

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 26th NOVEMBER 2019

COMMUNICATIONS BY THE PRESIDING OFFICER.....	4
1.1 Welcome to His Excellency the Lieutenant Governor	4
STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY	4
2. The Chief Minister made a statement regarding the Government Plan 2020–2023	4
2.1 Senator J.A.N. Le Fondré (The Chief Minister):	4
2.1.1 Deputy G.P. Southern of St. Helier:	6
2.1.2 Deputy G.P. Southern:	6
2.1.3 Deputy L.M.C. Doublet of St. Saviour:	6
2.1.4 Senator K.L. Moore:	7
2.1.5 Senator K.L. Moore:	7
2.1.6 Connétable D.W. Mezbourian of St. Lawrence:.....	7
2.1.7 Deputy M. Tadier of St. Brelade:.....	8
2.1.8 Deputy M. Tadier:.....	8
2.1.9 Deputy K.G. Pamplin of St. Saviour:	9
2.1.10 Deputy G.P. Southern:	9
PUBLIC BUSINESS.....	9
3. Government Plan 2020-2023 (P.71/2019)	10
3.1 Deputy S.J. Pinel of St. Clement (The Minister for Treasury and Resources):	11
3.2 Government Plan 2020-2023 (P.71/2019): fourth Amendment (P.71/2019 Amd.(4))..	17
3.2.1 Connétable M.K. Jackson of St. Brelade (Chair, Environment, Housing and Infrastructure Scrutiny Panel):	17
3.2.2 Deputy J.H. Young of St. Brelade:	19
3.2.3 Senator S.C. Ferguson:	21
3.2.4 Senator S.Y. Mézec:	22
3.2.5 Connétable A.S. Crowcroft of St. Helier:	22
3.2.6 Deputy L.B.E. Ash of Clement:.....	23
3.2.7 Deputy R.E. Huelin of St. Peter:.....	23
3.2.8 Deputy S.M. Wickenden of St. Helier:	24
3.2.9 Deputy J.H. Perchard of St. Saviour:	24
3.2.10 Deputy M. Tadier:	25
3.2.11 Deputy K.C. Lewis of St. Saviour:.....	26
3.2.12 Connétable R. Vibert of St. Peter:.....	27
3.2.13 Deputy K.F. Morel of St. Lawrence:.....	27
3.2.14 Deputy K.G. Pamplin:	30
3.2.15 The Connétable of St. Clement:	31

3.2.16	Deputy J.A. Martin of St. Helier:	32
3.2.17	Deputy R.J. Ward of St. Helier:	32
3.2.18	Deputy I. Gardiner of St. Helier:	34
3.2.19	Connétable R.A. Buchanan of St. Ouen:	34
3.2.20	Deputy G.P. Southern:	35
3.2.21	Connétable K. Shenton-Stone of St. Martin:	35
3.2.22	The Connétable of Grouville:	35
3.2.23	Deputy G.C. Guida of St. Lawrence:	36
3.2.24	Deputy C.F. Labey of Grouville:	37
3.2.25	Connétable J. Le Bailly of St. Mary:	37
3.2.26	The Connétable of St. Brelade:	38

LUNCHEON ADJOURNMENT PROPOSED 39

LUNCHEON ADJOURNMENT..... 39

3.3 Government Plan 2020-2023 (P.71/2019): tenth Amendment (P.71/2019 Amd.(10)).. 39

3.3.1	Deputy R.J. Ward:	39
-------	-------------------------	----

3.4 Government Plan 2020-2023 (P.71/2019): tenth Amendment (P.71/2019 Amd.(10)) - Amendment (P.71/2019 Amd.(10)Amd.) 41

3.4.1	Deputy K.F. Morel:	41
3.4.2	Deputy S.J. Pinel:	43
3.4.3	Deputy L.M.C. Doublet:	44
3.4.4	The Connétable of St. Helier:	44
3.4.5	The Connétable of St. Martin:	45
3.4.6	Deputy D. Johnson of St. Mary:	46
3.4.7	The Connétable of St. Ouen:	46
3.4.8	The Deputy of St. Peter:	47
3.4.9	Deputy J.H. Young:	47
3.4.10	Deputy R.J. Ward:	48
3.4.11	Deputy S.M. Wickenden:	51
3.4.12	Deputy L.B.E. Ash:	51
3.4.13	Deputy M. Tadier:	51
3.4.14	Deputy S.G. Luce of St. Martin:	52
3.4.15	Senator J.A.N. Le Fondré:	52
3.4.16	Deputy G.C. Guida:	53
3.4.17	The Connétable of St. Mary:	54
3.4.18	Deputy K.F. Morel:	54

3.5 Government Plan 2020 - 2023 (P.71/2019): tenth Amendment - as amended..... 58

3.5.1	Deputy S.J. Pinel:	59
3.5.2	Deputy S.M. Ahier of St. Helier:	59
3.5.3	Deputy M. Tadier:	59
3.5.4	Deputy J.H. Young:	60
3.5.5	The Connétable of Grouville:	61
3.5.6	Deputy G.C. Guida:	61
3.5.7	Senator S.Y. Mézec:	63
3.5.8	Senator L.J. Farnham:	64
3.5.9	Senator J.A.N. Le Fondré:	64
3.5.10	Deputy M.R. Higgins of St. Helier:	65
3.5.11	Deputy R.J. Ward:	65

Deputy R. Labey:	68
Senator L.J. Farnham:	68
Deputy K.G. Pamplin:	69
The Connétable of St. Brelade:	69
Deputy L.M.C. Doublet:.....	69
Deputy R. Labey:	70

3.6 Government Plan 2020-2023 (P.71/2019): thirteenth Amendment (P.17/2019 Amd.(13)

..... 71

3.6.1 The Deputy of St. Peter:.....	71
3.6.2 Deputy S.J. Pinel:.....	72
3.6.3 Senator S.Y. Mézec:	73
3.6.4 Deputy M.R. Higgins:.....	73
3.6.5 The Connétable of St. Brelade:	73
3.6.6 Deputy K.G. Pamplin:.....	74
3.6.7 Connétable S.A. Le Sueur-Rennard of St. Saviour:.....	74
3.6.8 Deputy R.J. Renouf of St. Ouen:	74
3.6.9 Senator S.W. Pallett:	76
3.6.10 Deputy K.F. Morel:	78
3.6.11 Senator J.A.N. Le Fondré:.....	78
3.6.12 Senator L.J. Farnham:	79
3.6.13 Deputy L.B.E. Ash:	80
3.6.14 The Deputy of St. Peter:	81

ADJOURNMENT..... 83

[9:33]

The Roll was called and the Dean led the Assembly in Prayer.

COMMUNICATIONS BY THE PRESIDING OFFICER

The Bailiff:

1.1 Welcome to His Excellency the Lieutenant Governor

As traditional, on behalf of Members, I welcome His Excellency again to the Chamber this morning.
[Approbation]

STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

2. The Chief Minister made a statement regarding the Government Plan 2020–2023

2.1 Senator J.A.N. Le Fondré (The Chief Minister):

Today we debate Jersey's first-ever, integrated, 4-year Government Plan.¹ In a short while, the Minister for Treasury and Resources will move the Government Plan Proposition and Budget statement. This will lead us into important and valuable discussions of some of the Plan's detailed proposals and the 23 Amendments that have been lodged for debate. Before she does so, I thought it would be useful to remind colleagues of the ambition for the Government Plan and to create the opportunity for Members to pose questions to me as Chief Minister, in advance of the commencement of the debate. This is an ambitious plan, and I am proud that it is so. Through the Plan, this Government is tackling the legacy issues of the past and investing for the long-term well-being of Islanders and the future sustainability of our Island. This first-ever Government Plan combines a 4-year package of spending, investment, efficiencies and modernisation proposals. It is designed to deliver the Common Strategic Policy priorities agreed unanimously by the States Assembly in 2018. It sets out 89 separate initiatives to deliver our 5 strategic priorities over the next 4 years, enabled by the necessary modernisation that will make their delivery possible. This is a prudent, comprehensive, costed plan, which increases funding where it is needed, in a way that is affordable each year. It is a plan that is focused on the long term, putting the sustainable well-being of future generations firmly at its heart. This Assembly will be making decisions in this debate which will benefit and protect future generations of Islanders. We are not just putting more money into the services that matter to Islanders, we are changing, upgrading and modernising how they are delivered to meet our community's needs for the long term. Last month, we launched the Jersey Care model, announcing how we are planning to move more health services into our communities closer to people's homes. We have also opened a new Listening Lounge for people facing mental health crises. We are investing in preventative support, creating more 'early help' and more mental health support, to help individuals and families to stay well; not just treat them when they are ill. We are continuing to invest in and turn around our Children's Services, so that our most vulnerable children receive the care they deserve and that that care is provided in Jersey whenever possible. In this Plan, for the first time ever, we are making the environment a priority. In 2020, we will be investing £5 million into protecting and valuing our environment, with the establishment of a Climate Emergency Fund. We are developing and funding a sustainable transport strategy and we are increasing protection for our countryside and natural habitats. At the same time, we are investing in the Jersey economy. I hardly need remind Members that firms here in Jersey face rising economic uncertainty globally, as well as the continued risk, associated with the U.K.'s (United Kingdom) exit of the European Union. This Government and this Assembly's commitment to our economy is unwavering. So, in this Plan, we maintain our focus on navigating Brexit, on raising Jersey's international profile and on increasing

¹ Please also see the diagram on page 84.

trade opportunities for Jersey businesses. We will reverse the real-terms decline in our Island's overseas aid contributions; aiding others, beyond our shores and fulfilling our responsibility as global citizens. We are also proposing to invest £359 million in the fabric of our Island; not just maintaining and upgrading our infrastructure, but providing work for Islanders and Island businesses for years to come. One of the legacy issues that my Government is tackling is reversing the chronic under-investment over many years in the people, processes and I.T. (information technology) systems that run our public services. In addition, the Plan also outlines the long-term structural pieces of work which we will be undertaking in 2020. I am pleased that so many Members attended a recent briefing on these matters and understood the urgent need to take action and to make the necessary investment. I am pleased that, in their report, Scrutiny colleagues share that view. It is absolutely critical that our public services are cybersafe, that they keep pace with technological change and that we provide safe, secure, front line services for Islanders and the back-end systems to deliver them. I expect and welcome continued close scrutiny of this programme of work. We have already proposed measures to avoid many of the risks typically associated with government I.T. projects. But together, we must make sure that this significant investment results in better services for our communities and businesses. The Minister for Treasury and Resources will be proposing the Government Plan shortly, to explain how the Council of Ministers proposes to balance spending and income. So, I will refrain from detailed financial comment in this statement; a self-sacrifice that only other accountants in this Chamber will fully appreciate, but one which, I am sure, Members will be entirely grateful for. But I do want to tackle a couple of misconceptions. The Government Plan has been criticised for proposing some moderate increases in charges and Impôts. The underlying charge is that this Government is taking money out of taxpayers' pockets when they can ill-afford it. In fact, affordability and the cost of living are central concerns for this Council of Ministers.

[9:45]

That is why the moderate increases to charges and Impôts, that we are proposing, either introduce a small rise for those who can better afford it, or nudge all of us towards positive behaviours, such as reducing drinking, smoking and driving. In financial terms, the money we raise from these increases will, broadly speaking, be offset by the increase in tax allowances, which this Plan also proposes. I am pleased to note that inflation today is at 2.7 per cent, down from the high of 4.5 per cent in June 2018. The rate of increase in the cost of living has slowed and that is to be welcomed, but we are not taking it for granted. That is why the Minister for Economic Development, Tourism, Sport and Culture has established the Inflation Strategy Group. It is also why I set up the Housing Policy Development Board, to work with the Minister for Children and Housing and bring forward wide-ranging reforms to improve the affordability and standard of housing in this Island. This Government has taken a prudent approach to public finances and to taxes in how we are funding the 5 strategic priorities. We took the principled position of putting our own house in order before seeking further tax contributions from Islanders. Our plan to generate £100 million of efficiencies is not just about making public services operate better, but allows those savings to be reinvested in the public services, so that general taxes do not need to rise. It means we can spend more on our priorities, while still balancing the books. But this is not just a nice-to-have: it is a requirement of the Public Finance Law, that we passed here less than 6 months ago, to ensure that all spending commitments are funded and that the budget balances. That is why the Government opposes the Amendment to separate consideration of the efficiencies from the other revenue and spending proposals because, in our view, they are an integral part of a coherent plan. The process of developing this first Government Plan has been complex and it has not been perfect. Colleagues have pointed out a number of areas for improvement in the Consolidated Scrutiny Report, as we have done internally too, as the Council of Ministers. So, I thank Scrutiny members for their constructive comments in this area. We will look to take them on board and improve the process next year. But I would like to suggest that these matters of process are matters for another day. Today, our focus should be on the substance of the Plan: on what this Government is proposing to do and the resources

we are planning to invest over the coming 4 years. In closing, I and my Council of Ministers are proud of this Government Plan. It is a serious, detailed plan through which we are taking difficult decisions head on. Through this Plan, we are tackling the legacy issues of the past and making critical, overdue investments for the long-term well-being of our Island and our fellow Islanders. Let me thank Members for their engagement so far and, in particular - I hope we are all in agreement with this - can I thank all of the staff of the Greffe for their dedicated work supporting all of us as Members in getting us to today. I look forward to answering any questions and the coming debate.

The Bailiff:

Thank you, Chief Minister. There now follows a period of 15 minutes of questions to the Chief Minister.

2.1.1 Deputy G.P. Southern of St. Helier:

The Chief Minister appears to be following the advice of the F.P.P. (Fiscal Policy Panel) to run the economy at a surplus. Does he not feel that this means an extension, rather than an end to austerity?

Senator J.A.N. Le Fondré:

No, in terms of the reference to the efficiency side of things, we have made the commitment that we are not proposing cuts to services, which would be the implication, I think, under austerity. We believe it sends a very clear message, though. It is about trying to live within our means and it is about delivering public services in an efficient manner.

2.1.2 Deputy G.P. Southern:

I never actually mentioned the word 'efficiencies'. The Chief Minister has gone on to that. But does he not feel that the efficiency savings will be very difficult to go through with - £100 million of efficiency services - and that effectively is going to mean some reduction in some services somewhere?

Senator J.A.N. Le Fondré:

It is not the intention. No doubt, under the Proposition that we all worked on, that Deputy Southern produced, that if there is that risk that will be identified as part of that 6-monthly Scrutiny review. The very clear intention is that we do not impact the services that the public receive, but we do ensure that they are delivered in an efficient manner. That is, hopefully, the subtlety.

2.1.3 Deputy L.M.C. Doublet of St. Saviour:

I want to ask the Chief Minister about equality, diversity and inclusion, which was a theme which was supposed to be running through the Government Plan. From the conversations that I have had with the Chief Minister, I know that he is starting to think about this, but I think it is fair to say that culture change has not happened yet, because I do not see the evidence really in the Plan and I have not heard anything in this speech today. But given the understanding that culture change does take time, can the Chief Minister just outline how he is going to address equality, diversity and inclusion at the highest levels in the organisation and throughout the States?

Senator J.A.N. Le Fondré:

As the Deputy knows, we had a very recent conversation on the subject. What I undertook to the Deputy is to arrange for her to meet directly one of the people who is involved in getting that at the high level within the organisation in ensuring that diversity does go through. But it is, in the conversations we have - also including at the States Employment Board and with the heads of H.R. (Human Resources) - it is very clear that that is in their minds, in terms of when they are dealing through their culture. I would say it is almost, as far as I can interpret for them, I would say it is something - particularly the new head of H.R. - it is already built into their D.N.A. (Deoxyribonucleic acid) and that is why I am expecting, therefore, the organisation to be changing under that sort of

leadership. We do know as well that, obviously, some of our key Directors General have been taking some initiative and the number 2s, in terms of supporting women in the workforce. It is not just the only factor, but it is an area which, I think, is very good news to see. So, I hope the Deputy will give me some feedback after her meeting and see where she feels that improvement is required. But we are all behind that theme and that agenda.

2.1.4 Senator K.L. Moore:

The Chief Minister described how the Government Plan is related to the 5 common strategic policies of this Assembly that was agreed by us earlier in his term. Could he describe how and when the sixth priority emerged of modernising government and why it takes the lion's share of spending?

Senator J.A.N. Le Fondré:

Actually, it did not. If one looks under section 6, which says 'Modernising Government', it is not only modernising Government, but at the very least the 4 ongoing initiatives, which this Assembly approved in the C.S.P. (Common Strategic Policy). If one goes to, for example, page 95, which talks about 'A modern effective public sector', you will see that is the second theme on the line. If one then goes to 'Sustainable long-term finances', which is on page 101, that one will be that box there. I will not go through it any further, but certainly those sections are what is being combined into chapter 6 of the Government Plan. Modernising Government is always going to take a lot of money and I make no apologies for that, because that is about delivering a better service for the public ultimately.

2.1.5 Senator K.L. Moore:

Does the Chief Minister then, in expressing his commitment to that spend, have confidence in those officers to deliver the good value for money for the public when dealing with such vast quantities of money, given that, in recent experience, there have been significant troubles in delivering a simple project such as Office 365 and, I should continue, the tax regime?

Senator J.A.N. Le Fondré:

The short answer is yes. The longer answer in terms of the technology, there will always be some elements of teething problems on the Office 365. I have had a very minor one. It will be sorted out in the next few days. If other Members are still having any issues, I am not aware of them, I have to say. Overall, what I will say is that the use, for example, of Teams I think has been really good. I have no doubt Deputy Wickenden will want to be talking about that later. In terms of the tax system, I think the tax system demonstrates the sheer problems of leaving a system alone, near enough, for something like 30 years. What has been very clear in going forward is making sure that the right architecture is put around future projects, to ensure that any similarly complicated systems come out with the right result. But the short answer is yes; I do have confidence in the team of officers that we have and the structures that are put in place to be delivering the I.T. changes that the Government as a whole, or the public sector as a whole, desperately need.

2.1.6 Connétable D.W. Mezbourian of St. Lawrence:

The Chief Minister tells us, or acknowledges, that the process of developing this Plan has been complex and it has not been perfect; those are his words. We know, from media reports, that a number of his Ministers have been critical of the Plan. Yet, in the penultimate paragraph, he tells us that they are proud of this Plan. But are they unanimous in their support? I would like the Chief Minister to tell us what the minimum number of Ministers was to approve the Government Plan. What was the requirement? When they sat around the table at their Council of Ministers' meetings how many Ministers were required to support this, for it to be carried forward?

Senator J.A.N. Le Fondré:

In strict terms, it is 7 out of 12, but what I will say, there was definitely more than that and in terms of the approval of the Plan overall, I cannot think of any registered dissent of people who were present on that day. I would have to go back and check, because I am always cautious, but I am as close to being as certain as I can be that in relation to the Government Plan as a whole, by far the majority and I think all Ministers, were behind it.

2.1.7 Deputy M. Tadier of St. Brelade:

The Chief Minister says that this Plan avoids raising taxes on the public and instead looks to bring in efficiencies for that, but does he not agree that that statement is not entirely true and, in fact, there are many tax rises in this Government Plan which are stealth taxes, if we look at the duty increases, if we look at the parking charges that are going up, for example. If we look at the fact that the long-term care charge is going up for all but the wealthiest in the Island, who could most afford to pay it. So, there are tax rises, but they are regressive tax rises which will hit Islanders who are least able to afford to pay it, because this Council of Ministers has failed to get to grips with even proportionate taxation, let alone regressive taxation.

Senator J.A.N. Le Fondré:

The short answer is no, I do not agree. The second answer is: I did not quite say what the Deputy has implied I said. What I said is: the underlying charge that this Government is taking money out of taxpayers' pockets where they can ill afford it and what are then referred to as the moderate increases to charges and Impôts. It is not no tax rises. That is moderate increases. What I was also making the point is that - and I will put the long-term care charge aside - but if one looks at the revenue raising measures to fund general Government expenditure, which are mostly from the Impôts side, they have been offset by the tax allowances that we have also increased. I think, if Members really want to check that and it is either on page 138, or 163, off the top of my head, which gives that analysis. It is the slide we put up the other day which broadly ... it is 163, left-hand column and says: 'General revenue total' out of all the measures that we are doing is a net £210,000. So that is personal income tax threshold increase is £6 million, which is therefore basically funded by various increases from the G.S.T. *de minimis*, alcohol duty, tobacco and fuel duty and that includes the climate emergency side. Obviously, if one does not smoke, or depending on what one drinks, there will be slightly more positive impacts than has been suggested. The long-term care I keep separate because, as we have said clearly before, the long-term care charge is to sort out the future viability of that fund. If we do nothing, it goes into deficit within a very short time and, therefore, doing nothing was not an option.

2.1.8 Deputy M. Tadier:

Of course, doing nothing is not an option, but the long-term care charge, which the Minister may not wish to talk about, is going to increase the tax burden on the vast majority of those who are already struggling to pay. The 'just about managings' in Jersey, the jam tomorrow perhaps, as the Minister for Social Security, but it would be jam today for them. Yet, the very wealthiest in the Island will be exempt from that tax charge above the cap. Does the Minister agree that we are not asking that he does nothing; we are asking that he fills the gap; he bridges the gap, but he scraps the cap.

Senator J.A.N. Le Fondré:

I like the rhyming. What I was going to say is I think that is going to be a debate that we are going to have later on this week. So let us keep the argument for then. What I will also point out, is that under the Minister for Social Security we have moved on some of the caps and we have gone up to £250,000.

[10:00]

That has been in play since July this year and that has been, broadly speaking, accepted by everyone ... certainly we have not had any major pushback. I will say - and as the Deputy will see later - we have had some adverse remarks about some of the other proposals much more recently.

2.1.9 Deputy K.G. Pamplin of St. Saviour:

This has been a curious process for me as a new States Member to go through, but my instinct tells me that there may be a new and different way of doing things and how we generally can measure the well-being of Islanders for the next 100 years. It is probably a bold statement, but does he agree with me that there is a new way of doing things that we can measure the well-being of this Island for what it is now? It is not dictated to by the value of G.D.P. (gross domestic profit), which is very important, but we look at the overall picture here of the Island's well-being and set a new course for generations to come?

Senator J.A.N. Le Fondré:

There is an issue between measuring and what the course dictates, but I am always going to pause because we do end up ... when we get into measuring it gets into the Statistics Department and they have various interesting views on that. But they do have various indices, I think, around satisfaction of life, or happiness, or something, I cannot remember the exact expressions. In that principle, I would agree that there will be alternative ways of measuring the success of the Island other than just pure G.D.P. and G.V.A. (gross value added). Obviously, the Public Finances Law also has the requirement in it - as the Minister for Education was just reminding me - in terms of taking account of the well-being of Islanders. Obviously, what we have been looking at within the Plan is around standard of living, which is one of the objectives to improve the areas that we all know need improving as that starting point. Looking ahead longer term; possibly in 10 years, I suspect, the Deputy will be in a far better position to influence that than possibly I will be.

2.1.10 Deputy G.P. Southern:

Does the Chief Minister not agree that there is far too much long-term vision contained in the pretty words in this Government Plan and not enough immediate action on what needs to be done today? Will he, for example, not change his attitude to making G.P.s (general practitioners) affordable and amend, rather than oppose, the proposal on helping people to deal with what must be a big burden, a £45 bill on any bases?

Senator J.A.N. Le Fondré:

Again, I note this is another debate we are going to be having later. I am sure the Deputy will be delighted to listen to the wise words of the Minister for Social Security, who will clarify our position on that front. In terms of long term versus short term, I am very pleased that we have identified various long-term actions that we do need to be taking. But do not forget, in terms of immediate action, we have put money into the Climate Emergency Fund, subject to the approval of this Plan. We have taken measures to ensure there is some funding for that going forward. We are putting resources into mental health services and obviously we are taking action on Children's Services. Those are all far more immediate actions. I would suggest it is a good balance between the actions we are taking during the course of this next year and having put money in place urgently to allow Members to make decisions and to be able to implement them, rather than having a decision to implement and then a discussion of where we are going to fund it from, but also then keeping an eye on the longer-term aspects, which we do need to do. For far too long, politicians take the very easy quick fixes of sorting things out in their own political term and leaving the difficult decisions for the next Assembly to deal with. I am trying not to do that.

PUBLIC BUSINESS

3. Government Plan 2020-2023 (P.71/2019)

The Bailiff:

Very well. That brings the time allocated to questions to the Chief Minister to an end and we move on now to the first item of Public Business, which is the Government Plan 2020-2023, lodged by the Council of Ministers. Chief Minister, I understand that you wish to take it as read, as amended, your Amendment 22, is that correct?

Senator J.A.N. Le Fondré:

Yes, Sir.

The Bailiff:

Could I ask the Greffier to read the Proposition, as amended?

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion to receive the Government Plan 2020-2023, specified in Article 9(1) of the Public Finances (Jersey) 2019 ('the Law') and specifically - (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2020 as set out in Appendix 2 - Summary Table 1 to the Report, which is inclusive of the proposed taxation and Impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law; and (b) to approve each major project that is to be started, or continued, in 2020 and the total cost of each such project, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 2 to the Report; and (c) to approve the proposed amount to be appropriated from the Consolidated Fund for 2020, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law and set out in Appendix 2 - Summary Tables 3(i) and (ii) of the Report; except that in Summary Table 3(i) the head of expenditure for reserve for centrally held items should be decreased by £1,400,000 with other affected lines in Summary Table 3(i) to be amended accordingly; and (d) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2020 in line with Article 9(2)(h) of the Law and set out in Appendix 2 - Summary Table 4 to the Report; and (e) to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2020 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 - Summary Table 5 to the Report; and (f) to approve - (i) the establishment of a 'Climate Emergency Fund', in accordance with the provisions of Article 6 of the Law, as set out at Appendix 3 to the Report; and (ii) the estimated income and expenditure proposals for the Climate Emergency Fund for 2020 as set out in Appendix 2 - Summary Table 6 to the Report; and (g) to approve the amounts to be transferred from one States fund to another for 2020 in line with Article 9(2)(b) as set out in Appendix 2 - Summary Table 7 to the Report, except that in Summary Table 7, the transfer from the Consolidated Fund to the Stabilisation Fund should be amended to £28 million, with other affected lines in Summary Table 7 to be amended accordingly; and (h) to approve the estimated income and expenditure of the Social Security, Health Insurance and Long-Term Care Funds for 2020 set out in Appendix 2 - Summary Tables 8(i), (ii) and (iii) to the Report, with - (i) the estimated income to be raised from existing social security contributions defined in the Social Security Law and the proposed changes to contribution liability; and (ii) the estimated expenditure to be paid to support the existing benefits and functions defined in the Social Security Law, the Health Insurance Law and the Long-Term Care Funds and new benefits, if any, to be paid from the Funds; and (i) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2020-2023, as set out at Appendix 4 to the Report.

The Bailiff:

I should draw to the attention of Members the addendum to the Government Plan, which was presented on 12th November. Appendix 3 sets out the revised Summary Tables for the Proposition,

which incorporate, as I understand it, the latest income forecasts from the Income Forecasting Group and it is these tables that will be approved in the Proposition, so that is the tables to which Members should have regard.

3.1 Deputy S.J. Pinel of St. Clement (The Minister for Treasury and Resources):

This is the first Government Plan for Jersey and I am proud to propose it. This year, following the agreement of our new Public Finances Law, we have brought together our spending and income-raising plans for the first time, to help us to achieve the strategic priorities unanimously agreed by this Assembly in 2018. This Plan has been put together, agreed and backed by all the Council of Ministers. As Minister for Treasury and Resources, I am going to present to you the financial part of the Plan. Last year I spoke of my 3 A, B, C principles: affordability, balance and common sense. This year, these principles have continued to play a key role in ensuring that Government finances remain affordable and sustainable with a long-term fiscal approach. First I will turn to the economic outlook. In a year where Brexit had caused so much uncertainty, the contribution and advice from the Fiscal Policy Panel was, as always, invaluable in assisting us to make sound and sensible decisions to protect the long-term financial sustainability of the Island. In March 2019, they published their advice for the Government Plan, including an updated assessment of Jersey's trend rates of economic growth. That assessment and their forecasts for the economy provide a sound and prudent basis on which to plan public spending. In October 2019, in their annual report, the Fiscal Policy Panel updated their economic forecast and also restated their economic assumptions for a no-deal Brexit scenario. This has been crucial for Jersey to consider the potential economic and fiscal consequences of no deal. They began by highlighting that Jersey is in a strong position, with economic performance markedly better than at the start of the decade, with robust public finances and a strong net asset position. But Jersey remains vulnerable to external risks, most notably the present slowdown in the global economy and the escalation of trade tensions between the U.S. (United States) and its trading partners and, most importantly, the economic uncertainty in our largest trading partner, the U.K. The U.K. economy has already slowed. In the 3 months to September, U.K. G.D.P. rose by 0.3 per cent, but was only 1 per cent higher than the same period a year ago, the lowest annual growth rate since 2010. Much of this slowdown can be attributed to ongoing certainty around Brexit. The U.K. economy is a crucial partner for Jersey, accounting for just under 90 per cent of our trade in goods and is key for our trade and business services, especially financial services. As a sterling jurisdiction, movements in the exchange rate bear directly on the economic outlook for Jersey. Having fallen by around 10 per cent against the euro and the U.S. dollar in the months following the Brexit referendum, the pound is now close to its 2009 trough and trade is at a historically low level. The outlook for the U.K. economy and sterling remains highly uncertain. The International Monetary Fund forecasts moderate growth for the U.K. in 2020, but that is based on the assumption of an orderly Brexit and a gradual transition to a new trade regime. In Jersey, economic growth has continued to strengthen with a fifth consecutive year of growth. 2018 saw growth in real terms after inflation of 1.4 per cent, driven by a return to growth in the finance sector of 2.2 per cent, after falling for 3 years. Growth in the non-finance sector was weaker overall at 0.8 per cent, but there was strong growth in the hotels, restaurants and bars sectors of over 5 per cent. The non-finance sector has now seen real growth for 6 years in a row. With economic growth has come continued growth in employment, with an increase of just under 500 people from June 2018 to a new record level in June 2019. It was particularly positive in finance and legal activities, reflecting a strong rise in business and profits in 2018. The number of people registered as actively seeking work in September 2019 was just 920; 50 lower than the same period last year. The central assumption by the Fiscal Policy Panel is that economic expansion will continue, with economic growth of at least 1 per cent for the next 2 years, though this is highly dependent on a favourable outcome to Brexit negotiations. The slowdown in global growth, trade tensions with the U.S. and Brexit uncertainty all present challenges to Jersey businesses. This is reflected in their response to the Business Tendency Survey, which suggests that activity in the economy has weakened a little

recently. The slowdown is expected to be temporary and business confidence should recover through 2020, as more certainty emerges over Brexit. Although high employment and low unemployment are welcome news for hardworking families, high inflation has challenged living standards in recent years. Average weekly earnings rose by 2.6 per cent over the year to June 2019, just lower than inflation over the same period, but inflation is falling. From a 6-year peak of 4.5 per cent in June 2018, it fell back to 2.7 per cent in September 2019.

