



**THE STATES assembled on Tuesday  
27th September 2016, at 09.30 a.m. under  
the Presidency of the Deputy Bailiff,  
Timothy John Le Cocq, Esquire.**

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**His Excellency the Lieutenant Governor,  
General Sir John McColl, K.C.B., C.B.E., D.S.O.  
was present.**

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All members were present at roll call with the exception of –

Senator Philip Francis Cyril Ozouf – absent on States business  
Senator Lyndon John Farnham – en défaut (défaut raised at 10.04 a.m.)  
Connétable Leonard Norman of St. Clement – excused attendance (arrived in the Chamber at 11.29 a.m.)  
Deputy Kristina Louise Moore of St. Peter – excused attendance (arrived in the Chamber at 10.30 a.m.)  
Deputy Murray Julian Norton of St. Brelade – en défaut (défaut raised at 10.04 a.m.)

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Prayers read by the Greffier of the States

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#### **Documents presented or laid**

Draft Medium Term Financial Plan Addition for 2017 – 2019 (P.68/2016) – comments. Presented: 27th September 2016. <i>Education and Home Affairs Scrutiny Panel.</i>	P.68/2016. Com.(4)
Draft Medium Term Financial Plan Addition for 2017 – 2019 (P.68/2016) – seventh amendment (P.68/2016 Amd.(7)) – comments (P.68/2016 Amd.(7)Com.) – addendum. Presented: 27th September 2016. <i>Council of Ministers.</i>	P.68/2016. Amd.(7) Com.Add.

#### **Notification of lodged propositions**

Draft Criminal Justice (Young Offenders) (Jersey) Law 2014 (Appointed Day) Act 201-. Lodged: 27th September 2016. <i>Minister for Home Affairs.</i>	P.98/2016.
Draft Criminal Justice (Young Offenders) (Consequential Provisions) (Jersey) Regulations 201-. Lodged: 27th September 2016. <i>Minister for Home Affairs.</i>	P.99/2016.
Draft Criminal Justice (Young Offenders) (Placement Panel) (Jersey) Regulations 201-. Lodged: 27th September 2016. <i>Minister for Home Affairs.</i>	P.100/2016.

Draft Financial Services Ombudsman (Case-fee and Levy) (Amendment) (Jersey) Regulations 201-. P.101/2016.  
 Lodged: 27th September 2016.  
*Minister for Economic Development, Tourism, Sport and Culture.*

### **Draft Medium Term Financial Plan Addition for 2017 – 2019 P.68/2016**

THE STATES commenced consideration of the proposition of the Council of Ministers entitled ‘Draft Medium Term Financial Plan Addition for 2017 – 2019’ (P.68/2016).

THE STATES commenced consideration of an amendment of Deputy Geoffrey Peter Southern of St. Helier (P.68/2016) (Amendment 2) that: (1) after the words “in Summary Table B,” there should be inserted the words “except that the net revenue expenditure of the Chief Minister’s Department shall be increased in 2019 by £84,000 to fund the continued provision of 2 posts within the Statistics Unit.”; and (2) after the words “as set out in Summary Table C”, there should be inserted the words “except that the total proposed central contingency allocation for 2019 be decreased by £84,000”.

THE STATES acceded to a request by Deputy Geoffrey Peter Southern of St. Helier, in accordance with Standing Order 69(4), that his amendment (P.68/2016 Amd.(2)) be withdrawn.

THE STATES, adopting the request of Deputy Geoffrey Peter Southern of St. Helier, in accordance with Standing Order 26(7), agreed to reduce the minimum lodging period in respect of his amendment to paragraph (1) of the amendment of Senator Sarah Craig Ferguson (P.68/2016 Amd.(9)), that after paragraph (ii) there should be inserted the following new paragraph and the remaining paragraphs be renumbered accordingly –

- “(iii) assessing the potential additional tax revenue which could be generated from the introduction of progressive rates of tax for those households which fall into the top decile (10%) of equivalised household income;”

THE STATES commenced consideration of the amendment of Senator Sarah Craig Ferguson (P.68/2016 Amd.(9)) (as amended) that –

- (1) after the words “Summary Table B”, there should be inserted the words –

“except that the net revenue expenditure of the Chief Minister’s Department shall be increased by £30,000 in 2017 in order for that Department to commission an independent review of the tax system, including a quantification and explanation of changes in the profile of the taxpaying public since 2008 –

