18/09/2024

EVie response to
Corporate Services Scrutiny Panel

Proposed Budget 2025-2028 Review

Background

The Corporate Services Scrutiny Panel is conducting a review of the Proposed Budget 2025-28 (P.51/2024), scheduled for debate commencing on 26th November 2024. EVie has been invited to provide comments and views on specific proposals related to sustainable transport, vehicle emissions, and fuel duties, among other areas.

EVie's General Comments:

While the inclusion of the Climate Emergency Fund in the 2025-2028 budget demonstrates a recognition of the need to address environmental concerns, there appears to be a missed opportunity to fully utilise this fund in driving meaningful progress towards sustainable transportation. The allocation of £1.2 million over four years – just 0.05% of the overall budget – stands in stark contrast to the scale of the challenge posed by the climate crisis. Considering Jersey declared a Climate Emergency in May 2019, a greater commitment to delivering on the Carbon Neutral Roadmap is essential.

Additionally, focusing solely on tailpipe emissions, while important, overlooks a significant contributor to overall carbon emissions: the embodied carbon in vehicle production, particularly for larger Battery Electric Vehicles (BEVs). Larger vehicles, regardless of their emissions profile, come with a higher environmental cost due to the energy and materials required for their production. As such, it may be beneficial to consider levying charges not just based on emissions but also on vehicle size. This could encourage the purchase of smaller, more resource-efficient vehicles, or even reduce overall car ownership – an important step towards creating a more sustainable transport system. Incentivising reduced car ownership and promoting shared mobility solutions can further accelerate progress towards carbon neutrality.

It would be highly beneficial for the Government to provide a detailed breakdown of how the Climate Emergency Fund will be used to address these issues, including investments in public transport, active travel initiatives, and vehicle-sharing programmes. A transparent, targeted approach could ensure that this limited budget has the maximum possible impact.

The absence of continued support for EV subsidies in this Budget is also notable. Encouraging wider adoption of electric vehicles is crucial to reducing our carbon footprint, and sustained government incentives have been key in many jurisdictions for accelerating this transition. Reintroducing or expanding EV subsidies could be a highly effective step, especially as the Island works toward its carbon-neutral targets.

In Relation to Specific Proposals:

- **Freeze on Fuel Duties**
  While the freeze on fuel duties helps alleviate some of the cost burden on households, it may be worth exploring parallel initiatives that simultaneously incentivise the transition to low-emission alternatives, ensuring that short-term relief does not undermine long-term sustainability goals.

- **Vehicle Emissions Duty (VED)**
  The proposed increases in VED for higher emission vehicles are a positive step. However, we suggest that levies should not only be placed on emissions but also on vehicle size and weight, which have a direct correlation to embodied carbon emissions. Larger BEVs, while emitting less during use, still carry a significant environmental cost in their production, and this should not be overlooked. A holistic approach, which incentivises smaller, more efficient vehicles or alternative modes of transport, would be more effective in reducing overall carbon impacts.

- **Second-hand Bicycle Margin Scheme**
  The proposed extension of GST regulations to second-hand bicycles is a promising move. This could be a valuable opportunity to further promote active travel through more affordable access to bicycles and e-bikes, both of which align with the Island's sustainability goals.

Future Considerations:

The Government's acknowledgement of the Carbon Neutral Roadmap is encouraging. However, with the recognition that additional funding is necessary, it is essential to develop a robust financing strategy that clearly lays out how these targets will be met in the coming years. This could involve new revenue streams, public-private partnerships, or innovative approaches such as vehicle-sharing schemes and infrastructure development for active travel.

We understand that transitioning to a more sustainable transport network involves balancing numerous priorities, and the current budget may reflect the early stages of this work. EVie is keen to support the Government's efforts and believes that with a stronger focus on specific initiatives, such as incentivising reduced car ownership and promoting shared mobility, along with greater transparency in fund allocation, we can collectively move closer to a carbon-neutral future.