[10:15]

This is good news for families worried about the rise in cost of living and for employers facing rising pay pressure. Much of the initial surge in inflation was driven by the depreciation in sterling after the E.U. (European Union) referendum, but the main driver of inflation over the past year has been housing costs, along with household and leisure services. The main risk to real earnings and living standards in Jersey is a disorderly Brexit, which could lead to a sharp fall in sterling and a sharp increase in inflation, with higher prices for imported goods. With a smooth Brexit and a continued economic expansion in Jersey, the F.P.P. forecasts inflation to remain low and real earnings to rise in 2020 and beyond, which brings me to the issue of our public finances, starting with reserves. At the end of October 2019, the Strategic Reserve, our rainy day fund, stood at £897 million, and the Social Security Reserve Fund was just over £1.92 billion. The Social Security Reserve Fund is a ring-fenced fund. The annual returns over the last 5 years have been 6.75 per cent and 8.83 per cent respectively, which is clearly good news for public finances. However, I would continue to urge caution, as ongoing global market volatility is likely to impact on our portfolio, with a reduction in equity returns offset by an improvement in returns from asset classes. This demonstrates the benefits of a well-diversified portfolio. Such volatility cannot be fully mitigated, but I am confident that the States portfolio will still achieve our long-term investment return objectives. Looking at any single year in isolation is not a good measure of performance for long-term investors, but we still expect to see further limited growth in these funds by this year-end, with the potential for the actual level of return in 2019 being above the 5-year performance I have just mentioned. While our balance sheet is in rude good health, the F.P.P.'s recent advice is sobering, suggesting that if we were to encounter the sudden and catastrophic events to our economy, or environment, that we hold the Strategic Reserve for, it might not be enough. We are certainly heeding that warning and will review our options over the coming year. Spending and growth: this brings me to the issue of public spending and investment in our priorities. We have presented a plan that safeguards the long-term financial sustainability of the Island's finances. The Government Plan presents balanced budgets in each year of the Plan after allowing for the transfers to the Stabilisation Fund, as recommended by the F.P.P. The Income Forecasting Group predicts lower States income for 2020 than was expected at the time of lodging the Government Plan. Based on the latest forecast of tax revenues, total States income for 2019 is now expected to be around £853 million, which is about £5 million lower than was predicted, but still a steady improvement on 2019. In 2020, total States income is projected to be around £882 million, but we have proposed some corresponding changes to inflation provisions and transfers to ensure that 2020 remains in balance. In support of the Minister for Social Security, Deputy Martin, we have also committed that, by the end of 2023, we will return the grant to the Social Security Fund to its full value, securing the future of pensions for Islanders. This will be a backstop position, as Ministers are also keen to debate how we maintain the value of contributions into the fund, without the burden continuing to fall on general taxpayers so heavily in the future. There will be further work needed in 2024, both to address the small shortfalls and to meet any additional expenditure pressures that may emerge and, indeed, any further changes in the economic outlook. This is part of the strength of the new process, that we consider the future in each Plan, but are able to react to changing circumstances as they emerge. To move to investment, alongside balancing the budgets, the Council of Ministers are also able to propose significant investment in the 5 common strategic priorities that this Assembly unanimously agreed. We have had the courage to begin to address areas which have been left neglected by previous underinvestment. This Government Plan sets out how we will deliver

on our priorities to make a difference to Islanders. We are investing more than £80 million of revenue in priorities in 2020 and this will rise to £135 million by 2023. This is in addition to inflation and so is a real investment in improving outcomes for Islanders. Some of this investment relates to work which has already begun and has been funded through additional allocations to date and the Council has considered these alongside new investments when making decisions. In 2020 we will invest £20 million in Putting Children First, continuing our programme of change to Children's Services, including addressing the recommendations made in the Care Inquiry. This includes investment of £6 million each year into higher education and will improve educational outcomes for early years through the Jersey Premium. We will invest £13 million in improving the well-being of Islanders. This includes recognising the importance of mental health, for which nearly £4 million has been allocated. We must also continue to reform and improve the standards of care and the new Jersey Care Model is critical to achieving this. Our economy is so important to our success and we must continue to develop and diversify, as well as ensuring we have a skilled workforce to support it. This includes looking outwards, through our External Relations and International Tax teams, but also closer to home, supporting the growth of the Island's digital sector and improving productivity through a new economic framework. We have also committed to restoring overseas aid to previous levels and then building it further, so we can hold our heads high, knowing that we are supporting those less fortunate than ourselves. **[Approbation]** However, we also recognise the needs of those within the Island and, particularly, affordability of housing for Islanders. The Housing Policy Development Board is completing its work, but we have already earmarked £10 million in 2021 to support this critical issue and we have committed to increasing spend on heritage, art and culture over the period of the Plan. We, as an Assembly, took the step to declare a climate change emergency. This Plan sets out a new Climate Emergency Fund, with an initial outlay of £5 million deposited into this fund, with plans for a growing revenue stream that will allow us to take action and protect our environment for future generations. In the New Year we will have further debate on how to respond to that emergency and our related sustainable transport strategy. If the Government Plan is agreed, there will be funds available in the Climate Emergency Fund to enable us to agree to work straight away, rather than waiting until the next Government Plan to agree further funding. This is an investment plan, that has been agreed by all of the Council of Ministers and ensures we are able to deliver against our priorities in 2020 and beyond. The modernisation of Government: to deliver these outcomes, it is vital that we invest in the underpinning foundations of our Government. This is rarely popular, but the importance is so often understated and has resulted in underinvestment in key enabling services in the past. We have, therefore, identified investment needed in some of our key enabling services, in I.T., in H.R. and in financial management. Modernising Government is critical to improving the services we provide, but it is also vital in making Government more efficient. Investment in our priorities is made possible through the delivery of efficiencies, but more fundamentally, we have a duty to ensure that the services we provide represent value for money for Islanders. We also need to debate what we fund as part of our capital investment programme. The approval of the new Public Finances (Jersey) Law in June 2019 provided, among other things, for a change in the way funding is allocated for projects within the Government's capital programme. This capital programme includes important investment. Making use of the large balance in the Consolidated Fund, we have been able to allocate funding to a number of key areas that have suffered from underinvestment in the past. The allocations are now, of course, being made on the funding that will be spent in that year. This move to funding annual cash requirements ensures that departments can get on with projects in a more timely manner, no longer needing to delay; their entire project funding is in place. Previously, projects were often hampered by a need to balance the total funding envelope in any one year and capital was often the expenditure smoothed out over a number of years to assist with that need. This is a positive change. Another difference you will see in this Plan's capital programme is the approval of schemes under a grouped head of expenditure. This change allows flexibility within the grouped head of expenditure across the named schemes. As you would expect, any such movements would have to follow an appropriate governance framework to

ensure any changes are made for the right reasons. Delayed projects no longer tie up budget and projects can be accelerated and are able to make use of funding that might become available. This is an ambitious capital programme, but it also demonstrates where we have been remiss in the past in terms of investing in our infrastructure, be that property, facilities, or I.T. infrastructure. You will have seen amounts requested under the headings of our hospital, Fort Regent, office strategy and Island sports facility, all big projects that need funding in 2020 to work through the process of making the case for the best solution. Once the right solution, or preferred option, has been identified, the detail will come back to the Assembly for approval. So what investment are we making into the capital programme for 2020? £11.2 million is required to progress and test a significant range of options before decisions over larger investment can be presented to the Assembly; £2.5 million is required to start a rolling programme of works to improve our buildings, with safeguarding, regulation of care and other discrimination law requirements to address; £2 million for school extensions and improvements, including playing field developments; a £24 million investment in our infrastructure, nearly £8 million of that being for the continuation of the development of new sewage treatment works and a much-needed £1.5 million to extend our foul sewer drainage network. In 2020, £25.5 million is required for I.T. solutions, £7.4 million of which relates to the integrated technology solution, which replaces outdated finance procurement and H.R. systems, plus £6.1 million that relates to cybersecurity, to ensure the safety of our Government data. The F.P.P. raised concerns over the effect of this proposed programme on our local economy, both in terms of potentially overheating the market, but also what we might do in the event of an economic slowdown. More than £40 million of the total £92 million is not construction works, so would not overheat that market and an estimated £24 million would not be delivered by an on-Island company. If there was a need to stimulate the economy, Government can ensure that work is delivered by on-Island providers, supporting local businesses and keeping people in jobs. This is the first year that our capital programme allocates funding on a cash required basis, so there may well be some optimism included in what we are aiming to deliver in 2020. The flexibility we have introduced in the Plan should help to ensure the right projects get the funding they need to progress.

[10:30]

Social welfare contributions: the Council of Ministers has reviewed the state of our main social welfare funds, the Social Security Fund and the Long-Term Care Fund. We have decided to increase employer and class 2 social security contributions by 0.5 per cent to 2.5 per cent on earnings in excess of the standard earnings limit of £53,304 to an increased upper earnings limit of £250,000, increased from £176,232. As flagged, when the Long-Term Care Fund was first introduced, rising demands on the fund, as our population ages, mean that contributions would always have to go up. In line with advice from the F.P.P. we consider the time is right to increase the long-term care contribution from 1 per cent to 2 per cent, to ensure that this fund can continue to support those who have need of it. The upper income cap for contributions also increases from £176,232 to £250,000, but the vast majority of Islanders will, of course, pay less than 2 per cent, due to the operation of marginal relief. We estimate that if we increase the contribution to 2 per cent, the average taxpayer will pay only 1 per cent. Making these changes will ensure the sustainability of our 2 main social welfare funds into the second half of the century, ensuring we are able to support a generation to come, without passing the bill for the older generations on to the younger ones. I now turn to my specific Budget proposals for 2020. The Government Plan based most of its calculations on an R.P.I. (Retail Price Index) rate of 3.1 per cent, as forecasted by the F.P.P. The September R.P.I. outturn was 2.7 per cent. The Council of Ministers has decided this year to revalorise all tax allowances by 3.1 per cent in line with the forecast R.P.I. employed in the Government Plan. Accordingly, we will also employ 3.1 per cent as the reference point for above inflation increases in the Impôts duties. Budget measures outside of social security measures are broadly neutral, with increases in allowances for general taxpayers being broadly equivalent to Impôts duty increases. I am proposing to increase the standard income allowance by £500 for a single person, in line with the forecast R.P.I. at the time that the Government

Plan was drafted. The married couple's standard income exemption threshold increases by £750 to £25,550. I also intend to increase the second earner's allowance by £250, to ensure parity between a married working couple and a cohabiting working couple. This will benefit approximately 42,000 taxpayers, reducing a single person's annual tax bill by £130 and that of a 2-income married couple, or civil partnership, by £260. This measure will take Jersey's personal income tax allowance for a single person to £15,900 in 2020. This compares very well with Guernsey's proposed allowance for 2020 of £11,575 and the U.K.'s current allowance of £12,500. It also maintains the equality achieved by my predecessor in his last Budget in the allowances between married and cohabiting couples where both partners are earning. Review of personal tax: I am delighted that last Friday I was able to lodge a clear Proposition to begin reforming our system for personal taxation. This will, at last, remove from Jersey tax law the archaic treatment of married women, which most jurisdictions dispensed with decades ago. **[Approbation]** I am also recommending, in the associated report, that the Assembly supports exploring further a scheme of independent taxation, which will include measures to protect over 8,000 low-income couples, at both ends of the age spectrum, who would otherwise suffer financial loss from this reform. I expect these changes to begin to take effect from 2021. I look forward to debating this in the New Year and I am delighted to be able to ring the death knell for some of the more archaic aspects of our tax law, which have been unchanged since 1928, when income tax was first introduced. I now turn to Impôts duties. In Jersey we have traditionally taxed alcohol, tobacco and road fuel to raise revenue to pay for public services, but like other governments around the world, we have increasingly recognised that these products can be damaging to health, to well-being and to the environment. The demand for these products is price-sensitive, so we can use taxation to incentivise people to change their behaviour, in line with its existing health and environmental strategies. At the same time, we can recover some of the costs of dealing with the harm that alcohol, tobacco and car usage create for our society, but there is a balance to be struck. The changes we are proposing this year reflect the continuing need to bear down on the consumption of alcohol and tobacco on health grounds and they also reflect the Assembly's decision to declare a climate emergency. The increase in fuel duty of 6 pence per litre includes 4 pence of that duty increase to establish a Climate Emergency Fund. This is a vital first step in responding to the climate emergency, intended to ensure funds are available next year, so that work can continue at pace once the Assembly considers plans, rather than waiting for measures to be developed and proposed. The Government has considered global evidence on the impact of alcohol and tobacco and fuel on health and the environment, but I have also had regard to the current inflationary pressures and the uncertainty caused by Brexit. I am proposing to increase standard and lower-strength beers by inflation, a penny on a standard pint. I am increasing higher-strength beers, ciders and wines by 12 per cent. Lower-strength wines increase by 3.1 per cent and table wine rises by 4.1 per cent. I propose to increase spirits by 14 per cent, mindful of advice from our health community and the trend towards increased consumption of spirits-based drinks by younger people. I consider that these proposals reflect the appropriate balance between those competing pressures of raising revenue, limiting inflation and achieving better health outcomes. Given the considerable impact of smoking on people's health and the cost to Government of treating smoke-related illnesses, I am taking a different approach to tobacco. I am increasing the duty on cigarettes by 8.1 per cent and hand-rolling tobacco by 11.1 per cent. This represents an extra 49 pence on a pack of 20 cigarettes. Duty rates on alcohol, tobacco and fuel remain significantly lower than U.K. levels. G.S.T. (Goods and Services Tax): in my 2019 Budget, I said that I recognised that the existence of the G.S.T. *de minimis* threshold for unaccompanied goods from offshore retailers is at odds with Jersey's tax policy principle that taxation should be low, broad, simple and fair. The current threshold is £240 of goods by value and this represents £12 in tax foregone on those goods. It is not fair, because it creates an uneven playing field between domestic and off-Island retailers. I recognise this inherent unfairness and I sympathise with High Street retailers in Jersey, who are struggling against competition from internet shopping. It is now considered cost effective to collect G.S.T. on lower-value importations, thanks to improvements in customs and postal processes and with a small increase in the number of customs

officers. I have therefore decided to align the G.S.T. *de minimis* level with the customs duty *de minimis* level at £135. The *de minimis* level for charging excise duty has also been reviewed and is set at £6.75 of duty. It is the longstanding position of previous Ministers for Treasury and Resources that the G.S.T. *de minimis* threshold will be abolished when it is practicable to do so and I continue to support that position, but I have to ensure that requiring off-Island online retailers to charge, collect and remit G.S.T. to Jersey will not result in those retailers simply withdrawing online services, harming consumer choice and reducing price competition. At this point in time, there is no practicable mechanism, or common system, for online retailers to charge, collect and pay G.S.T. to Jersey. We expect a time will come when the E.U. abolishes its own V.A.T. exemption for personal imports from outside the E.U. Once online retailers have invested in systems to meet E.U. requirements, we believe that they will be more willing to put processes in place for small jurisdictions like Jersey. I would now briefly like to address a range of other measures. Following a review of the tax treatment of mutual trading, Revenue Jersey has published guidance on the correct tax treatment of surpluses arising to the members of mutual societies. No further action was recommended by Revenue Jersey and I have accepted that advice. The review of whether to reduce the quantity of duty-free tobacco, which individuals can bring into Jersey, is now completed and I am not proposing any changes in this Budget. I propose to monitor post-Brexit trading arrangements with the U.K. and others before deciding how to proceed. I am pleased to propose changes to clarify the scope of the 10 per cent tax rate in relation to financing businesses. This greater certainty, a response to representations from industry, has been welcomed, especially in areas such as Islamic financing. I am also making some changes to allow a number of housing trusts to retain certain tax benefits now that they can no longer be treated as charities under the Charities (Jersey) Law. The draft Finance Law makes a number of changes to modernise the Income Tax Law following our work on the revenue transformation programme and consequentially upon introduction of the Economic Substance Law. These are all explained in plain English terms in the accompanying report. I have also tabled an Amendment to rectify a couple of errors, which have been discovered in our legal drafting in last year's Finance Law. These errors inadvertently excluded certain categories of taxpayer and tax payments from liability to late payment surcharge. The Amendment restores the *status quo*. Revenue administration: we also intended to make some more substantive changes to our Income Tax Law and Revenue Administration Law in this Plan, but I have agreed not to propose these Articles at this time, at the request of the Corporate Services Scrutiny Panel, to allow them more time to scrutinise. This does mean that we will be lodging 2 Amendment laws early in 2020 to amend the Income Tax (Jersey) Law 1961 and the Revenue Administration Law 2019. I said, last year, that officers in Treasury were working hard to deliver the new target operating model for the Treasury and Exchequer, not least in the context of revenue collection, where staff are currently building Revenue Jersey. This new function is now in place and has brought together the work of the old Taxes Office and the team dealing with the social security contributions. New computer systems were rolled out in May 2019 and are now functioning across the range of Revenue Jersey's work. In January, we will be introducing the option for Islanders to start filing their personal tax returns online, which is a huge leap forward for Jersey's digital programme to modernise public services. I am delighted that, after some delay, the Revenue Administration Law received Royal sanction in October 2019 and will be in force by January. This improves Revenue Jersey's ability to exchange information across Government where appropriate and creates a suite of civil penalties, which will speed up the compliance work of Revenue Jersey and encourage greater compliance among the taxpayer population. The new law also includes provisions for charging interest on tax debts. I have decided that those provisions should not commence until 2021, mindful of the delays that this new legislation has encountered and also the delays that Revenue Jersey has faced in completing its tax-assessing work this year.

[10:45]

As I mentioned in my speech last year and as indicated in the Government Plan, Revenue Jersey will be stepping up its efforts to improve tax compliance, so that everyone pays the tax they owe when it is due. Further monies are being invested in Revenue Jersey to improve everyone's compliance with tax law. I am sure yourself, Sir and His Excellency and the Assembly will be delighted that I have reached the conclusion. In conclusion, notwithstanding the economic uncertainties facing us, Jersey continues to enjoy a strong economy. As I said last year, Brexit presents a range of opportunities and challenges and Jersey, through our External Relations team, is in a good place to respond to both. We are preparing well to face the longer-term challenges arising from our ageing population and ensure the 5 common strategic priorities are enforced, but we are not complacent and we have to take decisive action as an Island to raise productivity and as a Government to ensure that we have sound public finances. In turn, we must have a considered debate in Jersey about how we fund our public services and ensure that we maintain them sufficiently. This is a plan that has been created and agreed by all of the Council of Ministers and we present this to the Assembly together. This is also a plan that provides continuing stability for businesses and support for hardworking lower and middle-income Islanders at a time when they are feeling the pinch. It has been well-received by the F.P.P. Coming back to my A, B, C principles, it is an affordable plan, a balanced plan and a common-sense plan. I propose the Government Plan, as amended by Amendment 22, which is the Council of Ministers' own Amendment. As a reminder, this reduces transfers from the Consolidated Fund in 2020 to present a broadly balanced position following the revised income and expenditure forecasts presented in the Addendum. I make the Proposition. **[Approbation]**

The Bailiff:

Is the Proposition seconded? **[Seconded]**

3.2 Government Plan 2020-2023 (P.71/2019): fourth Amendment (P.71/2019 Amd.(4))

The Bailiff:

Very well, there are, as Members will be aware, very many Amendments to the Plan and we, therefore, move to the running order that hopefully Members have on their desks. First to be dealt with is an Amendment by the Environment, Housing and Infrastructure Scrutiny Panel. It is Amendment 4 and I ask the Greffier to read that Amendment.

The Deputy Greffier of the States:

1. Page 2, paragraph (a) - After the words "Article 9(2)(a) of the Law" insert the words "except that the 2020 Estimate for 'Impôts Duties Fuel' shall be decreased by £1 million, by increasing road fuel duty by 4 pence per litre (and not 6 pence per litre as originally proposed)." 2. Page 2, paragraph (c) - After the words "of the Report" insert the words "except that, in Summary Table 3(i), the Head of Expenditure for 'Treasury and Exchequer' shall be decreased by £1 million, by reducing the level of the transfer to the Climate Emergency Fund by £1 million, with other affected lines in Summary Table 3(i) to be amended accordingly." 3. Page 2, paragraph (f)(ii) - After the words "Summary Table 6 to the Report" insert the words "except that, in Summary Table 6, the 2020 Estimated Income for the Climate Emergency Fund shall be reduced by £1 million, by reducing the level of the transfer from the Treasury and Exchequer Head of Expenditure, with the Closing balance in Summary Table 6 to be amended accordingly."

The Bailiff:

Very well. Who is presenting the Proposition on behalf of the Panel?

3.2.1 Connétable M.K. Jackson of St. Brelade (Chair, Environment, Housing and Infrastructure Scrutiny Panel):

I feel privileged to be standing to propose the first Amendment of the day to the Government Plan with Members fresh and eager to go. I am also pleased to be talking about pennies when I am sure it will be millions later in the week. This is a simple Amendment which has, initially, a minor effect on the bottom line and eventually none, providing, of course, the Government performs as they say they will. The Government Plan proposes that the Impôts on fuel be increased by 6 pence per litre in 2020 and to transfer the equivalent of 4 pence per litre to the Climate Emergency Fund in 2020 with the intention of bringing further increases for approval in future Government Plans. The rationale behind this is to further incentivise the transition away from carbon-generating motor fuels. It is anticipated that this will mitigate the impact of fossil fuels on the environment in terms of air pollution and their contribution to global warming. Very creditable and the Panel generally supports the principle of polluter pays and, as such, the intention behind these proposals, particularly the recognition that additional income raised from this above-inflation rise in duty is to be ring-fenced into the Climate Emergency Fund and to be used for environmental initiatives and improvements. So far so good. However, the Panel proposes this Amendment, which reduces the proposed increase to 4 pence per litre until such time as the cost of these initiatives are known and agreed and to mitigate against the potential for any unintended consequences for consumers, businesses and ultimately the possible rise in inflation, which will inevitably ensue. The Panel's Amendment recommends, as I said earlier, reducing the 6 pence proposed to 4 pence and suggests that the allocation of these funds be split, with 2 pence of the funds generated being transferred to the Climate Emergency Fund as income and the additional 2 pence increase being transferred to the general revenue, as currently proposed, in order to keep pace with inflation. The Panel proposes this reduction only until such time as the sustainable transport plan is agreed by the States and a satisfactory impact assessment has been carried out on what effect such an increase might have on not only the consumer, but also the commercial sector. There will be inflationary consequences and my Panel considers that it is not in the best interests, or sustainable well-being, of Islanders to enforce an increase of the scale of 6 pence per litre at the current time. By adoption of this Amendment, income to the Climate Emergency Fund would still be generated to cover expenditure of policy development of a carbon neutral strategy and strengthening environment protection initiatives. In addition, with a transfer to the Climate Emergency Fund of a further £5 million in funds, the Panel considers that the fund will still be in a strong position until such time as the sustainable transport plan is agreed and the precise costing of environmental initiatives are known. That is the key point of this Amendment and it will also allow further time for a full impact assessment to be carried out on increasing fuel duty to 6 pence per litre, as originally proposed and to consider any mitigating measures. The Panel considers this especially important if it is intended to introduce further increases for 2021 and beyond and is a lever for Members of this Assembly to ensure that actions proposed take place. We often hear of fiscal levers being used to change public behaviour and it could be argued that this Amendment is a bit of reverse engineering, in that it is a lever to incentivise Government to perform as they propose and to confirm their resolve to prepare for climate change. The Panel appreciates the Government's desire to stimulate changes to motoring habits. However, there are a large proportion of motorists, who at this time - due to where they might be living, or the nature of their circumstances - are just not able to make an instant change and will have no alternative but to stump up the additional fuel cost. Likewise, the commercial sector will have little alternative but to put their additional fuel costs on their bill. We all know who will be paying more. I can assure Members it will be all of us. Our report on page 5 analyses the distributional impact of the proposed fuel duty rises and I will not bore Members with the detail, but suffice to say those on the lowest incomes will be hit hardest. That is what concerns my Panel most. We are conscious of the effect on the ordinary working people in Jersey and in thanking Members for their attention, I look forward to the debate.

The Bailiff:

Is the Amendment seconded? **[Seconded]** Does any Member wish to speak on the Amendment?
Deputy Young.

3.2.2 Deputy J.H. Young of St. Brelade:

I have listened carefully to the Chairman of the Scrutiny Panel and I am very pleased that he supports the principle of user pays and the establishment of a ring-fenced fund and the absolute imperative of tackling climate change and allocating the funds raised from the fund in environmental purposes. It is presented as being quite a soft change, which has not really got any impact. My view is that that is absolutely misleading for a whole variety of reasons. I think clearly if we are not able ... if the Assembly go with the Amendment, we, in my view, would have to wait until the next Government Plan and then the revenue required - which there is no question about, the funds will be required - could not be spent until the following years. This is a recipe for putting things off and delay. I am disappointed, surprised, that I do find myself at odds with the Environment, Housing and Infrastructure Scrutiny Panel. It is the only issue I think that has divided us in my time as Minister and I would hope that they would see the benefit of raising fuel duty above R.P.I., by 4 pence above, as proposed by the Council of Ministers, with the express purposes of reinvesting in the environment and new positive measures. The point of principle here, though, is about the proposals of the Council of Ministers are a polluter pays charge, to have for the first time a polluter pays charge and also we respond to the urgency, that we have to respond to those challenges of climate change. I do not think we have a choice. I think the Amendment sends the wrong signal to the public. It is easy, I think, to appear to accept it, in other words: "We can do a study and we can look at it next year and bring it back again" and that is what I think the Constable said; they are happy the money is required, but not yet. We are asked to go do an impact analysis on what is a very modest change. I think what they are effectively doing here is undermining the decisions of our Assembly. I think it is unnecessary. Only 6 months ago, when we debated Deputy Ward's Proposition for a climate emergency, the issue of resource was absolutely fundamental in our debates. I made the point that: "Please, Members, no backtracking." Our record as a States Assembly on that is huge. We find reasons to put it off, change our minds. No. Of course, when one starts to look at the scale of what is required in climate change and the depth of feeling in our community - and I think if Members could refer to that a bit more, particularly about our young people - I think it was a really good decision, that we responded to Deputy Ward and we are well-advanced at producing that route map to make that change. It is going to be a matter of weeks before the Assembly sees that action plan, how we can achieve the carbon neutrality and there will be some meat and some detail in there. It is very disappointing that we have ended up ... it is an accident of procedure, I suppose, just how cumbersome our States procedures are, that we have ended up having to have this debate and an Amendment on a Proposition, which is really put there to be able to implement something, which we have already decided to do and has not yet been lodged and is coming in a couple of weeks. The ideal, we perhaps should have reversed that, but that is beyond my wit to work out how we do that. What we need, I think ... the intention of the Government Plan here is to give us certainty that we can go into those debates and decisions, knowing what the Assembly has provided for us. It is important that this Climate Emergency Fund is a specific and hypothecated fund. It has been allocated in the Plan for £5 million and an additional £13 million over 4 years.

[11:00]

Of course, Members will get a chance. Currently the Chairman of the Panel referred to the fact he sees as it a lever to make sure that we do that work, but, of course, we are going to get the option anyway in the revisions annually to the Government Plan in 2021, 2022, 2023 and so on. That opportunity is there. We do not need this to do that. Starting it off by a reversal, or at least an undermining, I think, of what is a very modest decision is a very unwise move, to say the least. Of course, we know that this tax, as it were - if you like, a green tax - will be on carbon emissions from petrol and diesel engines, which are, in fact, about a third of our total greenhouse emissions. Unlike the U.K., it is our major source. If ever there was a priority to tackle, it is pollution from our vehicles. That does not even take account of the health aspects of particulates, air quality and so on. It is damaging our young children's lungs. We have to do that. We have agreed, I think, in the Proposition

of Deputy Ward that we want to use revenue measures to drive behaviour change. The Council of Ministers' proposals fits the principles of an environmental tax and because there we are proposing there will be investment in sustainable transport, that will include public transport. I am absolutely confident in that. Of course, I remind Members here that last time we stood and had this ... last year it was the C.S.P. Valuing the environment was one of those 5 strategic priorities and that is the point of why the Council of Ministers have made that provision in the Plan to achieve that and yet, despite all the positives in the proposals, I think the very strong response of our community to that is that we are now looking at the first step to delay and obfuscate. Of course, the Panel also refer to the impact on commercial users and, of course, there has been some correspondence. When I met with the Panel, this question came across about the degree of consultation and, of course, subsequently, the Panel did write to some commercial users, but there is only one of those users who has expressed concerns. Of course, there has been correspondence to challenge what those consultations said and I think, given the timetable, this process, I think it is really ... just to do it on the basis of one particular submission, I believe, I think, is really in danger of skewing the whole policy, the Council of Ministers' proposals, which will affect all road users. Of course, what the end result is that the climate change fund will be deprived of £1 million of income; £1 million will go a really good way in public transport initiatives and the climate, I think, will be a user. Of course, just think about the scale, for example and I think the Council of Ministers probably should comment on this. The Fuel Watch website tells us that there is a very wide range of fuel prices in the economy at the moment; forecourt prices of petrol and diesel vary by about 15 pence and, of course, that is double. I hear laughter. I am not a fuel watcher, but we look forward to hearing from the Deputy as to why he feels that that is not a fair point. I know, when I go to fill up my little motorbike, I do not use high-volume fuels, but I do know that there is a very wide range at the pump prices. I think that is an opportunity that people have. Is it really that there is inelasticity in the market? The question I ask is: surely high-volume consumers could negotiate more competitive prices and there is also the issue - and I think that the officers have posed the question to the consultee that flagged this up - challenging the figures, because the considerable proportion of that commercial fuel would be, of course, for non-road plant, which is, of course, not subject to the same duty. Again, it worries me that it just seemed to be the Amendment is driven by one particular source. Of course there is an issue, I do not want to make too much of this, but the notes I have been given highlight it. It is all in the comments that apparently, of course, driving programmes - there are driving techniques changes and eco-active programmes - the way that people can reduce fuel consumption in order to reduce both their fuel cost and environmental impacts, environmental footprint and those can be effective. But switching to the big picture, that kind of emergency fund of £18 million is no way adequate. The cost is going to be enormous if we are to achieve what I believe all civilised society should try and do, which is work towards achieving that carbon-neutrality goal as early as possible. The earlier we do it, the more it costs and that is going to require rule changes in behaviour and really biting the bullet and not being worried about 2p on a dose of fuel. I think the fund will not be sufficient. I am very pleased that the Chairman admitted that, that the money will be required; he sees it is just a temporary thing. But without having a plan, as agreed, I think we cannot have a firm basis on which to plan. Of course, it is also suggested we do an economic study; we always do studies and I do not know how much that will cost and who do we go to? Will it cost as much as the ... I do not know, so I put a query there. But, clearly, we would waste a year - we would waste a year - and I am not prepared to go along with that and, therefore, I am not content to support the Amendment. But I want to now switch to the aspect that I spoke about earlier, about the broader reactions; how such a change to the previous Amendment would be read. Firstly, I think it would undermine the leadership that the Island has already set in the way in which other jurisdictions have responded to our adoption and our action plans on the climate emergency. Both Guernsey and the Isle of Man are working with us and are very encouraged and that is really something we want to keep going. The plan is a bold one and I think it is important that we make it so and we keep with that. Then there is the broader reputational impact outside the Island. I think Jersey would be an exemplar of how we tackle climate change; it

has got really broader benefits for our global reach. I think that is something which has been identified, maybe it is seen as a side issue, but it is important and if we seem to be backtracking that is a problem. Of course, I now come to young people and I have sent around this this morning - I apologise you did not get it until today - the transcript of the wonderful Assembly that 44 of our young secondary school students held in the Assembly on climate change not 10 days ago. They overwhelmingly see climate change as absolutely number one and they have a very low level of confidence in the States' ability to put their money where their mouth is really; backtracking. One of those schools spoke about the 'Jersey Way'. It will not happen, the 'Jersey Way' will stop it. Read it; I was moved listening to these young people and, of course, I went there to tell them about our plans. They said: "It is not enough, Minister, this is our futures." Of course, my grandchildren's futures, your children's futures. This is why, worldwide, young people really see. What type of signals are we sending? The first opportunity you get to row back, we row back. If you want another source: Earthwatch. Earthwatch did a survey - I think it has been circulated round - with our Youth Service and our eco-active people. Surveyed 670 young people in the ages of 15 to 21 in the Island. They put climate change at the top of their list, absolutely concerned. I was a little bit surprised about this, that there is such a thing and I do not want to emphasise it, but it is what the report says: eco-anxiety, that they are really worried about the future. Maybe it is a bit like my generation, we worried about nuclear war; we worried about H bombs when I was brought up. Young people worry about our planet and what is happening to it. Every day we have events, global events, once in 100 years natural phenomena, storms and all the rest of it, floods everywhere. Of course, recently, we have had the new report that has been published, I think only yesterday, that talks about the carbon dioxide in the earth's atmospheres now have reached over 400 parts a million - 407 I think it was - gone past the point of no return. How much more evidence do we want? Please, Members, well-meaning Amendment. The Chairman of the Panel spoke about unintended effects. No matter how well-meaning that Amendment, I have no doubt whatsoever if this Amendment is carried it will have massive unintended effects on our reputation, on the signals we send inside and outside the Island. Are we going to prove our young people right? Say: "OK, they were right all along, they are not going to do it really. States do not do, they do not listen to us." Are we going to prove them right? I accept that the Connétable, the Chairman of the Panel, may think I am overreacting. I am emotional about this. I am very disappointed. I am hoping that Members will see that it is not about the numbers, inflation, study and all this, it is about the bigger picture. What we do in this Assembly matters. Please, I ask Members to reject the Amendment.

3.2.3 Senator S.C. Ferguson:

As Chairman of the Public Accounts Committee, I shudder when people talk about bold plans, because bold plans are always expensive. As a little *non-sequitur*, I would include the fact - the scientific fact - that the level of carbon dioxide in the atmosphere lags temperature by 600 to 800 years and that is a scientific fact. Small businesses spend a considerable amount on fuel and one of these small to middle-sized businesses, that I know of, estimates that it will add £5,000 a year to their fuel bill, which is currently £20,000 a year. This is an efficient business. This is a 25 per cent increase in costs of that particular expenditure. This will be passed straight on to the customers, highly inflationary. Multiply this by the large number of our small businesses and this is a significant increase in the cost of living. I do wonder whether tax should be used for social pressure and change. Surely tax should only be used for services which governments should provide. Using it to coerce the population, this is real socialism writ large.

