

STATES OF JERSEY

OFFICIAL REPORT

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[9:33]

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

COMMUNICATIONS BY THE PRESIDING OFFICER

The Bailiff:

1.1 Tribute to former Connétable of St. John, Carl Hinault

Members will be aware that the former Connétable of St. John, Carl Hinault, passed away last week. Carlyle Hinault, widely known as Carl, was born in 1940 in Jersey and his family farmed in St. John. His education started at St. John's School where he was relieved to find that his class teacher was conversant in Jèrriais because that was the language that was spoken in the Hinault family home. At the age of 12 he moved to Hautlieu School where he showed enthusiasm for sports; football being his first love. After leaving school he farmed alongside his father but also branched out into a small haulage business and later in life this led to an involvement in the retail trade, shipping, greenhouse, nursery and property development. He married his wife, Daphne, in 1964 and the couple had a daughter, Julie. Mr. Hinault joined the Honorary Police in St. John and gave many years' service as a Constable's officer and then Centenier before he entered the world of politics. He was a regular player at the St. John's Football Club, for which he served as assistant secretary, vice president, and club president, for a number of years. He took up shooting with the Miniature Rifle Club and was the founding secretary of the Jersey Tug-of-War Association. The Jersey Tug-of-War team competed in Holland, Dublin, Sweden, South Africa, and England, and in 1977 he became the vice-president of the Tug-of-War International Federation and was involved in organising the world championships, which were held in Jersey during that same year. In 1983, he was elected for the first time as Deputy of his Parish and was subsequently elected in the next 3 elections in 1987, 1990, and 1993. In 1994 he was elected as Connétable of St. John, a position he then held for the next 6 years. During his tenure, he was instrumental in organising various Parish celebrations, marking the Liberation and the millennium, and he served on the Special Occupation and Liberation Committee formed to commemorate the 50th anniversary of the Liberation, establishing many of the key elements of that day's celebrations, which are still enjoyed by Islanders today. During his time in this Assembly, Mr. Hinault served on an impressive 15 committees, including I.D.C. (Island Development Committee) as the Planning Committee was then known; Housing; Fort Regent Development Committee; the Prison Board; Employment and Social Security; Postal Administration; and Finance and Economics. He was the president of I.D.C. from 1993 to 1996 and held the role of vice-president of the Housing Committee and served as president of the Public Services Committee from 1999. Under his leadership, Springfield Stadium was created, Mr. Hinault having successfully negotiated the land from the R.J.A. and H.S. (Royal Jersey Agricultural and Horticultural Society). He also oversaw the purchase of land for the town gyratory traffic system and, while president of the I.D.C., the development of Morier House, which currently houses the States Greffe, viscounts, and Law Officers' Department. After his retirement in December 2000, he became one of St. John's Procureurs, and in 2003 joined the Parish Magazine Committee with responsibility for advertising and revenue. He also joined the Jersey New Waterworks Company as a director, a position which he held for over a decade after retiring from the Assembly. He gave many years of service to his Island and his beloved Parish of St. John and we express our thanks for his contribution to Island life and extend our deepest condolences to his wife, Daphne, daughter, Julie, and the rest of his family. I would ask Members to join me in a minute's silence. **[Silence]** May he rest in peace.

[9:45]

Before continuing with public business, firstly could I thank Deputy Porée for her contribution to the Greffier's fighting fund. I should point out that my screen is not working. That will prove no difficulty with voting because the Greffier confirms the vote to me, but in terms of people wishing to speak, could you please make sure that I have definitely caught your eye before turning your light off, otherwise I may simply not note you and see you. It looks like all the lights are in fact working.

PUBLIC BUSINESS - resumption

The Bailiff:

There have been some questions raised, I understand, as to precisely what it is that is being debated over the next debate and that is because the Order Paper, the running order, which has been provided attached to the Order Paper, contains an earlier version of the Council of Ministers' amendment to amendment number 5. The version that you have in terms of the amendment is correct and that is what is being debated. But if you ignore what is written on the running order, which was intended to be helpful, but things have changed slightly since then. So that is not the precise wording that is being debated. What is being debated is the document on the amendment to the fifth amendment, so people need to be looking at that to know the precise wording. Was that something arising or are you ready move on?

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

If I may ask, we reduced the lodging period on an amendment, which may not be the correct amendment that people were looking at. I wonder if it is therefore now valid.

The Bailiff:

The Order Paper, the running order provided by the States Greffe is of no specific validity. It is something done to be helpful but it does not carry any official weight. What carries weight is the document that was lodged and that is the document on which the Assembly is deemed to have made its decision when it permitted it to be argued. Do you have something arising from that?

Deputy P.F.C. Ozouf of St. Saviour:

It just may be helpful to say that was the green finance issue, which is the area which the Council's amendment that I referred to in the remarks when we had that debate yesterday. So there was a clear discrepancy, which I am grateful that you have cleared up, but we did refer to the word "green finance" and that is the difference between the amendment, it widens the sustainability thing.

The Bailiff:

Just to be absolutely clearly, if Members ignore what is on the running order and simply deal purely with what the document itself says, that is what we will be debating.

2. Common Strategic Policy (P.98/2022): fifth amendment (P.98/2022 Amd.(5))

The Bailiff:

We now continue with the debate on Deputy Ward's fifth amendment and, Deputy, we had taken a break at the beginning of your opening speech, so you are still proposing the amendment.

2.1 Deputy R.J. Ward:

I am not going to speak for a long time. I spoke yesterday, I will just sum up. It is very difficult to speak in detail today on the original proposition as the key is as to whether the amendment is accepted. I say this and refer to your ruling in accepting the amendment here for a specific and relevant reason, because the ruling states the amendment from the Council of Ministers would not in its terms, if adopted, make any decision about fossil fuel or about fracking. The most that could be said is there may be questions, may form part of the green finance, but would not necessarily do so: "The amendment, if adopted, would in effect negate the first 2 parts of amendment 5." That is the ruling. I will read that again so that you are clear. I know repetition works: "The amendment, if adopted, would in effect negate the first 2 parts of amendment 5." Now there seems to be some belief among the Minister and others that we can carry on and debate those 2 parts. It is clear from the ruling that the amendment from the Council of Ministers negates those 2 parts. Therefore, I would ask the Minister whether he is willing to withdraw his amendment at this point, having now been informed of that ruling, and I would ask for some sort of signifying gesture as to whether that is the case. Okay, that is a shame. So I will focus on the divestment from fossil fuels and fracking. This

is a separate issue from the general one of green finance. Many economies are seeing the need for more sustainable models, which come under the umbrella of green finance. I support this and encourage it. Indeed, the amendment wording that has been brought by the Council of Ministers, and I hope I am now reading the right one: “We will also support the Island’s financial sector to become a leading sustainable finance centre and, in doing so, become a leader of green finance.” That is absolutely acceptable, if it did not remove the wider and perhaps more urgent issue of fossil fuel investment. Indeed, it is not really different from my amendment wording, which is: “Enable Jersey as a pioneer and global leader in sustainable finance and introduce the legislation required for sustainable finance.” I mentioned earlier to one of my colleagues, if I was to ask 10 different people in this Assembly to come up with a definition of how we could bring sustainable finance in we would come up with 10 different definitions. It is like defining a gene, we ask 10 different geneticists, you get 10 different definitions, coding for a primary protein, structure of it, et cetera, et cetera. So the 2 issues are not a problem. The problem is that the amendment, if adopted, would in effect negate the first 2 parts of amendment 5. So I am now effectively at a point, when I finish speaking on this, if the amendment is adopted, that is the end of the discussion on divestment in fossil fuels and on fracking. The Minister is shaking his head. He obviously does not agree with your assessment and that is a shame. Because I do not agree with it but I absolutely accept it because that is what we do in this Assembly. That is what we signed up for.

Deputy P.F.C. Ozouf:

Would the Deputy give way, sir?

Deputy R.J. Ward:

No, I will not give way. For future reference, I will not be giving way to the Minister at all. In parallel, we have, with this discussion on green investment, a situation where the driver of climate change, the burning of fossil fuels, the releasing of trapped carbon in our crust, is being enabled, assisted, and indeed promoted, by the parallel financial assessments in fossil fuels. The 2 things are going on at the same time. Subsequently, we need to address those in parallel. If we do not do that, we are not addressing the full issue. Now is the time to end this tradition of investment in these industries. If we are to limit the rising global temperatures, we must stop the use of fossil fuels. Unless we divest in these industries, we will be promoting, enabling, and increasing fossil fuel use for future generations to come. That is the reality of where we are. We can have as much green finance as we want, and I support it, it is the right way forward. Economies are supporting it because they are seeing that is the future. Those hedging the markets are seeing it because they see it as that is the future, no problem. But unless we stop the use and investing in that area of our economy, we stop it, and as a jurisdiction lead the way, we are not addressing the full issue. So the difficulty is that I have to end here because we need the debate on the amendment of this amendment. If we can decide and reject that amendment, I will be able to listen to the Members’ views on the majority of this amendment and then address all of them in the summing up. But until then you can talk as much as you want, if you accept the amendment to this amendment on fossil fuels and divestment, but you are not going to get a vote on it.

Deputy P.F.C. Ozouf:

Point of order.

Deputy R.J. Ward:

Sorry, I am not giving way.

The Bailiff:

It is a point of order. Anyone is entitled to make a point of order.

Deputy P.F.C. Ozouf:

May I seek a ruling from the Chair that you will allow a discussion on fossil fuels on the amendment to the amendment? I am just concerned that there are a number of new Members in this Assembly that might not be able to understand that an amendment can cover the subject of a negative debate, i.e. that we can advance arguments in the amendment to the amendment in the way that the Deputy seems to be saying he cannot. I am trying to be helpful, Sir. Could you please rule that the amendment to the amendment can advance arguments to do with fossil fuels and whether to invest in them or not?

The Bailiff:

The answer is, in the debate on the amendment to the amendment, which will follow after Deputy Ward has concluded his speech and the amendment has been seconded, we will then open the debate on the amendment to the amendment. It is open to any Member to speak on any subject within that that is relevant to the subject matter of the amendment to the amendment. If it is relevant to discuss fossil fuels and if it is relevant to discuss fracking, then those are things that can be discussed in the debate on the amendment to the amendment. What will not happen, however, is a vote. There will be no vote on whether or not the Government should be required to end fracking. There will be no vote on whether or not the Government should be required to pursue a policy of disinvestment from fossil fuels. Because there will not be a vote, there will be no clear decision and nothing binding on the Government arising out of any discussion on the amendment to the amendment. But it is perfectly permissible to speak about those matters during the amendment to the amendment. What has been rendered partially nugatory by the amendment to the amendment is the ability to vote on it. That I hope clarifies the position.

Deputy P.F.C. Ozouf:

May I just be absolutely clear, Members can vote against the amendment to the amendment if they want to support fossil fuel prohibition to invest in them, they vote against the amendment to the amendment and they vote with Deputy Ward's then unamended amendment.

The Bailiff:

That is open to Members. If Members wish a debate and resolution on fossil fuel, if they wish a debate and resolution on fracking, then the only way that can be achieved is a vote against the amendment to the amendment and a vote for the fifth amendment. Is that clear?

Deputy P.F.C. Ozouf:

I am grateful for the clarification.

Deputy M. Tadier of St. Brelade:

I have a further point of order. It is just in the same vein, a ruling from the Chair, when one speaks in a debate, although of course it is open to anyone to go as widely as possible within the relevance of a subject, ultimately we are here to put forward arguments for and against what we are voting on. If we are debating things that ultimately we cannot vote on because they are not in the proposition, then that does surely have some impact on what can be said in terms of influencing government policy.

The Bailiff:

The only thing that can influence government policy, it seems to me, to the extent that Government may not particularly wish to be influenced, and I make no observations whether that is the case or not, is a vote on a particular proposition. A discussion cannot do that. That must be right. But obviously a discussion, which touches upon and is relevant to the subject being discussed is something the Government is at liberty to take into account if it reflects the obvious desires of the Assembly. I am not sure I can be more helpful than the explanation I have already given. If you would like to continue, Deputy Ward.

Deputy R.J. Ward:

That is indeed very helpful. I have lost my track again in all the interruptions. Forgive me if I repeat myself, I just want to get my tuning. Now is the time to end this tradition in investment in these industries. I made that point before and it is a very important point. If we are to limit, and I am going to say this because it is such an important thing to sum up with and end this debate, if we are to limit the rising global temperatures we must stop the use of fossil fuels. Unless we divest in these industries we will be promoting, enabling, and increasing future fossil fuel use for generations to come. It is clear then, if you want a vote on this, vote for or against, we will have the debate, then you must reject the amendment to this amendment. This amendment that I bring offers you the opportunity to debate in full divestment, to debate in full the action of fracking, and debate in full a green finance, which I would have already accepted the Minister's amendment if it was not getting rid of the other 2 parts. So you either have the opportunity to debating in full and vote on those parts and vote on them, or you give away your opportunity to vote on those parts and accept the amendment to the amendment. I would suggest that we go back to this full amendment and have the full debate. It is an important issue for this Island and the world. We declared a climate change emergency. There are many people out there. If you came to the Youth Parliament and listened to it, the Youth Parliament are talking to us and saying: "Do something. Act. Show what you are going to do for our future generations." Yet at the same time we are just about to stop the debate and stop the vote on fracking and no investment in fossil fuels. That cannot be congruent - and I love the fact I get to use that word - it cannot be congruent with what the Youth Parliament want to do. It is not consistent with the views across this Island and the growing understanding of the emergency that we have. So I am not going to say any more on my amendment now because the real key one is to get to stop the amendment to the amendment and let us go back to this. But it will give me the opportunity, if we have the full debate and the full ability to vote, to listen to your views. For you to have your views.

[10:00]

For a Government that wants to interact with the public, we need to have these full debates. It is so important for this Assembly on such a topic. So I will say no more and just say to you, I move the amendment and we have to move on to the other amendment.

The Bailiff:

Is the fifth amendment seconded?

Deputy K.F. Morel of St. John, St. Lawrence and Trinity:

If I may, a point of clarification in the Deputy's speech, just so I can fully understand his proposition.

The Bailiff:

Will you give way for a point of clarification, Deputy Ward?

Deputy R.J. Ward:

Yes, go on. Yes, of course.

Deputy K.F. Morel:

I did wait. I could have done it before. It was just to confirm that in parts (a) and (b) of the Deputy's proposition, could he clarify that when he talks about disinvestment it is disinvestment from, not just government investment, it is disinvestment from private business? It would require private businesses in Jersey to stop investing in this way. I just wanted to clarify that it is not just government investment we are talking about, it is about the Island's entire financial services economy as well.

Deputy R.J. Ward:

Yes, it says to actively demote an action of disinvestment for fossil fuel-linked investment. It does not prescribe how, because that is a complicated process, I absolutely accept that. I am not one who has worked the financial markets all my life. I could explain the science behind it, but I could not

explain the other bits and bobs. Yes, absolutely, that is one of the reasons why Jersey is such an important area where we take on this divestment because we have an influence and such a much wider steer. So, yes, it is about that, but it is not prescribing how that is to be done. That will have to be done in conjunction with business in the way, but, yes, does that answer?

The Bailiff:

It has been seconded. [Seconded]

2.2 Common Strategic Policy (P.98/2022): fifth amendment (P.98/2022 Amd.(5)) - amendment (P.98/2022 Amd.(5) Amd.)

The Bailiff:

So Members will of course be entirely aware that there is an amendment to the amendment lodged by the Council of Ministers and I ask the Greffier to read the amendment to the amendment.

The Deputy Greffier of the States:

For the words to be inserted on page 15 of the report, substitute the following words – “We will also support the Island’s financial sector to become a leading sustainable finance centre and in doing so, become a leader of green finance.”

The Bailiff:

Who is the rapporteur?

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter (The Chief Minister):

The Minister for the Environment will be the rapporteur.

2.2.1 Deputy J. Renouf of St. Brelade (The Minister for the Environment):

I would like to take issue with the Deputy’s comments that we cannot have the debate. I intend to have debate on the issues of disinvestment and fracking. I intend to speak to those points in my speech. This amendment allows us to do that because it is an amendment that removes 2 clauses and we have to justify the removal of those 2 clauses. So this is the correct forum to have that debate. I know that Deputy Ward’s amendment is born out of the passionate desire to do more to tackle climate change. I know that it is frustrating that progress is so slow, that COP27 ended with a whimper rather than a bang, and that globally emissions are still rising. I appreciate that many people in this Island would like Jersey to be a leader in emissions reductions, and I share those feelings. I too would love to see faster progress. I too believe that Jersey should be a leader in the battle against climate change. Yet still I cannot support the first 2 parts of the Deputy’s amendment and instead I am asking the Assembly to back the Council of Ministers’ amendment. I want to explain why, but also to explain why the approach that we are taking as a Government will achieve more in terms of real change and delivers more in terms of effective leadership. So let me examine Deputy Ward’s amendment in more detail. The first part instructs us to actively promote disinvestment from fossil fuel-linked investments from Jersey-linked businesses. Let us leave aside the imprecision in terms like Jersey-lined businesses and fossil fuel-linked businesses and see how that plays out. Straight away we run into problems. I know that the Deputy is a big fan, as I am, of biofuels as a transitional fuel. He knows, because I have made this point in answer to a question in this Chamber, and in Scrutiny, that the problem we have with biofuels is that they are very expensive because there just is not enough supply at the moment. Therefore we urgently need more investment in biofuel production. One of the bigger investors in biofuels is Shell. They are currently investing in a new biofuels refinery in Rotterdam, for example. So what do we do about Shell? Do we disinvest because it is a fossil fuel giant or invest because it is also investing in biofuels? By the way, it is also a big investor in wind power and solar. If we kept in the first clause of the Deputy’s amendment, I genuinely do not know whether we should be disinvesting from Shell or not. There are many other examples like this because fossil fuel companies are diversifying. I have no idea how you disinvest from just the fossil

fuel parts of these businesses while supporting the other investment that we do need, do want to happen. So that would pose a real problem for our active promotion of disinvestment. What should we be telling the finance sector to do as they make investment decisions? But it is not just the finance sector that this disinvestment policy might cause us problems. There are issues for other businesses operating in Jersey too. We are still dependent on petrol, diesel, fuel oil, and gas, in this Island. We rely on companies supplying these products to keep the Island working. Yes, we are engaged in a plan to phase out these fuels, but we are still dependent on them. What if they need investment to keep operating? What if Government investment is needed in critical fuel infrastructure? What if Jersey Electricity need to invest in backup fossil fuel generators to maintain our energy security? What if Ports of Jersey need to invest in fuel storage facilities at the airport? These are all fossil fuel-linked investments, are they not? Are we banned from supporting investment in companies on whom we still depend? I am afraid this part of Deputy Ward's amendment is far too sweeping, far too ambiguous, and far too unclear, and in the end likely to be counterproductive to government policy. That is why we cannot support it. Now let us look at fracking, a part of Deputy Ward's amendment that again I am afraid we cannot support. I want to be clear that I am not a fan of fracking for the same reasons as the Deputy. But what would be the effect of this amendment in the real world? Once again there is a problem of clarity. Where do we oppose fracking? The Government of Jersey has no intention of fracking. There is no fracking potential in Jersey, so there will be no investment in Jersey in fracking. It is easy to oppose investment in fracking if it just applies to Jersey. If that is all that this amendment stood for then it would be harmless; pointless but harmless. However, it is clear from the Deputy's speech that he intends this amendment to go further. We are to oppose investment in fracking all over the world. I am not quite sure how, as a Government, we would in practical terms oppose investment in fracking, but presumably it means we are supposed to tell people and governments that we oppose them investing in fracking. So what would that achieve? We might get some applause from some quarters. I can see the gallery that such a policy would play to. But we might also be heavily criticised for naivete and a lack of understanding. This winter, and the next few winters, are going to see a huge energy crunch in Europe. Because of the war in Ukraine and the need to replace Russian gas in Europe's energy system, the E.U. (European Union) is rushing to buy as much gas as possible. It is a national imperative that I am afraid trumps, in the short term, the need to reduce emissions. The lights have to stay on. Before we all get high and mighty about this, let us remember that if for any reason we lost our connection to the French grid we too would be firing up our fossil fuel-powered backup plants to keep the lights on. But where is this gas coming from? A large chunk is going to come from the U.S.A. (United States of America), from fracked gas supplies. Are we really going to turn around and tell our friends in Europe that we do not think that they should have that gas? That our moral purity says that the money spent investing in fracking is wrong, even if it means that they lose the ability to provide energy to their people? Are we to tell the United States that, while they are stepping in now with fracked gas to help Europe through the winter, we would really rather they did not keep on investing in that? Might those countries not look at us and say something like: "It is all very well for you to sit there smugly lecturing the rest of the world on what they should and should not invest in, you are just 100,000 people sitting on the end of an extension cable from the French zero-carbon electricity production, good for you. What about the rest of us?" The reality is that, for the short term, the world needs gas and some of it is going to come from fracking. That is a reality we may not like. But we will win few friends and little influence if we use our privileged and unique position to lecture the rest of the world. Far, far better to show that we understand the difficult decisions that are necessary to get our friends and allies through the energy crunch for the next few years. So, what would work? How could we best be a force for good in the world? How could we use our soft power to advance the case for emissions reductions? There is a better way to give us the leadership role that we all crave. It is one that will be much more powerful than lecturing. It is to be an inspirational example of change. I cannot remember if I have mentioned this before, but in my previous life I worked in television making science documentaries. We had a mantra when it came to writing our scripts, which was: "Show, not tell." In other words, do not tell someone that something is amazing, show them. Use pictures, not words. I would use the

same mantra now in the battle to tackle climate change. Show, not tell. Our greatest contribution to this huge era-defining generational struggle is to be an exemplar. The best thing we can do is to deliver the change that we need to make, not to lecture other countries about what they should be doing. To show how we have tackled the hard choices. Perhaps for some this focus on the specifics of what we can deliver is not enough. It does not paint a picture in primary colours. I disagree. It is in the details of how we deliver reductions in carbon emissions that the battle against climate change will be won. These are the hard miles, the tough slog, of how we will deliver carbon reduction. This is where we need to put our efforts. Because it is not easy. I say very frankly that so far we have not achieved enough. Getting our emissions reduction schemes right matters because ultimately the credibility of the whole transition to net zero depends on these schemes working well and being seen to deliver. We know it is not easy because other countries are not doing well at it. To give just one example, if we look at the U.K. (United Kingdom), their attempt to introduce a home insulation scheme, a green home grant scheme, was a total flop. We have to do better. Here in Jersey, my colleague Deputy Jeune is working with officers on a scheme to incentivise the shift away from fossil fuel home heating systems. There is a lot of detail to sort out. What are the criteria for people to qualify for help? Do we need different schemes for people on different incomes? How do we make sure that people get the right advice and we do not end up installing a heating solution that does not work for them? Which low-carbon technologies should we support? Do we need to increase the number of qualified fitters able to install equipment? If so, how? What is the comeback for the public if something goes wrong with the installation, and so on? A lot of detailed questions that need answering before we can launch our scheme. That is what I want us to be spending our time doing, sweating the details and getting it right. There is another positive way in which we can show our leadership in the climate struggle, through our great strength in finance. So now I come to the third part of the Deputy's amendment. This we can work with, which is why we have sought to amend and build on his amendment. We are determined to promote sustainable finance and I am sure that colleagues will talk about that later. We do not think there is a need to introduce legislation to enable sustainable finance, indeed I am not sure what meaningful legislation would be in that context. But, yes, in terms of the principle of the Deputy's amendment, we do want to promote sustainable finance because we all recognise there is a huge prize here, both for us as an Island, because we will be at the cutting edge of where finance is heading, but also for the planet, because we can play such a significant role in enabling other jurisdictions to achieve the changes that are needed. So let us concentrate not on rhetoric but on what is deliverable. What is in our power to achieve and what will make a meaningful difference to Islanders' lives and what will make us a genuine and inspiring beacon of carbon-zero achievement? I want to be able to walk tall when it comes to our policies on net zero. But I want to do it on the basis of our achievements, not on lecturing from the side lines. Show, not tell.

The Bailiff:

Is the amendment to the amendment seconded? [**Seconded**]

2.2.2 Deputy M. Tadier:

It is nice to be back in the Assembly. I have this cast on in case I need to start banging the desk as has become a custom for some St. Brelade representatives. I am glad that the first speech when I am back is to respond and I think to rebut some of what my ostensibly green colleague from St. Brelade has been telling us today. We are talking about a climate emergency, although listening to the last speech you might think that we have decades to try to solve this.

[10:15]

He also talked about the fact that COP22, I cannot remember the exact word, I think he said it was a damp squib rather than a bang. The exact logic, which he has been expounding in his opening opposition to Deputy Ward's proposition amendment, replacing it with this watered-down version, is very much the kind of compromise that led to the damp squib of COP23. It was because Governments who are currently in power, Governments who are part of the problem, not part of the

solution, and have got us into this mess by greed rather than looking at the sustainability of the planet, find all sorts of excuses for inaction. So when they talk about leading by showing rather than telling, it is completely meaningless in my mind. We also talk about carbon neutrality and it led me to think of another statement about remaining neutral from Desmond Tutu, which says: "If you are neutral in situations of injustice, you have chosen to side with the oppressor. If an elephant has a foot on the tail of a mouse and you say you are neutral, the mouse will not appreciate your neutrality." Now Desmond Tutu, somebody who I think I have a lot of time for, and he spoke across the political spectrum during his long time, if you can say in politics I think, even though he was an Archbishop, we could change some of those words there. We know about the injustice, about climate justice and climate injustice in the world. It is something that goes hand in hand when serious people are talking about the climate emergency. If we replace the words about the mouse, et cetera, if we say: "If you are neutral in a situation of climate injustice and about the climate emergency, you have chosen to side with the oppressor, with the polluters, with the frackers, with those who would continue to want to have their cake and eat it." The likes of Shell who might on the one hand say: "It is okay because we have an element of greenwashing here but we want people to still continue to invest in Shell." I mean why would we be sending out the message, why would the Minister for the Environment, who has been elected on a recent election by a very large constituency of environmentalists and green voters in St. Brelade, and I know who they are because they are also a core of my constituents and my voters too, want to say that we want to be investing in Shell. We would not want to put out a message to say: "Do not invest in Shell because Shell might also be investing in some biofuels." I mean is that what the argument has come to? If an elephant has a foot on the tail of a mouse, if the capitalist model has its foot on the throat of the planet, and you say that you are neutral, you are siding with the model that has still got its foot on the throat of the planet and you will not be appreciated for your neutrality in that context. What we have here is a perfectly acceptable proposition from Deputy Ward, as it is. So it talks about actively promoting an action for the divestment in fossil fuel-linked investments. It does not talk about discouraging anything; it is very positive in its wording, so it says: "Promote divestment." Of course, if I read between the lines of the question that came from Deputy Morel: "Will this apply to businesses that are not States controlled?" Well of course it will, in the same way that the States is at liberty, and it does it all the time to send out moral messages and policies, so for example we do have an active policy about violence on women. We have an active policy on diversity, which applies, not just to the States as an entity, but it applies to an aspiration that we have for the wider community. So, if we put out a message saying we want to combat violence against women and young girls, that does not just apply to the States as an entity, to States employees and to the States as an employer, it applies to the wider community. Of course that then has to happen when it comes to divesting from fossil fuels. In the same way that we would not say, when we put somebody in prison because they have committed an act of violence against a woman and they get found guilty, we do not say: "But by putting them in prison you might stop that person from doing lots of other good things that he might be doing when he is in society." The Shell example. We say: "No, there is a type of behaviour that we want to clamp down on in society and in the wider world." Not just because we are moralists and we want to send out a message, but because this kind of behaviour is actively killing the planet. I go back to the point, if I had have shown this to any constituent, and I take a liberty here and I am sure that even if I had have shown this wording from Deputy Ward to the not-quite-yet-elected Deputy Renouf, he would be supporting the entirety of what Deputy Ward was proposing here. If he had listened to a right-wing Minister standing up, coming up with all sorts of reasons not to support this, he would have been the first to cry: "This is complete greenwashing. We will not accept any dilution of our policies." I can hear, I am not sure if they are listening back in St. Brelade, but I know the same supporters who were campaigning on the environmental ticket, and they have been doing so at least since 1993 when I think the States first put in Deputy Gary Matthews, who is no longer with us. They would be saying: "No, do things properly. Jersey can send out a moral message to the world." But not so much for doing that, but they can send a message to themselves and decide what we want to do. How many times have we heard that we are responsible for our own decisions in this

Assembly? We want to develop our international identity and the message that we can send out. In the same way that when a States Deputy brought a proposition on the Iraq War and the States passed the decision to say that we oppose the invasion of Iraq, did that have any impact? It does not really matter, it did not stop the war, but it shows to the people locally that if you want to have an impact, if you have a moral direction and a compass, that you can bring a proposition to your Assembly and that Assembly decides on the wording in front of it. Now I am concerned about what the amendment does. Because it does negate, it takes out all that good wording that we had initially, and then it simply replaces it by: “We will also support the Island’s financial sector to become a leading sustainable finance centre.” There are a couple of problems there. First of all it simply focuses on finance, the finance industry. We are not going to get into a debate about the finance industry now. But again it just puts the attention on all of the other stuff. What about all the other industries, everything else that Jersey can and does do as a wider concept? It puts it back on to the idea of this is all about the finance industry, the finance centre that has become Jersey. The finance centre that Ministers see as synonymous with Jersey. Jersey is more than a finance centre. But it is also a problem for a different reason, because it says: “We want Jersey to become a leading sustainable finance centre.” So it suggests that Jersey is not a leading a sustainable finance centre. Because it says “become”, it does not say “to remain” or to make it even more of a sustainable leading finance centre. It says to become that. So we might send out the message of saying we recognise that Jersey is not sustainable in terms of its finance centre at the moment and to become a leader in green finance. We do not need this amendment because the amendment is already encapsulated by what Deputy Ward is asking about. What I would ask is that any Member of this Assembly just weighs up which is the best option, by rejecting the amendment put forward by the Minister, we allow the full scope of eventualities that is put forward in here and we send a strong message to the Council of Ministers saying: “Not only do we want you to act on these things and treat them with urgency,” for example, if you think that fracking is a good thing and you want the world to carry on fracking, then of course vote for the amendment. But if you want to give us the ability to stop practices like fracking, as little as we are in Jersey, and send a message and say we do not think fracking is the right way forward, we think that the natural gas that is trapped under the crust of this earth should remain there. In 2022 when we have just had COP27, and these dates will no doubt come very quickly, we think that gas should remain under the earth. There should be no question of you anywhere, wherever you are, doing that. We, for our part, will send a strong message to our investors in Jersey that we do not want you investing in any companies that will do things like fracking. That is quite clear. That is the intention that we are setting out here. There is lots of sophistry I think I can see in the words that have been said. The message is very clear. Do we want to send that message out to local industries, whether they are States-owned or in the private sector, to say when you go about doing your investments, as you already do, you have governance departments that you look at already, that look at these things for you. When it comes to a choice between investing in perhaps Shell, because that is who you have been with for the last 30 years, or investing in a start-up, which has proven itself to be developing really interesting technology, and which needs your investment, it should be clear which one you choose for. In the same way that when you look at employing someone, you consider matters of diversity. It does not mean that you choose the wrong person for the job, you choose the person who is the best for the job, but considering all the factors. Same when you are investing, you look at the whole portfolio you are investing in. Our pensions, for example, you make sure you do not invest in those areas which look dubious, you invest in the areas which are truly green, not simply greenwashing. For me, the decision is very clear.