- (i) reconciling and explaining the changes in the number of taxpayers in the main bands defined as non-taxpayers, marginal band taxpayers and 20% taxpayers;
- (ii) assessing the income generated from companies trading in Jersey or owned by residents of Jersey;
- (iii) assessing the potential additional tax revenue which could be generated from the introduction of progressive rates of tax for those households which fall into the top decile (10%) of equivalised household income;
- (iv) assessing the overall effects on the economy resulting from high levels of immigration;

- (v) including an economic impact assessment of how each income quintile would be affected by proposed ‘user pays’ charges, and from the changes already imposed since the implementation of zero/10, which will be financed from the Contingency Fund and from other funds and reserves including the Strategic Reserve, and to consider the appropriateness of routing income from the proposed health charge directly to the Consolidated Fund; and
- (vi) reviewing the change in accounting treatment of income tax to assess the robustness of the tax estimate process and reviewing the model used for estimating tax,

precise terms of reference for the review to be agreed with the Corporate Services Scrutiny Panel, and the revenue head of expenditure of the Department for Infrastructure shall be increased by £3,000,000 in 2018”.

- (2) after the words “Summary Table C”, there should be inserted the words –

“except that there shall be a reduction of £30,000 in 2017 in respect of the independent review of the tax system and a reduction of £10.5 million in 2018 in respect of a delay to the implementation of the health charge and commercial waste charges during such time as the review of the tax system is completed, considered and implemented”;

- (3) in paragraph (c) the words “£7,500,000 in 2018 and” should be deleted.

THE STATES rejected paragraph (1) of an amendment of Senator Sarah Craig Ferguson (P.68/2016 Amd.(9)) (as amended) that after the words “Summary Table B”, there should be inserted the words –

“except that the net revenue expenditure of the Chief Minister’s Department shall be increased by £30,000 in 2017 in order for that Department to commission an independent review of the tax system, including a quantification and explanation of changes in the profile of the taxpaying public since 2008 –

- (i) reconciling and explaining the changes in the number of taxpayers in the main bands defined as non-taxpayers, marginal band taxpayers and 20% taxpayers;
- (ii) assessing the income generated from companies trading in Jersey or owned by residents of Jersey;
- (iii) assessing the potential additional tax revenue which could be generated from the introduction of progressive rates of tax for those households which fall into the top decile (10%) of equivalised household income;
- (iv) assessing the overall effects on the economy resulting from high levels of immigration;
- (v) including an economic impact assessment of how each income quintile would be affected by proposed ‘user pays’ charges, and from the changes already imposed since the implementation of zero/10, which will be financed from the Contingency Fund and from other funds and reserves including the Strategic Reserve, and to consider the appropriateness of routing income from the proposed health charge directly to the Consolidated Fund; and

- (vi) reviewing the change in accounting treatment of income tax to assess the robustness of the tax estimate process and reviewing the model used for estimating tax,

precise terms of reference for the review to be agreed with the Corporate Services Scrutiny panel, and the revenue head of expenditure of the Department for Infrastructure shall be increased by £3,000,000 in 2018”.

Members present voted as follows –

**POUR: 18**

Senator S.C. Ferguson  
 Connétable of St. Saviour  
 Connétable of St. John  
 Deputy J.A. Martin (H)  
 Deputy G.P. Southern (H)  
 Deputy of Grouville  
 Deputy J.A. Hilton (H)  
 Deputy J.A.N. Le Fondré (L)  
 Deputy K.C. Lewis (S)  
 Deputy M. Tadier (B)  
 Deputy of St. John  
 Deputy M.R. Higgins (H)  
 Deputy J.M. Maçon (S)  
 Deputy S.Y. Mézec (H)  
 Deputy L.M.C. Doublet (S)  
 Deputy R. Labey (H)  
 Deputy S.M. Bree (C)  
 Deputy T.A. McDonald (S)

