

Dear Deputy Doublet,

My wife and I wish to register our disappointment with the proposed changes to the nursery funding regime by the States of Jersey.

Our first child, a girl, was born in November 2015, so the changes would first impact us in the 2019-20 academic year.

I moved to Jersey from the UK in April 2014 in order to establish a new business. Given the positive economic impact on the island, our business plans were supported by Locate Jersey and Jersey Finance. Our decision to move to Jersey was strongly encouraged by a perception that the island would be an excellent place to start a family, and that Government policy would be supportive of young families.

My comments are as follows:

1) **Our family finances.** As our combined annual income exceeds the £75,000 threshold, the changes would have a material negative impact on our family resources. We are trying to save money to buy a house. Furthermore, my wife intends to return to work on a part-time basis and is less incentivised to do so under the proposed new funding regime.

2) **Target demographic.** The proposal has the same economic effect as a tax increase for a specific portion of the population, i.e. people aged approximately 25 to 40 years old with young children. As a matter of principle we object to any tax increase (or subsidy decrease) for the younger generation as they strive to improve their financial situation. It is the older generation (i.e. those aged 45+) – the main beneficiaries of massive property price inflation in the past 20 years – who hold most of society's wealth and who have the deepest pockets to fund Government spending.

3) **The test – Income-based / £75,000 threshold.** We would like to understand (A) why the test for the removal of the subsidy is based on income, (B) why the threshold has been set at £75,000. At the moment I have a relatively high salary, but that is only a very crude indicator of my overall financial situation and of the affordability of the proposed changes. There are other couples in Jersey who might have a lower combined salary, but who have a stronger financial position; for example if they have received financial support from parents to buy a house, or if they undertake a less risky career than a start-up! Via a 20% Income Tax rate and a 1% Long-Term Care Charge, I am already contributing substantial tax revenue and this proposal has the same effect as a tax hike.

4) **Gender equality.** The likely consequence of the proposals will be to remove mothers from the island's workforce for a longer period of time. My wife and I believe that this is a regressive move for Jersey; women have more to contribute to the economy and society than simply looking after children.

My wife and I are supportive of efforts to improve the life chances of all children in Jersey, but the funding for such initiatives should not come from other young families who are trying to establish themselves in life. We understand the strains of the public finances, but we urge the Government to re-consider these proposals.

Yours sincerely