[11:15]

Social change should be effected by Social Security. I will not comment on Deputy Young's climate comments. Members are well aware of my position. I do not think that we should confuse environmental issues with climate change. What is important is considering the effect on lower

income families, before we impose draconian measures; 25 per cent increase in costs, is this fair? I shall be supporting the Amendment.

3.2.4 Senator S.Y. Mézec:

I will not speak for long, but I strongly urge Members of this Assembly to reject this Amendment. Given that we have got a lot of items to get through in this agenda, I ask that we do not spend too much time on it. Because, I think, it is quite a sad way to start a Government Plan debate when this Assembly has taken the very bold move to declare a climate change emergency, that the first Amendment we are talking about is to reduce our ability to rise up to this challenge. Climate change is an existential crisis. The consequences of humanity not responding are absolutely dire and every country has a part to play in it, including small ones like ours. I do not want to sound like that guy with the sandwich board saying 'the end is nigh' upon it, but if we do not deal with climate change, we face things like crops failing, we face millions, potentially billions, of climate change refugees and we face sea levels rising. I think it is a perfectly reasonable position to say that this fund does not have enough in it and here we are debating reducing the amount that goes into that fund. I think we owe it to future generations to be bold on this issue and this Amendment stifles our aspiration and that would be a failure to future generations, who are counting on us to get it right. I urge Members to reject this Amendment.

3.2.5 Connétable A.S. Crowcroft of St. Helier:

I was not here for the debate on a minimum time for speeches, but I am not sure the Minister for the Environment was either; I mean he did go on inordinately long. I hope that I will be able to refute some of what he says quite briefly. The Minister for the Environment's speech was, in a word, greenwash. It was bringing up all the things that we all do care about, about the environment and about climate change and the real concerns that young people feel and then getting young people to demonstrate in front of national Parliaments on Friday mornings and Town Halls across Europe and the world. He is trying to use that to spin his argument against the Scrutiny Panel's very reasonable suggestion. I can hear from the sort of harrumphing that is going on around the Chamber that he has already succeeded quite well. A lot of Members are determined to ignore the Scrutiny Panel's Amendment, because they feel that if they do not, they will be sending out a message - that was the key phrase that the Minister was using - that we do not care about the climate change emergency and we are going to put it off. He used phrases like: "We are going to waste a year if we reduce the amount of money we are putting from petrol into the climate change emergency fund; that we are backtracking." Members who pause to think about it for a minute will realise why this is greenwash, because the Minister has not yet brought forward the climate change emergency report. We do not know yet how the money will be spent. We do not know how much money is required. In fact, in the Parish of St. Helier - and Deputy Ward very helpfully brought his climate change emergency Proposition to the Parish first - we are already well advanced with a group of local people and they are not U.K. consultants, or those that are are not charging for their time; local people who are coming together regularly to discuss what can we do, as a Parish, to reduce our impact on the environment. Deputy Ward did not come to the Parish and say: "We need millions of pounds to do this." Of course, there is a price tag and we know it is going to cost money to convert our vehicles to electric, or hydrogen, if that is what we do, but we do not know yet. We are busy working on a report, a report that is going to cost nothing. I have not asked ratepayers to put up their rates to pay for this, because we do not know how much it is going to cost. Equally, we have not had a transport policy; we will get it, we hope, at the end of the year, but I have been waiting for that for about 10 years, so I do not have that strong optimism. We do not yet know what is the best way to get people to use less petrol and less diesel and to use their cars less. We do not know what the tools are, we do not know what the carrots are, we do not know what the sticks are. Why is it that by putting slightly less money into the Impôts on petrol and diesel that we are suddenly going to send out the message that driving is good and let us all drive short journeys everywhere and not use our bicycles? It simply does not

make sense. The Minister was compelling, he ticked all the right boxes, but there was nothing robust in what he said. There was no robust attack on what the Scrutiny Panel is saying. What are they saying? They are saying that to put an extra 6p on petrol of the average user with no prior explanation about what that will be spent on, or why that money is so important, is simply putting the car before the horse ... the cart before the horse - a Freudian slip, the car before the horse - but, of course, we have done that, as well. The Minister was indulging in shroud-waving of the highest order and I think it was a shame, because I think we should be hearing much more robust and well-argued arguments in this Chamber, particularly when it comes to climate change, because we all know that other Members, who do not believe in climate change, are going to be doing the opposite to greenwash, or whatever that is; that is probably another word for it. I do not agree that this Amendment for the Scrutiny Panel undermines our decision, because a decision we made was to declare a climate change emergency and to report back on what we were going to spend money on. I commend the Panel for their work. I think it is very reasonable. In fact, I was going to suggest that we put no money in the fund until we get the reports, but when I heard what the Scrutiny Panel were doing I thought, well, let us go with that proposal, because it is a modest proposal and it is one that I am happy to support. I support the Amendment.

3.2.6 Deputy L.B.E. Ash of Clement:

We are, undoubtedly, in a race to 2030; it is an ambitious task. We have set ourselves this race and it is a race that will have many hurdles and many fences. It is not a flat race, it is a great carbon-free Grand National that we are embarking on. I thought I would have a look at one, or 2, of the horses that will be involved in this. Let us look at Climate Crisis, originally ridden by Deputy Rob Ward to a fine win, but the ride is now taken by an amateur; S. Tate's Assembly, who too often has not taken a liking to the bigger fences. Then we have Populist, there will be no shortage of riders for this horse, but it is likely to fall early, as the jockey will be too busy waving to the crowd. We have Parking Charges and Petrol Tax, probably the best horses available in this race immediately, but they could be brought down by Populist at the very first fence. We have Reform, they are likely to run well; they will have little problem with the sharp left turn at the canal fence. We have the Chief Minister, he will be hoping to win this later in the Jockey Club Committee inquiry into the race. We have Treasury, the most genuine horse in the race, trained by the wily campaigner, Deputy Pinel, but not helped by L. Ash putting up several stones overweight. Joking aside, we did vote for this. I voted for it slightly reluctantly, because I despise the eco-terrorism that we tended to see in London; I did not like to see that, but I voted for it. I remember my comments to this Assembly on the lines that when we come back with the taxes and decisions that could prove unpopular, that the Assembly cannot be found wanting and it was greeted, if you remember, with much nodding of heads and agreement. If the Assembly votes these down, as is the Assembly's right, then we could save ourselves an enormous lot of money by not bothering with this. After all, we are insignificants in the great scheme of things and if people do not want to do it, let us not do it; it is your call.

3.2.7 Deputy R.E. Huelin of St. Peter:

Following Deputy Ash is never good news, is it? I am going to go through this very quickly. We voted to be carbon-neutral; we acknowledged the climate emergency. Even the well-known climate sceptic motoring journalist and petrol head, Jeremy Clarkson, admitted it over the weekend that we have a climate problem. There is hope for Senator Ferguson yet. In a documentary, last night, I realised that the lung of the world is the Brazilian rainforest, which is being removed at 5 football pitches a minute and I agree we are insignificant, but we have agreed to make our statement and to do that we have to finance it. While we do not know how much it is going to cost yet, I accept it. However, we have only got 10 years, so we need to be prepared immediately. To put it in perspective, U.K. have estimated it will cost £1 trillion by 2050, the equivalent of 1 per cent to 2 per cent of G.D.P. in order to achieve the goal. We must start now, we must be bold with this particular strategy, which I agreed and supported from Robert Ward.

3.2.8 Deputy S.M. Wickenden of St. Helier:

I think I am going to start - and it is never good to speak against your own Constable - but I think what St. Helier is doing is fantastic in how they administer the Parish in a way that is better for the environment and it is great. But it not just about St. Helier how they administer a Parish, it is about how we can incentivise the people of Jersey to do their bit too and sometimes that is costly and sometimes we need to help them along the way through Government. On 2nd May 2019, it was the vote for climate change emergencies, actions to be taken by the Government of Jersey, well this is what we have put forward. This was what was asked and that was voted 40 in favour, 8 absent and one against. So, we voted for action to be taken and that is exactly what we are doing. Impôts is used as a way to change behaviour, it is there to try and change the kind of behaviour, but also the money is going into a fund that we are going to be using to incentivise different ways of transport and different ways of acting within this Island. Yes, it is going to cost a bit more on our fuel duty today, but the reason that that money is going into a pot of money is to help us incentivise and do other things to help the people of Jersey move away from things such as carbon-based fuels, so that that will bring the price down for them and it is better for the Island. I think we need to be fair that these are the real issues. Yes, it is going to put a bit more money on fuel, but it is going to put it into something that we can use that will be agreed by this Assembly to incentivise other ways of using transport and heating and every other part of fossil fuels to replace it, because we know we have to move in that direction. Stay the course and let us start putting forward the money, so that we can do the right things in the future.

3.2.9 Deputy J.H. Perchard of St. Saviour:

I have to say that I am surprised that not more Members have taken the view of the Constable of St. Helier. The arguments put forward in this comments paper are lacking, they are not robust. We all agree, in principle, as was demonstrated by our carbon-neutrality votes, that we are taking the climate change seriously. I, for one, am in favour of targeted, drastic, expensive action. As a young person in the Chamber, who has been talked about a lot, I am completely behind the principle of changing behaviour, but will this change behaviour? If it does change behaviour, whose behaviour is it going to change? It probably will not change people on above-average salaries' behaviour, like us, because we could probably deal with that increase. The poorest members of our society are the ones whose behaviour will be changed and it will be forced and that goes nowhere in terms of reducing income inequality, in my view. The positioning of this debate so far has been ... well it would be humorous, if it was not so terrifying. But so many people are saying: "We need to take bold, drastic action, we have to take this seriously for the future of our Island, for our future generations." If you really want to take this seriously, if you really want to stop people driving, shut down the car parks, or ban people from dropping their children to school, or put on free buses, or change green lanes into cycle-only lanes. It is ludicrous for people to stand here, who have not fought for a bigger budget from this Government Plan. The money going into the environment from this Plan is miniscule, compared to all the other things that we are putting money into. It is ludicrous to suggest that this is us taking the climate change emergency seriously and that is the point that I think the Constable of St. Helier was making. That is the point, we are not taking it seriously, at all, in this Proposition.

[11:30]

The Minister for the Environment talks of this providing some sort of certainty; he used the word certainty, but the comments paper is littered with uncertainty. The comments paper presented by the Council of Ministers says quite clearly: "The impact is unknown. The impact assessment has not been carried out." It says things like: "If this Impôts rise were to have such an effect - if it were to have such an effect - it would be considered a success." Of course it would if we change behaviour in the way that we want; of course that is a success, it is a completely redundant statement. But the point is, it is conditional. Irrespective of whether this Amendment passes, if you want young people

to take the Government's position seriously and if you are serious about making significant change and cultivating behavioural change, this is not it. This is not going to do it. We cannot pat ourselves on the back and say: "We have taken our first big step towards tackling the climate emergency" because this is not it. We know ourselves, in this room, that this is unlikely to change our own behaviour, so how on earth are we going to expect it to change anybody else's?

3.2.10 Deputy M. Tadier:

I do not criticise Deputy Perchard for calling out the hypocrisy in this Chamber and for saying that we are not doing enough for the climate change emergency. I do come to a different conclusion. I suspect that she comes to the wrong conclusion, because if we follow that logic what we are saying is that climate change is a definite emergency; that we are not doing enough, yet this Amendment seeks to reduce the already small amount that is going into the Climate Emergency Fund by £1 million; that is 20 per cent. It would have been £5 million, this fund, it is going to be £4 million, if this Amendment is successful, of the contribution. That is a significant amount of money in terms of difference. I completely agree that we are not doing enough, but this is a start from a Government which is starting to take climate change seriously. I find the comments about greenwashing strange because, yes, there might have been greenwashing in what the Minister for the Environment says; that is a pejorative phrase though. I think that just because it was a very environmentally-driven speech, which is the term that I would use, does not mean that it is wrong. If the Minister is guilty of propaganda - and I do not think he is - the propaganda happens to be true and so I think the arguments being put forward are strange. The other point that I do not quite get - and Deputy Perchard is absolutely right to say that the consistent position here would be for people to have supported the free buses earlier in the year - because you need a carrot and a stick when it comes to delivering behavioural change. There is a concern, of course, about how the poor are most affected, but there is a group of the poor in Jersey who do not use a car, because the very poor, of course, do not necessarily have a car and they do not necessarily have a parking space. Because a lot of the accommodation in St. Helier for the poor, the only properties that they can afford to rent because they cannot buy it without parking spaces and if they do have a car they might be renting a space, so the very poor will be using Shanks's pony and they will not be affected and they will be walking to work, they will be walking to school with their children potentially. That does not mean that there are not people struggling and this will no doubt be an argument that comes up later in the parking debate. But we are reminded, on a daily basis, if you put the radio on, if you watch the documentaries with the likes of Sir David Attenborough and it is not just the Amazon rainforest, which we know holds a lot of the carbon reserves and are the lungs of the planet, it is also Antarctica, which we are reminded of, which holds the carbon with all the life there and everything that goes with it. It is those ice caps which are melting at an incredible rate, which holds the carbon, but also reflects the sunlight. We know that we are possibly even beyond the point of return, but we cannot take a nihilistic approach. While Deputy Ash, in his jockey analogy makes a jocular speech and talks about the different political leanings in this Assembly, the one overriding factor that should unite us all, whether we identify as socialists, as conservatives, as libertarians, whatever our particular identification is, we should all be identifying as environmentalists first and foremost and we must be taking action in this regard. If the argument is being put forward that this is to help protect the poorest in our society, that argument would be more credible if the mover of the Proposition and some of the members of that particular Panel had a consistent approach on fighting against regressive taxation. I know that some of them are part of the G.S.T. 28, who are quite happy to endorse the introduction of G.S.T. when it came in and who will fight against any progressive measures when it comes to G.S.T., who will also fight to make sure that the wealthiest in the Island, later on in the debate, get tax breaks when it comes to social security long-term care charges. I would question, then, whether the motivation really is to have a regressive tax model, or whether it is a misguided, perhaps populist, aim to get a quick win here, but not to be bringing forward a costed and well-thought through policy. What I find strange is that I think if there is a challenge to be put out to the Minister for Treasury and

Resources, it is: why is not all of the duty that is collected from fuel put into cost recovery? I.e. after you have paid for your road tax because, of course, some of the duty on fuel went to replace the road tax, which we had many years ago. Some of it, presumably, goes to the maintenance of the roads, traffic lights and the whole traffic system. But over and above that, why are we not putting all of the duty rise into the climate fund? It would have made more sense if the Panel had said: “We recognise the environmental imperative and the behavioural change imperative because 2 pence of that 6 pence rise is just going into general revenues.” It would have made more sense if they had said: “Let us keep the 4 pence going into the environmental fund, but it is not right that the Minister for Treasury and Resources uses 2 pence of that, a third of the tax rise, the fuel rise is going into general taxation and that part, which is, in fact, regressive is to be tackled.” That is because the Panel refuse to get to the fundamental nub of the issue, which is the fact that any Impôts duty increases, where everybody has to pay it across the board, is regressive. Because a poor person, who spends all of their money, whether it is on G.S.T., on tax, or on Impôts, has nothing left at the end of the day, while the most wealthy in our society, who have disposable income left, are obviously exempt from that tax rise, that tax burden. In fact, the logical conclusion for the Panel, if they are saying that they are doing this for progressive reasons, would be to pursue a policy of progressive taxation, so that we can implement a tax freeze on pollution. One last point I would say is that this issue is not about the poor versus the rich. Everybody in our society in Jersey needs to reduce their fossil fuel usage, myself included. We have an addiction to fossil fuel. In Jersey we are quite lucky, because we get our electricity from the French mainland, which will tend to be a mixture of nuclear and hydroelectricity. If we want to target our fossil fuel consumption, it really needs to be looking at car usage and it also needs to be looking at the way we heat our homes. Those are the things that we can tangibly change. This is a consistent policy being put forward and it should not be tweaked for what some are putting forward as a laudable aim, because I think it is very regressive.

3.2.11 Deputy K.C. Lewis of St. Saviour:

I, too, am delighted to follow Deputy Ash previously. A wonderful man, spends all his spare money on sick horses, does not know they are sick when he backs them, but ... **[Laughter]** Members, I am sure, will not be surprised to hear that I will be rejecting this Amendment. As the Minister responsible for the sustainable transport policy, which is aligned to climate emergency work, it is obvious I would not want this funding reduced. Road transport accounts for a third of our carbon emissions. We were given clear direction from the Assembly that robust and swift action should be taken to address the climate emergency. This is such an obvious measure, an obvious link to transport and pollution. The polluter will be paying, which I understand the Panel supports. The Panel, however, cites one of the reasons for wanting to hold off implementing the full increase until it is clear what projects are included in the sustainable transport plan. I am somewhat bemused by this, we have been charged by this Assembly to bring forward a sustainable transport policy before the end of this year and we are on track to do this. There is not long to wait. I was up very late last night, reading through the first draft. The policy will be debated in the States, at which time Members will be able to make Amendments, should they wish to do so. I have to mention the S.T.P. (Sustainable Transport Policy) is not far away. But, regarding the environment, I spent time recently with 2 colleagues in the Netherlands, where we were back to school in Delft with the cycling academy and we learnt a lot, which many things I hope to implement in the not too distant future in Jersey. We have heard the Minister for the Environment talking about the youngsters and their aspirations for the future, which I fully support. But I do not think we need to learn that, people of my age; we need to relearn that. People said it is OK for me: “Kevin, you were born in the 1970s”, well, no, I was born in the early 1950s and we did not have any money after the war. So, if you had a hole in your sock you darned it and if you wanted a holiday you put up an old ex-Army tent in a field and that was your holiday. The milk we had was delivered in a glass bottle, which we washed, returned to the doorstep, picked up by a milkman in an electric milk float. If you wanted to make a phone call, if you were very lucky, the phone box was at the end of the road, which you put 3 old pennies and if nobody was there

you pressed button B and got your money back. This is what we had to do in the old days and maybe it is things we have to relearn. Many of our friends, who were here during the Occupation, knew how to mend and make do. This is what the Panel think, we are budgeting for more money than we need; I can assure Members that this is not the case. A reasonable budget has been proposed and it would be wrong, I think, to go into more detail at this stage regarding the S.T.P., but it is coming soon. We have a long list of sustainable transport projects, some of which we will be undertaking early and late next year. I urge Members to show support for the sustainable transport policy, I think earlier this year and reject the Amendment.

Connétable J.E. Le Maistre of Grouville:

Sir, could I ask the Minister for a point of clarification, please?

The Bailiff:

Yes, you can ask, at this point, for a point of clarification on his speech.

The Connétable of Grouville:

He mentioned the sustainable transport policy and he read it last night, can he tell us how much it is going to cost?

Deputy K.C. Lewis:

I do not have the details at the moment, but as soon as we do, more than happy to let Scrutiny have it.

3.2.12 Connétable R. Vibert of St. Peter:

I will be supporting this Amendment, this is not because I do not believe that there is a climate emergency. I absolutely do believe that this is the case. However, once again, the easy target, the motorist has been hit. The appropriate research into pollution, as a result of burning hydrocarbons, has not been undertaken. Central heating boilers burn on oil similar to diesel and the emissions from these boilers, particularly domestic boilers, are in fact, in some cases, worse than diesel cars because there are no filters, or catalytic convertors, to remove the harmful elements. Research in the U.K. has shown that 14 per cent of hydrocarbon emissions in U.K. cities are a result of oil-fired central heating. We need to show a real determination to tackle the issue of climate change and reduce emissions from the burning of all hydrocarbon fuels. The fair way to do this would be to tax heating oil and gas in the same way as road fuel and encourage the use of more friendly electric heating. Other jurisdictions are now noting that cars are not the only users of hydrocarbon and are not responsible for all the pollution. So, let us look at the wider picture and return in 2020 having done the appropriate research and tackle this issue in a fair manner.

3.2.13 Deputy K.F. Morel of St. Lawrence:

I always find it fascinating when Deputy Tadier speaks; he always claims to know the motivations of others, better than they know their own motivations themselves. I just thought I would let Deputy Tadier know that the motivation, as a member of the Environment Panel, for this Amendment is quite simply one of balance.

[11:45]

What we have done is we have looked at the climate change policy, the sustainable transport policies and we have said we do not know what they are, they do not yet exist and yet we are being asked to plough millions of pounds into a fund without knowing where, or how, that money will be spent. In my view, personally, I do not believe that is a rational, or a careful, way to use taxpayer money. It is very interesting: over the past 18 months, having become a politician charged with in part making decisions through my one-49th vote in this Assembly, it has become very interesting. I have started settling on certain principles and one of them is very much that you should tax as and when needed

and you should tax for reasons that are clear to the people being taxed as to why you are doing it. Unfortunately, in this case, those principles are not met, because we do not know how this money is going to be used and we do not know when it will be used, or how effective it will be in that use. When we look at the idea of putting 6p on to petrol, what we are doing is we are increasing the price of petrol by 5 per cent; that is G.S.T. Do not forget, G.S.T. is also being charged on petrol and so we are really putting the price of petrol up quite a considerable amount. I wrongly - and I do apologise to the Minister - was the person who giggled a little when he talked about the price of petrol and diesel having a range of 15 pence, because that is just not correct and the reason I laughed quietly was because I happened to have Fuel Watch up on my computer at the time. The price range for petrol is 8 pence and the price range for diesel is also 8 pence. That is what Islanders have to work within, it goes from £1.12 in the lowest price to £1.20 for petrol. It goes from £1.14 to £1.22 for diesel. So, there is not a huge range of prices for Islanders to choose from and it is half the range that the Minister suggested. So, from the principle that you should tax and know why you are taxing ...

Senator J.A.N. Le Fondré:

Can I just go over a correction on what the Deputy has said, because he is incorrect?

The Bailiff:

If the Deputy will give way, you can ask him to clarify it.

Deputy K.F. Morel:

Maybe we are looking at different Fuel Watch websites.

Senator J.A.N. Le Fondré:

You have to hit the plus ...

The Bailiff:

No, I am sorry, we cannot have a to-ing and fro-ing. The position is that, while somebody is speaking, they can be asked if they will give way for points of clarification; if they do not give way, then it is a matter to be raised at the end.

Deputy K.F. Morel:

No, in full flow, I would hate to trip myself up now. What we also need to be clear about is the reality that Jersey faces in this climate change, the climate change Proposition that we signed up to with Deputy Ward and I willingly voted for. But there is stark reality that we need to acknowledge and that is that Jersey could end all carbon emissions today; indeed, we could replace them by pumping out oxygen and we would have the most insignificant effect on the world's climate by doing so. We would have the most insignificant effect on the world's fight against climate change by doing so, because we are so small. That does not and should not stop us trying to fight climate change and doing the right and moral thing, which is to reduce our carbon emissions, but what it tells me, what that fact tells me, is that we cannot just throw everything at it, because the reality is, when we talk about outcomes, we talk about outcomes-based policy. The outcome of Jersey ending all carbon emissions today would be no change to the global situation with climate change. That is a reality. It is a sad reality, but it is a reality and so that tells me that we need to always take a balanced approach to the spending that we put into our climate change problem, the funding of the climate Proposition that Deputy Ward brought to this Assembly. That is being responsible in Government. That is being responsible as an Assembly. It is looking at the outcome and it is saying we cannot affect this outcome. We are essentially, as Islanders, taking a moral stance, not an outcomes-based stance upon this. As well, I personally want to speak about the effect on the cost of living, because the Minister spoke about it is only 2p, it is only 6p, the trouble is - and I get the feeling we are going to see this a lot if I remain in the States over the years - that they look at it all in isolation. I am committed, as an Assembly Member, to helping and to championing small businesses and I have seen that in this

Government Plan we have a half per cent rise on social security contributions, which will affect principally the self-employed. We have a 1 per cent rise in long-term care charge; while it is affecting everyone also affects the self-employed. We have 6p going on to fuel duty, which also will affect hugely the self-employed. What I see, rather than the isolation that the Minister wants us to look at, I see an aggregate increase in the cost to small businesses of a considerable and significant amount, all of which will play through and end up on the consumers, coming out from the consumers' bank accounts. I do not think, as an Assembly, we can be negligent by ignoring that and this is one way of bringing balance by saying we do acknowledge that we have committed to the climate emergency, we do understand that there is benefit in putting some money aside to help deal with that, but while we do not know what we will be doing with that, while we do not know how we will be tackling the climate emergency and while we know that we have an affordability crisis, alongside the climate crisis we have an affordability crisis in this Island. While we know that there is an affordability crisis, we cannot go taking money out of Islanders' pockets, without having the knowledge of what we are going to do with it. Effectively, we are going to sit that in a bank account and wait and wait because, as the Constable of Grouville just said, does the Minister for Infrastructure know the cost of the sustainable transport plan? No, he does not know the cost of the sustainable transport plan. So, we have no idea what this money is going to be spent on. Of course, as Deputy Perchard quite rightly said, the amount we are spending on the environment is not a lot in this budget and, of course, the Minister wants to gain any opportunity to increase the budget and to increase the work he can do; that makes sense. But he does have to be honest about the reality that it is increasing the cost of living for Islanders, it is putting greater stress on businesses, it is going to make it difficult and all the while knowing that nothing we do here will have a significant, or practical, impact on the global climate change situation. Because, at the end of the day, no matter what we do, China, America, India, Russia, they are the ones that are polluting and they are the ones that are driving climate change. What we are doing is the right thing in terms of the moral activity that we need to do but, as an Assembly, we need to be practical about that. We must never lose sight of the fact that this is not the States' money, this is public money, this is Islanders' money that we are extracting from them and we are extracting it from them without giving them a genuine costed strategy, because we do not know what the strategy is at all. I realise that I am repeating myself and I do apologise, because I am sure my 15 minutes are up. But please do think about the impact on Islanders before rejecting this Proposition. Personally, I will be supporting this very balanced Proposition.

Senator J.A.N. Le Fondré:

Point of clarification from the speaker. Did the Deputy, when he was giving the price ranges, click on the 'view more' button, which, therefore, opens the range of garages to 15 rather than 10 and will show that the maximum range is 112.9 pence to 131.9 pence.

The Bailiff:

Are you able to clarify that? The question was: did you click on the particular website and check?

Senator J.A.N. Le Fondré:

Therefore the range is not as he states.

The Bailiff:

You have not yet spoken, Chief Minister, so you do have the opportunity to make whatever ...

Deputy K.F. Morel:

Apologies, I do not accept the clarification, if that is what I am being asked.

The Bailiff:

Yes, very well, you were asked whether you looked at it, you have said that you did not look at it, but you do not accept the clarification and the Chief Minister can speak, if he wishes to do so, during the course of the debate.

Connétable L. Norman of St. Clement:

Point of order? I think this is quite important, because I think the Deputy has, I am sure not deliberately, totally misled the Assembly. The price range of petrol, according to the Price Watch webpage, that the Deputy himself referred to, he has told us that the prices are one thing and they are totally different to what the Deputy has told us and some Members might believe him and that would be wrong.

The Bailiff:

Connétable, you are scheduled to speak one after the next person who will speak. The Chief Minister is able to speak. The Deputy was asked for clarification, he said what he said. The Chair is not in a position to rule as to whether it is misleading, or not, because the Chair has no independent information about it. I think this just has to be taken in debate as it is. For the record, Deputy, you spoke for 9 minutes.

Deputy K.F. Morel:

I was repeating myself.

The Bailiff:

I was giving you the kinder statistic, not the least-kind statistic. **[Laughter]**

3.2.14 Deputy K.G. Pamplin:

Well, that is me told. I want to start, it felt like I was watching my parents argue when the Minister for the Environment and the environmentally-led Constable of St. Helier were disagreeing so vocally, when I know how passionately they agree. So, I found that a very curious moment. I also was at the debate here held by those young people alongside Deputy Ward who was here and Senator Mézec, and apologies if I did not see others. It was very passionate and it was remarkable and we have to continue encouraging our young people to engage with this Chamber, this democracy, that they go away knowing that this could be their future, as well. It is so important that we always have reference to that whenever that happens and in whatever form it is. They were very passionate. They do want to see change; change that means something to young people, not piecemeal change as we have become accustomed to in recent years. There was a very important point, though, that I want to pick up on, that one of the schools did talk very passionately about looking after the vulnerable members of our society. We are not talking about just class structure here, we are talking about all vulnerable members. Any one of us could be susceptible to a long-term illness, at any time, that would change the fundamentals of your family life, from a brain tumour, to a heart disease, to Parkinson's - I could go on - to personal tragedy, to life circumstances, which suddenly means your whole life changes. How you get from A to B and the impacts that has as a cost on your family. So, whenever we are changing things, we have to factor in the well-being and the fundamental right of all society and not just look at it at a monetary level, or a class level. Life is far more complicated and meaningful than that and I will continue to go on that chain of thought. To go back to, as I always do, the research - and there is so much available to us on this - from the U.N. (United Nations), from world organisation groups. I refer to the O.E.C.D. (Organisation for Economic Co-operation and Development), who have put forward some brilliantly well-balanced policy-making decision data to help any parliamentarians across the world. Sometimes I do not agree with them; sometimes I find them off kilter, but they are a very insightful way in. Their *Taxing Energy Use Report 2019*, which I would urge anybody to read, says it looks at the 3 types of tax on energy: excise taxes on fuels, carbon taxes and taxes on electricity use, in areas such as power and heat generation, industry and transport, it says: "Government should ensure any tax rises resulting from tax reforms do not hurt vulnerable

households, firms or workers” like our much needed construction industry, just thinking off the top of my head. “Extra tax revenues can be used for social purposes, such as lowering income taxes, increasing spending on infrastructure, or health and funding direct transfers to households.” It is very clear from the group of people who came together at the U.N. Summit on Climate Change and looking at this issue, it shows that 44 countries, accounting for over 80 per cent of energy emissions, taxes on polluting sources of energy, are not set anywhere near the levels needed to reduce the risks and impacts of climate change and air pollution. So, when everyday folk, who are going about their lives making changes, we see it all the time, how we are now increasing recyclability, we are now seeing people walking more and using the buses and trying to make changes and stand up for change, and they want to look upwards and see: “Are you doing what you were saying for us to do?” and, when you look at those statistics, how are people going to be inspired? We have to go beyond measures of saying to people: “We need your money, because we know this is important to you.” It needs to be felt more.

[12:00]

So, my thoughts on this; it is clear, as it always has been, I am fundamentally for climate change. Deputy Perchard nailed it on the head earlier today; if we are really as passionate as I think we all are on this, then we need to be bold. Sorry, Senator Ferguson, but we do. If we are to be the front line of climate change and take the people as our most important allies in this fight against it, we need to be bold, but fair. Tax pollution is what I believe in, not people. We all have to play our parts - we do - and I am sure everybody among us will do their part, but we must stop subsidising fossil fuels. The Deputy of St. Peter also nailed it. Taxpayers’ money should not be used for things, which arguably is the most pressing issue of the entire human race, when they see one thing, but they are told to do another. That is why I think this Amendment is fair, is balanced and why I am voting for it.

3.2.15 The Connétable of St. Clement:

To those who are speaking in favour of this Amendment, I would say that I too once was a populist. I once brought an Amendment to the Budget to abolish duty on motor fuel altogether, because I was concerned, as were a number of us in this Assembly, we were more concerned about the inflationary effect of petrol price increases than anything else. In those days, some Members might remember, the Motor Traders Association fixed the retail price of motor fuel, so whichever garage you went to you paid the same price. Of course, the world has moved on since then. Now, in the report of the Council of Ministers, they say that there is a differential between garages of 18p and they are wrong - in that area Deputy Morel was right - the differential is not 18 pence, it is 19 pence now, not the 8 pence the Deputy talks about, so if he goes on to the Fuel Watch website and looks at the whole thing, he will find out there is a garage up in St. Peter, which is selling petrol for 112.9p a litre and another one down in St. Lawrence, which is selling it for 131.9p. So, I am sure it was not deliberate, but the Deputy undoubtedly misled this House and I hope he will apologise when he comes back into the Assembly. We had the debate on climate emergency brought by Deputy Ward and I had difficulty with that, I really did, because like a lot of people, what real difference is Jersey going to make? But the reality is, we have to play our part. So many Members who supported Deputy Ward on that day told us, reminded us, that there are going to have to be some tough, difficult and unpopular decisions to be made. Now, not in this place, but in other places, I have said that quite honestly I do not believe this Assembly has the courage to make those difficult, tough and unpopular, decisions. I think, the way this debate is going, it is quite possible that this Assembly is going to prove me right. I hope that is not the case. I hope they will prove me wrong and that we do have the courage to do what we said we would do when we adopted Deputy Ward’s Proposition. Some of the excuses we hear, like: “We do not know what the money is going to be spent on.” Of course we do not know what the money is going to be spent on, but if we do not approve this increase today, if we do not defeat this Amendment, it does not matter, because we will not have the money to spend it on the climate change

anyway. So really what this is about, the Constable of St. Brelade in his capacity as Chairman is worried that people are going to have to stump up. Well, of course they are going to have to stump up, we agreed that when we had the climate emergency debate. But do they really? With a 19 pence variation in prices, with a modest change in driving habits, there is no need to stump up this full amount, of course there is not. That is what we want, is it not? We want people to change their driving habits, so they do not have to stump up. It was Deputy Perchard who said - if she did not say it she implied - it is not going to change people's driving habits. Maybe. Maybe she is right. If she is right and they do not change their driving habits what have we lost? Nothing. What it will have taught us is that the measures, that are being proposed by the Council of Ministers, are not sufficient and we shall have to get tougher on climate emergency measures. But if it does change behaviours what a massive step forward. So, we are really in a win-win situation, but only if we reject this Amendment.