2.2.3 Connétable K.C. Lewis of St. Saviour:

I may be about to upset a few people but here we go. The Minister for the Environment has been somewhat coy in his response because it is my opinion that the western world, or the whole world, is in for a very, very rough time for the next 3 years. With COVID, followed by Ukraine, there are going to be many, many problems. If someone is going to ask: “Do you believe in fracking?” Of course not. It is a pretty hideous thing to do. But if it is a choice between that and people possibly

going cold or worse, then I would go for fracking; it is as simple as that. We are in serious trouble regarding food and fuel supplies around the world. But I would likely go for balance. Do we need to electrify in Jersey? Absolutely. Jersey is the perfect place to electrify with electric vehicles. One of the main problems with electric vehicles is the range, but we do not have that problem in Jersey, so it is perfect. But we do not have the infrastructure yet, so we will need petrol and diesel vehicles. It is the diesel part that is going to be the problem. If diesel goes up in expense, then everything goes up; food, and all consumables, will rise accordingly. There are many people in the U.K. suffering food shortage at the moment that they are having 2 meals a day instead of 3. In the United States, for instance, I think 45 per cent of people are living pay cheque to pay cheque. It is one of those horrendous things that is happening at the moment. But balancing that with what is happening, for instance, in China where they have I think 53 nuclear power stations and the rest are coal-fired power stations, of which there are 1,110 at the moment, coal-fired power stations. Do we have to do our bit? Of course we do. But there is a balance to be had and it is where that balance lies. It is a horrendous situation but we need to keep going at the moment, make sure that people are fed and that people have warmth throughout the winter. I will leave it there but if we have a debate in the future I will be more than happy to partake in that.

2.2.4 Deputy P.F.C. Ozouf:

I am a follower of Nelson Mandela and on a day when, I think it was either today or tomorrow, the President of South Africa is addressing both the Houses of Commons in a unique visit, he will no doubt reflect on the words of Nelson Mandela himself. He said: "It always seems impossible until it is done." He said: "Do not judge me by my successes; judge me how many times I fell down and got back up again." What counts in life is not the mere fact that we have lived, it is what difference we have made that will determine the significance of the life we need. He said: "A good head and a good heart are a formidable combination." So I regret the remarks of Deputy Tadier and those that have said that the Minister for the Environment is being partial in his support for carbon neutrality and carbon neutrality in Jersey. I absolutely agree that we have to lead. I am wearing a green jacket, a green jacket that I wore at the Labour Party conference when I saw the Shadow Chancellor and she said she wants to be the green Chancellor. So I went to go and get my green jacket and I said: "Chancellor, I want to be Shadow Chancellor, I want to be the green Minister for External Relations and Financial Services for Jersey."

[10:30]

She said: "Great, let us have a photoshoot," and so we did. That is diplomacy. That is advancing. The Labour Government in the U.K. is improving the Conservatives' policy on net zero. But are we really going to be saying to the people of the whole of Europe who are facing ... I read on the BBC website an excellent article by Jenny Hill, the Jersey girl who is now the BBC correspondent in Germany, she puts in just the scale of difficulty of this winter's problem in Germany in terms of removing their requirement on fossil fuels. Are we really going to be, in this Assembly, saying that we are going to disinvest from fossil fuels immediately? I see Deputy Mézec nodding. Really? Does he believe, because that is what this amendment says, maybe he will get his chance to speak. Jenny Hill in her article this morning said: "When Vladimir Putin switched off the gas tap to Europe, Germany feared more than most of winter blackouts, and in a scramble to secure alternative supplies. Alternative supplies painfully away from a heavy dependence on Russian gas that has now left this industrial nation woefully exposed." The transition that the Minister spoke about is real. It is difficult. You do not always, Nelson Mandela said, when you reach the top of one mountain you need to continue to climb. Embarking on our own Island advancement of net zero we are going to have to climb mountains. We have to recognise that other countries around the world have got critical energy shortages. Is it more important in the short term to see the war against Ukraine fought, net zero being blown up, literally, by towns and cities in Ukraine getting their energy supplies bombed from Russia, and the West needing to provide alternative energy sources. Are those fossil fuels going to be permitted to allow people across the Ukraine, across Germany, across the whole of Europe to

find the fuel that they need in their difficult winter ahead. I could not vote in favour of a proposition which nodded towards effectively a prohibition of fossil fuels. Unfortunately Deputy Ward's incredibly well intentioned ... and I commend Deputy Ward's work on having in the 4 years I was not here advanced fossil fuel targets in Jersey. He was, I think, the Member that got this Assembly to accept the fact that there was a climate change emergency. He should be credited with that. But we need to work together. Our amendment to his amendment does reject that problem issue of investing in fossil fuels in the short term. Our amendment, however, takes the third item of what he put in his proposition and we think improves it. Sustainable and green finance is our Island's future. The future - we should say loudly and proudly - is for clean, green economic growth. We think the opportunity is large. We think it is in fact larger than that in which the Minister for Financial Services under the previous Government issued the financial framework. It is the case that in the next 5 years it is predicted that one-fifth of the global investment funds will be invested in some form of sustainable finance. Already 40 per cent of global banking assets are now the Net-Zero Alliance members. Sustainability loans represent 10 per cent of this market. The next generations of wealth creators are also embracing the fight against climate change and they are moving their money to green finance. This will finance the monumental cost of the world's transition to net zero. Transition, not switching off; transition. Trillions are needed and we in Jersey believe by accepting a bolder part 3 of his amendment - which unfortunately we cannot vote in part but it is the third part of the Deputy's amendment that we are seeking to improve and extend - we think that Jersey can play a really meaningful part in that energy transition. We need to deliver it. We need to enable it, but we cannot often in detail prescribe it. We need to look how we can support green growth, but not risk limiting it by imposing what is being asked about in the unamended proposition of effectively an artificial barrier on certain investments, and burdening frankly our finance industry with the limits on how they can assist that journey to move to net zero. The global economy is not, as the Minister said, fuelled by green energy alone. Huge green energy infrastructure projects are going to be required before the world can be fuelled by green energy alone. This needs funding. This needs finance. I hope the Assistant Minister for the Environment will speak about the brilliant observations and conversations she heard in Sharm El-Sheikh. I agree with the Minister; I think it was a damp squib. I think there was nothing like the kind of bold initiative that should be taken, but we can lead in Jersey. I want to see our Council of Ministers - if I may speak as a Member for St. Saviour - advancing on that net zero, I would like to see our own Parish of St. Saviour be the first green Parish, having electric vehicles, having hydrogen vehicles. It has got one; let us have more. Let us have St. Saviour as the green Parish. But it cannot be done overnight and that is the issue. It may be laughed at by Deputy Southern but it is true; it is going to take time. The transition required is difficult, people, customers, clients, citizens all need to heat their homes. They need to put energy in their vehicles. Fuel is a vital part of society. It is required for businesses as they move their goods and services around the globe. Those disruptions to energy supplies that have been created by Russia in their illegal war in Ukraine mean that even tougher decisions are going to have to be taken. I think, and I think the Minister thinks, an opportunity was missed at COP27 to make faster, meaningful international developments. Disinvestment - which is what the Deputy's proposition unamended says - is not, with the greatest of respect, reasonable or deliverable. We need an appropriate response. We are also still dealing with the post-COVID economic crisis. That is now leading, if it is not only the Putin invasion that is causing inflation, that backdrop of COVID with printing money by the E.C.B. European Central Bank, the Bank of England, the U.S. (United States) Federal Reserve, that is causing inflationary pressures. That is making matters worse. That is making this winter for our community here and communities around the world even worse. It is making that fossil fuel price increase even more acute. Some may say that they made the wrong decisions. I have got no evidence of the future but I can learn from the past. We need great care to not unwisely, or even maybe unthinkingly, destabilise financial markets. We are a capital warehouse, a big one. What is the message that we are going to send out today to disinvest from fossil fuels? Disinvest from fossil fuels that are needed to heat people's homes as they deal with the transition of stopping buying Russian gas and oil and get fracked gas from America, or dare I even say it, Qatar. Whose side are

we on? Are we on the side of the long-term climate change people? Absolutely. Do we also need to be on the side of those people this winter and next winter who are going to face perilous difficulties in respect of heating their own homes? I say to Members respectfully, the Council of Ministers is not playing games. I saw the Deputy nod; I am sad about that. We are trying sincerely and with good heart in the way that other people would be to be realistic about what we can achieve. We will argue that it is not possible to deliver an immediate lockout of disinvestment in fossil fuels. Punishing the most vulnerable is not the way forward. Nelson Mandela would have agreed with that; he said: "I never lose; I either win or learn." Let us learn from each other. Let us learn. Let us learn about what is possible. Let us listen to the Minister for the Environment. Nobody would doubt that our Minister for the Environment is not an environmentalist. Not one of those people that Deputy Tadier in St. Brelade spoke about that; he absolutely is right. Our amendment is carefully judged. Our amendment pushes the Council of Ministers to go further, not as what he just said; sustainable finance, go further in green initiatives. I say the amended proposition is commendable of this Assembly's absolute endorsement; its endorsement because it was brought by the Minister for the Environment. Not the Minister for Financial Services; the Minister for the Environment. I commend the Minister for the Environment and the Assistant Minister for all their doing in pushing us to have net zero earlier. We can sell Jersey as a centre for green finance if we get our own house in order. Let us push that net-zero target, let us do it earlier, let us insulate more homes, let us do it quicker than the U.K., quicker than Labour, quicker than any other European country, and let us then go and grow our economy with a trade and services business centre of excellence where we do what we say and we say what we mean. I commend the amendment to the Assembly.

2.2.5 Deputy T.A. Coles of St. Helier South:

I just want to start by saying we have all heard of the term "green washing". I feel that the amendment to the amendment - I have got to get these ones right - is not just green washing but it is also green washing with a pre-rinse cycle done at 60 degrees with a bit of Turf thrown in and hoping that something is going to come out green at the other side. We are paying platitudes to the crisis that we are facing, and saying that we aim to become a leader is dragging our heels on the crisis of the environment, where the amendment itself strongly suggests what we need to proactively do now to show the world that we are taking proactive steps now to achieve goals. The Deputy next to me, who is now leaving, seems to forget that the Common Strategic Policy is designed to go over 3 years, 2023 to 2026, so that gives us 3 years to manoeuvre our portfolios to de-invest in fossil fuels, to reinvest in growing green enterprises, to provide a structure for financing these technologies worldwide, to make those steps become leaps and bounds and move us forward rather than staggering backwards and say: "Well, we cannot make an impact." We have heard it time and time again that Jersey is a leader when it comes to finance and yet the Minister in his amendment to the amendment is saying "to become", so when did we take the step backwards? Listening to the Connétable of St. Saviour talking about China, and he mentions about them having a large number of coal-fired places, which is very true. They took all of our manufacturing; this is why they have to produce so much energy and require different things. But he also fails to mention that China have some of the largest solar arrays in the world, so they are proactively trying to de-invest in their coal and they are trying to create more nuclear; whether that is the greenest alternative, it is certainly greener than coal and oil, we know that for a fact. It is not perfect. Nothing ever seems to be. We also talk about de-investing from companies like Shell, and I do not know if everybody else has seen the news, we are talking about the energy crisis, the cost of energy going up and people facing shortages and having a huge increase in their energy bills across the U.K. and many aspects of the world. Well, Shell produced some of their largest profits that they have seen in decades through this crisis. They are exploiting people's needs for this energy. This is not just putting sanctions on Russia that is causing this increase, it is greed. The caps on energy costs across the world have been removed so they can charge people more and more for their energy. So we should be de-investing from them out of moral objection to exploiting the poor and the needy who need their energy to keep them warm over winter. We should be helping to insulate these homes as a matter of course so they do not need to use as

much energy, so these companies will get less of our money. There is so much wrong by amending my colleague's amendment. To completely remove the point on fracking; fracking is environmental vandalism. We are smashing up the earth's crust to get at this, and not to mention the destabilisation that it does of surrounding areas, the impact on nature and the environment around it.

[10:45]

I sit there and I think we talk about green washing and all I can see is this is going to be brown washing because all that is going to be left is water that is brown and disgusting and we are not going to want to drink it. If we ignore the environment in such a strong way we will have nothing left. We can keep investing in oil and all these other bits and pieces, have all this money that is going to sit there, but when the sea levels rise and we lose all of our wetlands around our Island we are all going to be clustered on a hill looking at somebody's big wallet full of cash, rather than if we actually spend that money now we might actually still keep our wetlands. I mean, the Common Strategic Policy is about pushing ourselves forward and I believe Deputy Ward's amendment does that, it puts us on a pegging that we are going to start moving forward, that we are going to look at solutions rather than just sit on our heels. I think I will leave it there because I will probably get too over impassioned and probably push the desk over, so thank you very much.

The Bailiff:

I am observing that people are falling into the habit of giving verbal responses when other people are speaking, whether they agree or disagree or wish to make an observation on it. Obviously it is permissible for Members to talk to each other quietly in a way that does not interrupt the speaker, but if the speaker pauses then inevitably that has interrupted them, and I would ask Members just to be careful and to avoid verbal comment in response to speeches that they are hearing. People have the opportunity to speak when it is their turn.

2.2.6 Deputy H. Jeune of St. John, St. Lawrence and Trinity:

Yes, we are in a climate emergency and, yes, there is a lot to do. I get as passionate and frustrated about the pace of the transition globally and the heel dragging as Deputy Ward. I have been working in this space at an international level since I was 23. Back then it was COP8 and I was supporting civil society in its sister summit of the Commission for Sustainable Development discussing the concerns of water stress because of climate change, and the need for sustainable consumption and production, which included the role of the finance industry in promoting unsustainable production and consumption. It is well-known and recognised internationally that the financial system not only has contributed to doing harm to our planet and its peoples but that we also need it to fund the transition. We need it to rewire our entire economies and finance has a critical role to play. Government and public finance cannot do it alone. Action needs private finance, and at an unprecedented scale, to fund the literally trillions of pounds of additional investment and decarbonisation that will need to happen every year for decades. But change is happening. As Mark Carney, the former head of the Bank of England, stated: "Companies that do not adapt will go bankrupt without question." I stood in this summer's election on a manifesto to ensure all finance coming through Jersey has E.S.G. (environment, social and governance) considerations underpinning it, to make Jersey a truly sustainable finance jurisdiction. I recognise that this is ambitious but it underpins my drive. Philanthropy and tweaking the edges will not stop the degradation of our planet. Fundamental change will. I am fully supportive of Jersey's citizens' assembly on climate change who also recognise this, and who made a number of recommendations that indicated public support for addressing scope 3 emissions and the important role of Jersey's finance industry in this. This push means the carbon neutral roadmap has developed policy which tackles sustainable finance and clearly sets out agreed work areas which with this amended proposition can push even further to establish a public finance sustainable financing framework, to improve sustainability of the Government's own investments and debt, which would mean phasing out stranded assets, climate finance to develop options to increase the amount and impact of money the Island provides to support climate mitigation and adaptation measures overseas, and continue to support the Island's finance

industry to become a leading sustainable finance centre, and support leaders and local businesses to make informed decisions on how their money is invested. For consumers and employees, they are powerful in this regard because they can demand where their pension money and their investment goes. It can help support the transition and help the finance industry change. But Jersey cannot be pioneering in this space because there are already significant developments changing in this landscape, and shows how complex rewiring economies can be. I list just a few developments that the finance industry will be impacted on and how it will have to deal with investing in fossil fuel or in fracking, because there is interlinkage between disinvestment and sustainable and green finance. Central banks in countries covering two-thirds of global emissions are now pursuing climate stress tests. There is the T.C.F.D. (Task Force on Climate-Related Financial Disclosures), climate change related financial reporting, which is critical because what gets measured gets managed, designs to help companies provide better information to support informed capital allocation. There are huge strides being made on the task force on nature-related financial disclosure, which is delivering a risk management and disclosure framework for organisations to report and act on evolving nature related risks, with the ultimate aim of supporting a shift in global financial flows away from natural negative outcomes, and towards nature positive outcomes. Better disclosures and the heightened sense of urgency will lead to a transformation of climate risk management, which will include winding down stranded assets in fossil fuels naturally. At COP27 a proposal by Mia Mottley, Prime Minister of Barbados, outlined a new finance solution to the climate crisis. She argued that the global financial system is not set up to deliver on the scale needed to avert climate disaster, and that reformed global financial architecture is required. This proposal is gathering huge support to reform the global financial architecture. This is great news. I have also worked in pushing for reform in the global financial system for years, so we need to back these reforms. The E.U. taxonomy of sustainable economic activities, a classification tool that seeks to provide clarity to companies, capital markets, policy makers and investors on which economic activities are environmentally sustainable, was put into effect earlier this year and also includes definitions of where to positively invest and where to also not invest when it comes to fuel. The E.U. is also developing a carbon border adjustment mechanism which would place a carbon tariff on electricity, cement, fertiliser and iron and steel products imported from outside the E.U. This again will have huge impact on how investors will invest in fossil fuel. In 2021 a court in The Hague ordered Shell to cut its global carbon emissions by 45 per cent by the end of 2030, ensuring it needs to legally adapt its business model towards renewable energy and biofuels, and they need their investors to support this change. This year France, Spain, Poland and the Netherlands started withdrawing from the controversial Energy Charter Treaty. The E.U. is also amending this. This treaty was used by corporations that operate oil fields, gas pipelines and coal-fired power plants to launch legal cases against states that pass legislation to fight climate change and curb CO₂ emissions; 74 per cent of E.C.T. (Energy Charter Treaty) cases involve an E.U. investor against an E.U. country. To have these countries pull out of such a charter and have the amendments being made is a huge game change because the court cases have been always done in secret, meaning that countries - as Deputy Tadier was saying, they were not doing enough - but it meant that countries were unable to tell their citizens they were unable to do more on their climate commitments because they were in active court cases and had to pay out millions in compensation against the investors' potential loss in their own compensation. So there is change and it is happening now. But we are still dependent on petrol, diesel, fuel oil and gas in this Island and beyond. We rely on companies supplying those products to heat our homes and power our cars. We are engaged in a plan to phase out those fuels. We are engaged in frontloading this plan as quickly as possible and in the near future bringing in legislation to ban fossil fuel heating and cars. But we are unfortunately still dependent on them. Moving away from fossil fuels too quickly will disrupt the market and is likely to escalate the economic crisis. In doing so the financial impact is likely to fall most heavily on the financially vulnerable. This fails to ensure a just transition; one of the key principles of Jersey's carbon neutral roadmap. Therefore, I believe making sure Jersey is a true sustainable and green finance jurisdiction where all finance coming through Jersey has E.S.G. conditions

underpinning it, which means that risk management would show that fossil fuel assets will become stranded assets, is the most important way to go.

2.2.7 Deputy L.V. Feltham of St. Helier Central:

I was not intending to speak today but some of the speeches I feel need some responses. I was reminded of listening to the radio just a few weeks ago when children of Mont à l'Alabbé School were talking about the environment and climate change and why successive Governments were not doing anything about it. I was listening with my 8 year-old daughter who turned to me and said: "Mummy, everybody agrees that climate change needs to have something done about it. Everybody agrees and yet they do not do anything." I did not have an answer. Now, if I go back to her today and say that a Minister said: "Well, the answer to that is I am going to wear a green jacket and then fly to London on a weekly basis" I am not quite sure what she would say. Back to this amendment. I am struggling to find within the speeches that have been made by Ministers exactly what the purpose of this amendment is and how and why it was worded and framed in the way it has been. I would like the Minister for the Environment to explain to us in his summing up why he did not just seek to have the original amendment taken in parts so that the first 2 parts could be discussed and debated in a democratic way, and then to have amended that third part to the wording that the Government felt was better. That would have been a more collaborative approach. We hear a lot from this Government about collaboration and the bringing of this amendment, and the reason why I encourage all Members to vote against this amendment is this is not collaborative and it is not democratic. I am talking about democracy and again thinking about what I teach my daughter about democracy, and when I have seen school students in here. One thing that school students are taught when they are in here is that this is the place for debating. So again, I would like the Minister for the Environment to explain why the amendment was worded in such a way that it would, if accepted, prevent a debate on the divestment and the fracking issues. On that point I note some people have already started debating Deputy Ward's amendment, which I think is a shame because this is a debate on the amendment to the amendment. We need to be very clear about that. I would like to answer the Constable of St. Saviour, and I think the Assistant Minister with responsibility for energy answered him back in some way in that he was talking about: "If we divest from fossil fuels we all need those fuels to heat our homes, what are we going to do?" Well actually, if we divest in fossil fuels what that then will lead to is new investment in more renewable energy which then is cheaper, so it is a good thing. I do not want to debate too much on the amendment because I hope we get the chance to debate that full amendment. It is a really important amendment debate. The other bit about democracy, and I think it is an important point to make, is that the Minister for the Environment seemed to be debating the amendment, not the amendment to the amendment, and in that he accused I think - I need to be careful to remain parliamentary here - Deputy Ward of ... he talked about shouting from the side lines. Now, again, back to the democracy and this Chamber. We are all equal in this Chamber. None of us are shouting from the side lines. Any of us have the opportunity to bring an amendment and, as part of our democracy, those amendments should be debated. They should not be the subject to wrecking amendments which I what I think this is, and that is exactly why we need to reject this amendment to the amendment and have the debate in full.

2.2.8 Deputy M.B. Andrews of St. Helier North:

Having looked at the amendment to the amendment I do believe that the Council of Ministers are potentially a bit sceptical in terms of how Jersey would be in a world of geopolitics. I think when we are looking at internationalism we are looking at Governments, and the relationship that Governments have with one another. I think in particular when we are looking at, say, capital inflows compared to capital outflows there is potentially this risk that they believe there is where there would be capital outflows, so in terms of capital leaving the Island as the result of this amendment being passed.

[11:00]

However, I think we have to be proactive, we have to also be leading and we have to be really embracing the green economy too. I commend Deputy Ward for bringing this amendment before the Assembly and I will be supporting him. I have to say of course there will be several aspects that need to be covered in terms of when we are looking at oversight in terms of the behaviour of some of the financial service firms in particular who are based in Jersey. This is really what the amendment was looking at more. Of course it is quite implicit in terms of how it is worded but it is more about the behaviour of financial service firms instead of just domestically incorporated businesses in the Island. When we are looking at regulation and enforcement, that is potentially an extension to the amendment in terms of what would also need to be discussed in terms of if anything is going to be brought back to the Assembly in future. But when we are looking at the world of globalisation, yes, potentially there is the risk that some firms may decide to offshore. However, as an Island, if we can be at the forefront of embracing the green economy I think there will be many in the international system who will be embracing Jersey for the stance that we have taken, and I think many would be understanding of us as a legislature for introducing new measures and modern measures as well. I do not think we should be sceptical too much because we need to be leading the way, and it is all about where private capital investment will be heading in the future, and that is really to do with green finance. Therefore, we will be seeing disinvestment in this current area as it is, but it is really just looking at the rate of how soon that disinvestment will materialise. Even speaking to Deputy Gorst in a public hearing last week he mentioned the importance of embracing green finance. But when we are looking at the original amendment I think the wording should be maintained and I think the amendment to the amendment unfortunately does not really target the amendment fairly and there is quite a lot of content that has not been mentioned, and also there has probably been a lack of constructive feedback to the amendment. That is where I stand on that.

2.2.9 Deputy G.P. Southern of St. Helier Central:

Let us just go back a little and examine what we are debating today. We are debating the Common Strategic Policy. Note the word “strategic”. What does that do? That gives us a direction, a general push, a move towards. It is a gentle amendment and yet the Minister for the Environment spent most of his speech talking about “we need the detail”. No, we do not. We need the detail elsewhere, sometime later. We need the detail maybe in the Government Plan. We do not need the detail, and nobody else is insisting on detail anywhere else in the Common Strategic Plan, the C.S.P. Then I started thinking: “Where have I heard this sort of argument before?” I have. It is the classic how to kill a Back-Bench proposition. You can either accuse it of having too much detail and being wrong and getting this wrong and that wrong and other because there is too much detail in there, or you can accuse it of having not enough detail. What we had here today from the Minister for the Environment was: “Not enough detail in this and we need all the detail in the Strategic Plan.” No, we do not. We need to set the direction, take the first couple of steps towards that direction, and let it work out. What it means is that we can safely vote for all the 3 areas contained in Deputy Ward’s amendment because the amendment from the Ministers limits our action. This, with 3 elements, does not in any way limit any action or any initiatives or any discussions and debates with disinvesting in particular areas or another. So all 3 options are perfectly safe. Then we come to - I want to call him Senator - Deputy Ozouf’s contribution, and what we have got here was the third way of wrecking somebody’s Back-Bench amendment which is to scaremonger it. All of a sudden we have got - and I do apologise, my face may have shown some emotion when I was listening to the Deputy’s speech, and I do apologise for interrupting him - but he is scaremongering, absolutely. All of a sudden we have got these short-term actions, we are trying to do things suddenly, instantly, and that is dangerous, we are switching off the power instantly we are told. Are we? Of course we are not. It is almost as if Deputy Ozouf is in some parallel universe where big issues can be solved with a magic wand, where we can suddenly make everything right because what we are listening to is someone who wants to be king of the world basically, and scaremongering to the extent that he did was absolutely out of the question. Where he ended up was this is not deliverable and not sustainable and instant reaction will cause chaos. In other words, do as little as possible. Do nothing. When you analyse the speech that

Deputy Ozouf gave it was do as little as possible, do nothing, things will work out as it is. That is exactly what is going wrong with COP27, not 22 or 23, I wondered when you were going to get to 27 and you did eventually, COP27. So on lots of grounds I do not think we should be getting rid of the 3 options, which are perfectly safe, and going for the one option from the amendment to the amendment. So please support the 3 arms of this amendment as it currently stands by Deputy Ward and vote against reducing what we have got in front of us.

