideally, you want replacement capital, replacement businesses coming in, so that the sector itself remains vibrant. That is the focus, but lots of other countries are chasing that. It is a really competitive way. People are not going to necessarily just root out Jersey. We have got to go and shake the tree and make people come here and have a look.

Deputy M. Tadier:

One question I was asking about tax is that ultimately it is easy, in a sense, if you maybe do not discriminate in terms of the business that you want the economy to grow but from a tax point of view - if we had the Minister for Treasury and Resources here - there are certain industries taxed at 20 per cent, certain taxed at 10, some taxed at zero in terms of business transactions, and there is always an argument that the staff pay tax anyway. But if the staff are being more productive but not necessarily getting any more money then of course the tax base for those companies which are not paying tax here is not being recruited by Government. Is there any joined-up thinking about targeting what kind of areas are best for Government in future to target growth in the economy?

The Minister for Sustainable Economic Development:

I think there is. I think number one - just for the implication I understand your question or the context you put - is that businesses may have economic growth in themselves for greater productivity, they may not pass that on to their workers. I think that is unlikely. I think when businesses grow they do tend to reward their workers because businesses, especially nowadays, there is a real need to keep talented people in a business so they will reward them. But we also see - another part of what we have been doing for the past year - is the increase in the minimum wage to living wage. That will ripple through the entire system, so we will see higher wages in there.

Deputy M. Tadier:

That is keeping up with inflation is it not really, the living wage?

Partly, but I think the point being is that we are ... Government itself is forcing higher wages. I do not think greater productivity will lead to no growth in wages. I think it is very likely to lead to ...

Deputy M. Tadier:

But I think from a tax point of view, if tax allowances are going up as well, so the amount you can earn before you pay tax is going up I think probably in line with cost of living and living wages. I guess the question I am asking is how sustainable is the government model in the future about providing basic services in 2040 when we have this low birth rate now coming through, fewer workers, more pensioners?

The Minister for Sustainable Economic Development:

The whole point of the future economy programme is saying that at the moment it is not sustainable because we do not have the productivity growth that we need. We do not have the economic growth that we need. That is what the future economy programme is entirely focused on, is turning Jersey into an economy that is sustainable in that sense.

Deputy M. Tadier:

Good, thank you. We will come back to that.

Deputy K.M. Wilson:

Just to follow on from that, could I just ask, in terms of what you understand about the market that you are operating in at the moment, how is that going to shift over time? How is that going to bring competitive advantage for Jersey?

The Minister for Sustainable Economic Development:

When you say "the market", because I operate in lots of markets, unlike financial services, if you know what I mean, I have a lot of different sectors.

Deputy K.M. Wilson:

Generally, I mean, I think Richard was just talking there about there are 2 main markets that we drive the productivity improvements in through finance and tourism. But if there are competition elements to those particular markets, what else are you thinking about that would bring sustainability to the Island? Because I guess there is something about scale of operation. You might want to attract inward investment, but what is the scale of that and would investment be needed to be competitive?

It is significant, there is no question. This is again why the offshore wind farm project is very much aimed at creating new revenue for Jersey. That is one of the key reasons behind the offshore wind farm project. I talked about the medical technology cluster that is developing in the Island. That is very much a high value, low footprint sector. That would be new or is new to the Island. It was not there a few years ago, it is there now. That is high value, low footprint, so that is bringing in ... well, if it comes to maturity it should bring in significant ...

Deputy K.M. Wilson: .

Is that selling to others? Because the medtech industry has 2 elements to it; you are either an adopter of technology or you are a producer of it, so which are we?

The Minister for Sustainable Economic Development:

It is not what we are, it is the individual businesses. The businesses that I have seen coming into the Island are creators of new technologies, and that would ultimately be for export. That is, I think, a very important part of it. By exporting to the world and to creating new export industries, such as the medical technology sector, we bring in revenue that would otherwise not have been there. I think it is also really important, going back to Deputy Andrew's perspective on what would need to be done in the 4 years' hence, is I think we do need to realign our relationship with Europe. I think it is really important. That is a whole trading sector, which there are large barriers to at the moment, and that becomes very difficult. Those barriers have been placed there by the U.K.'s decisions, not by Jersey's decisions. I think it will be important for us in the future to grab hold of our own relationship with Europe and not leave it to the U.K. to define our relationship with Europe. I think that is going to be something that is really important; I am talking particularly in the trade area.

Deputy K.M. Wilson:

I was just going to ask what you thought might be the external partnerships or arrangements that you might want to develop or explore to address that particular point?

Chief Officer, Economy:

I think I mentioned financial services and tourism as being export sectors. I think you go to any jurisdiction or location of our size, you will find one or 2 areas of specialism. You will find a dominant employer or employment sector in those areas. Go up and down the U.K., go across the continent, you will generally find that. Your ability to support depth of expertise in any more than a couple of sectors from the size of population base that we have is really challenging. Focusing on the export sectors that brings new money into the Island, so the 2 very established sectors there, and Government is investing significantly in both of those, the investment that is going behind the tourism sector, extra money going into Visit Jersey, extra money going into route development. That is really

important to make sure that we are accessible because you have got to get the marketing, and then you have to get people activated to want to come and find it easy to come, and then have a good experience while they are here. I think the partnership that is formed all the way through now between Government and the front end, Sport and Visit Jersey with the marketing, then having the route development effort, and then all the work through the J.H.A. (Jersey Hospitality Association) in terms of developing the right experience for Islanders when they are here is critical and should help to foster that next stage of growth. Financial services is competing on the global stage in a very competitive market. We are seeing some of their competitive jurisdictions finding it harder to breathe in the thinner air of international standards and therefore there is a flight to quality that benefits that sector. If we can find a third one, as the Minister says, whether it is medtech or something else, that is another export sector that is bringing new cash into the Island. Then some of the other sectors then benefit from the consumption that Islanders have, whether that is retail or other parts of hospitality, benefit from the consumption of those that are living here and earning here. But I think to the chair's point earlier about taxation, I think what Islanders would be looking for, first of all, is that Government cuts its cloth, spends as frugally as it can, places its bets very sensibly. Second, I think, in terms of fiscal receipts, they would want to see us grow the economy to create more fiscal receipts to spend on priorities. Third, and I think third by some margin, is putting up headline tax rates. You have to have exhausted those first 2 points pretty comprehensively before you get anywhere near that third one, I believe.

The Minister for Sustainable Economic Development:

I think it is really important as well, the future economy programme speaks to this, is Jersey has to be international in its outlook. I think Jersey needs to buck the protectionist trend. We see this autarkic trend going on around the world, particularly driven by the U.S. (United States), but other areas as well, and Jersey needs to buck that trend. For us to become protectionist in a way I think would be very dangerous for the Island economy, so we need to remain internationally focused, we need to make sure we have a strong skills base. Again that is about we educate Islanders. We know lots of Islanders leave. So there is that part of we want them to at least come back or remain here, so having a range of careers. This is where the arts and culture sector really comes in, things like this, is by enabling them to have a range of careers they can see they can come back. I have said it here before, if you do not want to work in finance then it can be difficult in Jersey to find careers for yourself. Again, arts and culture breeds creativity. Creativity creates problem-solving people, and people who can solve problems are going to be fantastic for the Island in any sector. It is not for me, as the Minister for Sustainable Economic Development, or my successors, to specifically choose industries and say: "This is what we are doing." The medtech sector was partly driven by itself. You see people are looking at Jersey, and they themselves come to the conclusion this would be a place for them to work. Then you think: "Right, that is happening", so Jersey has something to offer. We need to help support that and help it grow. I am not someone who believes

there is a single silver bullet. I think too often reporting around the economy is that: "Oh, let us have this industry and everything will be fine." That is not how economies work.

[14:00]

They are all knitted together and it is the creativity of people within and without the Island that will bring the next successful sectors to the Island.