3.2.16 Deputy J.A. Martin of St. Helier:

I will be brief, because the Constable of St. Clement said a lot that I was going to say and it is about today. We heard it in the debate and I do feel sorry for Deputy Ward sometimes, because I see him put his head in his hands when he thinks people are saying: "This is my tax." No, he had the forefront to bring the climate emergency to this Assembly and we all signed up. But even on that day there was an Amendment for car-parking and the Constable of St. Helier - and I do like my Constable - but he is the only person I know who can tackle climate change with nothing in the bank and it is going to cost St. Helier nothing. It cannot be done, it absolutely cannot be done. Deputy Perchard again talks for people in this Assembly, seems to know, we have been accused. Deputy Tadier, I share a car, I came in by bus today, I do try to change my habits and it is so depressing to listen to Deputy Morel who says: "We are so small, why would you bother anyway?" Really? Because every little bit helps; it is absolutely ridiculous to say we are so small. Deputy Perchard says: "Let us shut the car parks." I wonder which way she is going to vote later. There was nothing coming, I am sorry. An initiative, we have the Environment Panel ... I am looking more, maybe there is more evidence, they spoke to one commercial company, who said this is going to put a few thousand on the bill in the variance that Deputy Morel talks about. Then they did not come up with anything else. We have not kept our ground, we have moved an Amendment on the car parks, because we had a 4,500 petition within about 3 days. This Proposition, of doing the 2 per cent, has been lodged since July. It has been lodged since July and nobody is running around out there saying: "Oh, we are going to go out of business." Because the penny is dropping and it is not just with the young. We have to do something, even if we are small. We have to do something now. It is very easy to me, it is the Council, which again, if you agree to what the Council are bringing, splash in the ocean, absolutely agree with the Constable of St. Peter, we are looking at and replacing, we need money in this fund to replace the old heating, we need to be able to give people grants. Can you see how big this fund is and how much that would cost? It just does not add up. They called the Minister for the Environment a greenwash, well there is nobody more green than Deputy Young in this Assembly and he is absolutely so passionate, because he finally sees something happening for the environment and sadly, on a flick of a pen, on one commercial business, he sees that being halved. You cannot make it up. Today, the Constable of St. Clement is right, we should all back the Council's Plan, it is a very small amount. Just to the other thing Deputy Morel said: "We are taking." He is staunch for small businesses. We are giving, as well. We are putting up all the tax, we are absolutely balanced. It might not be, but you can then choose where you spend your money. You have more money in your pocket and if you want to get a bus, we have talked around the Council about car share, there is so much to be done. You have to have some seed money and the Amendment, I am sorry, just does not do it. We need to vote this Amendment out and then stay with the Plan.

3.2.17 Deputy R.J. Ward of St. Helier:

It is really difficult to sit here and know how to summarise everything that has been said so far. When the climate change proposal, which was pointed out was voted very firmly for, I said that fiscal levers ... I did not agree with it and it was something I did not agree with. The reason is because we have this sort of debate and I have been trying to sum up why there is a problem there. I put it like this, I think we have too many Members of this Assembly who are in a fixed mindset. They have a paradigm they live in, which is that taxation in some forms is just simply bad, because you are taking money from the wrong people and in simplistic numbers give a view of the use of taxation inaccurately here. I struggle with the notion of just having fiscal levers and I spoke to the Minister about this, but in this case I have to say that we have a simple choice that we have to make: do we set up a fund so that the money is available for the desperate changes that we need in advance, find the way of funding that? So often we talk about it and I am afraid I am going to repeat myself, because it is repeated so often in this Assembly, the phrase: 'How will we pay for it?' We end up with a classic catch-22 situation. We cannot do that, because we do not know how we are going to pay for it. But we have a mechanism of funding here - I personally do not believe it is enough, I think it should be more, but we have a mechanism of funding. This is me being pragmatic, by the way and I struggle. We have a mechanism of funding available to us and this Amendment takes £1 million away from that mechanism of funding. You know my views on the fact that we should have a free bus service, we have a free bus service for young people and I will tell you what, there was an irony to the Peace Debate where a young person sat in this seat and spoke and I have her speech in front of me and said that we should have free buses for young people. The irony of that was not lost on me and it should not be lost on this Assembly. Why I bring that up is because we have to make some tangible changes, but we are not going to do that by having a full impact assessment on a 2 pence rise to fuel duty. It is simple what that impact assessment is going to say, people do not really like paying a little bit extra. As for the idea that it is £5,000 from 2p, I worked that out, that is quarter of a million litres of fuel. That is a huge amount of fuel. Let us do the maths properly. The full impact assessment that we do have comes in from the I.P.C.C. (Intergovernmental Panel on Climate Change), the full impact assessment of uncontrolled climate change on small islands. Is it relevant that we are taking action on climate change? Absolutely it is. Where did the pressure about climate change start? It started from small islands around the world that saw the impact on their ecosystems and therefore stood up and said we have to do something about this. We can lead the way. It is important that we lead the way, not just morally, but economically. Some of the phrases that were used earlier about isolation and balanced and a moral stance and negligence, well I am afraid that at the first opportunity that we get to create a fund, put money into that fund and then come up with some spending in that fund, if we take the opportunity to stop that happening then I believe that we have morally let our young people down and we have let the future of our people on this Island down. We have to take the grave decisions. Now, in terms of what is happening with the climate emergency and the sustainable transport policy, I have had the privilege of attending some meetings with the people who are working on that and I know, in particular in the Environment Department, there are people who are not only incredibly qualified, but very passionate about making that change. They have been waiting years and years to make some changes, because there has never been a fund available, it has never been taken seriously and we have never really addressed the issue. We are starting to do that and at the first time in which we create something, because of the fixed mindset of small business, it stops that happening. What we are missing here are the ways we can use these levers. There are small businesses, there are larger businesses like the Post Office, for example, who have electrified their vans and they are making a huge difference and they are finding they are saving a vast amount of money. The guy who runs the small corner shop near me has an electric van, he is incredibly proud of it and it is saving him a fortune, because he hardly ever has to have it M.O.T.'d and so on, he will not have to and he is saving a fortune on fuel and he feels good about himself. He is not a radical; he is a small business man, who has woken up and realised the importance of making change and woken up and realised that we cannot be constantly relying upon fossil fuels.

[12:15]

But we are getting into a wider debate, this is a very small debate, do we set up another input into the climate fund - and there might be some more good ideas coming on that later on - or do we, at the first opportunity, cut back on the facility that we are creating to do that. I would like to just say to a few people - and it is a shame they are not in the Assembly, I really hope they are listening next door - because I want to convince them to change their votes. Deputy Perchard, I completely agree with you, obviously we agree about buses and I agree that this is not the solution, there is not one solution here, this is a small piece of the jigsaw of solutions. This is one part of the financing. There will be other parts and I am going to talk later again about those, the way we could finance. We will need to be proactive and creative in the way in which we do that, so that we can adapt how our economy and our living processes and the way that we transport ourselves and heat our homes in order to make the changes that are necessary. What I am talking about there is, please, just move away from that fixed mindset. Look up 'growth mindset'; let us get a growth mindset, it is something we encourage our young children to do, to say that you can make change, you can have an impact and you can be part of something that leads you to success with the work and the commitment that you put in. So, let us move away from the fixed mindset of this Amendment and move towards a growth mindset of what we need to do for a climate change fund and please I urge you to reject this Amendment.

3.2.18 Deputy I. Gardiner of St. Helier:

Following Deputy Ward - and as a member of the Scrutiny Panel that proposed this Amendment - it is not the fixed mind change, it is the balance and the message that we are sending there, yes, we support Climate Emergency Fund and this is the reason the 2p is going towards Climate Emergency Fund and 2p going to revenue. So, it is balanced; 2p going to the revenue and 2p going to the Climate Emergency Fund and Climate Emergency Fund will get £6 million and not £7 million. It is important at the same time this million probably will not sort our climate emergency strategy that will be presented, but this million will have a huge impact on our population. How it will have an impact, yes, we have only one submission. The Minister for the Environment talked about it that we have one big submission that telling about increase on fuel expenditure between £30,000 and £40,000. By reducing this 2p we will reduce the expenditure by £10,000. Follow this, I have had conversations ... we did not have submissions, but I did have conversations with medium businesses that they expenditure between £15,000 to £20,000 and this 2p will reduce their expenditure by £5,000 and everybody understands that the rise in expenditure on the fuel for these small, medium and bigger businesses, will be passed to the people, to our residents. They will pay for this. This will be the increase of the cost of living that already is high. So, it is not that we are not sending the message, the message we do support, we do think there is a climate emergency and we do put money towards this, but we are also thinking about increase. This £1 million that we will not put in the emergency fund, because we will not raise by 2p, will make a huge difference to the people and especially for the medium and small businesses.

3.2.19 Connétable R.A. Buchanan of St. Ouen:

I listened with great interest and enthusiasm to Deputy Ward's speech. He touched on a lot of points that are very important. When we talk about greenwash, certainly as somebody who was born in the 1950s and has my propensity to use motorcars, I am sure it would not be applied to me. However, even I cannot escape the fact that there are too many of us on this planet and we are slowly, but surely, poisoning it. That is probably the most important point in this debate. What I would say to everyone is every journey starts with a small step and fuel accounts for one-third of the emissions in this Island. We cannot escape either of those 2 facts. Whether we like it, or not - and I like it - we have given a commitment to get to zero per cent by 2030 and we have to do something about that. We cannot just ignore it. As we have said before and as has been discussed in a number of speeches, this is a start. I do not think it is the end solution; it never can be the end solution, but any result of any significance will always be achieved by small steps and this is the first small and very important

step. We talk about businesses that will struggle with fuel prices, it is worth pointing out that there is a big range of fuel prices in the Island, there is plenty of opportunity to shop around and mitigate the effects of this increase on your fuel bill. I do not think we should forget that oil is a very volatile commodity and businesses are generally pretty well used to dealing with large swings in price and we have seen that, certainly in the last 3 or 4 years, the fuel prices fluctuating from around 100p a litre to 130p a litre and businesses are used to dealing with that and they have price structures to accommodate that. So, I am not going to speak for long, because everyone has made a lot of points on this and a lot of them I agree with, but let us not back away from tough decisions. We know this is going to hurt people, climate change will hurt us, it will hurt us in the pocket, but if we do not do something about it, I will tell you what, it will hurt us a lot more when the water starts lapping up through the Royal Square and we have hurricanes blowing through the Island. That may be an extreme view - and I am sure Senator Ferguson is going to groan at what I have just said - but these things are possible. You only have to look around the world at the disasters that are hitting everywhere else to realise that it could happen in Jersey, even this year we had a hurricane that just missed us and hit France. That is very unusual. I do not think we can escape the fact that climate change is real and it is happening, so let us not back away from difficult decisions and let us reject this Amendment.

3.2.20 Deputy G.P. Southern:

I will be as brief as I can, because we have had a long debate. Over the years, one of the things I have noticed about this House is that it is very good with words and not so hot on actions. That is reflected in the fact that we can make long-term decisions and they sound very comfortable, we are going to have a green fund, that is perfectly safe and it is 10 years away, 15 years away, nice and comfortable. Yet, what we are also good at is changing our minds. Time and time again I have seen this House vote for something on Tuesday and come Friday it is all up in the air again. I urge Members, if you backed the green fund, this is the hard stuff, you have to put some action there to make sure the green fund can do something. So, do not change your mind from that original decision and do not look at the short term, rather than the long term; act now, make sure you do not vote for this Amendment.

3.2.21 Connétable K. Shenton-Stone of St. Martin:

With regards to the Amendment, I have been very torn on this and I have been flip-flopping around, but I think that I will be supporting the Government in this. I would, however, ask the Government that more imaginative and innovative funding measures are examined and introduced with a greater focus on improving and expanding public transport and ease of access. It is true that we will not save the world eliminating our fuel emissions, but our decision to take early action will ensure that we provide a blueprint for other jurisdictions to copy and follow and demonstrate that a zero emissions Island society is not only achievable, but highly desirable.

3.2.22 The Connétable of Grouville:

I sit on the Panel and will be supporting the Amendment. Most of the arguments have been made, so I am not going to repeat them. One of the arguments about which I think the Constable of St. Clement made about the price differentiation is rather an illogical argument, because, if you go to the garage at the moment, because you are hard up that sells fuel at £1.12, you are going to have to pay an extra 6p if this Amendment does not go through, so it will affect you. But if you go to one of the more expensive garages and then change and go down to the garage that sells the fuel at £1.12 then the policy will not achieve its aim anyway, so it is not a very good argument. I fully understand the climate change problem, totally supportive of having a fund, but a lot of speakers have made it sound as though we will be doing nothing. Of course we will be raising £1 million towards this fund from fuel with our Amendment, just not £2 million and we are also putting £5 million aside hopefully later into the fund, as well. Incidentally, I understand the estimated cost - just to put the £6 million

into perspective - of the transport policy, which was given to us, or sent to us, by the Environment Department in a letter to our Chairman of the Panel, is estimated to be about £1.5 million. We do not know what the rest of the money is going to be spent on. I am sure, like Deputy Ward, that when we review it we may need to put more than an extra 2p on the fuel, let us see what we need to generate and then raise the funds at that time.

3.2.23 Deputy G.C. Guida of St. Lawrence:

I was told to bring the paper back to the Assembly, because it would be a long boring week and I am very surprised to see that it is quite entertaining and it makes your blood boil and it is quite interesting, so I am grateful for the speakers to have got a bit of animation this morning. I would like to introduce some of us to this device, it is very useful and in what we do it is quite essential. If one of your costs goes up by 4 per cent, actually 0.33 if you do the calculation, it does not increase your expenses by 25 per cent. If you use one of these, or you do not have one and you have a slide rule I can also show you how to use it, it gives the same result. Now, P.27 was a long time ago, 6 months ago, but I do not remember it being about the gently nagging climate issue Proposition, I think it was called the climate emergency Proposition. Emergency means that we are in a hurry; that something must be done, it is a call to action and I must say that, as a Member of Government, getting action, getting things done, is the one difficulty that I have had. To see here a proper call to action swiftly followed by the creation of a fund and a guaranteed start at the beginning of 2020, that is the best thing that has happened to us in the Government Plan. We have the money, we can get started. One of the things that has been discussed today and that again use one of these is whether we need the money, why do we need to put all this money aside if we are not sure we are going to need it, because we have not calculated everything. The problem with making a sustainable transport plan, or climate emergency plan, is the scale of it. It is not that we do not know how much will be needed, it is that it is so much, it is so large, that we have to be really careful in what we are going to ask. Let me give you some ideas. We would love to have electric buses. If we transform the fleet and have 100 electric buses in the Island that is the same as taking 4,000 petrol, or diesel, cars off the road, it is massive, it is excellent, it is really nice. It is £70 million. If you leave them, it is £2.5 million per year for the foreseeable future, £2.5 million out of, how much already? Bio-fuels, there are many vehicles that will not be able to electrify, if you want them to be carbon neutral, you need to use bio-fuels. We use 25,000 tonnes of diesel a year in the Island. Bio-fuels cost twice as much as fossil fuels. So, if we wanted to make bio-fuels usable in the Island, we would need to invest £12 million a year just to balance the difference, so that business, agriculturalists, could put bio-diesel in their tractors, or in their plant; that is the scale of the problem. Buses, public transport, we definitely want to improve our bus service. We talked about making it free and how much that would cost. But even if we just want to add a few routes to make the bus service better, one additional route is £125,000. We have many routes today that have one-hour intervals; that is way too much. We want, at a minimum, half an hour, or maybe 20 minutes. But doubling each of these routes is £125,000, 8 routes £1 million every year. The scale is staggering, compared to the money that we are trying to put in, so to go and say: "We do not know exactly to the penny how much we are going to spend, so maybe we should keep aside and just have the £1 million for the first year", it is ridiculous. It is ridiculous. We are going to have way not enough immediately, but, of course, we are quite happy to have a little bit to get started, to have action.

[12:30]

Another thing that I would like to mention, you do not need to believe in climate change; that is not the issue. Everything that we are going to do will have multiple effects. Even if you do not believe in climate warming, who here can say that the car is not a problem in Jersey? Pollution, noise, traffic, how does that improve our well-being? The car is a problem in Jersey. Even the Minister for Children and Housing will have something to say about it. At 3 o'clock in the morning, when all the cars in the Island are parked, they take up one square kilometre; that is the number of cars; that is the

scope, the number of cars that we have in Jersey, in an Island where most people would not need them, one square kilometre just taken up by cars. How many affordable houses could you build on that? So, we are going to look at multiple effects, raising the price of petrol brings in money; that is one effect and it is a lever that pushes people to use their cars less; that pressures businesses to invest in electric vehicles earlier. It is a very small push, again, 0.33 per cent, it is not a lot and we hope to do more. But every time we will do something, we will look for several effects so, yes, it is good on carbon emissions, we might do a little 0.01 per cent to the rest of the planet, but we will also improve pollution in the Island, we will improve traffic in the Island and the money we get when we put it back again every time we will look at not just giving the money away, but trying to make sure that it has several good effects. A very interesting one; heating, yes. I agree that heating fuel oil is one of the major problems in the Island, the other 30 per cent of our emissions. About 16,000 homes, if you want to convert them to electricity, just the cost of conversion will probably be about £4,000, £64 million, a pretty big investment and now we are talking about people that might be vulnerable, so we will want to help with that. Heating an old house with electricity is more expensive than with fuel, about 4 times more expensive, so again if you want to insulate, you want to make the home more efficient, but if you want to help people go into neutral carbon emissions we are talking about another £60 million a year. We are talking about a lot of money, this is just the beginning and if we falter just now where are we going to go?

3.2.24 Deputy C.F. Labey of Grouville:

I am married to a taxi driver, so you can imagine putting 6 pence on fuel gives rise to some rather colourful and robust discussions in my household at present - but my husband long ago decided to influence the way I vote - but what we have to do here, some of us need a reality check and I know some people attended Parish meetings about the sea level rises and they were excellent, I must say, given by the Environment Department. But they are absolutely terrifying, especially for us in Grouville and St. Clement, but the amount of what we have to look at and consider and the amount of money that we are going to have to put to one side, to mitigate the adverse effects of this, is staggering. So, that is down the line, perhaps, but we have to be thinking and doing and working on these issues now. I am delighted to tell Deputy Perchard that some of us are working on cycle networks, some of us have been working on them for a very long time, but along with Senators Pallett and Moore, Cycle for Jersey and hopefully soon the Comité des Connétables, when we are given a slot at one of their meetings, we are looking to identify a network on-Island of cycle routes around and to the centre, as well, to St. Helier, to give people incentives and alternatives as a means of transport. It is down to money, it is down to pence in some issues. My son, for example, he is a great cyclist, he will cycle most of the time; however when faced with the bus, or driving and parking all day, it is cheaper to drive and park all day than getting the bus. That might be an issue for buses, but it is all a balance. It is all a balance and this Government Plan is attempting to balance things up and the Minister for Treasury and Resources has worked incredibly hard trying to mitigate the effects, as I know, on the self-employed and businesses with the tax allowances. So, we have to try to change behaviour in certain ways and hopefully help people at the other end where we are making effects. But this Assembly - and I have seen this way too often in this Assembly - we vote for something, we vote for something like climate emergency, the excellent Proposition brought forward by Deputy Ward, so we have voted for that on moral grounds and because some of us realise it is a real issue and we have to start taking effect and doing and working on it now. But all too often we have voted on something, stood on the high ground and then failed to deliver, failed to give the money. So I am going to be rejecting this Amendment, because it goes some way to try to start to change peoples' behaviour and consider the pollutants, consider all aspects and I think this is a fair and proper measure to take.

3.2.25 Connétable J. Le Bailly of St. Mary:

The 6p increase on fuel may seem harsh, but it is essential in order to achieve our expectations of improving air quality and attempting to improve transport arrangements. If the 6p increase is rejected, then in 10 years' time we will have to fund this ongoing climate change fund from a different source, because most vehicles will be mostly electric by then, so the revenue will have been lost. The important thing is do we care about our environment, or do we care more about a few pence that could help solve the problem? At least let us build up a fund in order to be prepared. If the effects of climate change disappear, then we will have a fund, which could be alternatively used for other essential purposes, like installing fresh water and mains drainage to the neglected parts of this Island.

The Bailiff:

If no other Member wishes to speak then I call on the Connétable of St. Brelade to respond.

3.2.26 The Connétable of St. Brelade:

I thank all Members who have contributed to the debate, which has been, I think, very good. There have been a lot of submissions and I do not intend to go through them at length in the light of much of what we have to come, but there are one or 2 points that I would like to pick up on, one particularly from the Minister for the Environment, who alluded to the fact that in the youth presentations the communication seemed to be that the youth have no confidence in Government. This is really the point we are making, so the Panel do not disagree with the predominance of the submissions that have been made today regarding climate emergency. We are fully behind it, but we are not confident that the Government are going to perform and hence the proposal that has been made, effectively to hold back £1 million until such time as the Government have demonstrated they are going to take action. That is all it is about; nothing else. The tool is in the hands of the Government to do that. If they perform, we would support that additional £1 million going into the Climate Emergency Fund. I am not going to go on any longer but to make the Proposition and ask for the *appel*.

The Bailiff:

The *appel* is called for. I invite Members to return to their seats and I ask the Greffier to open the voting.

POUR: 14		CONTRE: 32		ABSTAIN: 0
Senator S.C. Ferguson		Senator L.J. Farnham		
Senator K.L. Moore		Senator J.A.N. Le Fondré		
Senator S.W. Pallett		Senator T.A. Vallois		
Connétable of St. Helier		Senator S.Y. Mézec		
Connétable of St. Saviour		Connétable of St. Clement		
Connétable of St. Brelade		Connétable of St. Lawrence		
Connétable of Grouville		Connétable of St. Mary		
Connétable of Trinity		Connétable of St. Ouen		
Connétable of St. Peter		Connétable of St. Martin		
Deputy K.F. Morel (L)		Deputy J.A. Martin (H)		
Deputy S.M. Ahier (H)		Deputy G.P. Southern (H)		
Deputy J.H. Perchard (S)		Deputy of Grouville		
Deputy K.G. Pamplin (S)		Deputy K.C. Lewis (S)		
Deputy I. Gardiner (H)		Deputy M. Tadier (B)		
		Deputy M.R. Higgins (H)		
		Deputy J.M. Maçon (S)		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy of St. Ouen		
		Deputy L.M.C. Doublet (S)		
		Deputy R. Labey (H)		
		Deputy S.M. Wickenden (H)		

		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy J.H. Young (B)		
		Deputy L.B.E. Ash (C)		
		Deputy G.C.U. Guida (L)		
		Deputy of St. Peter		
		Deputy of Trinity		
		Deputy of St. John		
		Deputy R.J. Ward (H)		
		Deputy C.S. Alves (H)		

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

The adjournment is called for. The States stands adjourned until 2.15 p.m.

[12:41]

LUNCHEON ADJOURNMENT

[14:17]

3.3 Government Plan 2020-2023 (P.71/2019): tenth Amendment (P.71/2019 Amd.(10))

The Bailiff:

Very well, we now come on to the next of the Amendments to be considered, which is an Amendment by Deputy Ward, Amendment number 10 and I ask the Greffier to read the Amendment.

The Greffier of the States:

Page 2, paragraph (a) after the words “of the Law” insert the words “, except that (a) in Summary Table 1 the total income from ‘Goods and Services Tax (G.S.T.)’ should be increased by the sum of £712,500, by increasing the rate of G.S.T. levied on luxury cars (defined as those with an import or retail value over £30,000) to 10 per cent, with the additional income transferred to the Climate Emergency Fund; and (b) the Minister for Treasury and Resources is requested to publish an estimate of the effect on General Tax Revenue of decreasing the rate of G.S.T. levied on (i) solar Panels, (ii) electric space heating replacement of oil heating, (iii) electric cars, motorbikes, scooters and vans, (iv) electric bikes and cargo bikes, (v) loft and cavity wall insulation, (vi) double glazing, and (vii) installation of ground source heating to 0 per cent, so that the Assembly can consider the financial effects of zero-rating those items in the Government Plan 2021.

3.3.1 Deputy R.J. Ward:

I am going to keep this short, which everyone will be pleased. This Amendment seeks to achieve some very simple outcomes, outcomes that are relatively small in the context of what we need to do to address climate change, as we discussed earlier. It was a very interesting discussion earlier to see how many people and the growing awareness of where we are which is, I think, a compliment to what we have done in the last 6 months, or so, in this Assembly. But they are important in the messages that they send and in the drivers behind them, if you will excuse the early pun. Sorry about that. There are 2 parts to this Amendment. The first includes a revenue-raising measure, the second asks for the publishing - and I am going to be very clear about this - the publishing of an estimate of the cost of removal of G.S.T. from a range of applications, in order to directly address some of the actions that will be positive for our climate. Now, in terms of the first part of this Amendment, there are many options for this, but by far the simplest is the cost of cars, cars over £30,000 and the very

expensive cars that are present in the Island are a luxury item. By increasing G.S.T. to 10 per cent, this will raise revenue that can be directed to the Climate Emergency Fund and pay for the measures in the second part of the Amendment. To put it simply, they are costed changes. The comments paper from the Council of Ministers notes that I have accepted July as the date for implementation and that makes sense. I have talked extensively with the Tax Office about what we can do here and I fully accept that it will take time to do it. This also gives time for the changes that are required and for the work to be done on the accompanying G.S.T. removal costs on climate-positive measures. Therefore, the drop in income that comes through starting in July is not an issue in that half of the year and subsequent years would have that level of income. It also gives a link between the 2 measures and the timing between the 2 measures, dare I say, is an example of joined-up thinking that is so necessary. Second-hand polluting vehicles will be addressed by the M.O.T. system that has been introduced and so this is a side issue and really not relevant to the Proposition. I do not think that is a relevant part of the comments from the Council of Ministers; a genuinely critical comment there and criticism in its true sense. The second part of the Amendment simply asks for an estimate of the cost of removal of G.S.T. and there is a reason why I have to take this, for the second time today, very pragmatic approach. I cannot change G.S.T. levels, only the Minister for Treasury and Resources can do that and I have discussed at length with Treasury and the Tax Department ways to do this. I have met with the Treasury Department. We did initially have a change that was lodged, but it was not valid, so we could not do it, but I understand that what needs to happen is a costing needs to happen first for these things to happen. If we are to incentivise any of the types of initiatives I am talking about, we will need to cost them. The Amendment is about starting this process now. If we look in a wider context, today in the European Parliament they are finally discussing their declaring of a climate emergency, so this issue is growing and becoming real everywhere in the world. To be frank, I am not concerned how we do these initiatives, whether it is from removing G.S.T., or subsidising G.S.T. costs in some way, but this Amendment asks for the costings and it starts the process. It does it now, it takes action now, to enable sooner rather than later and we do not have time. It also provides a source of income to act on these costings in whatever way the decision is made to implement them. I am pleased from the report from the Council of Ministers, it says: "The Council of Ministers supports the proposal to publish an estimate of the effect on general taxation revenues of decreasing the rate of G.S.T. levied on a range of environmentally-friendly products. However, the Council of Ministers considered this report should also use the data on volumes and values collected for this exercise to consider a wider range of policy options for incentivising the use of the products listed in the Proposition." But it has to start somewhere and it has to start with a costing of G.S.T., which is what I am asking for in this Proposition. So, I do not think we should be fearful of that, we should be understanding where I am coming from. I urge you to support both parts of the Proposition. For those concerned over increased G.S.T. on expensive cars - and I am sure a lot more will be said and I will try and save some for the summing up - I have learnt that, in July 2017, a 2-digit number plate was sold for £73,000 on this Island. High-end car buyers may well spend significant amounts on particular features of cars. By directing the cost to this sector of the community, we can raise revenue to be used in our battle against climate change and not add to the cost on the majority of our population. So those people who struggled earlier today with the 2 pence increase in fuel duty for the population, it will not be affecting those who cannot afford to pay and these are luxury items. I see no problem with that and I think it is a very sensible way to go forward and add another piece, as I mentioned to Deputy Perchard earlier, that tiny jigsaw piece that adds to the overall jigsaw of where we raise revenue from to deal with the climate change emergency and I think this is the really important thing. It is a costed proposal that raises revenue, it directs the revenue to a meaningful fund and that is the key thing about this Amendment and proposes meaningful and positive ways to spend the monies to impact positively on our climate. Now, I know the issue about we do not know what we are going to do with the climate fund yet; I mentioned it earlier about we are in a catch-22 situation. But I think we agreed earlier, as an Assembly, that what we will do is we will have that fund, so we have got the option, when we

know what we want to do precisely. If we direct specifically for what is happening in Jersey and the changes we make, I think that is really important. So, I will finish very quickly and I will say let us not miss a chance to take action on the climate emergency, that was so overwhelmingly supported in this Assembly. Let us not run the risk of being seen only as a talking shop again, while those growing numbers from all ages outside this Assembly are recognising the issues that we face and that there is a desperate need to take action now. Let us lead the way and I ask you to support both parts of this Amendment.

The Bailiff:

Is the Amendment seconded? [**Seconded**]

3.4 Government Plan 2020-2023 (P.71/2019): tenth Amendment (P.71/2019 Amd.(10)) - Amendment (P.71/2019 Amd.(10)Amd.)

The Bailiff:

Very well, there is an Amendment to Amendment number 10, lodged by Deputy Morel and I ask the Greffier to read that Amendment.

The Greffier of the States:

1. Page 2, inserted sub-paragraph (a) before the inserted sub-paragraph (a), for the words “except that”, substitute the words “and that”; and in the inserted sub-paragraph (a), for the words “in Summary Table 1 the total income from ‘Goods and Services Tax (G.S.T.)’ should be increased by the sum of £712,500, by increasing the rate of G.S.T. levied on luxury cars (defined as those with an import or retail value over £30,000) to 10 per cent”, substitute the words “in time for 1st January 2021, the Minister for Treasury and Resources be requested to bring forward plans to levy an increased rate of G.S.T. of 10 per cent on heavy domestic cars (defined as those with a weight over 1,950 kilograms)”. 2. Page 2, inserted sub-paragraph (a) delete the words “, with the additional income transferred to the Climate Emergency Fund”. 3. Page 2, inserted sub-paragraph (b)(vii) after the words “installation of” insert the words “air and”.

3.4.1 Deputy K.F. Morel:

If I may ask your indulgence, just to preface before starting my presentation of that proposal, I would like to apologise to the Assembly. I certainly did not intend to mislead anybody and when I looked at the website earlier, I honestly did not see the ‘view more’ buttons. So, yes, I just want to make that quite clear, there was never any intention to mislead. [**Approbation**] Thank you. Now, moving on, there are 2 parts to my Amendment and I will look at the second part first, because I really do ask Members to support the second part, because it is purely basically part (b) in the proposal. It is purely a small technical change to Deputy Ward’s Amendment. It includes air source heat pumps. Deputy Ward’s Amendment initially only included ground source heat pumps, but air source heat pumps are much more accessible to most people in the Island and are a good way of, once installed, cutting down carbon emissions, particularly if you move away from fossil fuel heating. So, if I am able to take it in 2 parts, I will do to try to make sure that Deputy Ward’s Amendment gets that small change and I think he will probably back that.

Deputy M. Tadier:

Sorry, I do not mean to interrupt. If Deputy Ward is willing to do that, could we take that, as amended, so we do not have to debate that separately? Are we past that juncture?

The Bailiff:

I think now the Amendment has been proposed we must deal with it properly procedurally, but, of course, there does not need to be any lengthy speech about it if everyone agrees.

