



Deputy Sam Mézec  
Chair, Corporate Services Scrutiny Panel

For Attention of: Andrew Harris  
Scrutiny Office  
Morier House  
St Helier  
JE1 1DD

19<sup>th</sup> August 2022

Dear Deputy Mézec

**Mini Budget 2022**

As Chairman of the Jersey Consumer Council, I welcome the opportunity to provide the Scrutiny Panel with the views of our voluntary members, who come from all walks of life and represent all consumers in our Island.

We welcome the quick action being taken by the Chief Minister and her Government, and submit the below comments in relation to the Mini Budget proposal.

- **Income Tax Allowances:** Although this appears to be a positive move, we are concerned that any potential savings may not be felt for some time, and the likelihood is that they will be offset by the move to independent taxation and removal of prior year taxation.
- **Reduction of Social Security Contributions:** While this is welcomed, and will benefit all working Islanders, it will not benefit all Islanders, as pensioners and those not paying contributions will be unaffected. If the proposed action is taken, our members think it could be extended to the end of Q1 2023.
- **Increase of States Pension:** While this is much needed, we do believe the 7.7% increase will not immediately benefit pensioners and is less than inflation, which is likely to peak between winter 2022 and spring 2023. Furthermore, it will be virtually erased by the 5% JEC increase effective 1 January 2023.
- **Income Support:** This proposal will be of help to those receiving support already and should therefore be supported. However, there are still many Islanders who are just above the threshold and there is real concern that many pensioners not receiving income support will not ask for help.

- **GST on Imports:** We appreciate that the present government has inherited this move, and we welcome the delay to its implementation. As we have highlighted to the Scrutiny Panel previously, GST on imports negatively affects many Islanders and should not be reduced to £60. It is believed that the reason for the temporary delay is due to Amazon not being able to update their systems in time for the 1 January 2023 implementation date. If the reduction goes ahead, we suggest this could be extended to 1 January 2024.
- **Increases to Community Costs and Cold Weather Bonuses:** These will benefit low-income earners in a targeted manner and are welcomed. However, we still believe there are many Islanders just beneath the Government's radar who need help also.

All that said, and as already mentioned, we welcome the speed at which the new Government has responded to the cost of living crisis facing Islanders at the present time. While there will no doubt be a variety of opinions on the different measures contained within the new mini-budget, the overriding principle should be one of quick action, rather than lengthy scrutiny, debate and reflection. As I am sure you are no doubt aware, every singly penny counts for some of our Islanders at present and they are looking to their government for immediate help. Unfortunately, the previous government ignored the warnings and requests for action from the Consumer Council - and other agencies - earlier this year and we are now on the brink of entering the autumn, when we fear the cost of living situation will worsen still.

Our further recommendations which we feel may be worthy of consideration are:

- **Take GST off Food:** We think serious consideration should now be given to removing GST from food, as this would provide support to all Islanders. It is accepted this may not be possible to do immediately but the pandemic proved that where there is a will and immediate need, laws and systems can be changed quickly.
- **Support with Energy Costs:** This would provide support to all Islanders whether their supplier is the JEC, Island Energy or use heating oil.
  - Either a temporary removal of GST
  - Or, a £100 one off credit voucher
- **Temporarily Remove Fuel Duty:** In March, we suggested a three month removal of 9p of fuel duty (5p fuel duty and 4p environmental duty) which was rejected by the previous government. We are now five months further into the fuel crisis with no end to the Ukrainian conflict in sight, so again request the temporary removal until 31 December 2022.
- **Support with Doctor's Fees:** Some surgeries are charging up to £60 per visit which deters those with ill health to book appointments and in turn puts a strain on the hospital. By adjusting the doctor's reimbursement, surgeries could reduce their fees by £10-15 per visit.
- **Christmas Bonus:** A one-off payment this November, to help those on income support and a State pension.
- **VAT Equivalent Prices:** Review the practice of retailers, especially UK brands, who charge VAT equivalent prices on locally sold items, which several UK retailers do not declare to HMRC but instead explain as shipping and location costs.

- **Cap/Band Private Rental:** Consider a cap or rental band for private rental costs so that property types fall within a realistic cost.

We wish you and your Scrutiny Panel well with this important review and encourage you to, where possible, work with the government to implement help as soon as is practicably possible.

Yours sincerely,

Carl Walker  
**Chairman, Jersey Consumer Council**