

# STATES OF JERSEY

## OFFICIAL REPORT

FRIDAY, 29th NOVEMBER 2019

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[9:30]

**The Roll was called and the Deputy Greffier of the States led the Assembly in Prayer.**

**Deputy R. Labey of St. Helier:**

Sir, if I might address you on procedure. I hope to do this as simply and quickly as possible so that we can resume the debate on Deputy Southern's Proposition without too much delay and I apologise in advance if I am messing around with Members. After our meeting last night and having slept on it, I have got this to propose. I think there is broad and general agreement among Members that our next continuation day should be on Monday next week. We have a continuation day on Monday. Also, last night, Members voted 26 in favour to sit until 10.00 p.m. tonight. That was before we decided that we should have a continuation day on Monday and I think it is fair for people to feel if we are meeting on Monday, why have the late sitting before that, although we have an awful lot of business to get through. In this set of circumstances, although 26 is a majority, it does not suffice, because it is unfair to a lot of Members who have got functions tonight and will feel aggrieved and disenfranchised through no fault of their own. So, Senator Farnham, who made that Proposition, is welcome to re-propose it if he wishes to. I do not want to propose that at this stage, so all I am going to do is propose that the continuation day be on Monday. I am going to spend today taking soundings from Members about, if we need more time, where that time should be taken. I would ask simply tonight at 5.30 p.m., before the adjournment is proposed, if I could assess the situation and just put it to Members, depending on where we are in a debate that, like with the case yesterday, we might continue until 6.30 p.m. at the maximum if the end to the debate we are currently having at that time is in sight and we could finish by 6.30 p.m. It will be for Members to decide at 5.30 p.m. when I do that, but for the moment I am proposing that the continuation day be on Monday.

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

Sir, could I raise the *défaut* on Deputy Maçon?

**The Bailiff:**

Firstly, do Members agree the *défaut* is raised on Deputy Maçon? Yes, very well. Is that proposal seconded? **[Seconded]** Then the first matter for the States to consider is whether, or not, there will be a continuation day on Monday. That does not mean the States cannot sit late tonight. That will be a separate Proposition if somebody wishes to make it.

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

I was concerned last night, in an unofficial discussion, that there were other commitments next week that were unavoidable. I have now got the full details of that and I have to advise the Assembly that on Monday we have a very important summit conference with the Isle of Man and Guernsey, involving 5 Ministers and a very large civil service delegation on the whole issue of climate change, because we are already advancing very fast. Frankly, it would be discourteous in the extreme for me not to be there and I know Senator Gorst, as Chief Minister, is opening that session. **[Laughter]** As far as I am concerned, sorry, I ask why we cannot do this on Tuesday? I will obviously have to vote against the Proposition of the Chairman of P.P.C. (Privileges and Procedures Committee), but I would go for Tuesday, if we get a chance.

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

Ditto. I am also attending the convention with the Isle of Man and Guernsey and many officials. It would be very discourteous not to arrive.

**The Bailiff:**

Does anyone wish to make any observations on the suggestion that the continuation day is Monday?

**Senator L.J. Farnham:**

When I made the Proposition to sit until 10.30 p.m., that was to be basically on the grounds that we would be in with a chance of finishing tonight, without having to come back next week. I still think that is a possibility, albeit a remote one and I think we need to revisit that later. For me, I am not involved with this summit on Monday, but I do have, as Ministers do after a week in the States and Members, a very busy diary. I personally would prefer a Tuesday. That is all I wanted to say.

**Deputy R. Labey:**

My understanding, from discussions last night, was that the climate conference was mainly officer-led and that Ministers - I know it is inconvenient - could nip in and out of it. When we are at the States with continuation days being decided at such a late stage, the fairest thing to do would be for the States to continue with this debate at the next scheduled sitting on 10th December, but I do not think Ministers would prefer that. There is not one single continuation day between now and 10th December, on which every single Member of this Assembly will be able to attend, so it is a compromise and I think Monday is the best one for now. Possibly we could work late Monday, but, for the moment, I would like to consult with Members on that. I maintain the Proposition that we have a continuation day on Monday.

**The Bailiff:**

Those in favour of continuing ... the *appel* is called for.

**Senator S.W. Pallett:**

Can I raise the *défaut* on Senator Moore, please?

**The Bailiff:**

Do Members agree to raise the *défaut* on Senator Moore? Yes, the *défaut* is raised. The *appel* is called for. I ask the Greffier to open the voting. Deputy of Trinity, you obviously cannot vote because you are at the moment *en défaut*.

<b>POUR: 31</b>	<b>CONTRE: 11</b>	<b>ABSTAIN: 1</b>
Senator S.C. Ferguson	Senator I.J. Gorst	Deputy of St. John
Senator T.A. Vallois	Senator L.J. Farnham	
Senator K.L. Moore	Connétable of St. Mary	
Senator S.W. Pallett	Deputy of Grouville	
Senator S.Y. Mézec	Deputy K.C. Lewis (S)	
Connétable of St. Helier	Deputy J.M. Maçon (S)	
Connétable of St. Clement	Deputy of St. Martin	
Connétable of St. Lawrence	Deputy of St. Ouen	
Connétable of St. Saviour	Deputy J.H. Young (B)	
Connétable of St. Brelade	Deputy G.C.U. Guida (L)	
Connétable of St. John	Deputy of St. Peter	
Connétable of Trinity		
Connétable of St. Peter		
Connétable of St. Ouen		
Deputy J.A. Martin (H)		
Deputy G.P. Southern (H)		
Deputy M. Tadier (B)		
Deputy M.R. Higgins (H)		
Deputy S.J. Pinel (C)		
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 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)				

**Senator I.J. Gorst:**

I am very grateful to the Chair of P.P.C. for suggesting that we could decide whether to remain until 10.00 p.m. at 5.30 p.m., dependent on the debate. Could I implore him, rather, to come back after lunch and make that decision then, so that Members know where they are, rather than at 5.30 p.m.?

**[Approbation]**

**The Bailiff**

I think that having discussed matters with the Greffe and with others it would be helpful to know as early as possible whether the States wish to sit late this evening, because, obviously, not only Members, but others need to make arrangements as well. It would be helpful, I think, if that were possible, without in any sense forcing the hand of the Assembly, of course.

**Deputy R. Labey:**

Yes, of course. I am not proposing, nor will I propose at any time today, that the Assembly sit until 10.00 p.m., because I have heard from too many Members who have too many functions that they cannot break. I think the Reform Party has a function tonight, an event tonight and a lot of other Members have commitments. I just think it was too late to go to 10.00 p.m. to make that decision and I think it disenfranchises too many Members. The only thing I would propose is that we would stay tonight to a maximum of one hour, until 6.30 p.m. if in the circumstances at the time it seems likely we will finish the debate we have started, because I think it is important to do that. So, that is all I would ask Members to do. If the Assembly wants to propose something different that is fine, but that is all I would ask Members to do at the time is possibly stay to a maximum of 6.30 p.m. to get through one item.

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

I think it is important to say, I agree we have to think about the well-being of the Greffe and the staff who need to be here too. **[Approbation]** We cannot just dismiss that and I think it is very important we take that into our consideration.

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

Did the Chair of P.P.C. make a formal request? I think it is sensible. I think he is knocking at an open door that it can be 5.30 p.m. if we can finish at 6.30 p.m., but staff need to know that now, the arrangements.

**The Bailiff:**

I think the slight difficulty is it is predicated upon whether there is any chance of finishing the debate, so we cannot know that, I would have thought, at this point.

[9:45]

**Deputy R. Labey:**

I am very happy to make the proposal that we sit until 6.30 p.m. this evening, bearing in mind that we may not need to, because it would be pointless starting another debate at 6.10 p.m. But if, for

certainly, Members want to make the decision now that we could go to 6.30 p.m. if circumstances dictate it would be sensible to do so, I will make that Proposition.

**The Bailiff:**

If the States adopt that Proposition, there is nothing for a Member to move the adjournment at any time after 5.30 p.m. if it is clear that the debate will not finish, it seems to me. So, you propose that. Is that seconded? **[Seconded]** Does anyone wish to speak on that particular Proposition? Those in favour kindly show. Those against? Yes, quite clearly that is adopted. So, the position then is there is a continuation day on Monday and that the States will sit today until 6.30 p.m., unless Members agree to adjourn at some earlier point after 5.30 p.m. if it is clear that the particular debate in train at that time will not conclude. Does anyone else have any other points to make in connection with timing?

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

I do not know if Standing Orders allow for this, but would there be provision for us to shorten our lunchbreak today from 1.00 p.m. to 2.00 p.m.?

**The Bailiff:**

Standing Orders provide that at 12.45 p.m. I am required, absent any other decision by the States, to ask the States whether they wish to continue, or to stop at that point. It seems to me that if there is a reason to truncate the lunch hour, that is perfectly acceptable and indeed if Members want to make that decision now, equally that is something that could be resolved on a Proposition so people know where they stand. In other words, yes, it is possible for the Assembly to resolve to do that.

**Deputy J.H. Perchard:**

May I propose that now, Sir, or is that something that would come later?

**The Bailiff:**

All I am saying is that I would have to ask, in any event, at 12.45 p.m. if Members wanted to continue, but you could propose now, if you wanted to, that we do.

**Deputy J.H. Perchard:**

May I propose that we shorten our lunchbreak from 1.00 p.m. to 2.00 p.m. today?

**The Bailiff:**

Between 1.00 p.m. and 2.00 p.m. Is that seconded? **[Seconded]** Does any Member wish to make any observations on that? Those in favour of that Proposition kindly show. The *appel* is called for. I invite Members to return to their seats. I ask the Greffier to open the voting.

<b>POUR: 28</b>		<b>CONTRE: 14</b>		<b>ABSTAIN: 0</b>
Senator I.J. Gorst		Senator L.J. Farnham		
Senator J.A.N. Le Fondré		Senator S.Y. Mézec		
Senator T.A. Vallois		Connétable of St. Helier		
Senator K.L. Moore		Connétable of St. Clement		
Senator S.W. Pallett		Connétable of St. Brelade		
Connétable of St. Lawrence		Connétable of St. John		
Connétable of St. Saviour		Deputy of Grouville		
Connétable of St. Peter		Deputy M.R. Higgins (H)		
Connétable of St. Ouen		Deputy J.M. Maçon (S)		
Deputy J.A. Martin (H)		Deputy S.J. Pinel (C)		
Deputy G.P. Southern (H)		Deputy of St. Martin		
Deputy K.C. Lewis (S)		Deputy of St. Mary		
Deputy M. Tadier (B)		Deputy L.B.E. Ash (C)		

Deputy of St. Ouen		Deputy S.M. Ahier (H)		
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. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

**The Bailiff:**

Very well, the Assembly will sit between 1.00 p.m. and 2.00 p.m. **[Laughter]** Sorry, it has been a long week for the Presiding Officer, as well as everybody else. The Assembly will have lunch between 1.00 p.m. and 2.00 p.m. and will sit either side of that.

**PUBLIC BUSINESS - resumption**

**1. Government Plan 2020-2023 (P.71/2019): Amendment (P.71/2019 Amd.) - resumption**

**The Bailiff:**

We now resume the consideration of Deputy Southern’s first Amendment of the Government Plan. Does any other Member wish to speak? I had listed to speak last night the Connétable of St. Lawrence.

**1.1 Connétable D.W. Mezbourian of St. Lawrence:**

I think I have been losing my train of thought listening to what has just been going on, so I have to gather my thoughts. I have an elderly parishioner, who, when I met him recently - he is in his 90s - told me that he does not sleep very well. He is a former farmer and he is used to getting up early and he is up at about 4.00 a.m. When I asked him what he does at 4.00 a.m. - because I cannot for the life of me imagine ever getting up at that time - he told that he reads the *J.E.P. (Jersey Evening Post)* at 4.00 a.m. **[Members: Oh!]** so they will be glad to know that somebody reads it. **[Laughter]** But then he added: “And I always look for your name and I look to see whether you are supporting that Southern.” That is a quote. So, clearly - and I know his political views - this elderly gentleman does not support what Deputy Southern brings to this Chamber. Over the years, I have been known to support many of Deputy Southern’s Propositions and Amendments to various budgets and M.T.F.P. (Medium Term Financial Plan), because I have to make my decisions based not upon the person who is bringing forward the Amendment, or the Proposition, but on the content of what is being proposed. It is quite clear to me that I must support what is in front of us today and there are a number of reasons for that, not least of which this is proposing to help many of the more vulnerable in our society. Contrary to what Deputy Southern has suggested in his Report to his Amendment, he is not, in the wording of his Amendment, specifically targeting any particular group within our society. The wording is quite clear. He is suggesting in the summary table: “Benefits and other expenditure should be increased by the sum of £0.9 million and the estimated closing balance decreased to meet the cost of providing G.P. (general practitioner) consultations at a reduced charge for certain groups.” Maybe he has done himself a disservice by then trying to help the Minister and his civil servants by



identifying some of those vulnerable groups who could be helped, if we supported his Amendment. When I look at the comments from the Council of Ministers, it is clear that they have recognised, in his wording, that he is referring only to certain groups, but then they go on in their first sentence to say these being people aged over 65, children aged under 5 years, taking the words that Deputy Southern has used in his report. When they then go on to say: "Supporting reduced fees for pensioners, irrespective of their income, does not represent good use of public money and would require a sustainable funding stream, as the population ages", I agree with that comment – as, no doubt, we all would agree, because, using our heads, that is correct - but Deputy Southern has not, in the wording to the Amendment suggested that we support all pensioners over the age of 65, although he mentions it in his comments. So, this is a head and a heart situation for me because, thinking back to the early 1960s when I was growing up - my memory is not as good as it used to be - what I do remember is growing up in a working-class family, with very little money, we were only taken to the doctor essentially if we had a limb hanging off. I say that, but believe me it is absolutely true. Unless there was something clearly visibly wrong with us, we did not go to the doctor, because we could not afford to go to the doctor. I know, when I fell off my skateboard in the then Le Squez School playground and my ankle swelled up like a balloon, it was only then, 2 days later, that I was taken to the doctor, or then to A. and E. (Accident and Emergency), because we would not even go to A. and E. So, I digress. Then, Deputy Southern not only kindly tries to assist the Minister and his Department, in reminding them and us of the vulnerable groups in our society, but he also reminds those of us, some of whom are long in the tooth and have been here for many years, that we have had all these promises made to us in the past and he cites us the report from 2011, *Caring for each other, Caring for ourselves*. Are we caring for each other? We have not delivered on that. Then he reminds us that, a year later, Health and Social Services brought forward *A New Way Forward*. I am not sure what they have done in between, but now we are presented with the Jersey Care Model. We are being promised everything in the Jersey Care Model. How much confidence can we have that that will be delivered, based on the track record of non-delivery and promises and assertions that things will be done to improve healthcare for the vulnerable in our society? I have been rapidly losing confidence. The Comité des Connétables regularly has presentations from groups that wish to advise us of what is happening and what impacts on our parishioners. I have lost track of the number of times that they have been to us to say: "We want to work with the Parishes, we want to take healthcare out into the community." That is what is being proposed in the new healthcare model, but it is not new. They have been telling us this for years and we are still waiting. I went to Health some years ago and said: "I have a building here, which I think would be suitable for use by your Department. You can utilise it as you see fit, but let us sit down and see how, as a Parish, I can work with you to deliver services to my parishioners and those from St. John, St. Mary and other Parishes and let us begin to make this happen." They went away to think about it and I am still waiting for their response and this was years ago. I do not know who I have lost the most faith in. I do not want to apportion blame on to civil servants, who were there to deliver the policy of the Minister and I am certainly not doing that, but - and I wondered whether to say this - I have lost faith in some people and I have a prime example. A couple of weeks ago, the Comité had another visit from Health, a senior delegation from Health, to speak to us about the Jersey Care model. We were chatting about the hospital and all the wonderful things that are going to be delivered and I asked those present to remind the Comité who sits on the political oversight group for the hospital. Who sits on it? The clue is in the word 'political'. I was expecting to have every politician who sits on that group named but the name that I was given was not a politician. It was the name of a senior civil servant.

[10:00]

I have mentioned this to the Minister, because I was clearly disappointed, frustrated, annoyed, aggravated, cross that the politicians, who are there, were not even considered. This person could not name the politicians who sat on the political oversight group, political steering group, whatever it is called. In fact, 2 of the Constables who sit on that group said: "I sit on it" and the other one said:

“I sit on it” and I said: “No, you do not say. I do not want you. I am not asking you to say who sits on that group. I am asking this officer from the Health Department.” To me, that is a real disappointment, but it is a prime example of why I have no faith, or very little faith, in this new Jersey Care model being delivered, as we have been told and the track record does not support their assertions that they will deliver and it is very sad to me. I hope I am not straying away from the Amendment, but I feel I need to make these points. I will go back to the comments of the Council of Ministers, who support the overall aim of the Amendment to reduce the cost of primary care to well-targeted groups. Why do they not just accept it and deliver that reduced cost to those well-targeted groups, because they can choose who those well-targeted groups are? If we support this Amendment today, we are sending out the story, or the message, from the elected politicians of this Island that we want the vulnerable to not have to worry about going to the doctor, because they cannot afford to pay for it. I do not want to think that there are other families out there ... I know there are, but I am doing my best, with Deputy Southern, to reduce the number of families who worry about taking their kids to the G.P., because it could be a choice between paying for the doctor or, as in the case of my family years ago, putting food on the table. It was as bad as that for us and it is as bad as that now for members of our society. So, the Council of Ministers collectively supports the aim of the Amendment that Deputy Southern has brought, although they say it is poorly targeted and they can deal with that. The Jersey Care model has made significant progress and will be validated and developed further by external planners. We need to send a message from this Assembly that ... and I mentioned this in a speech, earlier in the week, the Council of Ministers has had very few Amendments carried against it, if any, this week. I cannot remember how many have been won by those valiant scrutineers, who have spent months working on this Government Plan and have come up with evidence-based proof that some things need to change, yet we are quite happy to ignore much of the evidence that has come forward. So, why do we not think very carefully on this and take the opportunity to send that message to the Council of Ministers and to the public of this Island that we are not an Assembly who completely disregards the vulnerable? Maybe we have not supported reduction in alcohol and fuel prices. They are clearly different to supporting this Amendment, which is there to make sure that no one, who lives in Jersey, is worried about going to their doctor because they cannot afford the bill. I normally do not speak as long as this, but it is something that means a lot to me and I really am keen to urge all Members to give due consideration to this, because the Council of Ministers supports the overall aim. Let us vote for this Amendment, which they support and then it is in the hands of the Minister and his Department to decide how to apportion those funds, who the most vulnerable are, maybe not all pensioners. I am a pensioner and while I am working I would not need to have any assistance, but let us send the signal to the Council of Ministers and to the public of this Island that we do care. We care and this is our opportunity to show it. So, I have to say to my elderly parishioner that I support Deputy Southern when he brings something to this Chamber, to this Assembly, that is clearly of benefit and I have no hesitation in supporting this Amendment.

### **The Bailiff:**

To assist Members with timekeeping, that was 11 minutes.

#### **1.1.1 Connétable J. Le Bailly of St. Mary:**

I am disappointed that Deputy Southern has brought this Amendment, because he should not need to do so. Access to a doctor, if someone is ill, is vital. The patient should not have to consider whether, or not, they can afford to go. If they have to do that then, clearly, this Government have failed. The Members in this Assembly have failed, because they were only elected to this Chamber by promising the electorate that they would support them. The first point of access, if you are ill, is a doctor, which, for many people, is an expensive process that may only require a prescription. Many people avoid this, because they simply cannot afford to go. However, if you are seriously ill, the ongoing process is free, because you are then referred to hospital. A simple process would be to have a means test.

We do not have that. The Minister for Health and Social Services says that plans are in progress to assist this and other possibilities, which may be 6 months away, or may be 2 years away. Can we wait that long? No, we cannot. This needs to happen now. Some people have paid into the system all of their lives, only to find that they cannot get the basic care when they need it. The Deputy's approach to this may not be the right one, but at least he has identified a problem and is attempting to deal with it. It allows a solution, in waiting for a better alternative to be put into practice by the Minister for Health and Social Services. This Amendment is like a stitch in time. The sooner the problem is diagnosed, the more cost effective it is to fix. I shall be supporting the Deputy's Amendment, as it may save a life.

### **1.1.2 Deputy I. Gardiner of St. Helier:**

Yesterday, when Deputy Pamplin went through the G.P. costs, which was very important, it was mentioned there are some no cost, or really low cost for the children, but there was not any reduction for our elders there. On the one hand, we are encouraging our elderly people to go to regular check-ups and on the other hand we are making this unaffordable for them. When we had this in question time, I asked the Minister for Health and Social Services about my parishioner, who was moved from the hospital check-ups to the G.P. check-ups and his annual bill went up by £200-plus and I am talking about a parishioner who lives in social housing accommodation. I was told it will be sorted out: "We will move the budget from the hospital to the G.P. It will be paid." I hope it will be paid, but the question is when it will be paid and my parishioner has to continue to pay this £50-plus every 3 months for a regular check-up to get his prescription. I went online today and I said: "What is the conditions that require doctor's visits?" Arthritis, kidney-bladder problems, dementia, Parkinson's glaucoma, Lyme disease, osteoporosis, enlarged prostate, Alzheimer's disease, depression, cardiovascular diseases. Basically, I think all of us would agree that an elderly population will have at least one of these conditions, that will require regular monitoring, so basically all of our elderly population need to go every 3 months for regular check-ups at the G.P. and pay £200-plus a year. I do not want to see my elderly constituents postponing going to the doctor's, because it would be dangerous. I do take into account Deputy Wickenden's comment that we are negotiating with G.P.s and a decision of the States on the way of negotiation and, from a business perspective, I realise that some decisions can get underway with G.P. negotiation. At the same time, Deputy Southern does not tell what needs to be done with G.P.s. He is saying: "Please make it affordable, whichever way it will go." Maybe we need, as a Government, to create a G.P. surgery in town that will be visited twice a week by elderly from all over the Island. I do not know what the decision is, but what I do know from business is if I would hear from the Government: "This will be done by June 2020, you know what, by January 2021 it will happen", I probably would support that, but with all this uncertainty around, I would like to have certainty that by October 2020, in one year's time, Government will decide and hopefully the care model will ... it is not against the care model. Everybody agreed that the care model is going in that direction. It is just that certainty that Government and the officers for one year would work that something would happen and it would not be an excuse that we did not put in the budget this year that it will happen in 2021. Basically, what Deputy Southern is asking is: "Let us put 900 this year of this money to help this" and maybe just to have a pilot. Maybe I am wrong, maybe I am right, but I feel responsible to have some certainty for our senior citizens to have affordable visits to a G.P. and not put their lives in danger.

### **1.1.3 Deputy S.M. Ahier of St. Helier:**

This Amendment is not ideal and it would not achieve my ambition of a medical drop-in centre, based at the hospital with a nominal charge to relieve the pressure on the A. and E. But it is an interim measure that can alleviate the hardship of some of the most vulnerable members of our society, who find it an impossibility to afford basic healthcare, such as the parent whose child is taken ill, the senior citizen who is struggling on a state pension, or people with long-term health problems, who cannot afford any additional expenditure.

[10:15]

We, as a wealthy Island, should make it a priority to ensure that people, who need medical treatment and cannot afford, it should always be able to access it. It is a basic human right and, therefore, I will be supporting this Amendment.

#### **1.1.4 Deputy J.A. Martin:**

The last 2 or 3 speeches have, on the hoof, designed the new care model and also said: “But there is nothing better on the table, so support this in the interim” and Deputy Southern says even “temporary”. I do not want to play on semantics, because Deputy Southern has only put a few words in the heart of his Proposition and then spent 25 minutes yesterday describing exactly who he wants to help - over 65. If you look on Reform’s page, Senator Mézec, what Deputy Southern’s Amendment does is help over-65s pay £10, pregnant women, the under-5s and people on income support and it will cost £0.9 million next year. It is only next year, because we are going to have to take officers away from my Department, officers away from the new healthcare model and try and cobble something together that looks like this, but Deputy Southern does not really mind. On page 47 of the Government Plan there is money. There is a statement that says we will help the vulnerable with healthcare costs. Now, all my team, the Health team, the new D.G. (Director General), there were G.P.s around the table, we went to discuss this at least twice and we were like, as Deputy Southern said before: “If it is not right, why did you not amend it?” Because they were saying we are so close, we are shining the torch. This talks about G.P.s. It does not go anywhere near the model we need. An elderly person needs to go and have their bloods done at least 2 or 3 times a year. They do not need to see a doctor and if there is something wrong they get a call back, absolutely. In the U.K. (United Kingdom) it does not cost you £10; it is free, but you do not see a doctor. So, we are designing something here and everyone says: “I think we should support this and it is temporary, nothing else on the table.” I absolutely refute that. Why I am speaking is because Deputy Southern ... it lost by 2 votes and I admit I was one of them, on P.82 there was a part (c), we need a sustainable funding mechanism for health, which we have never got. So, now what we are doing ... and I have said to Health, my officers, policy officers have said: “If you need a pump prime, there is a bit of money in the H.I.F. (Health Insurance Fund) at the moment. If this can get going, it can get it going next year, it can get people out in the community, it can help where we want, absolutely you can have the money.” But I cannot spend it twice and I want to hear from these economists, who are coming in, I want them to be shining the light on to all our services and saying: “This should be done, this should be done.” Now, is he targeting ... I do not really want to get into the target, but the G.P.s out there have got businesses now. They do do it for under-5s and is it over-65s we should just be making free, because, as I say, we have only got one bit of money. I have got one bit of money and if everything stays the same we are now £40 patient, probably £20-something social security, £10 patient, £50 social security per payment. Will it all stay the same? I know what we want, we want more people to go and get tested, but not to an expensive G.P. We are doing the model. Deputy Southern, in his opening remarks, said: “I want to stop 30,000 people attending A. and E. unnecessarily, because they cannot afford it.” Think of our model and this is set out in the table. What have we got after 5.30 p.m. and at weekends? What have we got? We have not got a 111; we have not got anyone to ring. We have got a walk-in up to about 8.00 p.m. and other than that all you have got at weekends is A. and E. It does not matter whether you can afford it, you have got A. and E. This model, that I am hearing the views of what it is going to do, sounds fantastic. We have got to just hold our nerve. We have just got to get over this, where it is going to go and who is it going to help and not just say today: “It is only going to be temporary. It is going to be £3.5 million,” but it is not, because it is only going to grow. It has no sustainable funding mechanism behind it, only the H.I.F. and the H.I.F. can only take it for a few years. We are not putting any more money in the H.I.F.; the H.I.F. is what it is. It pays the co-payment at the moment. They want to turn that on its head and make it, instead of £20, £50 for everyone who goes and must see a G.P. Now, as I say, Deputy Southern knows what the G.P.s said, because I gave Deputy Southern this job when he was

my Assistant Minister and I said: "Sort this out. We are all pushing an open door. We want to make it much more accessible" and there he was talking with the G.P.s, but when Deputy Southern took this model on the radio, with one of the G.P.s, even that G.P. who represents a lot said: "No, not this, please. It is not right." You cannot absolutely ... I listened to the radio and I relistened and I am not going to mention the doctor's name, but Deputy Southern was on live with the doctor and he has been round the table as well and he knows the G.P.s have been, not for the fact that they have run as private, various things that cost them money. The young G.P.s want to do much more. They want to specialise. They want to specialise in mental health, they want to do different things and they want to do it differently. They want to bring in practice nurses. Today, if you want to kill the new care model, you want to spend the H.I.F., you can only spend it once, support Deputy Southern. I am telling you now, the money is not sustainable. The model is in the wording, but please look at really what they want to do. The actual last sentence of Senator Mézec's Reform says: "And we are coming back to make it more accessible for the rest of the population next." No money. No money. Now, let the healthcare model get to grips. This is the bashing you should have given us next year. If we have not done anything, bash us and I absolutely would accept it. Not now, not when we are so close. We are nearly over the line and we have a fantastic model, new staff and I am sorry that the Constable of St. Lawrence is so depressed with our civil servants. We have got a new team at Health and I am absolutely impressed and also they are working so closely with Social Security. You design the model, I will give you the money and let us get on with it. Do not support this today. Do not let your heart rule your head.

#### **1.1.5 Deputy T. Pointon of St. John:**

I have just listened to my colleague's rant about funding.

#### **The Bailiff:**

I think that is ...

#### **Deputy J.A. Martin:**

That is OK, Sir. I can take it.

#### **The Bailiff:**

The fact that a great number of people can take things does not mean that they should necessarily form part of the ordinary descriptions used for another person's speech in the Assembly, but if you would like to carry on.

#### **The Deputy of St. John:**

I will withdraw that remark. My colleague talked about the 2 efforts, the effort to fund fees and the effort to provide a viable community and hospital service, that are going on in Health as if they were both mutually exclusive. Quite frankly, the care model that is in train at present - I am very close to this, because I am in the Scrutiny Panel looking very closely at the model - is going to change the relationship we have with general practitioners. It is going to change the way that we fund general practitioners, at least that is the aspiration. It will involve Social Security spending rather more money on provision of G.P. services, whether it be to groups of people with particular maladies, or whether it be individuals who cannot afford it. We have a situation here, in which a number of people are advocating a rejection of an Amendment that will lay the ground for that care model to be set. It will be an integral part of the care model. This is not money that is going to be spent separately. This is money that will be spent anyway. It will, as part of the care model, be needed to fund G.P.s. I have a problem with rejecting this Amendment, because the public, that rely upon us to take decisions on their behalf have seen us time and again pussyfoot around provision for healthcare. We have P.82/2012. It has taken an awful long time to get to implementing those recommendations and now there is active work going on to introduce the recommendations that were made at that time. There is a new side on the game. What I am concerned about is that the public have just been distributed a

leaflet to every household on this Island, telling them that there is a new care model on the way. They now see us debating provision for people who are in need, not specific people, but the Amendment is quite loose about why the money should be released. It would be going on to the Minister and it would be going on to the people working on the care model to decide how that money should be used. If we were to adopt this Amendment today, we will be sending a message to those people out there, who are disappointed that there has been so much inaction over the years. Adopting this Amendment would send the message that, yes, we do care and, yes, we do mean to implement the new care model. I think it would be a tragedy to reject this Amendment for many people who are watching this today and listening.

#### **1.1.6 Deputy J.M. Maçon of St. Saviour:**

I speak with both my hats of Assistant Minister for Health and Social Services and Social Security, to this debate and I would like to respond directly to the Constable of St. Lawrence and other Members who have said: “Let us see the evidence, what is the evidence?” and, thankfully, in Deputy Southern’s Amendment - if Members want to turn to page 7 of his Amendment specifically - what it does is it shows the actuarial review of the Health Insurance Fund, the actual money that we have got to play with, or not, as the case may be. May I remind Members that, under that review, the Health Insurance Fund starts dipping in 2025. That is 5 years away and that is on what we already pay out for, not any improved services, what we are doing today. It is out and exhausted by 2035; that is 15 years away. So, for Members to say that the Health Insurance Fund is a pot we can just raid is not correct. It is not sustainable today and I get very annoyed when Members say I do not care about people. I do, but do you know who I also care about? The taxpayers of the future. My generation and those who will come after me will then have to pay extra on their social security funds, which we know we are going to have to do anyway, in order to get this fund going. The question is how should it be paid for when we get there. For example, in this, when Deputy Southern knows that the Health Insurance Fund is going to run out, why was there not an Amendment to include H.I.F. contributions? It is easy to spend money, not so easy to bring it in. All those Members who said: “Yes, we want to do this”, which of them has brought an Amendment to bring money into the H.I.F. when they would have read Deputy Southern’s report and would have known that it runs out in 15 years? This is why we are moving on to the new care model, because we know that the current arrangements through G.P.s are not sustainable, so we need to do something. I have got a direct question for Deputy Southern. I would like to know in this Amendment - a direct question - how many pharmacists he spoke to, whether he spoke to Family Nursing and Home Care, all those people who contribute to the new health model.

[10:30]

Why is that important? Because, in the new model that we are looking to do and when Deputy Gardiner spoke, when we talk about people who we might give this money to, exactly the first people I thought were people with chronic conditions who have to take those many visits to the G.P. But these services do not necessarily have to be done by a G.P., they could be done by a pharmacist. If you have got a skin condition, that can be done by a pharmacist, but we do not do it today, because the funding mechanism does not allow it, so that has all been wrapped up in the new care model. So that means you can still have someone getting their treatment, but not paying £40 to a G.P., maybe £10 to a pharmacist and still receiving the same amount of care and that is what the Council of Ministers are looking to do, but this Amendment concentrates and focuses again on the old model of putting everything into G.P.’s hands and we need to move away from it. Practice nurses, again, when Deputy Gardiner spoke, things like taking your blood, things like doing your blood pressure - which mine seems to be accelerating a little bit today - all that type of stuff can be done by a practice nurse, so instead of paying £40 to the G.P., you could pay £20 to a practice nurse, for example. That is how you can still achieve the same quality of care, but without having to fork out as much on behalf of the taxpayer, those putting money into the scheme. May I remind Members, when they want to

compare us to the U.K., they also pay a large amount more by way of national security, compared to our Social Security Fund. So, do not think that there is a pot of money here which we can just throw around and this proposal is sustainable. It is not. We have the further problem of what we would like to do under the new funding model, is we know we need more nurses, we know we need more community nurses. Therefore, we cannot double-run the Social Security Fund, getting those practice nurses up, getting those community nurses up if we are spending it in different ways. So, if we can deliver care to the community for longer term, then surely that is what we should be focusing on. May I also remind Members, the model to the actuarial report also factors in that we have an additional 700 people on this Island every year paying into that fund. Who knows where these people are going to live because, yet again - yet again - this Assembly is passing the buck on to future generations. Have not tackled housing, have not tackled immigration and now we have had the Ponzi schemes, which means that our institutions going forward do not have the funding. So, do not tell me that I do not care about people in my community, I absolutely do. There are different ways to deliver care in the community, it does not have to be through a G.P., but what I would implore Members to do - and we will have these debates looking at the Long-Term Care Fund and the Social Security Fund going further - do not put it on to future generations when there are other models which are cheaper, which are available which can be done, or at least do not put it up as much as it needs to be. Why put it up to 3 per cent, when we can embrace the new model and it only needs to go up to 2 per cent? We know that my generation and generation rents are looking at a lower standard of living than the current working generation and pension generation. We know, when Deputy Ward stands up, he is also looking at the ecological issues that those future generations are also dealing with. How can we be saying, on one hand, we must be looking forward and protecting future generations if we know, by passing these type of systems, which we know are not sustainable, which rob the money from the pot, which someone else is going to have to pay for, namely my generation, so it would make more sense if there were extra contributions to the H.I.F. Now, what I also want to talk about is there has been this criticism of the Minister for Health and Social Services responding to the report of Deputy Southern. So, Deputy Southern outlined these potential groups and the Minister's response to the problems with those potential groups. Well, what exactly is the Minister supposed to respond to, if not what is in the report of the proposer? Because, of course, the rationale for the proposed Proposition will come in the report alongside it, so it is absolutely nonsense. Can I also say what Members are forgetting: G.P. practices are private business, they are not part of the health model where we can control their prices. So, 2 things to say here: first of all, why are we looking to correct a problem, which the market is already dealing with, such as reduced G.P. visits for children already happening in the market? We have talked about that time and time again. So, why are we looking to correct that problem, when the market is already dealing with it when we know we have got other people we need to look at and I have already mentioned people with chronic illnesses. I must labour this point, as Deputy Wickenden mentioned yesterday, because we do not have any type of contractual agreement with the G.P.s there is absolutely nothing to stop them changing their fees if we agree this. Nothing. Absolutely nothing. So I know that previous Ministers for Social Security, for example, thinking: "Right, let us help the population by increasing the contributions to the H.I.F., in order to bring down G.P.'s payments." What happened? G.P.s put up their fees in line with the subsidy that went from the taxpayer. So, unless we have those contracts in place in order to properly regulate, have a service level agreement with the G.P.s going forward, which is what we are trying to achieve in the new care model, then there is absolutely nothing that will say: I am a States Member, I can vote for this, knowing that my elderly parishioner is going to get a £10 fee. Absolutely no guarantee of that happening whatsoever and from a depleting fund. This Amendment is not sustainable, it does not work technically and it robs from future generations. I will not be supporting this Amendment.