Deputy K.F. Morel:

Yes, so please do not debate that part of my Amendment. So, basically, I want to start by saying that I believe I understand what Deputy Ward is trying to do and my Amendment is, in my view, trying to improve upon his. I believe Jersey is in the midst of a traffic crisis and, quite simply, for too long we have indulged those who choose to buy large, heavy, polluting cars that are neither fit for the wider global environment, nor fit for Jersey's roads. I know that there is one particular parishioner who may well be listening to this, who will not be happy with my views on this matter, but I ask him to forgive me. We like to invoke images of Jersey as a beautiful Island, full of sleepy, green, leafy lanes, but at the altar of free choice we are sacrificing this, one of the most important legacies that we pass on to each generation. Time and time again, I come across hedgerows - and as a Deputy from a country Parish it happens all the time - scarred with tyre tracks from encounters between vehicles that are quite simply too large for our lanes. My Amendment to Deputy Ward's Amendment is designed to take his aims, or those that I believe he has in mind, which are those of reducing pollution and helping Islanders meet our carbon challenge, but it does not stop there. By taking the innovative path of measuring vehicles by weight, this Amendment addresses the carbon challenge, because larger vehicles need more energy to move. It is, quite simply, the energy needed to drive a vehicle is dependent on the actual weight and mass of that vehicle. So it addresses the carbon challenge and it also addresses the issue of damage caused by excessively large domestic vehicles to our roads, lanes and hedgerows.

[14:30]

Importantly - and following consultation with the Comptroller of Taxes - I propose that this measure be brought in from 1st January 2021, in order to give time for D.V.S. and the Tax Department to create the necessary processes that would see this Amendment realised. It should be noted, however, that D.V.S. already has the ability to register the weight of vehicles and this Amendment would only mean using that facility, rather than having to create it. At the heart of my Amendment is the concept that Jersey needs to get to grips with the nature of its vehicular traffic. But rather than go down the road of banning and prohibiting, as our sister Island Sark has done, it suits the nature of Jersey to encourage better purchasing decisions, through taxation that penalises those choices which create costs to the Island and its community. I have mentioned Sark and I think it is worth spending a moment reflecting on the course that that Island has chosen. I do not know the precise history, but the way I do see it is that, when faced with a choice as to whether, or not, to enter the age of the car, Sark's community looked at the nature of the Island and its roads, or pathways, and chose the route of denying access to private cars. While Jersey does not need to ban cars, a similar exercise in terms of understanding the nature of the Island, I believe, is very important. So, rather than prohibiting, we can discourage the buying of those cars, which are not beneficial to the nature of our Island and instead we can choose those vehicles that complement it, rather than those that slowly destroy it. For too long we have suffered under the assumption that free choice must be upheld. Well, that may be the case, but that does not mean those choices cannot be influenced. Indeed, that is exactly what this Amendment is designed to do. Before closing, I just want to address Deputy Ward's Amendment once more. I understand where he is coming from. He wants to encourage the purchase of smaller, less fuel-intensive vehicles; unfortunately, however, his Amendment does not do that. Instead, it tackles the issue of luxury, rather than environmental performance and this is shown by the fact that the £30,000 level that he has chosen would capture plenty of electric and hybrid vehicles within it. I have chosen the weight of 1,950 kilograms because it is higher than the weight of most electric and hybrid vehicles. It even enables the purchase of lighter, less-polluting, family S.U.V.s (Sport Utility Vehicles) but it penalises those who choose to buy vehicles that are unnecessarily large, polluting and damaging to our Island. So, this Amendment is something to make Islanders think and to make States Members think, to think about what we want from the traffic that we have on our roads and how we want to regulate it and what choices we want to encourage people to make in the future. With that, I propose the Amendment.

The Bailiff:

Is the Amendment seconded? **[Seconded]**

3.4.2 Deputy S.J. Pinel:

Deputy Morel says his Amendment is designed to improve the tenth Amendment, which we shall shortly be discussing, by penalising the larger, heavier, gas-guzzling vehicles which do the most damage to our environment. I have some sympathy with the sentiments of this proposal; however, I fear it is flawed. I am not persuaded that it will dissuade drivers from purchasing large, heavy cars. I suspect large 4-by-4s may be the focus of Deputy Morel's Amendment and a good example would be the Land Rover MK5, a new model Discovery, which I am told weighs in at 2,100 kilograms, a car that would be caught by the higher rate of G.S.T. under this proposal. This vehicle retails at around £50,000, so the additional G.S.T. on this vehicle would amount to around £2,500, an amount, I suspect, that is unlikely to tempt these drivers into a V.W. (Volkswagen) Up. There are electric vehicles, which produce no discernible pollution, which would be caught by this proposal and taxed at 10 per cent. Equally, there are high-performance sports cars on our roads - and I am not at all sure why our small Island attracts so many of these vehicles which are among the highest polluting - but which would not be caught by Deputy Morel's Amendment. For example, the Jaguar I-Pace electric, a 4-wheel drive electric vehicle, has a kerb weight of 2,100 kilograms. It is an electric vehicle and therefore has nil CO₂ emissions, but would be subject to this 10 per cent G.S.T. charge. A Porsche 911 Turbo has an unladen weight of 1,700 kilograms and published CO₂ emissions of 202 grams per kilometre, which would place this vehicle in the highest span for vehicle emissions duty, vehicles with greater CO₂ emissions than 200 grams per kilometre. This car would not be subject to the 10 per cent G.S.T. charge. I hope the Assembly are suitably impressed with my vehicle knowledge. **[Laughter]** **[Approbation]** I think Islanders would find the consequences of this Amendment confusing. I believe that the more coherent policy is to penalise the more polluting vehicles. These are vehicles with the highest pollution, including CO₂ emissions. To some extent, the existing vehicle emissions duty regime addresses that, but I think most of us accept that the one-off nature of that charge makes the measure less impactable than it might be if, say, it became an annual charge. The Government is, of course, reviewing such issues as part of its policy development programme. I do not think it is for this Assembly to nag Islanders about which cars they should be driving, unless there is a strong correlation between Islanders' choices and a particular policy goal of Government, such as reducing pollution. But, equally importantly, it has been the steadfast view of this Assembly, since G.S.T. was introduced over 10 years ago, that it should be low, broad, simple to administer. I am not in favour of changing this principle in respect of G.S.T. A new rate of G.S.T. would result in additional costs for businesses and for Revenue Jersey. I myself have said before that I do think G.S.T. may need to go up in the future and, if it does, we may seriously have to look at the case for creating a higher and lower rate of G.S.T., but I do not think we should rush into that. We need to understand the consequences of doing so much better than we do now. The question of removal of the hypothecation proposed in Amendment 10, Treasuries worldwide are not fans of so-called hypothecation, because of the inflexibilities it can easily create in responding to the urgent funding pressures of the day. Because of the accounting costs of managing it, I understand that it would also be quite difficult properly to estimate how much G.S.T. should be hypothecated on an annual basis. The Fiscal Policy Panel shares that wariness of hypothecation, having recently criticised us for proposing hypothecation of some fuel duties for a Climate Emergency Fund. I would defend that decision, but on this occasion I do think hypothecation would be a step too far and so I do not support this part of the Deputy's Amendment. In respect of air pumps in the review of environmentally-friendly products, in respect of the Deputy's Amendment to include air pumps in the review proposed in the tenth Amendment, I have no objection to that if Amendment number 10 is passed by the Assembly. I am not quite sure, at this point, whether the Amendment is being taken in 2 parts, or one part, but I urge the Assembly not to accept the first part of this Amendment, but I and the Council of the Ministers will be supporting the second and third parts of the Amendment.

Deputy R.J. Ward:

May I just ask a point of clarification before I speak? I believe that electric cars, because of their low emissions, are subject to vehicle excise duty which means that they are ...

The Bailiff:

Well this is a point of clarification you are asking of the Minister for Treasury and Resources from her speech?

Deputy R.J. Ward:

I thought the Minister for Treasury and Resources might be the best person to know this.

The Bailiff:

Yes, this is perfectly acceptable to ask a point of clarification at the end.

Deputy R.J. Ward:

Yes and I thought there was a document coming from Treasury around a conversation I had with Treasury, that electric cars would not be subject to the 10 per cent tax but currently, even without the changes to G.S.T., because of their low emissions they would stay at 5 per cent. If the G.S.T. changes in the second part of this Amendment were enacted, then it becomes zero-rated, so electric cars would not become subject to the 10 per cent tax that you are suggesting. Could I just confirm that with the Minister for Treasury and Resources?

The Bailiff:

Are you able to clarify that, Minister?

Deputy S.J. Pinel:

I can clarify it by saying that a particular electric car is over the weight that has been suggested inasmuch as it is 2,150 kilograms and I think the weight suggested is 2,000, so it would be kerb weight, it would be then subject to G.S.T. at 10 per cent.

3.4.3 Deputy L.M.C. Doublet:

I am even more confused now. I really had some questions, because I am trying to work out how to vote on this and I am trying to understand the impact on various groups of people. The weight of 1,950 kilograms, I am just a bit concerned that, while I understand Deputy Morel's intentions, I think he is aiming this at 4-by-4-type vehicles and I totally agree with him on that. I did think about my child minder, who looks after my son and she also looks after 2 other children, has children of her own and has quite a large vehicle for that purpose, but that is not a luxury vehicle. Are there exemptions for things like this, because I think that would still be classed as a domestic vehicle? I do not think that child minders should be penalised in that way and, indeed, families with large numbers of children who possibly already struggle, so some clarification on that, please. I am a bit confused now about the G.S.T. on the electric vehicles as to whether the electric vehicles that cost over £30,000 would be subject to G.S.T. and whether electric vehicles over 1,950 kilograms would be subject to G.S.T., because it sounded like there was another exemption. So, if somebody could clarify that for me, I would be very grateful.

3.4.4 The Connétable of St. Helier:

I thought I should speak on these Amendments, because I am conscious that my environmental credentials took a bit of a knocking this morning, when I opposed the swingeing rise in fuel duty. I think both of these backbenchers are to be commended and I am obviously addressing Deputy Morel's Proposition, but I am not going to speak on both of them. They are to be commended for bringing forward proposals to tackle these particular behemoths of our roads that have been talked about for years. One of the obvious questions in some Members' minds will be: why is it being left to backbenchers to try and do these sums and work out which vehicles can be best caught up, when

the Ministers have been talking about attacking this, as I say, for more than a decade? Why is it in the comments from the Council of Ministers that we have phrases like: “This proposal is premature while Jersey is in the process of developing proposals that respond to the climate emergency”? Why have the Council of Ministers not done more to pick up these issues and to bring in these sticks from policy measures that really no one in the Island would have a problem with? I keep being stopped by people who are saying: “What are you doing about large cars in our Island?” and it is not just about the pollution. It is about the impact they have on congestion, it is about the impact they have on road safety, it is how inappropriate they are in a small Island such as ours so, as I say, I commend the backbenchers involved for doing this work. I think it is a pity that the Council of Ministers has not headed them off at the pass with more precise fiscal measures that they are happy with, that they are happy to support, which would bring in much-needed revenue and would tackle a part of our motoring community that I think the vast majority of Islanders would be happy to pay more. I note the remarks from the Minister for Treasury and Resources about G.S.T. A new rate of G.S.T., she tells us, will affect businesses. Well, I am assuming the only businesses affected would be the motor trade and I think they could probably afford it. I do not think they will mind processing a bit more G.S.T. payments on these super cars, which really do not have any place on our small Island roads. One more general comment I think about emissions duty, while I like what the Minister for Treasury and Resources is hinting at, which is that we could bring in this charge every year, based on emissions, rather than simply on the point of registration, well obviously the question is: why has that not been done yet? Will it be done next year, or is this another good idea that will simply hang around for a dozen years until a backbencher tries to bring it forward and is then knocked down, because they have not got their sums right? So, yes, let us look at that focus on emissions duty.

[14:45]

But let us remember - and this point really was not raised this morning when we were talking about making the motorists pay for the climate change fund - but increasing numbers of motorists, particularly the well-off ones, can afford electric vehicles. So, they are smiling, are they not, because they know they are helping the environment, but they are not contributing to the climate fund, because their vehicles are not using any juice, at least not the fossil kind. So, I am not really sure which way to vote on these Amendments but, as I say, I think they absolutely go to the heart of one of our problems that we talk the talk, but we really are not addressing the fact that we have really good alternatives to these larger vehicles. Of course, there is always going to be a question about the person who needs the bigger car, because they have got a big family and we hear these all the time, and there are ways of dealing with that. Other jurisdictions, I am sure, are putting higher fiscal burdens on the owners of larger cars, simply because they take up more road space, they create more congestion, they pose a greater threat to the most vulnerable road users, like cyclists and pedestrians. So, absolutely, we need to tackle this. I am just going to finish by quoting the Minister for Treasury and Resources, who said that these increased costs in G.S.T. will not dissuade people from purchasing large, heavy cars. Well, I am going to throw that argument back at her when we start debating Impôts on alcohol because, personally, I do not believe that racking up the cost of alcohol stops people from having a pint in the pub with their mates, so why keep doing it? Why argue that putting up the cost of motoring here is not a sensible reason. I think people will pay that, who want it to go through. I think the other point that we should acknowledge here, I am one of those who has opposed G.S.T. being tinkered with, because we have had, in the past, arguments to exempt food. Now if we are going to exempt larger vehicles, let us expect one about food. Or organic food, we have done that one, as well. I do not like G.S.T. I presented the petition to the States to stop G.S.T. being brought in and I will fight tooth and nail to stop it being increased, but I do not believe that messing around with G.S.T. at this stage is the right thing to do.

3.4.5 The Connétable of St. Martin:

I am not a fan of automobiles, but Deputy Morel's Amendment has driven me to look up weights of cars. I would say that, after research, Deputy Morel's Proposition fails to account for how many cars, with the most pollutant engines, are under the weight limit. For example, an Audi R8 sports car weighs just under 1,700 kilograms, but is a high-pollutant engine, that emits 293 grams of CO₂ per kilometre and can only manage around 23 miles to the gallon. However, a Renault Scenic, which is far more energy efficient and which may be used by families, is above the weight limit. I fear that the wrong people would be targeted by his Amendment. Please bear with me, my laptop is broken, but I have got this. I would recommend that we could, perhaps, go even further when considering vehicles such as these and consider the implications of restricting luxury vehicles above a certain size. Contemporary automotive manufacturing is in a state of hypocrisy. The surge in zero-emission vehicles is welcomed, but the same Ministry actively endorses the ever-expanding size of vehicles and the boom in big, heavy 4-by-4 and S.U.V. purchases is itself indicative, a cynicism. There is no need in Jersey for personal, non-commercial, vehicles that exceed 5 metres in length and 2 metres in width, such as a 2019 Land Rover/Range Rover does. The consumption of vehicles such as this is excessive and while there is understandably a market for them, the Government should aim to do more to discourage the purchase of personal vehicles above a certain size and do more to promote both the use of public transport and an awareness of the space these vehicles consume. I would ask the Minister for Infrastructure to consider this in both the new sustainable transport policy and future Government Plans. We may be a small Island and thereby unable to change the automotive industry, but our size and geography do at least provide us with a far greater opportunity than the U.K. in trying to shift the consumption habits of our motorists. I would just like to end with all my vehicle research that perhaps if the people of Jersey are desperate to buy a stylish sports car, which is more energy efficient, they should follow the Constable of St. Ouen's lead and consider buying something small, lightweight and with a small engine, such as a Caterham.

3.4.6 Deputy D. Johnson of St. Mary:

First of all, I would like to commend both Deputy Ward and Deputy Morel for these Amendments, which, I think, highlight the points we are faced with. They do, in fact, collectively seek to address 2 points: one is the level of carbon emissions and the other is the size of the vehicle. I think the latter has not been duly emphasised enough. I am old enough to remember the days when you paid your road tax according to the length of your vehicle. I have long felt that big vehicles should somehow be penalised for taking up road space, because, as Deputy Morel said, our roads are not built for those. So, I am therefore more inclined to support his Amendment than Deputy Ward's, which relates to vehicles over a certain level. I also note that Deputy Morel's Amendment, which we are now discussing, asks the Minister to bring forward plans to levy an increased rate of 10 per cent and I suggest there may well, therefore, be time for her to formulate different plans, based on the one now proposed, which might come to the Assembly for further consideration and which might have regard to some of the subtleties we are now discussing. In the same breath, I do remember, some years ago, when there was a debate on increasing vehicle emissions duties. At the instigation of the Jersey Farmers Union, I brought an Amendment to exempt from the increase certain tractors because of their size and that was found to be acceptable. I think also, from memory, the Constable of Grouville is not here, he brought a further Amendment to exempt maybe vintage cars, which had a certain value and they might well fall into a category caught now by the Amendment. I would hope that, in any further plan, the Minister for Treasury and Resources might give consideration to a 1928 Bentley, for instance, being brought to the Island being exempt from any such charge. But, on balance, I am inclined to support Deputy Morel's Amendment, because it does have regard to the problem of vehicles of substantial size not being fit for our roads being used regularly.

3.4.7 The Connétable of St. Ouen:

Firstly, I thank the Constable of St. Martin for her praise of my Caterham, but I am glad she did not ask me about how many gallons to the mile it consumes when it is racing, because I would be

seriously embarrassed. I am just looking for some clarification. If Deputy Morel, when he sums up, could confirm, or deny, that his Amendment catches electric cars, because if it does, it gives me some concern. I think that both proposals, while I support the principles - and I hope my speech in the last debate clarified my position on climate change - I would also say to the Constable of St. Helier, who is not here, I think he has completely redeemed himself in this debate, so he does not need to worry about that anymore, I do not think. My concern is that neither of these Amendments really get to the nub of the issue, which is that we are trying to catch cars that are high polluters, that kick out a lot of CO₂. I think using G.S.T. on value and weight is not necessarily going to do that for us. I think the Minister for Treasury and Resources has grasped the point and I would hope that she expands it further, what we, in my view, need to look at is using V.E.D. (Vehicle Emissions Duty), which taxes CO₂ emissions, expanding that and increasing it to those cars that have a CO₂ emission above a level that we believe is acceptable. Every manufacturer publishes these figures, maybe in the case of Volkswagen they may not be particularly accurate, for those of you who can remember that particular dispute, but it is an accurate way of catching cars that are polluting this Island. I accept the argument about size, but I think the energy argument covers that completely, because a large car would almost certainly consume more fuel and have a higher CO₂ emission. So, my request to both the proposers is that V.E.D., in my view, is the way to go, it is the way to accurately target CO₂ emissions and tax those people that are the highest polluters. I hope that they will address that concern in their summing-up remarks. I am minded to support them, but I think using V.A.T. (Value Added Tax) is not the right way, I think. Adjusting V.A.T. rates is a problem for the Treasury, whereas V.E.D. can be targeted accurately at those people who are the biggest polluters. So, I will listen carefully to both summing ups and I am sure their remarks will influence the way I vote.

3.4.8 The Deputy of St. Peter:

I went to D.V.S. in the summer, because I am known to have this lack of understanding about why people want to drive big, gas-guzzling, 4-by-4s around the Island and why they want to drive large vehicles, almost status symbols, through our small lanes, very wide Porsches, *et cetera* and everything else. I can understand why they want to drive them to Condor and take them to Europe, but not use them as their day-to-day vehicles over here. However, I was cut in my tracks, because the database that D.V.S. have on the cars in the Island is fundamentally inaccurate. So, I wanted to have the data to be able to cut the database to look at prioritising for maximum road tax on the largest cars with the largest emission and have a sliding scale down to zero on hybrids, electric, Nissan Micras and small cars. I was also told there are 127,000 cars on the particular database and it is estimated 20,000 of them have been exported from the Island, but have not notified the D.V.S., so the data has not been updated. So I was very reluctant to bring anything to the Assembly for the taxation of cars, because too many of the demands sent out would have been sent out erroneously, which would have been administratively (1) embarrassing and (2) a slight nightmare to process. So, I am totally behind the principles of this and I am hoping that, within the next 6 months, D.V.S. can work on the database, so we can have something accurate against which to do effectively what Deputy Ward and Deputy Morel are trying to achieve. So I obviously support part (b). Do I support part (a)? I am just worried that the reputation of our decisions for what is admittedly an important amount of money to go into the climate change funds could backfire from the reputation of what we are trying to do, without doing it properly. I am also more concerned that we are going to put G.S.T. on the cars that we want to promote in the Island and that is hybrids and electric cars. So I would like some clarification that they are not included in the way you are there. So I think, ultimately, there is a bit of a disconnect and I have to bow to the Minister for Treasury and Resources. Jeremy Clarkson's - second time today - knowledge of cars, weights and emissions, I think there is a slight disconnect that we might not necessarily be catching those that we want to catch and penalising those that we do not. So, I am still on the fence, but I would like to hear to ensure that the electric and low-emission cars are not going to be caught in this particular Amendment.

3.4.9 Deputy J.H. Young:

Like other Members, I am equally torn. There is no question that the prevalence of large vehicles in the Island are a problem - or the ever-increasing prevalence - for all the reasons that other Members have spoken, which I will not repeat. But, of course, my worry is unless we have any measures in place to deal with this in the long term, such vehicles will be increasingly difficult to sell in other communities and I think it is more likely that distributors and manufacturers could target Jersey as a place where such vehicles can easily be sold, because the issues here are very different. People do not do high mileage, cost of fuel and so on, is lower. But I am so torn, because if we are to have measures to do something about it, the measures need to be correct and we do not need to have anomalies and mistakes as a result of, for example, missing out this type of vehicle, or an electric vehicle and so on.

[15:00]

I can remember when I think there were was a previous States decision to change the V.E.D., vehicle emissions duty, which only relates to the carbon emissions of new vehicles, as opposed to G.S.T., which applies to every vehicle sale, but V.E.D.s do vehicles, how one could kind of get that not quite right. So I think if there was a purpose in these 2 Amendments, to point us towards the problem, focusing our Minister for Treasury and Resources to complete this review ... of course, I am very much hoping that the Minister for Treasury and Resources, in some way, can give us a real binding undertaking that we are really going to look, not just at V.E.D. to make sure we absolutely get that right, but G.S.T. I think that because we have got such a narrow tax base here, we do not have property tax, for example, we have relatively few tax measures to use as fiscal measures as part of our armoury. For example, I brought previous G.S.T. exemption proposals, which did not succeed on important things that are in part (b) of energy insulation in homes and things like this and new boilers and so on. There are a whole raft of property-rated expenditure, all of which is part of climate change issues. There is a case, in my view, for having some kind of tax-free exemption to encourage those. But, of course, it has got to be paid for, so I think there is the question to even think about differential rates of such things. The argument will be put - it has been put already - that we do not want to have the G.S.T. structure too complicated, it is sacrosanct, there are costs of administration and so on. But we have already got zero-rated goods, we have got exempt medical supplies and, unusually, I look up on the site and I see that one can get a G.S.T. refund on building materials, if you build your own home in Jersey and live in it. I did not know that, but it is there. It says so on the website. There is also a system for people, who need transport and so on, who have a mobility issues, to have a G.S.T. refund there, which is absolutely right. Of course, we have got a scheme for G.S.T. refunds for people who are visitors to the Island, who buy goods and leave the Island. So, if we have got those things already, why is it, I ask, that we are so set that this G.S.T. administration thing is sacrosanct and we cannot look at it? So, I accept that we cannot do it on the hoof, because that would be wrong but, please, Minister for Treasury and Resources, I really want to see this, a real look at both G.S.T. and V.E.D. to make sure we get it right for the next time. But I think we have got 2, both an Amendment and a Proposition, neither of which what I am hearing at the moment quite do the task that I am wanting to do. So, I think in that case, sadly, well I will finish where I am.

3.4.10 Deputy R.J. Ward:

First of all, let me deal with the issue of electric cars. You all have the addendum to the tenth Amendment that was circulated and is on the website. On the second page of that, in paragraph 6, part (b) - and this applies to both Propositions and I will talk about why I prefer mine obviously in a moment - it defines what a vehicle is. It says that it does not include such a vehicle in which the vehicle emissions duty is charged at zero-rate under tables 1 and 2 in paragraph 8, part 2 of Schedule 1 of the Customs and Excise (Jersey) Law. What that means in plain English is that low-emission vehicles and electric vehicles would stay at 5 per cent. I checked this with the Tax Office, I spoke to the person in the Tax Office and so, therefore, until and if G.S.T. was removed from electric cars they would stay at 5 per cent. The only reason this is an addendum for me is because, again, I cannot

change the G.S.T. law, but this is a model piece of law change that has come from the Treasury Office and drafted by them that the Minister for Treasury and Resources would have to bring back to this Assembly for agreement before this happens. So, therefore, we would not expect electric cars, or low-emission cars, to be included in the 10 per cent G.S.T. rate, whether it is to do with the mass of the vehicle, or the cost of the vehicle. I think that has been addressed, if somewhat complicatedly, in this but, to be quite frank, I did not have possession of this. This was from the Treasury Department and the Minister for Treasury and Resources, because they are in charge of it. So, I can reassure that, to my understanding, which is why I asked the Minister for Treasury and Resources - but I understand that perhaps your officers were talking to me, rather than you, because I spent a lot of time talking to them - if I am absolutely frank, I can reassure that that is not the case. So, I can deal with the electric vehicles and low-emission vehicles. Now let us get on to the Amendment of the Amendment, which is what I want to talk about at this point.

The Deputy of St. Peter:

May I request a point of clarification?

The Bailiff:

Well, only if the Deputy is prepared to give way, otherwise you will have to wait until the end of his speech.

The Deputy of St. Peter:

I am slightly confused between an electric car and a hybrid. Are you including a hybrid in this? So, like, a 4-litre Lexus hybrid, whatever, is £50,000 and the other one is, I am slightly confused, because the Minister for Treasury and Resources talked about weight and she said cars of over 2,000, which is Deputy Morel's Amendment, cars over 1,950 kilograms would, regardless of whether they are electric or not, incur the full 10 per cent G.S.T. if this Amendment is accepted. So, there are 2 sides to that.

Deputy R.J. Ward:

Trying to desperately not sound like a teacher now, I think I just said that and I think you need to read your notes. **[Laughter]** I really apologise. It is to deal ...

The Bailiff:

Through the Chair, Deputy.

Deputy R.J. Ward:

I think the notes need to be read. This includes zero-emissions and low-emissions cars. If a 4-litre Lexus hybrid is classified as a low-emission car, it will be exempt. If not, then it will not be and neither should it be, because it is a polluting vehicle, so it is as simple as that. So, yes, it depends on its emissions and whether it is a zero-emission car. I understand how complicated that is. In terms of the mass of the vehicle - and we will come on to that - yes, it would be exempt, as well, because it is to do with emissions, both from its cost and its mass. So, yes, it would be, they are separate things. To get back to the Amendment of the Amendment I was talking about, there are some fundamental errors, I believe, in taking the weight of the vehicle. There is one which I know, again I may sound slightly pedantic about. Perhaps the A.G. (Attorney General) can advise if he feels it necessary to. I am not simply being pedantic on this, this is a very important point. The Proposition states a weight of 1,950 kilograms. Kilograms is a measure of mass, weight is a different thing. If we are to suggest a weight of 1,950, that would be Newtons, which means a kilogram mass of 195 kilograms. I am not a lawyer, but if I was and I wanted to exempt my car from it, I may be able to take it to court and absolutely annihilate this piece of legislation. I think when we are talking about laws for this Island, we need to be very accurate in the use of our numbers and the units that we mean them in. We are talking: weight and mass have been interchanged and they are 2 very different

things. Let me put it another way, if I was talking about 30,000 degrees Celsius, rather than pounds, it would not make any sense. Again, that is horribly teachery, but it is very true. So, I would like to raise that fundamental issue there about the wording of the actual Proposition itself. There are some other points, as well, that are really important. There are numerous examples of cars where the mass is below - and I am going to use the correct terminology here - is below 1,950 kilograms, including a Porsche Cayenne which is a 3.8-litre engine; a Volkswagen Coupe which is a 2-litre diesel engine; a Jeep Wrangler 4-by-4, 3,941 pounds, which is less than 1,950 kilograms; a Toyota Pickup Double Cab, which just makes it underneath and a 2008 Jeep Grand Cherokee 4-wheel drive, which is one of the most pollutive vehicles on the road, so there are some anomalies. If you just take the mass of the vehicle, it simply does not work. Now, I think something that Deputy Morel and I will agree on is that as soon as you get into vehicle excise duty you end up into a real minefield and I think what we would do is spend for ever discussing how we will deal with those. To be quite frank, as the Minister for the Environment has said, not a lot has happened in those areas for such a long time for that very reason. Therefore, what I would suggest is that by taking mass it will simply not work. It will not do what you want it to do and it will not change polluting vehicles. In addition to that, there is one key error in the Amendment that we are talking about here, which is that the money raised does not go to the climate fund. It just becomes another revenue-raising measure, so it is just another tax, without any direction as to where it is going. The whole point about this is that we are trying to, if you like, source money for the climate fund to make changes elsewhere. This money is not going to the climate change fund with this Amendment of the Amendment and I think that is a fundamental error with this situation that we have. The fund for the climate change will exist and I think that is the key as to making any sort of change in this way. There is not much else I can say in terms of mass. I simply do not think it will work. The money is going to the wrong place and it would just be introducing another tax. Finally, just to say something about the air source pumps yesterday. I absolutely agree, but what I would do is I would leave the best use of which areas of our climate-positive initiatives to the Environment Department, who would know most about the way it works on the Island. So, yes, of course they may well be included, that is just an oversight on my part. So, I have no problem with air source pumps if that works, because that would be a positive thing. But I urge you to reject the Amendment of the Amendment, so that we can discuss the Amendment in its fullest, because it will be not doing what it says on the tin.

Deputy S.J. Pinel:

Excuse me, may I offer possibly a little clarification on the electric cars?

The Bailiff:

Well, are you asking to give a point of clarification from your speech, or seeking a point of clarification from ...

Deputy S.J. Pinel:

No, just because there seems to be some sort of confusion and it is just that Deputy ...

The Bailiff:

Well I am afraid that is a second speech, Deputy. I am not sure how that ... **[Laughter]** You could ask your Assistant Minister to give the clarification if that assists, he has not yet spoken but ...

Deputy L.B.E. Ash:

Could I ...

The Bailiff:

Well if you wish to speak, yes.

Deputy M. Tadier:

Is he next on the list?

The Bailiff:

No, he is not next on the list. I am trying to make the rules of the Assembly work in a reasonable way, given there appears to be some confusion about this, but I am perfectly happy to take it in strict order of calling. In which case, Deputy Wickenden and then make your intention to speak.

3.4.11 Deputy S.M. Wickenden:

I think somebody needs to deal with the monster truck in the room here; this is not about cars. The monster truck in the room is the fact that: is G.S.T. the right lever to change behaviours and it is definitely not. As soon as we start going down the route of putting exemptions for one thing here to G.S.T., so a bit more on this and a bit less on that, then it does not take long to look down on our Propositions since 2004 to how many Amendments there have been to G.S.T., to change G.S.T. for all sorts of different goods as a lever to help low income, or change things. G.S.T. is a broad, simple, fair revenue-raising tax. We have exemptions in our taxation system that try and help out different areas. We have got Social Security that deal with other areas for low income. As soon as we start changing rates for different things with the G.S.T. system, we are starting down a rocky road and one, if this is passed, that we will not be able to afford the car to drive down. Honestly, this is not about whether it is about car engine size, car weight, car speed, horsepower, it is about whether G.S.T. is the right lever to change behaviours. We have V.E.D. for those kind of things, we can do other stuff. G.S.T., to mess with it, will mean that we will suffer in pain in this Assembly for years to come. That fits on both sides of this Amendment. So, if you are going to talk about raising one area for luxury cars, or car weights, or horsepowers, or what it is, the other side just says: we should have an investigation in using G.S.T. in exactly the same way in a different manner. I absolutely want the Assembly to understand this is just wrong, because G.S.T. and using it in this manner is utterly wrong. We do have other levers and we should just be rejecting the Amendment to the Amendment and the Amendment and then we should be looking at other ways and letting the reviews going on in taxation and other areas to go and deal with how we are going to incentivise and change behaviours but G.S.T. is not it.

3.4.12 Deputy L.B.E. Ash:

On the clarification point, Deputy Ward has excluded electric cars, so we can confirm that. Deputy Morel has not, in his Amendment, that is based on weight. I hope that clarifies that point.

[15:15]

The Bailiff:

Is that your participation in this debate?

Deputy L.B.E. Ash:

That is my full submission.