Deputy K.M. Wilson:

I think the question was more about what kind of wider infrastructure are you creating to be able to incentivise new startups to bring that creativity that you have talked to to the Island, and particularly, because it is close to my heart, the medtech sector I know needs a hell of a lot of infrastructure support around this. It is not just about having one individual with a bright idea.

The Minister for Sustainable Economic Development:

Absolutely right.

Deputy K.M. Wilson:

It was really the challenge to that.

The Minister for Sustainable Economic Development:

No, that is right. It is partly Impact Jersey, but it is also regulatory change, bringing in the regulatory infrastructure they need. I think it is absolutely right that we have a health infrastructure which attracts people to be here because they get better healthcare here than they would somewhere else. An educational infrastructure that is attractive to people here as well. As a - particularly St. Helier town that is attractive in itself with a fantastic hospitality infrastructure, a superb physical infrastructure in terms of an attractive town. All these bits of infrastructure need to be there and need to be improved upon. I have been very clear in the past that Jersey over the last 30 years, in my view, has not sufficiently invested in its wider infrastructure. That has led to us now needing to invest significantly in infrastructure.

Deputy M. Tadier:

Can I just jump in?

The Minister for Sustainable Economic Development:

You do need to invest in infrastructure in all sorts of areas.

Deputy M. Tadier:

I think just because the way that the hearing is developing, if I can move some questions around this. We have some questions on the subject of labour basically; not the political party, but workers, in other words. I think this is where this is segueing into. So the visitor economy strategy, for example - if we use that as an example, but there are other industries which I think this is equally applicable to - what actions are being undertaken to attracting staff to the Island where necessary?

The Minister for Sustainable Economic Development:

This is something that sits principally with the Chief Minister through the Housing and Work Advisory Group.

Deputy M. Tadier:

But it is topical of course, because the Minister for Housing was on the telly last night, I think.

The Minister for Sustainable Economic Development:

I did not see that.

Deputy M. Tadier:

The Chief Minister, sorry. He said something remarkable, he basically said that people who work here should be given the right to rent properties, which I think anyone who is not from Jersey that would sound a bit remarkable. So they are allowed to have the opportunity to rent properties. In terms of ...

The Minister for Sustainable Economic Development:

I believe we are bringing those changes forward and I am supportive of those changes.

Deputy M. Tadier:

I just think it is strange because presumably they have to rent. If you are living here you have to rent somewhere to live.

The Minister for Sustainable Economic Development:

I do not want to waste your time or my time but I can explain the situation, which I agree is odd, and it is something I have spoken in the States about in the last Assembly, that we invite people to come here and then make it very, very difficult for them to find accommodation. That is inappropriate at a human level. That is changing. I am really pleased for that.

Deputy M. Tadier:

Good. I guess the question is: what changes do you think you can be part of to make it easier to come and maybe potentially work in Jersey? The birth rates have gone down, so older people are

getting older and retiring, of course. Do we need to make it easier for people to come and live and work here?

The Minister for Sustainable Economic Development:

I think we do. I think we have moved from a situation where we almost want no immigration. I am going back 20 years, it was very much anti-immigration in Jersey. The Island is too full was what people were saying. Unfortunately for those people who believe that, I cannot see how Jersey could achieve the necessary economic growth to support that ageing population without more people coming to the Island. We will use technology and we will use existing businesses to become much more productive that mitigates and reduces the amount of new people needed in the Island, but it is really hard for us I think to say we can support people in their retirement in 10 or 15 years' time without more people coming here.

Deputy M. Tadier:

Do you think we could target? Could we have a policy as Jersey to say we would like to welcome people under the age of 30 to come and live and work in Jersey? In fact you will not need to wait 10 years to be able to buy or rent a property, you can do it from day one.

The Minister for Sustainable Economic Development:

I think buying a property I have still got an issue with as in I think because housing is in short supply in terms for purchase. I think it is appropriate to potentially have restrictions around that but on the renting side, I agree we should not have those restrictions. If you come here you should be able to rent in a free market.

Deputy M. Tadier:

But what if you are somebody who wants to come to a place and buy your own house because you believe in that good conservative theory that you want to be a homeowner and you want to invest in the Island from day one; why would you have to wait 10 years to do it?

The Minister for Sustainable Economic Development:

I think, as I just said, housing can be in short supply, properties are in short supply, and if you suddenly had lots of people coming into the Island and buying property you will then be pushing property prices up much higher. One of the reasons we have purchase restrictions is to try to enable those young people who do grow up in Jersey and stay in Jersey to enable them to not be priced out of the market. We have already seen over the last few years how young people are being priced out of the market, and that is with the restrictions we currently have on purchasing. If we were to open our doors and let people buy you would, I believe, see a significant increase in house prices and young people would be very much priced out the market. In renting I do not think it is the same.

Quickly to the point about what we are changing. On the 2(1)(e), the high-value residents element, we have made very clear changes where we are seeking younger, more entrepreneurial and economically active high-value residents who will be coming here to set up businesses or continue their business.

Deputy M. Tadier:

But they are not the workers, they are not going to work here.

The Minister for Sustainable Economic Development:

I am getting there. Believe me, I am getting there. You have mentioned Deputy Alves' changes by the Housing and Work Advisory Group to the renting, which I think is a really important change. On top of that, we are continuing to work with the Justice and Home Affairs Department to find the right balance in terms of immigration restrictions. Now, obviously, we are limited by the U.K.'s element of immigration restrictions, but on the work permit side I think we need further relaxation. We do, in some sectors, the time-limited element, either one year possibly up to 3 years, does cause problems and it does cause ... you spend 3 years training somebody up, they become a good part of the team and then you have to let them go. I do not personally think that really works for us, but we need to work more with Justice and Home Affairs to make that happen. I also appreciate Justice and Home Affairs operate under the wider umbrella of the U.K.'s own laws.

Deputy M. Tadier:

You talked about educational infrastructure as well. Do you think that there is a possibility that developing an educational offer in Jersey, possibly at university level, could benefit the wider economy?

The Minister for Sustainable Economic Development:

I believe that that is where the innovation part comes in. I believe that we should develop what we have and evolve it towards potentially ultimately one day being at university level. I am not a fan of saying: "Right, let us set up a University of Jersey." I think we have institutions here, whether it is like J.I.C.A.S. (Jersey International Centre of Advanced Studies) for instance. We have the impact fund, which can fund innovation. We obviously have good educational institutions as well, such as Highlands. I think it is better to work with them, evolve them into something.

Deputy M. Tadier:

But is the idea to bring in students from abroad to invest here both in terms of their spend but they also provide labour?

The Minister for Sustainable Economic Development:

That could be part of that, but I think it needs ... the reason I am not a fan of let us set up a University of Jersey, build a campus, do not know where you would build a campus, number one, but, 2, okay, you need ...

Deputy M. Tadier:

Aviemore is probably one potential as a residence.

The Minister for Sustainable Economic Development:

For argument's sake, you need 3,000 or 4,000 undergraduate students to make that pay. Where do 3,000 or 4,000 undergraduate students suddenly live in Jersey? We do not have the place. Today we have got the hospital going through in ... potentially going through, being passed for planning. That is going to require a very large workforce. As I have just talked about, other infrastructure in the Island that needs to be built or improved is going to require a very large workforce. If you were then to say - I will take a lower end - 3,000 students come to Jersey, I do not see where you put them. This is one of the reasons why in the past I have raised issues like a fixed link to Europe because there comes that element of you either try to house everyone here in Jersey, in which case it will significantly change the Island, or you find other ways of enabling people to move more freely to and from the Island.

Deputy M. Tadier:

Thanks for that. We are going to move on to a different area. We may come back to the future economy, if necessary. We are going to move on to the Opera House, if that is okay. Again, I will start off on this and then ... so we got a response to a letter on 18th October regarding ... no, this is "Bergerac", I am not going to do "Bergerac" yet.

The Minister for Sustainable Economic Development:

I saw the first episode last night.

Deputy M. Tadier:

Was it good?

Deputy M.B. Andrews:

Yes.