### **1.1.7 Deputy R.J. Ward:**

Well, there we are. First of all, I would like to start off by thanking the Connétable of St. Lawrence, who brought the level of debate up a level in terms of talking, not about personalities, or perception of what she thought a group would do, because of being open with their policy, but looking about what this was about. It is very interesting to me that across this Assembly, from whatever political spectrum people come from, there is an agreement that the issue we have with G.P. fees and access to the G.P. right now and since, Lord knows when, if I may say that ... am I allowed to say that?

**The Bailiff:**

Goodness knows when.

**Deputy R.J. Ward:**

Goodness knows when, thank you, Sir; goodness knows when, it has been there and we have not addressed the issue. There are so many things that need to be made clear here and there needs to be some clarity. If I can add a little more clarity from what was said by the Connétable. We are convoluting 2 completely separate issues here. The new healthcare model, we are being told, will be in place soon, it will be in place next year and we will have a go at it and it will all be great and I think it is very promising. I sit in the Scrutiny Panel that talks to the Political Oversight Group and I have been very impressed by the ideas and the notions that are coming forward. Great. But the point of the matter is, this Amendment gives the opportunity to make a change to people's lives now and, as that model develops, it will feed into that model. Now we are saying that the H.I.F. will be gone in 15 years' time. What is that doing? Is that pre-loading us to be ready for the fact that the healthcare model will not be available in 15 years' time? Are we going to need to rely on it? The money will be rolling down, because all the talk that we are talking about today from the Council of Ministers means: we will put you off now and we will put it off and by the time we come back to it there will be another election, so it will be different people anyway. We cannot continue to do that. There are people out there who are struggling to go to the doctor's. Do you know, I think about this and I was not going to say, but my dad is not around anymore but I can imagine ... he was very tight with his money. My wife says I inherited that; I think it is unfair, but the concept of paying £47 for the doctor would have just been horrendous for him. I know what would have happened, I would have said: "Oh, it is OK, Dad, it is free" and I would have paid it and I would have had to lie to him to get him to go to the doctor. That is the sort of ridiculous situation we have here, that is the reality of people's lives. That is the reality of day-to-day lives now in people's homes. Not the paperwork that says: we are going to get something done in this time and, have you spoken to this and have you spoken to that? Yes, the future healthcare model that came through to all of our doors looks great, but the other thing that we need to do is we need to convince people that this will work. At the moment, people are not convinced that the healthcare model will work, because they have seen P.82. I had to ask my colleague: "When was P.82?" because I thought it was a couple of years ago. It was 2012 - 2012 - and it has just not been implemented and we are at the same argument again; it is like Groundhog Day. We still have not made the great leap forward. We just have not and this is an opportunity to make a small step and take control and for this Assembly to make a really clear message to the people in Jersey and say: "We are going to make a change now that impacts." What Deputy Southern has done is incredibly pragmatic and said to the Minister for Health and Social Services: "Look, let us do this, let us get the Assembly to vote for it. You can target the areas; here are some suggestions in the areas that we all know need to be targeted." Let us talk about those areas: children, pregnant women, the elderly who cannot afford it, well it is a no-brainer. We know these groups are suffering and we need to do something about it now and the nonsensical argument, I am afraid I have to say, of this notion of the fund will be gone by 2035; yes, if we continue with the current failed model and do not do anything about it, of course. But we have a model that we are developing and this is an opportunity to build some faith, dare I say, in what we are doing as an Assembly and the future possibility of that healthcare model. What we have, we seem to have 2 parallel conversations going on. We have an increasing number of this Assembly, who are starting



to realise that, yes, we do need to do something and this is a real opportunity, both for young people, older people, those who just need access and care. But then we have this parallel, which is completely separate, of it will destroy the healthcare model that we want. No, it will not. It is like - what is the phrase, a great line? - it is like talking to the taxman about poetry. They are 2 completely different mindsets that we are in and we need to do something about that, so let us focus back on what we are talking about today. The Council of Ministers support this, in principle. I mean this in the nicest possible way, the Council of Ministers support a lot in principle and it is lovely to see. It is very reassuring. But what this is, is not principle, it is practical. It is saying to people in our society, we recognise from this Assembly, in these seats, elected people they came out and voted for, are saying to these people: "We recognise you are struggling and we recognise the new healthcare is good. We want to convince you of that. Honestly, we are going to do something about it and we are going to do something about the hospital." We were quite a long way in and nobody said the word "hospital" yet. Anyway, we are going to do something about it, but at the moment we are going to say to you: "We are going to intervene in our society and we are going to do something about the access for people who really need to get to the doctor to begin with." All of the other issues around pharmacy and primary healthcare in lots of different ways, of course, they need to be developed. They will do, in due course and I accept that. This does not form an obstacle to that. I would say this: if the cost of £3-and-a-bit million over the duration of this process is going to stop the entire new healthcare model, then I am afraid the entire new healthcare model is doomed for failure from day one, anyway, because it relies on a lot more money, a lot more investment and a lot more intensity in what we are doing than that. So, the arguments are flawed and it is the same argument again and again. It is not jam tomorrow, it is hope tomorrow. Well, I do not want hope tomorrow, I want to do something now and I can see that a growing number of Members of this Assembly are also saying: yes, let us do something now and let us build a hope for tomorrow, as well and let us move away from that closed approach that we have had for too long; so the scaremongering, it is nonsense. I was very concerned from the Minister for Social Security and the Assistant Minister for Social Security when they talked about their officers. It seems to me that their officers and what they are doing were more important than the people of Jersey, who cannot get access to the doctors: "But we would have to use our officers for something else." Yes, but if those officers are enabling people to get access that they need, that is way more important. It is called a civil service, it is a service to the people of this Island, it is not the other way around. What we need to do is make change. I will finish with this: if we go away from here today without voting for this Amendment, I want everybody to look in the eye of their constituents and say: "Yes, I did not vote for cheaper G.P. fees for people who are vulnerable and really need it, because of some hope in the future. Sorry about that. Tough." I am not willing to do that. I want to be able to talk to my constituents and say: "I did my best with people."

[10:45]

We are not natural bedfellows in terms of politics in this Assembly, but we all agree on one thing: we need to have an impact now, not just wait yet again, so I urge you to support this Amendment.

#### **1.1.8 Senator S.C. Ferguson:**

I am not going to say much, except that I helped with the distribution of David Kirch's vouchers some years ago and I was appalled at the number of people, who rolled up to pick up their vouchers in their Jaguars and their Mercedes. This is why David Kirch now has a means test, so that the vouchers go to the people that need it and I think the same with the fees for the doctors. A means test, yes, to support the people, who cannot afford it; my pensioners, who are having to choose between heating and eating, that sort of thing. But, please, this sort of blanket, everybody can go free to the doctors, I am sorry, you have got to think of the doctors and the fact that they are having to work quite hard - in fact, very hard - to support their families and so on. It is a very much more complex situation than various speakers would have you think. It is a complex one and it affects all sorts of people's lives. So, please, reject this and let us do it properly.

### **1.1.9 Deputy G.C. Guida of St. Lawrence:**

First of all, it is funny, because we keep going back to the same thing. We get this extraordinary really good Amendment, all born of frustration and impatience. Now, how do the backbenchers, how do Scrutiny think that Government feels? We have been spending the last 18 months planning, instead of doing, with one hand tied behind our back, standing on a beach ball, sitting on quicksand. That is how it feels, having done the Government Plan. The Government Plan is in front of you today, it has not started yet, we have not signed it off yet. It is not even started, we have not been allowed to do things and yet we criticise about things that have not happened. Give us the starting shot, let us get on with it, in 6 months' time you can come back with every single one of these Amendments and I will vote for them if we have not started on them. Yes, even the vote. Even, the vote; I will vote for the vote if we have not started doing something positive about climate change within 6 months, but now is too early. It really is. Let us get on with it. We have done more work, I believe, than many Governments before us in preparing. We have fantastic plans, but we need to execute them. Give us a couple of weeks to get started, sign off the Plan, let us get on with it. Second thing, a little bit of business sense. Yesterday, we refused a Proposition, which was also extremely good. It was really good by saying: when you have a saturated market, a saturated sellers' market, putting more money into it raises prices. It does not make things more affordable, it makes things less affordable. If we put £4 million a year into G.P.s, G.P.s' costs will not be £45, they will be £55, or £65. We will not be helping. This is wrong, it is a private business, we cannot do anything about what they charge. Every other country, that has a more integrated system like the N.H.S. (National Health Service); the French are like that. When you go to a G.P., the G.P. has a precise cost that he can charge, depending on the work and it has been set by the Government for decades and there is no change. We need to negotiate something like that. If we want to control G.P. prices, we need to negotiate something like that. That is not easy, that is a lot of work. There is no indication that they are going to be happy about it and just say: "Well, that is fine, we will just cap off the price to £50 and you can give us £40 of that." If that was possible, I would be very happy to spend £4 million a year on this. That would work well, that would be perfect and that would help everybody. I do not think it is possible. Talking about Business 101, if you are going to negotiate with somebody, the one thing you must never, ever do is come into the room dragging a big bag of cash behind you, that is really not the way it works. So, again, those Amendments are so right, this is such an important thing, but this is not the way to do it. This is going straight to failure, so I will oppose this Amendment.

### **1.1.10 Senator I.J. Gorst:**

I am pleased to follow Deputy Guida; however, unlike him, if all these Amendments come forward in 6 months' time, I am not sure I am going to be persuaded to vote for them, then, either. The Constable of St. Lawrence, I sensed in her speech, is feeling frustrated. To be honest, she is right to feel frustrated. I feel frustrated, because transforming the health service, to make it more affordable, deliver it at the point where it gives the best health outcomes, where Islanders need it and want it and would like it, has taken - and is taking - far too long. I do not think anyone would suggest anything other than that. If Members vote for Deputy Southern and I have always thought there were some good parishioners in St. Lawrence, other than the ones in this room and the Constable quoting her parishioners shows that there are other good, sensible parishioners in St. Lawrence, as well. But if we vote for this proposal today, we heard Deputy Ward say: "Well we have got to do something." We have got to do something and this is doing something. If we vote for this Amendment today, we will not be solving the problem that Members of this Assembly and parishioners want solved, we will be simply adding to the frustration. The reason we will be adding to the frustration is because of what Deputy Guida explained. This is a simple Proposition. Deputy Maçon was criticised across the Assembly when he said that the Minister was right to comment on the report of Deputy Southern and somebody said he should have been commenting on the Proposition, so I will comment on the Proposition. It simply says: "Take this money to meet the costs of providing G.P. consultations at a

reduced charge for certain groups.” The problem with that is, first of all, there are a number of Islanders currently, because of the way that the healthcare system is structured, going to see their G.P.s and, as Deputy Maçon said, they should be going to other health providers in the community to receive the care and the medication and the attention they need. So, this simply perpetuates the frustration of receiving the wrong care at the wrong place for what we all accept can, at times, be expensive, nor does it tackle the issue of how one provides a reduced cost consultation by simply giving G.P.s a greater subsidy. So, Members know that when we go to the G.P. we sign, they are able to provide that evidence to the Social Security Department, the G.P. asks us for however much it is that they ask - they do not all ask the same amount, either; there is another interesting market dynamic - and they get the refund from the Health Insurance Fund that Islanders contribute to as part of the social security contribution. So, is the Deputy proposing that rather than the roughly £20 that we currently give back to G.P.s for every consultation that, if we go to a surgery that charges £50, then the Health Insurance Fund gives back, not just the £20 but the £40 as well to practice A? Practice B that charges only £30 on top of the £20, we only give them back £20? Who is the arbiter? Who is the one that decides? Deputy Maçon also reminded us of a very uncomfortable home truth - and I do not want to be critical of G.P. practices, they are private businesses, that is the structure of primary healthcare that we currently have in our community – but, some practices in the past, where the subsidy coming from the Health Insurance Fund and the Social Security Department has been increased, have not reduced the co-payment that they ask the individual person, who is having the consultation, to pay; that they structure their practice in the way that they think best, makes them a profit and provides healthcare to their customers. To my mind, it is a recipe for the Constable of St. Lawrence being even more frustrated. Of course, a parishioner will be frustrated, because he will look down the list and see that she has voted with whatever the phrase was, but those parishioners that think, as Deputy Ward tried to indicate, that by voting for this Amendment we are going to reduce the cost of visits to the G.P. simply by voting for this Amendment, they will be frustrated. Members will go home feeling a nice, warm glow inside, because they have shovelled a bit of money and they think they have done the right thing, but Islanders, turning up to their G.P. practice thinking it is going to cost them less, there is no mechanism in order to reduce that cost in this Amendment. It is going to lead to frustration, it is not going to deliver the policy outcome that Members of this Assembly want to deliver when, as the Minister said, they agree that we need to work on a new healthcare model to reduce the cost for vulnerable Islanders attending the G.P. We do not just need to do that, as others have said, we need to encourage people to have other forms of health provision. It is easy for Members to support this Amendment to do something. The problem I have with this Amendment is it does not get us nearer. It has been suggested that this is just a pre-cursor to the new healthcare model. It is not, there is no evidence to suggest that in this Amendment at all. It is going to lead to that reduction in the Health Insurance Fund, so there will be less money to deliver the new healthcare model and we will go back around being frustrated and not making the change, because we have not got the money to do it. It will lead to frustration, because it will not reduce the cost of Islanders and vulnerable Islanders attending their G.P. surgery and it will do something that we are going to hear more and more about, I think, over the coming closing days of this debate. You have heard of Abenomics, you have heard of Corbynomics, today we are seeing again an example of - Chief Minister is looking at me, frowning - of Reformonomics and that is we will spend the money today, we will spend the money today and we will never quite get round to telling you that tomorrow we will have to come and ask it from you back again. What we are going to go on and hear, not in this debate, because this is just a: “We will spend the money today” debate, we will get on to the: “Do not worry, we will provide this service and somebody else will pay, somebody else will pay.” That is not how it works.

[11:00]

So, we will be giving this money, thinking that we are going to reduce the cost of G.P. provision to Islanders and yet what we will really do is simply add to all of the frustration that Members in this

Assembly feel and Islanders feel. We hear the commitment of the ministerial team in a joined-up way, like we probably have not heard before, the ministerial teams at Health, the ministerial teams at Social Security, who have got records and rightly are proud of their record of supporting vulnerable Islanders. I do not doubt their commitment to delivering a new and a better way of delivering healthcare where there is a reduced cost in primary care at the point of accessing that healthcare. They should be, as Deputy Guida said, allowed to get on with that and start to bring it forward, rather than simply supporting this Amendment.

#### **1.1.11 Senator J.A.N. Le Fondré:**

I thought it might be helpful, it will be similar to what Senator Gorst has said, but I want to elaborate on a couple of things and just again to reinforce some points that have been made during the debate. Let us start at the very beginning. Deputy Ward said this will change things now and I think we just need to express why it will not change things now. You can deduce it from the wording in the Proposition, because it talks about £900,000 as being the Amendment in the Government Plan, but the overall impact is £3.6 million annually. Deputy Southern has done a degree of work on this, obviously. He clearly states: "Since this Amendment to the Government Plan can only be put in place with considerable time and effort". Those are the words in his report on page 9 and he says: "It is envisaged that the start date of the scheme will be 1st October 2020," so it will not happen now. If it does happen, bearing in mind he has envisaged 1st October 2020, it will be a number of weeks before the debate on the next Government Plan has taken place. What I want to do, because it has been referred to a bit, is let us talk about what is happening. There has been some frustration around P.82 and the fact, as also Deputy Ward stated, it was debated in 2012. If you look at how the Jersey Care model has come in with the new team that is in Health now, they have really pulled out the stops to get that in place in the last few months. The energy and enthusiasm - and I do not want to use the words: "work ethic" because that is the wrong expression and sounds derogatory to previous, or other, people - but the sheer effort and focus that is happening in that team I think is huge, is incredibly well-deserving and we should be noting that. I take the point that the Connétable of St. Lawrence has made in terms of not being able to name someone. I do not know the nature of the question, but I will say that my impression of that Director General is that that person is absolutely superb in terms of her commitment to changing this health service. That is what I am seeing. She does know who I am, she definitely knows who her Minister is and she knows who is in charge, as well, so I do not know where that comment has come from. What I will say is that, from my impression, her experience and her commitment is second to none in any of the people I have previously experienced. There is a focus as to what has been happening. What I have understood - and bear in mind I am not medically qualified in any shape or form in terms of things that have happened - diabetic supplies are now free, smear tests have been free for a while. Diabetic care is planned to be free through G.P.s and nurses during 2020, so there will be changes of support to vulnerable groups that are going through; that will be changes that will impact many people. It is not just a plan; there will be implementation going through. The difficulty on this Proposition is that there is no mechanism to require G.P.s to only charge £10. That is the point that has been made. There is no structure in place to be able to do that. I think, again, it was Deputy Ward who said if we carry on with the current model it will fail, I think were the words he used and that is the concern. If we just throw more money into this system, without having changed the system, one has not achieved the changes we want to see. I was about to say long term, but bearing in mind what we have talked about, that the intention is that there is to be a broader range of professionals, not just G.P.s providing the services, knowing that there is, I would say, significant progress taking place on the Jersey Care model, there is a head of steam that is happening on that. We also know that health costs overall are going up. We have got the ageing demographics. You name it. We need to get a wider range of people providing the services, so that we can then get the costs going to the right places. By 2021, the systems will be in place to address the issues that Deputy Southern wishes to address. Essentially his Proposition, which he recognises, is not going to affect the people between now and October at

the earliest next year, but the systems we are trying to get in place will be bringing that benefit very shortly thereafter. It is relevant. It is in Deputy Southern's report. There are 2 things. One is the sheer decline in the H.I.F. going forward and that is predicated on a certain population increase, which is why, as I said yesterday, if it was simple we would be doing it immediately. That is why you have got to take these things into account. Secondly, taking another £3.5 million out of that H.I.F. without having the funding mechanism in place is going to put some severe dents in it. The final comment, which is also what Senator Ferguson was referring to, if one looks at the back and there is this argument that also my Connétable predecessor referred to, in the Proposition it talks about certain groups, but in the report and it is a political theory, as I understand it, at the very back he lists everybody, including all O.A.P.s (old age pensioners). I must admit, when I first came to the States, I was very sympathetic to all O.A.P.s but the bits that Senator Ferguson has pointed out in terms of the very generous voucher system and who came up to receive it is the point about targeting the benefit to the ones that cannot afford it, but not giving it to the people who can. That is our overall responsibility. I do not need to go on much longer, but I just wanted to summarise that and maybe give a slightly different perspective. We are doing that model now. People are working on it, people are joining the teams literally in the next couple of weeks to help finalise matters. We are in a programme of meetings with the G.P.s now. These are not plans for the future. This is happening. One of the concerns is that if one has to shift across to essentially redesign something as a result of this Amendment, that then delays the implementation of what we consider to be a better scheme that will be coming through. I absolutely agree with Deputy Guida: if we are not seeing significant progress by the time of the next Government Plan that comes through, we are all going to be supporting the changes, because our frustration levels will have reached that point. This is the difficulty we have been seeing and Senator Gorst, I think, is equally frustrated. He has seen these positions and how long it takes to get through the system. I see a head of change and a head of steam coming through about getting those changes. As Deputy Guida rightly pointed out, this is our Plan. We have not even started it yet. Approval of this Plan gives us the ability to implement and deliver. That is what it is about. I am going to stop there. Hopefully it is clear that the Council of Ministers and this Minister is not supporting this Amendment. It is not because we are not sympathetic. That is what we have said. It is not about that we agree with it in principle. That is not quite what we said. I am just trying to find my page, which has now disappeared off. What we said is we support the overall aim, which is to reduce the costs of primary care to well-targeted groups, but we do not think that this achieves that aim. I reiterate, the earliest that it gets implemented is October next year. It is not going to make things better, as has been said by Deputy Ward, for people now. That is the difference. We believe that we can get the things in place, that we can achieve the aims of Deputy Southern within a very similar timescale and in a more targeted manner. On that basis, I really do ask Members not to support this.

#### **1.1.12 Deputy R.E. Huelin of St. Peter:**

After the elections of May, June 2018, I was asked to sit on the Hospital Policy Board. I spent my whole summer reading files and files of documentation about the build-up to the decision as to how the previous attempts to build a hospital were taken. The crux of that was P.82, about 35 pages of really good stuff, discussing changes in primary care, modernisation of I.T. (information technology), mental health integration. It is a really great document and it is still valid today. In it, it had one little line that said: "We are going to build a hospital." Now, I do not want to knock what went on in the past, but it seemed to me that the frustrations that we have today are borne by trying to do that one line and build a hospital and not do what the rest of P.82 was to say, to totally modernise our care system. What we have today is a Minister for Health and Social Services who, within 18 months, has delivered, or is delivering, albeit a policy document for the care system for the future of this Island. I personally think it is a great piece of work. Obviously, it has been validated by healthcare professionals and it has been validated by health finance people, to ensure it is deliverable. I really want to wait and support that. Part of that I am hoping and what I am seeing is going to be a

means-tested deliverable for primary care into this particular Island. Means-tested is very different to targeted. This particular targeted model is going to increase the demand, by Deputy Southern's admission, of an extra 35,500 people, who are going to be able to go and see a G.P. for a tenner, as opposed to the traditional prices. It is worthy. We want to go in that direction. There are a large number, I get it, of vulnerable people in this Island who are not going to the G.P. They are kicking a can down the road, their problems are manifesting themselves. Their illnesses become serious and it is costing more money socially, financially, *et cetera*. It is the right model. Nobody can deny it. However, what are we asking our G.P.s to do? Have we asked our G.P.s how they are going to resource up, in order to take this new demand? I do not know if I have ever mentioned it in the past, but I used to live in London up until about 4 or 5 years ago. It might be new to some of you, ha ha. However, let me give you how a G.P. works in Raynes Park, which was where my G.P. was in a very large and modern practice. If you want to go to the G.P. - and I only went when I really wanted to go - the first thing you do is you ring up reception. The *triage* is a telephone lady on reception with no medical skills. You have to convince her that you want an urgent appointment, otherwise your appointment will be about 10 days away. When you have eventually blagged your way through, because you really want that appointment now, you get an appointment at a time that is not convenient to you. I can understand that, but you accept it, you do not go to work, you go to that particular appointment. You go in there - and I am not trying to trivialise the situation by using the example but it is one of my favourite expressions, you go in there because you have got a dislocated eyelash - and you sit down and you consult on your dislocated eyelash and at the end of that you turn around and say: "Well, thank you very much. Thank you for the prescription. I am sure that will fix it but, by the way, I have got an in-growing toenail." "Sorry, no, your appointment is just for the dislocated eyelash. Go home, go and make another appointment, come back in 10 days' time to consult on your in-growing toenail." That is how brutal it is over there.

[11:15]

You do not get the opportunity to sit down and consult your entire healthcare in one consultation and that is why the consultations over here are 15 minutes and even longer. That is why I normally wait to see my G.P., because he is so caring. I think that is too much, by the way. I think it is over the top, however there is somewhere in the middle that is required. What I am really concerned about is that the G.P.s will not be able to resource up in order to take the additional demand that will be put on them. They will not be able to deliver the service that they really want to do. That is why I did not want to speak, but if I do not say why I will be voting against this Proposition then St. Peter will think I am an uncaring Deputy. I am certainly not. I just want to support the Government, do it absolutely right, put the platform in place for the healthcare model for the sustainable future, not for one year and not for 2 years but for 40, 50, 60 years in this Island. Get it absolutely right. I believe this is the foundation to do that.

### **1.1.13 Deputy C.S. Alves of St. Helier:**

I am probably the only person in this Assembly that has worked in a G.P. surgery. I started working in a G.P. surgery in 2002, when I was still at school and this was talked about then. When I am hearing comments like: "It is too early. It is too quickly" from the Minister for Health and Social Services, it really worries me, because what I want to say is it is too late. Over the course of about, probably, 10 years I have helped out at various doctors' surgeries, translating. I have seen a lot and probably too much. I have experienced this first-hand. I have seen people end up at the debt collectors, because they have run up debts that have become unmanageable. They have ended up blacklisted and this has affected their life in other areas, not just their health. One of the things that has been mentioned here is that this Amendment will stop work going on in other places. Are we not capable of doing things simultaneously? I do not understand why this would stop other work going

on in other places. The Minister for Health and Social Services mentioned cervical screening. Cervical screening was always done in G.P. surgeries. It was also done in the Le Bas Centre, but there was a charge to the patient and I remember that. Now there is not, so, obviously, there was some kind of process that happened there, so that now that charge is not in place for the patients. I am not sure what the process was, but, obviously, there was some kind of negotiation that happened there, so that all G.P.s are paid a flat rate for cervical screening. Why can we not apply that process here with this Amendment? The Listening Lounge has been quoted as a great example of what can be achieved and, yes, it is a great example. That was achieved in the space of 6 months, after we released our mental health report in March. Why are we still waiting to make G.P.s accessible to parts of our community who find it difficult? It has been mentioned that this is a stopgap. Yes, maybe it is, but what is wrong with that? I cannot see anything being in place by October that will have a direct impact. I keep hearing it is not needed at the current time, let us wait. I have just done a quick Google search and Senator Gorst has been in Government since 2005. I was working in a G.P. surgery in 2002 and this was spoken about. Doctors then were talking about having nurses in to do thing like blood tests. It still has not materialised. This is almost 20 years down the line. The reality is - and this might sound a little bit dramatic - people's lives are at stake here. If we invest now, we make long-term savings. Deputy Southern's report does make suggestions. It makes suggestions about the groups that could be targeted here, but there is nothing in there to say that that cannot encompass a means-testing system. He has not ruled that out anywhere. There was a mention about resources and officers and things like that. Does the Department for Social Security not have data that they can use about people's income? Does the Tax Department not have data that they can use about people's income? What has happened to OneGov? What has happened to the joined-up thinking? Surely this is something that could be implemented a lot quicker than we are being led to believe. Given all of those points, I think I have probably covered a bit of everything, I would urge Members to support this Proposition. Quite frankly this has been going on for far too long.

#### **1.1.14 Connétable S.A. Le Sueur-Rennard of St. Saviour:**

I will not keep everybody too long, but I would just like to say that there is a lot going on at this moment about pensioners, who are wealthy and should not receive any benefits. I tend to think that if you are a pensioner you have paid into the system, so what do we do now? We say to people: "Well, I am wealthy. I will not need you in my old age, so I am not going to pay into the system." I know a pensioner, who is slightly over what they are able to earn and yet they have cancer, they have diabetes and they have been to the doctor 3 times within the last fortnight at £45 a time. They contacted me and they said: "I am not sure if you are going to get a Christmas card this year. I can afford the Christmas card, but I cannot afford the stamp, because I am not well." Yet that person has paid into a system all their working life and we are sitting here saying: "Well, you are not entitled to anything you have paid into," so I think the rich people, who drive their Jaguars and whatever they are driving should turn around and say: "Well, I will not need you in my old age, so I am not going to pay into your system" so where are you going to get the money from then? There is a lot more to this. We have had Scrutiny Panels, who have put Propositions through and they have been crushed because the Council of Ministers keep promising that: "It is in the pipeline. Stay with us and in 6 months' time all this is going to be fine." Well, I am sorry, I am sick to death of waiting. I am tired of my parishioners contacting me and saying they need this, or need that or, to be honest with you, are just fed up with what is going on in this Assembly. I am going to vote with the Proposition, because I think we need to take the bull by the horns and make a decision and say to the people who voted for us - and in my case they did not, because they did not put anybody up against me, but they still believed in me to carry through what they want. This is what I am going to do and I think to penalise people because they have a few shillings extra in the bank is disgusting. They have paid their social security, they have paid their tax and it is now time to reap back some of the money that they have paid in, that they are entitled to.

### **1.1.15 Deputy M.R. Higgins of St. Helier:**

I will be very brief. I have listened to the arguments and I have decided that I am going to support Deputy Southern, the reason being I have now been in the Assembly, I think, 11 years and have heard the same things time and time again and also it is jam tomorrow. I do not disparage the Council of Ministers on this. I think the current Council of Ministers are trying their best and they will be bringing things forward, but the question is we all know that implementation takes much longer than anybody ever thought. I do not want, in the next 2, or 3 years, having to support other attempts like this to try to get an affordable medical system. Many people that I have met simply cannot afford to go to a doctor and we have not even mentioned dentists. To go to a dentist is even worse, I think, in some respects. I do feel the time is right to go out there and try to get support for those who really need to go to see the doctor and doing it now. I shall support the Proposition.

#### **The Bailiff:**

Does any other Member wish to speak on the Proposition, or the Amendment, I should say? I call on Deputy Southern to respond.

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

We have, eventually, had an extensive and worthwhile, I believe, debate on this particular topic. I am left with 2 things. One, this attitude of scaremongering. If we proceed with my Amendment, it is said, everything else will come to a crashing halt. We will not be able to do one single other thing, we will not be able to get on with the vastly complex renegotiating of contracts with G.P.s. That is a real problem. That is a real problem, whether we accept my Amendment, or we do not. That is a big task to take. The question is, at the end of the day, do we want a similar level of provision in our Island, or will we accept lower standards from the U.K.? The answer must be we have to renegotiate contracts and make sure that we retain quality on the Island. That is the reality, but it will not come to a crashing halt if we pass this Amendment. What will happen if we pass this Amendment is that we will put in, admittedly, a short-term benefit that can be immediately seen, felt and touched now, in the coming year, not waiting for the next review, as Deputy Guida seems prepared to do and vote for it this time, or the 6 months' delay that the Chief Minister says. That is the sort of delay we are going to get, things in place by then. It is hope over experience, I am afraid. We are sitting here, saying we hope to get this done, the Jersey Care model and delivered in the next 18 months. We hope. We have had that hope since P.82/2012, 8 years ago. That is the end result of P.82, that is what the formula says and we have not had it delivered, yet. If you have that faith, that hope that it will be done in the next 6 months, or 18 months, then vote against this Amendment. If you do not have that certainty, then please vote for this Amendment, which does something to alleviate what is becoming a case of hardship in the Island. We are not looking after our residents, our population, properly. We know that, because the system is breaking down. Just briefly, I will say thank you to the Constable of St. Lawrence for her speech. I think she was close to tears at the end and, indeed, the first time for an age I may have been as well. This is not just about grandstanding, or point scoring, as one particular Member said yesterday. If it was point scoring, I would not spend weeks on end writing a Proposition, researching a Proposition and committing wholeheartedly to a Proposition, in order just to have it fail. It is not about point scoring. It is about deeply held beliefs and that we should be assisting the vulnerable in our society to deal with illness. Nobody should be paying for illness. That is my reality. Briefly, I want to make 2 additional points. First of all, let us examine this sustainability issue. The fact is we are, in the next 5 years, going to have to review the Health Insurance Fund and the funding which goes from the hospital, or from Health, into community services.

[11:30]



The whole thing has got to be shaken up and re-examined. That is the reality. I think that is going to take longer than 18 months, but never mind. The fact is, for the moment, the Health Insurance Fund is in a healthy state. Look at the table on page 6, if you have got your documents there, but if not annual growth year-on-year for 2020 £9 million. For 2021 estimated £9,600,000. For 2022 £9,200,000 and the same figure for 2023. So, it is growing and I propose to take £3.5 million out of that, out of that growth, in order to fund this particular Amendment, to give access at a reduced rate to G.P.s for some of our vulnerable people. Just the last word, for those who, despite their years in this Chamber, still have faith and hope that things will be turned round in periods like 18 months, I will just take you through this particular passage from the Jersey Care model, which talks about connecting care for children, so this is back to the first words I said yesterday, looking after our children. Listen to the verbs: “We aim to deliver. We will improve continuity. This will address high rates of paediatric emergency. We will be working with local G.P.s. We aim to transfer specialist knowledge from hospital paediatricians, who will work closely with G.P.s. We will establish direct access. We will also increase education events. We will also work closely with our partners in Children, Young People, Education and Skills. We will build in our early help approach and will ensure that our functions and services are closely aligned.” Listen to the verbs: “We will, we will, we will”, 14 of them in total on one side of A4 paper. If you think that, in 18 months’ time, those statements can be transferred from: “We will” to: “We have, we have established, this is what we have done” then, by all means, vote against my Amendment. Otherwise, vote for it. It is the chance you have and I will say it, to show that we do care and to deliver something real to our people.