3.4.13 Deputy M. Tadier:

I am not going to get drawn into the argument about G.S.T., because this part of the debate is not about G.S.T., this is simply about whether Deputy Morel's Proposition, an Amendment, is better than that being put forward by Deputy Ward, i.e., should we base any exemptions on weight, or mass, if we follow Deputy Ward's logic, which is really important if ever you are thinking of taking your car off the Planet, because, of course, mass becomes relevant and weight can be different if you are driving on Mars, or on Earth. I think some of us might be debating on Mars, while others are debating on Earth and on a flat Earth, it has to be said. So, simply looking at this, I think there is a lot of merit in what Deputy Morel is trying to do. Clearly, the scourge of overly-large vehicles on our roads is becoming a problem and I think that is a problem in itself, irrespective of whether they pollute, or

not. I do not think we want to see overly-large electric vehicles which are knocking people down, which are knocking cyclists down, or having to mount the kerbs, but that is an issue I think that needs to be dealt with separately. It seems to me, from what we have heard about the unintended consequences if it is the case, that Deputy Morel's Proposition does not deal with the exemptions to electric vehicles, that would be a perversity which I do not think he would want to see. I think there is a strong argument that vehicle emissions duty in itself has not done the job. If vehicle emissions duty in itself was a silver bullet, we would not be here debating this issue today. There is no reason, politics being the art of the possible, why we should not look at other mechanisms to not just change behaviour, but also target those who are able to contribute the most. I would say between the 2 that if it comes down to weights, or a charge, because, of course, you can buy a new vehicle which is perhaps heavy, but relatively cheap and relatively non-polluting versus a super vehicle which costs you £30,000. If we were genuine in what we were saying earlier by targeting those who can most afford to pay, then I do not see why we would be worried about those contributing to an emergency fund which we are all going to be benefit from and which we need to top up urgently.

3.4.14 Deputy S.G. Luce of St. Martin:

As this small part of the debate goes on, one thing is clear and that is that nothing is really clear. Irrespective of electric vehicles, we do know that some electric vehicles will cost more than £30,000 and we know, similarly, that very polluting vehicles will weigh less and that if you want to spend less than £30,000 go on the internet. If you really want value for money, go on the internet, look at the U.K., at large diesel cruisers, the value for money that you can get for less than £30,000 is fantastic. The point I am trying to make here is V.E.D. is the answer, I am afraid. I think V.E.D. is the one. If you are trying to control carbon emissions, the emissions that come out of vehicle is the place that we need to go. I take the point about large vehicles, but the argument I always have with D.V.S. about P30 for lorries, it is not lorries that do the damage, it is the people driving the lorries that do the damage. So often I see small, medium-sized vehicles doing far more damage to our roadsides than well driven large trucks. But I take the point about the size of vehicles on Jersey's roads. That is not for today. G.S.T. is not the way, V.E.D. is the way. Both these Amendments are very well made and well-intentioned and I agree with both of them, but neither of them really crack what we are trying to achieve here.

3.4.15 Senator J.A.N. Le Fondré:

I am delighted to follow the previous speaker, because I think he has summed up very nicely. The good news for Deputy Morel is I am very happy to support his third part, which is on the air; that is no problem, whatsoever. The middle part of our additional income transfer to the Climate Emergency Fund being deleted, I am ambivalent, I have to say; and the first part, for reasons I am going to expand on, I am definitely not supporting. We have covered a lot of it. Deputy Ward will be delighted to know I agree absolutely with what he said, but I am not going to be supporting his Proposition either in terms of the first part. For clarity, the Council of Ministers has said - and it is relevant to the Amendment as well as the main one - that we will support the second part, which is to look at and publish information we think is relevant. The reason I am not supporting the first part of Deputy Morel's Amendment, or indeed the first part of Deputy Ward's Amendment, is for exactly the reasons that Deputy Ward outlined in his speech when he started going on about if he was a lawyer he could drive a coach and horses, if that is the right transport analogy, through the definitions that were being applied, because he got into whether it was mass, or whether it was weight, or whatever it was. We also know - and again I think it has been referred to - when I googled a Ferrari it was 1,565 kilograms, whereas a Tesla was 1,961 kilograms, therefore weight was a bit of a pointless exercise. But what it does demonstrate, in this last hour that we have been talking, is that definitions are incredibly important and if you do not get the definition right, you end up in a legal mess. That is exactly what Deputy Ward stated in the debate on this Amendment. In actual fact - and people have referred to it already - those of us who have been through so many debates on exemptions will remember the

Connétable of St. Clement's rum baba speech, or even, as I frequently point out - although perhaps not to her face - Senator Ferguson's speech involving chocolate body paint and exemptions. They take us down some really interesting paths, but also demonstrate the seriousness - I have just lost half my audience - of getting this right. What the Deputy of St. Martin has said and other people have said, is that there are other measures that are more appropriate. As soon as you go into different rates on G.S.T., which is what part of this debate is around, taking it up to 10 per cent, you have to define what is in and what is out. As soon as those definitions come through, it gets hideously complicated and that takes us down to lawyers. We are a separate legal jurisdiction, ladies and gentlemen, we have our own courts and although there will be precedents, we can set our own rules and at that point, if we get different from other jurisdictions, it gets hideously complicated, irrespective of whether it is on weight, or on value. On value, the Deputy of St. Martin has made the point and I have looked in the past, one can obtain vehicles a lot cheaper in the U.K. than here, or other jurisdictions; therefore, what value are we talking about if we go down to the retailer, or imported? If it is on weight another one: is it with, or without, petrol or fuel inside? But I gather we might be talking kerb weight. What are the mechanisms we are trying to deal with? What I will say to Deputy Ward and the Amendment that Deputy Morel is obviously trying to amend, is that at least it was a costed Proposition. Let us give credence there. He found a funding mechanism and an object he was trying to achieve. I do not agree with the funding mechanism, but what we have said there are better ways of doing this. I do not agree with G.S.T. being the mechanism to do the behaviour, but there may be ways that actually one looks at the cost and one does some form of grant mechanism, or whatever, which is a lot simpler and easier to regulate. So, for Deputy Morel's Amendment, I will think about the Amendment 2, I am not supporting Amendment 1 and I will be supporting Amendment 3. When we get to the main debate I might indicate - although I hope it is fairly clear - that I will be supporting part 2 but not part 1.

3.4.16 Deputy G.C. Guida:

This was again extremely interesting and I think the one thing that came out that it is a little bit more complicated than one might think. These 2 Amendments are born of impatience and nobody is more impatient than myself and the Minister for the Environment. We are really keen to get started on this and we are really keen for action as soon as possible. Personally, I think that when you have 2 Ph.D.s (Doctor of Philosophy) and 5 Masters in the room, like we usually do in the Environment meetings, there are enough brains and experience to decide on these things, that we do not really need to spend 6 figures on consultants. Sometimes you cannot avoid it, because there is real complexity and right here that is exactly what we see. We have something very simple: make big cars more complicated, or more expensive, to own and make all green stuff cheaper; is very simple. The principle is very simple. As soon as you go into the detail, it becomes more complicated. We have seen that the amount of money you pay for a car is not necessarily an indication of how green it is and we have seen that the weight is not necessarily an indication, we know that size is not going to be an indication, we know that some people need vans, not cars, that some people might buy vans that actually are people transporters. It gets really complicated and we are coming up with an answer. We are being impatient, but we have to consider that this was decided in March and in less than one month we will have a sustainable transport policy document in front of you and a carbon neutrality plan in front of you. This is almost done. I think it is a speed record for any Government in Jersey to come up with that sort of document that quick. We will have those very soon and they will go into the detail. It is quite funny to hear Reform Members trying to use G.S.T., you know the absolute regressive tax, for any sort of purpose, which is quite interesting, when actually there are other ones. Certainly, for increasing the cost the vehicles V.E.D. is perfect. V.E.D. is not set in stone, it is something that you can redefine and mould to be exactly what you want it to be. The Minister for Treasury and Resources even intimated that it might be an annual charge and that also means that not only you can target it to exactly what you want, but you can change it year after year, depending on how the Island changes and how resources change. So, we do have solutions. I would like to just very quickly go into the

other part. I am going to have to discuss both Amendments at the same time. To make a list of all the green stuff, you would like to do only means one thing, that you are going to forget half of them and the way you are going to target them is going to be wrong. Should we pay for the solar panels for the next 2(1)(e) mansion being built on the Island, should we pay for double glazing on all those concrete and glasshouses that are being built all around the Island? Is that really what this Amendment wants to do? I do not think so. It is way more complex than this shows it. Please just be patient, we are coming up with the answers.

3.4.17 The Connétable of St. Mary:

It makes no Proposition today which one we accept. The simple fact is we have people on this Island who can afford larger vehicles at any price, so we just will not get rid of them. It is inevitable that, in the near future, large vehicles will be produced in electric mode. An example is the recent use of a double decker bus, which, by the way, was totally green. If you need to restrict large domestic vehicles and have concern to size, then a ban on imports would be required on certain vehicles in order to achieve that. Then how do we get rid of the existing unwanted polluting vehicles? This is an issue that needs further investigation in order to get this right. I urge Members to reject all these Propositions in order to do that. We need to have a separate debate on this issue.

The Bailiff:

Does any other Member wish to speak on the Amendment? I call on Deputy Morel to respond.

3.4.18 Deputy K.F. Morel:

Thank you everybody for getting involved, much more than I expected, to be honest. I thought it would be a quick 15-minute debate. I will address, obviously, most of the issues, but the one that stood out for me, which is the one about vehicle emissions duty, or trying to stop greenhouse gases coming out the engines so use vehicle emissions duty. No, the whole point of this and what I want the Ministers in this room to be thinking about is it is not just the carbon emissions out of the back of the cars which are the damage caused by the cars. It is also, quite simply, the size of the vehicles in this Island in terms of domestic vehicles, I appreciate commercial vehicles are far fewer in number and used properly they tend to stick to the road. But, quite simply, the size and scale of the vehicles on this Island are destroying the very nature of this Island.

[15:30]

Taking the Constable of St. Mary's idea that we need a plan thought through; any plan which comes out that only looks at the emissions of the vehicle is, in my view, a short-sighted plan and will not be getting to grips with the problem that certain vehicles on this Island cause. I mentioned Sark for a reason, because whatever thought process they went through at the time, they looked at the nature of their Island and they said these vehicles are not suitable and it is time, in my view, that Jersey did the same thing and said: "These vehicles are not suitable and they should not be here" and we should try our best ... I believe that taxation and discouraging purchasing through taxation is a fairly effective way to do that. Which then takes me to the Minister for Treasury and Resources' comment, which seems an awfully long time ago now and I found it interesting that the Minister for Treasury and Resources seemed to be suggesting that taxation should not be used as a way to encourage certain purchasing decisions. That is exactly what the Minister for Treasury and Resources does with alcohol duty and tobacco duty and does so constantly. So, to hear those words being said just astounded me because, hey, we will get rid of the alcohol and tobacco duty if that is how the Minister for Treasury and Resources feels, delighted. Also, the Minister for Treasury and Resources had, I am sure, a well-researched list of vehicles – and, of course, the Constable of St. Martin - you can pick individual vehicles that fall outside, there are always exceptions. Of course, you will be able to find that light vehicle, which is highly polluting, that heavy vehicle which is not very well polluting. The whole point of this was to say an electric car, which is a very large electric car - and you can get electric

S.U.V.s - is damaging to this Island in the way that a very small, highly carbon polluting car is also damaging to this Island. So, what this Amendment is trying to do and, if it was adopted, is trying to say to the Minister for Treasury and Resources is go off and find a way of dealing with both these problems, because they are both equal problems in this Island. If you are driving an electric S.U.V. that is just not wonderful, it is not helping Jersey and it is not helping the nature of the Island. That said, in my research I did - and this is addressing Deputy Doublet's concern, because I understood the family aspect - and there are certain smaller S.U.V.s that do fit under the weight limit that I put in precisely to cater for those ... in fact, that is where the 50 kilograms came from, because at 1,900 kilograms I found that harder to find those smaller S.U.V.s which would have fitted. Yes, there are some which do fit. Another issue I have is the idea that - and this is kind of directly addressing Deputy Ward's Amendment - G.S.T. should be hypothecated to a climate fund. I do stand against that and that is one of the reasons why I deleted that in my Amendment. G.S.T. is about general revenue and I would thank the Constable of St. Ouen not to refer to it as V.A.T., because that is the U.K. equivalent. We are very much G.S.T. here. G.S.T. is for general revenue and I do stand by that. I think G.S.T. can be used at different levels to encourage, or discourage, certain purchasing decisions, but the revenue from G.S.T. does go into general revenue and if we start hypothecating G.S.T. then the arguments for hypothecating G.S.T. on health services, health products only going to the Health Department and G.S.T. on school products only going to the Education Department, that would never end. So I just fundamentally disagree that G.S.T. should be hypothecated. Just looking if there is anybody else. Yes, Deputy Huelin, the Deputy of St. Peter, I wanted to say that a purchase tax does not affect those vehicles which are already registered in the Island in the majority of cases and so that is why I am also very aware of the inconsistency of D.V.S.'s database on vehicles, but this was, as much as anything, an opportunity for them to start doing it now and start getting it right, because it would only really, in the main, affect new vehicles being registered in the Island. There would be those on the forecourts of second-hand car lots where a vehicle is already in the Island, it would be sold by a second-hand car dealer, there is G.S.T. to pay on that, so they would be affected, but that would be a small minority compared to the majority of cars in this and, I am sure, D.V.S. would do that. So, I had thought about D.V.S.'s not very well-kept database. Thank you. What I want from this is for this Assembly ... and I am really quite pleased that so many people in this Assembly did seem to get the idea that vehicles in Jersey it can no longer, in my view, just be free range, buy whichever vehicle you want regardless of the size, regardless of the damage it will cause to Jersey and I really do ask the Minister for Treasury and Resources, in future, to look at that. It is disappointing for all that they said about things are complicated, there is a lack of imagination with regard to dealing with the climate crisis. I know the Council of Ministers will say: "Oh, you know, we are dealing with the climate crisis", but so far all they have done is stick 6p on the price of petrol, 4p for the climate fund. They could have done so much more with this Government Plan to address the climate crisis and this, as Deputy Ward has showed through his original Amendment - and I have, in my view, tried to improve it - is showing that there are different ways to deal with this and it is not just about slapping 6p on petrol, which is hugely regressive and affects business. It is not targeted and I think the Council of Ministers needs to become more imaginative, more innovative and think about the charges they levy; who they are going to hurt and where they are going to fall. Thank you. I propose the Amendment.

The Bailiff:

Very well, those in favour of the Amendment ... the *appel* is called for.

Senator J.A.N. Le Fondré:

Can we do it in separate votes?

Deputy K.F. Morel:

If I may, at the beginning we talked about separating it into 2 separate things. I think it should be separated, just because I believe that part (b) is more likely to pass than part (a).

The Bailiff:

Very well, do you want to take paragraphs 1 and 2 together then, or do you want to ...

Deputy R.J. Ward:

Just for clarity, in the document that was circulated, a running order, it is now in parts 1, 2 and 3, whereas in the Amendment it is in a different format, so can we just be clear as to what we are voting on, please?

The Bailiff:

Let us go by the running order, everyone will have that in front of them. Deputy Morel, do you wish to take 1 and 2 together and then take 3 separately?

Deputy K.F. Morel:

I will separate them all.

The Bailiff:

Separate them all. Very well, then the vote is on the paragraph numbered 1 in the running order. I ask the Greffier to open the voting.

POUR: 9	CONTRE: 38	ABSTAIN: 0
Connétable of St. Lawrence	Senator L.J. Farnham	
Connétable of Grouville	Senator S.C. Ferguson	
Deputy L.M.C. Doublet (S)	Senator J.A.N. Le Fondré	
Deputy of St. Mary	Senator T.A. Vallois	
Deputy K.F. Morel (L)	Senator K.L. Moore	
Deputy G.C.U. Guida (L)	Senator S.W. Pallett	
Deputy of Trinity	Senator S.Y. Mézec	
Deputy J.H. Perchard (S)	Connétable of St. Helier	
Deputy K.G. Pamplin (S)	Connétable of St. Clement	
	Connétable of St. Saviour	
	Connétable of St. Brelade	
	Connétable of St. John	
	Connétable of Trinity	
	Connétable of St. Peter	
	Connétable of St. Mary	
	Connétable of St. Ouen	
	Connétable of St. Martin	
	Deputy J.A. Martin (H)	
	Deputy G.P. Southern (H)	
	Deputy of Grouville	
	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 of St. Martin	
	Deputy of St. Ouen	
	Deputy R. Labey (H)	
	Deputy S.M. Wickenden (H)	
	Deputy G.J. Truscott (B)	
	Deputy J.H. Young (B)	

	Deputy L.B.E. Ash (C)		
	Deputy of St. Peter		
	Deputy of St. John		
	Deputy S.M. Ahier (H)		
	Deputy R.J. Ward (H)		
	Deputy C.S. Alves (H)		
	Deputy I. Gardiner (H)		

The Bailiff:

Very well, if there has been an opportunity to reset the voting, the vote is now on paragraph 2 in the ... yes, indeed, 2 will fall away, I think. Yes. I think, having discussed the matter with the Greffier, it seems to me that the second paragraph here does still stand, there are still words that can be removed from the section that exists and therefore there should be a vote on paragraph 2 also of the running order. So the next vote is on paragraph 2 of the running order and I ask the Greffier to open the voting.

POUR: 12	CONTRE: 33	ABSTAIN:
Senator J.A.N. Le Fondré	Senator L.J. Farnham	
Senator K.L. Moore	Senator S.C. Ferguson	
Senator S.W. Pallett	Senator T.A. Vallois	
Deputy K.C. Lewis (S)	Senator S.Y. Mézec	
Deputy S.J. Pinel (C)	Connétable of St. Clement	
Deputy of St. Ouen	Connétable of St. Lawrence	
Deputy of St. Mary	Connétable of St. Saviour	
Deputy L.B.E. Ash (C)	Connétable of St. Brelade	
Deputy K.F. Morel (L)	Connétable of Grouville	
Deputy of Trinity	Connétable of St. John	
Deputy S.M. Ahier (H)	Connétable of Trinity	
Deputy K.G. Pamplin (S)	Connétable of St. Peter	
	Connétable of St. Mary	
	Connétable of St. Ouen	
	Connétable of St. Martin	
	Deputy J.A. Martin (H)	
	Deputy G.P. Southern (H)	
	Deputy of Grouville	
	Deputy M. Tadier (B)	
	Deputy M.R. Higgins (H)	
	Deputy J.M. Maçon (S)	
	Deputy of St. Martin	
	Deputy L.M.C. Doublet (S)	
	Deputy R. Labey (H)	
	Deputy S.M. Wickenden (H)	
	Deputy G.J. Truscott (B)	
	Deputy J.H. Young (B)	
	Deputy G.C.U. Guida (L)	
	Deputy of St. John	
	Deputy J.H. Perchard (S)	
	Deputy R.J. Ward (H)	
	Deputy C.S. Alves (H)	
	Deputy I. Gardiner (H)	

The Bailiff:

The last vote then is on paragraph 3 and I ask the Greffier to open the voting.

POUR: 39	CONTRE: 8	ABSTAIN: 0
Senator L.J. Farnham	Senator S.C. Ferguson	
Senator J.A.N. Le Fondré	Connétable of St. Lawrence	
Senator T.A. Vallois	Connétable of St. Saviour	
Senator K.L. Moore	Connétable of St. John	
Senator S.W. Pallett	Connétable of St. Mary	
Senator S.Y. Mézec	Deputy J.A. Martin (H)	
Connétable of St. Helier	Deputy R. Labey (H)	
Connétable of St. Clement	Deputy S.M. Wickenden (H)	
Connétable of St. Brelade		
Connétable of Grouville		
Connétable of Trinity		
Connétable of St. Peter		
Connétable of St. Ouen		
Connétable of St. Martin		
Deputy G.P. Southern (H)		
Deputy of Grouville		
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 of St. Martin		
Deputy of St. Ouen		
Deputy L.M.C. Doublet (S)		
Deputy of St. Mary		
Deputy G.J. Truscott (B)		
Deputy J.H. Young (B)		
Deputy L.B.E. Ash (C)		
Deputy K.F. Morel (L)		
Deputy G.C.U. Guida (L)		
Deputy of St. Peter		
Deputy of Trinity		
Deputy of St. John		
Deputy S.M. Ahier (H)		
Deputy J.H. Perchard (S)		
Deputy R.J. Ward (H)		
Deputy C.S. Alves (H)		
Deputy K.G. Pamplin (S)		
Deputy I. Gardiner (H)		

Deputy R.J. Ward:

Sir, may I ask, is this a good time to wish the Deputy a happy birthday. **[Laughter]**

3.5 Government Plan 2020 - 2023 (P.71/2019): tenth Amendment - as amended

The Bailiff:

Very well, we now return to the main Amendment, amended as the Assembly has just voted. Does any Member wish to speak on the Amendment?

3.5.1 Deputy S.J. Pinel:

As mentioned earlier, the Council of Ministers has decided to support the second part of the Deputy's Amendment to commission a report estimating the volumes and values of the proposed environmentally friendly products imported into Jersey each year. That should help us estimate more accurately how much G.S.T. would be foregone if such products were zero-rated in any given set of circumstances. The Government does, however, believe that the best way to incentivise use of such products may not be by tax relief. For example, it may be more appropriate to provide a grant to lower income households. There are no strong arguments for subsidising the wealthier members of our society from buying products such as electric heaters and double glazing, either on a replacement, or first-time purchase, basis. To Deputy Ward's proposed list, we will add the air pumps mentioned and just accepted in Deputy Morel's Amendment. The G.S.T. proposed on luxury cars: the first part of this Amendment seeks a new, 10 per cent rate of G.S.T. applied to cars costing more than £30,000. Again, I apologise for a bit of repetition, but I did speak early in the last debate. This does arguably violate this Assembly's longstanding policy for G.S.T. to be low, broad and simple, so that it can easily be administered by both businesses and Revenue Jersey. I do not, at this time, favour complicating G.S.T. with a new higher rate of G.S.T. on top of the 5 per cent and the existing exemptions. That time may well come. I have said before that I do think G.S.T. may need to go up in the future and if it does we may seriously have to look at the case for creating a higher and lower rate of G.S.T., but I do not think we should rush into that. We need to understand the consequences of doing so much better than we do now. In answer to Deputy Young, yes, we will progress this. As I said earlier, I personally believe that the more coherent policy is to penalise the most polluting vehicles. These are vehicles with the highest pollution, including CO2 emissions. The Government is reviewing such issues as part of its policy development programme. I am grateful to the Deputy for agreeing that, but if the first part of his Amendment is passed, implementation should take place from a future date, probably 1st July 2020. This would allow more time for Customs, Revenue Jersey and the motor trade to make the necessary changes to systems and procedures. At this point I urge Members not to support the first part of this Amendment, but to support the second.

3.5.2 Deputy S.M. Ahier of St. Helier:

I commend Deputy Ward's efforts to amend the blanket rate of G.S.T. Raising the rate on luxury goods would clearly be a lucrative new source of revenue for the Government and if it were being proposed as part of a broader review of the way G.S.T. is applied, this would indeed be a measure I could support. However, it is my strongly held view that any increase in G.S.T. must be offset with a corresponding decrease for the benefit of people on low incomes, which could be achieved, for example, by lowering, or eliminating, G.S.T. on food. Unilaterally raising the rate applied to luxury cars would deprive us of the ability to use this measure in the future. The other issue is, of course, that raising G.S.T. on cars valued at over £30,000 might dissuade people from purchasing electric vehicles, which would be something of an own goal, given that the purpose of this Amendment is to raise revenue for fossil fuel alternatives. It is with regret that I will not be supporting part (a) of this Amendment today, primarily because it contains no guarantee that electric vehicles will be exempted.

3.5.3 Deputy M. Tadier:

I am just prompted to speak after that statement, which I think is false. Deputy Ahier said this could dissuade people from buying electric vehicles; I see it doing exactly the opposite.

[15:45]

If somebody has £30,000, or more, to splash out on a new car they might think: "Actually I can go for a top end diesel, or petrol, car, which is going to give me a great deal of fun to drive along Route Orange at 20 miles an hour in the new speed limit, which has been imposed there, or I can buy an electric vehicle which is over £30,000 and I know that it will be exempt from G.S.T. and I will make a saving of £3,000 if I am buying it at £30,000. There is obviously a bigger saving if I do not do

that.” So, the opposite is actually true. We are seeing something, which is not just not true, it is the opposite of what has been said is true, which I hope that the Deputy will reconsider his position, because I know deep down he has the same motivations that we all do. I do not want to be accused of sophistry in my argument, but it seems to me that we have just made a decision to reject part 2 of Deputy Morel’s Proposition, which means that we have made a decision that any money that is raised from Deputy Ward’s Proposition should go into the Climate Emergency Fund. We all agree that. The question now is whether we raise zero money to put in that fund, or whether we raise £712,000 to put in that fund. I know which I prefer and I looked to the Minister for the Environment and what I see is we are making a very simple choice here. Other arguments, I think, which are extraneous will be put forward about do we give the Minister for the Environment £712,000 - and those are Treasury figures, incidentally, which Deputy Ward has got working closely with the Treasury Department. I have to commend not just the work of Deputy Ward, but obviously of the Treasury Department and the Environment Department. I think this has also got the backing of officers in the Department and what I know from my time having worked with the Environment Scrutiny Panel is that that Department has worked under budget for far too long. I do not think we need to get hung up on an idea of principle saying G.S.T. should not be used for this kind of thing, or G.S.T. needs to be completely inflexible. There is a problem sometimes when somebody creates a system and then you get so protective of that system and it could be a tax system, it could be a social security system and you say: “That is how we invented it and that is how it has to remain.” But the world is a changing place. All I see is that if we have got an opportunity here to give the best part of £1 million - and we have already voted to give £1 million to the climate emergency, which could have been taken away - why has the argument suddenly changed? Now the argument coming back from the Council of Ministers saying that this is premature, but the people who tried to take £1 million away before were saying: “Well that was premature, because you do not know what you are going to do with the fund.” We have already established a consensus in this Assembly that the Climate Emergency Fund is necessary, it is necessary that we build it up now by a variety of means, that we diversify the ways that money gets into that and, clearly, we have already agreed that 6 pence on petrol - which affects everybody in our society, including those who will struggle to pay that initially - why on earth would we care about the fact that one or 2 cars might be caught, or not caught, in this model? We know that everybody who contributes a penny, or a pound, of that £712,000 will be the ones that are able to pay it. I look at people in Jersey and I know that we have got a very divided society, we have got people who struggle, I think, to even get the bus to work and to pay for that; and that is another story for another day and hopefully we will get to the point. I would suggest to the Minister for the Environment and I would like him to tell us what he could do with that £712,000 going into the budget immediately. We can then start to look at giving the young people, who are sitting here in our seats, we can give them those free bus passes. We give over 65s free bus passes; they appreciate it, they use it and it is valued. Why are we forgetting our young people, who we could be targeting with that money to set the behavioural change that they are crying out for? So, let us not get held up in whether G.S.T. can, or cannot, be exempt. I was told in this Assembly by no other and no less than Senator Ozouf, that politics is the art of the possible. It is possible for us to say: “Yes, G.S.T. can be 10 per cent on luxury items.” Read between the lines, it is going to happen anyway, it has got to happen. Luxury items, which people can afford, which can be taxed at a 10 per cent rate, so that we can give a zero or an exemption rate ... and I am relaxed whether somebody has to claim it back afterwards, whether we say you go along with your receipt to Treasury and you claim it back afterwards so that on the veneer of it we have got a 5 per cent G.S.T. rate, you claim it back. Let us support this. I think it goes with the spirit of what we have been doing up until now. Let us support what Deputy Ward is doing and what the Minister for the Environment wants to be doing as well.

3.5.4 Deputy J.H. Young:

I think I have got to rise to that. As I said, this one does give me some problems, but I am enthusiastic about the purpose of having obviously more money for the climate change fund. The Deputy challenges me. There is going to be absolutely no shortage of proposals on which we could spend that sum of money from this morning's debate. Sustainable transport is one, there will be lots of others, including the issues relating to avoiding fuel poverty, as made by Deputy Pamplin. There will be many. But I think I see a bit of a procedural lacuna here, a bit of a problem, that part of the main Proposition that we are going to be asked to vote on at the end of this whole business is approving the income and expenditure from the Climate Emergency Fund. My puzzlement is I think the Minister for Treasury and Resources said just now that if this is passed, part (a), then she would give effect to that in legislation from 1st July 2020. Of course, that would be the earliest time that we ... I know people may see this as complicated, but this is the procedural lacuna we have got, that will be after the debate that we bring forward for the 2021 Plan. So, I am not so sure that what Deputy Tadier said is real. I would like to know, because I am keen on having more money for this fund and if there is a choice to say we can have it from 2020, I am going to have it now, so that when you get that Plan - and you are going to get this in a couple of weeks - then there can be the opportunity to revisit those things. But if that is not the case, that effectively we are not going to be able to spend that money until 2021, that undermines, I think, what is being said. So, I do not know what you get out of that mess. That is my lacuna; I will await some other Member cleverer than I to answer it.

3.5.5 The Connétable of Grouville:

Just a question really, it just came to my mind, what exactly is the definition of a luxury car? Does it include pickup trucks, for example, if they are business pickup trucks and other large vehicles? Is it just done on price, or is there a definition of the luxury car and tractors, for that matter? Not that you can get a luxury tractor.

The Bailiff:

That would be a question for Deputy Ward when he sums up at the end.

3.5.6 Deputy G.C. Guida:

I apologise, I am going to repeat myself a little bit. Again, we are talking about very complex matters. You know how much I like to play with my calculator and I have not been able to sort this one out. It is very obvious that we need to do something. We have a fantastic tool, because V.E.D., while we call it vehicle emission duty, but what it is, is an import tax and it can be whatever we want it to be. We can change the acronym next year, we can put several words there; we can really make it whatever we want, so we do have a fantastic tool that we can change, that does not affect the rest of the taxation on the Island. Again, just saying anything above £30,000 is luxury vehicle is a little bit childish. It is very simplistic. What about vans, what about minivans, what about buses, what about taxis?

Deputy R.J. Ward:

Sir, can I ask just a point of clarification please? A number of times today ...

The Bailiff:

Well the rule is ...

Deputy R.J. Ward:

Sorry, can I ask a point of clarification?

The Bailiff:

If you wish to ask for a point of clarification, or to make a point of clarification, Deputy Guida first has to agree to give way, otherwise you must wait until the end of his speech.

Deputy R.J. Ward:

Apologies, Sir.

Deputy G.C. Guida:

Sorry, I will give way.

Deputy R.J. Ward:

I just want to try and help the debate. The point of clarification: does the Deputy understand a number of times the same thing has been referred to that is addressed in this document? I will ask the A.G. whether he agrees that it is being addressed in this document that has been circulated, because perhaps they may believe him, thank you.

The Bailiff:

Do you wish to give consideration to that, Mr. Solicitor?

Mr. M.H. Temple Q.C., H.M. Solicitor General:

I think I can deal with it straight away. I think the point that Deputy Ward is making is that the definition is dealt with in his addendum, which proposes if his Amendment were passed, which proposes a related Amendment to the Budget and a further Amendment to the Goods and Services Law of 2007 and his addendum sets out various provisions, which assist in defining what his Proposition is aimed at. If we look at his proposed Amendment to Article 41 of the Goods and Services Law of 2007, we see at the proposed insertion of subparagraphs (5) and (6). Subparagraph (5) provides that in relation to the supply, or importation, of a motorcar, for which the consideration - which is the price - determined in accordance with Article 31, or the value of the imported goods determined in accordance with Article 32, is or exceeds £30,000, G.S.T. shall be charged at the rate of 10 per cent. In paragraph (6) is the definition of motorcar and it means a mechanically propelled vehicle intended, or adapted, for use on roads, with not more than 8 seats in addition to the driver's seat, with a maximum authorised mass as defined in the Motor Vehicles (Jersey) Order of 2003 of not more than 3.5 tonnes; and (3) which may be driven by the holder of a category B licence under that Order. But, additionally, subparagraph (b) does not include a vehicle on which a vehicle emissions duty is charged at zero under table 1, or table 2, in paragraph 8 at part 2 of Schedule 1 to the Customs and Excise (Jersey) Law. I have not looked up those particular tables, but I take it those are intended to refer to electric cars. I hope that assists the Assembly.

The Bailiff:

Thank you very much indeed, Mr. Solicitor. Deputy Guida, please continue.

Deputy G.C. Guida:

Yes, I think my point is made here that it is much more complex than what the Amendment suggests. Again, if we are talking about taxis, where does that go? They are going to buy a completely stand out car, some of them will buy London cabs, which are fantastic for use as a taxi, also extremely expensive, you are talking about 6 figure cars there. We will just add another 5 per cent to that for no particular reason whatsoever? We do have a tax that can be used for that. I will be 3 or 4 weeks before we come up with ways of using it. Another one, Sark has been mentioned a couple of times, it is quite funny because, yes, they decided to not have cars on the island and I do not know who has been there recently, but half of the population is driving tractors to go and buy their cigarettes. **[Laughter]** So they are driving dangerous, noisy and extremely polluting vehicles just to go to the shops and buy their cigarettes, because that is all they are allowed and that is life in Sark. Finally, again going back, the Government is happy because we are doing this, we are working on this, so we are very happy to look at the importations of solar panels, *et cetera*. This is not an exhaustive list, it is one made up of what you could think of at the moment, but if you go see a builder, you will also be talking about ventilation systems, electric light activated blinds, reflective glass, home automation;

there are dozens of other items. It is very complex. Again, complex enough that I am very happy to leave this to the professionals who are going to give us their result within weeks.