Deputy M. Tadier:

I think I can probably do this without the question sheet anyway. The issue of the Opera House came up I think on 21st January in the States and there were some questions put to yourself.

I will accept the date from you, I do not have the date.

Deputy M. Tadier:

It was the first one of the year anyway and, first of all, we have been to see the Opera House. I think we have all been to see it; it is impressive inside the way they have done it. There is lots of good work so I think congratulations are due on that to all involved. I know it is a joint project of course between yourselves and Property Holdings and the contractor. We have to raise the issue about the technical upgrade because this was raised in the States and, effectively, the response initially from the Minister for Infrastructure and Property Holdings was that they are responsible for the fabric of the building rather than the internal running of the building. We have this issue about the spec, which we were made aware of about 18 months ago at least, saying that when the Opera House finally opened they would not be able to put on certain shows, and sure enough that is what has happened. We have also had the Chief Minister during question time on that day, questions without notice, said that: "It has been identified that improvements can be made to technology, and I am absolutely sure, having spoken to the Minister [so yourself, Minister], that the Government will assist where possible." What is the plan for the tech and the spec in the Opera House?

The Minister for Sustainable Economic Development:

I cannot remember if I said this in the States or not. We had, at that time, not received any other information than one quote from one supplier about technology.

Deputy M. Tadier:

What date are we talking about here?

The Minister for Sustainable Economic Development:

So if we go back to 21st January, certainly at that point we had only had one quote - please correct me if I am wrong - from one supplier via the Opera House that we were seeing. We had asked many months before for more than one quote. That quote was talking about millions of pounds. You cannot, in Government, spend millions of pounds on one quote from one supplier. We never received alternative options. I asked personally about an independent audit of the technology, and I asked personally about looking at other technologies that may be available, such as wireless technologies. We were rebuffed on all fronts by the Opera House about exploring these. Again, please correct me if I am wrong, I do not want to say anything wrong. It is not possible to deploy millions of pounds in technology or on anything else from public funding without having a much better understanding of what is required. I am very pleased to say that we have ... we, as a department, appointed an independent auditor who went in and looked at existing technology and they have looked at the equipment and said that this equipment is, in the main, usable. They have

looked at the cabling and said this is, in the main, usable. I do not know if you would want to pick up on that.

Deputy M. Tadier:

Not quite yet. I mean the point is that this is not just something that was flagged up on 21st January or at the end of last year. This could have been and should have been resolved right from the beginning when funding was being allocated. I think you were told back at the time that they would need a certain spec to meet modern standards.

The Minister for Sustainable Economic Development:

I do not believe that is correct.

Deputy M. Tadier:

Well, that is not ...

Chief Officer, Economy:

That is categorically not correct. The Opera House board and the acting theatre manager at the time were involved in the speccing of the renovation works, and this was not in the original specification for the works to be done to renovate the Opera House, which themselves rose considerably from a minor refurb costing several million to where we ended up spending a much more significant sum.

The Minister for Sustainable Economic Development:

Over £12 million. It started at a £2.7 million project and ended up with £12.7 million, which is ...

Deputy M. Tadier:

We know it was not in the original, but we are getting into circular argument here.

The Minister for Sustainable Economic Development:

No, what I am saying is the Opera House board, Jersey Opera House Limited, which at the time was the company operating the Opera House and maybe in the future the company operating the Opera House agreed that specification.

Deputy K.M. Wilson:

Did they at any point raise the issue of the technical upgrade at all?

The Minister for Sustainable Economic Development:

To my knowledge at that stage, no.

Head of Local Economy:

We formed a project board in about September, October 2022. The Opera House were part of that project board. That project board met every 2 weeks until the end of 2024. We had 48 or 50-odd meetings. A single meeting was not missed and the Opera House were at all of those meetings. For all of the last quarter of 2022 and 2023 we were looking at the scope of the project and the value engineering and the affordability so that we could complete the 3 elements, as my chief officer has said, so it was the health and safety improvements of the building, it was the accessibility of the building, wind and water tightness and the carbon, the operational carbon footprint. None of those things involve technical equipment or cabling. If that was important to the Opera House, they did have their opportunity all the way through the last quarter of 2022 and all of 2023 to raise that. Contractors did not come to site until 2024.

[14:15]

Deputy K.M. Wilson:

Do you think that you might have been able to raise the questions with them as to what was needed in terms of the upgrade to deliver a fit-for-purpose Opera House facility?

The Minister for Sustainable Economic Development:

We do have a fit-for-purpose Opera House. I think that is the misnomer and the misinformation that is going around. The Opera House is able to open and is fit for purpose.

Deputy M. Tadier:

I think the issue we had is that we had members of the public over a year, probably 18 months ago, telling us that they knew when the Opera House opened the tech spec was not going to be right. We put it to 2 of your officers. So it was Chris Kelleher and Paul Millbank, probably about a year ago, I do not know the exact date, and we said: "This issue has been flagged with us. Are you aware of it?" I think the answer was globally: "Yes, it would be nice to have, but we do not have the money to do that." So it was raised as an issue. It is frustrating when we get to the point that the Opera House have been telling us they cannot put on certain performances and we are going to have to refuse them because they do not have the right spec. This was raised about 18 months ago.

The Minister for Sustainable Economic Development:

Can I just say, the Opera House is always going to have to refuse some performances? We have a mid-range opera house in a small community in Jersey. We cannot and will not be able to put on every show on earth. That is not possible.

Deputy M. Tadier:

But they are refusing it because of a tech spec, which the Chief Minister says, and I go back to this point, that he wants the improvements, they have identified the improvements that can be made to technology: "and that I am absolutely sure, speaking to the Minister, that Government will assist where possible." So the Chief Minister accepts that there is a better technology out there. Do you not accept the fact that if the word gets out that Jersey cannot host certain productions and performances, companies are going to simply say: "Do not go to Jersey because their new Opera House is not geared for these types of performances"?

The Minister for Sustainable Economic Development:

Well, obviously, if it cannot do a type of performance then the company is not going to come here to do a performance it cannot do. That is obvious, okay. I am sorry. We have delivered everything that was in that spec. We have delivered it on time and on budget. I think really importantly, during that period of time, the Opera House has done very, very little - very little tantamount to nothing - in terms of providing us with the information that we need to change things. We actually paused construction for 2 weeks to give the Opera House time to provide us with the information that we need to make any changes to the build, et cetera, that they wanted. In that time, we did not get any of that information. The Opera House has been funded by the Government of Jersey for more than 3 years. During that time it did very, very little as a company to help us. We are not theatre experts. We are not theatre experts. They are theatre experts. They signed off the technical specification. They at that time did not ask for any of this to be in there. The project then gets underway. It is incredibly difficult to stop a project at that time.

Deputy M. Tadier:

Well, we certainly asked for it to be ...

The Minister for Sustainable Economic Development:

I am very sorry, but I am not here to answer for other people's failure to do the work that they needed to do.

Deputy M. Tadier:

Do you accept that if the technology is out there, the Chief Minister has given an indication that he would like this issue to be resolved, and that you have suggested that if several quotes are put forward you could look at how the new technology is adopted? Is that something that Government takes ...

The Minister for Sustainable Economic Development:

I have asked them to look at various different technologies. They did not do it. I went off myself and looked at technologies that were available that they said would not be appropriate, or were not available, and I was able to get people to tell me from theatre supply companies around the world that this technology is available and would be useful.

Deputy M. Tadier:

Minister, where do we go from here then with this?

The Minister for Sustainable Economic Development:

We are working with the Opera House at the moment to get it open as soon as possible. I work with the current incumbents, in terms of Jersey Opera House Limited, to make sure that they are fit for purpose and able to deliver a programme in the future via the Opera House. When I am satisfied they are fit for purpose then they will be able to continue and deliver a programme for the Opera House. At the moment, I need to be satisfied that they are fit for purpose.

Deputy M. Tadier:

Specifically on the issue of tech, what is the answer to that? Is there a better tech space?