2.2.10 Deputy A. Howell of St. John, St. Lawrence and Trinity:

I think we are all keen on a better way forward. We are all aiming for carbon neutrality. But it is not easy. Currently we cannot completely stop our reliance on fossil fuels, so I support the Minister for the Environment and the Assistant Minister for the Environment and I think we should be supporting their amendment to this proposition.

2.2.11 Deputy M.R. Scott of St. Brelade:

I have listened very carefully to the arguments that have been raised and I have a concern, and it might be because I am a new Member of the States Assembly, but there seems to be a suggestion that this amendment is a wrecking amendment, and I am trying to understand a bit more, perhaps because of my relative ignorance as a new Member, what is going on. Whenever anybody amends an amendment that might be regarded as a wrecking amendment, because as far as I understand when I read an amendment to an amendment I am being invited to debate whether the amendment of the amendment is improving it. It means that I should look at the intent of the original amendment and its merits and consider whether the amendment is improving it. I am very much aware that the Common Strategic Policy is a very high-level document that lacks on detail, and that the States Assembly have got plenty of opportunity to bring more propositions and work out the detail as we go along. But I am also aware of the merits and the efforts of green finance generally and the efforts that I already have seen that have taken place in the finance industry to address such issues, including green washing. So I remain of the view that the Council of Ministers attempt to point a way forward for us, bearing in mind the complexity of the issues and a very serious issue in terms of supporting not just carbon neutrality but moving towards net zero, I am satisfied that they have given it proper thought.

2.2.12 Deputy R.J. Ward:

It is shame there are not more Ministers in here to listen. I will talk about this amendment to the amendment, and I may have to repeat myself but I am afraid that is the nature of the beast. I was surprised when this amendment was accepted for debate that changes the entire wording of my amendment and removes entirely 2 areas for debate and vote from this Assembly. I say to Deputy Scott, that is why it is a wrecking amendment. It removes your right to vote on two-thirds of the amendment from a Back-Bencher. The ruling given in the amendment - and I will read it again because it is important that we have it - the amendment from the Council of Ministers would not in its terms if adopted make any decision on fossil fuels and about fracking. The most that could be said is these questions may form part of green finance but would not necessarily do so. The amendment if adopted would in effect negate the first 2 parts of amendment 5 but will provide a valid amendment to the third part that is about sustainable future. It negates two-thirds. You will lose your right to vote on it. Further, it would perhaps have been better if the amendment specified that it was dealing with the last part of amendment 5 only and leave the other 2 parts to the Assembly. I will repeat that. It would have been a better way - we are hearing a lot about that - if the amendment specified that it was dealing with the last part of the amendment only and leave the other 2 parts to the Assembly. It did not do this and no attempt was made to contact me or discuss the change. There is collaborative ... what is the word? It is not collaborative; it is the other word that you use. It is another one. You have forgotten it already? Do not worry about that. Plus it was lodged late, again. If it had accepted the first 2 parts and wanted to amend the third I would have accepted the amendment because it is saying the same thing. There was no problem with it. The issue with this amendment to the amendment is it removes the debate on the key areas. This is a poorly written amendment with

consequences for the debate which have not been thought through. This may not be intentional but we are still here discussing it. Good leadership includes knowing when you are making an error and acting on that error. I hope that Ministers, Members of the Government and States Members consider that when they vote on this amendment to the amendment. It is accompanied by a comments paper which I hope you have read in the amendment to the amendment that is full of questionable statements. I will detail some of these. The comments paper says: "Currently the international community does not apply a negative screening policy to industries with heavy CO₂." The Energy and Environment Ministers from all G7 countries agreed at a meeting in Berlin on Friday to end taxpayer funding for oil, gas and coal projects overseas, shifting around 33 billion dollars, £26 billion, a year from fossil fuels to clean energy sources according to an analyst's estimates. On 3rd November 2021, earlier, it was reported that more than 20 countries' financial institutions will halt all financing for fossil fuel development overseas and divert the spending to green energy instead from next year. So it is happening. What is in the comments paper is simply not factually true. Next point. Reuters reported the United States, Canada and 18 other countries committed at COP27 climate summit on Thursday to stop public financing for fossil fuel projects abroad by the end of the year and steer their spending into clean energy instead. De-investing in fossil fuels; acting on it. It is not something that we will do alone. Please note the 2 prongs of this action; the ending of investment in fossil fuels and the changing to green financing, 2 separate areas that need to be discussed together.

[11:15]

This amendment to the amendment ends the opportunity for us to do that in this Assembly and is another reason why it should be rejected. Further in the report it says: "While the language adopted in the proposed amendment was that of the 2021 Citizen's Assembly recommendation to Government, which informed its ambitions and policies for the carbon neutral roadmap, C.O.M. (Council of Ministers) concluded it was more appropriate to adopt the Government's existing ambition and commitment made in financial services policy framework which was published last year." This reduces any public perception that the Government is prepared to listen to Islanders, and vote as if they wilfully ignore direct recommendations by the citizen's assembly, after all the effort that went into constituting and running that last year. From a Government that is priding itself on public engagement, another reason to reject this amendment to the amendment. The report to the citizens' assembly on climate change says: "By 2025 the Government will be positioning Jersey as a sustainable finance hub by using incentives that attract sustainable finance from companies and entrepreneurs. This will be backed up by a strong regulatory system" - regulations, regulatory system - "annual audits to prevent green washing" - to prevent green washing - "and the Government of Jersey should lead by example in regard to green finance by avoiding climate negative loans and investments." Fossil fuel investments and fracking are the ultimate in climate negative investments but we are in danger of removing the subject from discussion in this Assembly and this amendment. You will not be allowed to vote on it. You will not be allowed to discuss it. The financial services framework, which the Government prefers, has its second strategic priority to enable Jersey to be a leading international finance centre for sustainable finance. How is this different from the recommendation of the Citizen's Assembly? The amendment proposed by Government does little that is new and not controversial. The difficult area of fossil fuel and fracking investment is being ducked. Where is our leadership on climate change here? The report says - and let us get back to this Chicken Licken politics where the sky will fall in, which we have seen so often and is a classic tactic to undermine a Back-Bencher's proposition - the report says: "The disruption to energy markets caused by the Russian invasion of Ukraine has emphasised the need for caution in applying any negative screening policy." There are 2 types of sustainability at stake: first are the unsustainable effects of carbon fuel emissions on climate and biodiversity, but second, economic sustainability in terms of burst bubbles and stranded assets, while the Ukraine War has provided a financial bonanza for some fossil fuel companies - and it has certainly done that - this is not sustainable nor desirable and should not be encouraged by any responsible Government. António Guterres, the U.N. (United Nations) General Secretary, who I think we should be listening to a little, perhaps as much as the

Minister for the Environment - you make your choice - says: "As current events make all too clear, our continued reliance on fossil fuels makes the global economy and energy security vulnerable to geopolitical shocks and crises." He goes on to say: "Instead of slowing down the decarbonisation of the global economy, now is the time to accelerate the energy transition to a renewable future." So right from the very top we are saying make your choices, act now, do not wait. So on these points, the arguments made in the accompanying report are at best selective and at worst simply finding ways to intellectualise our way from taking positive action to promote the divestment in fossil fuels and fracking. I have got to say, the speeches delivered by the Minister for the Environment would have been very at home at COP27. The States of Jersey manages the public funds of Islanders. These fossil fuel investments are becoming increasingly risky as the cost of extraction increases and international treaties restrict the use of such fossil fuels. Not only does it make moral sense not to invest in the industry that is driving the production of greenhouse gases, but it makes financial sense. By divesting from fossil fuels the States of Jersey will join New York City, public institutions such as the British Medical Association, Glasgow University, Oxford City Council among others, in leading by example to help create a sustainable future for the citizens of Jersey and beyond. That, wrapped with the parts at the beginning of my speech about large economies already moving in this way, shows that the fearmongering about us doing this is simply unfounded. But we will be missing an opportunity. If we accept this amendment we will be debating only the issue of green finance, which I believe we all know is not really an issue to debate, only agreement. We all know it is the way forward and I support the Government in these moves. It is not the area that we need to debate. But by accepting this amendment we remove the debate on divesting in fossil fuels and ending fracking, and if you do not think that then I am afraid that you have not read the ruling - and I read it to you - from the Bailiff. I think we all need to play to the rules in this Assembly and I am willing to do that, and I am the one who was at the end of what I thought was a terrible decision, but there we go. I accept that decision because that is what we have done. I will not remind you again that the amendment of the Council of Ministers would not in terms, if adopted, make any decision about fossil fuels or fracking. Sorry, I have just done that. Now is the time for this debate, the full debate, at the start of a new Assembly with a Government that has promoted its own commitment to addressing climate change, and many who have been elected on issues of green policy, that has created a Minister for Energy and with a Minister for the Environment that was elected on a very green platform. Now is the time for the wider debate, not to stifle that debate, not to say we do not want to talk about it. You can vote against it but you have to put your credentials on the table and vote against it, not just shy away from it and say: "Well, it is okay because we talked about sustainable finance, we do not need to talk about investment and so on, we can ignore that." You can raise your eyebrows and shift as much as you want but that is where we are, and I wonder if that is why some people are shifting in their chairs at the moment. I believe that we can lead the way across both small jurisdictions and bat way above our average in the world community by sending the right signals. Signals that are right environmentally, that are right economically and show a moral leadership that will promote Jersey across the world. Armed with these decisions on the full debate we can send our Ministers to the next COP, COP28, with real policies in their laptop bags, and influence way beyond our size. We have had so much talk about the crises, if we ever get to it, the full amendment does not give a timescale because it is, as mentioned by Deputy Southern, the Common Strategic Policy. The policy that we will adopt to send out a message to investors to say: "We do not want you investing in fossil fuels and fracking; we want our economy to be clean, green, lean and work for everybody and look to the future." We want to say to the Youth Assembly: "We are taking this seriously and we are looking to your future." We are not going to say: "We would like to do it but, do you know what, we have got an emergency but we cannot quite deal with that emergency yet. It is an emergency that we will put on, if you excuse the pun, the backburner, and we will leave it there and while it is on the backburner we will emit more carbon dioxide into the atmosphere and we will have no chance of 1.5." If you want Chicken Licken politics and you want to talk about catastrophe, if we go beyond 1.5 degrees that is a catastrophe that we cannot even imagine, and it will not come to us first, it will go to other poorer communities and then we will debating: "What are we going to do with mass

migration? What are we going to do for those who are economic and climate change migrants?” Because what we did on 23rd November, we said: “Let us not talk about divesting in fracking and divesting in fossil fuels, we can talk about green economies, now is not the time to do it because we face a difficult winter and we have got to keep the oil companies keeping their massive profits going. That is okay, we can do that instead.” You are on the wrong side of history by denying this. But to be on the right side of history it takes really courageous decisions and one of those, how courageous is it just to say: “We will have the debate.” We cannot even make that decision. I urge you to reject the amendment to the amendment, have the full debate on fracking and investment in fossil fuels, the genuine debate, and then come back and if you do not want to vote for it do not vote for it. But by voting for the amendment to the amendment you lose your right to vote on that amendment. That is why it is a wrecking amendment and I urge you please reject the amendment to the amendment and let us get on with a proper debate on this Assembly and not stifle ourselves at a time of climate emergency.

2.2.13 Connétable D. Johnson of St. Mary:

I make the general point, I am concerned at the nature of this debate. I think most of us in the Chamber support the idea of lack of investment in fossil fuels in the future, and some of the comments made suggest there is a big gulf between sides and I do not think there is. It is essentially the way this has gone forward. As we have been reminded, we are debating a policy document. We have also been reminded that it is not a time where we should be putting in the detail, but the amendment of Deputy Ward does contain detail and that I think is the cause of the problem. When I initially read that amendment I was not sure whether the aim was to impose restrictions or advice to local businesses as far as running their own business is concerned locally. Clearly from the comments made it tends to go beyond that. So if that amendment was accepted we are - I think as the Minister for the Environment pointed out - effectively telling local investment fund managers - and I say local, these are branches of international fund managers - what they should be doing, where they should be investing. Most of these have their own ethical committees, they are acutely aware of the world in which we live and I am not sure it is right, and it ill-behoves Jersey to take this course of telling people for whom we rely on our income how they should be going about their business. That is my chief concern. That is not to say we should not be encouraging such matters, we shall be and I rely on the Ministerial team to put those encouragements and incentives in place in the future. As to the nature of the debate, whether this is a wrecking amendment, I do not quite see it in that light. We have the amendment as proposed by Deputy Ward has 3 branches to it, the amendment to the amendment knocks out 2 of them, and we are here in a position to decide whether it is right do so at this stage. It will not rule out future debate and I think that there is too much detail in Deputy Ward's debate, which I do not think reflects well on the Assembly if we pass them as they are set out. So I do rely on the advice and speech given by the Minister for the Environment that these are matters that we are in the course of attending to already. They will be gone into in much greater detail at the time and there needs the time to look at the actual detail. But here I think the word was sweeping words; they are. Deputy Ward's amendment is in such a way that they are sweeping. They may offend local businesses, they may offend our reputation, and for that reason I shall be supporting the amendment to the amendment.

2.2.14 Deputy S.Y. Mézec of St. Helier South:

I do not have that many notes in front of me and I honestly do not really know what I am going to say in this because I am so overcome by anger at the situation we are in because of the way that this amendment I think encapsulates the great betrayal that we are visiting upon succeeding generations. It is betrayal that can be broken down into 3 tiers I think. The first of those tiers is the global betrayal. The fact that we have these lovely conferences, we have COP, we have the Paris Agreement, we have all of those others which frankly do not go far enough and are not putting us on the footing which we need to be to avert the catastrophe which is heading towards this planet if we do not deal with manmade climate change.

[11:30]

The second tier is the local tier; that we are facing a Government which cannot even bring itself to put on record its reconciliation of the fact that not only is fracking environmental vandalism but it is a moral atrocity because of what it does to our environment and what it will do to the communities who live near where it occurs in other places around the world. But the thing I think that hurts the most is the third tier of the betrayal, which is that this comes from individuals who I perhaps naively thought knew better on this. We have heard some lovely words in this and I made a note of one because it stuck with me so much. The Minister for the Environment said: "Be an inspirational example of change" when this amendment makes sure that we do nothing of the sort. You can just look at some of the wording that is in the report on this and one of the criticisms it makes of Deputy Ward's amendment. It says: "The amendment as worded goes beyond the scope of the Island's domestic commitment to becoming carbon neutral and net zero by 2050." Firstly, we know that the 2050 deadline is too late, anybody who is actually thinking about this and looking at the evidence knows that. But that is how we are meant to be an inspirational example; it is to go no further than commitments which we have just about secured that themselves do not go far enough. How very inspirational to say that we will simply do no more than the absolute bare minimum. It further on goes on to say: "It also goes further than the commitments made by the international community under the Paris Agreement." Again, how does that demonstrate any form of leadership to say we will do nothing more than what everyone else is doing, and what everyone else is doing within a framework which frankly is not good enough. We are told to show, not tell. We have nothing to show for if that is the way that we approach this. We did have from Deputy Ozouf the kinds of speeches that I remember from his previous service in this Assembly which are very excitable, and is that not wonderful, but are ultimately based on fearmongering to scare Members into voting against an amendment on the bases of things which it does not task us to do. The wording of Deputy Ward's amendment, which would be removed from this if this amendment succeeds, talks about "to actively promote and action the disinvestment from fossil fuel-linked investments from Jersey-linked businesses". That is not to say, bang, tomorrow, it is all gone; it is to actively promote and action it. That takes time, that can be done in a rational way if we choose to do so. That can take into account all of the economic concerns that there may or may not be. We can do that in the way that is most appropriate as long as that is the direction of travel. Ultimately we have no choice, that has to be the direction of travel. Even if climate change were not happening, fossil fuels are non-renewable, they will run out one day, so that will have to happen irrespective of that. But the fact that it is the cause of the climate crisis and the devastation that that is beginning to cause and which will get worse, and all of the effects that has, not just on the world but on Jersey as we face worse weather conditions, our own resilience will be tested as we will not be able to get food coming into the Island because we do not have on-Island food security. How many days of no deliveries into the Island does it take before people in Jersey face real hardship? Something that Deputy Ward alluded to as well, the effects of mass migration as a result of climate change will be felt by Jersey, and we see the abhorrent way that migrants fleeing from war situations are treated. I have little hope that it will be any better when they are fleeing from environmental catastrophes instead. It is complete fearmongering to say that Deputy Ward's amendment unamended does something overnight that is going to harm the Island. It simply does not do that and it is a shame to make that point when that clearly is not the wording that is before us, we can plan for that. I have to say, I do not buy the concerns that are in the report to the amendment to the amendment about the economic impact it could have and how it may impact on the vulnerable. For a start, as Deputy Coles so brilliantly put it in his speech I thought, much of the adversity being faced by the vulnerable that we see near our shores anyway is primarily caused by the greed of the businesses that are providing energy to those households. We see that in the U.K. where they have made massive profits because of the wider economic circumstance, money which goes into pockets of shareholders when it could be better placed subsidising those who are facing that vulnerability. I saw a great quote recently saying we often refer to these people who are economically vulnerable as vulnerable when we probably should use the correct word for them which is that they are repressed. They are not vulnerable, they are repressed. That is what this is if we are

not making decisions which are in their interests based on the obscene profits that are being made out of the fossil fuel trade. But what this amendment does, which I think we ought to put it in its most simple terms, and I know this will annoy Ministers, but they have no right to be annoyed from it because it is true, which is we want to send a message out there: "Come to Jersey where we are a leading financial centre in sustainable and green finance, so bring your funds for renewable energy development here to Jersey. Oh, and while you are coming, you can bring your fracking as well." What hypocrisy that is. Absolute hypocrisy. That message will be noted, it will mean that we do not stand out as genuine players for genuine green finance. It will be noted as double standards and hypocrisy and frankly it will be opportunistic, seeking to portray us as some kind of moral and environmental leader when we cannot even accept a couple of lines in a strategic plan, so not even the detail, not even core actions which the Government must immediately take to undertake this, but those high-level proposals to actively promote an action for disinvestment from fossil fuel and adopt a policy of opposing investment in fracking. Beneath that the detail is completely negotiable and we can do that in the way that is best for Jersey that is least disruptive but which accepts the facts underpinning that which are that the fossil fuel industry is destroying our climate and will lead to devastating impacts around the world, and to accept that fracking is both environmental vandalism and a moral atrocity because of how it affects those nearby communities. If this amendment is accepted, we do not even get to resolve on those 2 points. That is why I regard it as a wrecking amendment because I think that the record of this Assembly in having opposed those 2 bullet points would be inevitably one of embarrassment, especially when it stands in such stark contrast to the words that come from those proposing this amendment to the amendment. It would be an embarrassing record. By proposing this amendment to it, it conveniently deprives that record of being clear on the Assembly website and elsewhere. If I were behind that I would not have a clean conscience, and because I want to keep my conscience clean despite the utter despair I feel at how those in charge, not just locally but around the world, are failing succeeding generations, I will certainly not vote for this amendment to the amendment. I was moved listening to what Deputy Feltham said about the words of her daughter. There is nothing like the wisdom of a child to cut through the nonsense. That was very powerful and we are letting those generations down by not taking the action we need.

2.2.15 Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter:

It does not really give me pleasure to stand in the debate because of the turn that it has taken and I think we really have heard a great deal of political rhetoric this morning. What disappoints me, I suppose, is that we have not just heard rhetoric but we have heard veering towards personal comments and attacks, and I think that really is unfair and unbecoming of this Assembly. I do not believe that there is any intention of betrayal, and I really do want to echo the words of my constituency Constable when he spoke about coming together and agreeing and delivering change in that regard because there will and there is and has been for the course of the morning, a debate on these matters. It is important that there is a debate on these matters, and this debate now is whether Members wish to accept and support the amendment to the amendment or they wish to have a further debate and vote on the amendment, but there is a vote and that vote is in the hands of Members. Therefore, it surprises me that some speakers have suggested that there is not a choice and that there is not a vote because there quite clearly is and Members will be required to make a decision. That decision may not be easy because the issue that we are talking about for all of the reasons that a number of Members have raised itself is not easy. It was right that we in this Assembly declared, along with many countries around the globe, a climate emergency. If we are absolutely honest with ourselves that was the easy bit; the difficult bit is then putting into action in a way that delivers change, that desire to see change. This is a strategic document and we always in the Assembly struggle with the difference between strategy and detailed action plans, and from time to time we slip over and want to put detailed actions into a strategic document. The reason that I think that this is difficult, i.e., putting more detailed actions into a strategic document, is because it is not clear we are making a detailed action, that we are not clear how we can give effect to, but we would be saying that our policy is disinvestment from

fossil fuels linked to investments from Jersey-linked businesses. This really is where again the Constable from my constituency hit the nail on the head and the difficulties that there is with that. As some Members have said, it is important that we send a message. Of course it is important that messages are sent but it is equally as important when we send a message that we understand fully what that message is and what the implications of that message are because there are very short-term issues which we need to make decisions on. So we have agreed that there is a climate emergency, and indeed there is, but we also I think are agreed that there is an energy crisis and a cost-of-living crisis. It is important that we are mindful of the interplay in the short term of those 2 issues and that we are not, on the one hand, saying one thing and on the other doing something different because of the short-term crises in energy.

[11:45]

Not only is there that challenge of the short-term crises in energy which we know that our colleagues across Europe are really struggling with, what is the source of energy that they use arising because of the war in Ukraine, how do they keep their factories open, how do they make the decisions between keeping their industry functioning and providing energy to their citizens? There are no easy answers and there are decisions which are having to be made which might seem counter to the declaration of a climate emergency. It is important that we in this Assembly think rationally about the decisions and the messages that we are sending, particularly when it comes to issues around disinvestment and fossil fuel-linked investments. What does that mean for the trust industry, where does the duty of trustees lie, where are the duties of administrators, where is the duty of the regulator and what are the desired actions of the Minister for External Relations and Financial Services? All of these are actions which are being undertaken by relevant Ministers, partnership between relevant Ministers, and I turn to the words of the - I am going to use the term Assistant Minister for the Environment because that is the one I can remember - but her role is so much more than that. I was really pleased to see all of the work that she was doing at COP27 in a difficult environment. But surely we cannot, we in an Assembly and in an Island that has always prided ourselves on being outward-looking and a trading nation and criticised those who are insular and inward-looking, we of all places have to have hope and put vigour into multilateralism. It has served us well as an Island, it has served our Islanders well, it has served our economy well, and so we might feel frustrated with some of these multilateral organisations but we are far better to be joined with them, and we are far better to make our case, and not just make our case in conversation, as the Minister for the Environment said, not just have words without meaning, but to be able to talk about what we have done. Ministers are, and he is, getting on and doing things and we will see that more and more. That for me is why I cannot support Deputy Ward's amendment. I do support the amendment coming from the Minister for the Environment with the support of the Minister for External Relations and Financial Services, and I think that that gives us a very sound and strong strategic direction upon which we can move forward. I will, as all Members do, explain that decision in all good conscience, because right now we find ourselves in a global situation and we must be cognisant of that in our decision-making. So, Sir, there is a vote, you will call it shortly once the Minister has summed up, it is not undemocratic to have an amendment to an amendment, that is how this Assembly and all democratic parliaments work, Members make their choice and cast their vote. As I say, I will be confidently and with hope casting my vote for the amendment to the amendment.

2.2.16 Deputy S.G. Luce of Grouville and St. Martin:

I rise to follow the Deputy. I just want to say to Members that I am clear about what I am voting on today and, as Deputy Gorst has just said, the big debate on Deputy Ward's amendment is being had now because this is now the time to have it. So if you have something to say, this is the debate to have it in, and that is what you should be doing. So consequently I have listened hard to both sides of the arguments and I have heard truths on both sides. There is no doubt there are implications to immediately disinvesting in carbon and oil and gas and stopping fracking, but I also agree that the younger generation are not being heard here. I get berated regularly by young people who say that I

am far too old to be making a decision on this, and it is their generation that are the ones who will suffer the consequences of what I decide and I should take more notice of them. One word I just picked out in the debate so far is “transition”, and it is clear to me this is a debate on how fast we transit, and Members will have to make up their own minds. If I might misquote Shakespeare, the Deputy, in my mind, doth protest too much me thinks. I believe that in the Minister for the Environment that we have currently, he is as green a Minister for the Environment that we have had for some time, and I include myself in that, but I will vote with him on this amendment to the amendment and go along with his proposed strategy. I think his is the right way to move forward.

The Bailiff:

Does any other Member wish to speak on the amendment to the amendment? If no other Member wishes to speak, then I close the debate and call upon Deputy Renouf to respond.

2.2.17 Deputy J. Renouf:

It has been quite difficult to listen to some of that, I must say. There have been some quite strong accusations and, I am sorry, I regret in fact that the debate has taken this turn. I preferred to see this as a situation where we have honest disagreements about the exact strategy to pursue. I want to take on very directly the points that have been made because I think they merit attention, they merit a proper response, so if Members will excuse me I will go through them. Deputy Tadier accused me of neutrality when the planet is in danger. No, I am not neutral. I very clearly said that I wanted to take action, I want to send a message to the rest of the world, but I want to do it on the basis of action, action that we can take, action over which we have control, action not words. I tried to point out the kind of knots that we might tie ourselves in if we try and promote disinvestment at a time when we still need fossil fuels ourselves in Jersey. If there is hypocrisy, which I was also accused of, then it would come from urging disinvestment while continuing to depend on fossil fuels. I notice that Deputy Tadier and others did not deal with the detailed points I made. I say to the Deputy, and to my environmental friends in St. Brelade and elsewhere, that the world is a complicated place. The short term is different from the longer term, leadership is facing uncomfortable truths. I am not for fracking; in the short term I say again there is no alternative for some countries. Let us show some understanding, it does not mean we support fracking. Indeed, our support for green finance will explicitly support investment in the transition we know we need to make but to campaign against it will not show leadership except for those who already agree with us. Deputy Coles mentioned that we were greenwashing on a turbo cycle. I am grateful for clarification which came from him and from others that they believe we should disinvest from Shell or companies like that. Fine, that is a clear position, but where does the finance from green energy come from then? Are we really saying - really saying - that we will only accept green investment if it comes from some non-oil company? Shell, Total, Gunvor, they are all heavily investing in biofuels. I made this point, it was not addressed. Are we really saying: “No, we do not want that investment because we think it is greenwashing. No, thank you”? I say again the world is a complex place. I accept that some of the vital investment we need to fund the transition will come from fossil fuel incumbents. Deputy Feltham referred to her child and to the next generation and the point was picked up by others. I too have children. I do talk about these issues with them, and I get the passion too, but there is one thing which I was taught when I went to school, and it is something which I try and promote with my children and try and talk to them about and that is, I try and talk to them about the complexity of issues. I try and say to them: “Yes, there are moral imperatives in the world but there is also complexity in the world.” That, I think, is what I have tried to bring to this debate, to try and point out that it is relatively easy for us to stand and say we are against something, it is harder for us to do something. There has been a lot of talk about us trying to stifle debate. I think Deputy Luce had it absolutely right, and others also made this point, this is the debate. If we had not brought this amendment, I would have made exactly the same speech but in answer to the Deputy’s amendment. What we did, and I accept maybe it was a mistake, but we thought it was good to try and build on the parts of the Deputy’s amendment with which we agreed. If that was a mistake, then forgive me for my procedural novice status in this

Assembly. Deputy Southern said that this was a case where we did not need the detail. My point is not that we need the detail, it is that there are too many contradictions in Deputy Ward's amendment for it to work. In response to Deputy Ward's point, he said that our amendment negates two-thirds. That is right, and that is the debate we are having. That is the debate we have had throughout the last couple of hours. We have talked about all the elements that were in Deputy Ward's amendment. We have not cut off debate, we have not stifled anything. I have made all the points that I would have made about that amendment and so have others. So have members of Reform, so have others who have supported that amendment. There has been no stifling of debate here at all. Finally, Deputy Mézec accuses me of betrayal. I beg to differ, he will not be surprised to hear. I think we can be inspirational in this Island, inspirational because we commit to real change, not to talk, but to action. It is not action to say that we promote disinvestment; those are words. We have no powers to make that happen. We can control what we do in this Island, we can build up our green finance, we can give that strong direction and we can make an energy transition in this Island where we sweat the details, we work on showing the rest of the world how it can happen in practice, something which nobody else has yet managed. We have not done enough yet, that is where I want our efforts to be on climate change. I want our efforts to be on becoming that global exemplar, that is how we inspire the next generation. I will have no problem at all in coming to talk to the Youth Assembly to explain why I have taken the stance I have on this. I think it is a principled stance, I think it makes sense, I think it works with Jersey's greatest strengths. So, please support the amendment to the amendment and, please, after this debate let us just try and come back together and try and move forward together to achieve the change we all know we need to achieve.

