

## **STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY**

### **5. The Chairman of the Economic Affairs Scrutiny Panel regarding Draft Price and Charge Indicators (Jersey) Law 200-**

#### **5.1 Deputy G.P. Southern:**

The Panel has recently considered the draft Price and Charge Indicators Jersey Law 200-. Despite having the structure of an enabling law which requires regulating to specify the exact price marking requirements, the Panel notes that within this law appears a presumption that the amount of G.S.T. (Goods and Services Tax) will be included within the marked price of goods and not made clear separately. The Panel is aware that this matter has been the subject of much public interest and debate, not least from the Jersey Chamber of Commerce and its individual members, and the Jersey Consumer Council, on behalf of the Island's consumers. The Panel therefore wishes to examine this law and the assumptions behind it and will exercise its powers under Standing Order 72 to have the draft law refer to it if the States agree the principles on 17th July. The Panel will then undertake a review to be completed by the fourth meeting following 17th July 2007, that is 23rd October 2007. It will also lodge amendments, should it consider them to be necessary. The Panel will, as ever, conduct itself in a timely and efficient manner so as not to affect the timing of the introduction of G.S.T. in April 2008.

#### **5.1.1 Senator P.F.C. Ozouf:**

Would the Panel Chairman confirm that he was invited to a briefing on this Price Marking Law and he turned down that? In other words, he was given the opportunity of scrutinising it before 17th July. Does he also accept that his decision to invoke the power of referral to the Panel will mean that it is unlikely that we will resolve the issue of inclusive or exclusive pricing prior to the implementation of G.S.T. in April, as any decision must be made before summer break in order to give retailers the certainty that they need to plan for the tax?

#### **Deputy G.P. Southern:**

In answer to the Minister's first question, yes, I was aware that I was invited to come and discuss it. I was busy discussing it with my own Panel to see which way forward we were going, and to suggest that scrutiny can be done in a matter of weeks is not my version of Scrutiny, although it may be his. So, that was not possible. If there are, indeed, problems relating to retailers and those doing business then I will certainly engage with them at the earliest possible opportunity to ensure that such inconvenience is minimised, if at all possible.

#### **5.1.2 Senator T.A. Le Sueur:**

Has the Chairman taken any soundings to date from representatives of the retail industry as to the timing it might take for them to change their systems in order to implement these arrangements by April 2008, when the law has to come into place, given that we are unlikely to debate this before something like November of this year?

#### **Deputy G.P. Southern:**

I refer the Minister to my previous answer. I will engage.

#### **5.1.3 Senator M.E. Vibert:**

I wonder if I could call on the Deputy to explain why, when this was lodged on 5th June, the States are only being informed today of when it is on the agenda to be decided on the debate, why it is only being informed today that this Panel has decided, and whether he feels that by invoking Standing Order 72 that it is using a procedural device to add further delay, because though it is the fourth meeting following 17th July, it does, of course, encompass the whole of the summer break. I just wondered why the Deputy thought it could not be done more quickly, because if it was normally the fourth meeting it would not encompass a summer break and would have to be done in a much shorter timeframe.

**Deputy G.P. Southern:**

My Panel has been busy with many issues during the last 3 weeks; has had 2 meetings, the second of which considered this particular aspect and decided on it in pretty short order that we were going to have a look at this particular law, and it was done in the swiftest possible timescale.

**5.1.4 Senator B.E. Shenton:**

Would the Deputy agree that it is important that this Chamber makes the right decision, rather than making a decision in haste?

**Deputy G.P. Southern:**

Absolutely, I could not agree more.

**5.1.5 Senator P.F.C. Ozouf:**

Would the Panel Chairman be willing to take soundings within the next 24 to 48 hours on the issue of implementation, and if he can be shown evidence and if he can be informed by retailers that they need the certainty of inclusive versus exclusive pricing before the summer break of the States adjournment, will he consider changing his mind?

**Deputy G.P. Southern:**

I do not intend to change my mind however, as I said earlier, I will consult as a matter of urgency with retailers.