### The Bailiff:

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

<b>POUR: 19</b>		<b>CONTRE: 25</b>		<b>ABSTAIN: 0</b>
Senator K.L. Moore		Senator I.J. Gorst		
Senator S.Y. Mézec		Senator L.J. Farnham		
Connétable of St. Helier		Senator S.C. Ferguson		
Connétable of St. Lawrence		Senator J.A.N. Le Fondré		
Connétable of St. Saviour		Senator S.W. Pallett		
Connétable of St. Brelade		Connétable of St. Clement		
Connétable of Trinity		Connétable of St. John		
Connétable of St. Mary		Connétable of St. Peter		
Deputy G.P. Southern (H)		Connétable of St. Ouen		
Deputy M. Tadier (B)		Deputy J.A. Martin (H)		
Deputy M.R. Higgins (H)		Deputy of Grouville		
Deputy L.M.C. Doublet (S)		Deputy K.C. Lewis (S)		
Deputy of St. John		Deputy J.M. Maçon (S)		
Deputy S.M. Ahier (H)		Deputy S.J. Pinel (C)		
Deputy J.H. Perchard (S)		Deputy of St. Martin		
Deputy R.J. Ward (H)		Deputy of St. Ouen		
Deputy C.S. Alves (H)		Deputy R. Labey (H)		
Deputy K.G. Pamplin (S)		Deputy S.M. Wickenden (H)		
Deputy I. Gardiner (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		

## **1.2 Government Plan 2020–2023 (P.71/2019): sixteenth Amendment (P.71/2019 Amd.(16))**

### **The Bailiff:**

We now come to Amendment number 16, brought by the Corporate Services Scrutiny Panel and I ask the Greffier to read the Amendment.

### **The Deputy Greffier of the States:**

Page 2, paragraph (h) – After the words “to the Report” insert the words “, except that, in Summary Table 8(iii), the income in the line entitled “Proposed changes to Long-Term Care Charge” shall be reduced by £11,500,000 by reducing the proposed increase in contributions to the Long-Term Care Charge to 0.5 per cent with other affected lines in Summary Table 8(iii) to be updated accordingly”.

#### **1.2.1 Senator K.L. Moore (Chairman, Corporate Services Scrutiny Panel):**

Let us start with a brief overview. It is difficult because, as the Assistant Greffier just read out, we are asking for a reduction in income; however, we feel, as the Corporate Services Panel, that this is an important consideration for the Assembly and one that can change in time, because, of course, this is a year-on-year Government Plan. I would ask Members to consider this very seriously today and particularly with a view to the fact that it can be revisited next year, or again the following year, or even the year after that. What are we proposing exactly? We are proposing to reduce the increase in long-term care charge from one per cent to just 0.5 per cent. This reduces income, as we have said, by £11.5 million, but it is in line with the long-term care scheme’s actuary’s report of last year, which suggested only a 0.5 percentage point increase to the long-term care charge. However, the Government Plan proposes a one per cent increase, on the basis that it will avoid the need for a further increase for a number of years, as has already been suggested by the Fiscal Policy Panel. Why do this? As we have already said in earlier speeches, the attention of our focus groups and also of C.I.P.F.A. (Chartered Institute of Public Finance and Accountancy) was in our deliberations on the Government Plan that there are elements of this Government Plan that are inflationary. There are elements of this Government Plan that cumulatively increase a burden disproportionately on certain elements of the population. Already, the Government Plan raises the upper earnings limit from £175,000 to £250,000. I agree that is a large and sizeable income, but it still takes money out of the economy. Let us remember that by moving that upper earnings limit up, it takes the one per cent that is already charged for the long-term care charge up to that upper earnings limit, so adding 0.5 per cent in addition to that, that 1.5 per cent of the difference between £175,000 and £250,000 is £1,125 out of a household’s income. If the Council of Ministers’ view is adopted and 2 per cent is charged on that differential between £175,000 worth of income and £250,000, that is £1,500 of income. That is £1,500 taken out of the economy and put into a fund that is already well-balanced and already has an element of longevity in it. It is something that the Council of Ministers can revisit at a later date, without putting an inflationary burden on the community by piling on various cumulative charges to members of the public at this time. We are very conscious, as a Panel, of the F.P.P.’s (Fiscal Policy Panel) comments regarding the possibility of a downturn in the economic cycle. I must remind Members to consider that, because our counsel is, is it wise at perhaps a peak in the economic cycle, to be taking these measures and removing money out of the economy at a time when we may be about to see a downturn? Just look at the recent Business Tendency Survey to see that there are indications that that downturn is coming. This is sensible, it fits in with the actuary’s report and evidence and guidance that has been provided to the Council of Ministers. It can be revisited at a later date, but it eases the burden that the Council of Ministers is imposing on higher earners and I propose the Amendment.

### **The Bailiff:**

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

**Deputy J.A. Martin:**

I did not want to interrupt the Senator when she was speaking, but she has said in her report and she has said it again - and I know she does not want to mislead the Assembly - she said and repeated that the actuary has suggested 0.5 per cent. There is no figure in the actuary's report at all.

**The Bailiff:**

I think you must ask whether the Senator wants a point of clarification. You have not spoken, so you cannot be clarifying your speech. Ask the Senator if she would like to clarify.

**Deputy J.A. Martin:**

Where does she get that figure from in the report? It is not in the report.

**The Bailiff:**

That is a point of clarification.

**Senator K.L. Moore:**

That is our reading of the actuary's report.

**Deputy J.A. Martin:**

Where? She will let me know which page.

**1.3 Government Plan 2020–2023 (P.71/2019): sixteenth Amendment (P.71/2019 Amd.(16)) – Amendment (P.71/2019 Amd.(16)Amd.)**

**The Bailiff:**

There is an Amendment to the Amendment lodged by Senator Mézec and I will, therefore, ask the Greffier to read the Amendment.

**The Deputy Greffier of the States:**

Page 2 – For “£11,500,000” substitute “£6,500,000”, and after “0.5 per cent” add the words “and abolishing the cap”.

**1.3.1 Senator S.Y. Mézec:**

Like, no doubt, yourself and every Member of this Assembly, I am currently absolutely gripped by the U.K. election coverage, not least because I still have a vote in that election and Members will be racking their brains trying to work out who I will be voting for. **[Laughter]** One of the issues that I am paying particular attention to, in that election, are the tax promises that different parties are making. I find that particularly interesting, looking at the intricacies of how these policies operate and who gets affected, who are the winners and losers of these policies. You have a Labour Party which is saying it will raise tax on those earning above £80,000 and nobody below that and there is some controversy over that, because of one of the intricacies of their marriage allowances, which show that might not be the case. Meanwhile, you have got a Conservative Party which is rolling back on many of the promises it had made on tax cuts for people below £80,000 and tax cuts for corporation tax. The reason that I find that particularly interesting is because it is a type of debate that we do not really have at all in Jersey, certainly not during election times. Of all of the Jersey elections that I have witnessed time and time again, we see candidates who will stand for election pledging that they do not want to increase tax on their voters. If you look at the historic documentation to do with the foundation of the long-term care charge, you can dig deep and you can find the documents from its foundation which say right from the very outset that L.T.C. (long-term care) was going to have to go up in the future, that when it was established at the 0.5 per cent rate initially and then raised to one per cent that was not the end game. It was always going to go up at

some point, to keep the Long-Term Care Fund in a position where it could pay out to support our population. That introduction happened around about the time that marginal relief was cut from 27 per cent to 26 per cent, so you can completely forgive the public for not really noticing there, because their outgoings would not have changed too much. I think the fact of the matter is that, this time around, doubling the rate from one per cent to 2 per cent, as is proposed in the Government Plan, will be noticed by people. I suspect there will be a great deal of resentment from people, who voted in that last election, presuming they were voting for people who had said: "Vote for me and I will not raise your taxes," as most candidates in each election in Jersey say. So far in this Government Plan debate, I have given Scrutiny a bit of a hard time and not supported them, but I have to say, reading their report to the Amendment and listening to what I thought was an excellent speech from Senator Moore just before, they have touched on something really important with their Amendment. In their report, they used the words "cost of living" which is important and a phrase that has not really come up too much in this debate, or certainly discussions leading up to this debate on L.T.C. We have been focusing mainly on the Long-Term Care Fund and making sure that that is healthy into the future and viable. We have not looked too much at the issue of cost of living. I remind Members, we find ourselves in a situation where, for the last decade, real-term earnings have essentially been frozen and while poverty has risen, the number of people in Jersey earning above £1 million a year has quadrupled. It has quadrupled in that decade, while many people find their lives becoming more difficult, there are a small number of people who have never been doing better.

[11:45]

In the C.S.P. (Common Strategy Policy), which this Assembly adopted unanimously, we decided that we would have, as one of our top priorities, to reduce income inequality and improve the standard of living, yet we have a proposal, in the unamended Government Plan, which will have the effect of reducing the disposal income of most taxpaying Islanders, while preserving a privilege for the portion of our society that has never been doing better, that has seen its income multiply and multiply at a time when others have been getting worse and that poverty has been rising in Jersey. Let us, hopefully, not have a debate on this next point that I will make, because this should be universally accepted, because it is simply a fact, but the long-term care charge is a regressive tax. The Minister for Social Security shakes her head. I will give the definition of a progressive tax. The definition of a progressive tax is a tax where the rate increases as the taxable base increases; therefore the definition of a regressive tax is a tax where the rate decreases as the taxable base increases. That is the L.T.C. That is what it does, because the more you earn, the rate you pay decreases. When you hit that cap and you do not pay a penny more above that cap, your effective rate goes down. That is a regressive tax. End of story, that is the definition; it meets it. Regressive taxes are unfair, because you ask those, who are least able to afford more, to pay proportionately more than those who are most able to. This is about funding a vital service, a service that, in a civilised society, we cannot do without, because it is about supporting people into their old age. We have to make sure that the L.T.C. Fund is viable. It was a big moment for the Island introducing that and we cannot roll back on it, because we would be letting down future generations. To have that discussion and that debate about how we increase funding revenue into that fund is essential, we do have to do it and credit to the Minister for Social Security for coming up with a proposal that will do what it is meant to do. It will keep that fund healthy for a significant period of time into the future, but what the Scrutiny Panel have recognised is that this means increasing tax and, therefore, reducing the disposable income of working people in the Island, who all of the statistical evidence that we are shown demonstrates have become worse off in the last decade. Now, if we are going to have a debate about increasing tax on the population to support our public services, I, for one, do not shy away from that debate. That is an important debate, we must have it and if the conclusion we reach at the end of it is that people have to pay more tax, but they will get more for their money in the provision of services, I do not think that would be a bad thing by any stretch, but what I cannot tolerate - and I made this view perfectly clear in Council of Ministers' meetings, as we discussed what would be our proposal here

- that I think it is morally wrong to increase tax on working people, without asking the wealthiest people to pay a corresponding rise. It is simply not right to do that. I have the benefit of being absolutely crystal clear in my election manifesto. I put the quotation in the report to my main Amendment to the Government Plan, which achieves the same thing, so I am simply doing what I told the public I would do. I ask Members of this Assembly to consider, or think back, to what it was they told their voters when they stood for election. Which Members here knocked on doors, went to their hustings and said to voters: "Just so you know, a rise in the L.T.C. is coming and if you vote for me, you can expect me to support doubling your contribution, but I will maintain that exemption for the wealthiest Islanders"? I suspect - and I would be delighted to be proved wrong by any Member here - nobody had that conversation during that election, because the inevitability of the L.T.C. rise is a bit of a secret in Jersey. It is in the founding documents for the L.T.C. It is there, but nobody has read them, nobody has dug deep into it and certainly not the ordinary voters of the Island. Nobody out there, in the big wide world, or the big wide Island, goes to mark their cross on a ballot paper thinking: "Yes, it is a given that this candidate is going to vote to increase my tax by the L.T.C. increase." Nobody knows that. What I ask Members to do with this Amendment is to provide some sort of comfort to those Islanders, who are struggling with the cost of living, that we will have an amended version of this proposed L.T.C. rise to say we will ask those, with the broadest shoulders, to carry more of the burden and we will shelter those ordinary Islanders from the full extent of a tax rise, which was never transparently put to them in any election, which every member of the public can be forgiven for not realising is to happen at some point in the future and by asking those with the broadest shoulders to proportionately pay the same, not more, but proportionately pay the same. We can put off for years the next stage of increase in L.T.C. and keep that fund healthy, keep it paying for the services that we rely on. I see no down side to that. It will improve the standard of living for people in the Island by sheltering from a tax rise and maintaining an essential public service that, until a few years ago, we did not have. It reduces income inequality, because reducing income inequality is not just about trying to put more money in the pockets of those at the bottom, it is also about asking those at the top to pay their fair share, as well. I think that this policy ticks all of those boxes, it enhances what the Scrutiny Panel is trying to do, which I think is completely understandable and I think they made a good case for it. It leaves us with a fairer Island, a secure L.T.C. fund for the future and I urge Members to accept my Amendment to this Amendment and I make that Amendment.

#### **The Bailiff:**

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

#### **1.3.2 Senator I.J. Gorst:**

I want to speak simply about this Amendment, which is about raising the cap and we will come back to the Amendment, which reduces the contribution rate from the proposed one per cent to 0.5 per cent. There are a number of Amendments around social security contributions that we will be speaking to during the course of today and Monday. To be clear, I did not support the income inequality strategy aim in the Strategic Plan. I felt and I argued my case - and I was outvoted - that that element of the Strategic Plan should really be focused on supporting Islanders around the cost of living, but there we are, just to ... the Senator wants us to put the record straight. It is also perhaps not fair, because when I published those founding documents and when I went on parochial roadshows to create the founding legislation for the L.T.C. charge, those roadshows indicated to Islanders - and it caused quite a lot of consternation at the time - that contribution rates would have to rise substantially. I think we were suggesting that, even by now, they may have had to have risen to 3 per cent. We will not get into all of the reasons why they have not, because they are unpopular as well. More people making contributions mean that there is more money in the fund and the drawdown, or usage, of the funds remain broadly as projected, but that will only increase with our ageing society, of which we all in the room are and will be a part of, so we are not, as we are

sometimes accused of, being unkind to existing pensioners. They are not the problem of the ageing society, it is us in the room. Well, not all of us, the majority of us in the room will be that ageing society issue into the future. I think it has been clear. I have stood on platforms, saying that we needed to increase ... be it find better ways of funding healthcare. I might say this in this Amendment, the current 4-year Plan before us, to my mind, does not put enough money into healthcare. That will be a challenge that the remaining 3 years of the Government Plan will need to deal with. I know my colleague, here to my right, is not here; she would contest that it does not either put enough money into education. They will be other areas that Ministers will have to come back to. I do not think it is fair to say that the elections are fought in a vacuum of discussing tax rises. We have those conversations. It is no surprise to anybody in this room that I support a contributory-based increase to provide extra money for healthcare and I have voted as such in the past, it is just that others have not accepted it. There we are. So, there is not a vacuum in the way that the mover of this Amendment suggested, but when we were creating the L.T.C. scheme, this was not a problem that was solved while I was Minister for Social Security, it was while the current Minister for Treasury and Resources was the Assistant Minister for Social Security and former Senator Le Gresley was the Minister for Social Security, which was you can have a system which combined, or was very much a contributory-based system on one's income and used the theory of the social security contributions as a base, but in order to mitigate the full effect of those contributions, it was decided to collect it by the tax system. Now, that was important, because what that does, it means that rather than the one per cent that we all talk about for the L.T.C. charge currently - and then we will come and talk about whether it should be an increased ½, or one, later - rather than the full one per cent, the majority of taxpayers are paying ... because they pay their tax at the marginal rate, they are paying smaller than 1 percentage. The mover of the Proposition is shaking his head. He knows that. The one per cent is only paid by those who pay the standard rate, which is 20 per cent and they only pay it up to the ... based on the social security cap limit. The Minister is proposing that we scrap the cap altogether, so that 5 per cent of taxpayers, they are already paying - let us remember this - 32 per cent of all personal tax revenues, 5 per cent of taxpayers that pay at that standard rate. The Minister has understood and recognised that those people could be paying a bit more and her proposals in this Plan ask them to pay a bit more, so it is not fair to say that they are not being asked to contribute more to the L.T.C. scheme. They are and they are being asked to pay more by a raising of the cap in that respect. What the Minister is saying is: "Let us scrap the cap altogether" and overnight ... well, not overnight literally, this afternoon he is asking this Assembly to totally change our income tax rate, that has been in place since the 1940s.

[12:00]

He is dressing it up with a nice little argument about: "Do not worry, as I signalled earlier, this is the second part of Reformonomics. Somebody else will pay for these services" and he is targeting these somebody else's: "Do not worry, anybody, it is not going to be you people in this room, this is going to be somebody else and they will provide extra money." But what he is doing - and I know he personally does not shy away from this - is driving a coach and horses through the standard rate of income tax that has been in place in our community since the 1940s. I would ask Members to think very carefully before, on a whim, deciding simply to do that, because that is what you will be doing. That is what Members will be doing if they vote for the Minister's Amendment today. We know that we trade on certainty, we trade on tax certainty and we will be driving that away. We would not just be doing it for the one per cent or the 0.5 per cent - we will come into that - we would be doing it for the full 2 per cent, because we would be taking the existing one per cent, adding this one per cent to it, so we would be going from a standard rate of income tax in Jersey overnight. I spent a pleasant evening in another place. They would be laughing behind their hands if this Assembly votes for this Amendment today, because they would be picking up the phone as soon as we pressed our red buttons and we had had our names read out and shamed, they would be picking up the phones and they would be saying to their introducers: "You know what has just happened in Jersey, do you not? The standard

rate of income tax, that has been in place since the 1940s, it has now just jumped to 22 per cent overnight, on the back of a Government Minister's proposal. Would you believe it?" No certainty, no certainty in Jersey, no certainty for investors, no certainty for businesses wanting to continue to attract high-calibre skills. We should not do it. The Minister has recognised asking individuals, who earn more, up to that cap of £250,000 ... but she will talk about that. The Minister has recognised the need to ask those individuals who earn more to pay more, but she is rightly cautious, she is rightly considering all of our community, all of our economy in making prudent, informed, rational, thought-through proposals that she brings to this Assembly. I for one support her. It is not officials, as somebody else tried to say in another debate. She is no person's fool. They are her proposals and I stand with her, for all the reasons that I have explained, so I ask Members not to remove this cap and overturn something that has served our community well since the 1940s. If we just looked at our 2 fellow Crown Dependencies, they would not dream ... we see that they have increased their caps - they have a cap of liability - over the course of 2019, but one thing they certainly have not done is scrap it entirely and simply believe that somebody else will pay.

### **1.3.3 Deputy M. Tadier of St. Brelade:**

When Senator Gorst speaks, it is quite obvious that there is a divide in this Assembly about whose interests are represented fundamentally and whose interests have been represented over decades in this Assembly when push comes to shove. It is people like Senator Gorst, who are there to represent the super-rich and that that tax model must be protected at all costs, even if it harms the locals that we represent and who vote for us. That might be a credible line of argument, even if it is a despicable one if it were true, but the fact of it that it is not true. Jersey's stability as a finance centre and the business it attracts is - and we know this, because we have been told it time after time - is dependent on tax neutrality, it is dependent on the headline tax rate in Jersey is zero. That is why people find it attractive and businesses use it, for all sorts of purposes, because of that tax neutrality, we are told. The L.T.C. charge is about paying for a long-term issue, which we know is not going to go away and the simple fact is we do already have a 2one per cent rate of tax, a headline rate of income tax at 2one per cent. It was Senator Gorst's Government and the governments that he was part of that introduced that, so to go on about this 20 per cent rate, which was introduced at which point in the 1940s, which is so sacrosanct, is completely nonsense. What levers do we have in this Assembly when we need to raise money, because we are told constantly - and the penny is dropping - that taxation does need to go up? It is interesting to see the metamorphosis in the language that is used, because we were always told, in the past, that L.T.C. charges were not taxes, they were a contribution, but we are told that they are taxes today. That is fine, because your average punter, your average citizen in Jersey who, even in the upper middle bands, know that they are paying 6.5 per cent contributions and perhaps paying up to 20 per cent tax. They are also taxed on their social security contributions, because the social security contributions get taken out of their wages straight away and then you are taxed on your gross income, so you are double-taxed on that, if you like. What we are saying at the top end is that if you are sufficiently wealthy and your income is above the cap, that does not get taxed. How on earth is that fair? We are not asking for this group, who pay 32 per cent tax and it is a strange argument that is always put forward, but the rich already pay enough tax. They are contributing 32 per cent of our income tax revenues. Well, of course they are, because they are the ones with the money. You are not going to get the people, without money, paying the most income tax and to suggest that the opposite should be true is completely fantasy economics. I am going to call out the hypocrisy of some of this Government, the leadership of this Government, because they signed up to a formula of words in this Strategic Plan, which was then passed and adopted by this Assembly, which said that they wanted to reduce income inequality, not just reduce inequality in some intangible form, but they specifically wanted to reduce income inequality. The only ways you can do that, unless you control all of the wages in your economy itself by employing everybody - and we know that we are not the only employer out there - the way you do that is through your tax and spend model, through your social security, your income system and your tax system. Effectively, this Government

is saying: “We are going to give an increase in tax breaks to those at the top, while putting the tax burden ...” because we have been told that social security contributions, the L.T.C. charge is a tax: “We are putting your tax up, but our rich mates at the top” and I do not make any apologies for that, because it is a rhetorical device: “are going to be protected from that pay increase, that tax increase.” That is completely unacceptable and it is against what the Strategic Plan said. It would have been better had they not put it in there at all, rather than putting empty words into a Strategic Plan that they never had any desire to follow through on, in the first place. On a quite simple issue, we are debating whether this Amendment is better than the Amendment being put forward by the Corporate Services Panel. That is what all Members of this Assembly should be looking at, irrespective of if they, at the end of the day, vote for Senator Mézec’s amended version. So, if it is amended, we are all still free to vote for, or against. It may be that Members in here do not like what is being proposed by Senator Moore, or what is being proposed by Senator Mézec, but the test has to be which is the better of the 2. Now, as I would see it, what the Corporate Services Panel, unamended, seeks to do is to reduce income by £11.5 million and what Senator Mézec is looking to do is to say: “By making this a fairer tax, putting it right across the board ...” and it is something that these people should know has been coming for a long time, because, of course, the Minister for Social Security is edging this up and people could be on the phone already saying: “Have you noticed that, in Jersey, the Minister for Social Security is gradually increasing the cap on social security contributions and certainly in this case on the L.T.C. charge, because it is going to be abolished at some point, is it not?” So, if the argument is that abolishing the cap now is somehow going to scare the international community, then it is probably already going to scare them that we are moving in that direction, but I do not accept that argument anyway. I think it is flawed and it is scaremongering. Governments, of course, must be able to use levers, all the levers that are at their disposal. So, when I look at the 2 of these, even if I was not minded to ultimately support Reform Jersey’s position that, at the moment, it is not the right time to take the cap off, although it may be in the future, I would certainly be supporting Senator Mézec’s Amendment here, because it makes the Amendment better. It gives you a £6.5 million reduction, a sustainable one nonetheless and we worked out that it would leave the fund sustainable I think it is until 2026, if I remember rightly, but the Senator can confirm that, at which point, by all means, let us have a conversation about then how we proceed. It gives us a great window of opportunity. I would say that the proposals being put forward by the Corporate Services Panel unamended are not sustainable. I would not go as far as to say reckless, but I am sure some Ministers might, but it just defers the problem and does not deal with the fundamental inequality between those who pay at the high end, what they do not pay and what everybody else has to pay. This is fundamentally a question about equality.

#### **1.3.4 Deputy J.H. Perchard:**

I was hoping to not speak on this Amendment, as a member of the Corporate Services Panel, but Senator Gorst has provoked me, as you knew he would, I am sure. It is quite apparent from what he said that he did not support the Government’s strategic priority to reduce income inequality, as he said himself in his speech. He correctly stated that the majority, but not all of us, in this room will make up the ageing society. That is correct and that demographic is clearly the one who benefits from the cap, so I say to you: “Pipe down, boomer, we all have to pay our way.” L.T.C. ... I will retract it, thank you, Sir.

#### **The Bailiff:**

No, my concern was rather more it appeared to be not speaking through the Chair rather than: “Pipe down, boomer.”

#### **Deputy J.H. Perchard:**

I say to him and other boomers that they should pipe down. **[Laughter]** We all have to pay our way. L.T.C., let us just think about what that is. What is it for? Who is it for? It is for looking after those



who need support, who need medical care, who need our attention, who need more than perhaps other people need. Who is it for? It is for everybody in society. Something I would like to deal with is a rebuttal I received when discussing this with someone of the generation above me. I was told explicitly: “The wealthy are those who tend to get private healthcare, so they effectively pay twice.” Well, with that logic, perhaps Madam Minister for Treasury and Resources, I do not have children, so I do not really use the education system as much as others. Can I have my money back, please? My household only uses one car and we drive relatively little. Can I have my money back, please? The generation above me are the ones who have caused the environmental problems we now face, so I say to them: “Can I have my money back, please? I do not want to put it into climate emergency, because I did not cause the problem, or I am not responsible.” We do not do that in society, because we acknowledge that there are some things to which we all contribute and from which we all benefit. L.T.C. is one of those things. We should all contribute to it equally, because we should all care about looking after people who are sick and who need care, irrespective of how much we are sick and how much we need care.

[12:15]

There are no exceptions when it comes to health.

### **1.3.5 Deputy K.F. Morel of St. Lawrence:**

I, as a Member of the States Assembly and as Chair of the Economic and International Affairs Scrutiny Panel, I often have to think about my economic thinking and what economics means to me. The truth is I often find myself ... there is no one style of economics which works. It is a bit like trying to find the equation which tells us the nature of the universe; it does not really exist. So, I often find myself caught between Reformonomics and Gorstonomics, between the 2. Sometimes, I favour one, sometimes I favour another. This is an issue which does exactly that, but, to be honest, I have had some fairly strong conversations recently, precisely about abolishing caps, because I am trying to understand why caps should not be abolished, or at least raised considerably, because to me they are one of the things which create regression in the taxation system. I had a conversation with one Minister earlier this week and it was about the social security caps and the argument was made that - and I appreciate Deputy Perchard referred to this - social security is not a tax, it is an insurance scheme, therefore you are meant to, in theory, kind of be getting out what you pay in and that is why the cap is there, because as you are earning more and more, your health needs, your pension needs do not necessarily increase in that way. So I was: “OK, I am not comfortable with that, but at least I understand the rationale now.” The trouble with L.T.C. and the cap on L.T.C. is that it has been stated in this Assembly, I believe - and I stand to be corrected by, I believe, the Attorney General in response to conversations - but it has been stated in this Assembly that the L.T.C. charge is a tax. Therefore, that argument that was given to me about the caps on social security does not transfer across to the cap on L.T.C. L.T.C. is a tax, it is designed entirely to take money from the community to pay out to those who need it. The reality is, most of us will never call on L.T.C. That is the reality. It is not one - many of us will, but most of us will not - that carries that same analogy with social security. You also have Deputy Perchard’s argument that: “I may choose to have private insurance. That does not mean that, therefore, I believe I should have a lower rate of tax and so on, it is just I believe that as I am better positioned economically in society, I am happy to make those choices, which mean I will not take as much out of the social community funding as others will.” I am happy with that, because I want to help the vulnerable and I want to make sure that they are looked after and I am happy to pay my way. That is where I differ from Gorstonomics and move close to Reformonomics. I have mentioned it before, but I still remember saying: “I am happy to pay taxes” and I know that, in the Gorstonomic world, that is not a position people hold. But I am happy to pay taxes and I am happy to help those more vulnerable and less well-off than I am. Coming back to the cap, I have had strong conversations with people and, yes, raising the cap does affect the wealthier in society, as opposed to the poorer in society. It does mean they will pay more into this scheme, but

I have yet to hear an argument, given that we know L.T.C. charge is a tax ... and please, all of you, if you take nothing else away, never fall for the argument that L.T.C. is not a tax. It has been confirmed in this Assembly that it is a tax. Therefore, I believe that in the way that there is no cap on income tax, there should be no cap on L.T.C. either, so, personally, I will be supporting this Amendment. I will also be, whether the Amendment fails or not, supporting the Corporate Services Panel's Amendment, because for very different reasons I am concerned - and this is where I move towards Gorstonomics - I do believe that you should only tax as and when necessary and so pushing the rate up to 2 per cent I believe is not necessary right now. It is something that we can do in 5 years' time, in 6 years' time, to maintain the strength of that fund. So yes, on this issue you will see that I am still someone who stands somewhere between Reformonomics and Gorstonomics, but on this issue I will support Senator Mézec and will be voting to abolish the cap on L.T.C. charges.

### **1.3.6 Connétable C.H. Taylor of St. John:**

Just to address a few points, Deputy Perchard said: "We should all pay." If she reads the ministerial response, she will see that approximately 30 per cent of people do not pay the L.T.C. and I think that that is very important. It is only those, who pay income tax, that will pay the L.T.C. As far as income equality is concerned, those at the lower end in society, who are not earning sufficient funds to pay tax, will not be paying the L.T.C., so that needs to be stressed, it needs to be made clear. Senator Mézec made a very interesting comment about him voting in the U.K. elections and taunted the Assembly by saying we can guess how he will be voting. I would like to respond by: "Why is he voting?" but that is another matter. When we look at the actuary's report, the actuary's report did not make any recommendations on the future rate. It did say that the rate would need to increase, but gave no figures. I shall speak once and that is now, rather than rising to speak again after this second Amendment. There is a need to increase it. We can increase it 0.5 per cent now and 0.5 per cent next year, which creates confusion, creates uncertainty. It is better, I believe, to do it in one adjustment and increase it by one per cent now, instead of in 2 steps over a period of time. This is giving certainty to individuals, they know where they stand, they know they can budget, knowing that the increase has taken place and that there are no further increases in sight further down the road. The other reason for a one per cent increase now is to do with intergenerational equality. If we have 0.5 per cent now, then the elderly, between now and the next increase, may have passed on and they will not have contributed to the increase, whereas if it is a one per cent increase now, all those elderly will be contributing more to the fund, thus alleviating the burden on the younger generation, who will not have to contribute so much in the future. I think that that is a very important point and needs to be taken on board. We talk about fairness and that is, therefore, a good solid argument of trying to equalise between generations the burden of charges. I would urge Members to reject the cap and also to reject the 0.5 per cent rise and to stick with the proposal in the Government Plan.

### **1.3.7 Connétable R. Vibert of St. Peter:**

The key issue here is that the L.T.C. charge is a charge and while some consider it is a tax, it is all down to the definition of a tax and how that tax might be charged. The L.T.C. charge has a cap, so it differs considerably from income tax, where there is no cap on the upper limit. Removing the cap is extremely dangerous and could have a significant impact on the Island and its finances.

#### **Deputy K.F. Morel:**

If I may ask the Connétable to give way.

#### **The Bailiff:**

It depends whether the Connétable is prepared to give way.

#### **The Connétable of St. Peter:**

Yes.

**Deputy K.F. Morel:**

It is just for a point of clarification and I do, possibly, look to the Minister for Education to help with this, but I believe that it was in this Assembly the Attorney General confirmed that L.T.C. was a tax. I am happy to be corrected on it, but I believe that that is what happened in this Assembly.

**The Connétable of St. Peter:**

I think I have not argued that it was not a tax, I have said it is different from income tax.

**The Bailiff:**

There may be no difference in the distinction, Connétable, but if you would like to carry on.

**The Connétable of St. Peter:**

The significant difference here is that it has a cap on the upper limit. Removal of the cap converts the charge into another element of our income tax. The effect of this proposal is that, when businesses look at our Island, they will see a tax rate now, our basic rate has moved from 20 per cent to either 2one per cent, or 22 per cent. The significance of this is that as they look at the cost of doing business here and the cost of the employees and the subsequent cost to them, the cost of doing business in Jersey will be 1 or 2 per cent more than in several jurisdictions very close to us, that compete for the same business. Low earners are already protected and do not pay the L.T.C. charge, but this Amendment seeks to increase our basic rate of income tax via the back door. I would urge Members to consider that, without this business coming into the Island, we would not have the level of income that we currently have in our Government Plan and would be unable to undertake much of our expenditure. I urge you to think about this and not to support this Amendment. It is both dangerous and damaging, both to our Island and our Islanders.

**1.3.8 Deputy J.A. Martin:**

I will try not to speak twice on this Amendment, but if I have to come back again, I certainly will. It is an Amendment to a very flawed Amendment from the Corporate Services Panel, because I have no problem with Scrutiny scrutinising my budget or the funds, absolutely not. I have an excellent Panel that does it. Why I say it is fundamentally flawed is because the Corporate Services Panel never once asked me why it was going up one per cent. They then, in their own logic, lodged an Amendment, saying that they would prefer what the actuary has offered at 0.5 per cent. There is nowhere in the actuary's report that says it should be 0.5 per cent. So, let us get that right and I put that challenge out there before lunch and if one of Scrutiny can find that for me, but out of courtesy. I do not care who scrutinises my budgets, I do not care, but come and speak to the Minister, speak to the officers and say: "Why is this?" if they thought ... Scrutiny, sorry: "The actuary said 0.5 per cent. Why did you think one per cent?" I had that question from my Panel. First, I want to deal with this Amendment. Senator Mézec said there is nobody who goes out on the doorsteps saying: "We are going to put your taxes up." Myself, Deputy Breckon, Deputy Le Hérissier and Power were so fed up in 2007 to 2008, waiting for this L.T.C. charge, our Scrutiny Panel went out, got an expert and basically came up with the scheme we have today, so before the elections, I was going around saying it, because I had heard the terrible things, what happens when you have saved up, you have bought a modest house, you might have some modest money. People were losing everything, so do not tell me I do not have the courage of my convictions and I have not said that I support this. I support the one per cent, Senator Mézec. It is a Reform thing, they do not want anybody to pay. That is what they do. I am proud that we have this. The U.K. are still going out now, they would love this. When Theresa May tried to bring it in, Labour called it the dementia tax and they lost the majority. Boris is trying to do it. He said it is £5 billion, so that people will not lose their homes. Let us work cross-party - imagine trying to work cross-party - and work together and bring something like we did 70 years ago until the social security scheme, because they know L.T.C. is breaking the National Health

Service in the U.K. We have cracked it, but we have not cracked for who is taking out and who is paying in.

