

# **STATES OF JERSEY**



## **STABILISATION FUND: RESCINDMENT (P.154/2006) – COMMENTS**

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**Presented to the States on 4th December 2006  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

The Council of Ministers wholeheartedly supports the Minister for Treasury and Resources' proposals for a new fiscal framework and the establishment of a Stabilisation Fund and urges members to reject P.154/2006. The need for the new framework has been agreed by the States on several previous occasions. It is a fundamental part of the States Economic Growth Plan and without the new framework we would put in jeopardy a key component of the Fiscal Strategy.

The Council of Ministers would also like to draw attention to section 1.3 of the States Strategic Plan 2006-2011 which covers the requirement to achieve low inflation and in particular 1.3.4 which requires the Minister for Treasury and Resources to bring forward the details on how the Stabilisation Fund will operate.

If the rescindment of P.133/2006 is accepted then –

- we are likely to fail in Commitment One of our Strategic Plan;
- there will be a vacuum in a critical area of economic policy, which had been carefully developed to complement the Fiscal Strategy and economic Growth Plan;
- a key component of the new anti-inflation strategy will not be implemented; and
- the opportunity will be lost to establish a clearer policy for the Strategic Reserve.