

3.1 Deputy G.P. Southern of St. Helier of the Minister for Treasury and Resources regarding the Chief Minister's commitment to inclusivity in relation to the Fiscal Strategy Steering Group:

A Happy New Year to the Minister whom I have not seen since the New Year. Following his undertaking on 3rd November 2009 to follow the Chief Minister's commitment to inclusivity, will the Minister state which members of the Fiscal Strategy Steering Group he considers to be proponents of progressive taxation?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

Running in parallel with the Comprehensive Spending Review, the aim of the Fiscal Strategy Review is to review all taxes and to consider options for tax rises, which I believe may be necessary in the future. The group will assess all options and, depending on the savings target that is achievable through the Comprehensive Spending Review, we will consult on recommended options for tax changes including any changes to Zero/Ten. The package or any proposals that will come forward will be progressive and I do not think it would be appropriate for me to express views on the individual members of the group and their views on taxation. They are a broad spread of Ministerial members including the vice-chair of P.A.C. (Public Accounts Committee).

3.1.1 Deputy G.P. Southern:

Can the Minister since he has hinted that the answers he will be producing or the consultation he will be producing will produce progressive tax measures, what those progressive tax measures might be?

Senator P.F.C. Ozouf:

It is far too early to say exactly what the package will be and what the overall extent of tax rises that will be necessary is. The work is underway, the research is underway, I have given the commitment that the package or any package that will be considered will be progressive and that is really all I can say at this time.

3.1.2 Deputy G.P. Southern:

If I may, if the Minister for Treasury and Resources is convinced that it will be a progressive package can he say what sort of progressive taxation measures he has in mind?

Senator P.F.C. Ozouf:

I am really not going to be drawn on any detail yet. The research and discussions are ongoing. When I am ready to describe and to consult on a preferred or a recommended option I will do so.

The Bailiff:

I think you have had 3 now, Deputy. Deputy Tadier.

3.1.3 Deputy M. Tadier of St. Brelade:

I am interested by the Minister's response. A moment ago he said that he affirmed that the taxation measures will be progressive, then he went on to say that it is far too early to say what those actual taxation methods will be. So surely in fact it is also too early to say whether or not the taxation measures will be progressive. Is that not the case?

Senator P.F.C. Ozouf:

Not at all, I think that you start out with the objective of a progressive system and you can apply a number of options and a number of variants of different taxes and different methodologies on that. You start with an assumption that it is going to be progressive and then work out the options.

3.1.4 Deputy M. Tadier:

Does the Minister also acknowledge that when we deal in these terms of progressive or regressive taxation we are talking about something which is subjective, and probably the Minister's view of progressive taxation is completely different to other Members in the Assembly?

Senator P.F.C. Ozouf:

It may well be so but I have been appointed and elected as the Minister for Treasury and Resources presumably with the confidence of the Assembly and I am going to bring forward any changes that matter for this Assembly to consider after considerable consultation, both with Members and the wider community.

3.1.5 Deputy T.M. Pitman of St. Helier:

It is a good game this. Could the Minister perhaps give some indication whether increasing the effective tax rate of the most wealthy on the Island might be included in his framework?

Senator P.F.C. Ozouf:

I do not regard the fiscal strategy as a game. **[Approbation]** It is a deadly serious piece of work together with the Comprehensive Spending Review and all options for taxation are going to be reviewed, all income levels are reviewed and I have also given the Assembly an indication that I will also be reviewing the 1(1)(k) policy but it is far too early for me to be drawn on any of the detail at this time. That will be a number of months away.

3.1.6 Deputy G.P. Southern:

Yes, I realise the post was somewhat heavy over the Christmas period but I have yet to receive my invitation to serve on this body and as one of those proponents - genuine proponents of progressive taxation - I thought the Treasury and Resources Minister would have done better in producing a more balanced set of Ministers or people to examine the possibles in front ...

The Bailiff:

So what is the question, Deputy? That was not a question.

Deputy G.P. Southern:

Would the Minister comment?

Senator P.F.C. Ozouf:

Deputy Southern will have his opportunity to review any proposals that are made, from the side of Scrutiny I believe. I believe that we have set up a system of government, which is separated out at the Executive from Scrutiny. Scrutiny's role, and they do a very good job, is to review and to hold Ministers to account in the progression of their policies. That is the fertile ground in which I think that Deputy Southern will no doubt serve in any proposals to the changes to the taxation system.