[12:30]

As I say, this is officers, this is actuaries, this is thinking we have to go for one per cent now. I have said to Scrutiny I will not come back for 20 years. We have got a scheme, but it is a young fund. Let us put it on a good footing. Let the people who are taking out the most start paying a reasonable amount. I mean, it is peanuts: 30 per cent pay nothing; middle earners, this will be about another £100. Yes, my scheme hits the higher earners to approximately £680. The very high earners, as Senator Moore said in her opening to the Amendment, it does hit, so I think I am helping everybody, because I am protecting the people who do not pay tax, the middle earners, but this scheme needs to be put on a good footing. It is something we should be absolutely proud of. What I would really like to say, it was not as easy as everybody thinks. I had a couple of very interesting debates with the whole of C.O.M. (Council of Ministers) and it could have gone one way, or the other. In the end they said: "I think the Minister for Social Security has probably got this right" and we lodged this in July. Now, according to Senator Mézec, our population is too stupid to know that it was going up one per cent, because they would not know. That is what he said in his opening speech: "People do not really know what is going on." Now, nobody got the hump about the one per cent until the last few weeks, when Reform came along and said: "Let us abolish the cap" and it has gone mental on the Facebook and they are going: "No, no, no" and, according to Senator Mézec and those behind me, it is only the rich. My scheme, the rich will pay more, the elderly will pay. I am sorry, it is what it is, the rich elderly will pay. The people who pay nothing, one per cent of zero is still zero and I cannot make it any more. This really is a flawed Amendment on an absolutely flawed Amendment and I look forward to the evidence, because I have read Scrutiny. It is all about evidence. The Senator said, in her opening speech, she feels too much money might come out of the economy. Nobody was barking, everybody was willing to pay, so what do you do? You bring an Amendment. We are putting up our tax exemptions and it would have evened it out, but no, let us put more, let us not scrutinise it properly and let us just ... probably it does look popular, but not when people were willing to pay it. Not one word we had. On the parking we had a 4,500 petition, but not on the L.T.C. Everybody was willing to pay, because they know it is targeted and it is to the right people. The only thing I say, throw out this Amendment. When we get back to the main Amendment, throw that out too.

### **1.3.9 Deputy L.B.E. Ash of St. Clement:**

I am pleased that Senator Mézec is going to vote in the election. I am fairly sure that you have been lured in by the freebies on offer. If you are close to Mr. Corbyn, perhaps you could say he has left beer off the freebie list.

### **The Bailiff:**

If you could direct remarks through the Chair, please, Deputy, because ...

### **Deputy L.B.E. Ash:**

Sorry, Sir. If he is close to Mr. Corbyn, he can put that. I think Senator Gorst has already touched on this, but the wealthy do pay more. Now, he said about the 32 per cent of tax is paid by the top 5. In fact, 62 per cent of tax is paid by the top 20 per cent. The bottom 20 per cent of earners pay just 2 per cent, so there is a massive amount paid by the wealthy people on the Island for tax. It is also the same in this L.T.C. If you are on £50,000, which is a fair wage, you will pay £800, or give or take you will pay £800. If you are at the top cap level, that we are resetting of £250,000, you will pay £5,000, so you will be paying £4,200 more than someone earning £50,000 a year, so you are already paying considerably more. Now, one last point I would like to make on this, we do not, in fact, have one cap, we have 2 caps, because we have a cap at the bottom as well that says if you are

earning less than that amount, you do not pay this. So, if you have a cap at the bottom, surely it is only fair that you have a cap at the top, as well.

### **1.3.10 Connétable R.A. Buchanan of St. Ouen:**

I do apologise for my voice, which is rapidly disappearing on me. The Amendment has its merits, let us be honest. It is very easy to say that the wealthy should pay more and there are not many voters out there that are going to have a lot of sympathy with that. However, as somebody with a financial services background, I would urge a word of caution. Jersey has a very successful economy, because we can attract and keep highly skilled, highly paid and very wealthy people. It is worth bearing in mind that these people are very mobile, they can move from country to country and are easily chased away by high taxes. The taxes and contribution they pay on their income all over the world, it is an important factor in deciding where they live, so let us be under no illusion: Jersey is in a competitive position for these highly skilled people and our finance industry and other industries in the Island depend a great deal on their skills. They are paid highly for a reason, because they are highly skilled and highly qualified. The fact that we have an upper cap, there is a very good reason for that and that is because other countries around the world, that compete for these people, also have a cap. Believe you me, these people are ruthless. They will look at a situation, they will assess what they have got to pay, what they can sell their skills for and if we become uncompetitive, they simply will not come. If they leave, or will not come to us, our economy will struggle, because whether we like it or not - and I know that Reform are not that happy that we have an economy that is based on wealthy people, but sadly we do - the benefits that we pay to people depend on the skills of the people that run that industry. They make a very important contribution to our society and indeed, as Deputy Ash has alluded, they contribute substantially in terms of the revenue. We have raised the cap and we have raised their costs. By my calculation, somebody on £250,000, we are asking them to cough up another £3,240 a year. That is a lot of money in cash terms and, believe you me, those people, although they earn a lot of money, are not daft and they will see that as a big increase. So, my message is: let us think carefully about this, let us think carefully about our finance industry and the damage it might do and think carefully before we vote on this Proposition.

### **1.3.11 Deputy R.J. Ward:**

Just briefly, it is the same old arguments coming out again about being fearful of those rich lovely supporters of the rest of us leaving the Island, if we make any changes to tax. The problem with that argument, yet again, is we have to remember that our taxation levels are lower than just about anywhere and even if you raise the amount that you are taking from those who own so much wealth a little more, they are still going to be paying so much less than elsewhere. Let us look at that statistic about ... and I asked this when we had a meeting about the Government Plan and I remember there was not really an answer, which we decided that 20 per cent pays 62 per cent of the tax. How much of the wealth is owned by that 20 per cent? If the amount of wealth owned by that 20 per cent is 99 per cent of all the wealth, then you would expect to be paying more, so these are very strange and convoluted arguments. The fact of the matter is that we are looking to increase the L.T.C. fund for those people who will see the biggest impact, those middle incomes that we keep talking about, who are being hit by this. OK, it will not affect those who are not paying any tax, yes, because they are living at the very lowest part of our income barrier and that is not a good thing to be in Jersey. It is really difficult, so of course that should be the case, but they do pay G.S.T., obviously. The other issue that we have is I looked up a quote earlier – because, I do not know, perhaps I should count the number of times that Reform is mentioned - and it struck me there is a little quote from Oscar Wilde that said: “The only one thing in life worse than being talked about is not being talked about” and it does strike me that thank you for the adverts that you have given us, because you are making clear that there is a choice on this Island between a group of people who want to do something for all Islanders, or those who will simply continue to support the wealthiest on this Island at every single cost, at the cost of those who have the least. It is about time that we tried to do something about that,

because this Island is a very special place. I have enjoyed making my life here and it has been brilliant, but it is changing and the wealth inequality is growing and growing and regardless of the C.S.P. that says we are going to do something the other way around, we are not. The other thing I would mention is this is a really difficult argument, because we are looking at a L.T.C. fund and we are also looking at a new model of healthcare. The main outcome of that model of healthcare, if we are to be successful, is that our older population and our population as it ages will be healthier and will be less reliant upon the sort of long term really expensive care that we are looking to have to fund. Again, we have a convolution of 2 different arguments and 2 different ideas: “Oh, we have to do this, but do not worry, we will be doing that at the same time.” As for this splitting of generations, that is so bad for our society. These divisions we are seeing around the world in U.K. and Europe, stop these divisions. It is just nonsensical and does nothing for our society, so I suggest very strongly that you support this Amendment. The cap on the L.T.C. fund is unfair. It is unfair to the vast majority of our society, so I please urge you to support this Amendment and be brave in your thinking.

### **1.3.12 Senator K.L. Moore:**

I shall try to keep my speech focused, because we have had a good and detailed debate, I think, on the core issue here, which is proportionality. That is a good thing, but the real matter is about communication. Senator Mézec’s arguments can often be very seductive and he can offer a radical, fresh way of thinking, that is very easy to understand and say: “Do you know what, yes, let us do something different” but this is a major departure from our way of conducting ourselves as an Island and our approach to our system, so I counsel Members to think very carefully about this, because Deputy Martin, as Minister for Social Security, has already mentioned that there has been a very minimal amount of feedback in relation to the L.T.C. contribution and the raising of the cap that was proposed in the Government Plan way back in July. So the public, yes, have had a time to understand that. How many people have looked at those details and become properly aware of it? I very much doubt and I question, because the feedback we got as a Panel from our focus groups was that the consultation had been utterly dreadful and there really was a lack of engagement. So, my real case about Senator Mézec’s Amendment is whatever the arguments for or against - and I have to probably admit that I do understand where he is coming from - in the very least there has been far too little time to prepare any sort of consultation on this and it is a significant move that should be talked about, consulted with and there should be a good deal more awareness within the community about the impact that this could have, were it to be adopted today. I think I will certainly not be supporting this Amendment and I hope other Members will do the same.

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

Yes, I keep hearing words produced like a mantra and, in particular, I was interested to hear what the Minister for External Relations had to say early on in his speech when he started talking about how much he objects to: “We will reduce income inequality and improve the standard of living” because he did not want the words “income inequality” in there. It made me feel quite pleased, because, when we were devising the C.S.P. and we spent hours in it and I kept sending back my piece of paper with the words: “We will reduce income inequality” and it kept coming back time and time again without the word “income”, it was just a generalised: “We will reduce inequality”, which could be measured any which way.

[12:45]

But I insisted on it, income inequality. Eventually - thankfully, I think - I got my way, but it is interesting to note that the person I was annoying on the other side of this to and fro was our Minister for External Affairs, or the ex-Chief Minister. So, it is in there and even if you do not like it, please, I would beg of you, please do not ignore it. Just because you failed to get it removed last time, do not ignore it. What we appear to be doing is trying to ignore it, because we are talking about incomes and we are talking about taxation. I keep hearing the words: “The rich do pay more, the rich do pay

more” and I heard the phrase: “Low earners are protected” and I am thinking: “And high earners are protected.” As soon as you put a cap in there, the missing word is “proportionately” and the reality is as soon as you are over the cap, you do not pay proportionately more, you pay less proportionately; or let us put it another way, in percentage terms, so your percentage rate of tax goes down. I have got absolutely no objection to people earning lots and lots of money and having large incomes. What I do object to is they object to paying their proper tax. Earn by all means what you like, but pay your tax. When we hear these tired old *clichés* from the bench opposite about: “Oh yes, but all the all rich people will then leave *en masse* on the boat in the morning” or whatever ... no, in their own boat, presumably, whether or not it has got hydrogen batteries. Sorry, what we do is we avoid the reality. Proportionately, percentage-wise, the rich are protected and pay less. I think Deputy Perchard had it summed up. We all have to pay our way and we should all contribute equally and we are talking there about contribute equally percentage-wise. Surprise, surprise, it comes out that those people, with very high incomes, pay more than others in terms of the amount they pay, but not in the proportion. They pay 32 per cent of the tax. Well, that is no surprise, is it, because they are earning lots and lots of money. That is the reality. So, by all means earn how much you like and as much as you like, feel free, but pay your taxes and do not scoot as soon as you have paid your taxes.

**The Bailiff:**

I am sure the Connétable will make a contribution when she gets back to the Assembly.

**1.3.14 Senator J.A.N. Le Fondré:**

I will try and be as brief as I can. What I do want to pick up on a couple of comments by firstly Deputy Ward. I am not deliberately picking on him, but there are a couple of observations that he did make. He made the point about ... almost implied that there are Members in here that do not care for all Islanders. That was not what he meant to say, but it was ...

**Deputy R.J. Ward:**

I am sorry, a point of clarification, if I may. I absolutely did not say that and I absolutely would not say that. I am sorry, Sir.

**Senator J.A.N. Le Fondré:**

I will go back and see the exact words, but the point I was going to make is that the Government Plan is for all Islanders, it is not just focusing on one section, it is not just people who are focusing on the wealthy, or focusing on the not wealthy. The Government Plan is across the board. That was the point I was going to make. I cannot remember exactly the words, but there was an inference that we were missing, we were not caring about people. I think that was the bit I did not like. The thing I have got to say is that in terms of what is the L.T.C. fund for and, if people remember, I think it was Deputy Perchard asked, at the end of the day, what happened before L.T.C. was in place. When one got very old and needed ... I will say nursing care - it is a bit more complicated than that now - one got hit by basically catastrophic charges. Essentially, it is that horrible expression of ‘middle Jersey’, basically lost their house if they could not afford it. That was what it was there to do. That is the really simplistic ... It is slightly more complicated than that, but that is what it was about. So, the scheme was created. It has been something I think a number of jurisdictions have tried to do in the past and it was successful, but the scheme is such ... so it is, effectively, an insurance scheme. It is a social security scheme, as defined in the Social Security Law and a pretty well universal feature of such schemes is to have caps in place. So that is why we are there. Now, the impact in this particular instance on the fund is relatively low, but the competitiveness of the Island, which is an issue, it could be fairly huge if there are unintended consequences, as other Members have referred to. I think the other point I would just say, I understand Deputy Tadier’s frustration and perhaps Deputy Southern’s frustration around reducing income inequality, but I would argue this C.O.M. has done something towards reducing income inequality. We have not gone as far as those 2 Deputies would like, because

the caps have been raised from £176,000 to £250,000, so we are not doing nothing, we are doing something. It is just not as much as they might like, or as quickly as they might like.

**Deputy M. Tadier:**

Would the Chief Minister give way?

**Senator J.A.N. Le Fondré:**

No, Sir, not at the moment. We will have that discussion in the coffee room, perhaps. But I just make that point, we have moved and we have done some things. The feedback on that has been, broadly speaking - and bearing in mind what Senator Moore has said - not a vast intake of breath from the industry, it has generally been accepted and been absorbed. That is why it comes back to all these debates going forward are all around a question of balance. We think we have got that balance right, which is why we do not support taking away the cap to what is being talked about, but it is about internally how it works, but it is also keeping an eye on the impacts of one of our key industries and also the positioning of the Island relative to the jurisdictions with which it is a competitor. I cannot give direct comparisons, because it gets complicated, but, essentially, taking the cap away does damage the competitive position of this Island and so, for all those reasons, that is why I am definitely not supporting this.

**The Bailiff:**

Does any other Member wish to speak? I call on Senator Mézec to respond.

**1.3.15 Senator S.Y. Mézec:**

I always really enjoyed these sorts of debates and this one has been no exception. I have enjoyed listening to all the contributions, none more so than the contribution from Deputy Perchard. I think I have done irreparable damage to my ankle stomping my feet so loudly at parts of it. She asked the rhetorical question: "Can I have my money back?" when referring to the services which she does not personally benefit from, but which she still contributes taxes to supporting, because she gets the point that we are a society, we all pay. It is from each according to their ability to each according to their needs. That is the fundamental principle upon which a civilised society can only be built. I enjoyed the contribution from Deputy Morel, who tried to distinguish between Reformonomics and Gorstanomics and whichever way he swings, we know at least he has a 'Morel' compass. [Laughter] Oh, that deserved a much bigger laugh than that, I am afraid. But, on this point about the economics, this point must surely be understood better and it is a point that is understood in countries that have what the I.M.F. (International Monetary Fund) views as the more successful economies nowadays, that it simply is not good for an economy to have vast swathes of wealth end up being concentrated in the hands of a few, who just hold on to it and do not do anything to it. We are talking about taking away the disposable income from people who will spend that money in the economy and so to say we will protect those people, allow them to contribute to the economy, spend their money, while tapping into the money that otherwise would probably be doing very little, doing nothing, sat in an account gathering interest, or something like that, that is good economics. Whatever prefix you want to give it, it is good economics to say we want to enhance the spending power of those who will spend that money and contribute into the economy and the evidence shows that the strong economies in Europe are the ones where they have less income inequality, where that gap between the rich and the poor is smaller. Personally, that is the sort of society that I would like to live in, not least because the World Happiness Index also puts those countries as the happiest countries in the world. Figure that, the ones that pay more tax end up being happier, what a surprise, because they get more public services, they get better public services. So, going on to the next point that was made and, of course, this is what we expect when we talk about what is essentially taxing the rich more, is that it leads to doomsday. We have all of these people, who have no attachment to the Island, no attachment to everything that is wonderful about here. At the sign that they may be asked to pay what for them



will be a very small amount of money, they will be booking the first flight out of here to leave. To that I say nonsense, absolute nonsense. Not just because I have faith in my Island, but because I know that the economics behind it is that many of these high net worth people, many of these businesses that deal with large funds and large amounts of money, are not here because of our personal tax rates, they are here because of our corporation tax rates. That is why, despite the fact there are many out there in the Island who resent the Zero/Ten tax system, my Party is committed to the Zero/Ten system, because we know that it is vital to an important part of our economy, but there are other tax measures we want to see to create fairness without risking the economy. If it is the case that having slightly higher taxes is what will put off either people staying here, or coming here, or investing here, given that we do not have the lowest tax rates in Europe, we do not even have the lowest tax rates in the Channel Islands, why is anyone here in the first place? Why have they not all gone to Guernsey, because Guernsey has tax caps, they have got lower tax there? The reason they do not go there and they come here is because it is better here. **[Approbation]** Sorry to say that. I love Guernsey, it is a wonderful place, I spend lots of time there every year and have some great friends there, but I would pick this Island any day of the week, not least because in Guernsey you have to pay to get an ambulance. They do not fund that service like we do. You end up with an emergency health issue and you have to call an ambulance; at least you know that is not going to cost you anything. We can talk about the costs of seeing a G.P., as we already have and that conversation will come back, but we are, in my view, a better and more civilised society, because we fund those decent public services and, of course, we have better business infrastructure. If you want to go somewhere where you are not going to pay any tax, you can go to somewhere like Mogadishu, where you are probably going to get away without any tax, but you also have no police force, so good luck. I would not recommend that. Another part of the Channel Islands, where they have lower tax, is Sark, but, of course, the electricity could go out at any moment. There are reasons to be somewhere other than tax and Jersey has a lot more going for it, I think, than those who predict that by raising our tax rate by one per cent for those at the very top, or 2 per cent this would be for those at the very top here, that somehow they will all flee. I have more faith in my Island home than that. I simply do not believe it and I do not believe there is any evidence for it because of the fact that there are other jurisdictions that have gone through that process before. It was not that long ago that the Isle of Man raised their top rate of tax; it was not that long ago that Singapore raised their top rate of tax to now a level that is higher than Jersey. I do not know about Members of this Assembly, but I have not noticed a massive relocation of business people and companies from Singapore to Jersey as a result of that. I simply do not think that it makes sense. Deputy Martin did her usual, where I personally felt that my position and the position of Reform Jersey was just routinely misrepresented, but I will not dwell on that for too long, because it is just what happens in these debates, but she responded to the point that I had made in my opening remarks about having elections where people go to the public and are clear about what their intentions on tax were.

[13:00]

She, I think, made an insulting allegation by suggesting that I had said the population were too stupid to understand this since it was published in June. Of course I was not. That is an awful allegation. I was referring to the election, not to the publication of this Government Plan. But she said that she did have the courage to talk to the electorate about it and then she pulled out a document that is a decade old. What did she say in the 2018 election? Did she knock on doors in La Collette or De Quetteville Court and say: "Vote for me and next year I am going to raise your tax 5 per cent"? If she did that, the maximum respect, but I suspect that it may well not have been put in those terms. Deputy Ash pointed that I had been won over by the freebies. I know that, whichever party in the U.K. were to offer to establish a free national beer service, free at the point of needs, I suspect both him and I would be voting the same way there, but then he asked the question and he pointed out - as other Members had - the proportion of people in our society, who do not pay income tax and, therefore, do not pay L.T.C., as well. He referred to that as being a sort of cap, but it is a cap at the

bottom and, therefore, why not a cap at the top. I saw many Members shaking their heads at that, because I think that is manifestly ridiculous, because it means piling the tax burden on the middle, who are the spenders, who are the people you want putting their money around the economy rather than going to the people that have the money. I certainly think that does not make sense. But this point about that 30 per cent at the bottom, who do not pay any tax and for the 5 per cent at the top, who already pay 32 per cent of the tax, of course, that is appalling. Of course, I think those at the bottom, in an ideal world, ought to be contributing more and, of course, I think those at the top, it may well be better for them to be contributing less, but you do that by creating a more equal society. The reason those people at the bottom do not pay is because they cannot pay. If we had a living wage, if we had more security in work for these people - abolishing zero hours contracts would be a nice start - these people would be in a better position to be able to pay tax and those at the top would not need to be relied on as much, or ultimately we would want to be a more equal society where it just does not become an issue that we have to have this divide between the many and the few, which ultimately is not healthy. We have to have that discussion though, because our economy does not work in the interests of everyone and our tax systems do not work in the interests of everyone. So, what we have in my Amendment is completely in line with the priorities that we have set as an Assembly, because it reduces income inequality and protects our standard of living. It is supportive of the L.T.C. fund. It does not leave it bankrupt, it does not deny it the ability to pay out that essential support into the future. It means, one day in the future, we will have to reopen this discussion about how that fund is kept healthy, but that is going to happen anyway, whether we have my version, Senator Moore's version, or the Minister for Social Security's version. What I say is that we recognise that life today for many people is difficult. The economic circumstances, that have developed over the last decade since the financial crash, have been circumstances that have seen people's living standards squeezed and therefore it is to say that we are going to take more tax from them. Senator Gorst pointed out that the marginal relief system means that it will be less than one per cent, so I will make sure I distinguish between what is a basic tax and an effective tax rate. We are talking about a basic tax increase of one per cent on taxable income. That is taking money out of pockets of people, who all the statistics are showing us have been struggling more and more in recent years. This enables us to create more fairness, support the L.T.C. fund and meet, what I think, are our objectives and if we are not prepared to consider solutions that frankly do not have any real down side apart from the predictions of doomsday, which have never been proven to be true and for which there is not a single scrap of evidence and, in my view, misses the point about why Jersey is a good place to live and do business, then what are we doing, really? We have an opportunity and I hope that Members will accept it and I hope they look forward to my almost identical speech later on this afternoon at the next Amendment. I call for the *appel*, please.

### The Bailiff:

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

<b>POUR: 11</b>		<b>CONTRE: 32</b>		<b>ABSTAIN: 0</b>
Senator S.Y. Mézec		Senator I.J. Gorst		
Deputy G.P. Southern (H)		Senator L.J. Farnham		
Deputy M. Tadier (B)		Senator S.C. Ferguson		
Deputy M.R. Higgins (H)		Senator J.A.N. Le Fondré		
Deputy L.M.C. Doublet (S)		Senator T.A. Vallois		
Deputy J.H. Young (B)		Senator K.L. Moore		
Deputy K.F. Morel (L)		Senator S.W. Pallett		
Deputy of St. John		Connétable of St. Clement		
Deputy J.H. Perchard (S)		Connétable of St. Lawrence		
Deputy R.J. Ward (H)		Connétable of St. Brelade		
Deputy C.S. Alves (H)		Connétable of St. John		
		Connétable of Trinity		

		Connétable of St. Peter		
		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 R. Labey (H)		
		Deputy S.M. Wickenden (H)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy L.B.E. Ash (C)		
		Deputy G.C.U. Guida (L)		
		Deputy of St. Peter		
		Deputy of Trinity		
		Deputy S.M. Ahier (H)		
		Deputy K.G. Pamplin (S)		
		Deputy I. Gardiner (H)		

## LUNCHEON ADJOURNMENT PROPOSED

### Senator I.J. Gorst:

I think now would be an opportune time to propose the adjournment, it is past 1 o'clock, but I wonder if Members wish to have an hour, or should we just come back at 2.05 p.m., Sir?

### The Bailiff:

Unless someone is going to tell me I have misjudged the mood of the Assembly, we will stand adjourned until 2.05 p.m.

[13:06]

## LUNCHEON ADJOURNMENT

[14:09]

### The Bailiff:

We now return to considering Amendment 16. Does any Member wish to speak on Amendment 16?

### 1.3.16 Deputy S.M. Ahier:

The Long-Term Care Fund balance is in surplus. It is estimated to reduce to around 3 months' worth of final expenditure by 2023 and become negative in 2027, 8 years from now. I believe that we can all concur with that conclusion. Current long-term care contributions are expected to be inadequate in the medium term, with the break-even contribution rate rising to 1.5 per cent by 2028 and up to 2.5 per cent by the end of the protected period 2043. The actuarial review states the 2018 budget anticipates an increase, in the long-term care contribution rate, from one per cent to 1.5 per cent from 2020. This is estimated to extend the time until the fund reaches the level of 3 months average expenditure by 13 years, up to 2036. There will have been 4 elections by that time. Let us leave the decision of whether the rate should be above 1.5 per cent to the next Assembly, when they will have the benefit of the forthcoming migration policy, when they will have seen the latest census results and when they can see categorically how many people are using the long-term care provision, these

decisions to be based only on evidence and not rushed into before all the information has been collated. I hope that the Assembly will support this Amendment.

**1.3.17 Deputy S.M. Wickenden of St. Helier:**

This Amendment really asks us to decide whether we are going to put off making sure that we have a stable fund into the future and it says if we agree this right now, what we are going to do is we are going to push the changes and the extra contributions that will need to be paid tomorrow to the younger generations of tomorrow and not today. So, every pound that we are not taking in today is just pushing this problem to the younger generations of the future and I do not think that is acceptable at all, pushing that away. It is your children and your grandchildren that will start paying more. The more we can pay now ... there was a tough decision to raise taxes in this way. The L.T.C. Fund is exactly what we want for Jersey. It is exactly about protecting the elderly of the future, but it is doing it today. I would say the intergenerational fairness argument is clear that the people that will use this fund the soonest can pay into it now and now push it on to the youth of the future. It is very much like the old pension. When we starting doing pensions, we set up a fund for pensions and we started getting people to contribute to pensions and we let people take the money out straightaway. We did not have a buffer zone of a couple of years to build the fund up, so right now today, people who are taking their pensions out is because the money is coming in from the people who are working today. L.T.C. is exactly the same thing. As soon as we started the L.T.C. Fund, we let people use it immediately and it is a fantastic fund that helps people, so they do not have to sell their houses, that helps a younger generation as well of the future. But I would say it is only fair that we set it now when we make the tough decision today to put it up by one per cent and it is not one per cent for everyone. We know that the majority of people are not paying anywhere near one per cent, already on the one per cent that is there. It is not one per cent, because of the marginal relief that everyone pays. It is a lot less for the majority of people. This might mean that people might be paying something near one per cent, if we put it up by one per cent today, because of the marginal relief. Let us make the tough decision today and let us be prudent about looking after our people in need in the future, by making sure that we make that decision today and we throw out this Amendment and we get the tough decision done. I ask people to make the decision, although it is not an easy one, but make it because it is the right decision and it is exactly what we should be doing to make sure that people are looked after in the most need.

**1.3.18 Deputy K.F. Morel:**

There is prudence and there is excessively prudent and the thing with the Long-Term Care Fund is that it is, in its context, about prudence and about ensuring that people, as was said, do not have to sell or give away all of their hard-earned wealth, in order to look after themselves in those last few years. I will not go into the shortcomings of the Long-Term Care Fund. There are plenty, but it is what we have. I had a feeling Senator Gorst might look up when I said that, but there we are.

[14:15]

I speak to parishioners and there are problems with the Long-Term Care Fund. It is a light-hearted start, but I do need to concentrate and Deputy Wickenden is just delaying me a little more, unintentionally. What concerns me here - and it is a concern with the overall Government Plan - is an Island that has an affordability crisis, an Island where so many people, of many different income brackets are struggling. There are middle income earners who are struggling; there are low income earners who are equally struggling. It is not just the very poorest in society who are struggling to live in this Island and I hear stories. I got one, just a couple of days ago, in my inbox about a lady whose son has decided to leave the Island simply because he cannot afford to live here anymore. That is the talent that we want to keep here in Jersey that is leaving the Island. My concern with this rise to 2 per cent for the Long-Term Care Fund is it is taking money out of Islanders' pockets today, that they need to live on today, in order for the Government to say: "Do not worry, we are looking

after you tomorrow.” Well, tomorrow could be in 70 years’ time, as far as that person is concerned. They will not make that 70 years in this Island, if they cannot afford to live here today. We know from the actuarial report - and I appreciate Deputy Martin is correct, no recommendations were made in the actuarial report, I appreciate that - they did provide very simple graphs and reporting on how long the Long-Term Care Fund will last, at different levels of paying into it and 1.5 per cent is a very reasonable place for us to be. As Deputy Ahier said, it extends the provision for another 13 years. That is fantastic. All that time, throughout those 13 years - we will call it 10 years, because it would be wrong to leave it up to the limit - that is a decade in which Islanders will have those extra pounds in their pockets, to help them live here in Jersey, to help us maintain people living in Jersey. Half a per cent is significant on a daily basis and to have it just put away in a fund that Government is looking after, where it will not be of any use to those people for many years to come is just not right. It is morally not right. At a practical level, it makes a big difference to the way they can live their lives. The Constable of St. John when he spoke - and I know he spoke to the Amendment, but he quite nicely said that he will only speak the once - said he did not want to take the 2 steps, because of the need for certainty. Well, it is easy to give certainty if we were to hold it at 1.5 per cent for the next 10 years, let us say. We say it is 1.5 per cent and we are not going to put it up for another 10 years, or we are not going to put it up, but it will go up. It is quite easy to say that; it will go to 2 per cent at this time. That provides certainty. The idea that there is a lack of certainty is just incorrect. You just be quite clear about when it will rise. I am very concerned, as well, at the different income brackets that are affected by this - and I will say it again - about the self-employed. They are being hit hard in this Government Plan and the self-employed make up 4,000 of the businesses in this Island. I believe there are 7,000 to 8,000 businesses in this Island, so it is 50 per cent of all the businesses in this Island are, basically, self-employed people. That is a huge amount and those people in the main and I have to generalise, are not earning stacks and stacks of cash. They are everybody from your self-employed painter-decorator, to your self-employed copywriter, to your self-employed financial consultant. There is a huge range of people there, most of them, though, by virtue of being self-employed, not having the start to multiply the revenue going into their business, are not earning excessive amounts, but they may be over the standard earnings limit. They may be over, let us say, £55,000, £60,000 a year, but they are trying to feed their families on that £55,000, £60,000 a year. This is taking more money out of their pockets, yet again. I just think Government is right to be cautious, it is right to be prudent, but it must always check itself. I think, going for 2 per cent is almost the easy option for Government, saying ... and I do apologise, Sir, I do not believe I completed the word.

**The Bailiff:**

I think we all knew where it was going, though.

**Deputy K.F. Morel:**

I have a feeling we did, Sir. It is the Government saying: “We do it at 2 per cent now and we do not have to think about it again. People will get used to it. That is fine.” In the meantime, those people will be struggling more than they have to. So, I really do urge this Chamber and I urge Members to think really carefully about the pressures they are putting on Islanders if they leave it, or if they stick with the Government and go for 2 per cent. I have to admit, I hold up my hand, I had not really thought through the effects on pensioners until we all received, I believe, an email from a gentleman this week, who was saying about the effects on pensioners. That is absolutely right and, again, pensioners are in a wide range of income brackets. In the main, this will hit middle-income pensioners, but these are people who cannot adjust their income. The thing with pensioners is they cannot generally work harder to get more income, precisely because they are retired and so their income is fixed. What you are doing here with 2 per cent is for the next 13 years you are unnecessarily taking an extra 0.5 per cent out of their pockets and there is no justification for that whatsoever. So, with that in mind, I just ask this Assembly, please do think about doing the thing which is right for

Islanders today. You are still covering the future. You are still making sure that people will not struggle, if they do need long-term care later in their lives, but by sticking to just a 0.5 per cent increase you are taking a very balanced, more moderate approach that enables them to live here today and enables us to make it just that bit easier to keep local talent here in the Island, because again more and more of it is going. It is awful to look at because the lack of skills in this Island is going to be the massive Achilles heel that really could one day hurt the economy, strongly hurt the economy. I agree with some of the arguments, businesses are not worried so much about the rate of personal tax but they are terrified about the lack of skills and the fact that they cannot hire people. Every person who leaves this Island of working age to go and find a place where they can live more cheaply is skills lost and is a harm to businesses whether they are self-employed or not. Please do support this Amendment. It is vitally important that we move and we tax at the point of need. At the moment, we do not need to tax the 2 per cent; 1.5 per cent is perfectly adequate for the next, let us say, decade. After that, yes, we will need to go ahead but in the meantime that 0.5 per cent can stay in Islanders' pockets and I ask you to make sure ... I have ensured Deputy Martin has stood up a second time. She said she was hoping not to, but I am pleased to see that she will be. Please do make sure that Islanders have that 0.5 per cent in their pockets, because they need it for their everyday living, raising their children, living their lives as middle-income pensioners.

### **1.3.19 Senator S.Y. Mézec:**

I am pleased to follow that. I agree with every single word of it and think Deputy Morel was very persuasive there. I am speaking, as the youngest Member of this Assembly, to say that I think this idea about intergenerational fairness is complete and utter nonsense. How can you possibly argue that somehow it is fairer for young people to raise their taxes at a greater amount at the stage of their career, where they are likely to be earning less? That is complete and utter nonsense. If you wanted to tackle some sort of generational fairness, then you would have rates based on how old you are and, of course, you cannot do that, because that would be discriminatory, so instead we will pile on the taxes to those younger people at a rate that is greater than what is necessary. I find it baffling that anybody thinks that you can look a young person in the eye and say: "This is fair for you. We are going to raise your tax." Good luck having that conversation. No young person is dumb enough to buy that. That is complete and utter nonsense. If there is some sort of fairness element we are going to talk about, I would prefer to not hear it from people who have justified a cap that excludes the richest people from paying the same rates. That will be one of the reasons why we will raise tax on young people at an earlier stage, to avoid having to raise tax on rich people. So, let us have none of this bluster and none of this nonsense. This is not about fairness, whatsoever. I will be supporting the Amendment.

