

2015.12.01

4.1 Connétable C.H. Taylor of St. John of the Minister for Treasury and Resources regarding the annual cost of collecting Vehicle Emission Duty:

Could the Minister advise the Assembly what the annual cost of collecting Vehicle Emission Duty is and state what the manpower requirements associated with this are, including the number of full-time equivalent staff required?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

I would ask my Assistant Minister to deal with this matter. He has been intimately involved in drawing up proposals for V.E.D. (Vehicle Emissions Duty). I would just make it clear to Members, that is my other Assistant Minister. Clearly the one just appointed has not had time to consider such matters. But my other Assistant Minister is Deputy Noel.

Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):

Vehicle Emissions Duty is an excise duty liable at the time a vehicle is first registered in the Island, imported to clear any liability and pay the V.E.D. to customs and immigration services in the same manner as all other excise custom duties and import G.S.T. (Goods and Services Tax), namely on the Customs and Excise System for Administration of Revenue known as C.E.S.A.R. Three customs and immigration officers are responsible for assisting the public with their online declarations and duty payments, including V.E.D. The cost of administering V.E.D. is not separately identified. Since the introduction of duty in 2010 no additional full-time equivalent staff have been required and the annual service budgets have not been increased. On a day-to-day basis there are 3 customs administration officers responsible for assisting the public with their declarations and duty payments, not V.E.D. specific. These officers deal with the customers' enquiries in the Customs public office as well as answering telephone mail enquiries. These officers also provide support to the Passport Office when required.

4.1.1 Deputy M. Tadier of St. Brelade:

The Assistant Minister will be aware, and also with his Transport hat on, that there are talks going on in Paris at the moment to do with climate change, known as COP21. Could the Minister outline what role V.E.D. plays when it comes to the overall fight in climate emissions, combatting climate change and what other tools there are in his box at Treasury?

Deputy E.J. Noel:

V.E.D. is designed to change behaviour to encourage those purchasing new vehicles or purchasing second-hand vehicles being imported into the Island to encourage them to buy vehicles that are low emissions. The proposals that we are going to be debating in 2 weeks' time in the Budget enhances those proposals to encourage more Islanders and businesses to import and register low emission vehicles.

4.1.2 Deputy M. Tadier:

Does the Assistant Minister accept that Vehicle Emissions Duty, as a tool for combating emissions, is limited because it does not capture any vehicles which are already in the Island, and that if he and his Ministers are serious about tackling emissions and Jersey doing its part in the global fight against climate change that he needs to be looking at more ways to tax consumption of fossil fuels rather

than simply importation of vehicles, some of which may be very modern and not particularly consuming?

Deputy E.J. Noel:

Another proposed Budget measure is the increase on duty on fuel, which will hopefully please Deputy Tadier in that respect, therefore taxing further duties on the consumption of fossil fuels. We are separately, wearing my Minister for Transport and Technical Services' hat, having discussions with the motor industry because they have brought forward a proposal to my department about bringing in an emissions duty on an annual basis for vehicles. It is not something that we look necessarily favourably on at the moment but we are in discussions with the industry to see how their proposals might work in the future. As I said, it is not current policy.

4.1.3 The Connétable of St. John:

I find it extraordinary that the Minister is unable to identify a cost for collecting this tax and I would ask him to do some more homework and to come back with an actual figure for the Assembly. Would the Minister do so please?

Deputy E.J. Noel:

I am afraid that I am advised that is not possible. The marginal cost of collecting V.E.D. is very small compared to the other duties that those 3 officers do. Detailed time records are not kept by staff and to do so would increase the cost and reduce their productivity.