**5.1.6 Senator P.F.C. Ozouf:**

Can I press the Chairman? I have a copy of Hansard where, of course, this matter has already been partially discussed by the Assembly under the debate of Article 94. Would he confirm my understanding that in fact his mind has already been made up in terms of exclusive versus inclusive pricing? Would he confirm that he is of the view that there should be exclusive pricing, and would he admit to the Assembly that all this is doing is really wanting to delay the decision, and would he accept that he is denying this Assembly a decision on the issue of inclusive versus exclusive pricing?

**Deputy G.P. Southern:**

I do not accept the inference in the Minister's statement. I deny that I have already made up my mind in that, everybody in this Chamber, if the Minister will let me answer, has political opinions, and I am very careful to put my political opinions to one side when I look at evidence and when I examine evidence and when I call witnesses, as part of the Scrutiny Panel. My professionalism in that respect is, I believe, of the highest order.

**5.1.7 Deputy P.V.F. Le Claire:**

Would the Deputy give us an understanding whether or not he is aware that it has been muted that some of these implementations are so complex that it might fall upon the businesses to charge their systems in excess of 6 figure sums to introduce these taxes, and by delaying this issue, which is, I believe, a political issue, by a Scrutiny process that he suggests where one really is quite already aware as to what the issues are, he is, in effect - although I personally do not believe in it - but he is, I believe, putting in danger the deadline for introducing G.S.T., and thereby will be, if he fails, harming the businesses he claims to represent, by following this route. Will he also let us know what date it was that he was invited to meet with the Minister and when he refused?

**Deputy G.P. Southern:**

I do not have the date at my fingertips but I will look it up and supply it to the Deputy if he so wishes but no, I do not accept this is a political issue at all. I think it is a matter of serious public concern, which deserves the spotlight of Scrutiny placing on it in the shortest possible timescale.

**5.1.8 Senator T.A. Le Sueur:**

Would the Chairman reiterate his comments in the final paragraph if he wishes to ensure that G.S.T. is implemented in April 2008 and will he, on that basis, in consulting with retailers, agree to reconsider his timetable if need be in order to ensure that that date of April 2008 can be achieved perhaps by bringing his report back in shorter timeframe than he is presenting suggesting?

**Deputy G.P. Southern:**

Absolutely. I will endeavour, I will strive, to bring back a report in the shortest possible timescale I possibly can, certainly by 9th April. I doubt that I can do it by the end of September, but I shall try.

**5.1.9 Senator P.F.C. Ozouf:**

I wish to press the Chairman. I have the copy of Hansard before me, of his remarks on Article 94, and I quote: "I think that if we are going to charge this consumer tax we should hold our hands up and have it clearly indicated at the till, this 3 per cent is being paid." How can the Deputy justify his remarks in going into a Scrutiny review with an open mind with a clear statement of support of exclusive pricing, a clear support of Deputy Breckon's proposition? How can we believe him when he says one thing to this Assembly and I read something from Hansard from another Deputy?

**Deputy G.P. Southern:**

I have an entire Panel to review the evidence that is put in front of them. If the evidence suggests that my political position is wrong, I will own up to that and put my full weight behind the recommendations that my Panel come out with, if the evidence suggests that. The Minister has difficulty, I think, sometimes, separating his political dogma from what his actions should be. I am perfectly clear that I can do that and that I will do that, because that is the professional way to behave and I intend to do so.

**5.1.10 Connétable M.K. Jackson of St. Brelade:**

Would the Deputy confirm that the members of his Panel have independent views and that the Panel's decision is made democratically based on those independent views?

**Deputy G.P. Southern:**

Absolutely, and I have got a good team behind me with their independent views and that we thrash things out on the basis of the evidence. That is what we should be doing.

**5.1.11 The Deputy of St. Ouen:**

Would the Chairman confirm that the introduction of G.S.T. in April 2008 is dependent on the fact that we have an approved and detailed income support scheme in place?

**Deputy G.P. Southern:**

That, I believe, is true but is not part of the remit of this particular Panel.

**The Bailiff:**

That completes the period allowed for questioning the Chairman.