### **1.3.20 The Connétable of St. Ouen:**

I am hoping my voice lasts the course on this. I come at this from a completely different angle and it is one of personal experience. I am sure Members think that the scheme is valuable, but let us reinforce the point of just how valuable it really is. My father, who had dementia, spent 5 years in a care home and this was in the days before the Long-Term Care Fund existed. He and us paid out some £400,000 of care costs to keep him in that home and we did not complain. It was his money, he needed the care and he received jolly good care. But let us not undervalue the Long-Term Care Fund. It is a very valuable asset and it is one that this Island has been wanting for a long time and we are very lucky to have it. The second point I would make is let us not underestimate the costs of keeping somebody in care. I have just highlighted the figure that it cost us, as a family. The cost is substantial and, as medical science advances, those costs will only go up, because we will all live longer and when we have a debilitating disease that means we cannot look after ourselves, sadly and it is no criticism of care homes, they have an inevitable ability of keeping people alive for longer. That is not their fault, that is their job, but being in care does prolong people's lives. So, what does this mean? It means that the draw on the care fund is only ever going to go upwards and it means

that if we are not prudent about what we put into the fund, there will be no money left. Let us not also forget that, as an Island, we face a demographic bulge. It is people like me that is at fault. Not only are we giving up working - well, not quite in my case - we are also living longer and there are more of us. What does that mean? It means that, as time goes on, the demands on that fund will only ever grow, so I think we need to bear that point in mind. I think, also, a word of caution about actuaries. They are only highly qualified weather forecasters. They cannot give you an exact answer. All they can do is look at the factors and decide what may, or may not, happen in the future. They do not know; they just make an estimate, based on a number of factors - market returns, mortality tables, bulges in demographic populations - but it is only ever a forecast. It is not an accurate assessment and they may get it wrong and they admit that they may get it wrong. So, where am I going with this? I have not decided whether I am going to vote for this or not and I think Senator Mézec made a good point in a way in that he said that the young should not necessarily be paying for it, but there is another aspect to that point. Those of you who are young - and I am looking at the Senator now - have parents, they have grandparents and they will all benefit from this fund. In a way, as a society, we have a duty to contribute to that fund, to make sure that those resources are available, because if they are not there and you have got care costs, believe you me, it is a massive drain on your resources to look after somebody who is debilitated and I know, from personal experience. So, I accept what you are saying, maybe it is not fair, or maybe he believes it is not fair that young people should pay into this fund but, believe you me, when you need it you need it and those of us with families know that. So, I have not quite decided which way I am going to go, but I think we need to be careful about just not putting enough money into this fund, because if it runs out I would hate to think that we could go back to the old system, where it was every man for himself and we all had to fork out our own care costs. It is a wonderful benefit, let us not underestimate it. We are very lucky, as an Island, to have it. There are very few places that have it. Cost of caring for elderly people is a major problem throughout the world. We are all getting older, we all live longer and we all end up with debilitating diseases, so let us be careful about what we vote for. I ask people to think about these points when they vote.

### **1.3.21 Deputy J.A. Martin:**

I will try and be brief, but I have had to rise to my feet again, because we are talking about the young not paying. Well, the young are either going to pay half a percentage now, or the elderly, who are ... let us say you are 60 today and, according to Deputy Ahier, we have got 13 years, or how he put it, which really stuck in my craw, 4 elections, so you cannot put this up for 4 elections. Are we not popular? Absolutely. Let us not look at this as 4 elections. One way, or the other, this has to be fair. So, there was the mooting of 5 per cent and when I really looked at the actuaries' figures, what was the elephant in the room? The actuaries told me: "We look back at trends and we project those trends." What are those trends on? 700-plus migrants a year paying into the fund.

[14:30]

I know that is not a popular figure, but that is the figure. So I am like: "Sorry, what if we stuck to our 325?" Well, there were lines shown and I am telling you now, the extra 0.5 per cent just disappeared. I am trying to say we have a young fund. I have gone to the Council, I have asked the actuaries, the officers: "What is fair for the likes of Senator Mézec, the younger person, who represents the younger person?" Is it fair that we put off for 13 years to pay one per cent, because, at the same time, the other end are taking out? It is over 18 and it does do for disabilities, but the numbers of 1,500 people already taking out are the over-60s, 75s. It is just what it is and that is where it is. I say to people: "When you want a figure, which we are being pushed on the migration ball, what figure do you want, because the actuaries are basing it on actual numbers?" It is not going to cost too much for some people. I really got annoyed when Senator Mézec said I produced a report that was 10 years old. I sat with 2 Reform candidates on BBC Radio Jersey in the last election, who told me if they had their way and I do not think this is Reform, they would scrap long-term care,

because it is just another tax and the States should pay for the elderly. Well, the people pay tax and the people pay for the elderly so, I am sorry, I literally think this is a Scrutiny Amendment that was not scrutinised, spoken to about with me and why I came to this assumption, why I think we need to do this now. My Panel, if you read their report, it says that this fund, if it goes up one per cent now, does not need to be touched. The increase would not need to be looked at for 20 years. What a stable fund. What a message to send out to the 40 year-olds, the 60 year-olds and even the people starting work. They know where they are. If you are very low income, you pay hardly anything; middle income, on my increase, is about £100 a year. It is a fund we cannot do without. I am in the hands of the Assembly, but please keep that plus-700 that need to pay into this fund. The day certain people want a number you can double that. So we are where we are and I really urge Members not to support the Corporate Services and I go back to the Council of Ministers has been lodged since July. People are not silly. They understood long-term care is going up by one per cent. There was no kickback until the Reform Amendment. We have put the ceiling up on the fund from 176 to 250 and you never kick against the public. If the public are willing to give you the money, they are not screaming, they did not want it to rise by one per cent, you say: "Yes, please, but we are not going to do it, we are not going to look at it again for 20 years." It is quite simple to me. Please do not go for this when you might not have to think about ... well, you certainly want to think about the migration and you might not have to think about it for 4 elections. I am quite willing, if I stand again, or when I stand again, to say: "Yes, I made this difficult decision because it was sensible, it was fair and it was definitely fair that people were paying in." I do not want youngsters to just pay 0.5 per cent now and suddenly find out we have got less people coming in, or, because we have put the cap on the migration, we suddenly say to youngsters: "You know what, it might have to be 2.5 to 3 per cent." Absolutely. This is certainty. My Council's Proposition is certainty. This is just kick it down the road, kick the can down the road.

### **1.3.22 Deputy J.M. Maçon:**

I will curtail my speech after what the Minister has said, but I do want to draw Members' attention to the comments of the Council of Ministers in the chart on page 3. We have got lots of different arcs there and it does show about the sustainability of the fund. I want to remind Members that there are people today claiming out of the Long-Term Care Fund who have never paid a single penny into that fund, whatsoever. Obviously Senator Mézec and I will disagree on the intergenerational fairness, but we know that if we increase it to the one per cent ... and it is not a full one per cent, because the majority of people will not be paying one per cent. We know 32 per cent of people, whether they are children, lower income, or pensioners, will not be paying into this fund. So, who will be? People who are working, or maybe pensioners, who might have above tax level pensions to contribute a fraction of a per cent into this fund. They will not be paying a full one per cent and making a contribution to this fund. Why do it now and why not put it off? The Council of Ministers had the conversation: "Do we do 0.5 per cent now and 0.5 per cent maybe next year?" The Corporate Services Amendment just says 0.5 per cent and we do not know when the next one is coming. They do not do that other option, but again why ... and I think then, as I said in the previous debate with Deputy Southern's Amendment about the H.I.F., it is about we know that the future generations are looking at a lower living standard than the one of today and, therefore, we need to collect the money in from that generation, who are capable and able to make the larger contributions today. In doing so, that is great long-term planning for Jersey. If we look at the U.K., they do not even know what they are going to do about their long-term care and we have a solution here, but in order to do that, we have to have greater contributions into the fund. We should absolutely capture those people who are more likely to be claiming out of the fund sooner, rather than kicking the can down to some people, who may not be seeing anything out of that fund for 40, 50, 60 years. But also, what Members are suggesting, as we spoke about in the last debate, we know that there are other bits of social security that we need to bring into the population later on and take out. So, we know, for example, as I have said already, we need the H.I.F. contributions to go up. The thinking, the rationale behind



this is if we do this move now, at least that is one thing that is not piling up to hit on our population later down the road when we know we have got to hit them with other things, in order to make the sustainability of the fund. We have done incredibly well with our pension fund and we are almost getting to the point of sustainability around this, because of the long-term planning and vision that Members had in this Assembly in order to put the rates up higher than was needed. This is Deputy Morel's point: why do we do it, before the need has hit us? Because it makes a much longer-term, sustainable fund. What does that mean? It means that we do not have to put up the rates on people today in order to do that. We criticise this Assembly a lot for not doing long-term planning, but on that one occasion, this Assembly got it right to do that when it comes to the pension fund. We need to be bold and we need to be brave and we need to do it with the Long-Term Care Fund in order to produce that surplus, which will then tide us over ... my Minister said 20 years - if you look at the charts, it is almost 40 years - before we then have to come back and raise it again. As my Minister said, that is only working on the parameters that we have got at the moment and she spoke about issues around immigration. She did not speak about the raise in costs that might happen within the care industry. If the wages go up for whatever reason, that means we have got to re-evaluate and that means what the Corporate Services Panel is asking for, suddenly that surplus runs out much quicker than what we have got. So, there is a good case for long-term planning, why you want to put it up a bit further, because there are other uncontrolled variables that this Assembly cannot control that we need to consider exactly what the cost is going to be, because of how the mechanisms of the system work. That is why I, as a younger person, was pushing for this high one. OK, I might be paying a fraction of a per cent more in the earlier term than I do overall, but we need to be pushing for sustainable funds and in the long term that helps future generations to build up surpluses, to tide us over, so it means that we do not have to come back with 2 or 3 per cent later on and that is why we do it. It is for future generations.

### **1.3.23 Deputy R.J. Renouf of St. Ouen:**

I entirely agree with the previous 2 speakers, so I am not going to repeat their arguments. I want to add something around the healthcare workers, whose wages are paid from this fund. I am full of admiration for our healthcare workers, who work in nursing homes and are sent out to people's homes. I am sure we all are. How are their wages paid? Generally, they would be paid from the fees that residents pay to their nursing home and those fees are funded very often by the long-term care benefit. The standard rates of benefit are determined by reference to a variety of things, but one of them will be the salary costs incurred by the nursing home, or other provider. We all know that in a business like that, the labour costs are a very significant part of running a business. Are those wages enough is the question we have got to ask, because it is clear to me that the healthcare sector has very significant recruitment issues in the Island, at the moment. Members may remember some months ago, when 2 providers were unable to find staff to support clients with learning difficulties and Members gave me a hard time about that in questioning. Deputy Southern and the Scrutiny Panel and others here have recently questioned me about the ethical care charter, which says that we must pay proper regard to these healthcare workers and give them terms and conditions that they can live on and ensure that they are not disadvantaged by, for example, not having travel time paid and all these things. In addition, I have met with providers and I have met with the Jersey Care Federation and they confirm that there are significant recruiting problems. Even though some of them may hold licences to bring people in from outside the Island, they cannot recruit, even from outside the Island, because the wages that are paid are just not enough to be able to afford to live in this Island. Why might this be for local people, because, ideally, we would always want to employ local people to work in this field? We have a vibrant financial services industry, do we not? It is great news that they employ a lot of school leavers and a large part of the community and, of course, they can pay well. They can certainly pay more than most of the care providers. Delivering care to our elderly and infirm is tough, it is hard, it is grotty sometimes. It is not attractive. Despite all that, Skills Jersey does ... and I have met with the officers from Skills Jersey and they mount some great recruitment

campaigns and it does attract some people. Some people are prepared to dedicate their working life to caring for other people, but not enough locally. If we are to be able to deliver care into the future, we are going to be faced with how on earth do we source the labour we need. Realistically, the salaries of those healthcare workers are going to have to be enhanced. Their terms and conditions are going to have to improve. How is this relevant to this debate? Well, it is probably, because the present projections of the funds have been based on the current level of the costs of the providers, with cost of living anticipated increases. It is likely that we are going to need to take a huge leap forward in saying we need to pay these healthcare workers far more to attract them, to retain their services in the industry and make sure that we can provide the care that we need to an increasingly ageing population and to clients with learning difficulties, who are living longer. Those care workers deserve that increase. They deserve to be paid at a proper level, I believe. But the other side of that coin is that there is a risk to the sustainability of the Long-Term Care Fund. So, it seems to me an entirely right decision that we must build up that fund, to give it that sustainability. We must go with the rise that is proposed within the Government Plan. Therefore, I do urge Members to reject this Amendment.

### **1.3.24 Deputy J.H. Young:**

I am going to be supporting the Minister here. I was not going to speak, but I want to make sure that the reason why I am supporting the Minister is not because of this issue between intergenerational balance and so on.

[14:45]

That is not an issue that I think is driving me to support it. What is driving me to support it is that we do have a much better system than elsewhere. The U.K. has been struggling to find an arrangement, whereby social care can be provided and funded in a sustainable way and we have got closer to that. That does not mean to say our system is perfect, far from it and I hope that, as time goes on, we can develop it and improve it. Before I finish speaking, I will highlight one particular aspect. But it is important, if we are going to have a fund, to make sure that we keep the fund sustainable. I think I have accepted, although it is a reluctant one because, personally, it has an effect on me, a negative one and, like other people, if it was possible not to pay tax ... but that luxury does not exist. It is a responsibility each of us carries in society. I remember also, very well, when the former Senator Francis Le Gresley brought the proposal forward for the fund, it was forecast that the contribution rate would need to be 3 per cent. I remember that very clearly and that, I have to be honest, scared the ... I will avoid using that word. It scared me quite a lot, so the fact that we have got 2 per cent and we are being told that if we do that it is sustainable, that is good news. I turn now to the issue that I think does need improvement in the future and Deputy Morel spoke about it. He spoke about the effect on pensioners. Now, as he rightly said, pensioners do not have an opportunity to respond to increased taxation by increasing their income. They are on fixed pension arrangements and, indeed, I do believe that we are in a situation - I know we are a wealthy Island - where we have still got significant pension poverty around. A particular group that I worry about is the middle group of people. At the moment, the arrangements are that if people, in their retirement years, make a decision to leave the Island and live elsewhere for whatever reason and find that they cannot cope with the costs here, because the costs, obviously inflation and so on, are horrendous and decide to live in other communities, perhaps with their grandchildren, or whatever, somewhere else, if their pension incomes are based in Jersey they cannot escape. They will have to pay the long-term care charge and yet, under the rules of the scheme at the moment, they are unable to draw from that scheme unless, of course, they were to come back to the Island and go back through the 12-month period. But I think I am pretty correct on. If I am wrong, I am sure the Minister for Social Security will put me right, but I think that is the rule. I have asked that several times and that is the advice I have been given, that everybody pays. I am getting nods from the Minister for Treasury and Resources. Thank you for that, that is really good. If their pensions are homed in Jersey and they leave the Island, they

become non-residents, then whatever the long-term care tax will be paid by them. I give notice that by the time I finish my term in here, I will pushing for an Amendment to that law, because that is inequitable. I mention it today, to put on notice that that is an issue that I am concerned about, because I think, in the long term, I do expect that unless we find a way of funding our healthcare services more sustainably that the 3 per cent at some stage ... and I think a number of Members are hinting at it. This contribution rate may well need to go up, even more if we cannot find ways of getting our health service on a more sustainable financial footing. I think that is an important issue of principle here. I will finish what I am saying. I shall not be supporting the Amendment - I feel that it would not be responsible for me to do that - but I support the Minister in the proposals that are before the Assembly in the Government Plan.

**1.3.25 Deputy S.G. Luce of St. Martin:**

I have found this a very interesting debate, because just about every speaker who has stood and spoken for whatever side I found myself agreeing with, amazingly. The Long-Term Care Fund, we know the benefits, we know the need for it, we know it is a wonderful scheme and we know we need to build it up. We understand the challenges for the young people, who will pay in a lot and the old people, who will take out a lot, without having paid very much in, but there will always be young people and whenever we make a rise, increase it, those young people at that time, whenever it is, will have to bear that. We know that the percentage rate is going to have to go up and Deputy Young is quite right, 3 per cent was mentioned many years ago and we know we will have to increase that. We also know that we would like the fund to be sustainable. It is vital that it is a sustainable fund. The proposed increase may well put us in a position where we do not need to increase it again for 20 years, but I am swayed by Deputy Morel and his worry about the economy and the worry about the effect on people's lives today, not in 5 years' time, or 10 years' time, or 20 years' time, but today. We must always remember that we need to get through the next 2, 3, 5 years, in order to get to that point in the future where we know things will still be OK. Scrutiny are lambasted for bringing Amendments and we tend to think that they are what they are, but we could think that Scrutiny could have brought an Amendment here to not have an increase at all. I tend to look upon what they are proposing here as a compromise, which allows us to increase the size of the fund, increase the size of the percentage, knowing that, in the future, we will need to increase it again, but just allows a little bit more breathing space for those people out there today, who are going to have to pay this to see their way through finding that increase. The final thing I say is this - and we have not heard the Brexit word mentioned very much - but the next 2 or 3 years could be very challenging for all of us and in these times of uncertainty, if we can do little by little, softly, softly, and get to that same point in a kinder, easier way for people out there, easier for our economy, I think we should consider it. I would ask Members to seriously consider this Amendment from the Scrutiny Panel.

**1.3.26 Deputy S.J. Pinel of St. Clement:**

As a newly elected States Member in 2011, I found myself appointed as the Assistant Minister for Social Security, with the wise guidance of ex-Senator Francis Le Gresley as Minister. I helped him to implement the long-term care scheme in July 2014. Senator Le Gresley had done the sums. He understood the pressure of an ageing population and he knew that we would need to increase the long-term care rate as time went on. In 2013, we thought that the rate would need to rise to 3 per cent, which has already been mentioned. The scheme has now been running for 5 years and we are looking to increase the rate to just 2 per cent. This is in line with the recommendations of the F.P.P. (Fiscal Policy Panel) in both its 2019 reports. An increase of one percentage point, taking the headline rate up to 2 percent, will ensure the sustainability of the fund for the next 20 to 25 years. The F.P.P. have quoted that the economy is doing well, although the signs are that it is cooling. Now is the time to increase the rate and, to quote them, raising this additional revenue now is appropriate and likely to be less harmful than doing so at a time when the economy is below trend. The Scrutiny Panel has not made its case to restrict the increase to 0.5 per cent. They have misquoted the actuary,

as has been mentioned before, who did not make any recommendations about the rates to be adopted and have not explained how the fund would remain sustainable. To answer Deputy Morel, who is not here and others, with reference to pensioners, many pensioners who are pensioners now have not contributed to the scheme or, if so, only recently, but they are likely to be the beneficiaries of the scheme. During my time as Assistant Minister and then Minister for Social Security, I have gained a much better understanding of the importance of the ring-fenced funds that support our benefit system. They are the envy of many other funds and nations. As such, I ask Members to reject the Amendment and support the Government proposal of a one per cent increase to ensure the long-term future of the long-term care Plan.

### **1.3.27 Deputy G.J. Truscott of St. Brelade:**

I did not notice you clock me there, but plainly you did. I concur with the Minister. We were the ministerial team at Social Security and this came to us towards the end of our last term. I remember sitting in the meeting and querying the fact that why do we not do this to 1.5 per cent, rather than 2 per cent and some very rational response came back and I totally concurred with that. I think what we have got to remember - and it is something I keep banging on about - is that there is going to be a doubling of numbers of over-65s between now and 2030 - a doubling of numbers - and I really wonder if ... I am sure they do and totally aware of what is happening, but you just cannot get your head around that, a doubling of numbers and what the cost of that doubling of numbers is going to mean to the taxpayer. So, I think, personally, again a very prudent individual and I am very conscious every time I press this button, not to speak, but to vote, that I am going to impact people locally, whether it is businesses, whether it is people's income, their freedoms and so on. I am so conscious of the impact of what I do, but for me this is so important, the Long-Care Term Fund. I know my mother, towards the end of her life, was so worried about the future, so this is so important. The Deputy of St. Martin touched on it. The future is uncertain. We have got Brexit approaching and we do not know what the impact of that is going to be. There is inflation, which is the spectre of great concern. Inflation on this fund, let alone everything else, will have a massive impact. If we do not pack in as much money as we can, as soon as we can, there could be trouble ahead. Migration, again I am so desperate for this Government to sort out a migration policy. They have based the figures on 700 inward migration, which is too many. The Minister for Social Security and the Government have got so many levers at their disposal to control that to a degree. You could have put up social security contributions a little bit more. You could have raised the cap a little bit more. Those are still levers that you can use. Obviously, they are at your disposal going into the future. I do urge Members to get behind the Minister's 2 per cent, not the 1.5, so please reject this.

### **1.3.28 The Deputy of St. Peter:**

A tough act to follow my neighbour. A couple of points. This intergenerational thing about why the young should not be provisioning for the future. I just hope my children are not listening to this and listening to some of these arguments, because it is basically saying to them: "Do not worry, do not bother getting a pension, do not bother doing anything for the future. Sort it out in your 50s", that sort of scenario. That is a very bad message, a very bad discipline for the young of today, who should be accountable for themselves for providing for their future. I get some do not have the means to do it, but if they have the means, they should be persuaded to do it. These personal taxation debates are always great. Deputy Young alluded to it, it is turkeys voting for Christmas and I am very happy to pay my extra 2 per cent. However, half of me - and I am still undecided - is saying maybe we accept the Proposition and we go on 1.5 per cent maybe for a year to 2 and see what the impact is. I am undecided, but I think I will probably veer towards my neighbour, because he will whack me in the kidneys otherwise.

### **1.3.29 Deputy G.C. Guida:**

One last word, the Deputy prompted me to remind people of something, when we are talking about generational problems. First of all, I also have the experience of elderly parents having Alzheimer's, or various illnesses and it can wipe you out completely. In their case, they worked for schools, they were doing reasonably well, they had saved all their lives, they had savings, they had a house. They got ill for 8 or 9 years and there was not one thing left of this. At least they had enough, because, where they lived, the States would not have helped much, given they had nothing. This scheme, therefore, is extraordinary because it allows you to keep living in your own house, if you want to.

[15:00]

It allows you to keep some of your assets and if the children argue about that, I would like to remind them that they will be inheriting that. Instead of having 2 elderly people in the hospital, completely wiped out, they will have a house at the end of this. So, they are paying insurance for themselves, as well as their parents and we need to remember that.

### **1.3.30 Senator J.A.N. Le Fondré:**

I wanted to try to persuade the Deputy of St. Peter - just to save the elbow in his ribs essentially - and also it was to answer the question that Senator Mézec posed, which slightly surprised me, because I thought he had understood where we were coming from. The point is that every pound not paid now by a taxpayer, who is closer to the age of potentially expecting to get relief, if you like, from long-term care on nursing costs, that will be paid by the younger generation later. In other words, the usual thing, the more you put in now, the longer that spreads across everybody, everybody in this Assembly, whereas if you put it off - I did not like the expression - the boomers will benefit and the generation Z and the millennials will pay the price. That is what it is about. The difficulty is when we start talking about long term, because long term never affects us. In a completely different area, I was involved in a property transaction and it was going to pay itself back over 25 years. We repaid that loan 5 years ago and we are now doing something else. Those 25 years have gone really quickly. I am told, back in about 1988 - and I vaguely remember it - I do not know if it was Deputy, or Senator, Terry Le Sueur stood up and persuaded the Assembly of the day to pay more than was needed in the fund at that point. That was to get a cushion in place and if the Assembly of that day had not done that, we would not have the reserve now that now puts our Social Security Fund - not the Long-Term Care Fund because it was not there - in such a healthy position. This is why these debates are always difficult, because we, ourselves, do not necessarily benefit from it, because we are pushing it, it depends where we are on the age range. But the decision that we are debating, which the Council of Ministers took to put into the Government Plan, puts the long-term care plan on a really firm footing at 2040 and beyond and that is the decision, as opposed to the closer we get to the elections, people say we could just put it off. That is why these kind of difficult decisions are better taken now, because politically they are hardwired in and also the financial benefit, the earlier it is paid in, the earlier it benefits everyone. That is really it in a nutshell. I know some people will disagree with this comment that has been made already, that is also the advice of the Fiscal Policy Panel, in terms of where you are in the economy you have got some certainty at the moment. If things dip, the population drops, we are getting the money in early enough to start getting it early enough to support that fund. That is what it is about. It has no impact on the Government Plan. Let us be clear, it does not affect our expenditure, for want of a better expression. This is about what we want to do for future generations and what we said in terms of the Government Plan and the revenue expenditure in there. People have talked about the impact on those individuals and we are putting the price of alcohol up and things like that. That was a package and it was, broadly speaking, balanced, because it was offset. The tax allowances that went up were, broadly speaking, covering the impact of the Impôts and the cigarette and those sort of duties that we put in place. I am not reopening that debate, but I am just reminding people that was a relatively neutral package, depending on where we are. This is the impact on individuals, but it is about taking that decision early and doing it now, *versus* doing part of it now and putting the other bad news off, so somebody else has to pay. We did have quite a strong

discussion around the Council of Ministers of all sorts of variations. We could have done 0.5 per cent now and 0.5 per cent in 2 years' time. If we had gone down that line, we would have still hardwired it in, so it is not a case of you can come back next year. It was about giving certainty to that fund and making those decisions now. We are now faced with that choice, because we took the decision. In fact, Deputy Martin was very clear with us and we supported her. I say that right now, that is the wrong way round, but the point was made and she said she had listened to the actuaries, she had looked at the advice and taken the principles and this is what ties into the advice of the Fiscal Policy Panel as well; get it early. As I said before, Members, the choice is up to the Assembly, but that is where we are and that is why we are not supporting this Amendment.

### **The Bailiff:**

Does any other Member wish to speak on the Amendment? I call on Senator Moore to respond.

#### **1.3.31 Senator K.L. Moore:**

I have to say, I share the views of the Chair of P.P.C. It is good to reach a conclusion to this debate and I do thank all Members who have contributed. I would like to say to the Deputy of St. Peter, do not let yourself be bullied into feeling you have to vote against this Proposition. Please do not do that and also, Deputy, please do not worry about the message this sends to the next generation, because this is a good message. The long-term care system is something that, as an Island, we can be really proud of. We are setting aside money for the future. We have been doing that since, I think it was, 2014 when it came through. I cannot remember. I did scrutinise it at the time. But it is a very good news story. I would, however, like to suggest to the Minister for Social Security that we might be reading a different actuaries' report. The 1.5 per cent is mentioned a number of times throughout the report and I would just like to read a summary, which is on page 27: "We have considered the sensitivity of the results with some key assumptions about the future." It goes and finishes: "We have also examined the impact of any increase in the contribution rate to 1.5 per cent. This has a substantial positive impact on the finances of the fund, in the short and medium term and would render the fund relatively robust to risk, in both the short and medium term." So, that is why the Corporate Services Panel felt that it was absolutely appropriate to bring this Amendment to the Assembly, because let us not forget, that the Government are also proposing the increase in the upper earnings limit. We do not dispute that, but if you look at figures, somebody who is in the future place of being in the upper earnings limit and paying that higher limit - one per cent currently at the current rate of the upper earnings limit is 176, whatever that is - that one per cent payment at the moment is annually £1,762. Somebody who is in the fortunate position - I appreciate they are fortunate - if they are now going to pay 2 per cent on £250,000, which will be the upper earnings limit, that is going to be a £5,000 a year payment on top of the tax that they already happily pay at 20 per cent. There is a very big jump from £1,762 to £5,000 a year. That is a big jump in payments and I really think that Members ought to think very sensibly and carefully, just as the Deputy of St. Martin did and Deputy Morel as well, about the impact this has on people's spending power, people's pockets and the impact that it has on the cost of living. I am quite surprised by the Minister for Treasury and Resource's response in her reading of the Fiscal Policy Panel's advice to her, because taking actions like this, and do not forget that this is a cumulative package - there are already duty rises and also employers' contributions rising, alongside the increase in the upper earnings limit - there is a package of measures here, which all have an impact on people's pockets and people's spending power. It could be viewed that this is a hastening of the cooling of the economy. It is all well and good to say: "Oh, well, things are good at the moment, this year, so let us take a bit of extra money out." Members will be hastening the cooling of that downturn in the economy and they really must think very carefully about it. The intergenerational fairness argument has been fascinating and I have to say that I absolutely agree with Senator Mézec on this. Encouraging the young to pay into this scheme now, yes, it is good and prudent planning, but what should we do? Should we, perhaps, introduce a cap for the under-40s? Increasing the rate now means that the young pay more for longer, so how is that fair? I simply do

not understand the intergenerational equity point. It seems like a very well-meaning, well-intentioned argument, but if you peel away the substance I am not entirely convinced that it does what it says. It is perhaps more to do with the Chief Minister's point. We have talked a lot, this week, about timing. Timing is everything, but of course it is the ultimate in political messaging. Get the difficult stuff done early in your term, because then, when it gets closer to the election, you can do all the good stuff. Yes, I do not forget that one. I think we have had enough time spent on this debate. It is a good level of debate, but I really do urge Members to support the Corporate Services Panel in their Amendment. Finally, to touch on one important point that the Minister for Social Security raised and that was why Corporate Services were bringing this Amendment and not Health and Social Security, for example. That is because Scrutiny have taken a joined-up approach to this process. You will have all received your 500-page report, produced by Scrutiny Panels and through the Government Plan Review Panel, I do not think that is quite what it was, but that is the Panel. We made the decision that this was the best Panel to bring this Amendment, in this particular case and we used the evidence taken by another Panel to contribute to our findings. On that point, I propose the Amendment and I ask for the *appel*.

**Deputy S.M. Wickenden:**

Sir, before we go to the *appel*, can I ask for a point of clarification from the Senator on her speech on summing up, please?

**The Bailiff:**

If it is a point of clarification, yes.

**Deputy S.M. Wickenden:**

It is a point of clarification. The Senator mentioned the actuary report about the 0.5 per cent increase. Could she confirm whether that was part of a recommendation, or part of a modelling report? When the actuary has looked at what it would look like at 0.5 per cent, was that the modelling that he was referencing, or was it a recommendation to 0.5 per cent?

**Senator K.L. Moore:**

Judging by the number of graphs, as I scroll to the top to find the exact title of this report, the title being "States of Jersey Long-Term Care Fund Actuarial Review as at 31st December 2017", presented on 17th October 2018 by the Minister for Social Security.

**Deputy G.W. Truscott:**

Before we carry on, there was a suggestion of bullying going on. I deplore bullying in any shape, or form. I am sure it was said in jest, but I just wanted to confirm that.

**The Bailiff:**

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

<b>POUR: 24</b>		<b>CONTRE: 21</b>		<b>ABSTAIN: 0</b>
Senator K.L. Moore		Senator I.J. Gorst		
Senator S.W. Pallett		Senator L.J. Farnham		
Senator S.Y. Mézec		Senator S.C. Ferguson		
Connétable of St. Helier		Senator J.A.N. Le Fondré		
Connétable of St. Lawrence		Connétable of St. Clement		
Connétable of St. Saviour		Connétable of St. John		
Connétable of St. Brelade		Connétable of St. Ouen		
Connétable of Trinity		Deputy J.A. Martin (H)		
Connétable of St. Peter		Deputy of Grouville		
Connétable of St. Mary		Deputy K.C. Lewis (S)		
Deputy G.P. Southern (H)		Deputy J.M. Maçon (S)		

Deputy M. Tadier (B)		Deputy S.J. Pinel (C)		
Deputy M.R. Higgins (H)		Deputy of St. Ouen		
Deputy of St. Martin		Deputy S.M. Wickenden (H)		
Deputy L.M.C. Doublet (S)		Deputy G.J. Truscott (B)		
Deputy R. Labey (H)		Deputy J.H. Young (B)		
Deputy of St. Mary		Deputy L.B.E. Ash (C)		
Deputy K.F. Morel (L)		Deputy G.C.U. Guida (L)		
Deputy S.M. Ahier (H)		Deputy of St. Peter		
Deputy J.H. Perchard (S)		Deputy of Trinity		
Deputy R.J. Ward (H)		Deputy of St. John		
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

**1.4 Government Plan 2020–2023 (P.71/2019): ninth Amendment (P.71/2019 Amd.(9)) – third Amendment (P.71/2019 Amd.(9)Amd.(3))**

**The Bailiff:**

There is an Amendment by Deputy Alves, Amendment 9. Deputy, you have also amended your own Amendment, so do you wish to have them both read as amended?

**Deputy C.S. Alves:**

Yes.

**The Bailiff.**

I ask the Greffier to read the Amendment, as amended by Deputy Alves’s own Amendment.

**Deputy J.H. Young:**

Sir, sorry to interrupt. Before we read, I think I need to make an apology to the Assembly, as I have had a message said to the point I made about pensions being subject to an L.T.C. charge. It was not correct. I have had clarification that the advice I had been given was wrong and that is not the case, so I apologise to the Assembly for that. Clearly, the advice I got is if somebody is non-resident then they will not be ...

[15:15]

**The Bailiff:**

Well, thank you. You have corrected what you said to the Assembly. Thank you very much. Greffier, please read the Amendment as amended.

**The Greffier of the States:**

1. 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 Customer and Local Services should be increased by £1,450,000, and the Head of Expenditure for Treasury and Exchequer should be decreased by £1,450,000, to reflect a 100 per cent disregard for income from Parental Allowance for households in receipt of an Income Support and a reduction in the Grant to the Social Security fund;”. 2. Page 2, paragraph (h)(i) – After the words “contribution liability” insert the words “, except that the Upper Earnings Limit shall be increased from the proposed £250,000 to £500,000, and the percentage rate levied on Class 1 employers and Class 2 contributors on earnings between the Standard Earnings Limit and the Upper Earnings Limit shall be increased from the proposed 2.5 per cent to 4 per cent, increasing the estimated closing balance on the Social Security Fund shown in Summary Table 8(i) by £8,700,000”. 3. Page 3, paragraph (h) – At the end of paragraph (h), insert the words – “to request the Minister for Social Security to – (1) bring forward proposals to the States to extend the period



covered by the proposed Parental Allowance under the Social Security (Jersey) Law 1974 from 18 to 26 weeks, with effect from July 2020, at an estimated cost of £3,000,000 in 2020; (2) raise the maximum amount payable to each parent from July 2020 as Parental Allowance under the Social Security (Jersey) Law 1974 from £222 to £280 weekly, at an estimated cost of £1,500,000 in 2020; and (3) amend the Income Support (General Provisions) (Jersey) Order 2008 in order to introduce a 100 per cent disregard for income from Parental Benefit for households in receipt of an Income Support award from July 2020, at an estimated cost of £1.45 million in 2020; and”.