The Bailiff:

Is the appel called for?

Deputy J. Renouf:

Yes.

The Bailiff:

Very well, I ask Members to return to their seats and I ask the Greffier to open the voting. The vote is on the amendment to the amendment.

[12:00]

If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The amendment has been adopted:

POUR: 34		CONTRE: 13		ABSTAIN: 0
Connétable of St. Helier		Connétable of Grouville		
Connétable of St. Lawrence		Deputy G.P. Southern		
Connétable of St. Brelade		Deputy M. Tadier		
Connétable of Trinity		Deputy M.R. Le Hegarat		
Connétable of St. Peter		Deputy R.J. Ward		
Connétable of St. Martin		Deputy C.S. Alves		
Connétable of St. John		Deputy S.Y. Mézec		
Connétable of St. Ouen		Deputy T.A. Coles		
Connétable of St. Mary		Deputy B.B. de S.V.M. Porée		

Connétable of St. Saviour		Deputy C.D. Curtis		
Deputy C.F. Labey		Deputy L.V. Feltham		
Deputy S.G. Luce		Deputy R.S. Kovacs		
Deputy K.F. Morel		Deputy M.B. Andrews		
Deputy S.M. Ahier				
Deputy I. Gardiner				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy P.F.C. Ozouf				
Deputy Sir P.M. Bailhache				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				

2.3 Common Strategic Policy (P.98/2022): fifth amendment (P.98/2022 Amd.(5)) - as amended

The Bailiff:

Very well, we now resume debate on the fifth amendment now amended by that amendment. It has been proposed and seconded. Does any other Member wish to speak on it? If no other Member wishes to speak then I put the matter immediately to the vote. Is the appel called for or do we do it on a stand? The appel is called for. I invite the Greffier to open the voting. The vote is on the fifth amendment as amended. If Members have had the opportunity of casting their vote, then I ask the Greffier to close the voting. The fifth amendment as amended has been adopted:

POUR: 47		CONTRE: 0		ABSTAIN: 0

Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Grouville				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Saviour				
Deputy G.P. Southern				
Deputy C.F. Labey				
Deputy M. Tadier				
Deputy S.G. Luce				
Deputy K.F. Morel				
Deputy M.R. Le Hegarat				
Deputy S.M. Ahier				
Deputy R.J. Ward				
Deputy C.S. Alves				
Deputy I. Gardiner				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy S.Y. Mézec				
Deputy P.F.C. Ozouf				
Deputy Sir P.M. Bailhache				
Deputy T.A. Coles				
Deputy B.B.de S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy C.D. Curtis				

Deputy L.V. Feltham				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy R.S. Kovacs				
Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

2.4 Common Strategic Policy (P.98/2022) - as amended

The Bailiff:

Very well, that concludes all of the amendments to the Strategic Policy and we return to debate on the Common Strategic Policy as amended throughout the last few debates. It has been proposed and seconded. Does any Member wish to speak on the Common Strategic Policy as amended?

2.4.1 Deputy M. Tadier:

Members will accept my apologies, especially the movers of amendments and the Chief Minister who is bringing the proposition, for not being here yesterday. I had my reasons for not being here due to health reasons. What I picked up, and I admit I did not follow the debate that was going on, but I have picked up some clues as to the fireworks that happened in the last few days. What really struck me is that I understand the reality, the realpolitik of this Assembly, and I sent a message to my colleague, he will not mind me saying hopefully, Deputy Coles, earlier because I needed to catch up on what the votes were. I said: "How did your vote go on the customer one?" He said: "We lost by one vote" and I immediately checked, and I was about to feel bad for not being here, and realised that a tied vote would not have been better, it would have still lost. I thought to myself: "Does that not say it all?" It shows that we have got the lowest common denominator that we have had during this entire debate, I suspect, is that we cannot decide on whether our constituents, the people we were elected to serve, are customers or whether they are members of the public or constituents. I think that sums up the whole approach of this Government. We have taken a shift now where ... this is serious, Members might smile and laugh, and I do not know how anyone voted on that, I will check subsequently, and I am sure it divided people not necessarily across the usual lines, but we have a Government now that sees Islanders as customers. What does that mean? It means that they are subjects of a business transaction. It means that the whole of this Common Strategic Policy has at its centre, not constituents or civilians or members of a community who are there not to be judged on what their worth is in terms of what they bring to the table and to the Island, and what they produce intellectually, culturally, et cetera, it means that this whole of the C.S.P. (Common Strategic Policy) that we have now puts at the centre of that proposal a commercial transaction. I think the last amendment that I have just sat through and the counter to it shows that this ... we know that the

Island was sold long ago, many years ago, it has been bought and sold to the highest bidder. We see that right across the Island when we see our coastline being sold off and developed to the highest bidder. But unfortunately now we have also seen a continuation that this Assembly has also been captured by those interests to the point where we are quite happy to say, the majority in this Assembly: “Yes, we are dealing with customers, not with the members of the public.” So for me that says it all; I will find out which way we will be voting shortly. I am sure there is some good stuff in this C.S.P. but for me that simply sums it up, in the 21st century in 2022 ... is it 2022 still? That knock on the head must have been quite bad when I came off my scooter. For me, that sums it up. We have gone past the line I think where we are now seeing people for what we can extract from them, including the earth in terms of what we can extract from it, and not what we can be doing in terms of the social contract.

2.4.2 Deputy S.Y. Mézec:

Jersey is a very special and unique place and in no way is it more unique than in how we conduct our politics. We have a unique electoral system, we have a unique political dynamic which we can see repeated nowhere else in the world. In 2 ways it is unique, but I would suggest not good, in that we have still an undemocratic electoral system where the weight of your vote is determined by where you live, what part of the Island you live in, and the lack of a clear mechanism at the ballot box which enables voters to clearly say: “This is the vision and the action plan which I want implemented by my Government if the people who I vote for succeed.” Instead, a majority of those who run for election run, not with comprehensive and costed action plans, but with often laudable aims in their manifestos and broad statements about what approach they will take. So we then face the unique situation after an election where the Government takes months after it is formed to come up with its plan. In most other jurisdictions what happens is a Government is formed after an election either by a majority party or a coalition between parties who believe they can find enough common ground between them to come up with some plan. In very short order, that will guide how they act and seek to deliver as a Government for their term of office. I have sometimes regarded the Common Strategic Policy as the sort of equivalent of a Queen’s speech here, although we will have to get used to calling it the King’s speech now, where very soon after an election a programme is presented to Parliament, and if that Parliament were to vote against it, that would probably lead to the collapse of that Government and the quick instatement of a new one to have another go at getting support for that. We have a much more drawn-out process for doing that and at its culmination we get a document like this Common Strategic Policy serving as our equivalent, setting out what the strategic priorities for this Government’s term of office will be. I can feel comfortable voting against that plan, and that is not to be oppositional for the sake of it there, but it is to say that this plan may well be for that majority who have constructed it, and are entitled to do so, but it is in law, it is the Government’s strategic plan. I do not serve in that Government and I have a manifesto, as do my colleagues, which has different priorities to it, different priorities which perhaps somewhere in an alternative reality are being pursued by a different formation of Government. That I think is normal, it is normal for an elected Member to say: “I will vote according to my own democratic mandate and not the mandate of others who I am not necessarily aligned with.” Sir, when the Common Strategic Policy was first lodged, you and I had an indirect conversation, one that took place through officers, where we explored the possibility of bringing quite a comprehensive amendment to the C.S.P. which would have changed it quite drastically to reflect our manifesto key priorities and action points within that. You drew our attention to the law which says that it is the Government’s strategic plan, it is not an alternative party’s strategic plan, and that makes sense, so of course we accept that. But what we would have wanted to have voted on and signalled to those who have given us a democratic mandate to serve in this Assembly is that we remain true to that document. We do not align ourselves with a document constructed after an election that did not really have much of our input into it. So through this term of office our position will be that we will remain true to the key priorities we set in advance of the election and for which we have a democratic mandate to seek out. Those key priorities are: equality, sustainability and accountability. There are fewer of them than are in this particular

document and they are tied to a more broad document, our election manifesto, which we think provides much greater clarity on where we stand on some very specific issues. We are clear in what we stand for when it comes to tax reform. We want to see a tax system which is fairer and more progressive, which asks those who earn the most to pay more so that we can provide better quality and more far-reaching public services to support people in our society. We want to take much quicker and more drastic action in sustainability in ensuring that our economy provides good, well-paid jobs for those who work in it, that we provide the best training opportunities possible, and that we move towards a green economy as quickly as possible. In accountability we want to see much more done to strengthen our government system on democratic lines to ensure that we have things like equal votes, a separation of powers, and a civil service which is structured in such a way so that Ministers are truly in control of it rather than what has been the case recently. Where any of those policies or our headline priorities are aligned with the Government, they will count on our collaboration on those. The Minister for the Environment put out a press release recently about the licensing scheme for rented dwellings; that was in our manifesto, it aligns with our priorities. When that comes to the Assembly, we will play a constructive role in hoping to see the passage of those regulations because that is in line with our democratic mandate. When the Government brings forward policies which are not in line with our manifesto, they can expect our robust challenge and opposition, if necessary. That will be the approach that we take and we will vote always in accordance with the democratic mandate that we have from the public.

[12:15]

That means that our door is open to work with others when they think there is room for collaboration, when our policies and priorities are aligned, and I hope that that will happen frequently, and we will be able to go back to the public and claim clear victories where we have been able to advance policies that will make their lives better. But it does not mean under any circumstances that our support can ever be taken for granted; it cannot be. This Common Strategic Policy, I wish the Government best of luck in delivering those parts of it which are aligned with our democratic mandate, but it is not our document, it is not the mandate which we were elected on, a mandate which is based on a document created before the election, not after it. So, on that basis, we vote against the Common Strategic Policy, but we will continue to play our full role in these 4 years in advancing where we have common ground and advancing the priorities which we set of equality, sustainability and accountability.

2.4.3 Deputy L. Stephenson of St. Mary, St. Ouen and St. Peter:

As I am quickly learning, it is something of a tradition in this Assembly, I am going to say: "I was not sure I was going to speak at first" but Deputy Tadier encouraged me to, so thank you for that, Deputy. I just wanted to share with you that as an Assistant Chief Minister I was present in one of the first meetings at which the Common Strategic Policy, how that would be shaped and informed, was discussed. The thing that really stood out to me was within minutes of sitting down and starting that discussion, multiple Ministers had said "community", the word "community" needs to be in there, and that really struck me. As somebody who stood for election because I felt that perhaps we had missed that in the past a bit, we had missed the link with Islanders, and I did not often feel that our Government was working for real, everyday people, I felt that sometimes the "economy" word was put before people and community. So then we talked yesterday about how words do matter and I think it was quite clear that regardless of which way you voted yesterday, we did agree that words do matter. So if we look at some of the words in this policy, we have got words like people, families, community, social mobility, equality, well-being and, yes, Deputy Mézec, accountability and sustainability are in there as well. Interestingly that "people" does appear throughout the document and, I did not speak yesterday, but as Deputy Tadier has kind of spoken to a little bit today, I do think it is really important that "people" was mentioned from the Government point of view and do take the point that "customer" was in there from the values. Words matter and that really stood out to me. I have been encouraged by the words in this document but also so far the actions of this Government. I just really wanted to stand up today to say that, hopefully with this document agreed by the

Assembly and endorsed by the Assembly, I am really positive for the future, both for the words but the actions that can follow from this. Whether you call it a better way, progress, reform, even, I think that as an Island we can be really positive about the future with a document like this behind us to work to, to get behind. Finally, before I sit down, I would just like to say from a sports point of view, given my remit for sport, sport links with so many of these priorities that are in this document. I think that is really exciting for me in my role but also for our Island and our community.

2.4.4 Deputy P.F.C. Ozouf:

I am honoured to follow the Assistant Chief Minister, Deputy Stephenson. The law in which this now policy is being debated is Article 18(2)(e) which says that the Council of Ministers shall have a function of “agreeing and lodging for referral to one or more Scrutiny Panels established under Standing Orders and approval by the States, a statement of their Common Strategic Policy.” I think we have had, as Deputy Stephenson alluded to, a really quite vigorous debate. We do not have party politics in Jersey in the majority; we effectively have a coalition. We have had a coalition of Ministers working away, as Deputy Stephenson observed, that really had honest, pragmatic, sometimes feisty debates about what we wanted to put in for Members’ consideration. It moves of course from a Council of Ministers’ document but what is the consequence, if I may respectfully say to Deputy Mézec, if every Member who was not part ... because we are a minority Government. Ministers do not have a majority, we are a minority Government. What would happen if today we did not get the Common Strategic Policy? I think my reading of the law is the Council of Ministers would probably fall, it would not exist. What we do in our unique system of democracy, which I am proud to advance, explain to people around the world, in Westminster, we do not have whips, we have coming together. The Minister for the Environment, in his concluding remarks said: “Let us come together.” Let us come together on the things that we agree with. As I look at this document, I see the ambition led by a Chief Minister who certainly has had some feisty discussions with Ministers, who certainly has had to find a collaborative way, a joined-up way in the way we do things. We do not always agree on things - of course, we do not - but we have to find solutions. We have to find areas where we can deliver for the people that put us there. Our ambition: a place where people can afford a home, find good work, enjoy life, love, raise a family, stay active, healthy and be financially secure throughout their life, a place that cares for its community, environment, culture and heritage, a sustainable economy. We must face confidently some of the biggest strategic challenges in recent times: the rising cost of living, climate change, global economic trends, the pace of technology. I ask Members in their conclusions of whether or not to vote in favour of this Common Strategic Policy to look at the document. I ask Reform, are they really going to vote against something that says we will deliver, build trust, accountability - that is one of their words, is it not? - being prudent, focus on delivery based on evidence base, our workforce. I hear Deputy Southern say: “How? How?” By looking at our values, by being respectful, by working together, always trying to improve. Being whether or not it is customer or people-focused, we have decided that that is a matter for our staff, by being customer and people-focused, and by delivering. Not words but action. I would say to Members, we have spent a long time dealing with a document. I am proud to be back in this Assembly, and I am proud to be part of a Moore-led Government, as it is known outside, a coalition of different people from different backgrounds, determined, as Deputy Southern jostled me to say, how? Look at the last page, look at what the measurements are. If Members want to debate further matters towards priorities, bring forward amendments in the Government Plan, otherwise known in my time as a budget. Actions need money, they need the time of our public sector workers. If Members wanted to change things ... I think we have had a great debate on certain things, I think we are better for it. I am proud, I am really proud, having been, as I have said, a Member of this Assembly for 7 of the last 8 Governments. I think that this Assembly, with the kind of speeches that we have heard, respectful speeches that we have heard from various Deputies on my left, to various Constables on my right, to various Deputies to my rear, I think this Assembly is great. I think it is really united in a way that I have never seen a number of Assemblies before. I commend

the Moore-led Government Common Strategic Policy, a coalition of strong-minded individuals who are determined to deliver. I commend it to the Assembly and hope that it gets Members' support.

2.4.5 Deputy K.F. Morel:

I would like to thank Deputy Stephenson and Deputy Ozouf for their excellent words. This is a Common Strategic Policy which, as Deputy Ozouf said, really should unite the Assembly. It is drawn from the manifestos of the individuals and the parties that are in this Assembly. It has been designed specifically to show that the Government of Jersey is from the States Assembly, is drawn from the States Assembly, and that is what this Common Strategic Policy is designed to do. Members will find many aspects of their own thinking and their own manifestos in here regardless of whether or not they sat round the Council of Ministers' table when it was being drawn up. So, I must admit, I am disappointed, and I am a lot less magnanimous than Deputy Ozouf, when I heard the tenor of the debate previous to this when some Members were quite clearly playing the person and not the ball, and it was disappointing in the extreme to hear that. So I was also disappointed when I heard Deputy Mézec say: "Oh, our manifesto has different priorities." Really? Housing and cost of living, economy and skills, children and families, ageing population, health and well-being, environment, and, as Deputy Stephenson quite rightly showed, community. So, if Reform's priorities are different to those 7, I am disappointed, and that is a real shame, because I honestly thought those were priorities that Reform shared with the Government and the Council of Ministers and, quite correctly, sustainability and accountability are woven throughout this Common Strategic Policy. I know in my own area sustainability is a key word now in the Economy Department; it is how we think in the Economy Department. So, I do ask members of Reform to understand that if they do not want to just be an opposition, if that is how they do not want to be seen, then I believe that they need to take on board a document which stands for many, many of the things that Reform stands for itself and see that, because to be tied to any one way of thinking for ever means that you are not moving with the world. Ideologies do not work because they are unchanging. The world is constantly changing. Manifestos, sadly, even over a 4-year period, bits of them will need to change because reality changes around us. So I do ask Reform, please put away the last debate, and please stand up and say: "No, this is a very good document. This does reach into the same priorities as the Reform Party has." If it does not, then I think that is a real shame because I am convinced that these 7 priorities for change are the 7 priorities for change that the Island and Islanders are demanding from us as an Assembly. I heard on the doorsteps that this sense of community people felt was being lost in Jersey. They want that to be brought back, they are worried about the cost of living and the cost of housing, they are concerned about the future for an economy faced with staff shortages and global economic headwinds, they are concerned that children particularly are being priced out of futures in Jersey. They are concerned that with an ageing population we have a situation where healthcare will become unaffordable and so they are asking us to look at how we can change the delivery of health services and ensure that we have all a better sense of well-being in this Island. There is no question in my mind that there are very few Islanders who do not want us to improve the environment. To me that is one of the things that I think we should be so immensely proud of, is that Jersey is an environmentally-minded Island. I heard that on the doorsteps, not just this time, but 4 years ago as well. Then it brings us to the last one, back to that sense of community. I believe that Jersey's greatest strength lies in the strength of its community. We need to work together, we need to be together. We are 100,000 people and I know so many times that feels like the whole world is just 100,000 people but, believe me, it is not. When you travel to even cities like Rennes, our nearest large city, Rennes, it is only 300,000 people, yet we think of it as a small city. It is 3 times the size of us. Then you get to the big cities, the metropolises around the world whether that is Mexico City, Beijing, Shanghai, Tokyo, London, Paris, millions and millions of people living together, and yet we are just 100,000 people but we are 100,000 people who have our own self-determination which is something incredibly to be proud of, and we are 100,000 people who can lead the world in key areas of thinking such as environmentalism but we can only do so by being a strong and cohesive community.

[12:30]

So I ask all States Members, please do back and vote for and support this Common Strategic Policy which is not just that of the Government because it is borne out of all of our manifestos and all of the thinking of the 49 Members of this Assembly.

2.4.6 Deputy M.R. Scott:

Well I have heard the word “how” said a lot and it is interesting to me because I did formulate a whole document on a site called How.je. How do you deliver policies? How do you deliver solutions? Our job is to, as far as I see, support a democratically-elected Government, one that we, as a States Assembly, put in their current positions. We had an opportunity to oppose them, we have had an opportunity to challenge them, but we have who we have, and this is their document. In looking at this actual document, I think we need to accept it is a high-level document. There are different ways of delivering and, although you are nodding at me, Deputy Ozouf, I have to say I do not accept “how” is in this document because, guess what, you have got something called Scrutiny here, and we look at how you are going to deliver. So I would like to just bring the attention of the Assembly to the fact that the Economic and International Affairs Panel did look at this document. We did lodge comments. Just briefly, looking at some of the challenges because we have applauded some of the aims in it, I very much do not wish this just to be a wish list. I do not think anybody does. There are some real challenges in the area of the economics of these. We have some severe staff shortages across all sectors. That has been kind of exacerbated by housing and costs and cost-of-living costs. Things that are very much the concern of parties such as Reform. There are certain questions we are still even asking and are exploring, such as the idea of a skills barometer that is to be involved in upskilling a workforce that has the lowest unemployment that we have probably ever seen, so quite how that is delivered is another question. There is something mentioned called an enterprise strategy to cut red tape, incentivise start-ups, and help establish businesses grow and thrive. But in this particular context that we have, there are challenges there. We will be looking at these things. We have also mentioned that there is a part at the back about performance measuring. We did not have time to produce a whole load of amendments there but we really do believe that that has to be questioned and that needs to be looked at and refined hopefully with the acknowledgement and agreement of the Ministers, who are our Ministers of our Government. Even though I am a Back-Bencher, even though I had a manifesto, I do very much accept what has been produced through democracy, through voting and democratic debate, and I will be supporting this amended Common Strategic Policy.

2.4.7 Deputy L.V. Feltham:

First of all I would like to thank the Council of Ministers for accepting both of the amendments that I brought to the Common Strategic Policy. I hope that they were helpful and I hope that they will make a positive difference. That brings me to the spirit of collaboration in that even those of us that are voting against the Common Strategic Policy today that does not mean that we cannot continue to collaborate with our colleagues in Government. As Deputy Mézec I think quite clearly stated, where we have policies in common and we can support those, we will continue to do so. We will also continue to collaborate and bring amendments and try and be helpful with those amendments. We will, of course, continue to deliver on our own manifestos. I think it was Deputy Ozouf that mentioned that the Common Strategic Policy contains parts of all manifestos. I thought that was quite an interesting comment to make because I do not know if it was just me and my Reform party colleagues but it seems that colleagues that were not in Government were not party to the discussions around the content of the Common Strategic Policy. Perhaps a more collaborative nature, how Deputy Ozouf described the formation of the Common Strategic Policy, is correct. Perhaps a more collaborative procedure for the future would be to have workshops or discussions with Members that are not in Government prior to the writing, if it is going to be a document that we can all sign up to. But we are not in that position, we are in a position where we have got Government colleagues and we have colleagues that are not in Government. We have people within this Chamber, within this

Assembly, whose manifesto commitments are not clearly articulated within the document that is brought forward. I think Deputy Morel was saying - I cannot quite remember his words - but he was fairly critical of the stance that our party leader articulated that we would be taking. I think it is quite normal for parties, whether they be political parties or individuals that are not in Government, to not commit to the policies of others. That is what we are doing. We are committed to our manifesto but what we cannot do is commit ourselves to the policies of others. Now bringing myself back to that word "policy". When I first read the document I have to say I was quite disappointed on an individual level because I could not find very many actual policies. In fact, to give you an insight into some of our Reform Jersey party meetings, I did offer Freddo Frogs to anybody that could find a policy within the Common Strategic Policy. The clearest policy was that around the Opera House. It was clear, it was focused, and we know what the Government is doing. We sought to bring amendments obviously after the ruling from the Bailiff that we could not seek to change as much of the document as we would like. We sought to bring some further clarity around specific policies that were key to our manifesto, which is exactly why we brought the amendments related to housing and climate change because those are key tenets that formed part of our manifesto. That is what we promised our electors that we would do, and that is exactly what we did. We did not do it seeking to be divisive within this Chamber. We did it in the spirit of collaboration. Had we perhaps have got those amendments through we may have been more minded to vote in favour of the Common Strategic Policy. It may have been more in line with what we promised our electorate. But the document that we have, as amended and not amended, does not reflect the policies within our manifesto. That is why we are not supporting it. It is nothing personal. It is not saying that we will not collaborate during the course of this term. But it is us doing what we said we would do when we knocked on people's doors in May and June.

2.4.8 Deputy M.B. Andrews:

I will be very quick because I know we will be on lunch very soon. Just in relation to housing and the cost of living. I think the words that we used were quite implicit. In terms of the overall document itself it potentially could have maybe been a bit broader. However, I will be supporting the Council of Ministers in terms of approving this document. But I am a bit concerned in terms of the H6 housing policy from January 2023 in terms of where there will be housing developers who will have to provide affordable housing. Just when you are looking at the margins there could potentially be some disincentives for those developments to take place unless if you have more scale. I do think that could potentially be an issue. I think J.D.C. (Jersey Development Company) will also have an integral role in terms of providing more affordable housing moving forward, as will Andium Homes too. Of course, economy and skills is an area where I am very impassioned about. I think this has probably been an area that we have not really focused on, especially when we are looking at, say, tertiary-based education. Really what we have to be focusing upon is increasing the level of output and the quality of output within our economy and also what I am looking at here is the marginal efficiency of capital for the return of investment as well. This is really going to allow us to enhance our economy when we are looking at, say, G.D.P. (gross domestic product) or if we are looking at G.V.A. (gross value added) or even national income. These are the kind of areas that we have to be more focused upon, more systemically driven as a legislature, and I really hope that there will be that base of support because that is kind of my area of specialism, if you like. I just hope that over the next 4 years that we can ensure that we are going to progress and improve Islanders' lives as well. That is all I really had to say about that.

The Bailiff:

We are almost at the time when I would normally ask if the Assembly wish to adjourn or to continue. It might be helpful in making that view as to if any other Member wishes to speak on the Common Strategic Policy?

Deputy R.J. Ward:

I may want to, I think though probably more than a couple of minutes, if possible.

The Bailiff:

Yes, but then of course the Chief Minister will respond after that so it gives the Assembly an idea as to whether we should finish now before someone starts to speak.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

The adjournment is proposed. That seems reasonable in the circumstances. The Assembly stands adjourned until 2.15 p.m.

[12:42]

LUNCHEON ADJOURNMENT

[14:14]

The Bailiff:

We resume the debate on the main proposition for the Common Strategic Policy, as amended. Does any Member wish to speak? I know Deputy Ward did indicate an intention to speak but if he is not here.

Deputy S.Y. Mézec:

He will be here momentarily. We did start a minute earlier than 2.15. I guess I am just standing to filibuster in case he walks through the door, Sir.

The Bailiff:

Yes, I realise that. **[Laughter]** But you just almost crossed the line of having a second speech.

2.4.9 Deputy G.P. Southern:

I too may be filibustering but it seems relevant to me. What I want to do is explain why I cannot possibly vote for this document, this Common Strategic Plan. The main reason is that it contains no concrete actions whatsoever. I can sign up to this, it will not make one iota of difference to the way I behave or the way anybody should behave or what Government does because it contains no positive actions at all. It is just a series of words strung together. I used to call it management speak but I think I am going to start calling it Government speak, which is even less comprehensive than management speak. For example, on page 6, how we will deliver, and this is where I refer back to Ms Scott.

Deputy M.R. Scott:

Deputy Scott.

Deputy G.P. Southern:

Deputy Scott, sorry.

The Bailiff:

I was about to correct you, Deputy, but it is to be corrected through the Chair rather than directly across the Chamber.

Deputy G.P. Southern:

Thank you, Sir. Where it says "How we will deliver", and here is the hows, or are there? This page is how we will deliver; the how. What does it say? We will enhance trust in Government. How? No comment. "Accountability": "We will lead in a professional way." How? What does that mean? "We will use taxpayers' money wisely." How on earth? Focusing on delivery: "We will drive effective and efficient delivery of public services." I know it is getting dull but how? We will take decisions ... this one, "Our Workforce": "We will forge a motivated and productive workforce."

Perhaps you can all do it. How? Finally, we have “A commitment to partnership”: “We will maximise our impact when we work together.” How? Because you certainly excluded us in Reform Jersey from any of your actions. What this makes me think of, and I am extremely disappointed, in the elections we heard lots and lots about people claiming to be independent and independent-minded: “Vote for me.” I thought that might mean that we would get some independence of opinion. Some independence of actions. Lo and behold I have not seen any. We have vote after vote and this last one is the worst. It says we will behave as if we are one being, not independent in any way whatsoever. As far as I can make out, one or 2 exceptions, there has been no thought about how and what it means to be independent. And I have not seen it. I am very disappointed that that should happen. In particular, on this issue that we have debated today at length, I have heard lots of people standing up for election: “Vote for me, I am a green candidate. I am an environmental candidate” and I have not seen that either today. Not independent, not green, and not answering the questions of how we will deliver anything. That is why I cannot vote for this and I will not vote for it.