The Minister for Sustainable Economic Development:

There was always a better tech; always a better tech. You could fit tech today, tomorrow there will be better tech.

Deputy M. Tadier:

It just does not ring very ... there is a dissonance here with wanting in ...

The Minister for Sustainable Economic Development:

The dissonance is not on my part, I can tell you that.

Deputy M. Tadier:

There is a dissonance with wanting inward investment into Jersey and something that is fit for purpose and investing in infrastructure when the Opera House is saying we cannot put on certain shows because the tech is not there.

The Minister for Sustainable Economic Development:

What do you mean by "certain shows"?

Deputy M. Tadier:

That is what we have been told, there are certain types of performances ...

What certain shows are they talking about?

Deputy M. Tadier:

I think you can ask them about that.

The Minister for Sustainable Economic Development:

How about you do not know what certain shows they are talking about?

Deputy M. Tadier:

I am not an expert.

The Minister for Sustainable Economic Development:

They have not told me what certain shows they are talking about.

Deputy M. Tadier:

I am not an expert in the ... I take what they say.

The Minister for Sustainable Economic Development:

I am not an expert on opera houses either.

Deputy M. Tadier:

So if I am told by a particular expert in a business area that they cannot do certain types of business I take that at face value.

The Minister for Sustainable Economic Development:

And they didn't tell us this at the time of signing off the specification.

Deputy M. Tadier:

We said this to your officers over a year ago.

The Minister for Sustainable Economic Development:

Heath is far more closer to this.

Head of Local Economy:

I was a senior responsible officer for delivering this capital project. It is nearly £13 million and let us be honest, the Government does not always deliver capital programmes on budget or in time. We

did both of those things on this occasion. We did that by adhering to discipline and having that board and having those board meetings and having those meetings minuted every 2 weeks. So the level of communication was at the absolute highest level it could be and it was not like the Opera House were not in the room. They had the same seats around the table as the Government did, so they were part of that board, week in, week out. There were things that they brought to the table during the course of the project that were capital items that were not in the specification that we considered and, as a board, we agreed and put those into the project. Now, if we were being belligerent, we would say: "No, they were not part of the scope, they are not going to happen." But we considered them in the round and if they made for a better Opera House, or an Opera House that could operate and be more functional, then we looked at them in the round, and we approved them, and they were outside of the specification. Now, when it came to the technical equipment, there are 2 elements to that. There is the cabling in the building and there are the bits of equipment that plug into the end of that cabling. Those things were brought to our attention at a point where we said: "Right, fine, if these need to be considered like the other items, then we will pause and we will consider them; bring the information to the board." The information that came to the board, just around one of those things, the cabling started at £60,000, it went to £120,000, it went to £600,000, it went to £1.2 million. You cannot pause the project for ever because the next question is: "Why are you late delivering this project? Or why are you over budget with this project?" They did bring the information to us, but it was never a stabilised amount of information that we could consider in the round. It was a single supplier, as the Minister said, and it was a price that was never ...

The Minister for Sustainable Economic Development:

It kept moving.

Head of Local Economy:

... give or take 5 per cent or 10 per cent. It was a price that was doubling every few weeks. We had a project to get on with. We had a contract with a contractor who was live on site. As it was, it took a huge amount of courage to say to the contractor: "Could you pause, take your men off site for 2 weeks while we work with the Opera House to try and get this price stabilised?" When they got that price stabilised with the equipment that plugs on to the end of the cables, we are talking of a figure of over £2.5 million. Now, it was the job of the Opera House to identify this thing. They are the people who for 20-plus years have run this venue. They should have known what the condition of that equipment was and built it into the spec and had every opportunity to communicate that through the course of sitting down with us every 2 weeks for 2-and-a-bit years.

The Minister for Sustainable Economic Development:

I am unimpressed, I have to say, by the way the Opera House Limited, which has been funded - its wages have been funded since COVID - by the way they have engaged on this particular matter.

Deputy M. Tadier:

Is there any reason you did not put the Opera House board out to tender? I mean, you have got a board that ... you are getting a new Opera House. Could you not just have asked for expressions of interest for somebody to run the Opera House?

The Minister for Sustainable Economic Development:

We could have

Deputy M. Tadier:

Why was that not done?

The Minister for Sustainable Economic Development:

But we were working with the people who were already there. They had run it for 20 years, and it seemed like we would carry on working with them. We have done that. But I am at that point where I need to make some decisions about which company will continue to operate the Opera House.

Deputy K.M. Wilson:

In the interim, what will you be doing with the company to make sure that some of their aspirations and ambitions, because I think what is at the bottom of this is they wanted to match your ambition for the Opera House in terms of providing the kit and the equipment to deliver a really good experience for people? So how are you going to manage that relationship between now and over the next couple of months, given the scenario that we have just talked about?

The Minister for Sustainable Economic Development:

I think it is really important. I think there is sometimes a desire, particularly in the political realm, to say that everything should be gold-plated and everything should be perfect at day one. I have a different approach to things. I believe Jersey needs to be enterprising, and that means you work with what you have today and you work in a way which helps you build to a greater future. That is what the Opera House need to do. They need to work with what they have today, and they need to have a business plan. Believe me, they have not supplied me with a business plan, which was meant to be delivered in October but we got last week.

Head of Local Economy:

This week.

The Minister for Sustainable Economic Development:

They had not supplied me with a decent business plan to show how they were going to do this. Rather they preferred to run to the media and say: "Oh, we have not got what we wanted." And I say: "No, work with what you have got and build it to a better future." That is how you deliver things, that is how we have to deliver everything in Jersey. It is not like the end of this ...

Deputy K.M. Wilson:

I accept that, I just wanted ...

The Minister for Sustainable Economic Development:

Sorry, Deputy, if I could just quickly say ...

Deputy K.M. Wilson:

I just want to be clear, so what you are saying is that in the business plan that you are expecting them to be clear about what they need in terms of technological support.

The Minister for Sustainable Economic Development:

They have technology.

Head of Local Economy:

No.

Chief Officer, Economy:

It is to say: "This is what we can deliver." The day for: "We cannot deliver unless XYZ", focus on what we can deliver. We cannot host a football cup final in a 30,000-seater stadium because we do not have one. We do not have a 10,000-seat indoor arena. Lots of things we do not have that if you had a wish list and unlimited money you would look to do to try and attract people into Jersey. This latest technology that the Opera House board are seeking is exactly that; it is a wish list. They have to get open and focus on what they can deliver, and Government is committed to work with them over the medium term to see if there are ways either to find money in the government budgets in future years, or to help raise money philanthropically. Because it is unforgivable that the Opera House board starts a campaign to fund these improvements literally the day the keys are handed over of the completed building. They should already have a programme ready to go.

The Minister for Sustainable Economic Development:

They have had 3 years to be funding these improvements.

Deputy M. Tadier:

Can I just interject? I referred to ... we had a meeting in March last year and it was with the 2 officers that I mentioned from your department and the file note we have got says: "The panel asked if it was worth spending extra to accommodate all types of shows and ensuring that the staging is fit for purpose. The S.P.M. [so I think that is the project manager] advised that this aspect informed part of the original specification and condition survey in 2019, which included health and safety disabled access." So he has told us that that should have been included in 2019 ...

The Minister for Sustainable Economic Development:

It would have been included.

Deputy M. Tadier:

... the spec that would have allowed the Opera House to accommodate all types of shows.

The Minister for Sustainable Economic Development:

What do they mean by "all types"? It will never be able to accommodate all types of shows. So what do they mean by "all types of shows"?

Deputy M. Tadier:

So if this £2.5 million was spent on the technology that was up-to-date that they needed, they would be able to host a variety of performances that they cannot currently do.

The Minister for Sustainable Economic Development:

And this is in March 2024.

Deputy M. Tadier:

This was last year that we had that meeting.

The Minister for Sustainable Economic Development:

This was mid-project?