3.5.7 Senator S.Y. Mézec:

The reason that we are having this debate in the first place is because of the trailblazing of Deputy Ward, when he was not interested in lip service, wanted action and so put this emergency Proposition to this Assembly, which was adopted almost unanimously and in the months since then we have done little else but bicker over what action should be taken to the point where not a lot is, apart from a substantial amount of money being put into a fund with, at this point, no clear plan on what that will be used for. Like everybody else, I eagerly await to see what that will be used for. But one thing I would hope most people can agree with is that there is going to have to be some tough decisions made as a result of that and the levers, which we will have to pull to encourage action there, may well include tax incentives, may well include grants, may well include a whole host of other issues.

[16:00]

What Deputy Ward has done by bringing this Amendment to the Government Plan is that he has provided us with one option. An option which people may well perfectly reasonably argue does not go far enough, or may well argue is imperfect, but what it is, it is an option where there are no other options on the table at this point. The one thing that this will do is that it will make some bad things more expensive and it will make some good things cheaper. I happen to think that on that basis alone it is worth supporting and the fact that we get over £700,000 extra into the Climate Emergency Fund I think is a good thing, because I think we will need a lot more than £5 million to make real commitment to moving towards carbon neutrality. So I urge Members to accept both parts of this Amendment. I know that there is likely to be more acceptance of part (b) and I would hope Members, who do not necessarily like the idea of exemptions to G.S.T., do still vote for part (b) because it gives us an evidence base to consider what other options can be looked at, even if you do not want the tax incentive side and would prefer a grants option. It helps us get that information to make a more well-informed decision later. But I have to say, listening to some of the contributions to the Amendment to this Amendment, I found it so amusing to hear people saying that G.S.T. should not be a lever to influence behaviour and this idea that you open the floodgates with exemptions given that we have just had a debate about fuel duty and we will be having a debate on alcohol duty and the rest of it later. Whether individual Members agree with it, or not, it is accepted policy that we do use consumption taxes to affect behaviour. I will give you one example of this, G.S.T. is not charged on everything in our society, G.S.T. is not charged on private school fees, presumably to try and make them cheaper so students are able to go there where it is cheaper for the taxpayer to educate them. I do not accept that argument, but that is why that policy exists. So, it just shows there is complete inconsistency here when, as a mechanism for influencing behaviour, we already use consumption taxes. So if it will have any impact to say we will make electric vehicles cheaper and we will in one way, or another, seek to make those vehicles, which are bad for the environment, more expensive, that is one positive bit of action we can take when today there are no other options we are discussing. So, I would ask Members to not keep putting ourselves in this situation where - usually Deputy Ward, but it may well be others and hopefully will be others as well in future who have an idea - it may not be the only solution, or the best solution, but is one positive piece of action and we simply cast it aside, because I worry that we will end up in the future just doing that for everything and we will get in the final years in the run up to 2030 and realise that we have let the population down and not met our ambition on carbon neutrality. I ask Members to accept this Amendment, both parts of it. It is a progressive move towards carbon neutrality. I do not accept these frankly nonsense arguments that you should not be using G.S.T. and G.S.T. exemptions to influence behaviour when that is clearly not the accepted policy on consumption taxes that we already have. If you want to make an argument about food on G.S.T., great, let us have that argument, but it is a completely separate argument. That is an argument about cost of living, this is an argument about the

environment, they are 2 separate issues, so do not conflate them. I hope Members will support both parts of this Amendment.

3.5.8 Senator L.J. Farnham:

Just a couple of points, following on from Senator Mézec's speech. First of all, as I remember, education was not taxed on the principle that education should not be taxed; it was not for any other reason. I hope that one day in the future - probably still in my lifetime - we look back and laugh about the mass use of the combustion engine and how humanity stuck with it for so long. But I think what this is doing is while it is discouraging ... potentially we are trying to stop people buying bigger engines and perhaps, ironically, we might encourage them to buy more smaller engines and that impact is still pretty damaging on the economy. The rule about not using G.S.T. as a lever for behaviour is simply because it is very low, so the reduction of G.S.T. on items will have a more minimal impact. In other countries, where value added taxes are 15 per cent, 20 per cent, 25 per cent, there is a much bigger incentive around having zero rated change behaviour. Those are the 3 points I just wanted to make.

3.5.9 Senator J.A.N. Le Fondré:

Also to follow on from Senator Mézec's contribution, obviously, as we have outlined previously, we are happy to support the second part of the Amendment, which is about publishing the estimate of the effect and that, I think, also gives us the evidence then to consider whether, for example, one might want to go down some form of grant mechanism. We have done that in the past under the former ... I think it was the Minister for Planning, I cannot remember when it became the Minister for Planning and Environment, which was Senator Cohen, who did an insulation scheme I seem to recall back in something like 2010, 2011. We believe that on that basis it is worthwhile doing that piece of work. Going back to the part (a), which is to reiterate certainly my opposition to part (a) and to an extent it builds on what the Deputy of St. Martin referred to, it is the law of unintended consequences. We have had the arguments around definitions and how you get there and bearing in mind it is in the wordings about import or retail value, I am unclear on the definitions that the Solicitor General read out earlier, I am unclear whether hybrids are captured, or not. So, potentially, one could have an expensive electric car which would, therefore, not be deemed as a luxury car, but an expensive hybrid car might be captured on that rate. But what I was more concerned about is one we have always known as the law of unintended consequences and so if one is to buy a car let us say at £30,000 or £31,000, and then one gets told: "That is going to cost you an extra 10 per cent, because that is the new G.S.T. rate" it does not take very much - as the Deputy of St. Martin has already alluded to - to go away and look online, particularly under approved use in the U.K. and find something that the retail price including V.A.T. might be £5,000 or £6,000 less and, of course, exporting it here will be a 20 per cent discount straight away. For the purposes of import, as I understand matters, the value that would come in would be the cost paid, which would exclude the V.A.T., obviously, because one has not incurred it and, therefore, it is likely to be significantly lower than £30,000 odd. Therefore, the unintended consequence is that we just encourage people to import more cars from the U.K., rather than buying them locally in the local businesses side. That is the kind of complexities that we deal with when we are looking at where these things go. So, from my point of view, the better mechanisms are around the V.E.D., possibly around the fuel, possibly other things that we have got to consider. We have said, in the longer term, we have got to look at future replacements for fuel, because we know that the intention is that it is going to drop down. We know at some point, because of the Vienna Convention, we have M.O.T.s coming through. So there is going to be a whole range around what one can do to disincentivise whatever we want to disincentivise, whether it is larger vehicles, whether it is polluting vehicles. But my argument here is that because we have tried to keep G.S.T. simple, because we try to avoid the unintended consequences bits, that this is not the appropriate venue to do it by. That is why, speaking personally

- and also I believe for the Council of Ministers - that we are not supporting part (a), but we are supporting part (b). I hope Members will take those remarks on board.

The Bailiff:

Does any other Member wish to speak on the Amendment? I call on Deputy Ward. Deputy, I had started to call on Deputy Ward to respond. I will agree that you may speak, but could Members please not try and play a timing game, because as soon as I call on the person to respond, that signifies the debate is closed.

3.5.10 Deputy M.R. Higgins of St. Helier:

I was not trying to play a game, I just wanted to correct something that the Chief Minister said. He was assuming that the cars would be 20 per cent cheaper in this Island. As we know, a lot of the retailers are not making them cheaper, because although V.A.T. may have been paid on them, they are not passing on any savings to the customer.

3.5.11 Deputy R.J. Ward:

I have been looking for an opportunity - and a certain Constable will now look at me - to use my French that I have been learning at the Alliance Française: *j'ai mal à la tête*. It has been a much longer debate than I thought this would be and I want to say a couple of things before I start. First of all to Deputy Morel: we are both working on the same sort of idea and I think we have both got the same frustration on what we are trying to do here. I would like to thank the Attorney General for making clear and reading out the document that was circulated to everybody and makes it extremely clear about the exemption of electric and low emissions vehicles. The table that it refers to is a table that includes low emission vehicles and electric vehicles. I would say to the Chief Minister, if you have a hybrid car and its emissions are lower than the emissions in that table, it will not be included in the 10 per cent because of that. If it is not, then it is not a low emitting vehicle and, therefore, it will be included, because just because it is a hybrid does not necessarily mean it is a low emitting vehicle if it has a huge petrol engine, it just halves it a little. So that is the way that works. I am slightly disappointed that we have had the same point again and again, even though it has been addressed. For anybody sat there thinking: "I cannot vote for this, because it would include electric and hybrid vehicles" let me say one final time, it does not. They would be exempt from the change in the law that would come with this. One of the reasons we have to take 6 months, July 2021, to put anything that may be agreed in order is it will take time to do that. I accept that from the Treasury Department, who are rather busy at the moment anyway and I have worked with the Treasury Department in order to do that. I have got to say, I give credit to your officers for the work that they put in and the support that they have given and some rather complex telephone calls. Obviously, I should have differentiated more. I would say that this is a very simple Amendment and it has been made extremely complicated. If we are going to look for a source of money for the climate fund where will it come from? One of the issues we have on this Island are the number of cars. How can we address that? Well, initially and quickly we can say expensive luxury cars can be taxed at a higher rate and that money can make its way into the climate fund, in order to enable the second part of this Amendment and - as the Chief Minister did say - cost those possible things later on. I would not bring something to this Assembly that was not costed; I do not believe that works. I agree with that. I have costed this. Therefore, it gives the opportunity to enable the second part of this Amendment; it is a joined-up Amendment. It has been thought through and I have spent a considerable amount of time making sure that these things fit together and that is incredibly important if we are going to make any change. The issue and the danger is if we do not adopt part 1, we do not have the costing for the second part of this Amendment and wherever work is done ... I know what will happen and I make a prediction we will come back to the Assembly with those changes and the same question, the thing I wrote down earlier - and I apologise for repeating myself again - where will the money come from? Because that is all we hear all of the time. I think there is an irony to the fact that when

you bring a source of the income to the Assembly, the Assembly seems to say: “But it is not simple enough to get that source of income.” We need to be more proactive and I go back to our growth mindset, we need to be able to look for solutions to the problems that we want to have and not just go back to the constant issues that we create, because of our failing regressive tax system. In terms of G.S.T., it stuns me, sometimes in an argument - and I am married, I know about this - you have to perhaps concede that you are wrong when someone comes up with a logical argument. Admittedly, perhaps, we do not do that in marriage, but the point of the matter is G.S.T. is not consistent throughout the Island; as was mentioned in some areas it is not paid, or it is paid at a variable rate. The cat is out of the bag. It has already happened. But what we have is a very particular situation at the moment and let me remind you of this to finish off: we voted for a climate change emergency, we have a plan at the end of the year, we have set up a fund, we are all saying: “Yes, we need the money” and I was so pleased to hear some Members of the Assembly - and I must admit I was surprised by their support - saying: “Look, we have got to take the brave decisions.” We do have to make the brave decisions. So we have got that context and now we come up to another one of those decisions and we say: “Actually, do you know what, I am not so sure we should do this, because of our fixed mindset G.S.T. structure.”

[16:15]

I am not asking you to take G.S.T. off other things and go for that massive debate in other areas. I am asking you for this specific issue. Those of you who are sat there thinking “Not yet”; well, do you know what, I think there is a slight area of paranoia there you need to get over. This is not about that. This is a very specific thing, specific money for specific reasons, so I would ask you to support the first part of this Proposition in full, enable the money to be produced for the climate change fund, support part 2 - and I am very pleased that the Council of Ministers support that - and I say again, whatever comes back from the Treasury about those costings and what we can do, I would take the advice of the Treasury and the Environment Department and say: “Yes, if it is not G.S.T. we change, we change some other levers” that is absolutely fine. It is the outcome that we need to get. We need to encourage people to move away from our love affair with fossil fuels which is damaging us, damaging our planet and damaging the future for our young people. I urge you to vote for both parts of this Proposition and I call for the *appel*, thank you.

The Bailiff:

Deputy, do you wish to take both parts together or separately?

Deputy R.J. Ward:

I think it should be separately.

The Bailiff:

Very well, the vote is on the first part then of the Amendment. I invite Members to return to their seats and I ask the Greffier to open the voting.

POUR: 14		CONTRE: 33		ABSTAIN: 0
Senator S.Y. Mézec		Senator L.J. Farnham		
Connétable of St. Helier		Senator S.C. Ferguson		
Connétable of St. Saviour		Senator J.A.N. Le Fondré		
Connétable of St. Peter		Senator T.A. Vallois		
Connétable of St. Martin		Senator K.L. Moore		
Deputy G.P. Southern (H)		Senator S.W. Pallett		
Deputy M. Tadier (B)		Connétable of St. Clement		
Deputy M.R. Higgins (H)		Connétable of St. Lawrence		
Deputy J.H. Young (B)		Connétable of St. Brelade		
Deputy of St. John		Connétable of Grouville		
Deputy J.H. Perchard (S)		Connétable of St. John		

Deputy R.J. Ward (H)		Connétable of Trinity		
Deputy C.S. Alves (H)		Connétable of St. Mary		
Deputy K.G. Pamplin (S)		Connétable of St. Ouen		
		Deputy J.A. Martin (H)		
		Deputy of Grouville		
		Deputy K.C. Lewis (S)		
		Deputy J.M. Maçon (S)		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy of St. Ouen		
		Deputy L.M.C. Doublet (S)		
		Deputy R. Labey (H)		
		Deputy S.M. Wickenden (H)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy L.B.E. Ash (C)		
		Deputy K.F. Morel (L)		
		Deputy G.C.U. Guida (L)		
		Deputy of St. Peter		
		Deputy of Trinity		
		Deputy S.M. Ahier (H)		
		Deputy I. Gardiner (H)		

The Bailiff:

The vote now is on the second part, part (b). I ask the Greffier to open the voting.

POUR: 38		CONTRE: 8		ABSTAIN: 1
Senator L.J. Farnham		Senator S.C. Ferguson		Deputy of St. Ouen
Senator J.A.N. Le Fondré		Connétable of St. Lawrence		
Senator T.A. Vallois		Connétable of Grouville		
Senator K.L. Moore		Connétable of St. John		
Senator S.W. Pallett		Connétable of St. Mary		
Senator S.Y. Mézec		Deputy J.M. Maçon (S)		
Connétable of St. Helier		Deputy S.M. Wickenden (H)		
Connétable of St. Clement		Deputy of Trinity		
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Ouen				
Connétable of St. Martin				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				

Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of St. John				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

Deputy R. Labey:

I wonder if now might be a good time to have a conversation about possible overruns, or running later into the evening. I think it is, perhaps, too late to stretch anything more than an hour or so tonight, if that, but perhaps the Assembly would like to decide on potential overruns on tomorrow night and Thursday night, possibly to 8.30 p.m. or 9.00 p.m. with, or without, a half hour break at 5.30 p.m. I would just like to test the mood of the Assembly. I am just conscious that we have taken 3 votes so far, there is probably 30 plus still to get through and if you look at it like that we should make accommodation to try and get as much accomplished as we can this week.

The Bailiff:

Indeed. As Members will remember, on the last occasion, an indicative vote was taken indicating that the Assembly would finish at 5.30 p.m. each of the working days during the course of this week, but as I indicated at the time it was a procedural vote and it was open, therefore, in my judgment, to the Assembly to vote to change that at any point during the course of this week. Otherwise one might have had the difficult situation where the whole debate effectively could not be concluded. So, do you have a Proposition that you wish to make, Chair?

Deputy R. Labey:

Well, taking today as a separate Proposition, I suggest that we go to 6.30 p.m. without a break, straight through.

The Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak on that?

Senator L.J. Farnham:

We spent quite a bit of time at the last debate and I appreciate where the Chairman is coming from. The rules we were going to try and stick to for this week, so we would not now tie up more time having a debate about sitting in the evening. **[Approbation]** We, I think, sensibly as an Assembly said today, tomorrow and Thursday we would sit until 5.30 p.m. and carry on later Friday, if necessary and I suggest we stick to that. It will focus minds and we do not debate it for any more than a couple of minutes now, at the very most. I do not know if it needs a counter Proposition to stick to that, or I just vote against Deputy Labey's Proposition, but we have had this debate once and we need to get on.

The Bailiff:

Well, I think the only Proposition, in due form, is Deputy Labey's before the Assembly. I already have notified of 4 Members who wish to speak upon this. Can I just caution Members, we run the risk of using any additional time Members might have been minded to vote for, for a debate on whether they should sit to deal with it in the first place. But it is a matter for Members that they can indeed reopen the matter so I, therefore, call on Deputy Pamplin.

Deputy K.G. Pamplin:

I will be quick. I have had countless conversations with many Members outside about falling into next week and, as a new Member, I would like to know the impact of what that could be on our hardworking staff and everybody for next week. We do have other business on this Order Paper after the Government Plan to debate as well, plus we have another States sitting to prepare for, the knock-on effect with question time, so I just bring that to the attention of what the criteria is if we do not finish Friday. That is all I would say at this stage, because I have lost count of how many have said to me we might be here next week, so I just raise that point.

The Bailiff:

Well, I think I can give assistance, as that really is for the Presiding Officer to deal with the practical consequences. In terms of my ability, I would need to clear court commitments from my diary, which may, or may not, be possible, but if not then I could ask the Greffier to sit, I am sure. The Greffe staff are employed throughout the course of the year and they can be present, if necessary, to go into next week.

The Connétable of St. Brelade:

Briefly, just to agree with Senator Farnham to advise the Assembly that I have arranged a Parish Assembly on the basis of discussions at the last sitting, so I will have to leave early if we sit on.

Deputy L.M.C. Doublet:

I am absolutely aghast that we are having this conversation. I was ill at the last sitting, I tried to find out what the arrangements were, I was told it was 5.30 p.m. whereas previously we have always had, in the back of our minds, that for big debates like this we would stay late. So, I was surprised at that, but I have made arrangements accordingly and I am aghast that we are wasting time again debating this again. Also, there are meetings this evening, we have Parish Assembly this evening, we cannot - not just those of us with children but those of us with other meetings - stay late at this late notice. It is just not practical. I do not want to spend any more time debating this, can we please go just straight to a vote on this, because I think Members know which way they want to vote either way. Let us not forget the staff, because we have staff here that do not get a vote and also have families and other commitments and it is just not fair to them.

The Bailiff:

The only way that I can bring the debate to an end is for Members who have indicated their desire to speak, not to speak.

Deputy G.P. Southern:

Briefly, what happens I think is that we will talk to the space and fill the space that we take. We should revert to the decision we took last time out, 3 days, 5.30 p.m., Friday longer.

Deputy M. Tadier:

Do not have a go at us for speaking; we did not move the Proposition. The first thing I would ask Deputy Labey is where are the screens in here, so we can see and judge how long we are speaking for so that we can do that? **[Members: Oh!]** Try and do something proactive as a P.P.C. (Privileges and Procedures Committee) Chairman for that. I would like to back up Deputy Southern's point, because if we saw what happened ... do not groan, I did not ask to give a speech. Deputy Labey, I think is ... we had this debate last week *ad nauseam* ...

The Bailiff:

I am sorry, Deputy. I am almost at the point where I am having to adopt an expression from the House of Commons and say: "Order, order." So, if we could give the Deputy an opportunity to be heard, I am sure he will be able to deal with his point succinctly.

Deputy M. Tadier:

Save your ire for the Chairman of P.P.C. We discussed this last week at length and we said that we would put this into place. What happened this morning is that we had an actual deadline to adhere to and, strangely enough, as it came to 12.45 p.m. everybody self-regulated and we finished for that time. What will happen tonight is that we will finish at 6.30 p.m. if that is the new deadline, we will have to rush off and we probably will not have done any more business, people will speak longer. So I think we give this short thrift.

The Bailiff:

Does any other Member wish to speak on the Proposition? Deputy Labey.

Deputy R. Labey:

Well I did think the indicative vote was a mistake 2 weeks ago, but that is what the Assembly took. I think we need to be mindful that if we are going to go into further continuation days, Saturday, Monday, Tuesday, we are going to run into problems with people not being on the Island. I am just trying to gently get through as much business as we possibly can. I thought we made it clear 2 weeks ago that Members should make provision, in accepting the indicative vote, but still making provision, whatever it is, that we might have to run over to get through all the business. We have done 3 votes today, there are 30 plus still to go. I think we should stay and be prepared, if it works out, to stay until 6.30 p.m. and we can talk about Wednesday and Thursday after that.

The Bailiff:

The *appel* is called for. I am assuming Members are in their seats. I will ask the Greffier to open the voting. The vote is for a continuation until 6.30 p.m. today.

POUR: 17		CONTRE: 29		ABSTAIN: 0
Connétable of St. Helier		Senator L.J. Farnham		
Connétable of St. Clement		Senator S.C. Ferguson		
Connétable of St. Saviour		Senator J.A.N. Le Fondré		
Connétable of Grouville		Senator T.A. Vallois		
Connétable of St. Peter		Senator K.L. Moore		
Connétable of St. Martin		Senator S.W. Pallett		
Deputy J.A. Martin (H)		Senator S.Y. Mézec		
Deputy of Grouville		Connétable of St. Lawrence		
Deputy of St. Martin		Connétable of St. Brelade		
Deputy R. Labey (H)		Connétable of St. John		
Deputy S.M. Wickenden (H)		Connétable of Trinity		
Deputy of St. Mary		Connétable of St. Mary		
Deputy G.J. Truscott (B)		Connétable of St. Ouen		
Deputy of St. Peter		Deputy G.P. Southern (H)		
Deputy of St. John		Deputy K.C. Lewis (S)		
Deputy S.M. Ahier (H)		Deputy M. Tadier (B)		
Deputy K.G. Pamplin (S)		Deputy M.R. Higgins (H)		
		Deputy J.M. Maçon (S)		
		Deputy S.J. Pinel (C)		
		Deputy of St. Ouen		
		Deputy L.M.C. Doublet (S)		
		Deputy J.H. Young (B)		
		Deputy L.B.E. Ash (C)		

		Deputy K.F. Morel (L)		
		Deputy of Trinity		
		Deputy J.H. Perchard (S)		
		Deputy R.J. Ward (H)		
		Deputy C.S. Alves (H)		
		Deputy I. Gardiner (H)		

3.6 Government Plan 2020-2023 (P.71/2019): thirteenth Amendment (P.17/2019 Amd.(13))

The Bailiff:

Very well, we now move on to the next item of Public Business which is the Amendment by the Deputy of St. Peter, Amendment 13 and I ask the Greffier to read the Amendment.

The Greffier of the States:

Page 2, paragraph (a), after the words “Article 9(2)(a) of the Law” insert the words “, except that the 2020 estimate for Impôts duties shall be decreased by £1.05 million, by restricting increases in Impôts duties on alcohol to R.P.I. (2.7 per cent) across the board”.

The Bailiff:

I will just wait for the noise of the rush through the doors to subside, Deputy.

3.6.1 The Deputy of St. Peter:

Anybody would think Geoffrey Boycott has come out to bat. **[Laughter]** In 1977, I had a job washing cars at Melbourne Garage, Ferraris and Alfa Romeos, very nice cars, high emission, and I was earning £40 a week. That is about £1 an hour. At the end of the day, I went to The Windmill Arms, which you will now know as Catherine Best, where I bought a pint of Mary Ann for 10 pence. Quick arithmetic will work out that it took me 6 minutes of my working day to pay for my pint of beer. Now, today’s equivalent - and I cannot go back to Melbourne Garage because it is no longer there - I suggest I would be earning £10 an hour and if I go to the pub after work, my pint will cost me about £4. The same calculation will determine that I need to work for 24 minutes to pay for my pint of beer. So, take inflation out; in real terms, that is a fourfold increase in the cost of that pint of beer out of your own pocket and that is primarily attributed to taxation and Impôts and that is why I am bringing this Amendment. Continually taxing drinks over the last decades has been easy and rich pickings for our Government and governments across the globe. The other constant is the justification, however, I would rather use the word excuse, that being health.

[16:30]

May I quote on the Council of Minister’s comments to my Amendment, ‘The Amendment is also contrary to Jersey’s longstanding policy of using duty as a lever in the management of alcohol consumption in the Island. Tax on alcohol is recognised internationally as an effective means of dealing with the management of alcohol consumption and there is no reason to suggest that Jersey is different to any other jurisdiction in this regard.’ I am boring myself now. ‘Price affects both supply and demand, a basic law of economics.’ Now, let me ask you all one question: given that, in real terms, beer has gone up fourfold, i.e. as evidenced by my personal example, if the Government policy for the last decades has been so successful, we should now be an Island of teetotallers. Instead, we trot out the same old excuses to line the public purse with alcohol duties to the continually suffering financially of the majority who simply want a social drink. Now, let us face it, alcohol has been part of our society for centuries. We learned that Jesus converted water into wine ...

The Bailiff:

I am sorry, that is not acceptable parliamentary language.

The Deputy of St. Peter:

I do apologise. We learnt that water was converted into wine at a wedding some time ago, a couple of thousand years ago. I apologise if I got that one wrong. In fact, part of Island history and success was built on our intrepid cod fishermen finishing their journey by delivering port from the Douro in Portugal into the city of London. We celebrate weddings and other occasions with a toast, often to the Queen, our Duke. We celebrated the past Bailiff's retirement ...

The Bailiff:

Again, I am sorry to be a stickler for Standing Orders, but you also cannot make reference to the Royal Family during the course of a debate, unless they are the subject matter of the Proposition in question.

The Deputy of St. Peter:

I apologise again. We make toasts. Am I allowed to say we celebrated the past Bailiff's retirement dinner with some excellent wine from Lebanon?

The Bailiff:

Yes.

The Deputy of St. Peter:

To the majority of us this is part of our society. It just gets more and more expensive year by year, so let us be a bit more creative. Now, I was going to go and talk about the alternatives that I suggested - and I meant suggested not proposed - basically around emission controls, V.E.D. charges and taxes; but I suggest that after the day we have had on this one that is a bit like flogging a dead horse. Is that allowed? However, I did suggest that there is an £8 million reserve fund and that we should be using V.E.D.s next year and repaying this year's fund from that income and I came up with some numbers in my report. However, I will move on from that, because I think we have had enough of that today. So, however, continually taxing alcohol has not worked to date, so let us at least have a year off, stick to current R.P.I. prices and offer some respite to our hospitality industry, our visitors and our Islanders who just want a glass of something to unwind at the end of the day. With that I move the Amendment.

The Bailiff:

Is the Amendment seconded? [**Seconded**]

3.6.2 Deputy S.J. Pinel:

Jersey has always taxed alcohol. It is an important contributor to funding public services. Indeed, before the introduction of income tax in 1928 the Impôts were all we had. This year we have deliberately proposed increases which substantially offset the costs of increasing the tax exemption thresholds from which around 90 per cent of taxpayers benefit and which maintains at around 30 per cent the estimated proportion of Islanders, who will pay no tax, because their incomes fall below the revised thresholds, so approximately 90 per cent of taxpayers who pay tax at marginal rates are receiving above inflation increases in tax allowances. In return, we are asking users to pay more than inflation for fuel, tobacco and alcohol, in the expectation that consumption will reduce. I do not consider myself a health zealot, but we cannot dispute that Jersey remains one of the highest *per capita* consumers of alcohol in Europe. Excessive alcohol consumption in Jersey takes its toll on family life and people's well-being. It is a prime cause of all kinds of antisocial behaviour, from vandalism to domestic violence and puts extra costs on various arms of government, especially our police officers and our health and social workers. It is necessary to tax alcohol to deter excessive consumption and to recover the costs that excessive consumption inflict on wider society, which have to be met by the Government from funds provided by the general taxpayer. I know that the Minister for Health and Social Services will say more about this, so I will limit my comments in that regard.

Statistics Jersey tell us that one in 4 drinkers are drinking at hazardous, or harmful, levels. Over 900 hospital admissions were specifically related to alcohol in 2017. This is significantly higher than the English average. On top of that, one in 4 assaults and more than one in 3 serious assaults were recorded by police as involving alcohol and 2 in 5 domestic violence assaults involve alcohol. The report to this Amendment also tells us that Impôts is a tax disproportionately falling on the lowest earners in society, who would be the hardest hit by these proposed increases. However, international evidence tells us that it is also those lower earners who bear the largest brunt of health harms from alcohol. In addition, evidence shows that young people are particularly sensitive to price and that they tend to prefer to consume spirit-based drinks, so-called alcopops. This further argues against the change proposed in this Amendment. Some Members argue that price is not really affecting demand for alcohol, well, maybe it is not yet; clearly we are still not getting the price of alcohol to the place where it really does begin to reduce demand. Perhaps that suggests that, at least, we should press on with above inflation duty increases, at least for the foreseeable future. I do have some sympathy with the apparent discrimination to which the Deputy of St. Peter has referred to in his report. Between the flexibility of pricing that is available to off-licence premises, as opposed to public houses and other licensed premises, this certainly needs to be looked at and I know the Minister, Senator Pallet, expects to tackle the reform of licensing law with initial review being undertaken and considered by the Council of Ministers before the end of the year. There are no substantive proposals for recouping the revenue we would lose if this Amendment were adopted, but the Deputy has referred to possible increases in road fuel duty or marine fuel duty. The Council of Ministers is already proposing quite a big increase on road fuels. Marine fuels may well be under taxed, but I would suggest we do need to think very carefully about that and especially what that means for our fishing fleet. It is not something into which we should rush. The Deputy suggests raiding our reserves to pay for this in the short term. Do Members really think that is justified? I for one do not. I really do urge the Assembly to reject this Amendment. It would deprive us of over £1 million and there is no counterproposal to recoup that. But, more importantly, there is no sound argument for not continuing to bear down on excessive consumption in this way.

3.6.3 Senator S.Y. Mézec:

I do not wish to say too much on this proposal. I understand that the impacts on alcohol duty is something that some people find problematic and that there is a clearly a lot that has got to be done to help alleviate some of the problems that are caused by far too much consumption of alcohol in some circumstances, or by not penalising those on the lower incomes. I accept that there is a debate to be had on that. I have one ground for opposing this Amendment and it is the same ground I will be using for opposing several of the Amendments later on in this agenda. Very simply, this is uncostered. That is the simple fact of the matter. It deprives us of £1 million of revenue and I do not particularly want that £1 million coming out of my budget. The report to this Amendment suggests some ways the revenue can be made up, but they are hypothetical, they are not what is being debated today. On that ground alone, this should be thrown out. If Members wish to make constructive alternatives to what is in a Government Plan, or a Budget, or anything like that, it ought to be costed. This is not; it should be thrown out on that basis alone.

3.6.4 Deputy M.R. Higgins:

I was tempted in a previous States sitting of voting for a similar type of proposal. I must admit I think the charges are excessive and I would be so tempted to vote for this, but unfortunately the last time I was stung. I was stung not by anything the States did, but by the breweries and everybody else. They put the prices up, so the consumer was not any better off, so I suspect that if we do not impose the duty, they will still put up their prices and it will just be a profit margin for them.

3.6.5 The Connétable of St. Brelade:

Just to remind Members that the hospitality industry in the Island is affected by this quite significantly. Secondly, to I think remind the Economic Development Department that the review of the Liquor Licensing Law is long overdue and there has been a suggestion in the report that that is the case and I would urge the Minister to take early action in that regard.

3.6.6 Deputy K.G. Pamplin:

The previous speaker took my thunder there; that is exactly what I was going to allude to. It does raise the point that the review of how this hits hospitality, the industries and the owners and landlord duty and liquor licence, so I commend this young chap to my left for sticking his neck out but, as Senator Mézec said ...

The Bailiff:

Did you mean the Deputy of St. Peter?

Deputy K.G. Pamplin:

That is the one.

The Deputy of St. Peter:

I am taking the compliment.

The Bailiff:

I am just trying to apply Standing Orders that Members should be referred by their name and title.

Deputy K.G. Pamplin:

Thank you for clarifying, quite right too. But Senator Mézec is right, but I think it was just important to raise that.