2.4.10 Deputy R.J. Ward:

I want to address the narrative that has been put forward about Reform, and it is amazing how many times we have been mentioned. I have lost track now but I am sure it is over 20. I thank you for the advertising. I hope you are not going to charge us for it. I was proudly elected as a Reform Jersey member in this election and in the election before. The only reason I stood for election was because there was party politics. Because there was a transparency in my belief and my policy from day one. I stand on that policy and I stand with it and bring it to the Assembly. I am ... I will not say brave, it is not brave, it is my job. I am doing my job well enough to bring propositions and take the criticism and take the whatever comes with it and win some and lose some; mainly lose some but there you go. I want to address this notion of ideology that was mentioned. Political ideology must be part of our politics. With Reform we have political ideology. Reform is a broad church. We have differences in ideology and we discuss them. We are open enough to discuss them. I am incredibly proud of the fact that we doubled our numbers in the Assembly, that we have the most diverse group that has ever been in this Assembly. We have 50:50 men and women. We are not talking about the ideology of diversity. We are doing it. We are doing it because it is the right thing to do. I will continue to come to this Assembly and do it because it is the right thing to do. If you want to criticise that as ideology that is absolutely fine by me. But the Common Strategic Policy is not about ideology, although ideology underpins it. A range of ideology is apparent. I would say quite conservative ideology. That is not a criticism although it would be for me obviously. You know my politics. It is an observation. If it is a conservative ideology that brings a Common Strategic Policy, and I am not conservative, I have no problem with not voting for it. However, every time something positive comes in, landlord licensing. I brought landlord licensing. I took one of the biggest batterings of my career in this Assembly with landlord licensing, and I am so pleased to see that coming back and I will support it, and I will stand up and I will say why I support it. So voting against something that is not my policy does not mean you do not vote for the things that are your policy. When I stood on the doorsteps with those policies I convinced people to listen to us as Reform candidates and then vote for us, and we took all 5 of those seats in my constituency. We took 10 of the 12 of the people who stood and we were close with 2 more. You may not like it. You may not like Reform. I am sure it was not us as individuals because we are lovely. You may not like Reform but you have to respect the fact that we have stood up and we have kept going. I just wanted to address that narrative and it is sad that what was previously talked about as personal when it was about politics is now being spread to this. In terms of the Common Strategic Policy, I would like to have seen direct addressing of income inequality, of poverty. Poverty is real on this Island. People are going to foodbanks. Schools are offering food parcels. People are asking for energy help. Our income support system exists but I am afraid it is not working as well as it could. People are entrapped in the cycle of poverty that they cannot get out of because of the mechanisms that are there. That is the reality of where we are and I would like to have seen the Common Strategic Policy address that. We have been through the ... some believe we have been through 4 debates on climate change. I will

keep bringing things on climate change. I believe we need to do more. I fundamentally believe and understand and know that we need to do more. It took 3½ years to get something on buses, let us keep going. One day I see in the distant future a shining light of a free bus service. We will all travel together in some utopian style, hand in hand ... no, let us not go too far. But the Common Strategic Policy is exactly that. It is a policy of Government. So what I am saying to you is do not be surprised if the party that is not Government does not vote for it. That is what happens in party politics. I am somebody who believes in party politics. But it does not mean we will not support the things that are right. The final point I would say, because I know some people probably tut when I stand up nowadays, but you will get used to it. Do not worry. The final point I would like to make about the Common Strategic Policy is just something about education. We talk about raising attainment. Education just simply is not about attainment in those levelled ways. It is about the experience children have. Because schools provide more than just a number at the end of 5 years. They provide a nurturing process which we have all been through, and I could ask anyone in this Assembly about an experience they had that was nothing to do with exams and then immediately come up with something and say: "Yes, the best part of school." I can still remember in my primary school - I am not going to say how many years ago - building a cardboard tank. Where did that come in my memory? I cannot remember who I am sometimes in the morning but I can remember that. You have these experiences, so we must not turn education into a commodity that is just measured as a number. The experiences of our children are much more important than that and we must provide for those children in schools. I do not care how much it costs to give our children something to eat at lunchtimes. I do not care whether their parents can come up with £2.50 a day. They are children, we should be treating every child as though it is our own. Somebody said it takes a village to bring up a child, let us all treat every child as though it is our own. You would not ask your children for £2.50 for something to eat, until they are 21, then you are allowed to, I believe. They might even buy you something, I do not know. But I think the point on education is not in depth enough and it is a general policy. Also, I was disappointed with housing. I think they were offered real tangible things to do and it is a shame they were not taken a little bit more. We need to be more open about our allegiances in this Assembly. There were parties that exist, you have got a coalition. How are those coalitions working together? I think the people of Jersey want to know what the coalition is, what their loyalties are. What has happened to the parties that stood in the election? How are they conducting themselves now or are they not in a party anymore? How is that working? Because that is transparency and that is openness. When somebody once said: "When one voice rules the nation just because they are top of the pile, it does not mean their vision is the clearest." I will not be voting for the Common Strategic Policy but in the future I will vote for everything that we and I believe and we discuss is a positive thing for the people of Jersey, reduces inequality and gives everybody, regardless of their income, what they face in the world, a decent opportunity to really find themselves on this Island, which is a beautiful place to live if you unable to do it.

The Bailiff:

Does any other Member wish to speak on this debate? If no other Member wishes to speak, then I close the debate and call on the Chief Minister to respond.

2.4.11 Deputy K.L. Moore:

I am grateful to Members for the varied and thoughtful contributions that they have made to this important debate today. I think it has been, in the main, a thorough, informed and constructive debate. I am especially grateful to Members who have proposed amendments to the Common Strategic Policies. Where they were accepted the amendments have enhanced our policies and even when we have disagreed it is important that those discussions are held on the floor of this Assembly; that is simply what we are here to do. It is natural to have different views. It is natural to take different positions in an argument. But what is clear is that we all share a desire, a desire to act with Jersey's best long-term interests at heart, which is why this is a collaborative document that does represent the views of this whole Assembly and, as we debated yesterday, the values of our public sector. By

working together across the Assembly we will deliver the change that Islanders demanded. Adopting the Common Strategic Policy is the first formal step in delivering a government programme and putting Jersey back on track. This of course follows the first action of this new Government, which was the completion of an 18-point action plan that was delivered in our first 100 days. We have set the framework within which we will now focus our work for the next 4 years and the priority is now looking forward, taking action and delivering on that agenda. The 7 priorities are clear and balanced and reflect the priorities of the people.

[14:30]

When I talk to Islanders the message I hear is clear, Islanders want us to deliver affordable housing for families, to continue to help with the cost of living and to address our staffing and skills shortages. Those are our 3 areas of relentless focus. This is a policy direction paper for the next 4 years and it meets many of the wider challenges that we face, on improving our health and well-being, enhancing our environment and making Jersey a place where people can grow old with dignity that will endure throughout and beyond that time. It will benefit our future generations by taking pragmatic and prudent decisions that maintain stability. We protect our beautiful Island for future generations. Any strategy is an exercise in outlining the direction of travel, the aims; that is in fact very close to the dictionary definition. As Members know and I know that after his many years of service, Deputy Southern certainly knows this too, the how comes in the Government Plan. Of course the C.S.P. also sets out a series of key measures so that progress can be monitored. As Members know, we take engagement seriously and we have created new avenues to listen to both the voices of the younger members of our community, as well as the older ones. Because we want our young to see a long-term future for themselves in their Island; that absolutely includes matters around the environment. This has been an area of strong debate but within it our clear commitments have been identified. We have a Minister for Energy and Climate Change. We have also, in accepting the amendment to amendment 5, committed to using our role in the world to promote sustainable and green finance. As a Council of Ministers, over 40 per cent of us use a bicycle as our regular mode of transport. Some have suggested that we may be seen as being overly biased on environment matters. But in seriousness we have great opportunity to deliver change and we will do that through taking clear and committed action on our 7 priorities that I hope all Members of the Assembly will join with us in supporting today. Today we do come together to make the first major step towards change. For Jersey to be prosperous we need to be a place where everyone in our community can thrive. I am sincerely grateful for the hard work of my Ministerial colleagues, colleagues in this Assembly and our officials who have in recent months worked very hard to bring us to this point. That hard work on behalf of Islanders must continue but the road is now set. I thank Members again for their contributions, their encouragement and their support to create this guiding document in a collaborative way. Sir, I ask for the appel.

The Bailiff:

The appel is called for. I invite Members to return to their seats and I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The proposition has been adopted:

POUR: 35		CONTRE: 10		ABSTAIN: 0
Connétable of St. Helier		Deputy G.P. Southern		
Connétable of St. Lawrence		Deputy M. Tadier		
Connétable of St. Brelade		Deputy R.J. Ward		
Connétable of Trinity		Deputy C.S. Alves		
Connétable of St. Peter		Deputy S.Y. Mézec		
Connétable of St. Martin		Deputy T.A. Coles		
Connétable of St. John		Deputy B.B. de S.V.M. Porée		
Connétable of Grouville		Deputy C.D. Curtis		
Connétable of St. Ouen		Deputy L.V. Feltham		
Connétable of St. Mary		Deputy R.S. Kovacs		
Connétable of St. Saviour				
Deputy C.F. Labey				
Deputy S.G. Luce				
Deputy M.R. Le Hegarat				
Deputy S.M. Ahier				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy P.F.C. Ozouf				
Deputy Sir P.M. Bailhache				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy A.F. Curtis				
Deputy B. Ward				

Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

3. Draft Children and Young People (Amendment) (Jersey) Law 202- (P.96/2022)

The Bailiff:

The next item of public business is the Draft Children and Young People (Amendment) (Jersey) Law lodged by the Minister for Children and Education. For the purposes of this debate the main responder will be the chair of the Children, Education and Home Affairs Scrutiny Panel and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Children and Young People (Amendment) (Jersey) Law 202-,. A law to amend the Children and Young People (Jersey) Law 2022. The States, subject to the sanction of His Most Excellent Majesty in Council, have adopted the following law.

3.1 Connétable R.P. Vibert of St. Peter (Assistant Minister for Children and Education - rapporteur):

Unfortunately the Minister has had to leave the Assembly at short notice, so, therefore, I have been asked to bring the amendment. Thank you, Sir. I propose in the First Reading this amendment to the Children and Young People (Jersey) Law 2022, which was passed by this Assembly earlier this year and represent a very significant update to the existing children’s legislative framework. The law will be supported by training and statutory guidance and we are currently progressing this on schedule ahead of the planned implementation. I, my officers and key stakeholders are also taking this opportunity to review our governance arrangements in the light of and ahead of the enactment of the new law. To allow time for this work I plan to enact the law through an Appointed Day Act, which we will bring forward in early 2023. Before the law is enacted I also need to bring forward the short Children and Young People (Amendment) Law. This will correct a typographical mistake that was, unfortunately, overlooked during the final checks of the Children and Young People (Jersey) Law prior to lodging. Members may recall that when this was brought to the Assembly we agreed to pass the legislation on the basis that this typographical error would be corrected by an amendment and that is what we are now doing. Within the system to support children, young people and families, co-operation and working together effectively is essential. The Children and Young People (Jersey) Law provides for under Article 4(5) and 28, respectively, arrangements for co-operation, which include arrangements for information-sharing. Unfortunately, due to this drafting error the current wording at paragraph 4 of Article 5 of the Children and Young People (Jersey) Law 2022 does not support the intended policy outcome in respect of information-sharing. In fact it includes the word “not” prior to information-sharing and, therefore, gives the impression that we will not be sharing information. As this error was noticed just prior to the law being debated in the Assembly, the law was passed on the understanding that we would come forward at a later date to make the amendment. The draft amendment law, if passed, will have the effect of ensuring that the wording in these provisions in the law achieves the intended policy on information-sharing when it is enacted. I would like to thank all officers who have worked on this and also the Children, Education and Home Affairs Scrutiny Panel for their positive comments lodged in support of this amendment to the law.

The Bailiff:

You, therefore, move the matter in First Reading.

The Connétable of St. Peter:

I do, Sir.

The Bailiff:

Is it seconded for First Reading? **[Seconded]** Does any Member wish to speak in First Reading? All those in favour of adopting in First Reading kindly show. Those against? The law is adopted in First Reading. Does the Scrutiny Panel wish to call the matter in, Deputy Catherine Curtis?

Deputy C.D. Curtis St. Helier Central (Chair, Children, Education and Home Affairs Scrutiny Panel):

We have received briefings; we are content the proposed changes do not affect the original intent of the law and we support it.

The Bailiff:

Thank you very much. You are not calling the matter in. Very well. How do you wish to deal with the matter in Second Reading, Connétable?

3.2 The Connétable of St. Peter:

I think it is *en bloc*, is it, Sir?

The Bailiff:

You can propose them *en bloc*.

The Connétable of St. Peter:

Yes, Sir.

The Bailiff:

Very well. Are they seconded? **[Seconded]** Does any Member wish to speak on any of the Articles?

3.2.1 Deputy R.J. Ward:

Just a very quick thing, I think this is a good change and from the old panel I remember we looked at it. Just in terms of information sharing, can I ask the Assistant Minister whether this deals with the fusion - I cannot think of another word - of information? I know that in schools sometimes teachers do not get access to information that would really help them understand the problems that children are facing and they may get into situations that perhaps they would not have if they knew about particular situations. Sometimes they feel that they are not being treated as professionals, to be quite frank, not purposefully but because of the process. Does the Minister think that this addresses that issue because I know it is one that was raised with me a number of times?

3.2.2 Connétable M.K. Jackson of St. Brelade:

I am just talking to Article 28 and the collaboration with other corporate parents. I just want to understand from the rapporteur how he sees this relationship working with Parishes. What might be the resource implications with them?

The Bailiff:

Does any other Member wish to speak in Second Reading on any of the Articles? If no Member wishes, then I call upon the Connétable of St. Peter to respond.

3.2.3 The Connétable of St. Peter:

In answer to those questions, the law says that information sharing can be between responsible Ministers and relevant providers or providers of services to children and young people. Also, safeguarding partners and their relevant providers and corporate parents. Therefore, I would see that it would address the concerns of the Deputy. The Constable of St. Brelade, with relation to corporate parents, and of course Parishes or the Constables are corporate parents. I would not see this having any immense impact on resources, so I hope that answers your question. I would also say that

statutory guidance is currently out for consultation and, therefore, Members have an opportunity to respond to that and, in effect, ask questions and seek guidance on the guidance that is proposed.

The Bailiff:

You maintain the proposition in Second Reading?

The Connétable of St. Peter:

I do, Sir. The second, yes, sorry.

The Bailiff:

All those in favour of adopting in Second Reading kindly show. Those against? The Articles are adopted *en bloc* in Second Reading. Do you move the law in Third Reading?

3.3 The Connétable of St. Peter:

I do, Sir.

The Bailiff:

Is it seconded for Third Reading? **[Seconded]** Does any Member wish to speak in Third Reading? If no Member wishes to speak in Third Reading, I close the ... I beg your pardon, Deputy Morel. No?

Deputy K.F. Morel:

No, Sir.

The Bailiff:

All those in favour of adopting in Third Reading ...

Deputy K.F. Morel:

I was going to ask for the appel, Sir.

The Bailiff:

Yes, the appel is called for. I invite Members to return to their seats and I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The law has been adopted in Third Reading:

POUR: 44		CONTRE: 0		ABSTAIN: 0
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Grouville				
Connétable of St. Ouen				
Connétable of St. Mary				

Connétable of St. Saviour				
Deputy G.P. Southern				
Deputy C.F. Labey				
Deputy M. Tadier				
Deputy S.G. Luce				
Deputy K.F. Morel				
Deputy M.R. Le Hegarat				
Deputy S.M. Ahier				
Deputy R.J. Ward				
Deputy C.S. Alves				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy S.Y. Mézec				
Deputy T.A. Coles				
Deputy B.B.de S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy C.D. Curtis				
Deputy L.V. Feltham				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy R.S. Kovacs				
Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

4. Draft Employment (Minimum Wage) (Amendment No. 17 (Jersey) Regulations 202- (P.99/2022)

The Bailiff:

The next item of public business is the Draft Employment (Minimum Wage) (Amendment No. 17) (Jersey) Regulations lodged by the Minister for Social Security. The main responder will be the chair of the Health and Social Security Scrutiny Panel and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Employment (Minimum Wage) (Amendment No. 17) (Jersey) Regulations 202-. The States make these regulations under Articles 17 and 104 of the Employment (Jersey) Law 2003.

4.1 Deputy E. Millar of St. John, St. Lawrence and Trinity (The Minister for Social Security):

These regulations, if agreed to by the Assembly, would increase the maximum amounts that an employer can offset or deduct from wages in respect of provision by the employer of accommodation and meals to an employee who earns the minimum wage. Minimum wage rates have increased to £10.50 an hour from the beginning of November. This is a significant increase of 13.8 per cent and the proposed increase in offsets fully matches the overall increase in minimum wage since 2020. It is important to strike a proper balance between increases in the minimum wage rate for employees and the ability of employers to make fair and reasonable deductions from the provision of accommodation and meals. Rising costs are impacting particularly on those sectors that traditionally rely on minimum-wage employees. In my view, the proposed new offset rates achieve that proper balance. I propose the principles.

[14:45]

The Bailiff:

Are the principles seconded? [**Seconded**] Does any Member wish to speak on the principles?

4.1.1 The Connétable of St. Mary:

I raise one item only, the opening words of the report say: “The Employment Forum reviewed the minimum wage and associated rates, as is its statutory duty under the Employment (Jersey) Law 2003.” I raise the matter because at the end of the last Assembly the Economic Scrutiny Panel conducted a review into various items relating to seasonal workers and the rural economy, and there noted that there be no such increase for that year. I simply wish the Minister to clarify, if she might, as to whether the Employment Forum apparently did not make a recommendation for that year and the Minister decided to exercise her powers under the emergency powers and enforced because of COVID not to make an increase. I simply wish the Minister to reassure the Assembly that was an isolated instance and that in normal circumstances the Employment Forum will automatically conduct a review and report in to the Minister.

4.1.2 Deputy M.R. Scott:

As the current chair of the Economic and International Affairs Panel, I think I might also just ask the Minister quite why these offsets come into effect on 1st January when the minimum wage rise took effect on 1st November because this obviously can impact on at least one particular industry who might be looking to use these offsets against the minimum wage?

4.1.3 Deputy S.Y. Mézec:

Just very briefly, the offsets for accommodation are of course different for the main minimum wage rate and the trainee rates. Could the Minister confirm if trainees pay a different rate of rent?

The Bailiff:

Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles, I close that debate and ask the Minister to respond.

4.1.4 Deputy E. Millar:

I will address those questions in order. The Constable of St. Mary, I believe that what happened is during the COVID period the previous Minister made her own decision to increase minimum wage rates but the offsets were not increased at the same time. I am afraid I do not know why that was. I guess just in the whole uncertainty of the COVID period the offset rates have not been increased since 2020. However, I can assure you that in future we will be consulting with the Employment Forum. Article 18 of the Employment Law requires the Minister in normal circumstances to consult with the Employment Forum before setting minimum wage and offset rates. They are instructed to do that. The Employment Forum do not do a review and provide the information, they are requested by the Minister to conduct the review because it is a fairly lengthy and complex consultation process. If I could just say that the Assembly will be aware that I decided not to accept the Employment Forum's recommendation this year in respect of the offset, nor indeed the minimum wage. The Employment Forum recommended an increase in offsets by 20 per cent, but my increase is to 26 per cent. That recognises the fact that rates were not increased since 2020 and reflect current cost-of-living challenges. This also reflects my decision, which also went against the Employment Forum recommendation, to increase the minimum wage by 13.8 per cent from 1st November and that rate significantly exceeds the current rate of inflation and average earnings. The next point was timing, yes, apologies. Timing, there is some degree of difference in that the minimum wage is set by Ministerial Order, so although the Minister is obliged to consult with the Employment Forum the minimum wage itself is set by the Minister. We brought it forward again to reflect the cost-of-living increases. We brought that forward to November this year, rather than it commencing in January. Employees have already had an increase to £10.50 from 1st November, rather than from 1st January 2023. In terms of raising the offsets, that required regulations to come before the States and I am afraid with the process at the time the Employment Forum reported it was not possible to get regulations in quickly enough to increase the offsets sooner because the States have to agree. The offsets will become effective from 1st January, so there is again an unusual disparity in timing with the minimum wage rising but the offsets not rising for 2 months subsequently. The last question from Deputy Mézec, trainees receive a lower ... I do not think that the trainees are not necessarily charged a different rent. It is the same principle as employers on the minimum wage but is a trainee rate for the minimum wage. The offset, which is lower than the normal minimum wage and the offset is correspondingly lower. For example, the rate for accommodation and food for someone who is on the full minimum wage is £153.28, the trainee rate is £114.97, so that offset is reduced to reflect the fact that the trainee minimum wage is also lower. The Employment Forum, just as an aside, believe that the trainee rate, we should consider removing the trainee rate and that is something that we may do in the next year or 2 after a consultation. I think that was all the questions, unless anyone has any.

The Bailiff:

You maintain it in First Reading.

Deputy E. Millar:

Yes, Sir, I maintain the regulations.

The Bailiff:

All those in favour of adopting the regulations in First Reading kindly show. Those against? Very well, they are adopted in First Reading. Does the Scrutiny Panel wish to scrutinise this matter, Health and Social Security Scrutiny Panel?

Deputy G.P. Southern (Chair, Health and Social Security Scrutiny Panel):

No, thank you, Sir.

The Bailiff:

How do you wish to propose the regulations, Minister?

4.2 Deputy E. Millar:

I propose *en bloc*, Sir, please.

The Bailiff:

Are they seconded? **[Seconded]** Does any Member wish to speak on the regulations or any of them? If no Member wishes to speak on the regulations, all those in favour of adopting the regulations in Second Reading kindly show. Those against? Do you propose in Third Reading, Minister?

4.3 Deputy E. Millar:

Yes, Sir.

The Bailiff:

Are they seconded for Third Reading? **[Seconded]** Does any Member wish to speak in Third Reading?

4.3.1 Deputy K.F. Morel:

I would first of all like to say how proud I am of the Council of Ministers for bringing these amendments to the regulations through. I think it is really important, especially in the face of the cost-of-living crisis, that we support those who are paid the least in this Island by showing the value of their work more clearly through the minimum wage. The minimum wage though and over the last 4 years being involved in the area of the economy, both as Scrutiny Chair and as an Assistant Minister and now Minister, minimum wage does present particular challenges. It does particularly as we try to move, quite understandably and I believe morally correctly, towards a living wage and the minimum wage being a living wage. But there are serious costs involved to that with regard to particular industries, most specifically agriculture and fisheries but quite possibly others as well. To give you an example, the minimum wage rise that we are in the process of establishing will add a cost of about £1 million to the agricultural industry alone. This is not an industry which makes excessive profits, this is not an industry which is soaring, it is an industry that faces significant challenges and to add a cost of £1 million is difficult. The Government Plan, thankfully, and because this Council of Ministers recognises the challenges there, is supporting agriculture to the tune this year of about £1.4 million through the increase in the Government Plan. But you can see straightaway, I am sure Members can see straightaway that most of that increase and support for the industry is eaten up straightaway by the minimum wage rise. It comes to my attention, and this is me speaking personally as a Member of the States, I believe we do need to find a new way forward for the minimum wage with respect to these kind of vulnerable but vital industries. To give you an example, I believe the living wage, if we were to set it today, the minimum wage as the living wage I believe would be about £12.50 or thereabouts, so another £2 increase from where we are today. The cost to agriculture would probably be - back of an envelope type calculations - an increase of over £2 million to their costs, which would absolutely wipe out the industry locally. This is not me saying we cannot afford the living wage and not me saying we cannot continue to increase the minimum wage because I believe morally we must; I think that is right but we do need to find a different formula for these more vulnerable sectors of our society. That could be through direct support but I do think it means we need to have a more nuanced approach to the minimum wage and the way it is set. I just wanted to say that I am fully supportive of this wage rise. I am really pleased, it is really important to say it, that when I speak to leaders in the agricultural sector they are supportive and they are not saying do not do this, they are saying you need to help us do this. They are asking for help because they understand that it is important. But we do need, I believe, in the future to take a slightly different approach and I will be speaking with the Minister for Social Security, the Chief

Minister and others to try and achieve that approach, a different approach for these industries as we move forward.

4.3.2 Deputy M.R. Ferey of St. Saviour:

As the Minister explained, this is a first rise in the offsets since April 2020. We have always tried to be fair to both employees and employers and the priority is to balance both sets of interests. Those on the lowest pay receive a decent rise in the minimum wage and that employers who do use the offsets - and there are very few who charge a maximum rate - are able to charge a reasonable amount for the provision of both food and lodgings. The pressures on the agricultural sector and on the hospitality sector are seasonal. With a significant rise in November we have ensured that those on the minimum wage have extra money in their pockets in time for Christmas. At the same time bringing in new offset rates in January will enable employers to see new deductions for food and accommodation before the busy season starts. It also means that in many cases seasonal employees can be clear about what deductions will be made before they take up their contracts. On comparable jurisdictions - Guernsey, the Isle of Man and indeed the U.K. - Jersey's support in terms of offset rates is far more generous than any of those and that is something that we should be proud of. As an Assembly, we should welcome the initiative by the Minister for Economic Development, Tourism, Sport and Culture to develop a direct funding strategy for farmers, which could serve as a long-term alternative to over-reliance of the industry on the offsets. I note the positive reaction from the sector to the Minister's proposals which bodes well.

The Bailiff:

Does any other Member wish to speak in Third Reading? If no other Member wishes to speak in Third Reading, I call on the Minister to respond.

4.3.3 Deputy E. Millar:

I think, Sir, I will just call for the appel, please.

The Bailiff:

Very well. The appel is called for and I invite Members to return to their seats and I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. Regulations have been adopted in Third Reading:

POUR: 43		CONTRE: 0		ABSTAIN: 0
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Grouville				
Connétable of St. Ouen				
Connétable of St. Mary				

Connétable of St. Saviour				
Deputy G.P. Southern				
Deputy C.F. Labey				
Deputy M. Tadier				
Deputy S.G. Luce				
Deputy K.F. Morel				
Deputy M.R. Le Hegarat				
Deputy S.M. Ahier				
Deputy R.J. Ward				
Deputy C.S. Alves				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy S.Y. Mézec				
Deputy Sir P.M. Bailhache				
Deputy T.A. Coles				
Deputy B.B.de S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy L.V. Feltham				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy R.S. Kovacs				
Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

5. Cost of Living Crisis - Removal of 5 per cent goods and services tax (G.S.T.) from food (excluding alcoholic drinks) (P.100/2022)

The Bailiff:

The next item of public business is the Cost of Living Crisis - Removal of 5 per cent Goods and Services Tax (G.S.T.) from Food (Excluding Alcoholic Drinks), P.100, lodged by Deputy Kovacs. For the purposes of this debate the main responder will be the Minister for Treasury and Resources. I ask the Greffier to read the proposition.

[15:00]

The Greffier of the States:

The States are asked to decide whether they are of opinion – (a) to refer to their Act dated 18th April 2007 in which they approved the Draft Goods and Services Tax (Jersey) Law 200- and to agree to vary that decision in order to exempt or zero rate the following items - food (excluding alcoholic drinks), to be based upon the zero-rating categorisation of food utilised by United Kingdom value added tax arrangements, as set out in the appendix A or such other categorisation identified by the Minister for Treasury and Resources that respects the principle of exempting or zero-rating these items; and (b) to request the Minister of Treasury and Resources to bring forward for approval the necessary legislation to give effect to this decision at the earliest opportunity, but no later than 1st January 2024.

