



Deputy Steve Luce  
Chairperson  
Environment, Housing and Infrastructure Scrutiny Panel

## Submission for Consideration of the Government Plan 2023-2026

Dear Deputy Luce,

Many thanks for the opportunity to provide comments in relation to the Government Plan 2023-2026. While the Government plan is a detailed and comprehensive plan, our comments are limited to several points.

In relation to the proposal for fuel duty, we support the Government's proposal to freeze fuel duty for 2023. The last eight months have been unprecedented when it comes to fuel costs. The wholesale cost of fuel has fluctuated widely following Russia's invasion of Ukraine. While the government plan is right to note that fuel prices had been falling over the last three months, this trend is starting to reverse itself, with petrol prices rising again. As well as the ongoing effects of the War, much of this is attributable to a recent decision by OPEC and their partners to **cut oil production by 2 million barrels per day**, the biggest cut since the start of the pandemic. This has the effect of pushing up crude oil prices with the consequent knock on for petrol, diesel, and other fuels.

On that basis, we believe that the proposal to limit fuel duty increase is a sensible and proactive measure that will mitigate some of the impact of the cost-of-living crisis. We would recommend that this issue is kept under constant monitoring. As we have said on many occasions in the past, we will ensure that any benefit of this fuel duty freeze is passed on to the consumer

In relation to the government commitment to continue to fund the Climate Emergency Fund, we believe that this is a welcome measure and demonstrates Jersey's continued commitment to address challenges faced by climate change. We believe that if we are to make real and sustainable change, then it is vital that we have the infrastructure in place across the island to support new forms of fuels and fuel sources. While it is not the scope of the government plan to consider this, we do believe that government should start to examine what infrastructure is in place and what gaps exist that are stopping our transition to a net-zero carbon future.

Lastly, we wanted to address one specific point mentioned in the Government Plan. On page 33 the plan says, *"There continues to be considerable variation between pump prices across different forecourts, often nearby to one another."* This indicates that the government seems to believe that the market is competitive.



Our long-standing belief is that there are serious structural issues affecting the fuel market that stops operators from delivering the full benefits of competition to consumers. Further concentration of market power in the dominant operator were approved in the last number of months and we remain of the belief that government can and should review the structure of the fuel transport market to ensure that consumers are receiving the full benefits of competition and that the market is aligned with the carbon reduction ambitions of the government.

Thank you again for the opportunity to provide these comments. We hope they find them useful as you consider then government plan. We are, as always, happy to discuss further.

Yours sincerely

Jon Best  
Director  
ATF Fuels