



18th August 2022

Dear Mr Harris,

Cost-of-Living Mini Budget

Thank you for the opportunity to provide a submission on the above.

In respect of any consultation process on the proposed budget measures, I do feel, there should have been a wider, more broad-church discussion in respect, including community groups, charities, social services, trade unions, etc, prior to the proposal.

On reviewing the Mini-Budget, any assistance, which puts extra money in people's pockets, is welcome but the proposition falls far short for the poorest on the island. The most recent cost of living figure (RPI) is standing at 7.9% and doubtful to drop much over the course of the next twelve months, the previous two figures this year were 3.8% and 6% respectively, meaning many households have been out of pocket for most of the year, struggling to survive under the current circumstances.

The reduction of social security contributions from 6% to 4% from October equates to £10 extra per week for a wage of £500 but drops to measly £7.36 for someone working on minimum wage over 40 hours, yet the mean average wage in Jersey was £820 in June 2021 (Source Gov.Je website) and would see these individuals benefitting from an extra £16.40 in their pockets, based on that figure, this is hardly equality. Both the lower figures, fall well short under the current climate, taking into consideration the costs of energy, food, and fuel. The poorest on the island require far more, to be able to live adequately and to not just exist and struggle, day by day, week by week.

Many of these same people were essential workers during the peak of the pandemic, many of which, have yet to receive a pay rise, reflecting rising inflation and if they have been fortunate to have a percentage increase in their pay packet, it is very unlikely to match the two most recent RPI figures. Increasing the threshold on tax for 2023 produces similar results and is inadequate. There is a poor measure of inequality in Jersey and this proposed budget does nothing to address the issue, it just makes matters worse. The lowest earners need and deserve more support.

During this cost-of-living crisis, lowest earners (Under 30k per year), Social Security contributions should be covered for the rest of the year and an increase in the threshold in tax for next year, to reflect that position. All pensioners on similar earnings on their relative pension, to receive the same threshold. Households on benefits to receive equal support as to be across the board. Rents should be frozen for the next 18 months with all properties available to rent regulated, providing fairer and hopefully more affordable accommodation. Cancelling or at least reducing GST on food and energy bills will go a long way to help all islanders. These would be more concrete measures to assist the poorest off on our beautiful island, providing

them with some sort of security over the next 18 months. All this, as well as the proposed mini budget for all other islanders, with further options should anyone require extra financial support.

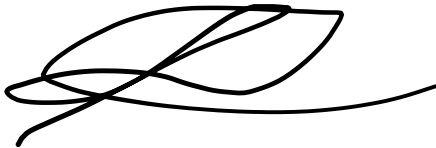
I have little understanding of the economics within the Government at this time to account for any extra funding but I would hope the required costs can be found from the Strategic Reserve, this is a crisis that could and is most likely to continue for some time, the future is very uncertain. We need to help islanders and the poorest need to be top of the list. Surely this is the use for the Strategic Reserve!

I have faith, if the current Government Plan is anything to go by and trust that you will, put children first, that you will, improve Islanders mental and physical health, and that you will reduce income inequality, improving the standard of living for everyone, no exceptions. All this, whilst protecting and valuing our special environment and still creating a sustainable, vibrant economy with a skilled local workforce for the future, a workforce, many of which, carried Jersey through the pandemic and need your help.

Kindest regards,

On behalf of Jersey Trades Union Council

Leigh Devine, Secretary

A handwritten signature in black ink, appearing to be 'Leigh Devine', written in a cursive style with a long horizontal stroke extending to the right.