5.1 Deputy R.S. Kovacs of St. Saviour:

Firstly, I would like to say what this proposition and debate is not about and it is the mini-Budget proposed by the Council of Ministers and approved as amended by this Assembly quite recently because all the debate so far outside of the Assembly was around this. Before I even start to talk further I wanted to say what drove me into bringing this and was the principle of not taxing food, which is something we need to live on. Further, from the principle, I did a very in-depth research because I wanted to convince myself that is the right thing to do, which I am now and I hope I am able to convince you further as well. Without going into the detail, much of the targeted financial support will disappear from the mini-Budget in the next 6 weeks or so and the rest within a few months after that. Although increases in tax thresholds take effect from January 2023, indications are that the rate of inflation will more or less cancel this out. In addition, wages are not rising to match this. All of this against the background of continued increases in the Bank of England interest rates, which has had a significant effect on borrowings, particularly for those with mortgages. Recent figures show that someone with a £300,000 mortgage with a 2-year tracker faces increases of about £350 per calendar month or about £4,000 per year. A 5-year fixed increase of about £650 per calendar month or about £7,600 per year. Most of the turmoil in the financial market is due to the unforced errors of the previous short-term Prime Minister and Chancellor of the Exchequer, which it appears that the Council of Ministers are afraid to mention. Talking about the G.S.T.; since the agreement to introduce G.S.T. as part of the Zero/Ten tax regime, there has been considerable public interest, discussion and debate. I have endeavoured to capture some of this in my report, which I hope Members have read in full. I should like to point out respectfully to Members that most of what is contained in the report is my own work, with help and assistance from others, including those who I questioned within business, community organisations and the public sector for supplying me with background information, for which I thank them. My reason for saying that is, firstly, to thank those who contributed and, secondly, to point out that is a different situation to a Minister turning up at a Scrutiny Panel inquiry with 5 or 6 assistants or advisers. Background work was done before any mini-Budget because I and others believed removing G.S.T. from food was the right thing to do and I believe now it is the right time as well. The very real issue here is people's actual living costs. Day-to-day food costs and what inflation is doing to them on a regular and ongoing basis. This is not a temporary blip and predictions are that prices have gone up and will stay up. The underlying facts that support that are in brief the following. There is and have been labour shortages for

harvesting crops and food processing. There are already considerable inflationary issues in the supply chain for packaging materials, tins, cardboard, plastics, et cetera; considerable price increases for energy, with more on the way, affecting production and transport. All of this indicates that, unlike a blip in petrol prices, there will be continued and sustained increases in the price of basic foodstuffs, which in Jersey, unlike the U.K., carry a tax of 5 per cent G.S.T. which should be removed in order to assist people by reducing their basic living costs and giving some relief to inflationary food prices. Some concern has been expressed about whether or not the price reduction will be passed on. How will we know? I have had a number of discussions that give me comfort here. Firstly, supermarkets themselves have told me and some declared publicly that between their I.T. (information technology) and Finance Departments the appropriate price changes will be made and publicised. Secondly, the Jersey Consumer Council already does food-price monitoring and with some more financing could do more. They published their findings on their website and through a newsletter that is distributed to over 40,000 Jersey letterboxes. They also just launched the price comparison app that has updates on the prices in regular shopping baskets of 6 large retailers to start with but soon will be added more. Thirdly, the Jersey Competition Regulatory Authority have a considerable amount of supermarket price comparisons already on record for both Jersey and the U.K. and they are willing and able to monitor the situation. They have also confirmed they have sufficient funding already allocated and researchers to do this, and it is in their schedule for this term of office. Fourthly, the Statistics Unit will pick up food prices in more months in a quarterly retail price index. With all this mentioned above and the advantage that Jersey is a small enough jurisdiction when compared with the U.K., the word of mouth can spread quickly on the Island and then people can be informed who has and who has not passed on the reduction to the customer and they can vote with their feet. To those who say how do we know that the price reductions are happening, I say that there are plenty of independent authorities, as well as traders and of course the general public, who I am sure will give feedback and then people can decide for themselves. Let us talk about the red tape, I do not believe that we are here to make excuses and promote a can-do attitude when the opposite is required for the benefit and well-being of our community. I have noticed comments about we cannot do this because of red tape. I would respectfully suggest that this tape is light pink that has been painted red on purpose. Besides conducting this research in person and in great detail, getting feedback from the public, from large and small retailers, wholesalers, charities, foodbanks, Consumer Council, Jersey Business and other relevant organisations, including the Treasury and Customs Department, I have myself knowledge and experience in accountancy, retail, hospitality, running a business, working with till systems and adjusting it and doing tills reconciliations. That is why I can tell you for sure that the change is required if the G.S.T. is to be zero-rated on basic food, to even the small businesses that will have a not-so-advanced till system, which are not that many, are nowhere near as complicated or costly, as the Council of Ministers have made it look. Then I would respectfully suggest if something needs doing, and I believe removing 5 per cent G.S.T. from food needs doing, then we need to address any issues, however minor they are, because I believe that they are minor, to find the best way to make it happen because it is needed and many people are struggling with everyday food costs and this will help on longer term, not just now. Interestingly, I have checked answers from the debate on removing G.S.T. for menstrual products and not one Member mentioned any issues about red tape or, incidentally, about whether we are providing the benefit to those better off who did not need it. We are happy with not having their financial or manpower estimate without knowing where the money would come from. The then Minister for Treasury and Resources has also mentioned the tampon tax perceived effect but in that debate in April it did not matter and now it does. In the Hansard of the debate in 2022 then Senator Kristina Moore, now Chief Minister, on G.S.T. exemption from menstrual products said: "A recent poll that I conducted showed that 25 per cent of those who responded spent 61 per cent of their household income on housing costs and 42 per cent of those who responded spent between 21 per cent and 40 per cent of their household income on food costs." I met with the Chief Minister before I lodged this proposition because I was interested in the content, if she could share it with me. However, despite 3 requests she has not been able to do so. I find some more recent comments, both cynical and selective, as like the period products, being an unavoidable

necessity, the same is the food, as you cannot live without feeding yourself. On previous debates, while looking at G.S.T. background information, I have looked at a number of propositions that have come before this Assembly. This has been particularly helpful and some reference to this is contained within my report. Something that caught my attention recently were the negative public comments from the Minister for Treasury and Resources, Deputy Ian Gorst, the former Deputy of St. Clement, Senator and now Deputy for St. Mary, St. Peter and St. Ouen and so I wish to share something with Members. Deputy Carolyn Labey on 17th June 2008 lodged a proposition as follows: Goods and Services Tax: exemption or zero-rating for foodstuffs and domestic energy. This was debated and voted on 11th and 12th September 2008. As mentioned in my report, at the time it was supported by the then Council of Ministers. Also, the vote for supporting the proposal to exemption or zero-rating for foodstuffs included the then Deputy of St. Clement, Ian Gorst. The Hansard from that debate on Deputy Gorst's speech is as follows: "So we come to the rebate scheme, the scheme which is supposed to be providing for those between income support and those paying tax, it is nice in principle, it gives us a warm woolly feeling inside. However, I do not believe for a minute that a lot of those people who would be able to claim that scheme or that money would in actual fact make that application." He also says: "So where does this leave us? Well, I believe and hope that it is the desire of all States Members to help and support hard-working families on low and middle incomes. I, therefore, suggest we have a choice. Neither of these choices is perfect but I believe that it comes down to this. We must ask ourselves, what sort of society do we want? One which leaves money in people's pockets and allows them to provide for their own families or a society, which, out of deference, requires its community to come cap in hand to Government for a hand-back. Not always sure that I or we in this Assembly understand how difficult some hard-working families find life, some having 2 or 3 or even more jobs to make ends meet. We know that G.S.T. receipts are in excess of £45 million that we wished to raise to fill the black hole when we approved G.S.T. We know now that G.S.T. can be retained at 3 per cent. I will, therefore, be supporting the Deputy of Grouville to leave money in people's pockets and ask that Members will also support her." From the same Hansard then the Deputy of Grouville, Deputy Carolyn Labey, summing up in September 2008 says: "I would like to thank Deputy Gorst for the contribution he made. His speech, I think, was one of the best in the whole debate. His contribution was not wacky, as I feared it would be. He took a holistic view of the situation and did not concentrate on systems, administration and deference but in people and how much better it would be to leave money in their pockets." Deputy Gorst has also voted in favour of exemption G.S.T. from all fruit, vegetables and milk. Some interesting quotes from the then Deputy of St. Clement there and I will come back to do some bits on the detail in a minute or 2. But first I wish to contrast this to the latest attributed public comments of the new Minister for Treasury and Resources with his former self as the Deputy of St. Clement. How and when did this complete turnaround occur from the help to attack? This makes me wonder if it is not the proposition that he does not support but maybe the person that brings it matter more. When did the social awareness and vision commitment get impaired by spreadsheet saturation? The Minister for Treasury and Resources is now saying: "Get in the queue for your benefits." From the same Hansard of the same debate Deputy Carolyn Labey went on to say in her summing up then: "There are a lot of people struggling in the Island and, as I keep saying, it is not just those on income support. It is the people in our society who have drawn up their budgets to get on the property ladder, to have a family, have had to pay or are paying £500,000 for a mortgage. They are working, they are paying tax and they are struggling. Now these people do not want to be lowered into the low-income support scheme but they do feel resentment of a Government taking a cut on their essentials, on their food, especially within high inflation. Asking the Government to allow people to feed themselves without being taxed on it is not unreasonable." Going to the financial implication, I can say for sure that it is costed. Although it has given a rough estimate of the cost of removing of zero-rating G.S.T. on food, the figure I have been given is £10 million. However, I do have serious doubts about this and I think it is an overestimate, having spent some time in there for looking at the parts that make up the total. However, the defining factor is inflation over 10 per cent, which increases G.S.T. collection without any policy changes. Looking at figures contained in my report, even with the policy change to

remove zero-rate food, the actual amount collected year on year will increase. In 2021, for example, what was estimated in G.S.T. revenue was over-achieved by £12 million at an inflation of around 3 per cent. Even with food taken off it is not hard to realise that at the double-digit inflation we will collect a lot over the estimation. The Minister for Treasury and Resources estimated that from 2024 the revenue collected from G.S.T. on the remaining after food would exceed by just £3.7 million.

[15:15]

Given the numbers just mentioned from the previous years, I would argue that this would be more but I will take that for now. Going back to the £10 million estimated loss, this has been calculated for all the food together, not just for the basic food to start with, so the actual loss is much less. The community costs bonus budget, it is said to pay towards G.S.T. on food, although not covering for about 100,000 people in Jersey. If this proposition is adopted that means that this budget of £6.5 million from the community costs bonus are going towards the zero rating, the G.S.T. on food. If you add this to the £3.7 million estimated by the Minister for Treasury and Resources to be collected extra, due to inflationary prices, the total is above the estimated loss already. You will also be aware that I have also lodged this week the amendment number 3 to the Government Plan to increase the stamp duty on the buy-to-let and from the second Residential Property Act, which, if adopted, would bring another £5 million in revenue and would also work towards creating house availability for first-time buyers. Therefore, no need to worry anymore that I am making a big black hole in the budget with this proposition if adopted and it is more than fully costed this way, even having spare money. Talking about charities and foodbanks, without any prompting from myself and a group or organisation, charities that are well known to us all, like Citizens Advice Bureau, Age Concern, Grace Trust, the Catholic Church St. Vincent de Paul, et cetera, are telling us every day that food costs and affordability are a very real issue for many individuals and families before the onset of winter. The signs are both obvious and ominous but we can do something about it. Although we cannot cure we can help. Many are struggling in silence, they need our help and support without having to beg for it. It has been told that it is too late to implement to have impact. I have spent many months researching the background for this proposal to remove 5 per cent G.S.T. zero rate from food. I knew before I started it was the right thing to do to support the Jersey community with their basic living costs like food in the medium to longer term, many people being below fixed income, like pensioners. After doing the research I am more convinced than ever that it is the right thing to do and that it can be done much easier and much quicker than we are trying to be scared by the ones that do not want to see it done. I have witnessed a perfect storm brewing where most of Jersey's food supply comes from. Reliable observers are already saying that food price increases and what is to come in the next year or 2 are the most inflationary in over 40 years, that what is worse is still to come and will peak towards the end of next year. That is why when the Minister says it will be too late to make an impact if change is brought by 2024, a term which I allowed not to put pressure on the officers but we know it can be done sooner, this shows this is not too late, given the economies are not optimistic to turn to a 2 per cent inflation neither in 2025, plus although this proposition can still offer relief towards the cost of living. Deputy Luce has said during the Democracy Week in Q. and A. that: "Many of these increases are out of our control. We know that food prices are going up, housing is going up but that we are still in the fortunate position where the electricity cost did not hit us as hard as the U.K. yet." He continued saying he believes: "We have about 12 months up our sleeves until we see these increases too and let us hope this Government will use the next 12 months to the best effect, let us hope we will do that." Therefore, it is in the power of the Minister for Treasury and Resources to bring this on sooner if he wants to, as it is possible because COVID already showed us that projects that would normally require a long time to implement have been brought in place in weeks. Although this proposition comes now is an actual need during the economic crisis we are facing, the need and the impact of it will continue ongoing. Worth also mentioning that by having the G.S.T. removed at least the basic food would be protected from any other attempts of the Government increasing the general G.S.T. rate in the future, even though they promised it will not happen, as we know that that was not the case in the past when it was increased from 3 per cent to 5 per cent. In the U.K. consumer

research firm Kantar have predicted that supermarket shoppers could be paying an extra 12 per cent per week, compared to last year on a like-for-like basis but that prediction is already exceeding. We have seen in the media over the weekend that the Minister for Economic Development, Tourism, Sport and Culture was warning that rising British food prices are a cause for concern for Jersey after the U.K.'s inflation rate hit 11.1 per cent last month. He said: "Of course it is a cause of concern because the majority of our food comes from the U.K." In the same article an economist at the British Retail Consortium said: "Jersey's reliance on food imports from the U.K. means they remain vulnerable to the U.K.'s high rate of food inflation. As the U.K.'s inflation continues to rise, it is likely that the food price in Jersey will follow suit in the coming months. Supply of products, labour, increasing packing costs, paper, cardboard, tins, plastic and other materials, as well as much higher production costs, because of the above and serious increases in energy costs for production and processing will all mean that many of the food offerings in Jersey supermarkets will continue to increase significantly over the next 3 years. Important to mention that in September Jersey's inflation rate was already above the U.K.'s one and also that food inflation is higher than general inflation." My proposal will not help any or all of the thousands of prices increases, however, I hope that if approved by my colleagues in the States that it will go some way towards reducing the community's very real living costs. Prices will continue to rise, still different in different shops; either we remove the G.S.T. on food or not but by zero-rating the basic food this increase will slow down. I am not concerned that all the so-called better off people will benefit more. I do not think it is appropriate to compare the not very well-off with the slightly better-off and then make them queue up for benefits; all rather patronising in my opinion. The rich still only have one stomach to fill and they are also the ones that most likely would reinvest in the economy by buying more of the luxury food items. If you are that worried that they are benefiting more, there are so many other ways to tax them back in other areas. One example is my amendment. The price increases that I have witnessed have not been a few pence here and there but we are talking about some very substantial and significant price increases of 30 per cent or more, adding considerable amounts to family food bills when no alternatives or discounted traders are available in Jersey. Some temporary measures have been introduced in a mini-Budget by the Council of Ministers, however, most of this will disappear by the year end. Although my proposals will not have any immediate effect, they will, I believe, be an effective measure to reduce family living costs over the medium to longer term. Around the community costs bonus, if the total targeted number achieved at all there are still thousands of people still struggling with the very high cost of living and will not be eligible for this. Many more not eligible are still struggling to put food on the table, as the foodbanks have confirmed, increased numbers of people in full-time employment who towards the last half of the month do not have any money left for the food. Kantar, the world's leading data, insights and consulting company in the U.K. is conducting a grocery inflation analysis on a regular basis since 2008. The most recent one done for the last 3 months until the end of October 2022 and released 2 weeks ago shows the U.K. grocery price inflation hit a record 14.7 per cent and still too early to call the ceiling. Take-home grocery sales rose by 5.2 per cent in the 12 weeks to 31st October, according to their latest figures the fastest rate of market growth since April 2021. Four-week grocery price inflation has also hit another record high since Kantar began tracking prices in this way in 2008, now sitting at 14.7 per cent. Yet again we have a new record-high figure for grocery price inflation and it is too early right now to call that up. Based on their ongoing analyses they say: "Consumers face a £682 [way above even what the bonus covers] a jump in their annual grocery bill if they continue to buy the same items and over a quarter of all households, 27 per cent, now say they are struggling financially, which is double the proportion we recorded last November. Nine in 10 of this group say higher food and drink prices are a major concern, second only to the energy bills so it is clear just how much grocery inflation is hitting people's wallets and adding to their domestic worries." Based on my written question to the Minister for Social Security and the response received, that shows that on average year on year, since this was introduced as food costs bonus initially in 2008, an average of 1,000 per year have received it. This year with a very intense campaign, for which the money is almost fully spent, there were by 31st October about 3,300 applicants from which 800 approved out of the 14,000

eligible; 3,850 applicants up to date, as seen in the press release yesterday. This shows just from these figures that either the process to be approved is very slow and long or that from the current applicants about 2,500 are not eligible but still in need. During my stay at the pop-up stand in town to collect data I had 2 people complaining that for over 2 months since applying for the community costs bonus they have not received it and when phoning twice have been told it is still in process. This shows it is not such a quick or straightforward approval process how we have been made to believe. With these figures we still see that about 100,000 people in Jersey do not benefit from it either way. Also from all previous years records, it shows that the majority of applications and payments have been made in the first couple of months of the applications, therefore, not much increase on this number should be expected, especially that advertising money are finishing based on the response received. Another thing to note from the response to this written question is that the current regulation expires at the end of 2022. The Minister will be bringing forward proposals in 2023 to replace the community costs bonus but not sure with what or how much it will cost and who exactly will benefit. I also want to mention that the community costs bonus is using money we already have while by removing the G.S.T. you do not collect something not certain to have or not known at what value you would collect it. The 12 per cent increase to the personal income tax threshold and allowance; this allowance proposed is very welcome certainly for the people benefiting, however, I want to highlight a few downsides to this that should still be considered. As seen from the Kantar survey, gross inflation figure is 14.7 per cent in the U.K. We know that on the last quarter Jersey's inflation was above U.K.'s already, food inflation is even higher than general inflation, and the Fiscal Policy Panel already announced to expect the general Jersey inflation coming out next at 13 per cent, but they also had an error of estimation on previous quarter inflation sub-estimating it by 3 per cent, so this next one could come out even higher. So we can see that whatever inflation rate we expect next for Jersey it is going to be already above all the increase in tax allowance thresholds. I have seen no evidence that there would be any moderation of rent increases, therefore, this 12 per cent, even without inflation, could be eaten up by rent increases very quick. Wage increases are usually seen between 3 to 6 per cent, therefore, this 12 per cent increase in allowances would not feed through into people's take-home pay, especially for lower paid workers, as salary increase is disproportionate. There are many people in the older community that would not benefit, especially if only on a basic old age pension. In the current economic crisis everyone is facing there is still a very large number of people struggling that earn above the threshold limit proposed for the tax allowance that will see a not so important benefit considering the cost of food and other prices. In the current economic crisis and record inflation we live it shows that the current support is already wiped out and not sufficient, therefore, additional methods of support that would show benefit on long term for everyone are needed. As we head into winter months many local charities are already under pressure. They have been assisting more people this year so far as they have faced unprecedented demand for temporary and occasional relief. The worrying part is that more and more people in full-time employment are reverting to foodbanks and many of those are not on benefits. This is creating the perfect storm as the charities are receiving much less by way of donations than the demand. Removing or zero-rating G.S.T. from specific items or services is an issue that has exercised the minds of States Members on a number of occasions and with some very close votes, albeit so far without success. However, I am hopeful that on this occasion they will have the good sense and see the need to support my proposal. I have been very encouraged by the positive level of engagement and feedback I have had from people in the community who have shared their varied day-to-day living experiences and costs, especially for food and housing, with me and I know that many people from middle Jersey are struggling and are not in receipt of any financial support. I am also acutely aware that States Members have a history of ignoring public opinion on G.S.T. In 2007 over 19,000 signed in person a petition to delay the introduction of G.S.T. and first to fully consider public expenditure. This was in the main ignored. In Guernsey, however, when the public protested about the possible introduction of G.S.T. the politicians listened and it has not happened so far.

[15:30]

The basic food is not taxed neither in Isle of Man, U.K., Gibraltar, Australia, even U.S.A. out of the 45 states has only 3 states which are taxing food in full, another 10 which are at a very low level and all the rest are not taxing it. Perhaps the events of 2007 and 2008 in Jersey when the politicians ignored the voice of the people over G.S.T. has led to continuing apathy for voter registration and turnout at elections: "Why bother? They do not listen." Since G.S.T. was introduced there have been many discussions and debates about zero-rating certain items and food. Basic food stuffs people every day need has always been included as none of us can do without it and the morality of taxing food has been rightly, in my view, questioned on many occasions. Especially in this economic crisis period how ironic is it to say that Jersey is such a wealthy Island, as I will then quote a comment seen from a Jersey resident on social media which says it all: "Welcome to Jersey where you can get the zero rate of tax on your company but the people pay tax on food and queue for foodbanks even when full-time employed." Regarding the comments of the Council of Ministers, so I find the comments sent very interesting but also very disappointing. Firstly there is not one mention about the fact that we have the highest level of food price inflation and prices for over 40 years. Not one mention of this. This is also having a real and significant impact on people's real cost of living. The price of food is an everyday concern and increasing problem evidenced by what organisations and charities are telling us and publicly saying they are struggling to cope. Also many people cannot afford food before the onset of winter. How come the Council of Ministers missed mentioning that? Do they not live in the same real world as we do? No one is heard talking about being in receipt of benefits, only the Council of Ministers. They are too busy with all the other struggles they do. Charities are not, individuals are not; they are talking about how difficult it is to make ends meet and how they are having to make some difficult choices because some basic food stuffs have increased by many pounds, not pence. The Council of Ministers read and see the news but do they listen about the very real issue increasing inflationary food prices are? Do they ever go shopping for food? Have they ever been put in the situation to choose between a loaf of bread or a carton of milk because they did not have money for both? Or count their pence to buy one additional item of food to feed their children? I did. I wish to quote from the *Jersey Evening Post* of 5th July 2022: "Information from the organisation is contained in my report as well but I can remind the Council of Ministers and Members that. One in 10 Islanders are going without essentials such as food or heating, well over 50 per cent are worried about their financial position according to a new survey. Island Global Research asked residents in Jersey, Guernsey and the Isle of Man about the cost-of-living issues they faced, and found that while rising prices were affecting all 3 Crown Dependencies, people in Jersey were struggling more than in the other 2 islands. Forty per cent of Jersey residents who were surveyed reported that they would struggle to afford a £100 per month increase in living expenses and 14 per cent said they could not afford an unexpected expense of £100. More than half, 55 per cent, said they had found it difficult to meet living costs in the past year and 82 per cent said they expected their financial position to worsen in the next 12 months." This was before the financial turmoil and errors from the previous U.K. Government. Despite having knowledge of this the Council of Ministers has chosen to ignore the elephant in the room in their comments. But the fact that this has virtually wiped out any benefit there may have been from the mini-Budget but no mention in the comments. Doing some background work on research for this important proposition about 3 months ago someone said to me: "You know what they will do? Threaten to put it on other things." What can we see? There it is in paragraphs 13, 14 and 15 in their comments paper. I wish to quote paragraph 13 because I believe it is very important but it demonstrates a silo mentality: "The shortfall of G.S.T. revenue would need to be made up through either expenditure savings or additional revenue. A leading option on the revenue side would be to increase the standard rate of G.S.T. from 5 to 6 per cent, which would be sufficient to replace the foregone revenue but not address broader inflationary pressure on public finances. This would be more efficient in economic terms than other tax levels, such as income tax, but would affect the price of other goods and services such as road fuel and electricity." My reason for saying silo mentality, it does mean that the Council of Ministers are picking on the most vulnerable because they are the easiest target. They will be made to pay on their electric, gas, water bills, no lawyers or accountants here. Sorry to say but I do not find that fair

at all, especially when we have companies and others paying less than a 14 year-old with a paper round. Companies who rely on a stable functioning society but they think they do not have to pay anything towards it. Will the Minister for Treasury and Resources and the Council of Ministers look the other way? I respectfully suggest that it is no longer acceptable. So for my part I am willing to do something about it and work on a number of issues to raise revenue. However, this may cause some challenges to those who have been looking the other way when they come before this Assembly. My reason for saying that is I believe it is the right thing to do and the Minister for Treasury and Resources needs to be looking in the right direction and not pick up on the vulnerable ones only. I believe the question is should we recognise that we have the highest levels of food cost that Islanders are facing? Then should we do something about it and recognising that pumping up or investing in benefits does not work for all? I believe what I am proposing is practical to do and costed, has shown a proven need, does benefit our community on long term, not just now, and shows that we are listening and responding to the real needs in the long term. I hope States Members will support it and I make the proposition.

The Bailiff:

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

5.1.1 Deputy I.J. Gorst:

Well I certainly did not expect coming into the Assembly today to be praised by the mover of the proposition for words that I gave in this Assembly in 2008, but I am often reminded of where I have been wrong. I am not sure whether it goes with the job or it is just peculiar to me. During the election Islanders told us that they really were struggling with the cost-of-living crisis, and I think that everybody returned to this Assembly honoured to have received Islanders' votes and honoured to be returned or put in this place to take action that would benefit Islanders. The Chief Minister, when we voted for her, was absolutely clear that she wanted to take action in the first 100 days of her term of office. She proposed before Members 18 actions to be delivered on in the first 100 days of her Government, and at the heart of those 18 actions were direct actions to support Islanders through the cost-of-living crisis. Actions that recognised the difficulty that Islanders were feeling at this time of high inflation and high interest rates and global economic difficulties. We could point the finger for those global economic difficulties really wherever we might choose. That might be actions taken in the United Kingdom, it could be actions taken in Europe or elsewhere across the globe which has led to these difficulties. I think in 2008, if I was quoted correctly, and it sounded like one of my speeches, I spoke about leaving money in Islanders' pockets, and maybe I was right about that because that is at the heart of what the Chief Minister's Government did in coming forward and proposing a mini-Budget that kept money in Islanders' pockets. Around £14 million this year in 2022 and around £30 million next year in 2023, and that is ongoing support. When I read the proposition, and as the mover has said it is not the first time that this Assembly has been asked to consider this proposal, unfortunately I do not think that taking G.S.T. off food is either easy or something that can be done in a timely manner. So I do not think that it helps with the cost-of-living crisis now, and even with a fair wind it is difficult to see that the timeline of 2024 could be kept to. It clearly does, from the information gathered by Revenue Jersey supported by the Statistics Unit, mean that £10 million less will be received into the States' coffers by taking this money away. When G.S.T. was introduced, and I think the proposer mentioned this in her opening statement, the Government of the day - or not just the Government of the day but the one before it that did all of the consultation, some of us will remember the then Minister for Treasury and Resources touring the Parish Halls, being shouted at, and also being intelligently questioned about what the effects of G.S.T. might be but also looking at the models of V.A.T. and G.S.T. around the world. That was detailed and in-depth consultation and it was recognised at the time that in order to bring G.S.T. or consumption tax to Jersey, which would broaden our tax base and give resilience to States funds, that actions would be needed to be taken in order to protect the most vulnerable and the lowest income families in our community. Actions were indeed taken to do just that. Those actions were, in effect, inflation-proofed because what happened

at the time of the introduction of G.S.T. - and we remind ourselves that it was first introduced at 3 per cent - was that there was an uprating of income support by 3 per cent and that was brought forward specifically to recognise the cost of G.S.T. on food bills. There was an uprating of the winter fuel allowance by 3 per cent, again specifically to recognise the cost of G.S.T. on fuel bills, and there was the introduction of the G.S.T. food bonus which we now refer to as the community costs bonus, and there have been comments about whether that is well-named when it is essentially a G.S.T. rebate. The purpose of that rebate was to provide financial cushion for those who were neither on income support nor were taxpaying.