**CONTRE: 30**

Senator P.F. Routier  
 Senator A.J.H. Maclean  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Senator A.K.F. Green  
 Connétable of St. Helier  
 Connétable of St. Clement  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Breilade  
 Connétable of St. Martin  
 Connétable of Grouville  
 Connétable of Trinity  
 Deputy of Trinity  
 Deputy E.J. Noel (L)  
 Deputy S.J. Pinel (C)  
 Deputy of St. Martin  
 Deputy R.G. Bryans (H)  
 Deputy of St. Peter  
 Deputy R.J. Rondel (H)  
 Deputy A.D. Lewis (H)  
 Deputy of St. Ouen  
 Deputy S.M. Wickenden (H)  
 Deputy M.J. Norton (B)  
 Deputy of St. Mary  
 Deputy G.J. Truscott (B)  
 Deputy P.D. McLinton (S)

**ABSTAIN: 0**

Following the rejection of paragraph(1) of the amendment of Senator Sarah Craig Ferguson (P.68/2016 Amd.(9)) (as amended), the Deputy Bailiff informed the Assembly that paragraphs (2) and (3) of the same amendment were deemed to have been withdrawn.

THE STATES, adopting an amendment of Deputy Montfort Tadier of St. Breilade (P.68/2016 Amd.(7)), agreed that after the words “Summary Table B,” there should be inserted the words “except that the revenue head of expenditure of the Department of Economic Development, Tourism, Sport and Culture shall be increased by £30,000 in 2017, 2018 and 2019 to support Jërriais and the revenue head of expenditure of the Department of Education shall be reduced in each of those years by the same amount”.

Members present voted as follows –

**POUR: 42**

**CONTRE: 0**

**ABSTAIN: 0**

Senator P.F. Routier  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Senator A.K.F. Green  
 Senator S.C. Ferguson  
 Connétable of St. Helier  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Brelade  
 Connétable of St. Martin  
 Connétable of St. Saviour  
 Connétable of Grouville  
 Connétable of St. John  
 Connétable of Trinity  
 Deputy J.A. Martin (H)  
 Deputy G.P. Southern (H)  
 Deputy of Grouville  
 Deputy J.A. Hilton (H)  
 Deputy J.A.N. Le Fondré (L)  
 Deputy of Trinity  
 Deputy K.C. Lewis (S)  
 Deputy M. Tadier (B)  
 Deputy M.R. Higgins (H)  
 Deputy J.M. Maçon (S)  
 Deputy S.J. Pinel (C)  
 Deputy R.G. Bryans (H)  
 Deputy of St. Peter  
 Deputy R.J. Rondel (H)  
 Deputy S.Y. Mézec (H)  
 Deputy A.D. Lewis (H)  
 Deputy of St. Ouen  
 Deputy R. Labey (H)  
 Deputy S.M. Wickenden (H)  
 Deputy S.M. Bree (C)  
 Deputy M.J. Norton (B)  
 Deputy T.A. McDonald (S)  
 Deputy of St. Mary  
 Deputy G.J. Truscott (B)  
 Deputy P.D. McLinton (S)

THE STATES commenced consideration of an amendment of Deputy Geoffrey Peter Southern of St. Helier (P.68/2016 Amd.) that: (1) after the words “in Summary Table B,” there should be inserted the words “except that the net revenue expenditure of the Education Department shall be increased for 2018 and 2019 by £240,000 and £480,000 respectively by not pre-empting through a States’ decision the proposed review of terms and conditions for teachers” and that after the words “as set out in Summary Table C” there should be inserted the words “except that the total proposed central contingency allocation for 2018 be decreased by £240,000 and by £480,000 in 2019”; and (2) after the words

“Summary Table C”, there should be inserted the words: “ except that there shall be a reduction of £30,000 in 2017 in respect of the independent review of the tax system and a reduction of £10.5 million in 2018 in respect of a delay to the implementation of the health charge and commercial waste charges during such time as the review of the tax system is completed, considered and implemented”; and (3) in paragraph (c), the words “£7,500,000 in 2018 and” should be deleted.

Senator Lyndon John Farnham, in accordance with the provisions of Standing Order 106(b), declared an interest not being of a direct financial nature, and remained in the Chamber for the duration of the debate on the amendment of Deputy Geoffrey Peter Southern of St. Helier (P.68/2016 Amd.).

### **Adjournment**

THE STATES adjourned, having agreed to reconvene on Wednesday 28th September 2016 to continue consideration of the proposition of the Council of Ministers entitled ‘Draft Medium Term Financial Plan Addition for 2017 – 2019’ (P.68/2016) and associated amendments, and the outstanding items of public business.

THE STATES rose at 5.33 p.m.

**DR. M. EGAN**

*Greffier of the States*