#### **1.4.1 Deputy C.S. Alves:**

I can see some confused looks, so I just want to clarify something. The reason this third Amendment was put in was to take on board some of the comments from the Council of Ministers, which was to change the wording of “maternity” to “parental”, in order to encompass both the parents and it also changed the starting date, as there had been discussions about how this would not be possible, because of the current system that there is in Social Security. I thought I would also clarify that I will be asking for a vote on each part separately, however the Greffier might advise me on this. The first paragraph and number (3) of paragraph 3 would have to be taken together, because of the disregard in the income support. Am I right in saying that?

#### **The Bailiff:**

Deputy, obviously we are some way away from the vote upon your proposal, because there is an Amendment to consider after you have opened, so if you would like to make your Proposition for the Amendment, then if it is seconded we will move on to consider the other Amendments and we will advise concerning voting towards the end.

#### **Deputy C.S. Alves:**

Thank you. There is no denying that the current social security contribution system is unfair and regressive. It is a system where those earning the least contribute proportionally more than those who earn the most, allowing the highest earners to pay lower rates than everyone else. This is a fact. The Minister, in her proposals, has recognised this herself and has established the principle of increasing contributions and raising the cap and rate and I welcome the Minister’s proposal to raise the upper income limit for contributions to £250,000 and the 0.5 per cent increase in employer social security contributions for earnings between just over £53,000 to £250,000. However, I feel that we can take this one step further. If we make our system more progressive, we can afford to support parents when they need it to take parental leave. My Amendment aims to do this with a fully-costed method. It clearly specifies the method of raising funds, by raising the upper income limit to £500,000 and increasing the employer social security contributions rate above the £53,000 by a further 1.5 per cent than what is being proposed by the Minister. Doing these 2 things raises an additional £8.7 million, without affecting employees’ wages. Following the recent debate on the family friendly law, proposed by the Minister in October, many of the comments in that debate touched on the fact that very few working parents would be able to afford to take the full 52 weeks of parental leave. In an attempt to improve this and, therefore, improve the lives of many children in the future and better fulfil one of this Government’s promises and priorities to the people of Jersey of putting children first, I am asking the Minister to extend the period of paid parental allowance to 6 months, 26 weeks, for each parent and to provide a better rate of parental allowance. This means that 2-parent families could potentially have paid parental leave for the first year of their child’s life. There have been numerous studies that show that the first years of any child’s life is a crucial time for brain development. In 2015, the States Assembly and the Government made a commitment to invest in and support the 1,001 critical days agenda. A later news release in 2016, during Infant Mental Health Awareness Week, stated that growing research nationally and internationally shows that from birth, to age 18 months, connections in the brain are created at a rate of 1 million per second. The earliest experiences shape a baby’s brain development and have a lifelong impact on that baby’s

mental health. When a baby's development falls behind the norm, during the first year of life, it is much more likely to fall behind in subsequent years, making it harder to catch up. A baby's social and emotional development is strongly affected by the quality of their attachment to their caregivers. Senator Moore was initially given the responsibility for the 1,001 critical days agenda in Jersey and was quoted: "Our vision is for all babies, children and young people to grow up in a safe, supportive Island community, in which they achieve their full potential and lead happy, healthy lives." The research is evident that, without a good initial bond, children are less likely to grow up to become happy, independent and resilient adults. It can lead to long-term mental health problems, as well as to reduced overall potential and happiness. Given the Government's commitment to the 1,001 critical days agenda and to the recent findings of the Health and Social Security Scrutiny Panel mental health review earlier this year, surely now is the time to act to do everything we can to prevent and safeguard our children from developing issues later on in life as adults. How can we expect babies to make these attachments if their caregivers cannot afford to stay with them and give them this fundamental, basic need? Surely, the long-term benefits of children becoming resilient adults, who are better equipped for the world, outweigh any initial cost. The Chief Minister himself stated, in his opening statement on the Government Plan this week: "We are investing in preventative support, creating more early help and more mental health support to help individuals and families to stay well." Could this not be viewed as preventative support, when research has shown the lasting negative impact an absence of attachment, or initial bond can have? I am asking for this Assembly to give a commitment that we will support parents to have more time with their children at this critical time and for them to be financially supported at a rate of £280 a week, a sum which is higher than what the Minister is proposing, but still significantly below the minimum wage. With regards to the disregard for income support families, the Council of Ministers' comment states that: "Household income would significantly rise for an income support family, while a parent was receiving the parental allowance and would then fall significantly when the parental allowance expired." They also state that this Amendment would provide a significant short-term increase in income to low income households for the first few months after birth. Well, yes, that is absolutely right; however, I do not understand why these statements are a bad thing, especially when, according to the Child Poverty Action Group, the cost of raising a child in the U.K. from birth to 18, excluding housing, child care and council tax, is now just over £75,000 for a couple family and just over £100,000 for a single parent, or guardian and that, on average, parents will spend approximately £10,000 in the first year of their child's life. This is a significant proportion of that total amount of raising a child from birth to 18. Remember these figures that I am quoting are based on the U.K. as a whole, so Jersey's figures are likely to be higher, due to the higher cost of living. Surely this reinforces the need to have that significant short-term rise. This is why I am asking for a disregard in relation to income support. Without this disregard, the parental allowance becomes completely eroded for those who need it the most at a time when their costs will be at their highest. If the States of Jersey is really going to put children first, we need to ensure that all parents can take time off to look after their newborn children, not just those who can afford it. Ideally, if we are all fair people, we should be supporting the complete removal of the cap, which is Deputy Southern's Amendment, but I know that there are some in this Assembly who have concerns about removing the cap completely in one go. While I do not share their view, I respect and understand their arguments. My Amendment seeks to be a halfway house. It makes contributions fairer, to raise revenue that can be spent on the good things that we all support and want to do, while making change gradually. Under these proposals, employers of the highest earners will still be contributing proportionally less than the lower earners and there will be no effect on the wages of the employees. If we are committed to putting children first and reducing income inequality, this Amendment seeks to do just that. It is time to change words into action, action that will have positive impacts to those who need it the most in our society. I hope the Assembly will support my Amendment and I make the Amendment.

**The Bailiff:**

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

**1.5 Government Plan 2020–2023 (P.71/2019): ninth Amendment (P.71/2019 Amd.(9)) – second Amendment (P.71/2019 Amd.(9)Amd.(2))**

**The Bailiff:**

There is an Amendment to this, brought by Deputy Southern, Amendment 9, Amendment number 2 and I ask the Greffier to read that Amendment.

**The Greffier of the States:**

1. Page 2, paragraph 1 – For the words “increased from the proposed £250,000 to £500,000” substitute the word “abolished”; and for the words “between the Standard Earnings Limit and the Upper Earnings Limit” substitute the words “above the Standard Earnings Limit”. 2. Page 2, paragraph 1 – For “4 per cent” substitute “6.5 per cent”.

**1.5.1 Deputy G.P. Southern of St. Helier:**

I bring this Proposition, again, to remove the cap on social security, out of principle. It is all about making sure that we do not increase the income gap. There are 2 basic problems with our current social security contributions. One is that it is funded from 3 sources: employers’ contributions, employees’ contributions and a grant from the States, a supplementation, in order to make up for those who do not earn enough to fully qualify for social security contributions and, therefore, would not normally receive benefits, especially and including pensions. There is already a big hole in it. We get 5.3 per cent contributions from employers, 5.2 per cent from employees and this one-third supplementation, which is growing by the year. We have just decided it is so painful to deal with, that we have reduced it to, I think, £65 million a year, rather than where it should be now, which is around £90 million, or £88 million. That hole is still there. We have to top up our fund year in and year out. Somewhere along the way, I think we should do better than that. Part of the solution to that, I think, is abolishing - I love that word - the cap. That is very final, is it not? This is concerned with this debate that we had again this morning about whether this is a tax, or a charge. It is, fairly obviously, a tax, as we have had witnessed, I believe, by our officers, but certainly a long way before that, back in 2002; I have a copy, a real copy, of a report by Oxera. It is on paper, 2002.

[15:30]

It is interesting to note that, in the whole of their discussion about this particular fund, where they are examining it, they consistently refer to the contributions, whether from the employers, or employees, as a form of tax. If it is a tax, then we do not need a cap on it in order to limit the contributions in order to get a benefit. To make sure that people understand what is going on here, while the roots of the Social Security Fund are to be found in the 1950 Insular insurance scheme, which was promoted as a form of insurance, on the user pays principles, i.e. your contribution paid for your own personal pension. Since 1974, the fund has been financed as a pay-as-you-go principle, which basically means that your contributions go in the door and then out the other door to pay for other people’s pensions now. That is the way the system works. As such, it does not need a cap on it and if you can do without a cap you can raise more money. What I have got here has 2 functions; (1) is to raise some tax and (2) is to change the structure, so that the cap goes and contributions can be more easily raised. While the changes, proposed in the ninth Amendment, go some way to removing the regressive nature of the system, it still results in those on higher incomes paying proportionately less and the capped contributions, although high, means some of the very highest earners avoid proportionate increased contributions. The removal of the cap, combined with the application of the uniform rate, which I said should go straight up to 6.5 per cent, no messing around, that is what everybody else pays on their contributions, that really is what the relatively extremely wealthy should be paying, as well. That should apply, no matter what the remuneration of the employees is. That raises some £24

million, in addition to the figures in table 8.1. Members may look at that with some surprise. It raises quite a lot of money, £24 million, at a time when we are talking about £100 million of efficiency savings and we are asking people to reapply for their own jobs, at lower grades. In order to cope with what we have got here, in order to become more efficient, I think that £24 million should not be ignored. That £24 million can be split 2 ways, the one to cover the changes already contained in Amendment 9, to improve the conditions, the pay, the length of time, *et cetera*, for parental leave, so it does not get in the way of that. It says: “Go ahead with that” and, in addition, we have got £15 million released and that could be released from the grant to the Social Security Fund to invest elsewhere, if we want, or it could simply make some of that grant. I believe that is a significant amount of money, as we know, to manipulate. There it is. We have had the principles earlier in the day from my colleague, Senator Mézec, who was referring not to the Social Security Fund, but to the L.T.C. Fund, but the principles are the same. The exact principles are the same and that is what I propose.

**The Bailiff:**

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

**1.6 Government Plan 2020–2023 (P.71/2019): ninth Amendment (P.71/2019 Amd.(9)) – second Amendment (P.71/2019 Amd.(9)Amd.(2)) – Amendment (P.71/2019 Amd.(9)Amd.(2)Amd.)**

**The Bailiff:**

There is an Amendment to Deputy Southern’s Amendment, Amendment 9, lodged by Deputy Morel and I ask the Greffier to read that Amendment.

**The Greffier of the States:**

Page 2 – For paragraph 2 of the second Amendment to the ninth Amendment, substitute the following paragraph – “2 page 2, paragraph 1 – For the words “be increased from the proposed 2.5 per cent to 6.5 per cent” substitute the words “remain at the proposed 2.5 per cent”.

**1.6.1 Deputy K.F. Morel:**

I am still trying to recover from the fact that Scrutiny won an Amendment earlier. I do wonder ... apparently, shortly before the vote, my wife walked into the public gallery, so I am beginning to wonder if she should stay there more often, because every evening I have been going home and saying: “We have lost everything again. We have lost everything again” but today she is here and we won something, so it is quite a turn up for the books. I will keep it short, because I have 2 Amendments coming and they are very similar and they do very similar things, but when I saw Deputy Southern’s Amendment to Deputy Alves’s Amendment, my great concern was for the cost to employers. To increase the contribution rate to 6.5 per cent is, in my view, just far too extreme, too much, too quickly. The cost of employment in Jersey would rise significantly immediately and, as I say in my report, the best way to keep people out of a benefit-dependent situation is to make sure that they have got jobs to go to. I believe that a rise to 6.5 per cent, from 2.5 per cent, as proposed by the Minister, is just too extreme. I appreciate the Minister’s rise to 2.5 per cent, which is a 0.5 per cent increase, because, obviously, the Economic and International Affairs Scrutiny Panel scrutinised the family friendly legislation and one of our findings was that the Government should pay more to enable that legislation and to enable that benefit. This 0.5 per cent does do that and so I recognise the Minister’s reasoning for increasing the rate from 2 per cent to 2.5 per cent above the standard earnings limit. The problem with the social security contribution system, that is being described by Deputy Southern and Deputy Alves - and is the same that we had in the long-term care debate that we have just finished - is about the situation with caps. As I mentioned in that debate, I spoke to the Minister earlier in the week to understand the rationale behind the caps and with regard to the social

security system the cap is there, because it is quite simply the more you earn there comes a point where you really are not taking so much out. Basically, the proportions, your increased earnings, you are not taking an increased amount out of the system and that is because it is an insurance fund. As I said, I do not necessarily agree with that rationale, but it is a rationale and I understand that rationale. However, I do disagree with it. I do think that we have to look at the system of caps in our social security system, given that we know we have an ageing population and given that we know that healthcare costs are only going to grow and grow. Basically, we have a system where you have got healthcare costs growing and they are not going to stop growing, but we put a cap in place. That cap acts like a pressure cooker and, at some point, if you do not raise that cap, the whole pressure cooker is going to explode. That is a fact. I know that the Government Plan does raise the cap a little, but I have sympathy with Deputy Southern when he says no, let us just take away that cap. Let us just abolish it, let us stop this playing around and let us just go to that situation where we are clearly heading to anyway. I propose this Amendment, because I believe that it takes the best of Deputy Southern's Amendment, which is the abolition of the cap on social security, but at the same time I remove what I see as the damaging parts of Deputy Southern's Amendment, as well-intentioned as they are and I do not doubt the intention at all. That is the rise to 6.5 per cent on the employees' contribution. I want to say that it is heartening, because I have said this time and time again in this Assembly, this week, plenty of times, to finally see that the Council of Ministers does agree with my rationale as to why you do not want to increase the contribution rate. As they say in their comments to Deputy Southern's Amendments: "This would significantly add to the cost of doing business. Businesses that employ people, who mainly earn over £50,000 a year and self-employed people above this income level would be affected." You will find exactly the same thing in my report. It is exactly what I said with the long-term care charge debate before, because it is correct and it is good to see, at last, the situation where the Council of Ministers agrees with my rationale, that you cannot raise the contribution rate to the level that Deputy Southern is suggesting in his Amendment. Do look at my Amendment to Deputy Southern's Amendment on its own. It is there to make sure that the contribution rate does not increase. It keeps the cap abolition in place, but you can discuss that in a debate on Deputy Southern's Amendment. In the meantime, I do ask you to make sure that the vote for the part of Deputy Southern's Amendment which does not work - because it increases cost to employers and the self-employed - is taken away before we have that debate. I do ask you to support my Amendment and maybe I can have 2 wins in one afternoon.

**The Bailiff:**

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

**1.6.2 Deputy S.M. Wickenden:**

I do see what the Deputy is trying to do with this Amendment to the Amendment to the Amendment, but it does follow that old adage about glitter and polishing. If something cannot be improved by polishing, or glitter, do not bother. This is trying to move in a certain direction and take the harm away, I get that, but we are already putting up the contributions within our Government Plan to the upper earnings limit. We are already trying to do it in a way that would have an impact to increase the size of the social security contributions, but make sure we are not playing at Russian roulette with our businesses. I do understand where the Deputy has come from on this one, but I do agree with the polishing and glitter of this. It does not make it any better than what the Amendment is and I would ask people to reject this and then reject the Amendment to the Amendment.

**The Bailiff:**

Does any other Member wish to speak on the Amendment to the Amendment to the Amendment?

**1.6.3 Deputy J.A. Martin:**

I would definitely not want to be timed out by you, would I, Sir? Everybody seems to be hanging back. It is when to speak. Deputy Morel thinks that this is a better Amendment than what is in the Plan, because Deputy Southern and I think, when we get back to Deputy Alves's Amendment, it has just gone too far. It was not that many weeks ago that I came to this Assembly and it was in the Government Plan how we would pay for it, why we wanted to progress our family friendly and make it 52 weeks across the board. I said, at the time, we can do this by a very small increase to the cap from £176,000 to up to £250,000 and 0.5 per cent over the £53,000 earnings limit. Again, it is one of them and I am sorry, yes, take it on the chin, the last Amendment went with Scrutiny. Yes, absolutely can see where people are coming from, but none of these Amendments are sensible, thought through, or the businesses out there have had any warning about. Eleven votes were on the L.T.C. cap to go, to move. You just have to vote against everything and come back to the main debate, which is Deputy Alves' and I can talk about why we would not double income for certain people. Deputy Morel tried to portray this would give a bit more money, because his Scrutiny Panel found that what we were proposing was not enough money. He is not proposing any more money. He is proposing another 10 weeks.

**Deputy K.F. Morel:**

Sorry, a point of order, if you do not mind giving way.

**Deputy J.A. Martin:**

Is it a point of order?

**The Bailiff:**

This is not a conversation between Members. Are you asking the Deputy to give way for a point of clarification of your speech of which you believe has been mischaracterised?

**Deputy K.F. Morel:**

I am, Sir. That is correct, Sir.

**The Bailiff:**

Well, then it is up to the Deputy if she gives way.

**Deputy K.F. Morel:**

I appreciate that.

**Deputy J.A. Martin:**

No, I will give way.

**Deputy K.F. Morel:**

That is very kind, Deputy. I am being mischaracterised in my speech, because I was saying I support the 0.5 per cent rise that the Minister has proposed, because that is what the Economic and International Affairs Scrutiny Panel found in our family friendly legislation Scrutiny report, that it needs to be funded. I am not saying I did not say anything about the Government Plan in that respect and through the Government Plan report. I am in no way saying anything negative about the rise that the Minister has proposed.

[15:45]

**The Bailiff:**

Yes, Deputy?

**Deputy J.A. Martin:**

Well, I will not be giving way again, Sir, because it was nothing I said. I was disputing why the Deputy was saying he needs to not only agree with the percentage rise, he now needs to make it the same amount of money over 42 weeks and that is why he is raising the £250,000 cap that has been out there for businesses to take in. We have all received the letter, even the Chamber of Commerce that represents half of the employers on this Island, have signed up and said: "Do not fiddle with the cap. Do not fiddle any more than about the one per cent", so I do not know when to speak, because we have an Amendment to an Amendment to an Amendment and all I am saying is we agreed 32 weeks. I am putting it up from 18 weeks.

**Deputy K.F. Morel:**

Sorry, point of order. I really do apologise.

**The Bailiff:**

Sorry, if somebody asks for a point of order, then I must hear it.

**Deputy J.A. Martin:**

OK, if it is a point of order. It is not a point of order, Sir.

**The Bailiff:**

Hopefully it is a point of order, something on which you need my ruling.

**Deputy K.F. Morel:**

It is a point of order. Unfortunately, the Deputy is speaking about the wrong Amendment.

**Deputy J.A. Martin:**

I am speaking on all of them.

**Deputy K.F. Morel:**

In my Amendment to Deputy Southern's Amendment, I do not talk about 32 weeks, or 42 weeks. That is not part of the Amendment under discussion, Sir.

**The Bailiff:**

I am afraid that is not a point of order, as such, because it requires no decision from me about the rights and privileges of the Assembly. It may be a point if the Deputy had given way for clarification, but the Deputy did not give way.

**Deputy M. Tadier:**

Sir, may I raise a point of order? I think it is a point of order that you need to rule on, because the Standing Orders say that the speeches must be relevant to what we are talking about. Deputy Morel has just said that the Deputy is not talking to this Amendment. That is the way I understood to be the point of order being made.

**The Bailiff:**

Well, thank you for that clarification, Deputy. The point has been raised and mentioned by Deputy Morel. Now Deputy Martin is aware of the position. I do not think there is anything I can rule on, because I am not sure that I could say what Deputy Martin specifically was talking to in terms of the Amendment. Deputy Martin, please continue.

**Deputy J.A. Martin:**

So, you cannot get into my mind, or what I am trying to say. I am surprised, Sir. What I am trying to do - and I am sorry if I am taking a little bit of leeway - we had this conversation, all States Members invited on Monday and the Greffier said when there is an Amendment to an Amendment

to an Amendment to an Amendment, if you can try to make sure that you are encompassing everything and if I am speaking out of turn I will take a point of order. All I am saying is literally there is an Amendment to an Amendment to an Amendment and I do not think anybody, in this Assembly, really believes they work, so I am saying the best thing is reject this, because I think Deputy Morel was trying to make it a little bit better to Deputy Southern's. We do not agree with that. If you want me to stop there I can, like everyone else can, speak on every single Amendment to the Amendment and I can be here until Thursday next week. I think we have all been giving each other leeway and suddenly it is points of order, because they do not like what I am saying. Basically, what I am saying is do not support this Amendment, do not support the next and do not support the Amendment to the Government Plan when we get there.

### **The Bailiff:**

I think, to clarify what I said before, this is a fairly complex process of Amendment to Amendment to Amendment and I think for people to explain their position, they may need, in appropriate circumstances, to make reference to the Amendment that is being amended and even the Amendment to the main Amendment. Accordingly, I am affording a fair amount of leeway, not asking people to be too strict, because I am not sure that that would assist the ultimate debate. Obviously, Members will make their minds up as to whether they need to speak more than once when we move up through the Amendments. That is the approach that I have taken. Does anyone else wish to speak on this Amendment to the Amendment to the Amendment?

### **1.6.4 Senator S.Y. Mézec:**

I was looking at Deputy Tadier there, working out which of us should go at this point. It is my view that every iteration of these series of Amendments is an improvement on the position in the Government Plan, be that Deputy Alves's version, Deputy Southern's version, or Deputy Morel's version. My view is that, in the pecking order, I would say that Deputy Morel's is the least good and on the basis that I think it is the least good, you would, therefore, think that the Minister for Social Security would consider it the most good out of those 3 iterations. I am surprised that she says to vote to reject it when, surely, it is a better back-up position from what her position would be. OK, she wants the whole thing thrown out, fair enough, but if she is not going to get her way on all of that, you would assume that she would argue in favour of this as a back-up position, but there we go. I will be voting against this Amendment. I may have voted for it, had it been at a different order in this, so that I could make it my back-up position, but unfortunately we do not get the opportunity to do that, because of the order in which this is being debated, which is unfortunate. Had this been the third of these, I would have voted for it. It is my view that the optimum version of these Amendments is Deputy Southern's. I think that is the best one, because it provides a complete, level playing field across the board, no ifs, no buts, we all pay the same rate. I think that is fairness. I, personally, do not buy the arguments that are expressed about what this will do to business. I think this applies to the minority of people in the workforce and those who it does apply to are those who are better off, who are again most able to pay for it. I think that Deputy Morel used the word "extreme" to describe this and I would say to him that if 6.5 per cent is extreme for high earners, why is it not extreme for everyone else? It is the fact that, for the vast majority of workers, their employers are paying 6.5 per cent on their behalf. Is that extreme as well? If he wants to say that it is, then maybe we could have a debate about a flat rate, at a lower rate than 6.5 per cent for everyone and maybe there are versions of that that may still raise revenue, that we can then divert to whichever particular services we want to. On this occasion it is parental leave, which is certainly a worthy one for consideration. I think there is something wrong there and something unfair to suggest that there is something wrong about 6.5 per cent for those higher earners, but that is not a problem for lower earners. I believe that we ought to be treated the same in this. He said that there was an argument here that did not apply to the L.T.C. debate, in that this more resembles insurance than the other one and that, theoretically, those at the higher end are going to take out the least from it. I guess, theoretically, that may be true, but



the fact of the matter remains that every single rich person is a few unlucky incidents away from being a poor person very quickly. Any rich person, or any high earner, is perfectly capable of having an accident, is perfectly capable of becoming ill somehow, or may be unlucky that something may happen to their family, that totally transforms how they are able to conduct their life and how they are able to earn their money. In those situations, I would never want to say to a very high earner, who has paid a lower effective rate, because of these bandings and because of these caps, who then is unlucky, becomes poor and then comes to the service to ask for support, that they should proportionately receive less support, because they proportionately put a lower rate in. They should be just as entitled to the full range of support as everyone else should be. If people are going to be treated equally and they will be treated equally, it is just that they happen to not need it mostly, but may well need it if they had an unlucky incident happen to them. If everybody is going to be equal, then everybody should pay an equal proportion. The rules should be the same for everybody. It was in the election manifesto that I stood on that said I thought that social security contributions should be raised gradually, I think are the words that were used in the manifesto, because I perfectly accept that you do not want to be too disruptive, you do not want to bring things out of the blue. I do not accept the Minister for Social Security's argument about there not being a lot of notice about this. I think, when you elect politicians who say they are going to do something, then they get elected and then attempt to do it, you cannot claim to be surprised. You may well be surprised that a politician tries to do what they said they were going to do, but you should not be, that ought to be the normality that politicians bring forward Propositions that resemble what they said they were going to do in the election and that is what has happened, so I do not accept this argument about notice. So, for now, I will not address the issue of the cap, because that is excluded from this particular Amendment, we can come on to that later, but I do not accept the argument that 6.5 per cent is extreme, when it applies to the rest of us. I do not accept that it is unaffordable. It is clearly aimed at the people for whom it is most affordable, or the employers of higher earners and it provides us to be in a position where we are better able to put funding towards public services that make people's lives better and I cannot think of anything more appropriate than that. So, purely on the basis that this comes about at the wrong time in the Order Paper, I will vote against it, but in the instance that it is successful it still, in my view, resembles a better position than if the Government Plan were completely unamended. So I ask Members to vote against this one, although no big deal if they do not.

#### **1.6.5 Deputy M. Tadier:**

The reason I intervened and I just remind Members, it was not my point of order, I think it was Deputy Morel's and I think he was right to raise it, is because, of course, in many debates the arguments are so close about what the Amendments are that one can make a general speech on all of them. But I was disappointed with the Minister for Social Security, because each of these variations is very different to the other and if you are going to stand up and say: "OK, just reject all of them because none of them are as good as what I am proposing", that is an unnuanced approach and it is also disrespectful to the fact that Deputy Morel, which is the one we are speaking on now, has put some effort into this, along with any other Member who has lodged Amendments into this Government Plan and it seeks to achieve slightly different outcomes. Now let us remind ourselves of exactly what is on the table here and why the Minister should care about whether, or not, we vote for this particular Amendment, or we reject it. So, the current Proposition, as unamended by the Minister, if I understand it, is that we currently have a cap of £176,000 on employer contributions. She wants to raise that to £250,000 and at the same time there is currently a 2 per cent charge between that margin, between £176,000, and she wants to put it up by 0.5 per cent to 2.5 per cent. So, if you earn up to £250,000 above that, you will pay up to 2.5 per cent in that margin. Now, my colleague Deputy Alves is saying: "Let us put that to 4 per cent and increase the ceiling to £500,000, so rather than your £250,000, let us double it, but the cap still remains firmly there." That is what she is proposing and Deputy Southern is saying: "Let us just charge the same rate to everybody and abolish the cap completely." Then Deputy Morel is saying: "OK, rather than what Deputy Southern is

proposing [let us get this right, he is saying] let us put the 2.5 per cent contribution on there, but let us get rid of the cap completely.”

**Deputy K.F. Morel:**

May I have a point of clarification and I ask the Minister for Social Security to correct me if I am wrong, it is very important to say that the contribution rate is the employer contribution rate and not the employee contribution rate. It is very important, so it is the business that is paying this 2.5 per cent, or 6.5 per cent, whichever way it goes.

**Deputy M. Tadier:**

I think I said that, but often it is easy to mix up your endings on the word, but absolutely correct. Now, the reason that is important is that you would have thought that the Minister for Social Security would have preferred Deputy Morel’s Proposition to that of Deputy Southern, because the Council of Ministers have been saying: “Well, the cap serves a purpose, or at least even if in the future we did want to get rid of the cap, we should do it straight away” so if we are going to decide to remove the cap completely, which I do support, you would have thought that the Minister for Social Security would want to at least have some say over what that rate was, because if a 6.5 per cent rate and a cap is going to scare some businesses, as we are being told, then presumably a 2.5 per cent increase is better. Is that a fair position? That is the way I interpret this. Now, I am not going to support this, because I think it undermines what Deputy Southern is trying to achieve. So, it is certainly better than if the cap was still there, so, personally, as a Reform member and also somebody who has independently come up with the conclusion that the cap ...

**The Bailiff:**

I do not usually have to compete with music. Thank you very much, Senator. I think the musical interlude is over, Deputy, please continue.

**Deputy M. Tadier:**

So Senator Mézec is absolutely correct, because there is a problem in the order in which things are taken, because when things fall away you are not left with the one that you might have wanted to know.

[16:00]

You need to have information about what the Assembly might want to do. This is a scenario, incidentally, where a preferential voting system would be really good in scenarios like this. When you have got multiple-choice options, it would be handy to know which is the most popular option that the Assembly has, because it is often the case that you get left with the lowest common denominator, because everything else falls away and you are left with something that nobody really wants and is not ideal and that plays into the hands of whoever is lodging the original position. So, that is just an aside, but it is something that I think we seriously need to take into consideration, because it is one of those unintended consequences and an infrequent, hopefully, perversity that occurs every now and again. But certainly my opinion has always been that and, certainly before Reform were even on the scene, I heard from many people at many elections, before I was even perhaps old enough to vote about why do we have a cap on social security contributions, it is regressive, it needs to be removed, and that is the position. I think it is rational, it is reasonable and it is about fairness. That is why I think at some point in the future it will happen and if it does not happen today, it is going to have to happen.

**The Bailiff:**

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

**1.6.6 Deputy K.F. Morel:**

Thank you for bearing with me in my interventions there; thank you. I will keep it very brief. My Amendment seeks only to limit the scope of Deputy Southern's Amendment. Deputy Southern's Amendment, if passed, would still abolish the cap on social security contributions; my Amendment, if passed, would limit it to abolishing the cap on social security contributions, employers' contributions and I do so by keeping the employers' contribution rate at 2.5 per cent up to the upper earnings limit. So, from the standard earnings limit to the upper earnings limit, the employers' contribution rate would be 2.5 per cent. I think that is really important that we do not go further. That 2.5 per cent is proposed by the Minister for Social Security. I think it is really important that we do not go further than that, because this is a direct cost on employers. It will make it harder for employers to run their businesses, to keep employing people because the cost of employment will rise significantly were we to adopt that part of Deputy Southern's Amendment. I maintain the abolition of the cap because, to be honest, for all the reasons that Deputy Southern, Senator Mézec and Deputy Tadier have already said. I believe there is a fairness in lifting the cap and throwing it away, but to do that in conjunction with the increase in the contribution rate would be unfair. Just to make a point to Senator Mézec's issue of fairness, putting the employers' contribution rate up to 6.5 per cent is not a fair thing to do on the employers and it does not address the issue of employees. So, if I am earning £200,000 a year and I see my employers' contribution rate rise to 6.5 per cent, that has not affected my income at all and so, in that sense, I do not believe Deputy Southern's Amendment helps with the fairness issue in that area of the contribution rate. It only helps in the issue of the abolition of the cap; hence, we maintain the cap being abolished if you adopt my Amendment. So, please, I do ask you not to think along the lines of Deputy Martin, where she is saying: "Just reject everything." I understand why the Minister wants to do that and protect her patch, that is totally understandable, but I do ask that you support my Amendment, to ensure that employers are not in any way put in danger of having to pay a 6.5 per cent rate on Social Security contributions on those earnings above £53,000 for the upper earning limiting. So, it is really important that we do not scare employers in that way. So, please do support my Amendment and you may well send it to the bin by not supporting Deputy Southern's Amendment, that is fine, but I would prefer to have that insurance in place in the first place. Thank you. I propose the Amendment.

**The Bailiff:**

Is the *appel* called for?

**Deputy K.F. Morel:**

The *appel* as well, please.

**The Bailiff:**

Yes, I invite Members to return to their seats. I ask the Greffier to open the voting.

<b>POUR: 15</b>		<b>CONTRE: 30</b>		<b>ABSTAIN: 0</b>
Senator S.C. Ferguson		Senator I.J. Gorst		
Connétable of St. Clement		Senator L.J. Farnham		
Connétable of St. Lawrence		Senator J.A.N. Le Fondré		
Connétable of St. Brelade		Senator T.A. Vallois		
Connétable of Trinity		Senator K.L. Moore		
Deputy of Grouville		Senator S.Y. Mézec		
Deputy of St. Martin		Connétable of St. Helier		
Deputy L.M.C. Doublet (S)		Connétable of St. Saviour		
Deputy of St. Mary		Connétable of St. John		
Deputy K.F. Morel (L)		Connétable of St. Peter		
Deputy G.C.U. Guida (L)		Connétable of St. Mary		
Deputy S.M. Ahier (H)		Connétable of St. Ouen		
Deputy J.H. Perchard (S)		Deputy J.A. Martin (H)		
Deputy K.G. Pamplin (S)		Deputy G.P. Southern (H)		

Deputy I. Gardiner (H)		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. 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 Trinity		
		Deputy of St. John		
		Deputy R.J. Ward (H)		
		Deputy C.S. Alves (H)		

**1.7 Government Plan 2020–2023 (P.71/2019): ninth Amendment (P.71/2019 Amd.(9)) – second Amendment (P.71/2019 Amd.(9)Amd.(2)) - resumption**

**The Bailiff:**

We now return to Deputy Southern’s Amendment. Does any Member wish to speak on Deputy Southern’s Amendment?