Head of Local Economy:

Yes, this is around the time where we stopped the project to enable the Opera House to bring forward a specification on the equipment and a solution to the funding of it.

Deputy M. Tadier:

So that was in March. I guess what I am getting down to ...

Head of Local Economy:

There was an onus on the Opera House ...

Deputy M. Tadier:

I do not take any pleasure of this but we have got a brand new Opera House ...

The Minister for Sustainable Economic Development:

I do not take any pleasure in it either, because I am answering for other people's failures.

Deputy M. Tadier:

Yes, and you are the Minister.

The Minister for Sustainable Economic Development:

No, this is a Jersey Opera House's failures.

Deputy M. Tadier:

What we need to get to the bottom of is that this could have been resolved between March and now before the Opera House opened, or should be opening, so that they could have the spec that they need, and we decide who is going to pay for it. That is what it boils down to. Either they fund it themselves, it comes out of their grant, or Government contribute, or there is match funding. Those are the options and it seems that they will have this spec at some point because that is what they want. They find they have to raise the money themselves to do it, or Government will pay for it, so what is the solution?

Head of Local Economy:

So, the officers who made that comment are not the operators of the building and they never have been. There is only one party around the table that have ever operated the building, and that is the Opera House. If they can bring forward a price to a board and a specification that can be considered then it would have been considered, but that never happened. It is as straightforward as that.

The Minister for Sustainable Economic Development:

It is really important you understand, the Opera House have not delivered the information we needed at the right time for us to make those decisions in the favour that they wished. The Opera House has not done that. This is why I keep saying about I am answering for other people's failures, because they failed to provide the proper specifications, alternative opinions on what those specifications were, looking at alternative technologies. They failed to do that. In fact, they did not just fail; they refused to do that. I cannot sign off on one estimate from one company and that is it. That is them not doing their job.

Deputy M. Tadier:

What I am trying to get to ... we cannot test that allegation, they are not here to answer that, so we take that at face value from you. But the question is: when this technology has been identified and quotes have come in and you are satisfied that it is a reasonable quote, will you ultimately be paying for that technology or will you ask them to pay for it? Because it seems ...

The Minister for Sustainable Economic Development:

At the moment I imagine it will be a bit of both, to be honest with you.

Deputy M. Tadier:

Because it seems a bit academic for you to ask them to jump through hoops if you are not even going to pay for the spec.

The Minister for Sustainable Economic Development:

Who is asking who to jump through hoops? Are they asking me to jump through a hoop or am I asking them to jump through a hoop? I am asking them for normal due diligence and governance of a project. That is all I am asking of them. They are asking for £2.5 million of spend without any governance on that spend. That is a hoop. I am not asking them to jump through hoops, they are asking me to.

Deputy M. Tadier:

So the question I am trying to ask is: is it something that you are going to pay for?.

The Minister for Sustainable Economic Development:

I do not know. I will support and pay for the bits ...

Deputy M. Tadier:

Why would you ask them to provide evidence for something that you are not liable to pay for?

The Minister for Sustainable Economic Development:

It is not about who is liable to pay for. I do not understand what you are saying. They have not even provided us with enough evidence to know what to pay for and how much, which is the best way of paying for this. They have not provided that.

[14:30]

Once they have provided that we can then sit down and say: "Okay, well, I think we can pay for this bit as a Government. That makes sense, we will pay for that bit. But these bits you need to work

towards. As your business you will earn profit and you take a grant from Government, you can use some of that to fund some of it yourself." So either way, to be honest with you, Government is providing them with a grant or Government is possibly providing them with a capital injection. Government will be paying for a lot of it.

Chief Officer, Economy:

There is not a spare £2.5 million sitting there waiting to be allocated so the very basics are this is the work, this is the minimum viable proposition, this is the cost it will be, and this is the business case because again if this is spending or it is investing to create a better product then we are expecting to see a better return in terms of full house signs going up at the Opera House. So we want to see what the payback of that investment is.

Deputy M. Tadier:

What I want to get to, Minister, and I do not want to dwell on this all day. We have spent quite a lot of time on it. But the Chief Minister said on 21st January: "It has been identified that improvements can be made to technology and I am absolutely sure, having spoken to the Minister, that the Government will assist where possible." Is that statement correct?

The Minister for Sustainable Economic Development:

Yes, because we will assist where possible. I support it, but assist is not necessarily paid for. Assist is assist.

Deputy M. Tadier:

Can we ask for an update on that? Can we speak about the progress of that by the time we have our next meeting?

The Minister for Sustainable Economic Development:

I am sure we will have some progress by the time we have our next meeting.

Deputy M. Tadier:

Any questions from colleagues?

Deputy K.M. Wilson:

It was just the one thing around, in terms of the proposal that you got around the cost of the upgrades that they were seeking. What conversations you had. Did you just dismiss it out of hand or did you say there are some things that we can assist with or there are some things that we cannot?

The Minister for Sustainable Economic Development:

Before you quickly go on that, when it was brought to my attention, I cannot tell you the date, but it was mid-project, probably around March or April, I actually asked for the information. I said: "Can we get a second opinion, can we find out how much of this is necessary, are alternative technologies available, can we use alternative technologies or not?" Particularly because cabling is quite destructive so are there ways around that, such as wireless technologies, et cetera. What was brought back to me ... so I did not dismiss anything out of hand. I asked: "Can we understand this better?" and what was brought back to me by officers was an absolute refusal on the part of the Opera House to do to gather that information. That was what was reported to me.

Head of Local Economy:

There were 2 items on the table of requests from the Opera House. One was a flexible floor, which you will remember was spoken about. That was a £70,000 to £100,000 cost, which when we worked it through was more like a £350.000 to £400.000 cost, and that is why that was discounted from the project. Similarly, with the technical equipment and cabling, that price never stabilised. Other than the 2-week period where we took contractors off site and said: "Go and sort your stuff out" we expect ... this is fundamentally procurement. Whether it is done by Government officers or done by the Opera House, there is a process you go through. You have to adhere to simple principles like getting 3 quotes. What we had was one quote that was never stable. It was doubling every week, as people going: "Oh, yes, sorry, that is caveated, that is no longer £60,000, it is £120,000", that is making it more difficult. So that price went up, as I explained to you earlier. Simple principles of project management applied all the way through. We were good listeners, we put a lot into the Opera House that was not in the original spec, and I think it is frankly, as the person who led the project, disingenuous and difficult to deal with criticism when you have done things like stop the project in its tracks and take contractors off site to be able to accommodate requests. That simple procurement like: "Show us 3 quotes, give us an options paper." An options paper says we can go from do nothing to do something 6-star. We do not need 6-star perhaps in our Opera House in Jersey. Maybe we need something; 4.5-star or 5-star would be really nice. So we applaud ambition and a lot of the things we accommodated in the project were in that vein. They were things that would make the building run smoother for the operator and what have you. This was brought to the table in a manner that we were not able to ever get to a point where it could be considered seriously.

Deputy K.M. Wilson:

Just to be clear then, to finish this, what we have from you this afternoon is a willingness to get to a point where there is an agreement between the Opera House company and Government as to what will be funded and what will not be funded.

Head of Local Economy:

I think there is a principle which is, we wish to see the building open, we have audited the existing equipment in the building and been told by technical experts that that equipment is good to go and fit for purpose. It is not the latest, it is not the greatest and it is not future-proof. But here and now it is capable of delivering 6 out of 10 performances, let us say. We want to see, after 4 years of closure, the building open and value added back to Jersey people through performances in the Opera House. Then there is a twin track approach, Deputy, after that, which is the Opera House, which the Minister's budgets have funded for the last 4 years, needs to be fundraising in parallel with running a venue to enable that technical equipment to come on stream in the next year or 2. If it happens quickly ... they are fundraising and there are people out there who want to support that fundraising; it might happen very quickly. I do not wish to speak on behalf of the Chief Minister, but I think what he was saying was we want to see the venue open and we think in the background fundraising can continue, and my Minister is saying, and we have supported a team of people at that venue for the last 4 years who could have also been doing that fundraising rather than leaving it to the end of December 2024 to start that process. This is not something I think that the project board should shoulder any responsibility for. We did everything we could to be open-minded to ...