[15:45]

At the same time of course not only were benefits uprated to compensate but the income tax exemption threshold was uprated by 6.5 per cent and that was 3 per cent above the prevailing inflation rate. Income tax child allowance was uprated by 20 per cent, again recognising that G.S.T. would increase the costs of those providing for children. Of course G.S.T. did not stay at 3 per cent, it moved to 5 per cent and at that point those upratings were delivered again. These measures back when G.S.T. was introduced were not temporary. That support of course, therefore, endures as I said to this day and it has endured over the years but it has again been recently increased, as I have said, through the mini-Budget, leaving money directly in Islanders' pockets. The proposer said that the mini-Budget measures would disappear, and of course to the extent that the reduction in social security contributions is simply for this quarter, that is correct. But with regard to the increase in tax thresholds which was uprated by 12 per cent, that of course is not correct. That is a benefit that Islanders will continue to see throughout the years of this Government Plan and until thresholds are increased again. So it is not right to describe that as disappearing. If we think about the community costs bonus or the G.S.T. rebate - and I do not want to tread on the feet of the Minister for Social Security - she and her Assistant Minister I think have done an excellent job in overcoming the fear that I described in my speech in 2008. Because historically not very many - and the Minister will provide us with the number of people - have claimed that G.S.T. rebate bonus. But as we stand here today, since that bonus was doubled to over £500 in the mini-Budget I think over 4,000 people have claimed it and they will be in the process of receiving that ... we can call it a G.S.T. rebate, we can call it the community costs bonus. Of course they have also in Social Security increased the winter fuel allowance above the rate of inflation. So I do not think that those measures by and large, the greatest benefit measures in financial terms, do disappear. They are maintained and Ministers have been quite clear that they will continue to keep the levels of inflation under review. So the Fiscal Policy Panel in their latest report said that they forecast inflation to rise to 12 per cent by the end of this year and then to drop to 9.7 per cent in 2023, and we remind ourselves at that point there will be a tax allowance of over £18,000. The issue of course of increased interest rates which the Deputy spoke about, and the effects on Islanders who may need to be setting or resetting fixed rate mortgages, is not really an issue which I think can be dealt with by the removal of G.S.T. on food. If we look at the quantum of the benefit to the quintiles from the Council of Ministers' comments we see that it is a wholly different scale of problem. Having said that, the money which the mini-Budget has put into Islanders' pockets and will be leaving in Islanders' pockets makes a substantial contribution towards helping with those matters. So I would contend that not only do we already have support in place for exactly the purpose of the proposition, which we understand, but we support and think that support should be provided in a targeted way. The support that has been provided, of course, is more generous. It is a view to take that the better-offs should not have to pay G.S.T. on their food bills; it is not a view which the Council of Ministers shares. If we simply mirrored the U.K. model, and I will come on to that as well, is it right that luxury foods are zero-rated in the way that they are in the U.K.? Is it not better that those who consume more should pay more? I believe that it is. Deputy Southern asked me in questions without notice only yesterday, it seems much longer ago, Deputy, I know that, but only yesterday, about mantras and I said to him then that I accept that G.S.T. is mildly regressive. But by taking this proposition and removing G.S.T. from food it would inevitably create a benefit across a range of Islanders' incomes, and I notice that yesterday the Minister for the

Environment was quite roundly castigated for suggesting that he needed to think about how funds were targeted from his green fund. I think this is important because, as I said, the analysis outlined in our comments shows quite clearly that 54 per cent of the estimated £10 million cost of this proposition would go into the pockets of the richest 40 per cent of households by income, the lowest 20 per cent of households will only receive a little more than £1 million. That is 12 per cent of the overall £10 million. I do not think that that is a good use of Islanders' or taxpayers' money, because that is what it is. So if we adopt this proposition we would be reducing the Government's ability to target more help directly at those who need it most as we keep the cost-of-living crisis under review. Government wants to do that because it is in keeping with the views of leading expert bodies such as the I.M.F. (International Monetary Fund) and O.E.C.D. (Organisation for Economic Co-operation and Development), bodies whose advice not only do the F.P.P. (Fiscal Policy Panel) look to but we also as a Council of Ministers look to when we are bringing forward the mini-Budget and would wish to continue to do that. I want to move on to will prices reduce. I fear that the sad fact is that by 2024 or later I cannot see that consumers would see the benefit in the prices they pay, and some of that is because of all of the reasons that the proposer has said about the rates of inflation in food. If we look to recent U.K. efforts to reduce the price of petrol at the pump by reducing fuel duty it did not work, and I must tell Members that yet again - and I do not need the Deputy to tell me I am wrong - I was wrong in that instance. I went into the Council of Ministers' meeting wanting to reduce fuel duty and the evidence and the arguments that we had around that table showed and proved to me that I was wrong. It was far better to allocate money so it was kept in Islanders' pockets in the way that the mini-Budget did. A 5 pence reduction in fuel duty headlines was shown to be removed by fuel producers and fuel retailers, but within a week or less consumers had seen no benefit, in fact they had seen prices continue to rise because of the underlying inflation, and they were extremely frustrated because they had given away money - and we raised these issues - to fuel companies and to fuel retailers. Of course further evidence, as attached to the annexe of the Council of Ministers' comments can be found in a recent report from the U.K. on the lack of impact for customers of the zero-rating of period products. It is a sorry read. We would like to think that people act differently but the truth is that that report tells us that U.K. retailers retained at least 80 per cent of savings since V.A.T. was cut on sanitary products in 2021. At most, the price of sanitary products fell by 1 per cent after the removal of a 5 per cent V.A.T. removal from those products in early 2021. It says more likely the retailers and/or suppliers took all the benefit amounting to £50 million each year. I am not sure that we should criticise retailers or suppliers; there are one or 2 in this Assembly who can speak for themselves, and of course the Minister for Economic Development, Tourism, Sport and Culture can speak for them as well. They themselves have been under stress in coming out of the post-Brexit environment and seeking where possible to cushion their customers from the inflation and difficult economic conditions. But there is only so much margin that they have and that they can play with and so we have to look to evidence to see what might happen, and that report concludes that policymakers - so that is us - should be sceptical of those making proposals for cuts to V.A.T. and duties, particularly if claims are made that this will benefit customers and/or those on low incomes. If we want to support those who cannot afford to pay then the answer is to put cash directly in their hands through the tax and benefit system. Exactly what the Council of Ministers did with the mini-Budget. Or in some cases, perhaps such as this which is now what the Chief Minister is doing with regard to sanitary products in Jersey, provide free or subsidised products. I want to leave that particular item there and then move on to affordability. This is where I do disagree with the proposer of this proposition. It is clear to me from looking at the numbers that if this proposition were to be adopted it would create an unfunded recurring drain on our public finances, and we have heard of course the mover of the proposition explain other proposals that she would bring forward to seek to meet that unfunded recurring drain. The Government Plan ... I am looking at your posture, Sir, and I am wondering if I am running out of time but I thought the responder had ...

The Bailiff:

No, you have every time that you ... there is no clock running against you, Minister, you are fine.

[16:00]

Deputy I.J. Gorst:

Thank you very much, Sir. How nice it is to go back to old times. The Government Plan proposed, and Members will be debating in 3 weeks' time and it is good to see amendments coming forward and seeing Members engaged and seeking to deliver on behalf of Islanders and their constituents ...

Deputy R.S. Kovacs:

Can I get a point of clarification if he still has that much time; can he calculate and explain me why is that funded from what I have explained?

The Bailiff:

Are you prepared to give way to make that point of clarification, Minister?

Deputy I.J. Gorst:

Yes, I think I just did; I was a little slow at sitting down.

Deputy R.S. Kovacs:

With the calculation please.

The Bailiff:

I am sorry, I had understood you to be giving way for that point of clarification which has been raised and I think you have been asked for a point of clarification.

Deputy I.J. Gorst:

Should I resume now, Sir, with clarification?

The Bailiff:

Yes, so if you would like to provide the clarification you have been asked for as you gave way, Minister, then continue.

Deputy I.J. Gorst:

So it is because of the timing. If it is proposed that this does not come into effect until 2023, and we look at the increase in G.S.T. which would be related to food consumption, then that is what leads to the smaller number rather than as calculated by the mover. If she wishes to have the detailed workings then of course I can ask officials to provide that, but it is because of the timing and the forecast increase in inflation which comes firstly from the F.P.P.'s economic forecast, with the overlay of the Income Tax Forecasting Group. So the Government Plan, as drafted, protects the stability and sustainability of the public finances. Elsewhere people have spoken about sound money and I think we can be proud in Jersey that we have always taken an approach of sound money, and that has exactly been our guiding principle in bringing forward the Government Plan. It resolves to remove COVID debt issues; it has enabled us, as I have said, to fund an excellent package of measures in the recent Mini Budget to help Islanders. But the challenging economic situation has meant that the forecast consolidated fund position is more or less flat and so we do not have room to simply make amendments without countering some fundraising on the other side. The F.P.P. annual report published on 10th November has not materially altered that assessment, so in short a clear counterbalancing income stream or expenditure reduction would need to be found to fund this targeted proposition. I know that the mover of the proposition will not thank me for saying this but a leading option on the revenue side would of course be to increase the standard rate of G.S.T. from 5 per cent to 6 per cent, which would be sufficient to replace the foregone revenue. The reason I say that is because of all the countries that the proposer mentioned who did not have G.S.T. or V.A.T. on food, instead of having a low broad and simple G.S.T. - a model which was pioneered in New Zealand - instead of having that they have complex regimes that seek to zero-rate certain items, and we are

going to come on to how easy or not it is with relation to food, but they have a corresponding much higher measure on all other products. We go back again to 2005 and 2008, that was the choice that was before the Government and the Assembly when G.S.T. was introduced. You can have exemptions, as is being proposed, but what that ultimately means is that there is a higher general rate elsewhere. I want to move on now to the issue of adopting U.K. law, and I recognise that for some Members this one suggestion in itself, which is what would be necessary in order to deliver anywhere near the timescale of 2024, is this adopting of U.K. law. The Deputy may well be right when she suggests that the best way to achieve, as I said, the tight timetable is the importation lock, stock and barrel of U.K. V.A.T. law and case law precedents, and H.M. (His Majesty's) Revenue and Customs guidance into our tax system. I do not wish to speak ill of others, as the proposer mentioned earlier, but if we could find any system around the world to import into Jersey I do not think that any one of us would willingly or knowingly choose the U.K. or European style V.A.T. system. We just would not do it. They have a totally different approach; some would say they have a totally different ethos to the one that we have in Jersey. Sir, you will be more aware of this than me. It would require something that we describe as ambulatory law where we effectively and slavishly follow the laws and jurisprudence of another jurisdiction, it would place you in an impossible position, as it develops, without the option of creating our own law. But I would ask not only is that difficult from a constitutional perspective in my mind, and I am not quite sure how I would quite have the heart to do it if I am honest, I would have to think very, very carefully about how that was managed, but what would happen when local businesses disputed a ruling with Revenue Jersey and off it went to the Commissioners of Appeal or it came before you in the Royal Court. I know Members have had some correspondence from Islanders about Jersey Wonders, but there we have an example which I am pretty sure there is no case law in the United Kingdom for a Jersey Wonder in England and Wales. So someone somewhere would have to decide whether it is a cake or a biscuit because it would have different V.A.T. treatment. We hear groaning but we make decisions in this Assembly and we ask officials, experts, professionals to write it down in black and white and then at the end of the day we leave you to decide what we meant by it. So we can groan all we like; that is the process of a legislature. I would like to think it was a cake. I would like to think it was a cake but we all know the difficulty that you have between whether something ultimately then dries out or does not and the tax treatment is different. Or would we ask H.M. Revenue and Customs to tell us the answer? Well, again, I am not sure that this is parliamentary but I would suggest over my dead body that we would ask H.M.R.C. how to treat from a tax perspective a Jersey Wonder. I know that some Members will groan but we know that in U.K. law, which we are proposing to move, a gingerbread person can be zero-rated if it has only 2 chocolate eyes but is standard rating if it also has a chocolate belt. The U.K. V.A.T. Tribunal has recently opined that a giant marshmallow is a foodstuff, a standard marshmallow is of course standard rated as confectionary, and in the Comptroller's opinion micro-marshmallow, something which we like in the Gorst household to put on hot chocolates, would probably count as foodstuff. My children were delighted if served on a hot drink or a cake but not on a biscuit. The giant marshmallow - we do not have those because there is I think probably too much sugar - would be zero-rated if toasted at home but not if in a local café. So while it might be amusing, the reality is we see that from the U.K. over the last 50 years the tribunal and court cases pushing at the edges of the definition of food. Jaffa cakes, flapjacks and marshmallows are just the tip of the iceberg. I do not think we want to import such a system, but if Members accept this proposition today I think we would have no choice because there is no time for anything else. The other thing I would say, which is not scaremongering, which I know will be taken as such, if I have to leave this place today or tomorrow and tell my officials that they must do this piece of work other pieces of work will stop. It is so complex; other pieces of work would have to stop and I do not think that is fair or right either because Members of the public are waiting, they are waiting for one thing, for us to sort out and continually improve our customer relations. I am not sure how we can do that if we are having to add extreme complexity. So I move on to business compliance costs and the administrative complexity that businesses would experience across the Island. The Deputy is quite clear that a number of retailers that she has spoken to do not believe that it is complex for them. They

believe that their systems are such that they could press a button and sort it out. Others of course understand that in their particular case it would be and is much more complex. There would be and there will be compliance costs. There will be those challenges that we have just spoken about in the U.K., and because of those compliance costs in some areas of the food industry again I do not see how a reduction in G.S.T. could be passed on because they would need to be used to meet those compliance costs. There are 2 ways of dealing with this matter; one would be at importation and one would be at the till. I have got to say that it is unlikely that Ministers would agree to design an implementation that zero-rated food at importation. That would require wholesale changes to our customs computer system and enforce anyone importing food to make a full customs declaration. Those businesses who have already had to adapt their processes for the post-Brexit world I am sure will be banging their heads against their desks as they hear me say that, because at present only a small number of importations require full customs documentation. But that is one option to deliver it. More likely food stuffs would have to be zero-rated at the point of retail. As I have said, some businesses have said they can manage that, but I sent an email around to Members this morning which made it quite clear to me that others would find it extremely difficult if not impossible to do and would want and require lengthy consultation and lead-in time to make such a change. So I will end where I started. At the election Islanders were clear that they were struggling with cost-of-living issues. The Chief Minister, when we were pleased to vote for her, was equally clear that she would take action on the cost of living and she did and she has and right now Islanders are benefiting this year to the tune of £14 million in their pockets because of the action that she took, and next year they will benefit to the tune of £30 million because of the action that the Chief Minister took. I stand shoulder to shoulder with her and the rest of the Council of Ministers in being proud of that action. But I do not rest on our laurels and say that there is nothing else to do.

[16:15]

I recognise that the economic headwinds are still all on the downside. We have a very strong foundation, we have balanced budgets and we were able to provide that support to Islanders. I know that my Ministerial colleagues are absolutely committed to continuing, if those economic situations worsen, to continue providing support to Islanders, but directly in their pockets. For all the reasons that I have explained and all the reasons that Ministers have put in their comments, I do not unfortunately believe that this measure would benefit those Islanders in a targeted way that we would like to see. It would leave a hole in our budget, it would be administratively complex and bureaucratic and it would mean that we needed to import legislation lock, stock and barrel from the United Kingdom and I do not, for one, believe that Members of this Assembly in this instance in this matter would wish to do that. I ask them to think very, very carefully before they make their voting decision to support this proposition and I ask them not to.

5.1.2 The Connétable of St. Saviour:

You will be delighted to hear I will be very brief. It has just occurred to me I think we should have G.S.T. on long speeches. I will support the removal of G.S.T. on food but we must make sure that this is passed on to the customer. In this sense they are customers. I would also like to see G.S.T. removed on road fuel as I believe this is very inflationary. We do not have many miles, I know, to run for the big delivery trucks on the Island but I believe it is inflationary and this is also passed on to the cost of food. It is my opinion that this winter is going to be bad but I believe next winter will be even worse, so we must do all we can to cushion the people of Jersey. I find it quite bizarre to have learned that in the U.K. in the foodbanks, obviously people are worried about food and also fuel, that people do not want fresh vegetables in the U.K. because that takes more fuel to cook them, so people want in the foodbanks tinned food that they can put in a microwave and warm up. This unfortunately is Great Britain 2022. Regarding the cost of food, it is not just the less well-off, it is also middle Jersey that are starting to suffer badly. In finishing, I would recommend Jersey Consumer Council's website, which is consumercouncil.je, or indeed pricecomparison.je, and they do give the cheapest food and fuel on the Island. There is sometimes quite a variance with the same product;

eggs for instance, £1.25 variance between shops on buying eggs for exactly the same product. As I mentioned, some people are now copying the U.K., many seniors are having 2 meals a day, cutting out one meal completely by having a late breakfast and an early afternoon dinner and then going to bed to save on fuel. This is a sad state of affairs. As I say, I will be supporting this but we must make absolutely sure that all savings are passed on to the customer.

5.1.3 Deputy S.G. Luce:

Members will be relieved to know I will not be worrying the Greffier's stopwatch with the length of my speech. I have consistently voted in favour of keeping our G.S.T. system the same, sensible, straightforward and simple, and I am going to do the same again today. When G.S.T. was first introduced, and to keep it uncomplicated, we increased help to those least able to pay; we targeted those most at risk with additional help. We have continued to do so and why would we not wish to do that? So why would we now decide to fix something that is not broken? I am not going to rehearse all the arguments, but taking tax from those who can afford to pay it and then recycling that money into the pockets of those most in need is the right thing to do. What is being proposed here is the total opposite and I will not support it.

5.1.4 Deputy T.A. Coles:

I will see if I can get this one closer to 15 minutes. I am kidding; it is not going to be that long at all. We should be praising Deputy Kovacs for the detail that has been put into her report. This is incredibly thorough, insightful and so very well-constructed that if anybody has not had the chance to read the whole thing in detail please just go to page 29 of her proposition and she provides you with a very nice Q. and A. section which will hopefully answer many questions. If we run over into tomorrow and you have time this evening then please read and hopefully you will get some better insights into the arguments that she is making. I am going to support the removal of G.S.T. simply for the fact that taxing people on food is immoral. We need food to survive. There are no ifs, there are no buts; if we do not have food we will cease to be. It would be nice to dream that we could do it on just locally produced fresh fruit and veg, that would be wonderful, but unfortunately our Island is in such a way that this would be very expensive and those who earn the least cannot afford to do so. This is why the blanket on all food items makes it better for those who have the least because they still will benefit from it. I was looking at the Council of Ministers' comments as well about the amount of money that it affects and they talk about how the richest benefit the most, but are we not told about trickledown economics, that if the wealthy on this Island have more that will trickle down into the rest of our economy and the rest of our economy will do well out of this as well, so surely then we should be supporting the removal of G.S.T. on food because it will benefit the wealthy and they will trickle down. Okay, they are saying it is £378 for the year, that might be only one night out at a very expensive restaurant over here, or for middle Jersey it might be a couple of good meals out in a hospitality venue. But either way, trickledown economics does not work but we should be focusing on those that need it the most, even if it is only £150 a year. To somebody on a low income £150 a year is still money back in their pockets. We talk about why do it up to 2024. Yes, the Council of Ministers have done very well with their mini-Budget and they are putting money back into the pockets in 2023, but at the moment 2024 is unpredictable. We do not know where we are going to be. If inflation continues the way it goes then people might be more hard-up by then. Can we see the Government doing another mini-Budget that is equally as generous? I mean, Philip Ozouf is nodding his head away to me so I hope that ...

The Bailiff:

Deputy Ozouf please.

Deputy T.A. Coles:

Sorry, Deputy Ozouf is nodding his head next to him and hopefully that is the case and we will see another cost of living ... inflation match cost-of-living increase, which would be fantastic. But what if that is not possible, what if that does not happen? Now we have the opportunity to support

something that is a small step into helping everybody. It is not game-changing but it is a step in the right direction. It does follow jurisdictions around the world that choose not to tax food, because we should not be taxing food because, like I said before, food is essential, we need food, so we should not be being taxed on food.

5.1.5 Deputy C.D. Curtis:

It has been said that removing G.S.T. from food could cause difficulties for businesses. Having run a business which paid import duties on different products from China, sold V.A.T.-rated goods to U.K. customers, removed V.A.T. for certain sales, exported to countries around the world of different taxes involved, and then paid on V.A.T. to H.M.R.C., I have to say handling differences in tax rates was not a problem. It was the least of our problems. Even basic accounting packages can deal with tax differences. But the most important factor in this debate is that food taxes hit low-income consumers the hardest. Consider pensioners; almost 30 per cent of pensioners in Jersey are in relative low income, twice the proportion of the U.K. Taxing their food is just plain wrong. G.S.T. on food hurts the pensioners, the poor, those on fixed incomes and increasingly the middle class. Many of these people will not receive any benefits to help with the cost. I urge Members to support the proposition.

5.1.6 Deputy M.B. Andrews:

I will be supporting this proposition and I will be supporting this proposition for several reasons. Firstly, we just need to be looking at Islanders and their purchasing power, especially when we are looking at the lower and middle deciles, they will be struggling at this moment in time. But it is not just about the way things are in our contemporary life, it is also looking longer-term and looking at sustainability of people's ability to consume. When we are looking at consumption, ideally we would not be having an indirect tax on that level of consumption. Also, what we are seeing is an indirect tax where the Government is generating revenue when it could be more simplified and we could just have more basic revenue streams such as personal income taxation where there could potentially be an increase in terms of the levy on upper income earners. I am a firm believer that could potentially be the case. That was something that was discussed earlier on in this term when Deputy Mézec brought forward a proposition. Also, when we are looking into consumption, we also have to think about as well, with indirect taxation, net incomes will also decrease. This is also something that we have to recognise when we are looking at lower and middle income households with their net incomes decreasing. It also means potentially the need to borrow is also going to increase because they do not have a level of savings to then provide any capital reserve, for instance, if somebody loses their job, but also to consume as well and to also maybe potentially make investments in the economy too. So, yes, I do have a couple of concerns about there of course being a £10 million shortfall in income. But as a legislature it is up to us to discuss this. All 49 Members have the potentiality of how we can come up with new revenue streams potentially or how we can increase revenue with existing revenue streams that we already have in place. That is really going to be quite significant when we are looking as well at the community costs bonus as it currently stands. This is a mechanism that is in place because incomes within the market are insufficient. That is down to our sector diversification that we have and incomes tend to be quite low in Jersey, and because we have this low level of taxation the inducement to invest is weaker compared to higher-tax jurisdictions where the inducement to invest is higher. So when we were looking at gross investment across the economy in relation to G.D.P., it is more likely to be high if we are looking at, say, China, for instance. China, over the course of 20 years, had gross investment at over 10 per cent of G.D.P. That is quite significant compared to, say, the U.K. when I was looking at a data series. So really it is quite broad, it is not just about consumption, it is not just about G.S.T., and G.S.T. as an indirect tax, it is also looking at how we can potentially look at fiscal policies more broadly moving forward across this term as well. That was why I voted pour for Deputy Mézec's proposition earlier this term. I think there were only about 11 of us who voted for that. But again the Government has a role in terms of how it is going to be facilitating investment in the economy. What we could be seeing here is where there is a high

level of output, when we are looking more specifically at the marginal efficiency of capital, that is when you are going to be seeing incomes increase. Therefore, you are going to be seeing consumption increase as well. So I do believe there are other ways to try to broaden taxation and to broaden our revenue streams. We have one year to do it. The Council of Ministers ... I know Deputy Gorst has obviously been quite antithetical to this proposition, however, I would say do not be fearful of voting pour. It is not just about voting contre, because I know some Members have been again concerned about their association to Reform, and that should not be the case, you have to vote with propensity. It is not about being associated to Reform if you are going to be voting with them on particular matters. I sometimes choose to vote with them, sometimes I choose not to. I do hope that Members will be supporting Deputy Kovacs with this proposition, and I must also thank her for also bringing forward the proposition, because I know this will mean quite a lot to Islanders and we can make an improvement to their lives as well.

[16:30]

5.1.7 Deputy M.R. Scott:

I too applaud Deputy Kovacs for the work that she has done on this proposition. I know it has been a lot of work. When I first heard that she was going to bring this proposition, I was really pleased, because I, in my own manifesto, said in principle I support G.S.T. coming off food and essentials. But as this has progressed and I have thought more about the different considerations that have been brought into account in formulating this proposition, I have found myself not really so keen on it, which is a situation I regret. I really do hope more work can be done in a way. It is about the “how”. It is not so much about the “what”; it is about the “how”. I had a career as a tax lawyer many years ago and that involved working through lots of legislation, including the V.A.T. legislation. We had a book, it was called *Tolley's Orange Book*, and it doubled every year. Every year this book just grew, and you wondered how on earth could it do this on its own. That was separate from the cases, the V.A.T. tribunals. I was even once thrown on a National Express bus just to count sandwiches; it was to do with the taxation of takeaway food and that sort of thing. So I do have these concerns about the manner of classification. But we could arguably not have this by not going down that classification route at all. Perhaps we could take V.A.T. off all food. But then we get to this point about the cost of doing that and for the benefit of whom. What that comes down to is basically spending somewhere in the region of £10 million to give the lower 20 per cent in terms of income in our society what amounts to £1.2 million. I just wonder how that spending in that way can be justified. Let us think about the saving for the lower 20 per cent, because here is the point, the figures, the maths, do not lie generally. We are talking about an average household spend on food of £5,408. If we look at the G.S.T. calculation on that at 5 per cent, we are talking about £270.40 a year. So we are basically thinking if we did not do the classification, which I am sure there are lots of lawyers and accountants who would love to be looking into all that regulation and charging on that, but if we did not have that we are foregoing tax of about £10 million to give them that benefit. Bearing in mind this point that has been made about the community costs bonus. I supported Deputy Feltham's proposition, as did the Council of Ministers, I know, to increase that, so that basically it has amounted to £516.50. Compare that with the £270 average G.S.T. spend on food, then that is really quite generous. In fact, I have been through the figures with my own constituents. I have even gone out on Facebook and just had little chats with people to say: “Okay, look, I understand, you think that the answer is to take G.S.T. off food, but what if I told you it costs this much to do it and this is how much you save?” Then it becomes a very different type of conversation. Also, knowing the impact and the differences, there are differences of opinion even within the business community about that. I hear on one hand, yes, that one supermarket will be saying: “Our systems can cope with this”, and yet that is not really quite the argument; it is how much it costs to deliver this benefit. The proposition does consider maybe the Minister for Treasury and Resources would like to come up with another form of classification. Again, that initially sounds attractive but then it just ends up with more of these rules, more of these distinctions that we have to work through. This, in a climate where, as we spend more and more money, we are being advised by our Fiscal Policy Panel we need more in our

reserves just to keep ourselves reasonably solvent, able to borrow a reasonable amount. So we also have had, again maybe we have had different experiences in terms of the people, the businesses, and their views of people who consulted just one person, or at least one organisation that has contacted States Members, includes the Jersey Chamber of Commerce's Tourism Venues and Attractions Group, which has raised these concerns. That brings home to me the real need to think this through properly, reflect this through properly, to have a proper consultation. It is not something, and indeed Deputy Kovacs is a colleague of mine on the Economic and International Affairs Panel, as is Deputy Andrews, it is not something that, as a panel, we have really been able to look at on behalf of the business community, in terms of the time, but also the potential conflict. So I am speaking because I think I do need to make my position clear because I did say in my manifesto, and I still do in principle support the removal of G.S.T. from food and essentials, but in this way I do not know, some other way I do not know. If I have to say, hands up, I do not know how we are going to do it and I have made a mistake, we have to think about a different way of doing it, then that is what I am going to do now.