**1.7.1 Senator S.Y. Mézec:**

I presume that Deputy Morel’s Amendment was voted out, because Members are obviously much more keen on this rendition. **[Laughter]** I am very pleased. Obviously, he persuaded Members, so looking forward to overwhelming support of this. Of course, it would deserve overwhelming support, because it is the most fair version of this that is on the table. In his closing remarks, on the last Amendment, Deputy Morel did point out that this applies to employers’ contributions, not employees and so that sees employees not paying more. I suppose there is a perfectly ideologically consistent position where one might say that you raise employees’ contributions, as well. From a philosophical point of view, that is probably very difficult to argue against. I think I would go back to what commitment I made to my voters, which is I said “gradual” and so I would say that it is right to look at these in isolation. There is no point in having tax rates that are so high there is nothing you can do with that revenue you have got coming in. I do not believe in over-taxing people. I think that we should have fair tax and we should have progressive tax. So, the reason that I support doing this is because it makes what is currently a very regressive system, not even progressive, it makes it proportionate. That definition I gave in the L.T.C. debate about what constitutes a regressive tax, or a progressive tax: a regressive tax is a tax where the effective rate decreases, as the taxable base increases. That is the case for social security contributions, both employees and employers and if this Amendment is accepted, then we have, certainly in employers’ side of things, that is a level playing field, contributions the same across the board, that is fairness. I cannot think of another word to describe that. Some, of course, may worry about the impact of the actual process of moving from the *status quo* to moving to what is here and, fair enough, people can have their concerns if they choose to. But what I hope that Members will come around to is the view that, on a point of principle and in terms of being most effective in raising the revenue we need for our public services, this is clearly the best option. It is not a practical, or pragmatic, way forward to focus your tax raising on those with the lowest incomes or, in this case, the employers who employ the people on the lowest incomes. This provides us with a substantial amount of revenue, which will enable us to invest in our public services, make life better for ordinary Islanders, provide better parental leave and leave

some left over and we can discuss what can happen to that, whether we leave it alone for security reasons, or whether we invest it elsewhere. That has clearly, on principle, got to be the right thing to do. If it is the view that this goes too far in one go, then we are in a very fortunate position of having the fallback position of Deputy Alves's Amendment. So, I say to Members, if they are not prepared to take the step of moving to the fairest version of this in one go, then at least consider Deputy Alves; we will get to that debate, once this one has finished. So, I am wholeheartedly supporting this and I am very interested to hear what arguments there are against it. I see that Jersey Finance, like clockwork, have produced their letter opposing this, as they did, quite wrongly and quite incoherently, when I last year brought my income tax Amendment. I reiterate the points that were made in the L.T.C. debate, that it is our quality of life, our corporation tax system and business infrastructure that makes Jersey a good place to do business. If you are employing people on high incomes, it is surely right that you get more tax out of those people on high incomes, otherwise, what on earth is the point in having them in the first place? We may as well be an economy where there are no high earners, that they would make no difference there. So, if we are to have people on good salaries, earning lots of money in an environment where we, compared to other jurisdictions, drastically under-tax businesses that operate here, because of Zero/Ten we have an incredibly generous corporation tax system compared to other jurisdictions where it is substantially higher, the least we can ask is that there is another mechanism of getting revenue from them and this is a perfectly good one.

### **1.7.2 Deputy S.M. Wickenden:**

Luckily for the Senator, if he is excited to hear about why we should not do this, he does not have to hold his breath long. This is absolute madness and it even goes against the Reform Jersey manifesto to reduce social security contributions to the self-employed. Well, this takes up class 2 contributions which is the self-employed contributions. It puts extra cost on businesses that employ people on wages above £53,000, so it is increasing doing the cost of business in Jersey, which is against the Reform's manifesto and it is not prudent, or sensible, to be doing in our economy. We are talking about nurses and skilled workforce too, so the employer in those areas will have to contribute more in that way, which means it is going to be a higher cost to us and our healthcare system as well year-on-year as we go on, because we know that when there is the picket line saying: "Cost of living pay rises for everyone" that this is going to have to be taken into consideration, as well. We do know who will be on those picket lines, yes, we do. This should just be thrown out. I am not going to egg this too much, because it is as ridiculous as I have just explained. Throw this out, it does not work, it is a danger to our economy. Throw out the next one and let us get on with the sensible side of running this Government.

### **1.7.3 Deputy K.F. Morel:**

I just want to confirm, I have been speaking to colleagues on these Benches and it is interesting that that was rejected, my previous Amendment was rejected, because the Assembly is now in danger of passing Deputy Southern's other Amendment.

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

I am pleased the Member has that confidence.

### **Deputy K.F. Morel:**

It is a game of jeopardy. I just have to say that, sadly, I will not be able to support this Amendment because it does have a detrimental effect on the costs of employment. Where Senator Mézec was talking about Zero/Ten creating a preferential environment for businesses in Jersey, to some extent he is correct. To some extent. The trouble is - as someone who has seen how much it costs to run businesses and how difficult it is to run businesses in Jersey - the costs of employment are not limited to taxation. The costs of employing in Jersey are hugely in the accommodation costs, those costs of

premises, they are in the costs of inflated wages, which are much higher than most other comparable jurisdictions and they are in the costs of buying goods and services in Jersey, which is obviously an Island which we know has an affordability issue. That affordability issue is the same for businesses as it is for individuals, so please do reject this Amendment, because the rise to 6.5 per cent for employers' contributions - and it is not scaremongering - it will mean some employers saying: "Sorry, no more; cannot do this here anymore." So, please do reject this.

#### **1.7.4 The Connétable of St. Ouen:**

Speaking from 40 years' experience in the finance industry and many years at board level, I perhaps do not need to remind the Assembly that financial services in this Island makes up 60 per cent of our income, both direct and indirect. Most of the companies I have worked for have been subsidiaries of U.K. and international companies. The most consistent question I have faced from my U.K. and overseas directors and colleagues is: why are we in Jersey justified? There are many good reasons why businesses are in Jersey. We are a quality off-shore jurisdiction, we are well regulated, we have a good professional infrastructure and we have a politically-supportive Assembly, who recognise the value of financial services. We also used to be able to say that it was good value for money for our shareholders; however, in recent years that has become an argument that is harder and harder to make. We are becoming more expensive and, I have to say, the proposed increase to 6.5 per cent for employers' contributions is probably, in my view, a step too far. Now some in this Assembly will say that I am just shroud-waving and the finance industry will just soak this up again. Maybe they will, maybe they will not.

[16:15]

However, please be aware that U.K. boards are very hard-nosed and they will have a tipping point at which Jersey is no longer viable and we do not represent good value for money as a jurisdiction. Now, Senator Mézec, rather derisively, refers to the letters from Jersey Finance. Well what does he expect the body that represents the finance industry to do? Just to ignore what we are doing? Not to consult with their colleagues? The consultation processes involve every single trade association in the finance industry and let me quote from some of the things they say: "To be clear, the proposals under the Amendment represent a 720 per cent increase in additional employer contributions already contained in the Government Plan. This is an additional burden of £24 million in employers' contributions over and above the yield already set out in the Government Plan. The employers' contributions are a cost of doing business. Like any other cost, the employer contributions reduce a business's profitability and, therefore, reduces the ability of businesses to pay staff more, expand into a new market or, indeed, return value to investors which is a particularly vital point. As far as achieving a fair balance and reducing an inequality [as Deputy Southern suggests], increased employer contributions are a cost shared by all stakeholders in the business, employees, employers and shareholders." Then, their second letter on 25th November in which they set out the associations that they have consulted and, to my knowledge, this is every single finance trade association in the Island. They comment, and I make no excuse for reading from this: "The J.F.A. (Jersey Funds Association) have stated there will be widespread concern for any policy that significantly increases the costs to employ and, therefore, the ability to recruit and retain skilled and experienced individuals in the Island, which would be likely to severely damage Jersey's competitive position." This is from the Trade Association. Now, we may say that they are scaremongering, but can we really, truly ignore them? They go on to say: "Jersey is already perceived, in many cases, rightly, as an expensive jurisdiction, particularly for more skilled and experienced resource that the Island is seeking to attract for good competitiveness. The supply is not only to the finance sector, but other businesses in the Island." In conclusion, can I say, can we really afford to ignore these trade associations? Is it a chance we want to take with our largest earner in the Island? Because, frankly, if we do destroy the finance industry - and we may, or we may not, I do not know, I do not want to scaremonger about this - but once it has gone, it has gone and all the wonderful things that we want to do in this Assembly

will no longer be possible, because we will not have the money to do it. I urge Members to reject this Amendment.

### **1.7.5 Deputy M. Tadier:**

I thought I was listening to Uncle Frank there, because this Amendment apparently is going to destroy the finance industry. It is strange how when lobbyists write a letter to us, or to the Government, they sometimes listen and sometimes they do not. Of course, I am sure that if we had had a letter from the Taxi Drivers Association complaining that putting the price of fuel up was going to put them out of business, or make the cost of taking taxis in Jersey too expensive, because they would inevitably have to pass that cost on to customers and customers might think twice about getting in a taxi for their Talking Therapies, as well as the rise, then they might go out of business. Of course, Ministers would say: "Oh, this is just shroud-waving and they just have to suck it up, because we need money in the coffers." Similarly, we did get lobbied by commercial interests about the very nuanced arguments about duty increases in the hospitality industry. In the past, those lobbies have been partially successful, even in spite of governments not supporting them when the Assemblies allowed them to win. But, of course, we get the selective quoting from the letters when we get lobbied here. For me, this is ultimately about fairness. Do we want to see a level playing field when it comes to businesses operating in Jersey? What I mean by that, is if you have got a business where you employ 10 people and your staff each get paid, let us say, £50,000 each, your wage bill is £500,000 and you will get charged an effective rate of social security contributions of 6.5 per cent on that. If, for example, you have 10 employees, but they each get an average of £100,000, therefore, your wage bill is £1 million a year, you are only paying an employment contribution rate of 4.62 per cent. If you go to a business, which is presumably doing quite well financially, if they can afford to employ 10 people on £200,000 a year, so they have got a wage bill of £2 million, their effective rate of contributions goes down to 3.6 per cent. So, are we really helping small businesses in the Island? Are we targeting the social security contributions correctly, when we are saying if you are small business and you can only afford to pay a median wage, but you will be hit for the full 6.5 per cent, but if you are a bigger business, which is more successful and, of course, we can carry on going up in the ladder, there will be people in Jersey who might be earning £500,000 a year and their employer contributions on that will become increasingly small, as it tends down towards zero, obviously never reaching zero. The point of that again is it is not a level playing field. Now, let us put this in the context of previous governments, which have shifted the tax burden from corporations and from companies, big companies in many cases, who used to pay significant taxes. Of course, a zero rate of tax was then introduced into the Island and we know all the reasons for that and the subsequent tax burden was put on the shoulders of ordinary working people. Is this not the correct adjustment that we should be bringing into our business community? How many Senators, indeed, have stood on election platforms, saying: "Yes, we must find a way to tax companies" but nobody has been able to come up with the golden bullet and that is because it is very difficult when you want to have everything; you want to have a zero rate of tax for the companies that need to be here for those purposes, but you do not want to scare them off, but we want to have some kind of level playing field. This moves us in the right direction. If we genuinely want to serve and help small businesses, then, of course, we can look at self-employed people, but this is not the time to do it. But, certainly, we will be coming back in our manifesto promises to look at how we can help small businesses, who do currently have to pay both employer and employee contributions. Would it not be great if there was enough money in the pot to say: "We can reduce your contributions. Perhaps you might only pay 10 per cent, rather than 12.5 per cent because there is enough money in the pot to do that." So I think this is fair, it is well balanced and I do not buy the argument ... that letter we had from Jersey Finance effectively said, the way I read it, is that the good thing about Jersey is that stability remains, irrespective of political cycles. What that says to me is that we kind of take the States for granted, because we know that they are not going to fundamentally change anything and you have not got any levers that you can use. It is a disingenuous argument, it genuinely is. The zero per cent tax rate

remains in place; nobody is looking to change that. This is about, if you could already afford to employ somebody who is earning over £150,000, £200,000, £300,000 a year, you are not a struggling company and those companies can afford to pay a bit more. If everyone is being asked to pay a bit more, why the most successful corporations in Jersey, why should they be let off that?

#### **1.7.6 Deputy R.J. Ward:**

There are a few things I would just like to say regards this, one has to put something in perspective here. The mean wage is £40,000; the median wage, the most frequently-occurring wage, is £32,000. These effects do not kick in until you are employing somebody and paying them £53,000, or above. So, we have to understand what this is affecting, it is not the vast majority of people. I would like to say to Deputy Wickenden, if I may, that he should really read our manifesto more carefully before he makes comments; in fact, perhaps he ought to focus on his own, his Party's manifesto, although that seems to have dissolved, but I am sure it will be back for the next election. I think we need to be very careful before we start to pick holes in things that are misinterpreted. We are talking here about genuine fairness, by having the same social security contributions for all employers, regardless of how much they are paying, rather than employers who are paying at the top end of the scale, paying effective rates that are less. So, it is a simple decision: do we want fairness or do we want to maintain the huge inequality that is there? It raises money, so that we can fund the more effective things that we have talked about and we will talk about them again, I am sure, in a moment. This is a cost to employers, but not to the vast majority of small businesses, who do not employ people at £53,000, or above. Then it is a sliding scale, is it not? You are paying a bit more on that extra 5 or 10 or 15; it is the real high earners who can afford to pay a little more and we have to bite the bullet at some time, we have to address this issue, otherwise we cannot sustain our society. That is the key. We did it earlier, we said we would not lower G.P.'s fees, because of the Chicken Little politics that the sky will fall in. I am fed up with that and I hope we can move on from that in this Assembly.

#### **1.7.7 Deputy J.H. Young:**

Only a brief comment, I am not persuaded by the Amendment being proposed. I was not planning to speak, but obviously what I heard, I think, was an argument that said: well, because we have not got a corporate tax, because we have not got an opportunity to review Zero/Ten that what we have got here are some proposals to try and use the social security system as a means of generating that tax revenue. As much as I would love to achieve consistency and I am sure there is scope for consistency, just listening to the complications, this does worry me a great deal. I think what this is really, this Amendment, is effectively a payroll tax. I think payroll taxes effectively suffer from very significant distortions. Really, if we are to have corporate tax and tax on businesses, I believe it is imperative we start to tackle, again, corporate tax on profits, because that is what really matters, not the cost level of business, what is the level they are paying employees, but what people's profits are, because those are those net earnings. My plea is, I hope that, in the future, we can get our tax structures looked at properly, so I am not going to support this. But it does not mean to say I am very happy with our mixture of different revenue-raising matters and I really want to see this issue of corporate taxation revised, because that is where I think the efforts need to go.

#### **The Bailiff:**

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

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

Thanks to everybody for valid, in most cases and brief, interventions. Again, we come back to this basic principle, the one of equity, a single rate, without a cap, in order to raise much-needed finance for our public services. As some speakers said, they reminded people that these are employers' contributions, when their employees are earning over £53,000 a year, not a median wage of £32,000, but £53,000. So it is almost the top fifth of the workforce. It is the real high earners, that is who it



is. I noticed, in his speech, that Deputy Morel talked about where we are clearly going. By that, I took him to mean that we are going to have to have a look at our social security system and how it functions, what the rates are and whether caps are employed, *et cetera*. He says that is inevitable, that is where we are going. I got the same feeling from Deputy Young, who suggested that we did not want to be doing this type of tax, we should have another type of tax, whether it is tax on profits, or whether it was taxes elsewhere, that somehow we need a better method, in order to compensate for our Zero/Ten regime, to which I say, yes, we can all do that. Whenever we come across any Proposition, we can always argue: “But why did he do that?” or: “Why do you not do that?” The reality is, bring your own Amendment, then. Come on, where are these Propositions that are going to help us make up for what is seen as still a shortfall on our public services? We are scraping around, looking for £100 million worth of efficiency savings in a year. I do not know, I am not psychic, whether we can do that, or not, but the fact that we are looking for them says that our economy is not in all that healthy a place, despite high employee numbers.

[16:30]

I come back again to this £53,000, these are not the poorest workers and I wonder by how much. What is the margin on employing somebody on £53,000 a year? How much profit is the employer making from that employee? Because, that is where this rise is coming from and I would suggest that is fairly significant. I do not think you employ somebody at £53,000 to earn yourself £10,000 a year, you must be getting some return from this worker, otherwise you would not be in business. Deputy Wickenden, as he sometimes does, quite often does, started talking about Reform Jersey’s own policy, which is to examine the charges at the bottom end of the market to see if we cannot reduce some rates for people who do not earn that much as self-employed. So, yes, it is there, it is in the plans, it will be brought forward in good time. The Constable of St. Ouen, a very interesting speech, has asked the question: why should I have to justify why I am in Jersey? My immediate thought was to go to: because, over in Jersey, we only pay 6.5 per cent employers’ social security contributions and not 13.8 per cent, which is the U.K. standard. That is one of the reasons why you might be here, because you do not pay 13.8 per cent National Insurance and in the Isle of Man I think the figure is 12.8 per cent, slightly smaller, but it is still twice what we pay in terms of supplying our services. I thank Deputy Ward and Deputy Tadier who, once again, pointed out with some quick calculations how exactly the rate goes down the more you earn and how inequitable, unequal that is and that is my target. Thank you; I call for the *appel* and can I take the 2 items separately? I believe they are connected.

**The Bailiff:**

Yes, so you wish to vote on paragraphs (1) and (2) of the Amendment separately? Yes. Very well, there is nothing offensive in that and, therefore, the *appel* is called for, I invite Members to return to their seats. The first vote is on paragraph (1) of the Amendment. I ask the Greffier to open the voting.

**Senator S.Y. Mézec:**

Could you just clarify for Members what is the difference between those 2 parts?

**The Bailiff:**

Yes, the first vote is the Amendment to page 2, paragraph (1) which is for the words “increased from the proposed £250,000 to £500,000” substitute the word “abolished” and for the words “between the standard earnings limit and the upper earnings limit” substitute the words “above the standard earnings limit”. That is the section that is being voted on now. I ask the Greffier to open the voting.

<b>POUR: 10</b>		<b>CONTRE: 34</b>		<b>ABSTAIN: 0</b>
Senator S.Y. Mézec		Senator I.J. Gorst		
Deputy G.P. Southern (H)		Senator L.J. Farnham		

Deputy M. Tadier (B)		Senator S.C. Ferguson		
Deputy M.R. Higgins (H)		Senator J.A.N. Le Fondré		
Deputy K.F. Morel (L)		Senator T.A. Vallois		
Deputy of St. John		Senator K.L. Moore		
Deputy J.H. Perchard (S)		Connétable of St. Helier		
Deputy R.J. Ward (H)		Connétable of St. Clement		
Deputy C.S. Alves (H)		Connétable of St. Lawrence		
Deputy K.G. Pamplin (S)		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		
		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 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 S.M. Ahier (H)		
		Deputy I. Gardiner (H)		

**The Bailiff:**

The next vote is on the second part which is for “4 per cent” substitute “6.5 per cent”. I ask the Greffier to open the voting.

<b>POUR: 8</b>		<b>CONTRE: 36</b>		<b>ABSTAIN: 0</b>
Senator S.Y. Mézec		Senator I.J. Gorst		
Deputy G.P. Southern (H)		Senator L.J. Farnham		
Deputy M. Tadier (B)		Senator S.C. Ferguson		
Deputy of St. John		Senator J.A.N. Le Fondré		
Deputy J.H. Perchard (S)		Senator T.A. Vallois		
Deputy R.J. Ward (H)		Senator K.L. Moore		
Deputy C.S. Alves (H)		Connétable of St. Helier		
Deputy K.G. Pamplin (S)		Connétable of St. Clement		
		Connétable of St. Lawrence		
		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		
	Deputy J.A. Martin (H)		
	Deputy of Grouville		
	Deputy K.C. Lewis (S)		
	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 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 S.M. Ahier (H)		
	Deputy I. Gardiner (H)		

**1.8 Government Plan 2020-2023 (P.71/2019): ninth Amendment (P.71/2019 Amd.(9)) - Amendment (P.71/2019 Amd.(9)Amd.)**

**The Bailiff:**

Very well, we now return to Deputy Alves’s Amendment, but there is a further Amendment by Deputy Morel, Amendment (9) Amendment and I ask the Greffier to read that Amendment.

**The Greffier of the States:**

1. Page 2, paragraph 1 – Delete the words “and the percentage rate levied on Class 1 employers and Class 2 contributors on earnings between the Standard Earnings Limit and the Upper Earnings Limit shall be increased from the proposed 2.5% to 4%,”; and for the figure “£8,700,000” substitute the figure “£1,600,000”. 2. Page 2, paragraph 2 – In the inserted paragraph (1), for the words “from 18 to 26 weeks” substitute the words “to 42 weeks in total for both parents (nominally, 21 weeks each)”; for the figure “£3,000,000” substitute the figure “£1,600,000”; delete the paragraph number “(1)” and delete the inserted paragraphs (2) and (3).

**1.8.1 Deputy K.F. Morel:**

I will try not to repeat the arguments you have already heard. In short, my Amendment to Deputy Alves’s Amendment is similar to the Amendment that I brought to Deputy Southern’s and so it maintains the contribution level for employers’ contributions above the standard earnings limit at 2.5 per cent, as is proposed by the Minister, so that is one thing it does. As I did with Deputy Southern’s Amendment, it kept the contribution rate at 2.5 per cent. My Amendment also maintains Deputy Alves’s increase of the cap, which goes up to £500,000, as a result, from the £250,000 proposed by the Minister. As a result, an extra £1.6 million is earned for social security and I have obviously gone through Deputy Alves’s Amendment; Deputy Alves’s Amendment itself raises a lot more than £1.6 million. Mine only raises £1.6 million, so, obviously, has restricted uses for that £1.6 million. In line with the findings of the Economic and International Affairs Scrutiny Panel where, as I mentioned earlier, we found that the family-friendly legislation that the Government should do more to fund that legislation, I have, through this Amendment, said that that £1.6 million should be used to increase the amount of parental leave available to both sets of parents from the current 32 weeks in total up to

42 weeks in total, which is, nominally, 21 weeks per parent. So, through this lifting of the cap further than the Minister proposes, to a £500,000 wage limit, we will be generating an extra £1.6 million which, with this Amendment, will then be spent on funding parental leave up to 42 weeks across the partners in that family, so 21 weeks each nominally. I, personally, think that that is an excellent use of the extra £1.6 million and it goes a long way to satisfying the requirements, or the findings, of our report as a Scrutiny Panel where the Government needs to do more because, at the moment, the Government is purely asking employees, individual employees, some of them that are incredibly vulnerable in terms of their staffing levels, to foot the bill entirely - or almost entirely, I do apologise - and obviously coping with all the staffing changes, as well. This enables a bit more to be provided to those employers to make it easier for them. Of course, by doing that, it increases their contributions slightly, but by using the cap as the method for raising extra contributions, extra money, what you are doing is it is only on those employers who are paying very large amounts of money to their staff, so it is only on those staff receiving very large amounts of money. The Minister is bringing the cap up in her Proposition to £250,000. This Amendment, combined with Deputy Alves's Amendment, brings it to £500,000, so it is only those companies that employ people on between £250,000 and £500,000 who will be paying any extra and I do not have the figures, but there really are not that many companies paying more than £250,000 to their staff, but there are enough companies to generate £1.6 million extra in revenue for the social security. So, it is quite a simple Amendment; it does serve also that insurance policy, which too many of the Members did not buy into, which is by ensuring that the contribution rate is not increased, that the cost of employment does not increase for all employers of people over £50,000, so that is really important. You can accept my Amendment and it certainly does no damage to the majority of employers in this Island. What it does, it only raises employment costs for those employers, who employ staff at a rate of over £250,000 and that is quite a considerable wage and so it does very little to increase overall employment costs in the Island. It is a very good and very clever way of generating money for parental benefits, which this Assembly so strongly supported just a few weeks ago. So, I propose my Amendment.

#### **The Bailiff:**

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

#### **1.8.2 Deputy J.A. Martin:**

Let us be clear, the Deputy is saying it is only those between £250,000 and £500,000. In the Government Plan and what was proposed when I brought family friendly, was already going from £176,000 to £250,000 and that is raising £3 million that I need to do the 32 weeks. The argument the Deputy put forward that we need 42 weeks, only a few weeks ago the same Deputy said he could not support 52 weeks, because we were not paying enough. Not for long enough; enough. The Economic Affairs Scrutiny Panel thinks we should pay probably about 80 per cent of a wage. None of this does this. So it was, when I brought family friendly, we had already been able to lodge the Government Plan, looked where we could get the money and extend what Reform wanted from 18 weeks, they asked for 26 and I said: "Can we go further?" We can go to 32 weeks and we can raise £3 million by just moving the £176,000 that the cap has been at for ages and it is about what you can achieve. That raises £3 million. Now, the Deputy, over the stroke of a pen, says they are all going to swallow that extra, employers out there who employ people between £250,000 and £500,000 are going to just go; "OK, you can do that." So, really, it is quite easy, you either think that they can, I personally do not ... it is one of them we keep looking at. I am not saying this is the end, to move it from £176,000, both caps today; if we get that through, is a big step. I am not saying it should never move; I am saying you do not do it with 2 weeks' notice. You do not do it, because you think: "We do not like the 32 weeks, suddenly we will give 42 weeks, same way, same amount, 2, 2, 2, for 42 weeks," when the Deputy's argument, only 4 weeks ago in this Assembly, 6 weeks ago, was: "Cannot support this, because a rich person will take it, you are not paying enough." So, what we are doing today is very, very ... the Deputy will say subtle, I say it is just one step too far. Been out there, it was exactly we

were told, I got overwhelming support for the 32 weeks to raise the £3 million in the Government Plan, to put the cap up from £176,000 to £250,000 and today we have had all different variations. I do not think we should push it today, because we do not know about the other £250,000 to £500,000. The Deputy does. I would err on the side of caution and say not today, let us see. As the Deputy loves consultation, we can go out in the next Government Plan and maybe can we move it a bit, I am not saying we cannot, I am saying you cannot one day say: "I love consultation. It has not been consulted on." Where something has been in the Government Plan, lodged since July, told you where I am taking the money from, because of family friendly suddenly say: "It is only some people who employ very rich, they are just going to go yes." Go on then, I do not think so. The Deputy says it is £1.6 million; I am saying is it £1.6 million that breaks the bank? My proposal is tested, my proposal has been out there, my proposal has been supported by everyone who has written in. I do not care, you want to rubbish the trade industries, this has I.o.D. (Institute of Directors), this has Chamber on the letter, everyone who represents a lot of in that middle, all employers, but we are talking about the high end. I really think we stick with what we know.

[16:45]

You can come back tomorrow, you can come back later, but you need to consult and you need to take the so-called very high-end employers with you before you just say: "Oh, it is only another £1.6 million, it will do this and how I want to spend it." Because I do not think 32 weeks to 42 weeks makes a difference. I am more concerned where the Deputy just thinks he can move £250,000 to £500,000 overnight, without consulting on the people it will affect paying. So, I really urge the Assembly, you might think this is not too much, I am saying it is a step too far.

### **1.8.3 Senator S.Y. Mézec**

I thought that was quite an odd criticism of Deputy Morel, to be perfectly honest. What Deputy Morel is proposing is axiomatically better than the *status quo* and just because it may not resemble what Deputy Morel may consider to be the perfect solution, it is certainly better than what is on the table right now and it is bizarre to criticise a Member for working for improvement and not perfection. That is just a weird thing to criticise someone for. As I said was the case with Deputy Morel's previous Amendment, what is on the table in this debate is an improvement on the basic position of the Government Plan. Again, I cannot vote for it though, because it comes at the wrong time in the Order Paper and I would much prefer to vote for Deputy Alves's Amendment, unamended by Deputy Morel's and that is just a shame that happens to be the case. Deputy Morel did well make the point, though, that in trying to support businesses by providing a funding mechanism, to improve support for parental leave is not just in the interests of business, it is in the interests of families and the number of people whom the contribution change affects is a very small number of people. I will say - and some people might not necessarily like hearing this - but we have had a debate about the employers' contribution between the standard earnings limit and the upper earnings limit, whether that ought to be 2.5 per cent, whether it ought to be 4 per cent, whether it ought to be 6.5 per cent and people have different views on that. If you are somebody, who is earning below the standard earnings limit and it is suggested that your social security contributions, either your own, or your employer's, are going to go up by 2.5 per cent, you may well think that is a bit steep and you may well want to complain about it. If you are on £500,000 a year, you probably ought to keep your head down, you are probably not going to get that much sympathy, you can afford it. When you look at the statistics for how the range of incomes in Jersey has changed over the last decade, to be in that position and to have all of this privilege, because that is what it is, it is a privilege to be able to earn money and to not have the same rules apply to you as apply to everybody else, by having lower rates applied to that when you are the category of person that requires it the least. It is amazing that we put up with this in the age of information and how we can get all of these statistics and find out these rules so easily now. I certainly think that there will come a point in the future where, when trying to do the right thing by improving parental leave provisions, as we have to do, because it is the right thing, when it comes to

trying to make access to G.P.s cheaper, as we are going to have to do, because it is the right thing and we keep time and time again trying to pile those extra taxes, those extra charges, on to people who, depending on what definition you may want to use, can be called the squeezed middle, or those businesses that are employing people on average or, in this case, slightly above average salaries. We keep saying to those at the very top, who have never had it better: “Do not worry, you do not have to worry about this, you are excluded from it.” That is just repugnant, surely, to exclude those most able to pay. So, I regret to say to Deputy Morel, although I completely respect his reasoning and think he is perfectly within his rights to bring an Amendment that, in his view, clearly represents a step forward and, in my view, represents a step forward, it is simply for the reason that it is at the wrong time in the Order Paper that I cannot vote for it, because I think there is a better opportunity awaiting me probably by the end of this sitting to vote for a version that takes us even further, enables us to support even more parental leave provision, which I think is the right thing, which I think is the inevitable thing. It is just a case of whether we get on with it next year or, as the Minister for Social Security says, some point in the future, with no guarantee on when that can be. It will be funny if we get to that point where, in a year’s time, or 2 years’ time, the Government then comes back and says: “OK, now we are going to raise the cap even more this time” and we will say: “Why did we not just get on and do it the first time around, when there were no negative consequences?”

**The Bailiff:**

I am hearing some ... apparently it is in the public gallery. Please carry on, Senator.

**Deputy M. Tadier:**

A point of order, what is the fine for the public gallery? **[Laughter]**

**The Bailiff:**

There is no fine; it is go directly to jail. **[Laughter]**

**Senator S.Y. Mézec**

I like the sound of that. I have nothing to add beyond what I have said, so for a completely different set of reasons to the Minister for Social Security, I ask Members to vote against this Amendment.

**The Bailiff:**

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

**1.8.4 Deputy K.F. Morel:**

It is interesting, Deputy Martin was claiming that I am inconsistent for arguing one thing a while ago and another thing now and yet all I hear is constant inconsistencies in Deputy Martin’s arguments, depending on what Amendments are threatening the Council of Ministers’ agenda today. The Minister also mischaracterised the Panel’s findings and we clearly said in our report and in our recommendations that ...

**The Bailiff:**

Deputy, I hate to interrupt you but you appear to have something tapping.

**Deputy K.F. Morel:**

Apparently it was the magnet on the case of my phone.

**The Bailiff:**

I wondered if it was a metronome for the timing of your speech.

**Deputy K.F. Morel:**

It was a scientist who informed me of that. It was unfortunate that the Minister mischaracterised the findings of the Economic and International Affairs Scrutiny Panel’s report into family friendly legislation, because one of the things we were clear about was that the Government should pay more, to enable the maternity benefit that the Government wanted to give to all employers and that was a key finding of our report and it was partly because the Government was unwilling to fund any more that we were saying, well, one of the reasons we were saying, do not go to 52 weeks until you can pay to go to 52 weeks. But that is all said and done now. Another issue with Deputy Martin’s argument was Deputy Martin was basically saying: “Those businesses, employing people between £250,000 and £500,000, how could you suddenly expect them to pay that extra money, those poor businesses?” I do not like asking businesses to pay extra money ever, because I know how important they are to the economy, but there is an unfairness about the way the system works at the moment and it has to be said, if you are paying somewhere between £250,000 and £500,000 to an employee, I honestly believe the chances are your business is in a pretty robust place and is used to pretty high charges and costs in there, because that is an enormous sum of money to be paying to your employees. I believe the extra, if you have an employee on £500,000 a year, raising the cap, as Deputy Alves’s Amendment combined with my Amendment would do, would cost that business an extra £6,000. That is an extra £6,000 on top of the rise that the Minister has already put in place. So, it is for those businesses that are already paying £500,000 to their employees, an extra £6,000 I really do not think is going to have them turn around and walk out of Jersey. The strange thing is, the Minister felt that it was fine on businesses that paid less to their employees, businesses that are likely to be smaller businesses and she is happy to increase the cost to them, that is not a problem, but let us not increase it to those businesses that are bigger. So, I will not spend any more time, I believe that this is a very clever, very fair way, inspired by Deputy Alves, of raising extra money to pay for extra parental benefits to Islanders, something which the Minister supported so clearly just a few weeks ago, but is less happy to support now, *c’est la vie* and I do hope that the Assembly agrees with me and feels that they can support this Proposition, because it does so in a way that affects very few businesses. It supports families and affects very few businesses beyond that which the Minister is already proposing herself. I now maintain 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.

<b>POUR: 6</b>		<b>CONTRE: 37</b>		<b>ABSTAIN: 0</b>
Connétable of St. Brelade		Senator I.J. Gorst		
Deputy M.R. Higgins (H)		Senator L.J. Farnham		
Deputy of St. Mary		Senator S.C. Ferguson		
Deputy K.F. Morel (L)		Senator J.A.N. Le Fondré		
Deputy S.M. Ahier (H)		Senator T.A. Vallois		
Deputy I. Gardiner (H)		Senator K.L. Moore		
		Senator S.Y. Mézec		
		Connétable of St. Helier		
		Connétable of St. Clement		
		Connétable of St. Lawrence		
		Connétable of St. Saviour		
		Connétable of St. John		
		Connétable of Trinity		
		Connétable of St. Peter		
		Connétable of St. Mary		
		Connétable of St. Ouen		
		Deputy J.A. Martin (H)		
		Deputy G.P. Southern (H)		
		Deputy of Grouville		
		Deputy M. Tadier (B)		

	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 G.C.U. Guida (L)		
	Deputy of St. Peter		
	Deputy of Trinity		
	Deputy of St. John		
	Deputy J.H. Perchard (S)		
	Deputy R.J. Ward (H)		
	Deputy C.S. Alves (H)		
	Deputy K.G. Pamplin (S)		

**1.9 Government Plan 2020–2023 (P.71/2019): ninth Amendment (P.71/2019 Amd.(9)) – third Amendment (P.71/2019 Amd.(9)Amd.(3)) - resumption**

**The Bailiff:**

Very well, we now return to Amendment 9, Deputy Alves’s Amendment, does anyone wish to speak on Amendment 9?