Chief Officer, Economy:

Fundamentally, this is brought in on time, marginally under budget, and it is inexcusable that the Opera House board does not have a programme of what can be delivered and open and being delivered now, and in parallel to have been delivering a fundraising campaign for this and a so that a proper business case could be considered as to where the missing one-third of events, or whatever it might be, could be delivered if there was extra investment in technology over time.

Deputy K.M. Wilson:

Are you assured that you are going to get the return on the investment that you are seeking?

Chief Officer, Economy:

We will have to see what the cost is. This is all about what can be done, as opposed to ... the focus is the wrong way around. The focus is what cannot be done. There is always going to be something missing in facilities, premises, technology, whatever it might be. We applaud the ambition but we cannot be all things to all people so let us focus on what we can do with what we have. £13 million has gone into making this a future-proof building. It has been brought in on time by the project team. It is unforgivable that it is not open delivering what it can in the current environment, while in parallel running commercially and seeking philanthropic donations that could be a bridge to more taxpayer funding going into additional technology that could be added at a later stage. That might provide the elusive 20 or 30 per cent of events that they believe could be attracted but cannot be staged at the moment.

Deputy M. Tadier:

Can I ask about the under budget? I seem to recall that there was a figure of £11.5 million originally and then someone came back to the States to ask for more money. Is that not right? Am I making that up?

The Minister for Sustainable Economic Development:

I do not remember.

Head of Local Economy:

It was £11.7 million I believe and then at the end of 2023 the Minister added an additional £1 million to the budget.

The Minister for Sustainable Economic Development:

For the first 12 months.

Deputy M. Tadier:

You cannot say it is on budget, under budget, then can you if you have come back to the States to ask for more money?

The Minister for Sustainable Economic Development:

That was before the project started, so when it finished it was within that envelope. Could I just say, and I appreciate that you have seen the frustration I have, it has been visible on my face and I understand that, but I am incredibly frustrated. I do not mind being criticised, I do not mind being criticised as a Minister for getting things wrong, but I know in this case we have not got things wrong and I know that on the other side the Opera House, from the way I see it, has not delivered what it should have been delivering as a company over the last 3 years, 4 years. They have been funded by the taxpayer and information that I have asked for has not been delivered to me, and I find it incredibly frustrating to then be pulled through the media because of other people's failures to deliver what they need to deliver to enable me to help them. I do think something needs to change in Jersey and that is, number one, organisations, third-party organisations, that receive government money need to operate within the budgets they have. They cannot just overspend and then expect Government to pick up the debt that they have incurred. We also need to see that organisations, where they are entrusted with government funding and £12 million of capital investments, that they operate in an enterprising fashion and they operate in a very co-operative and very like, say, enterprising ... entrepreneurial is the word I am looking for. That is what we need in Jersey. Just going to the media complaining and then expecting Government to just say: "Yes, have your millions of pounds that you are asking for" that is not appropriate. I think it is deeply dangerous for the Island and I think it is ...

Deputy M. Tadier:

There is something I need to ...

The Minister for Sustainable Economic Development:

I will just finish, sorry. I think it is deeply dangerous for the Island and I think my department, more than any other department, funds third-party organisations and we need those third-party organisations to be acting in a very professional manner within their budgets and doing their side of the bargain. It cannot be that this Island keeps turning to Government and saying: "Government must, Government must, People complain about big Government, well if you keep saying Government must, then Government will get bigger.

Deputy M. Tadier:

Minister, something we need to get to the bottom of and it is only because you have insisted on prolonging the discussion.

The Minister for Sustainable Economic Development:

I apologise.

Deputy M. Tadier:

On the one hand, you have talked about fundraising, so you are saying the Opera House need to raise their own funds to pay for this new spec.

The Minister for Sustainable Economic Development:

Some of that funding.

Deputy M. Tadier:

So why would you be asking them to provide estimates for something that they have to pay for?

The Minister for Sustainable Economic Development:

At the time, they were asking us to pay for it. So their request was, can we have £2.5 million to do this work. I said: "Do we have more than one quote?" The answer was no.

Deputy M. Tadier:

What we need to get to the bottom of is that this is specialist equipment. It would not usually be the case that they would pay for this out of their revenue grant.

The Minister for Sustainable Economic Development:

Why would it not be? Which bit of the equipment? You are talking very generally. Which bit of the equipment are you talking about?

Deputy M. Tadier:

What I am trying to get to is that on the one hand you have just said that they should be fundraising for this themselves to pay for this new equipment.

The Minister for Sustainable Economic Development:

At least some of it.

Deputy M. Tadier:

Some of it?

The Minister for Sustainable Economic Development:

Well, I said earlier that the Government may well be paying for some, they may well be paying some. I am open to all solutions on this, I am a very open-minded person, but they came to us with a request mid-project for millions of pounds on one quote.

Deputy M. Tadier:

This is what we need to get to the bottom of. Are you responsible for paying for that equipment or not?

The Minister for Sustainable Economic Development:

Genuinely?

Head of Local Economy:

If you have a scope for a project, no. Within the scope ...

The Minister for Sustainable Economic Development:

Within the scope of that project, absolutely not. Whether going forward ...

Deputy M. Tadier:

I am sure, in the past, when the Arts Centre have needed new equipment or replacement, they would usually put a capital bid in or a revenue bid. It would usually be for a capital project or a replacement and that would go to Government and they would say yes or no once they have received the due governance.

The Minister for Sustainable Economic Development:

That is exactly what has not been received from the Opera House.

Deputy M. Tadier:

But what we have not established here is that there is a dissonance between whether the Opera House need to pay for this new equipment or whether the Government needs to pay for it. Until that has been accepted ...

The Minister for Sustainable Economic Development:

The dissonance is understanding what equipment.

Deputy M. Tadier:

It does not matter what equipment.

The Minister for Sustainable Economic Development:

It does matter what equipment. It absolutely matters what equipment.

Deputy M. Tadier:

Okay, could you explain that?

The Minister for Sustainable Economic Development:

Yes, let us say it is a light, okay? There is a light, a stage light ...

Deputy M. Tadier:

You know it is not a light, though.

The Minister for Sustainable Economic Development:

Part of it is a light. One of the things they have asked for is a control board. I forget what the actual technical term is for it. A control board. Actually, you can argue either way, whether we should pay for it or they should pay for it. I believe they should pay for it because it is part of the movable equipment in the Opera House. We, as we have said, are providing a watertight building. We are the landlord. When you are a landlord, you do not pay for the T.V. (television) screen on the wall.

Deputy M. Tadier:

Property Holdings is the landlord.

The Minister for Sustainable Economic Development:

The tenant pays for the T.V.

Deputy M. Tadier:

Property Holdings are the landlord, are they not?

The Minister for Sustainable Economic Development:

The Government is the landlord.

Deputy M. Tadier:

It is Property Holdings, it is not your department.

The Minister for Sustainable Economic Development:

No, the Government is the landlord through Property Holdings.

Deputy M. Tadier:

But you are Minister for Culture, so you are responsible for providing a grant that is sufficient for them to run and put shows on.

The Minister for Sustainable Economic Development:

We have done that for 4 years where they put on ...

Deputy M. Tadier:

But not all shows. Just 6 out of 10 shows, potentially.

The Minister for Sustainable Economic Development:

I do not know what you are saying.

Chief Officer, Economy:

They may well state it is 6 out of 10 shows, and I think that is where we should be focusing our efforts. Why are they not staging 6 out of 10, because they are trying to hold everyone hostage for more taxpayers' money to do the extra 4 out of 10? So I think that is where the crux of the issue is. It is a matter of confidence in the Opera House board to come good with the right quotes that can be put ...