3.6.7 Connétable S.A. Le Sueur-Rennard of St. Saviour:

The Deputy does not live in the real world - the one who has proposed this - the simple reason I am going to vote against this, for 2 reasons; one, it will not stop alcoholics, what it will do it will deprive the families of money, because the alcoholic will find the money from wherever, so the family that need it will not have it, because the alcoholic will need the money to buy alcohol. Secondly, the elderly - and I am one of them, but I do not - people among us sometimes go to a pub of an evening to have a social evening and also to have the warmth that they cannot afford at home. So, before we vote for this, you must think of the consequences; an alcoholic will buy and have the money and find it from wherever and elderly people, who cannot have a home that is warm, because they cannot afford it, will have a social life and will maybe sit all evening in a pub with a pint of beer, or a sherry and have a laugh and have company. This is what is important. Get your revenue from somewhere else. Earlier on we were told that we need a working wage and yet the pensioners can survive on what they are given. The pensioners could have a lovely evening in a pub and warmth and have a social evening and an alcoholic, as I say, will find the money regardless, trust me.

3.6.8 Deputy R.J. Renouf of St. Ouen:

This Amendment does run contrary to internationally recognised better health policies. The World Health Organization recognises tax on alcohol as an effective means to counter the harmful effects of alcohol and following decisions taken by many previous States Assemblies to raise Impôts duties it is important, I believe, that we continue to do all that we can to reduce the harm that is caused to Islanders. We have a wonderful independent Statistics Jersey team and year on year they highlight harms that impact on us here in Jersey. One in 4 people who drink alcohol are drinking at hazardous, or harmful, levels; that is from the Jersey Opinion and Lifestyle Survey of 2018. The estimate is that there are 20,000 people in our community who are drinking at hazardous, or harmful, levels, if it is

one in 4 people who drink alcohol. The Minister for Treasury and Resources has referred to the number of hospital admissions that occurs simply because of alcohol.

[16:45]

We have got higher than average rates of liver disease and resulting deaths. Alcohol misuse is linked to more than 60 chronic health conditions that include liver cirrhosis, heart disease, strokes, pancreatitis, cancers of the breast, mouth and colon and some of these conditions - including breast, bowel, head and neck cancers - are not commonly associated with alcohol abuse, but the risk of these diseases increases with the amount of alcohol consumed. Alcohol misuse is also linked to poor mental health outcomes, such as depression and anxiety, as well as alcohol related dementia. In addition to the health harms and all their associated costs, there are the wider costs, or social costs, of alcohol and the damage it causes to others. The Minister for Treasury and Resources has spoken about the numbers of assaults and the domestic violence assaults caused by alcohol and we have to be aware of the devastating impact that the harmful use of this substance can have on families and loved ones, who are trying to give support to people who drink excessively. Those who have attended any of the presentations given by Silkworth Lodge, will have heard vividly and at first-hand about the depths to which alcohol takes some Islanders and how it destroys relationships. Economically what of the days lost to work, the poor productivity of many in work, the social security costs, the policing costs, the hospital and social services costs, *et cetera*, affecting this Island? Some will say that: "Price increases will affect social drinkers, will affect us who might drink moderately." Yes, a price increase will, but there is an equity in what is proposed, because those who drink heavily and drink higher strength alcohol will pay proportionately much more than those who drink moderately and keep to low strength alcohol. I would say to the Connétable of St. Saviour that if the pensioners she knows, who sit in the warmth of the Five Oaks pub of an evening, are going to be drinking low strength beers and ciders, those Impôts will rise by only the cost of living. This is the refinement that the Council of Ministers has brought forward, that the larger Impôts increases will be on high strength beers and wines and spirits, but the lower strength beers, wines, ciders will be increased at a lower rate, simply to encourage people to move, if they are still drinking, from the higher strength to the lower strength. The Deputy of St. Peter seems to blame his entire increased cost of alcohol on Impôts duty. Is that the case? Is it the case that the costs imposed by the breweries and the manufacturers is simply the 10 pence that he once enjoyed, multiplied by the rate of inflation? I do not think so. I think there is a huge commercial business here, is there not? Impôts duties are a small part of the cost of a pint. The Deputy also highlighted the fact that Impôts duties are a tax that is said to disproportionately fall on the lower earners in society and they would be hardest hit by any increases. However, the evidence internationally, including from the World Health Organization, shows that it is the disadvantaged and the especially vulnerable people in societies that bear the brunt of harm caused by alcohol. They have the high rates of alcohol-related death and hospitalisation. Taxation of alcohol undoubtedly reduces current heavy drinking and helps to prevent future heavy drinking. Have we not said in our Common Strategic Policy that we will put children first? So, what about our young people in the Island? I think here we have got an encouraging picture. Many young people are making a lifestyle choice to abstain from alcohol and that may be because of the price of it, so there is hope for them for a healthier future but not all of them because this age group is also known to drink in more hazardous ways, binge drinking as an example. They are also vulnerable to unique health harms associated with alcohol misuse while the adult brain is still developing. Young people, who do not have a large income in general, are particularly sensitive to pricing measures and again the taxation of alcohol reduces levels of drinking and helps to prevent drinking at harmful levels. Some speakers have commented about the missing alcohol and licensing policy and I accept we do not have that yet. We do not have a robust policy to reinforce what we are trying to do through the increases in Impôts duty and minimum unit pricing certainly needs to be looked at, but plans are in place to tackle the reform of the licensing law with an initial review undertaken and being considered by the Council of Ministers, I understand, before the end of this year. I believe we must take steps

to reduce the significant harm that is caused to Islanders by alcohol misuse. We must not accept, simply stand back, sit back and accept the dubious distinction of having the second highest per capita consumption of pure alcohol in Europe. We are second only to Lithuania. Our annual pure alcohol consumption per Islander is 11.5 litres. That is the equivalent of drinking 29 bottles of spirits a year, every Islander, or 128 bottles of wine. Members may be thinking 29 bottles of spirits, that is 2 bottles a month; 128 bottles of wine, that is 2 and a bit bottles a week, but this is for each Islander. That measure is for each Islander, which includes children, which includes those who do not drink alcohol and includes those who drink very small amounts of alcohol. Those figures were once at 16 litres of pure alcohol in the year 2000. They have now come down in Jersey to 11.5. Why have they come down? It could be because of the Impôts duties Governments have successively placed on alcohol. So we are getting better, but we are still the second highest in Europe. The alcohol duties will impact those who drink the most and on young people binge drinking. Those are the people who we want, we ask them and we urge them and we want to encourage them to reform their behaviours and move to the lower strength alcohol, if they must drink at all. Our experience in imposing Impôts duties over time mirrors extensive international monitoring and research and that consistently shows that taxation and pricing measures lead to falling *per capita* consumption and that, in turn, leads to a decrease in health harms. Fewer people die, fewer people are admitted to hospital for alcohol-related disease. The World Health Organization continues to advocate price and taxation as one of the most effective ways of tackling excessive consumption and in 2015 the O.E.C.D. released a detailed report setting out evidence that harmful drinking is associated with higher rates of traffic accidents, violence, increased risks of acute and chronic health conditions. The evidence is extensive and it is accepted by governments, parliamentary bodies and international organisations of repute that taxing and pricing measures do work to reduce harmful drinking levels and that leads to improved health in populations. So, in saying this I might even say that our Government Plan proposal only moves lightly towards achieving this outcome, because, with the exception of spirits, Jersey still taxes most alcoholic drinks at lower rates than the U.K. The Council of Ministers this time is simply proposing a higher duty on high strength alcohol and that is a targeted approach and rational, because it ensures the level of tax, firstly, reflects the higher potential for health and social harm and the negative impact on the loved ones of people who drink; secondly, it encourages the consumption of lower strength drinks, which are associated with lower levels of drunkenness and health harm; and thirdly it incentivises the availability and promotion of lower strength drinks and that then increases the accessibility and consumption of these over the higher strength drinks. As the retailers know that more customers are going for the lower strength drinks, their profile, their accessibility will increase. Also, what disappoints about the Deputy of St. Peter's Amendment is that there is no substantive proposal for recouping the revenue we would lose if this Amendment were adopted. There is some suggestion that there is no substantive proposals in the Amendment to vote on. It would mean that our Government Plan has a hole of £1.05 million in the funds that I want to put money into mental health improvements, health improvements. For all the things we want to do throughout Government, we are creating for ourselves a £1.05 million hole. Why would we do that with all that we want to do? I believe governments have a responsibility to protect their populations from harm and, as a Minister for Health and Social Services, it must be my responsibility to acknowledge and act on the evidence of what works in line with our Government's commitments and on behalf of our population's health. So, I do encourage Members to see the bigger picture and acknowledge that Jersey is an outlier with high alcohol consumption and harm. I urge Members to reject this Amendment and support the Council of Ministers' proposed duty increases.

3.6.9 Senator S.W. Pallett:

I stand here as both the Assistant Minister for Economic Development, Tourism, Sport and Culture and Assistant Minister for Health and Social Services, so I suppose, in some ways, there is a tension between those 2 when you look at this type of Proposition, or this type of Amendment. Most of what the Minister for Health and Social Services just said I totally agree with. Clearly, there is a great deal

of harm that alcohol does, but I just want to pick up on a point that the Minister for Treasury and Resources said. She mentioned that there are moves afoot to look at how we could possibly deal with alcohol licensing and alcohol policy, but she also mentioned, when she was talking about Deputy Ward's Amendment 10, that we should not be doing these things without having a policy goal. This is why I considered whether I could support this Amendment, because without the policy goal ... I am somebody that likes to see changes, or changes made in government, or funding based on a strategy, or based on policy. Currently, we have no updated law, which we have promised for decades. We have got no statement of licensing policy. We have not even got an up-to-date alcohol strategy that we can pin on why we do these things. I tried hard in the last Assembly to get to that point, but I had to admit defeat. It is important that we do pick up the work that was taken forward during the last Assembly into this Assembly otherwise, I think, if I got to a point where the Council of Ministers suggested above R.P.I. in future I would probably have to oppose that, because I want to see it based on fact, based on policy and based on strategy. There are loads of ways to deal with over-consumption and price is one of them. It is not the only one. In terms of how we move forward, there is a paper going to go to the Council of Ministers looking at support and to ensure that progressing a new licensing law and progressing a statement of licensing policy is taken forward as a priority. I do not know how the Council of Ministers will accept that, but I would have liked to have thought that they will accept it as a priority and will give it the necessary resource, because it requires resource, officer resource, policy resource, to make sure that it is completed and completed in a short period of time. A statement of licensing policy, for those that have seen what they provide in the U.K., provides many mechanisms for dealing with the consumption of alcohol and not just price.

[17:00]

It allows whoever determines the applications - in this case, at the current time it is the Royal Court - to look at over-provision in an area, for example and I know it is something that the Court has touched on in previous decision-making, the capacity of premises, hours of trading, off-licence sales, something that we all have concerns about, the disparity between off-licence and on-licence sales. In the U.K. it deals with outside areas, public entertainment - something that Deputy Tadier has had concerns about for some time - late hours drinking, members clubs. I got to the bottom one, which is the one that, I think, holds the most promise and that is minimum pricing, because I think minimum pricing will take away some of the very cheap alcohol products and sales that currently cause the most damage, preloading being one of the prime examples. It is really important, I think, that we provide Government with the necessary tools to be able to deal with alcohol and how we deal with alcohol consumption moving forward. Price increases do have an effect on the hospitality industry and we have all received a letter from the managing director of Randalls. It is not surprising that he writes a letter such as this, but it will have an effect on hospitality. Jersey is a very expensive place to visit. We probably have the most expensive alcohol in the U.K. now, over and above London and this is only going to add to it. Do we have to take considerations around health into perspective? Of course we do. I do not want to see our young people brought up with some of the problems that have existed in Jersey for the last 3 or 4 decades, that have led to all sorts of illness and family turmoil. I do not want to see that carry on, so we do have to take into account how we deal with alcohol consumption and how we progressively think about alcohol pricing moving forward. I think I am going to stop there. I am not going to support this Amendment this time, but I will make it clear to the Council of Ministers that I am expecting some support over this and I expect the Assembly to give it the necessary importance that I need. I take that as well from the Scrutiny Panel and I look the Chairman in the eye and I hope he is going to be supportive during this process. It will be a rough ride, because we are about to kick the hospitality industry in the rear end. Am I allowed to say that? In the backside.

The Bailiff:

You could just say you are about to make life interesting for the hospitality industry.

Senator S.W. Pallett:

We are, Sir, for the hospitality industry, at a time when we are probably going to want their support when we are looking to review how we can look at a new licensing law and how we can look at a policy that will really get to grips with how we sell alcohol in this Island. So, I cannot support this Amendment, but if we get to a point again where I do not feel that the support is being given to bring the law and a policy forward then I will support it in future.

3.6.10 Deputy K.F. Morel:

I will refer to the Amendment and not solely the questions about the economic impact in terms of the Scrutiny Panel. Addressing that first, though, we are very much looking forward to scrutinising new licensing laws, which we have been asking to do for a long time and are yet to bring it through. I also know that the hospitality sector will be delighted to hear comments about minimum pricing, because I believe that is something that they would like us to explore as well. More directly on the Amendment itself, I find this difficult, because, ordinarily, I would just say no to this Amendment. I think alcohol causes all sorts of problems, all sorts of scars it leaves on people, families, the community itself, society, as well as lots of fun as well, do not get me wrong, but because of the damage that alcohol can do I have never had a problem with the price rising. The price in this case is bothering me, because I am concerned about the overall effect of this Government Plan on living in Jersey and the cost of living in Jersey and, certainly, alcohol is one of those issues. If I may refer to a conversation I had about an hour ago with the Chief Minister, who was explaining to me about essentially the offsets within the Government Plan, which mean that it is essentially cost neutral as far as this duty is concerned, I would ask, for someone who is surprisingly sitting on the fence on this one, if the Chief Minister would not mind re-explaining the reasons why it is cost neutral in the current rises. I am not worried about the alcohol rises from the perspective of specifically ... I am not worried in general about the industry effect. I do not think it will be that big. I am generally worried about the overall effect on individuals' pockets in the Island. It is a very expensive place to live and in the next week we are making Jersey an even more expensive place to live. I ask the Chief Minister to refer back to the conversation he had an hour ago, if that is OK.

3.6.11 Senator J.A.N. Le Fondré:

I will deal with Deputy Morel first. If it helps to refer directly to the Government Plan, on page 163, the left-hand column of the 2 columns that are there, essentially the general revenue total of all of the ... this is about the tax-raising measures, not long-term care, because that is what generates what we spend most of our money on in terms of revenue expenditure. It is net neutral from my perspective. It raises in total £210,000 and the reason I say that is basically the tax allowance increases cost about £7 million and that is offset by the *de minimis* reduction in G.S.T., the alcohol duty increases, which we are talking about, the tobacco duty increases, the road fuel duty increases and, in addition, what we have effectively already dealt with, which is the climate emergency, fuel increases as well. You put all those together, so the revenue-raising measures, the ones I have just outlined, against the tax allowances, put all those together and it nets out at about £200,000. Therefore, my argument is it is relatively neutral in terms of the funding aspect. Obviously, if we lose £1.6 million that does have an impact and that goes back to the point that Senator Mézec has made and others have made that this Amendment is not costed and that is fundamental. If there had been a cost, unfortunately it may have been ... if the Deputy of St. Peter had put an Amendment saying put it on fuel, then we could have had that discussion, but it is not costed, because what we are debating today is what we are voting on today. So it is, broadly speaking, a neutral impact, but obviously, notionally, it should be beneficial, because we are putting more money into the tax allowances and obviously there will be less impact on the duty. It all depends on the individual circumstances. I think it is worth reiterating; I was unable to attend, but I know Members did attend a hospitality presentation not so long ago and

I take absolutely the points that have been made about minimum pricing and the licensing law and we have said that is one of the pieces of work we have got to do and we are going to be doing it imminently. But the hospitality did send around some sheets and I was intrigued by the penultimate page of a table they sent that very clearly demonstrates what the Minister for Health and Social Services has been saying, that the total litres of alcohol consumed - assuming this is Jersey, which I rather assume it is - has significantly fallen. The Minister for Health and Social Services will be delighted to know that it backs up what he was saying. In 2006, total litres of alcohol consumed was 15.9 million, not far off 16. In 2016, which is as far as this goes, it was 14.3 million. Obviously, there is an argument that says that we are seeing a change in the consumption side of things and there are all sorts of various arguments we can have around that. But I think the point is that, ultimately, what we said is that in terms of these revenue-raising measures we feel they are broadly neutral, taken as a package. That is the most important thing and, secondly, that this is not a costed Amendment. Essentially, it does put a dent in the budget of about £1.6 million, which then obviously has consequences as we go forward. On that basis, I do not think I need to add to what the Minister for Health and Social Services has said about the views on the health consequences and how we need to deal with it. I certainly do enjoy a glass of wine; sometimes I desperately feel I need it and I think we may all well be the same. To the Deputy, happy birthday for today. But in a more serious consequence, I think irrespective of where we are on the league and I take the details of the Deputy of St. Ouen, I was, interestingly enough, having a conversation ... I go back to student days and the difference between what I will call the Anglo-Saxon consumption of alcohol versus when I was a student in France and there was a significant difference in the attitude to alcohol. It is funny that we were hosting some Americans from the American Embassy a few weeks ago and they were commenting on what they considered to be the people they encountered and the preponderance of alcohol within British society, shall we say, versus in their own. It is just an interesting thing. It starts bringing home slightly that alcohol is quite embedded in European culture, definitely, but even in European culture there are differences between how Britain - and I will include us in that - and other countries sometimes deal with it. Obviously, different countries have different consumption rates as well. What we might consider as normal, perhaps, is not considered as normal elsewhere in the world and perhaps that is the point, that overall the view is that we do ... not saying do not drink but what I am saying is that we should be looking to moderate that behaviour and one of the methodologies we have is around the increase in Impôts and the argument is that one is seeing an effect taking place. As I said, for me, I will be joining the rest of the Council of Ministers and not supporting the Amendment. I apologise to the Deputy for that, but principally as well it is not costed. One of the things we would encourage Members for the future is, if one can come up with alternatives that gives a better debate in a way, because then the Assembly has a real choice in front of it. We can always say no, but obviously there are financial consequences if there is not an alternative. On that basis, I do ask Members not to support the Amendment.

3.6.12 Senator L.J. Farnham:

As always, I start by reminding Members that I do have an affiliation with the hospitality business, so I just wanted to put that on record. Very briefly, Deputy Morel touched on unit pricing and this was a subject that was discussed at the recent British-Irish Council and the First Minister of Scotland reported that they now have some meaningful statistics, since introducing the legislation to control unit pricing in the retail sector and they are going to share that with us and that will be useful for Senator Pallett with his work in developing retail alcohol strategies. There are some interesting statistics and it shows that it can work in some areas and help those that need help but, of course, one of the problems we have over here is a disparity between the hospitality sector - and I have to speak up for the hospitality sector as the Minister with responsibility for tourism - and the retail sector, where they use alcohol as a loss leader to drive footfall in certain circumstances. Of course, that is making the hospitality sector more expensive and potentially harder with our quest to develop the tourism and hospitality sector as part of our economic plans. So, while I support education, I think

the answer is not always attacking pricing. We have to be mindful that other Members and I are doing work on an R.P.I. strategy and I hope in future debates we will consider the impact on the retail price index of some of the decisions we are making in these sorts of debates. It is education, it is understanding the impact on the cost of living but also, while we are full of virtue in this Assembly, I always remind Members that we do own and profit from the biggest duty free shop in the Channel Islands, which is situated at our airport.

3.6.13 Deputy L.B.E. Ash:

I would like to start by saying that, firstly, the Council of Ministers' assertion that Deputy Huelin's Proposition is to lower tax on alcohol is erroneous. He merely wishes to keep the tax at the same level that it is, factoring in inflation as well. Sadly, he is not looking to cut it, he is merely looking to keep the *status quo*. We would still be getting the same tax income that we got last year and that includes the inflationary aspect. Deputy Huelin first came to my attention in the electoral campaign when my other half brought home a leaflet that he had placed through her grandfather's letterbox in St. Peter. I remember commenting on it, because one of his pledges was: 'I will ask the questions you want to ask.' I remember saying to her: "How does he know what questions other people want to ask?" but it turns out today he is asking the questions other people want to ask.

[17:15]

Too often in this Assembly, we ask the questions that we want to ask, rather than those that the people want to ask, the people that comprise the vast majority in Jersey, middle Jersey, if you like. It is similar to when I brought this subject up last year there was a letter in the *J.E.P. (Jersey Evening Post)* that stated something along the lines of: "Thank goodness we have a politician who cares about the ordinary working person." I heard Deputy Ward amazed that I, as a non-Corbynista, could represent the ordinary working person. The fact is that ordinary, decent, working people do care about how much they pay for a drink and they do care how much a night out costs; so too do tourists. I got an email from someone who was talking to 3 elderly women, who were over here on a weekend break and they were still under the rather sad illusion that Jersey was a cheap place to come, as it was in the 1970s, as it was in the 1980s. After one night out, they decided they probably would not be able to afford to go out again. They were not angry, funnily enough, as he said. They gave a rather wry smile and they said: "Once bitten, twice shy" and that is rather sad, I think, for an Island that used to pride itself on being a great place to come. We have a situation where one sector of society is being asked, yet again, to pick up the tax bill. We have already seen in the Amendments that we had today a rather spluttered indignation that motorists would have to pick up the bill: "G.S.T.? Oh, no. Boat owners? Oh, no, heaven forbid that they should have to pay the same as car owners. Hold on, here is an idea, let us tax drinkers again. Brilliant, why did we not think of that before? We will tax smokers too." That was brilliant, but unfortunately some of the smokers seem to have taken up the idea that it is not great for their health and given up, so we are now £2 million short on tax revenue on tobacco. When I asked them, they said: "It does not matter, because we are going to all benefit from the health implications" and apparently there will be a massive saving. I said: "We will have to wait several years to find that." So, we do need to address the health issue. Health issues are important. Sharply raised blood pressure levels I look today, even for individuals whose blood pressure is typically normal. Consumption is associated with increased homocysteine levels in the blood, a risk factor for cardiovascular diseases such as stroke, heart disease and peripheral vascular disease. It can result in sleep deprivation. Regular drinkers are at risk of dehydration. As the American Heart Association explained, withdrawal can strike 12 to 24 hours after a regular drinker last consumes, characterised by headaches, fatigue, depression, anxiety, drowsiness and withdrawal. Typically subsides within 48 hours, or as soon as the drinker gets his caffeine. That is all right. All those health issues are listed were about caffeine. We can all quote health issues. There is no question that we are in environmental crisis. Global heating reduced by our diversity and climate instability are all direct results of human behaviour. The coffee industry is undoubtedly a part of this. The

environmental impact of agriculture varies, based on specific practices used, but the move away from shade-grown coffee to more intensive styles of farming means that overall coffee farming is making a bigger environmental impact today than it did in the past. Of course, much of it is served in plastic cups. Do we tax coffee? Do we? No. So it has health problems, it has environmental problems. We do not touch coffee. Why not? Because it is easier to come back to the good old drinker. He is used to it, as the Minister for Treasury and Resources said: "We have always taxed alcohol in Jersey" so let us just keep taxing it. Let us keep putting it up. Until people do give up and then we will have to look at something else to tax. Also - and I did not realise this until I read an article by Raymond Blanc, the restaurateur - the way we tax alcohol in this Island and in the U.K. is a sexist tax. It is calling for a cut to the levy in the next Budget. They warned that women had been hit hardest, because 39 per cent choose wine as their favourite alcoholic drink compared to just 16 per cent of men, who tend to prefer beer, where duty rises have consistently been less dramatic. The letter from the campaign group Wine Drinkers U.K. to Simon Clarke, the Exchequer Secretary to the Treasury, which was signed by Raymond Blanc: "But for too long wine drinkers have been penalised when it comes to the tax they pay on their drink of choice. In particular, women have been disproportionately adversely impacted by the Government's duty decisions over the past decade" and our increases on wine and spirits will take us higher than the U.K. I would ask the Assembly that we have a chance today to strike a blow for the decent hardworking men and women of Jersey; please take it.

The Bailiff:

Does any other Member wish to speak on the Amendment? I call on the Deputy of St. Peter to respond.

3.6.14 The Deputy of St. Peter:

I thank you all for your contributions. I will start with uncosted and when I was a salesman of software products, you never took a proposition to a customer without costing it and I accept that. However, the key is if you are going to bring a proposition, it has got to be relevant. Instead of magicking some numbers from somewhere, find something relevant and the relevance is climate control and it is emissions. As I stated beforehand in a previous debate, I have been to the D.V.S. (Driver and Vehicle Standards) and it is quite clear that for this year I cannot get the data I wish in order to bring the counter Proposition. One piece of data I did get - I will remind you in my report - is the 27,325 cars of an engine capacity over 2 litres. That has the equivalent tax in the U.K. of £205 per car. That is the minimum of the emissions, because larger cars in the U.K. would have higher costs; so going up to 3 litres, 4 litres, diesels, *et cetera*, per car would be more. So, the minimum you could gain from that, if you were to tax at the same U.K. level, would be £5.6 million a year. That is considerably more than the £1.05 million I am suggesting that we save from the average man and the average drinker on the street. Now, it is quite common practice in most businesses and I am sure that we can take some reserves on a very short-term basis to fund that change next year, indeed by supporting this Proposition it is the very strong reminder that we will address vehicle emissions next year as a taxation. So, while I accept it is not as tight a Proposition as I would like, it is available for us and very easy to justify if we do that in the next year. Really alcohol is about behaviour and I thank the Constable of St. Saviour, speaking from the heart and from personal experience, if somebody wants a drink they go get a drink. There is nothing you can do about that one. All you do is add to the price of it and you add to the suffering of the person that is taking from the family coffers when they go off and drink accordingly. That, I am afraid, is a fact. We have to look at other ways around that. Now, I am under a challenge not to use the expression 'preload', which is, I believe, a local expression, which the hospitality industry say to me that they get evidence of kids who are knocking a bottle of wine down in one just before going into an establishment where they can enjoy the *bonhomie* and the atmosphere of the establishment. As you all know, it does not matter how strong or weak it is within reason, if you take it very quickly, you are not in control of the subsequent effect that that has on you. So, they report regularly of having young kids, out of control and not

contributing to them financially and being a liability to them in their establishments. That is not good news for other people wanting to enjoy a drink in a pub, or bar. Now, I know the behaviour because my daughter, this is about 10 years ago - you are going to love this one - used to have regular prelash parties at our house in London. That was the sole aim. They could not afford to go out in the evenings and drink at the extortionate prices of the pubs and the bars in London, which, as we have already heard, is the same as Jersey nowadays and, therefore, they would go and get their bottles of vodka, steal some tonic and go out, as I said, ready to go. The point is, it is behaviour changes. If they could afford to go out, they would have probably gone out, they would have probably drunk more slowly, more modestly and more sensibly during the course of the evening, instead of necking it, as it were. The other way behaviour changes is - and I was not going to mention this, but I have been drawn into it - I did a study of my personal alcohol buying and I do not think in the last year I have bought anything without at least a 25 per cent discount. I can get a 25 per cent discount and a lot of people can. Those that have got the means, the wherewithal and the time to hunt down for the bargains, also the cashflow in order to bring stock into your house and also the place to store it. Make no doubt about it, I can do that. But it means I head off all the duties by the way that I buy and the way I structure my personal finances. I also import wine from the U.K., because it happens to be cheaper, even if you declare the duty over here. By the way, the duty is already paid in the U.K. before it comes here and it is still cheaper to pay double duty. So, that is what I can do. The average man that Deputy Ash and I are referring to, they do not have that opportunity. They live from day to day, hand to hand, as we have heard. They buy a bottle of wine, that has got a huge percentage of duty on it, at the end of their particular day to enjoy something for the weekend. I think they are entitled to do that. We mentioned minimum unit pricing in Scotland and I believe - and I did not have it to hand, I did check this a couple of weeks ago - that early indications suggest that they will be saving something like 300 lives a year within a period of time. That is fantastic. I think that is absolutely brilliant. However, they do not tell you the other side of Scottish society, where Scotland is the number one country for the misuse of drugs in Europe. I think they have got another problem. It is not just alcohol, it is something else within their society. One thing I have welcomed and I thank you, Senator Pallett, *et cetera*, for the recommendations that we have got, regardless of which way this goes, it is to look at the reviews and seriously understand the impact on our hospitality industry; I am sure we have all been courted. The average man on the street ... and if you have not had calls on this, I am very surprised, because I have had numerous ones and been knocked in the street. More importantly, tourism. We have families that are coming over here, they come for their 60th wedding anniversaries, because they came to this Island in the 1950s and 1960s, where it was the duty-free island where we had 30,000 hotel beds. People still think that is us. Now it is cheaper for me to drink when I am certainly in Wimbledon, or the outskirts of Central London. We have got to look at the impact on this for our tourist industry. Health, there is always the health argument. It comes up over and over again and, yes, but what has changed? What has changed? Are any of these health things new to us? Have we developed new diseases? I have known about cirrhosis and damage to kidneys all of my life. My parents were major contributors to the gin industry of the Island and they survived until their 90s. Maybe they had pickled themselves, I do not know. But it is there and I get it. I do understand it. But for 40 years, or decades, we have been using that over and over again that health is the reason. It has not worked, because we seem to have a worse problem with health than we did in the past and we are charging a lot more money for it. So I am failing to understand that one, because it is nothing to me. The last thing I am going to say is you do not change culture by taxing and making it more expensive. If it really is an issue, if health in society is the issue that it is, we have got to find other ways of doing it and, as I said, I think one of the great things that has happened latterly is the cultural change of drinking and driving where the youth of today would not dream of getting in a car with one sip, let alone what ... am I allowed to confess to what the Island was like in the 1970s? I had better not, had I? But without one sip and that has been changed, not by pricing kids out of it, it has been changed by hard-hitting evidence that has made them realise it

is wholly irresponsible. Culture changes behaviour, not taxation. With that I move the Amendment and ask for the *appel*.

The Bailiff:

The *appel* is called for. I invite Members to return to their seats. I ask the Greffier to open the voting.
[17:30]

POUR: 14		CONTRE: 29		ABSTAIN: 0
Senator S.C. Ferguson		Senator J.A.N. Le Fondré		
Connétable of St. Helier		Senator T.A. Vallois		
Connétable of St. Saviour		Senator K.L. Moore		
Connétable of St. Brelade		Senator S.W. Pallett		
Connétable of Trinity		Senator S.Y. Mézec		
Connétable of St. Peter		Connétable of St. Clement		
Deputy M.R. Higgins (H)		Connétable of St. Lawrence		
Deputy R. Labey (H)		Connétable of Grouville		
Deputy L.B.E. Ash (C)		Connétable of St. Mary		
Deputy of St. Peter		Connétable of St. Ouen		
Deputy of St. John		Connétable of St. Martin		
Deputy S.M. Ahier (H)		Deputy J.A. Martin (H)		
Deputy C.S. Alves (H)		Deputy G.P. Southern (H)		
Deputy K.G. Pamplin (S)		Deputy of Grouville		
		Deputy K.C. Lewis (S)		
		Deputy J.M. Maçon (S)		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy of St. Ouen		
		Deputy L.M.C. Doublet (S)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy J.H. Young (B)		
		Deputy K.F. Morel (L)		
		Deputy G.C.U. Guida (L)		
		Deputy of Trinity		
		Deputy J.H. Perchard (S)		
		Deputy R.J. Ward (H)		
		Deputy I. Gardiner (H)		

Senator J.A.N. Le Fondré:

Can we propose the adjournment?

The Bailiff:

The adjournment is proposed. The States stand adjourned then until 9.30 tomorrow morning.

ADJOURNMENT

[17:30]

Government Funds



General Revenue Income

(Income tax, GST, Impôt, stamp duty, Island-wide rates)

Ringfenced fuel duty

Consolidated Fund

This is the Government's current account. All the money raised goes into this fund, which pays for the running of day-to-day services and capital expenditure

Ringfenced

Strategic Reserve Fund

To be used only in exceptional circumstances to protect the Island's economy from severe decline (such as the sudden collapse of a major Island industry) or from major natural disaster.

Ringfenced

Stabilisation Fund

To be used to help stabilise the economy during a financial downturn. Money is deposited when the economy is strong.

Ringfenced

Climate Emergency Fund

Funded through ringfenced fuel duty to support initiatives to tackle the climate emergency.

Ringfenced

Social Security Contributions

Social Security Fund


Social Security contributions are paid into this account. It then pays out benefits such as the old age pension and incapacity benefit.

Health Insurance Fund

Pays claims for medical and pharmaceutical benefits – subsidies for GP visits and the cost of pharmaceuticals dispensed by community pharmacists.

Social Security (Reserve) Fund

Sets aside funds over a long period to protect the future provision of pension benefits and to reduce the impact of



Ringfenced

Long-Term Care Contributions

Long-Term Care Fund

Long-Term care contributions are paid into this fund. It pays out benefits and expenditure for long-term care.