**1.9.1 Deputy M. Tadier:**

I do not want to incur your wrath; I had better stand up, even if I am not sure what I am going to say. I normally have some kind of inkling. What we have, in front of us now, is to ask that the cap, instead of being £250,000 is £500,000 and instead of being the standard rate of employee contribution of 6.5 per cent that it should be 4 per cent. This is the halfway house that Deputy Alves referred to in her opening speech. One of the issues I have is how is it OK for businesses, which pay employees between £176,000 and £250,000, why are they able to accept, because they are going to be getting an increase of the complete 2.5 per cent, is that right? They have never paid, so if you are in that band, between £176,000 and £250,000, you have never paid that 2.5 per cent on your employees’ contributions that you are paying as an employer, if that makes sense. So, they are OK with it. That kind of business model can sustain that kind of assault, if you like, that hike from zero to 2.5 in their payroll expenses, the payroll tax, if you want to call it. So, it is OK for them to have Deputy Young’s payroll tax that he referred to being imposed by the Minister for Social Security. But if you have an employer with earnings above that, those contributions are not subject to any contribution. It seems very strange. What is the difference? What is the substantive difference between an employee who earns over £176,000, but less than £250,000 and somebody who earns just over? Because, those people are going to be working alongside each other, potentially, so you might have one and this has to be seen as a package, I know it is easy to get bogged down with the fact, OK, these are not earnings that are going into the pocket, but this is the overall contribution that is being paid as a package and Deputy Southern earlier reminded us that there is a 3-legged stool in terms of the contributions, there is the States’ contribution of supplementation, there is the employee and employer contributions. This is recognising the fact that we, as an Assembly, have shifted slightly since the decades, if you like, of a more right-wing and less socially-responsible set of governments, to one which does put compassion and social needs at the centre of its strategic plan, it puts all the words and there are some very good in this Government Plan, which are being brought forward and this is very much in line with that and this is just a question of degree. So, I would hope, I do not know if the Minister for Social Security might speak again on this, but I do not think it needs to be that kind of tone and



dialogue that we have had up until now that, for example, what she is doing is the *meilleur du monde* situation, this is the perfect situation that is being put forward by the Minister for Social Security, *versus* what is being put here could never be countenanced, because it is really dangerous. This is just a question now of degree and it is a question of whether we do things a bit faster now, do we front load now, which the Government is doing anyway.

[17:00]

The Government has said to us we need to front load, for example, when it comes to the Long-Term Care Fund, let us do it now, because it is easier to make tough decisions early on in a Government cycle. Are we genuinely going to come back 6 months before an election to say that we do need money now, because we do not have enough in the coffers, we have not been able to make the £100 million of efficiencies that we thought we might, because of various factors, because they did not exist, or because the economic conditions have changed, we are being told that now the economic factors and the economy is in a good place, so surely this is the right time, if businesses are succeeding, now is the time you put up the contribution rates for presumably those most successful ones. Why would we target, I say again, why would we target the ones just under the £250,000 wage packets and let the ones just above it off? It is a perversity that I do not get. The last point is, let us not get just bogged up in the money, let us look at the things that this is going to pay for, it is things that we have universally all signed up to. Of course, Deputy Martin, the Minister for Social Security, needs to be congratulated for what she got through the States only a few weeks ago and she had support from a cross-section and we were happy to support that, but it does not mean that there were not reservations and *caveats*, because many in the Assembly thought it did not go far enough. We are still at a point in a wealthy Island where we only give 6 weeks' paid maternity leave to parents and, of course, there is a year of leave, if you can afford to take it, a year of shared leave, but there are many people in society who will not be able to take it. Let us talk about not being able to run before we can walk; what about being able to walk before we can crawl. Just think of a 6 week-old child, that somebody has to then leave into care, or perhaps with an elderly relative, because they need to go back to work financially. At the same time, we are saying we do not want all the burden to be put on businesses. When is the States going to start doing its job? We can surely do better than a 6-week statutory maternity period and that is something that this would allow us to do in a properly costed and in a moral and ethical way, which asks the higher earners in a progressive way, because it is not lifting the cap off straight away and it is not increasing the rates to the full 6.5 per cent straight away. Deputy Alves has found a very good middle path here, that we can all support.

### **1.9.2 Deputy R.J. Ward:**

It is very important, just for the context of this again, we were here in the family friendly debate and we went through the arguments over that and we agreed it was really important that we can provide parental leave and there was an issue over the length of time. So, what Deputy Alves has done here is come up with a really sensible pragmatic costed and thought-through approach. It takes the increase and I too, I am afraid, would like to know why, after £250,000, which is the current change, that increase cannot be up to £500,000, because, if you are earning £500,000, that is a significant amount of money. If we can use that section of our community to help fund something that is needed for all and, indeed, surely, if those people earn that amount, can have access to the child care, not that they would need it, the money that is in the allowance. So, it is a very equitable approach from this change. We must not lose sight in this Assembly of what we are here for. We are here to try to improve Islanders' lives and we talk about it in one debate: "What are we going to do to improve young peoples' lives? We have to sort our maternity care here. It is not good enough." As soon as somebody comes along with a decent approach, a costed method, yet again we regress back, we pull back into our safety net and say: "Oh no, we cannot do that, we cannot be making those sorts of changes." We can. This is absolutely possible. This will directly improve a lot of people's lives. We have talked about it and we nearly got there. This time, perhaps, we might get there and we

might make the change that would show these improvements that we so desperately need to do. This is a simple approach; it works. It does not disenfranchise the lower earners in our population that we need to support, or indeed the middle earners. It does not stop employment. It does not affect the employment market. So, this is a sensible, achievable, middle ground in this approach that we can do something with. I urge you to support this Amendment.

### **1.9.3 Deputy J.A. Martin:**

I could go on again about what is acceptable and what has been prepared for about the rate, but I want to go further and I rose because Deputy Ward said this is much fairer, this is this. Now, whatever way you think that Deputy Alves is going to raise an extra £8.7 million, look how she wants to spend it and Deputy Ward has just told us this is fair. Look at the comments from the Council on page 5: "Poorly targeted benefit." Now, it gives you a set of earnings before baby born, paying rent, now what if that couple is lucky enough - and I say very lucky and I hope they would be - who might not be minimum wage, they might be on living wage, but they have scraped together enough and they have got a small one-bedroom flat. What Deputy Alves then asks us to do - look at the figures on page 5 - the earnings before was £593 a week, the earnings now, because mum or dad have given up work, is £297, income support of course because you need support is £400. What Deputy Alves says, across the board, let us put only parental benefits up, we have a universal benefit, so if you are sick, if you are looking after an elderly parent, if you are looking after a disabled child, you get the £222 or the £220, it is going up, it is all across the board. But Deputy Alves says if you are also getting income support and parental benefit, give that parental benefit 100 per cent disregard. I ask you to look at that middle column. With rent, you are £23 short of £1,000 a week and, I am sorry, it is badly targeted, because I know - I absolutely said in the debate on family friendly - I need to keep looking at this; are we paying enough, not are we paying it for long enough. Is 22 enough for one parent across 52 weeks and then the second parent and we are only paying 32 weeks of it, if we go up, is that enough money? But why would you then differentiate between somebody who is on income support with a parental benefit and say you have got 100 per cent disregard and give someone £1,000 a week? Deputy Alves is taking it out of the parental benefit out of contributions, but the £280 disregard, or the £200 part of the income support is taxpayers' money. So, you really have to get your head around it is a 2-part and I think Deputy Alves said we could take it in 2 parts, but we either raise the 8.7 and we do not distribute it the way Deputy Alves says and I think she did say we will have to take part 3 and part 2, because it asks me to - well asks the Assembly - amend the Income Support (General Provisions) (Jersey) Order 2008, to introduce a 100 per cent disregard for income on parental benefit for households in receipt of income support awarded costs of £2.2 million. So, that is a deduction of taxpayers' money, £2.9 million. So even if you think £2.5 million to £4 million is OK and £250,000 to £500,000 is OK, please look at the extra bits where it is not fair, it does not give to everybody who is receiving parental benefit, it completely makes a different case for those on income support. Now, if the Deputy had said: "Look at a disregard for loss of earnings" and this was an earnings replacement and mum or dad had given up work, we have a disregard of 26 per cent. Now, I would not have minded looking at that, but this does not say that, it is absolutely a lot of money and it just affects one small certain people in society and it would not help somebody else who could be exactly the same wage earner, exactly the same benefit, but is lucky enough to have a small mortgage and then they would get no help. They would get the parental benefit but they would not get the income support. So, I look forward to the Deputy in her thinking there, because you have those just about managing over income support, you have those who are lucky ... I would not say lucky, I would say well done if you have saved your money up and you have planned your family and you have got a small one-bed or even small 2-bedroom flat you are paying for. I would like the Deputy to explain to this Assembly how she thinks this is fair across the board for everybody and I absolutely say do not support the whole lot, but I really look forward to the Deputy's, the way she has worked this out, because she did say about the first year of a baby's life. I did all this myself and I know exactly, I am just saying how can you split society down the middle and say for that it is a

complete extra £280, for those people it is no extra money. I look forward to her answer but I really urge the Assembly not to support any of this.

#### **1.9.4 Deputy G.C. Guida:**

I have been trying to do some calculations, because we do have to be very careful when we start looking at caps, because the difference between the rise in percentage and what it does is quite large. So, for example, on somebody at the cap now of £250,000 what we have done with social security and the L.T.C., even bringing it up by just 0.5 per cent, added 50 per cent to the social security contribution, so it is not a huge sum of money, but it is 50 per cent larger and I think people are bound to notice. If we apply the figures used in paragraph 2, we are talking, again for the same amount of money, of doubling the social security contribution. Again, it is not a huge amount, it is about 5 per cent of the total, but people will notice that their social security bill has doubled from one year to the other. We try to be gentle when we do those things, we have been, we have had a very long argument about not making it one per cent, but making L.T.C. just 0.5 per cent, and I am glad that was won, even though we will have to pay for it some other time. Now we are talking about 5 or 6 per cent, that is fine, that is not a problem and, again, in that case, doubling it, doubling something, so do be careful with that. One per cent here, one per cent there, is not terribly damaging, when you double something people do notice, whatever their income.

#### **1.9.5 Senator S.Y. Mézec:**

As Members know, I am very much a middle-of-the-road sort of person, very much centrist and since we have now found the moderate version of these proposals they, of course, have my full and wholehearted support, as I hope they will the other moderates and centrists in this Assembly. What Deputy Martin has done with the Government Plan proposals, by accepting that the cap and the rates of employers' contributions is negotiable has now opened up a debate about what that right level is and so it is right to be having that and it is not for any Government, be it this one, or a future Government, to say that they have the received wisdom on this issue, they are right and no alternative version that can come before this Assembly can also be right. In raising the cap to £500,000, we create a fairer society, by asking those with broader shoulders to carry more of the burden. By raising the rate by a modest amount above the standard earnings limit produces revenue, which we can use to fund services, which will have a tangible impact on improving lives. This phrase has been used a few times in the Government Plan debate and it has just been used again by Deputy Martin about poorly targeted benefits. I do not know about you, but I am starting to think that some people think all benefits are poorly targeted and that we should not do anything at all. I, personally, have no misgivings, whatsoever, at providing enhanced support above the level that is currently planned for people starting a family, whether they are on income support, whether they are home-owners, whether they are anything.

[17:15]

I think it is right to do and what we achieve by abolishing the disregard is by accepting that the difference between having your child and not having your child is a huge difference and, therefore, ought to be recognised somehow in the benefit system, rather than just saying: "Well you just lose all of your income support when you have a child" which is clearly wrong. Deputy Martin also talked, on this point; she talked about splitting society down the middle. I have to say that is a bit ironic when supporting a cap, which splits society down the middle and says: if you are rich, here are the rules you play by; if you are everybody else, here are the rules you play by and they are separate rules. That is both immoral and impractical, in that it holds us back as a society from being able to provide services that we all deserve to rely upon. So, by going for this iteration of these Amendments, we make a gradual progress to having a fairer society, having better-funded supports that families can benefit from. I can see no downside from that and I hope that Members begin to realise that the low-tax/low-spend model, that Jersey has operated on for decades, is completely broken. It has led

us to a point where we have to make £100 million savings, it has led us to a point where we have to introduce regressive taxes like G.S.T., yet we maintain the regressive aspects of various taxes anyway, despite all of the statistics showing that the wealthiest people in Jersey are getting wealthier and wealthier, have never had it so good, are not being asked to pay more, yet the parts of society where poverty has gone up, where real terms earnings have frozen for a decade for everyone else, we say we will keep squeezing, we will keep squeezing. I have to ask Members how much longer do they think that can go on for because, if wealth gets concentrated in the hands of a few at the expense of everybody else - and that is the trend we are on - how long can that trend go on before you have one person who owns everything and everybody else who owns nothing? There is a point at which this trend has to stop, not slow down, stop, because that is not sustainable. The question has to be asked that, if it is not going to be today that we do something to reverse that trend, when is it going to be and what will it be? It is no use burying your heads in the sand over this. Jersey has historically been very good at taking advantage of moments in our history where we have had an opportunity to do something to prepare for the future. We had a good debate about the purpose of the Strategic Reserve, where a moment in our history was taken advantage of to create a fund that could be used in the future in case something bad happened and today we are not in the same situation that we were back then. If we had to do that now, we would probably really struggle. So, at what point in Jersey's present will come that moment where we address that trend? Deputy Alves has an Amendment before us, which goes some way to achieving that, by asking the wealthiest to pay more at the end of a decade where their wealth has exponentially increased at the expense of everybody else, either by giving them a freeze in their income, or a cut and putting people into poverty, which makes investing in these services even more important, so we do not have people living lives of misery. When comes that point where we accept that the tax and spend model that Jersey has operated, at times successfully in our past, can no longer continue? An alternative is needed and if we do not seek that alternative, at some point in the future, we face ruin, because that is the trend we are on, that is simply a statistical fact, at some point that trend will have to be reversed, if not today, when? So, I will be supporting the Amendment.

#### **1.9.6 Deputy S.M. Wickenden:**

I am going to first address a comment earlier that says because this is only going to the upper earnings limit and it is only for employers that employ somebody that are over £50,000, that it will not affect people on the lower incomes. That cannot be right, because the people over £50,000 are the people you know as your skilled workforce, they are people like your plumbers and your painter and decorators and your electricians and your gas engineers and the likes, they are skilled workforces and they get paid over that amount, which means it makes it more expensive to do businesses in the areas where there are skilled workforces; that means that the prices go up, which means everyone has to pay them. So, to say that jumping up this far would not affect people on the lowest incomes cannot be right, in my view. Senator Mézec talks about an incremental change. We have an incremental change, but we are doing it in a small incremental way that we are informing people about what we are doing, so when we are raising the cap in our Plan, we are raising contributions and the upper earning limits in our plans, but we are doing it in a way that does not have such a roulette type approach in our economy. That has to be the right, prudent and sensible, way to go. Senator Mézec also talked about £100 million of cuts or savings, but it is efficiencies and, surely, we should have an efficient Government, because that is what the people of Jersey expect us to have, which is an efficient Government, so if we can be efficient, let us be efficient. We have looked at those efficiencies, to see if we cannot spend money here, where can we give more money to like mental health and education and other areas that we can spend money on. Surely that is the right thing to do. We are moving forwards and, again, it is the targeting, and we do look at this targeting, I sometimes worry about how these figures got came at. Was it looking at, if we put this percentage up and if we raise this cap, how much money we can get, and then go: "Right, we have this money, where can we spend it?" Or was it: "Where do we need to spend the money?" Because this is

disproportionate to other parts of our social security benefit system, which does not really target people like carers and the disabled, it puts the contributions up much higher for mothers, which I know it is a difficult time, but also, at the same time, it then cuts it off, so you are going to give mothers, or parents, a massive increase in their income for a short period of time and then just drop it off and that is never an easy thing to do, when you are trying to budget for the future in your household economy, is suddenly to rip away the money in that way when you have boosted it to such a level. I say that social security, in our plans, in the Government Plan, are doing the changes where we are raising things a bit higher and it is putting a little bit more cost on, but we are doing it in an incremental way that is manageable, that the businesses know about and we are moving in a direction, we are just not moving at the running-blind, hand over your eyes, run forward pace; we are doing it with our eyes open and we are doing it by informing people and businesses that we are doing it well in advance, so they can prepare for it. I would say, please reject this Amendment, it is poorly targeted and it plays Russian roulette with our economy.

### **1.9.7 Deputy L.M.C. Doublet of St. Saviour:**

This Amendment has been really well thought out. I read through this and I was seriously impressed and it made me recall conversations that I had with Deputy Southern when I was a new Member and I was just looking back at some of the history of, well we just had maternity leave, did we not, at first and it was only as recently as 2014 that there was any paid maternity leave. I just cannot believe that there was a time so recently that there was nothing and I cannot imagine how families coped then. But the rest of the world has moved on at a pace much faster than us and then we seem to have made this significant step with our family friendly legislation, but there are bits missing and we touched upon that in the family friendly debate. Families are in the situation now, as Deputy Alves outlined in her opening speech, where they will have this leave available to them, but might not be able to afford it. I remember Deputy Southern saying to me: "I sometimes put ideas forward and they get smacked down, but then they will come back later in some other form, a Minister might pick up on them, or I will bring them back in a slightly altered form and they will be a bit more acceptable that time around." What Deputy Alves has done here, she has almost done that process herself of thinking through what the possibilities are and what the compromises could be, how to fund it and she has come up with something, which even a Minister could have come up with. It is costed, it is funded. Sorry, I did not mean to insult anybody; I am trying to say it is really good. Sorry, it has been a very long week; I am possibly not as coherent as I was earlier in the week. I understand the need for a stepped approach and perhaps Members would be more comfortable waiting another year before we take this next step, because we do need to take this step; we do need to give families a way to financially be capable of taking this time, we have to do this at some point. So, rather than waiting a year so that we can get our heads around it and become comfortable with it, let us be brave and do it now, because we have to do this and this is the very least that we can do, because it will allow parents to take a year with their child. On the Early Years Board, we have been wrestling with this question of how do we fund nursery places going forward, because the Minister has said she wants to change how nursery places are funded and this is related. The key question we have been grappling with is: do we think that children are better off at home, or do we think children are better off in high-quality childcare. We were almost waiting to see what the outcome of the family-friendly debate was, because we now have this steer, we can see that the Assembly has decided 2 years; that is the optimum. We voted for that in the main, because it tallies up with the evidence and the research, the 1,001 days and all of those things that this Assembly has evolved to understand as being best practice. It is not funding 2 years; this is funding one year, so, in my mind, this is the absolute least that we can do. On the Early Years Board I would say that we would be all in agreement that one year definitely a child, looking at the evidence in terms of bonding and what is good for attachment, is best off in a home environment with a parent and we need to enable that. I wanted to pick up on something that Deputy Wickenden just said, because there has been a lot of discussion about the fact that it is going to be a slightly increased income for that period of time and Deputy Wickenden said

that is never a good thing to do, to give somebody more money while they have a child and then for it to drop off. The reality of it is that most families save before they have a child, I did this myself, because it does cost thousands of pounds and that first year, because you have nappies, the amount of baby-grows and clothing that a child goes through is just absolutely staggering. I still have piles of them in my house, like mountains of white cotton in my house that I need to sort out. It does hit you; the expenses are quite relentless in that first year. So, any family is going to be saving if they can and will be needing more money and spending more money in that first year. But some families cannot save, some families are living on minimum wage and they do not have excess income to put away month to month. That is why I think it is entirely reasonable and sensible to up slightly the income levels that they are entitled to for that first year. We already have an established principle in our system of providing slightly more, because we give a maternity grant.

[17:30]

It is understood, within our system, that there are going to be extra costs in that first year and the maternity grant is £667, so that principle is already established, but £667 is a drop in the ocean when you take the figure that Deputy Alves gave us of £10,000 additional spend in the first year of a child's life; it is a drop in the ocean. So, it is sensible to up it even slightly. I will leave it there. I am supporting this and Members should seriously give consideration to this and not just reject it. Somebody said earlier, I think it was the Constable of St. Lawrence, sometimes we vote against things, because of where it has come from. Regardless of where this has come from, if this had come from a Minister, then we might be looking at it slightly differently, look at this with fresh eyes. There is evidence behind it, it is costed, it is funded, it is a no-brainer to me. I will be voting for this and I really hope that people will support Deputy Alves in this, because it is an excellent Amendment, which will really support children and families, so well done.

**The Bailiff:**

I am assuming, in light of the decision made by the Assembly this morning, that we will continue until 6.30 p.m., or at least until this part of the debate is over.

**1.9.8 The Connétable of St. John:**

There is one very large section of our society that has been spoken of very little during this debate and that is the self-employed and the small businesses. Just some simple arithmetic and we have all employed a plumber, an electrician, a bricklayer, somebody of that nature, a skilled person recently; we know that they cost £35, £40, £45 an hour. An average working week is 40 hours, 52 weeks in the year with 2 weeks' holiday, 2,000 hours a year, multiply that out, they are on wages of something in the region of £70,000, £80,000, £90,000 a year. They are the ones who are going to be hit quite hard by the increases that are being proposed. But it is a double whammy because, if they happen to be a little more adventurous, a little more forward-going and instead of being a one-man business they become a 2, 3, 4-man business - person business as we call it nowadays - then they could, in addition to the financial difficulties and the financial additions they face, also lose 20, 30, 50 per cent of their staff for a period of time and that again to a small business is a massive hardship. I could not, when I was farming, turn around to my cows and say: "Sorry, I am not milking you for a year, because my wife has had a baby." They still had to be milked; they still had to be looked after. Business has to continue. We need to be very careful and very considerate when we vote on this Amendment. The Minister for Social Security has it about right and I would urge Members to support the Minister for Social Security, because what she has is right. Going further too quickly is not acceptable and I do not believe that we are doing the vast majority of the Island, who consist of the self-employed and small business owner, we are not doing them any favours and I would urge Members to reject this Amendment.

**The Bailiff:**

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

**1.9.9 Deputy C.S. Alves:**

The issues with putting the cap up were addressed fully and I do not wish to repeat anything. We discussed this in 2 Amendments to Amendments to Amendments, so that has really been dealt with. A couple of points that I wanted to pick up on, the Minister states that the disregard is a poorly targeted benefit. Well, it is targeted through the income support system that is established with Social Security and this figure of £1,000 a week that has been quoted is not in addition. The Minister made it sound like the £1,000 a week was in addition, it is not in addition. I have asked for the £280 to be a disregard, so I am not sure where that has come from. I also understand that some Ministers, it was discussed about putting the cap up to £500,000 and that some Ministers did support this during those discussions. That is what I have been told. So, going back to this disregard, I believe that, if a household income falls when somebody is on parental leave, they can then become eligible for income support, so we are not necessarily favouring those who work, or those who do not need income support over those that do, because, if the household income decreases, they can become eligible for income support. I want to thank Deputy Doublet, she addressed some of the points that I was going to address that Deputy Wickenden said. To say that it is almost best to have less money than to have an increase for a short amount of time, when you need it the most, just does not make any sense to me. Like I quoted in my initial speech, it costs £10,000 in the first year of a child's life. Overall, we need to look at the bigger picture; the long-term impact of this Amendment would be significant. I spoke about some of the studies that talked about increasing resilience, increasing happiness, increasing potential, surely in the long run that would make significant savings to the Government. There was some mention about businesses and the self-employed and small businesses. I may be wrong here, maybe somebody will correct me if I am wrong, but I was under the impression that if you have a business, your wages are tax deductible as an expense so they are not paying full tax on those wages, because it comes as an expense to the business. OK. I am going to leave it there, I do not want to labour on too much, so I maintain the Amendment and I ask for the *appel* please.

**The Bailiff:**

Deputy, you asked previously the order in which we might take these, it seems to me that your first Amendment is linked to 3, paragraph 3(3) and those 2 rise and fall together, but the others can be taken separately. Therefore, if you agree, I would suggest that we might take this in 3 stages, firstly part 1 to include part 3, subparagraph (3), then part 2, then the remaining parts of part 3. Would that be acceptable to you?

**Deputy C.S. Alves:**

Yes, thank you.

**The Bailiff:**

Very well. Hopefully that is tolerably clear. Do you call for the *appel*? Yes, the *appel* is called for. I invite Members to return to their seats. The first vote is on part 1 of the Amendment, which will include a vote on part 3, subparagraph (3), because the 2 are inextricably linked. I ask the Greffier to open the voting.

<b>POUR: 9</b>		<b>CONTRE: 35</b>		<b>ABSTAIN: 0</b>
Senator S.Y. Mézec		Senator L.J. Farnham		
Deputy G.P. Southern (H)		Senator S.C. Ferguson		
Deputy M. Tadier (B)		Senator J.A.N. Le Fondré		
Deputy L.M.C. Doublet (S)		Senator T.A. Vallois		
Deputy of St. John		Senator K.L. Moore		
Deputy J.H. Perchard (S)		Connétable of St. Helier		
Deputy R.J. Ward (H)		Connétable of St. Clement		

Deputy C.S. Alves (H)		Connétable of St. Lawrence		
Deputy K.G. Pamplin (S)		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		
		Deputy J.A. Martin (H)		
		Deputy of Grouville		
		Deputy K.C. Lewis (S)		
		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 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 S.M. Ahier (H)		
		Deputy I. Gardiner (H)		

### The Bailiff:

Very well. I ask the Greffier to reset the automatic voting and we come to a vote on part 2. I ask the Greffier to open the voting.

<b>POUR: 9</b>		<b>CONTRE: 35</b>		<b>ABSTAIN: 0</b>
Senator S.Y. Mézec		Senator L.J. Farnham		
Deputy G.P. Southern (H)		Senator S.C. Ferguson		
Deputy M. Tadier (B)		Senator J.A.N. Le Fondré		
Deputy L.M.C. Doublet (S)		Senator T.A. Vallois		
Deputy of St. John		Senator K.L. Moore		
Deputy J.H. Perchard (S)		Connétable of St. Helier		
Deputy R.J. Ward (H)		Connétable of St. Clement		
Deputy C.S. Alves (H)		Connétable of St. Lawrence		
Deputy K.G. Pamplin (S)		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		
		Deputy J.A. Martin (H)		
		Deputy of Grouville		
		Deputy K.C. Lewis (S)		
		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 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 S.M. Ahier (H)		
	Deputy I. Gardiner (H)		

**The Bailiff:**

The last vote is on paragraph 3, subparagraphs (1) and (2). I ask the Greffier to reset the voting system and to open the voting.

<b>POUR: 10</b>	<b>CONTRE: 34</b>	<b>ABSTAIN: 0</b>
Senator S.Y. Mézec	Senator L.J. Farnham	
Deputy G.P. Southern (H)	Senator S.C. Ferguson	
Deputy M. Tadier (B)	Senator J.A.N. Le Fondré	
Deputy of St. Martin	Senator T.A. Vallois	
Deputy L.M.C. Doublet (S)	Senator K.L. Moore	
Deputy of St. John	Connétable of St. Helier	
Deputy J.H. Perchard (S)	Connétable of St. Clement	
Deputy R.J. Ward (H)	Connétable of St. Lawrence	
Deputy C.S. Alves (H)	Connétable of St. Saviour	
Deputy K.G. Pamplin (S)	Connétable of St. Brelade	
	Connétable of St. John	
	Connétable of Trinity	
	Connétable of St. Peter	
	Connétable of St. Mary	
	Connétable of St. Ouen	
	Deputy J.A. Martin (H)	
	Deputy of Grouville	
	Deputy K.C. Lewis (S)	
	Deputy M.R. Higgins (H)	
	Deputy J.M. Maçon (S)	
	Deputy S.J. Pinel (C)	
	Deputy of St. Ouen	
	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 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:**

If I could just ask the Chairman of the P.P.C., the purpose of continuing was, as I understand it, if we reached a natural part of the debate. We have now finished with that Amendment, the next Amendment is Senator Mézec’s Amendment number 21 and I am entirely in the hands of the Assembly whether we use the next 45 minutes for that.

**Deputy R. Labey:**

Yes, I think we can get through Senator Mézec’s Amendment in 45 minutes. That would be my suggestion.

**Deputy K.F. Morel:**

If I may make the Proposition that we continue until 6.30 p.m., in order to undertake the debate for Senator Mézec’s Proposition.

**The Bailiff:**

Yes, very well, is that seconded? **[Seconded]** The Proposition is to continue. The reason I put this to the Assembly at this point, even though the Assembly have previously agreed to go to 6.30 p.m. was because, on my understanding, that was to accommodate finishing a debate, which was then in train. So it is a matter for Members as to whether we continue now to 6.30 p.m., there is a Proposition before the Assembly. Does anyone wish to speak on the Proposition?

**Senator S.Y. Mézec:**

Just to say to Members, I have no idea if this point will be well regarded by Members, or not; I have voted against every extension to sit later on this evening, because it is extremely inconvenient for me to be here right now, because I did have other places that I needed to be and to then make me have to be here for my Proposition is even more inconvenient. If Members vote the other way, of course, I will cancel and I will do what is my duty and have to be here, but I would just like to say I have voted against all these extensions, because it is very inconvenient for me, because of longstanding commitments.

**Deputy G.P. Southern:**

I would just like to remind Members that the provision was that we would stay on until 6.30 p.m. if we have a piece of work to finish and we have, it is here, it is the next one up, it is not the one that has just gone, that was finished, this one is here and we should be respecting what we said and moving stuff to another date.

**Deputy M. Tadier:**

If we take the personalities out of the equation, it seems awfully harsh to ask the mover of a Proposition, who is not in a position to move that Proposition, for whatever reason, to do so under, not under duress, but under the difficult circumstance. After 5.30 p.m. on a Friday, we are not required to be here, in a sense and if we had prior engagements, one would be *défaut excusé*, so if, for example this was a Monday morning and a special sitting, so Senator Mézec could technically be offered *défaut excusé* and he would not have to move his Proposition and he could ask for it to be taken later. So, on those grounds alone, not to mention the fact that we had already agreed only to sit after 5.30 p.m. if it was to finish off a piece. Lastly, Members have been telling me privately in the coffee room and in there that their brains are fried and it is Friday after all, so I do not think we do our best work at this time on a Friday evening when we have already agreed not to be here.

[17:45]

**Senator L.J. Farnham:**

Looking at the list, there is Amendment 8 for Deputy Higgins that I understand the Council of Ministers are accepting, perhaps we could skip over Senator Mézec's and do that and perhaps Deputy Labey might want to see off his parking one in half an hour.

**The Bailiff:**

We play with the order that the Assembly has set at our peril. Does any other Member wish to speak?

**Deputy J.H. Young:**

I thank the Senator --

**Deputy R.J. Ward:**

I think I have been called.

**The Bailiff:**

Yes, I called on Deputy Ward.

**Deputy R.J. Ward:**

Just to reiterate, it is really important that we stick to our decisions. We said, if we are finishing off a debate at this time then we would stay, not beginning a new debate. If we, as an Assembly, are going to determine before we even start how long something is going to take, then we are not debating it properly and we are not considering it and that is not democracy and it is not what we were elected for.

**Deputy R. Labey:**

I take that point and I just thought that Senator Mézec might like the opportunity to slip his Amendment in quickly, at the end of a long day, because it is often a very good position to be in. But if he does not want to do it, I do not want to make him uncomfortable and what has been said about the rules that we set up is correct and we should probably adjourn.

**The Bailiff:**

Very well, I am going to assume --

**Senator L.J. Farnham:**

Could I propose the adjournment please?

**The Bailiff:**

Unfortunately not, because we have a Proposition before the Assembly to go on until 6.30 p.m. Do you maintain that Proposition?

**Deputy K.F. Morel:**

I do maintain the Proposition. Just very quickly, when it comes to taking decisions, last night we voted to stay until 10.00 p.m.; this morning we voted to stay until 6.30 p.m. I will, in future, propose that we only ever vote on adjournments at the adjournment time of 5.30 p.m., because we have wasted the best part of 45 minutes in just talking about leaving at different times, only to leave at the 5.30 p.m. time anyway. So, if we could just vote on the 6.30 p.m. Proposition and happily reject it, obviously all go home, but let us just do that.

**The Bailiff:**

Very well. The *appel* is called for. I ask the Greffier to open the voting. The vote is on whether the States continue until 6.30 p.m.

<b>POUR: 20</b>		<b>CONTRE: 25</b>		<b>ABSTAIN: 0</b>
Senator S.C. Ferguson		Senator L.J. Farnham		
Senator K.L. Moore		Senator J.A.N. Le Fondré		
Connétable of St. Clement		Senator T.A. Vallois		
Connétable of St. Lawrence		Senator S.W. Pallett		
Connétable of St. Saviour		Senator S.Y. Mézec		
Connétable of St. Brelade		Connétable of St. Helier		
Connétable of St. John		Connétable of Trinity		
Connétable of St. Peter		Connétable of St. Mary		
Connétable of St. Ouen		Deputy G.P. Southern (H)		
Deputy J.A. Martin (H)		Deputy M. Tadier (B)		
Deputy of Grouville		Deputy M.R. Higgins (H)		
Deputy K.C. Lewis (S)		Deputy S.J. Pinel (C)		
Deputy J.M. Maçon (S)		Deputy of St. Martin		
Deputy S.M. Wickenden (H)		Deputy of St. Ouen		
Deputy G.J. Truscott (B)		Deputy L.M.C. Doublet (S)		
Deputy K.F. Morel (L)		Deputy R. Labey (H)		
Deputy of St. Peter		Deputy of St. Mary		
Deputy S.M. Ahier (H)		Deputy J.H. Young (B)		
Deputy K.G. Pamplin (S)		Deputy L.B.E. Ash (C)		
Deputy I. Gardiner (H)		Deputy G.C.U. Guida (L)		
		Deputy of Trinity		
		Deputy of St. John		
		Deputy J.H. Perchard (S)		
		Deputy R.J. Ward (H)		
		Deputy C.S. Alves (H)		

**The Bailiff:**

Is the adjournment proposed?

**Senator L.J. Farnham:**

It is.

**The Bailiff:**

Very well, the States stands adjourned until Monday at 9.30 a.m.

**ADJOURNMENT**

[17:47]