Deputy M. Tadier:

We may need to put this to the Opera House. It may well be that we need to do further piece of scrutiny on this. I think saying that they are holding taxpayers to hostage is quite a strong statement.

The Minister for Sustainable Economic Development:

It is entirely up to you. Say that again.

Deputy M. Tadier:

Saying that they are holding taxpayers to hostage is quite ...

The Minister for Sustainable Economic Development:

Who said that?

Chief Officer, Economy:

I just said that, because that is what it is. The Opera House could be open, staging productions today. The fact that it is not is a failing of the Jersey Opera House Board because they are wanting to say we need these extra things before we can open.

Deputy M. Tadier:

Do you have confidence in the board, Minister, in the Opera House board? You have said a lot of disparaging things about them. Do you have confidence in the board of the Opera House?

The Minister for Sustainable Economic Development:

I am yet to be satisfied to the extent that I can answer that question in the positive.

Deputy M. Tadier:

Okay, should we move on? This is quite an interesting topic but I think we have other areas to cover. We are likely not to get through ...

The Minister for Sustainable Economic Development:

Can I just say, Jersey has done an amazing thing with the Opera House and the way this whole questioning goes shows how we can amazingly snatch defeat from the jaws of victory. The fact that we are saying: "Oh, should it be you paying it?" and we are getting so caught up on something like that, when what we have is an amazing Opera House and an amazing project that has been done and we should be celebrating that. But, instead, we get caught up in genuinely a tit for tat. I just think it is an unbelievable sign of the obstacles this Island is going to have to overcome if that is how we approach things.

[14:45]

Where we do really, really well, we deliver something really well and what we get focused on is the criticism, not the celebration. The Island needs to learn to celebrate what we do well a lot better.

Deputy K.M. Wilson:

I think it is an argument about form and function, is it not? The form of the Opera House is superb in terms of its refurbishment, the question is whether it can function in the way that it could.

The Minister for Sustainable Economic Development:

Well, the Opera House ... any facility can be better.

Deputy M. Tadier:

Minister, can we move on?

The Minister for Sustainable Economic Development:

Any facility can be better. This facility can be better. The brand new government building can be better, that is always the case.

Deputy K.M. Wilson:

Yes, I think this is why we are trying to find out what the barriers are to that.

Deputy M. Tadier:

Minister, I do want to draw a line under the Opera House for now. We may need to come back to it in one form or another. I know that you have some other staff that are here that we want to hear from. We will turn to the legislation that is coming forward about shipping, if that is okay? It is question 4, and I will pass over to the Deputy Wilson.

Deputy K.M. Wilson:

The panel has noted the lodging of P.3/2024 and P.4/2024. It last posed this question on these issues in April last year. Can you just outline why it has taken so long to get us to this point?

Sector Head of Aviation and Maritime:

The scope of work to amend both the Shipping Law 2002 and the Inshore Harbour Safety Regs has been ongoing for some time, previous to the current Government. When we had the completed propositions on which we consulted in summer 2022 and approached lodging, it was felt on the advice by the Law Drafting Office that the propositions could be optimised just in terms of the way that language was expressed and so on. So the scope of work that has gone on has been to reshape and optimise the propositions, get them into the best shape possible before bringing them before the Assembly.

Deputy K.M. Wilson:

It has taken that length of time to do it? Have there been significant changes to it?

Sector Head of Aviation and Maritime:

No, not in terms of its legal effect, but it is a complex area of primary law, shipping law especially. As we have gone through it, there have been tweaks and changes that need to have been made on the advice of law officers.

Deputy K.M. Wilson:

In terms of any changes that have been made to the draft legislation, can you tell us if there has been any over this time and what they are?

Sector Head of Aviation and Maritime:

Again, Deputy, not to the legal effect. I think if we were to reflect on the development of these 2 propositions, and we do acknowledge it has taken some time, that would have been at the consultation phase. How we consulted was to obviously promote a consultation publicly and invite views. It is also fair to say this will have implications for the yachting and boating communities. We made sure that each of Jersey's boat owners associations and yacht clubs were written to directly and offered an in-person meeting with officers. But in terms of what we uncovered through the consultation process was that there was support from the public for the proposed changes to law, which is the change to the definition of vessel under the Shipping Law and also the introduction of new criminal offences in the Inshore Safety Regulations.

Chief Officer, Economy:

I think it is also fair to say there have been a number of background incidents that the law does help to address in other ways, but those have been working their way through different ... either court cases or other procedural inquiries that as they have concluded that also is quite instructive to how the laws developed.

Deputy K.M. Wilson:

Thank you. The amended law will also update articles relating to inquiries into marine incidents. Can you just talk us through these, please?

The Minister for Sustainable Economic Development:

It includes bringing up to date the provisions for the investigation of marine accidents involving Jersey ships or ships in Jersey waters. I have definitely asked Thomas to be more specific on that.

Sector Head of Aviation and Maritime:

Yes. At the moment, if there is a serious marine incident, the Minister issues a Ministerial Decision to instruct that a marine accident or marine safety investigation should take place. The proposition

proposes that this process should be eased so harbour authorities can begin that process more efficiently.

The Minister for Sustainable Economic Development:

It also helps us clarify responsibilities with regard to police and harbour authorities. I think it is really important and certain incidents in the past have helped us understand that there was a lack of clarity in those areas and so this will help us create that clarity so we know when the police are involved, when the harbour authorities are able to satisfy themselves with regard to an investigation done by themselves.

Deputy K.M. Wilson:

Sure. So it does not jeopardise some of those proceedings as well, okay.

Sector Head of Aviation and Maritime:

I would just also add, Deputy, that only this week, through a Ministerial Decision, Ports of Jersey Limited have published an enforcement policy which sets out their approach to both the policing of potential incidents and potential offences, but also its roles and responsibilities in the safety of Jersey's inshore harbours.

Deputy K.M. Wilson:

Thank you. Can you confirm, will there still be a publication of a report from the Minister as a result of those changes at all, in relation to those proceedings?

The Minister for Sustainable Economic Development:

That is on Jersey registered vessels.

Chief Officer, Economy:

You mean the ultimate report from a maritime incident?

Deputy K.M. Wilson:

From a maritime incident, yes.

Chief Officer, Economy:

It is customary for those to be published at the conclusion of investigations and any prosecution that is run in parallel with those investigations.

Deputy K.M. Wilson:

Right, so you will wait for all of those proceedings to be completed before you publish the report?

I think this depends on whether it is a Jersey registered vessel or not. For instance, a couple of years ago, there was a report of an incident that resulted in loss of life. The vessels involved in that were not Jersey registered vessels so the marine investigation reports do not come from Jersey, they come from the jurisdictions where those vessels are registered. I believe that is correct, is it not, Thomas? So the reports that the Minister here issues will be with regard to Jersey registered vessels. For instance, I know that I have had to issue reports via Ports of Jersey, on incidences in Croatia, in Greece, places like this, because they are Jersey registered vessels. One particularly awful incident in Jersey, neither vessel was Jersey registered. No, sorry, one of the vessels was Jersey registered, the fishing vessel, but the main vessel was flagged under the Bahamas, so the investigation was carried out by the Bahamas and the U.K. authorities. They would then issue that report, not the Minister in Jersey.

Deputy K.M. Wilson:

Okay. Can you confirm how expenses of an inquiry are currently covered and are there going to be any changes proposed under the amendments to the law?

The Minister for Sustainable Economic Development:

I do not believe there are any changes about the costs, et cetera.

Deputy M. Tadier:

There is something which I need to get straight in my head, maybe you can help me with that. In regards to the changes that are being made about alcohol consumption or drug usage.

The Minister for Sustainable Economic Development:

This is the Harbours Inshore Safety Regulations, P.3?

Deputy M. Tadier:

Yes, P.3.

The Minister for Sustainable Economic Development:

Rather than P.4.

Deputy M. Tadier:

Yes, exactly, is that all right to talk about that?

The Minister for Sustainable Economic Development:

Yes, absolutely. I am just aware that most of my previous answers are about P.4.

