

2024.06.25

### **3.7 Deputy M.B. Andrews of St. Helier North of the Minister for the Environment regarding a public funding strategy to achieve net zero carbon emissions (OQ.117/2024)**

Will the Minister advise what consideration, if any, has been given to a public funding strategy to achieve net zero carbon emissions, and if no consideration has been given, why not?

#### **Deputy S.G. Luce of Grouville and St. Martin (The Minister for the Environment):**

The development of a net zero financing strategy is an active workstream being taken on by officers at this time. At its heart the strategy will identify how Government will look at the costs of electrifying Jersey's vehicles and heating systems, alongside the work to minimise or remove all other forms of carbon emissions and, most importantly, how that will be paid for. This work represents strategic policy 3 of the Carbon Neutral Roadmap. The strategy will be informed by the principles agreed by this Assembly in the 2024-2027 Government Plan. These principles include ensuring the just transition, the adoption of polluter-pays measures and minimising the burden to future generations. The strategy will need to secure the revenue required to deliver the Carbon Neutral Roadmap and our transition to net zero. This is a major task and one which will need to be approached in phases. Officers are now developing policy proposals for the period 2026-2030 so these can be costed, and also looking at the associated emissions reductions and having them modelled. Profiling the level and timing of expenditure is vital if we are to raise the right amount of money at the right time. In specific answer to the Deputy's question, officers are actively working on the strategy at this time.

#### **3.7.1 Deputy M.B. Andrews:**

The Minister mentioned about having a phased approach which is something that I happen to agree with. Is the Minister in support of having say a 3 or 4-year programme that is to be delivered and then it will be reappraised with a new programme until 2015?

#### **Deputy S.G. Luce:**

The first phase of any net zero financing strategy is going to be presented to the States in 2026, that will be the new States Assembly, together with the proposals for the roadmap delivery plan for the period 2027-2030. This timing will ensure that the findings and recommendations of the independent Climate Council regarding the first 4 years of the Carbon Neutral Roadmap can be properly taken into account. The Climate Council are due to report during 2026 just before the general election, and the roadmap commits each new Assembly to approve the Carbon Neutral Roadmap Delivery Plan for its term of Government. Members will note of course that the current plan is due to end in 2025 but I have decided that it can be extended for a year as a continuation year to ensure that our 4-year delivery periods are aligned with both the Assembly and the Climate Council.

#### **3.7.2 Deputy J. Renouf:**

I think the new announcement there was that this Government will not be bringing forward any new funding proposals in terms of the Carbon Neutral Roadmap. Is the Minister concerned that we will lose momentum in terms of the journey to net zero given that new commitment?

#### **Deputy S.G. Luce:**

I am extremely keen to make sure that we do not lose momentum. As the Deputy and Assembly will know, the Climate Emergency Fund is currently receiving 9 pence a litre in fuel duty and

a proportion of vehicle emissions duty. Retaining and increasing these sources of revenue will be critical if we are going to have a realistic chance of meeting our emissions reductions targets, first of which falls in 2030. Before the Deputy asks the question, the target, of course he will know, is that by 2030 we are hoping to reduce by 68 per cent. I have to say at the end of 2022 the Island had only got 47 per cent of the way into that target, which leaves us a real challenge but one that I very much am up for and hope to get towards.

### **3.7.3 Deputy J. Renouf:**

I thank the Minister for that reply. Will the Minister state whether he has any plans to find any extra sources of funding perhaps by increasing the fuel levy or other measures, registration fees and so on, to enhance the Climate Emergency Fund during his term of office?

### **Deputy S.G. Luce:**

The Deputy is alluding to something which is absolutely correct, which of course is the fuel duty, and V.E.D. (vehicle emissions duty) receipts are going to decline over time as we successfully and hopefully transition towards electric vehicles. The most recent statistics I have is something over 40 per cent of Jersey vehicles being registered in the last few months have been electric. That is good but we will need to supplement the Climate Emergency Fund with additional revenue in the next few years, and we are going to have to look at polluter-pays taxes or charges and potentially capital from our own finance industry. Work has already commenced on a fuel duty replacement policy in line with current Government Plan commitment and we are also continuing to look at the tax charge levy on private jets at the airport.