Deputy M. Tadier:

That is fine. We had them together in our question. Am I right in in thinking that alcohol consumption in itself and being over the limits prescribed in there are in itself not an offence? You can, for want of a better expression, get behind the wheel of a boat and you can be over the limit for driving, for example, and that is okay legally so long as you do not commit a subsequent offence?

Sector Head of Aviation and Maritime:

Under the proposal, there is no proposal to introduce a new offence of being drunk in charge of a vessel in the same way that there is, for example, an offence to be drunk in charge of a motor vehicle.

The Minister for Sustainable Economic Development:

Currently it is against the law to be under the influence of drugs, alcohol while in charge of a vessel. The problem we have had and we have identified is that there is no way of obliging testing for that.

Deputy M. Tadier:

What law is it that makes that an offence?

Sector Head of Aviation and Maritime:

The Inshore Harbours Regulations. The new offence would include being in dangerous operation of a ship.

Deputy M. Tadier:

I get that but, just to clarify, if you are over the limit - so if you drink 2 bottles of wine and get on a pilot ship today - even with this new law, is that a de facto offence?

Sector Head of Aviation and Maritime:

You could be in dangerous operation of the vessel.

Deputy M. Tadier:

But that requires another action, does it not? If you consume 2 or 3 bottles of wine, but you are you are piloting and driving perfectly safely, is that an offence?

Sector Head of Aviation and Maritime:

I will double-check with law officers and come back to the panel. But, as I said, in my inexpert legal view, I think that would amount to being in dangerous operation of a ship. But what we are saying

here is that the inclusion of drug and alcohol offences are the aggravating offences around the core new offences of causing death or serious injury by careless operation of a ship.

Deputy M. Tadier:

I think this is likely to be a sticking point in the debate because I think you can understand in a car it is quite clear, you do not need to be driving dangerously, you just need to be over the limit and then that is an offence in itself. I could report somebody who I think had 3 pints of beer ...

The Minister for Sustainable Economic Development:

I see what you mean, yes.

Deputy M. Tadier:

... and they will be stopped because there is reasonable ...

The Minister for Sustainable Economic Development:

I think I have discussed this in Scrutiny previously.

Deputy M. Tadier:

Yes, we have.

The Minister for Sustainable Economic Development:

Possibly. I cannot remember if it was this panel or the previous panel.

Deputy M. Tadier:

Because we are getting closer to the lodging, I think it is important for us to understand that this is not just a policing issue, it is the fact that the alcohol is an aggravating factor but it is not a sufficient factor for an offence to have been committed.

The Minister for Sustainable Economic Development:

So if you are sitting on your vessel, you are in charge of your vessel and you have consumed 3 bottles of wine, in itself, I do not think today that is an offence. These new laws equally do not make that an offence but what they do make an offence is, basically, if you do that and you then have some sort of collision, some sort of incident, these laws then make it possible to be tested for that alcohol.

Deputy M. Tadier:

But do you think that is the right balance?

This is what I responded last time, I do think it is the right balance. We could have gone down the road of a road safety measure where we say ... I do not know what the limit is in terms of micrograms, but however many micrograms per litre of blood and say: "If you have got this much in your blood, you are committing an offence." We could have gone down that road. I believe that that was too big a leap from where we are today, given that there were not many incidents. This is not something which is ... we do not see many incidents on the sea where this happens. So to say: "Right, we are going all the way to a drunken sailing offence", I think was wrong. In a sense, it is a halfway house, it is a first step towards that. What it is saying is, if you have an incident you can now be tested for alcohol or drugs. Should that be a positive test, then that will be an aggravating factor in dangerous operation of ships. So it is what you cannot do now. Previously, you could have an incident and you could refuse to be tested and there was nothing that could be done about that. So we have opened that door.

Deputy M. Tadier:

I guess the question is partly a political one about how comfortable you are and the Government are of sending a message out that it is okay to be drunk in charge of a vessel.

The Minister for Sustainable Economic Development:

That is a very cynical way of viewing the message.

Deputy M. Tadier:

No, it is factual.

The Minister for Sustainable Economic Development:

I do not think it is factual, I think it is ...

Deputy M. Tadier:

The legal position is that you can be drunk in charge of a vessel so long as it does not impinge on your capability.

The Minister for Sustainable Economic Development:

That has been the legal position for my lifetime and beyond. I do not think I am the first Minister to grab this and say we need to do something about it, and I would say that is a really good step in itself.

Deputy M. Tadier:

Is the reason so that you do not upset the boating community? It would be too much of a ...

No, The reason is that I want to make sure that you take people along with you. I do think that if your concern as Scrutiny is we should have gone to that whole level straight away, then that is fine. What I would say is, well, do not stop this legislation because all you will be doing is delaying the ability for that to happen. By bringing in this legislation, you are going one step down that road. If, as a Scrutiny Panel, you think it should then be further enhanced and to go all the way to a 100 micrograms per litre or whatever the number is, let us do that as a second stage. Let us not hold this up for that.

Deputy M. Tadier:

This is the point, you talked about the micrograms, but the micrograms are ...

The Minister for Sustainable Economic Development:

It is a bit like the Opera House. If you are always trying to get to purely perfect, you never achieve anything.

Deputy M. Tadier:

In terms of the micrograms, it is the same limits for driving, is it not? Is that correct? Can you confirm that you are using exactly the same limits as you would be for driving in terms of the offences, is that correct?

Sector Head of Aviation and Maritime:

In my understanding of the blood alcohol content level, yes.

Deputy M. Tadier:

Yes, so there is exact parity between how much alcohol you have got in your system for driving and for sailing. Do you accept that?

The Minister for Sustainable Economic Development:

Yes, I am happy to.

Deputy M. Tadier:

So we are suggesting a different limit, I do not think. It is just that there is something that does not sit right with me philosophically that you can drink as much as you like, get behind the wheel of a boat and that is okay so long as you are capable of steering that vessel. But you cannot do that in a car. You cannot say: "Look, I have got a really strong constitution and I am used to drinking 4 pints a day and drive" you still get put in prison, probably, and lose your licence.

Philosophically, I think there is a fundamental difference between the amount of traffic on the roads, the amount of people, the amount of children, the amount of pedestrians, the amount of cyclists, the amount of horses, the amount of tractors, the amount of buses, et cetera, compared to the amount of traffic on the seas. I think that is fundamentally where the difference is.

Deputy M. Tadier:

Even though we have had an incident recently with a big ferry and some fishermen, we do not know if that was an aggravating factor. When these things happen ...

[15:00]

The Minister for Sustainable Economic Development:

I am sorry, it is utterly inappropriate to talk about that, which is *sub judice*, in terms of aggravating factors because we have no idea.

Deputy M. Tadier:

I think the point is that when these incidents happen, they might not be as often but they still have deadly consequences, that is the issue, is it not?

The Minister for Sustainable Economic Development:

From your perspective it appears to be.

Deputy M. Tadier:

Is that not an issue? What is your message that you want to give out to people about alcohol and sailing?

The Minister for Sustainable Economic Development:

Well, I do want to give the message that people should not be inebriated while they are sailing and that they can now be tested for that, whereas previously they could not be tested for that. I think that in itself would give the message that they should not do it.

Deputy M. Tadier:

So why does the law not say that explicitly, that you cannot be inebriated and sail? Why is that not an offence?

The Minister for Sustainable Economic Development:

Well, I think the law does say it, it just has not made it an offence to be sat on your boat with alcohol.

Deputy M. Tadier:

Do you not understand you have contradicted yourself?

The Minister for Sustainable Economic Development:

No, I have not contradicted myself.

Deputy M. Tadier:

We will let the Hansard transcript record that. Okay, any other questions? No? Good, I think we will wrap this up. Thank you. We have got to 3.00 p.m. Minister, thank you for your time. Officers, thank you for coming. There will be areas that we might need to follow up on with letters, or possibly at a subsequent hearing, we will let you know in due course. Thank you.

[15:01]