5.1.8 Deputy J. Renouf:

I want to start by saying very clearly that in rejecting this proposition it does not mean that I do not care about food poverty or indeed about poverty in general. I know we have serious issues with poverty. I know that people are struggling. I know that food poverty exists alongside great affluence. These are all issues we need to tackle. But it is my belief that the proposal to remove G.S.T. would fail to deliver its primary aim, to reduce food poverty. At the same time it would have significant negative side effects. It would involve an unfunded and continuing spending commitment that fails to deliver its main aim. There are better, more effective, methods of tackling the very real problems that this proposition identifies, many of which, as a Government, we are already doing. Let me say that I know for many people taxing food is a moral issue, as Deputy Coles said. But I believe there is an important distinction here. I have to say that I do not believe that it is immoral to tax food. It is immoral that people should be going hungry in this Island. It would certainly be immoral if, knowing that people were struggling, we stood aside and did nothing to help. Or, as the Deputy says, we looked the other way. That is not the case. We are not looking the other way. We really are not. So I want to make 3 points in opposition to this proposition. The first is to emphasise its unfunded nature and the second is to explain why, even if we did have the money, I would, to adopt a phrase used in a different context, hesitate for an eternity before choosing to spend the money cutting G.S.T. on food. We can do better with that money than that. One of my first introductions to Ministerial government was to sit in a series of long - very long - meetings to agree the Government Plan. We sat in a room with the growth bids from every department in front of us, knowing that in total our bids far exceeded the revenue available. It is worth emphasising that we were not talking about cuts, this was not an austerity discussion, it was about increases in funding. But we knew we could not afford everything we wanted to do. Therefore, the task was to go through those bids and choose the ones that would have to be rejected in order to balance the books. I have to say that many of those bids that ended up being rejected were based on very strong cases. We all wanted to fund them. But something had to give. As each bid was rejected, the bar chart showing how much over budget we were crept down. We kept going until we turned down enough bids that we reached a balanced budget. That process underlined something fundamental to this new Minister at least, we have to make hard choices and not everything we want to do can be funded, not at the moment anyway. It also emphasised a real strength of our government system. We must produce a balanced budget. That is vital because we do not print our own money, we do not set our own interest rates. If we have a deficit we start to lose control of our finances. We have seen where that road can lead, in fact even in a situation where a Government does control its currency. That is why I think it is right that, as Ministers, we focus so much on the affordability, or lack of it, of Deputy Kovacs' amendment. We, as Ministers, would not be allowed to bring this kind of proposition because we have to produce a balanced budget in every year of the Government Plan. We would have to propose either a compensatory revenue-raising measure or cuts elsewhere to compensate for the loss of revenue, at

the same time as the proposition. £10 million is a lot of money and it is cumulative. It affects every year going forward. I know that the Deputy has suggested some ideas for where the money might come from, but they are not in this amendment, and so they are not up for debate. This is an unfunded tax cut and I cannot support it on that basis. But what if we did have £10 million to spend? What then? I have to say that I would still not be racing to cut G.S.T. on food. In fact, it is one of the last things that I would do to help reduce food poverty, for the simple reason that there are far more effective ways to deliver benefit to those who are struggling with food bills. We can and are going to do better. We have already heard about the money that the Government has committed to help reduce poverty and to help those in need. We have increased the C.C.B. (community costs bonus), which was itself designed to compensate for the introduction of G.S.T., and as Deputy Scott reminded us, we accepted Deputy Feltham's amendment to expand the entitlement to C.C.B. We have increased C.O.L.T.S. (Cost of Living Temporary Scheme). We increased income support and then came forward with a second increase to respond to rising inflation. We have increased tax allowances above the rate of inflation. I know that the Minister for Treasury and Resources stands ready to respond if possible as the economic situation changes. For me there is a mismatch in this proposition between ambition and delivery. Cutting 5 per cent from G.S.T. on food, which may or may not be passed on to consumers, is put forward as a major intervention to help with rising food costs, but it is not. It is a weak measure. To compare, if we give £100 back in increased benefits or increased tax allowances that is the equivalent of £2,000 of food bought without 5 per cent tax. Targeted benefits and targeted support is so much more effective and direct. I apply a simple test to this proposition. Can I look my constituents in St. Brelade, in Don Farm, in Clos des Sables, in the eye and say I am doing the best for them? Can I justify rejecting this proposition? Yes, I can. We are supporting incomes directly. We are giving far more by way of benefits through the measures we have announced than would be delivered through cutting G.S.T. on food. As I have said, in addition, the Minister for Treasury and Resources has made clear that he stands ready to help further. When we brought the mini-Budget, we set out not just a series of measures but a principle. Namely that, wherever possible, we would support incomes rather than try to manipulate prices. That is a principle I believe in strongly. Not because I like abstract principles or commitments, but because it is a principle that makes so much sense. Cutting G.S.T. on food is what is sometimes called the bendy lever, we pull the lever but not much happens, it just bends.

[16:45]

That is the case with cutting G.S.T. It may lead to the full 5 per cent reduction in food on every single item, but I would submit it is highly unlikely. In some, perhaps many, cases, it will be used to rebuild margins. It is also the case that there will be negative unintended consequences. It will increase costs, particularly for local businesses that are not set up with the U.K. V.A.T. system already on their books. They will have to do the categorisation of what is food and what is not food, the whole digestive biscuit is food and therefore zero-rated, chocolate digestive is a luxury item and therefore not zero-rated. Cutting G.S.T. on food will cause hassle for retailers. Finally, I do not find it surprising that people on social media and elsewhere express support for cutting G.S.T. on food. It is typical of the simplistic approach to complex issues on social media. Who would not support a tax cut if that were all that is at stake? The trouble is, it does have to be paid for. So, if the question was: "Would you like to pay an extra 1 per cent on G.S.T. in order to fund the abolition of G.S.T. on food, then what would the answer be? Or would you accept a cut in C.C.B. or income support or tax allowances or a combination of all 3 in exchange for the zero-rating of G.S.T. on food? Would you accept that?" So to summarise, let us be clear, I agree with the proposer of this proposition that we have a problem in the Island. We agree that inflation is rising. We agree that we have to tackle poverty, particularly food poverty. We agree that the Government can and should take action. The only argument here is about what kind of action. My belief is that the Deputy's proposition costs a lot but delivers little. Only a small part of the benefit will go to those who need it most. It is a plain fact that huge increases in food prices will barely be touched by a 5 per cent cut in G.S.T. We can do much better. By targeting income measures at those who need it most, we can make a real and

significant contribution to those facing big increases in food costs. I am afraid I will have to vote against the proposition.

5.1.9 Deputy D. Warr of St. Helier South:

I want to make this brief and I really just want to come from a small business angle, because I know there are thousands of small business owners on this Island for whom this could become quite a burdensome issue. I want to give the example of my own business, and thank you, Deputy Gorst, for introducing marshmallows into the equation. Because it may sound like a joke item, but my problem in my business is we serve marshmallows on the top of hot drinks, but on the other hand we also sell marshmallows as a wholesale item, and we distribute the product. So, are we charging G.S.T. on one product but not the other? How do we measure that? How do we handle those things? Biscuits with drinks, we also wholesale them, how do we deal with those kind of things? So I would disagree with Deputy Curtis on this point, where it is straightforward, we just take the tax off, we do this. It is not straightforward in my kind of business, in my type of business. In terms of the savings, will the consumer benefit, see 5 per cent off food? I will just tell you one example. I have some forward contracts, which we have to set up for next year, on coffee. I am already looking at £1,000 a metric tonne increase year-on-year on our coffee, on our green coffee purchases for next year if we fix those positions. That is a 10 per cent increase. Now, one of the things, which we try to do in our business is, when we have increases like this, which are quite dramatic, we cannot apply them all in one go. So what we will find is, and what I am sure a lot of businesses do, is they try to stagger those increases, so you will see an increase maybe in March, and if inflation is still charging along, we are going to see, and we have seen this throughout 2022, 2 lots of increases, 3 lots of increases. So my concern is that the consumer has no idea of what those increases in costs, where does the consumer see that benefit in terms of that G.S.T., that 5 per cent fall? They do not. Because what the businesses are going to be trying to do is they are going to be trying to rebuild margin, as my colleague has just said there. One interesting area, as a small business, going from a very small business employing maybe 3 or 4 people, to today employing 30 individuals, is in the H.R. (human resources) side of things. When we were a small business of say 3 or 4 people, managing H.R. was fairly straightforward, I could just do that myself. Today, we have to employ someone to look after all of that. So that is the burden of regulation, increasing regulation on our business. Who pays for that? Ultimately our customer does in doing that. One of the other interesting things is, as a business, we support some of the most vulnerable in our society because we are members of the Fair Trade Foundation. So we support people way back at the very beginning of the journey of coffee that takes place. So we are a considerate, socially-interested company in the way that we do, and we try to provide a sustainable business model that we do. But I have to say, when we add complexity, every time we add another layer of complexity, particularly to small businesses, we just add to the burden of their costs, and that is no benefit to the consumer, so therefore I will be voting against this proposition.

5.1.10 The Connétable of St. Peter:

Having heard the arguments for and against the proposition, I would make my position clear, I fully support the views of the Minister for Treasury and Resources for the reasons that many of you have already laid out. We should not support this proposition. I have said in the past that if I ever considered the removal of G.S.T. on food, it would be under circumstances where it was not unnecessarily burdensome, either to the retail sector or to the Government. This is neither. Small shopkeepers do not have the advanced I.T. systems of large stores and would find themselves having to keep records of those goods on which G.S.T. is charged and those on which it is not. In addition, law changes are also required, adding to the burden on our Law Drafting Department. The fact that to achieve these law changes we would consider picking up the U.K. V.A.T. rules and regulations, as it would otherwise be too burdensome and complex to meet a deadline of 2024, proves that this is a complex issue and not as simple to achieve as those supporting it believe. We should also remember that in the U.K. where food is not taxed under V.A.T., the rate of V.A.T. on most other goods is 20 per cent. The proposition is also not timely. It will not take effect until 2024, and therefore will not

affect the current high cost of living. The proposition is not targeted to the Islanders that need it most. It is better to put the money into people's pockets via the community costs bonus and for them to decide how to spend it. That, together with other measures, is what the mini-Budget achieved by increasing the community costs bonus. The Deputy suggests this proposition has Island-wide support from customers and retailers. However, in reality, a petition lodged back in February calling for just this, zero per cent G.S.T. on all food items, has less than 100 signatures, 92 to be precise. That does not sound like rising support banging at the door, demanding a zero-rate G.S.T. on food items. For these reasons, I will be voting against the proposition.

Deputy R.J. Ward:

I was going to ask for a clarification but I did not but if I put my light on and I have to I will speak.

The Bailiff:

No, if you do not want to speak at the moment, you do not have to speak at the moment, if it was for a point of clarification.

Deputy R.J. Ward:

No, I completely mistimed it, it is all right.

5.1.11 Deputy A. Curtis of St. Clement:

The definition of our current tax system is meant to be low, broad, simple, and fair. In other debates we can debate whether these should be the guiding principles of our tax system and we can also debate whether our current tax system meets these principles, something that I would say we do not currently do to the right effect. We tax in many forms. We tax income, we tax employment income, rental income, and we tax certain activities. We tax a trade of assets in land transaction tax and stamp duty. We do not tax capital gains. We do not tax corporation profit. We do not tax the transfer between family members of inheritance tax. We do tax consumption through V.E.D. (vehicle emissions duty), impôts, and recently G.S.T. When debating a change to G.S.T., a tax on consumption, we must be asking ourselves, in relation to our tax, whether it meets our principles; namely for this it should be whether it is simple and whether it should be fair. Looking at fairness first, is it fair to tax Islanders, people, for the essential requirement that they have on shelter and food? I would hope all Members would agree that taxing this essential requirement to eat and sleep is not right. So it should be no surprise to Members that rental payments are exempt from G.S.T. What I hope Members also appreciate, as has been outlined by many other speakers, is that when G.S.T. was introduced, it was also recognised that taxation on food was considered and it was accounted for. It is my understanding that income support was uprated, that marginal tax bands were increased, and the community costs bonus was implemented to cover a reasonable offset for the cost of food and the impact of G.S.T. So the question this leaves me asking is: is this the appropriate mechanism for ensuring unreasonable G.S.T. on food is not a burden on Islanders, and secondly, is the amount covered through these mechanisms sufficient? To the first question, I believe it is. It ensures Islanders receive financial offsets for the tax for their basket of food. To the second, now that is a harder question to answer. We would have to understand the clear breakdown of minimum wage, marginal tax, and its reliefs, and income support. From where I sit, the reality is that is not clearly allocatable and more work needs to be done there. However, that said, should we find we no longer cover the amount required for a basket of food G.S.T., we must be making sure we implement the correct measures to increase that. That is to say, should our offsets be calculated on a budget of food of, for example, £40 per week per person, and that same basket now costs £60, we must be ensuring that the measures we are using implement an uprate in those measures of the 5 per cent on that £20 difference, which would be £52 per year. The reason for implementing this would approach the second principle, that is of simplicity. The Government of Jersey must run a technology estate of the function of a country for a population the size of a third of Rennes, as we heard earlier. This is a significant challenge as the investment in technology scales as a benefit. Our saving grace, however, is that with our size we can command simplicity of services and processes to offset that

disadvantage. In recent years we have not. We have let our processes grow and bureaucratise and our technology systems have failed to keep up. The implementation of a V.A.T. style zero-rating of food will require a new system to replace CAESAR, our current customs and imports system. It will require new processes. This will cost the Government money and it will cost the Government time; both implementing and ongoing. It will cost businesses investment and ongoing working hours, right at the time we are pushing for increased productivity among labour shortages. So I will be brief and, in closing, I will agree that we should be a society in which the money Islanders take home at the end of the week should be sufficient to cover a fair and dignified life. If our current measures no longer cover the component we are debating, that being G.S.T. on food, I will stand behind measures to ensure that money is back in Islanders' pockets. But what I would ask is, if we want that money in Islanders' pockets, be it £1 million, £5 million, or £10 million, we do it fairly and we do it in a way that minimises the loss of money through bureaucracy.

5.1.12 Deputy S.M. Ahier of St. Helier North:

This proposition, I believe, comes at an inopportune moment. We have recently had the mini-Budget, which returned a considerable sum of money to the economy, at great cost to the Treasury, which provides direct assistance to those in most need. It is being proposed that, if passed today, this legislation would be implemented on 1st January 2024, which is about the same time of year that most retailers increase the cost of their goods, ergo a 5 per cent reduction at that time of year may not be noticeable to the average person when they pay for their shopping basket. It may have been more sensible to have commenced such a change during the summer months. I mention this because the proposer in her opening speech commented that independent reporting of not removing G.S.T. would be possible, but I do not think that it would be properly able to be confirmed. I am also concerned about the funding of this proposal. It is estimated that it may reduce revenue by up to £10 million a year.

[17:00]

No financial mitigation for this loss has been incorporated within the proposition. There are ways to raise funds, which would have made this proposition more appealing. For example, raising G.S.T. from 5 per cent to 6 per cent would have adequately compensated for the loss of revenue. Alternatively, and this is my personal favourite, we could allow for a third rate of G.S.T., aside from the 5 per cent and zero-rated, which we already have, and we could implement a new rate of 10 per cent for all luxury goods, over and above a certain sum, for example £1,000. This would adequately compensate for the loss to the public purse being proposed here today. I understand that the latter suggestion would not receive much support from the Treasury. But I believe that it would be a sensible resolution to the problem of funding this concept. This week I happened upon the latest voting figures for the e-petitions, which were mentioned by the Constable of St. Peter previously, which I found quite startling. Support for the proposition for removal of G.S.T. from food garnered 92 votes, as previously mentioned, an incredibly low figure. But this compares with other suggestions, one of which: "Change property transaction court date from Friday afternoon to mirror Guernsey," has already received 283 votes. Indeed, previous votes on G.S.T. matters have received considerably more interest and obtained a great deal more support. One of which most Members will be familiar with was stop the *de minimis* level being reduced from £240 to £135. This received 2,597 votes, more than 2,500 votes more. It seems that not paying G.S.T. on one's gadgets from Amazon is far more important to middle Jersey than paying G.S.T. on food. It is extremely important when making a determination on such matters that all stakeholders are engaged with or ensure that there will be conformity with the legislation being brought forward. This can be a long and arduous task, which I understand would not be possible for a Back-Bencher to conduct on their own. Detailed consultation with retailers should be undertaken before such propositions are considered. It would have been preferable if such an investigation had been carried out prior to this proposition being brought to the Chamber so that Members could evaluate how well this would be accepted and implemented by all relevant parties. There is always the worry that many of the small retailers will

not wish to, or be able to, apply these types of changes. Also, we must consider the future of the community costs bonus, which replaced the food costs bonus, in itself a rebate to those on lower incomes for the G.S.T. that they spent on goods purchased. It would seem to me that, if this proposition is successful, it will negate the need for the community costs bonus, which this year certainly is standing at £516, would exceed all lower-income families total yearly expenditure on G.S.T. But, and there is always a but, having expressed my concern about this proposal, I must admit to having voiced similar ideas myself. It is always necessary to abide by the commitments that we make on the campaign trail to ensure that the public maintain confidence in the veracity of our manifestos. I will therefore be supporting this proposition.

5.1.13 The Very Reverend M.R. Keirle, B.A., Dean of Jersey:

I had intended not to speak at this debate. It is not my role here in this Assembly to try to persuade Members to vote one way or the other. I feel, whether I am a gingerbread man, hard and brittle, or a marshmallow man, soft and squidgy, it is not my job to try to persuade Members. However, 2 things come to mind. Firstly, I was reading the introduction to the Common Strategic Policy, which says we want this to be a place where everyone can thrive, enjoy life, love, raise a family, and a place that cares for its community. I was mindful, as I looked at the clock, thinking I am looking forward to going out for a drink this evening, that at this very hour the church where I am rector, St. Helier Parish Church, just across the road, is providing a warm space this afternoon. You may have seen it in some media. We are providing a place where families who are struggling to stay warm, where they are making a decision whether to eat or heat, can come. While that is a great community thing to do and we are very pleased with ourselves, it is a bit of an indictment upon us as a community that we need to provide that. So I think what I want to say really is, regardless of where this debate goes, and I have no idea, it is entirely up to you as Members to do that and it is not for me to interfere, what I think I want to say to Government is, I urge you to keep bringing forward proposals that will benefit the most vulnerable and needy. Because people are leaving their cold houses this afternoon to come to a church because it is warmer there.

Deputy K.F. Morel:

A point of clarification please?

The Bailiff:

Point of clarification, would you give way, Dean, for a point of clarification?

Deputy K.F. Morel:

I would just like the Dean to clarify whether he therefore believes that removing G.S.T. on food would indeed be something that does exactly as he said with regards to heat and eat. If so, what is the evidence for that?

The Dean of Jersey:

It is not my job to be political. I do not think it is appropriate that I comment on that at this stage in the debate because I do not wish to persuade Members to vote either way. I have tried to walk that path very, very carefully. There are targeted ways to help the most vulnerable in our society, which I urge the Government to look at.

5.1.14 Deputy A. Howell:

I just want to say thank you for this debate. It has been very thought-provoking. The other day though Deputy Curtis and I worked out that Islanders would need to spend £10,000 per annum to receive more than they would receive with the community costs benefit. I really think we do need to think of the vulnerable. I do think this Government is doing that and we need to be mindful going forward. But I would also like to thank Deputy Kovacs for all her hard work on this topic because I know this has taken her a very, very long time and she has done it without the help of the many officers and we should say thank you to her.

5.1.15 Deputy R.J. Ward:

It has been an interesting debate and an interesting intellectualisation of why we should tax food. Let us look at the community costs bonus. It has been recognised that there are people who are struggling. So many, as Deputy Kovacs has shown in her report, and I have to say I need to start by repeating something, and I apologise, but for a first proposition the amount of work, the quality of this, the time that has been spent researching, speaking to employers, speaking to everybody else, it has been all-consuming. I tell you this from somebody who works closely with Deputy Kovacs, I am looking at myself thinking, well, I had better up my game a little bit. So this is a real double-edged sword for me. We need to be absolutely aware of that before we make comments in this Assembly about this proposition. Because it is not just well-intentioned, well-intentioned is lovely, this is not just well-intentioned, it is well-researched, it is well-thought out, and it is completely consistent with the principles that Deputy Kovacs had in the manifesto she stood on and was the first Reform member to be elected in her district. So that went down well on the doorstep. It was knocking on doors every day where I spoke to people about exactly this. I am afraid we must not just consider that people who comment or people that you talk on the doorstep really, okay, well, but you do not really know, do you? Yes, people do know, because it is their experience of day-to-day life. They are making choices about the food that they buy on price. To say retailers will not remove it, yes, they will, yes, they can, and yes, it can be assured. That for all the reasons that were said in the very detailed speech by Deputy Kovacs at the beginning, which needs to be listened to, and the 40-page report needs to be read before you vote on this. I really hope you have read that or at least have time tonight. I hope we do not finish tonight. I hope we have a chance for people to read through that. Because we have had all of these reasons why this cannot be done, or it will not work well. Let us talk about the community costs bonus. It is in place. It is not massively successful. Many, many people do not apply for it or simply do not qualify for it, who are struggling. So therefore to have that as this cure-all for this situation of G.S.T. on food is fundamentally incorrect. In addition to that, if there is a cost-of-living problem for many on the Island, you do not have to have either/or. If you get rid of G.S.T., we get rid of the community costs bonus. Well, leave it there. That is a directly directed benefit that can be left and have a greater impact because there is 5 per cent less on food. Let us address the issue of the costs going to those who are apparently most wealthy. Proportionately, that is not the case. Proportionately, a smaller amount of money is a greater proportion of the income spent on food, and that is absolutely vital for people. Because £100 to you may not mean that much, but for people who are getting to a Thursday and a Friday and not having anything left before they get paid, or they receive some income support that they have had to jump through millions of hoops to receive, that £100 is an enormous amount of money, a significant amount of money. It is not a couple of meals out one evening or a couple of fine bottles of wine or a tip for somebody, it is a significant amount of money. That proportionality is the way that you need to understand poverty on this Island. Because what seems small to you is massively great to those who are suffering at the other end. Let us talk about foodbanks. I know we do not like to, but let us talk about foodbanks. Very often, and increasingly, and I know because we have been and we have chatted to people in the foodbanks we visited, we go along. I am not going to do the, what is the phrase, gesturing towards saying I am going to volunteer and do this and do that. That is not the point. It is about understanding the reason they are being used. One of the reasons people use foodbanks is because they are getting by, they do not qualify for income support because they are working, perhaps 2 jobs, perhaps 3, and they are getting along. But one shock to the system, the car breaks down, and they have to have the car in the morning, at 5.00 a.m. in the morning, to travel somewhere because the buses do not run at that time and they cannot get there anyway and that is the first job that they go to in the beginning of the day. That is the reality of some people's lives. So that then has to be repaired and it is expensive and that puts people over the edge. Then there is nothing left. Then they go for the community costs bonus, they go to a foodbank, or worse they will go to a loan shark; I hope not. I do not know what the situation is on Jersey. Or they borrow some money off somebody else. I hope not. But that is the reality of what has happened. It is increasingly happening. If you do not believe me, I will take you to the foodbank, I will accompany you and you can chat to the people that we talk to all the time.

Come into central St. Helier. Come into St. Helier South. Come into North St. Helier. I know the Parishes do it so much, schools are handing out parcels for Christmas. Schools are handing out parcels to families at Christmastime - I am not going to say which schools - because their parents are struggling and they know they have to provide for them. So when we sit here and we intellectualise and we economise and we come up with these economics and we change our views because in principle I agree with this but now somebody has spoken for 45 minutes and convinced me that I will go the other way on this. I have been worn down. The principles go out the window. Those principles are really important for those people who are paying 5 per cent extra on their food. We are taxing the food of the poorest on the Island. Yes, we are taxing the food of the wealthy, it does not matter. There are other ways in which you can impact on the very wealthiest. Remove the cap on social security payments. We have tried so often and it has been rejected. So when push comes to shove we do not affect the wealthiest on the Island, we do not want to touch them, and the argument will come back from Treasury: "If we do that they will leave the Island and will not be here." At that time it is absolutely okay. The reason that Deputy Kovacs brought this forward is because she stood on the platform of removing G.S.T. and is being true to her word. The reason that we are bringing this forward is because it does have an impact.

[17:15]

All of these reasons that have been put together, as happens so often, about, well, they might not do it, well then we do something about it, and the retailers in the room talking about anything that increases red tape will have to go back on to the consumer. That is a choice made. That is a choice to be made. Why is this red tape so expensive? Why is it? I will tell you what is expensive, 5 per cent more food on those who cannot afford to buy food at the end of the week. That is the reality of it, who are paying massively high rents. Although they might have their income support paying the high rents for a landlord, I do not know, but they are expensive things to live through. Every little thing that we can do will help. But instead in this Assembly yet again we are sat here and saying: "Well here are a myriad of reasons why we cannot do it. It will create red tape. We might have a system that started in the U.K. and it will be difficult for some small businesses." There are millions of those in the U.K., I do not know how many there are in the U.K., who manage to deal with the situation. A timescale has been given by the Deputy in which we can implement this. The black hole, which is a lovely phrase to be using, they use it again and again and again, until we do not want to change the tax for the wealthiest on the Island, then there is no black hole, that is okay. That is a golden opportunity. But that gap in taxation has been accounted for in this proposition, if you read the 40 pages, if you listened to the introductory speech, that was detailed, clear, and thorough, beyond anything I could ever deliver. Then there is accountability for that because of the increase in G.S.T. The black hole for Government in terms of that is a choice as to what you do. In terms of balancing the books, there is a choice in where money comes from. That can be made. So we have a choice here, again another choice, another thing that we have to move on, on this Assembly. Do we continue to tax food on this Island? Because that is the bottom line here. We will tax food. Just as we will not regulate rent, we will not H.A.P. (housing assistance payment) rent, we will not have any regulation on the standard of housing that works, all of those things, it is a free-for-all, carry on, let us just carry on. If you are at the bottom of the economic pile on this Island, you struggle day to day, week to week, and the principle of removing the tax from the food of those people, and just about everyone, and those who are just above coping, and this is where this really hits home, those who are just above coping. We have increased some tax thresholds, marvellous. We have decreased the social security, marvellous. We had to do something on this Island, we could have done a lot more. We have helped pensioners. We have not helped all pensioners. There is some disinformation there. The maximum that was mentioned in the mini-Budget only helped those who are on a full pension. Many, many, many pensioners are nowhere near a full pension, they are not seeing anything like that type of help. So the percentage help they are getting to an increase in their income is much, much lower than the headline figure that has been put out through the press and through the media control that the Government seems to have more and more of, again and again, through those who own the

media now. So this move to remove 5 per cent from people's food bills is significant for people at the lower end. Because, proportionately, it is larger than we realise. That is why this is worth looking at and worth supporting. The scaremongering about red tape, which is I think the phrase used, it was white tape turned pink and then turned red, it was a lovely little phrase, I think it shows how these arguments that build up from nothing to something can be addressed. Many retailers can automatically deal with this anyway; do not have a problem with it. In fact it becomes less burdensome in the long term because you are not adding the tax to food. As for the marshmallow and the Jaffa cake, we could have played G.S.T. bingo, could we not? Where is it going to be this time? I must admit though the marshmallow one was a shocker to me. But that should not get in the way for the majority of things that we deal with on this Island. The majority of daily essentials that are vital for people to buy and they are paying 5 per cent tax on them at the till. So we have a choice. Intellectualise your way out of it, again; reasons not to, again; ignore your manifestos perhaps, again, in the name of compromise. Or are we taking action in this Assembly at last, something positive for the people of Jersey, and we remove the 5 per cent on food. I would urge people to take that chance and remove that 5 per cent from food in this sitting because it will make an impact. Other than that, what are we going to do? It is not either/or. If you want to introduce more things to help people, bring them, we will bring some, I will bring some. Will they be supported? Do not know, probably not, because it comes from us. This one is really important and again I am going to finish by saying I thank Deputy Kovacs again for the incredible work that she has put into this, the time that she has spent, the effort that she has made. It was lodged on time, in full, with the comments paper, 40 pages, without officers' help, with some research officers' help, but it is limited, it is not an equality of arms when it comes to Government and what they are doing and do not seem to be able to get their papers in on time or their amendments even correct at times it seems. An individual Member who has taken the massive amount of time that she has taken to do it. Please, tonight, and I do not think we are going to finish tonight now, read the paper. Read the report in full. Consider it in full, before you dismiss it. I think this Council of Ministers did not read that report before they made their decisions and that is disappointing. It is a Council of Ministers that is allegedly independents, working as a coalition, but independently minded. Well take your time to read it. Take the time to go along with it. That is the important thing to do. I urge Members to support this amendment and let us make a step forward for the people of Jersey again.

5.1.16 The Connétable of St. Brelade:

I shall be fairly brief and succinct. My point is not to go over past ground, which has been eloquently described by others, and certainly Deputy Kovacs, I would thank her for the presentation she has made with regard to this proposition, which is very impressive. My point is focused purely on retail pricing analysis and I suppose, referring to Deputy Ward's comments earlier and those made with regard to ladies' sanitary products, whereby it has been indicated that the saving has not been as great as was first initially thought. My point is that I feel, without being deprecating, that the public are generally naive as to how retail prices are arrived at. Retail prices are very often pitched at what the market will bear. You will see, we will all see, in supermarkets goods being moved around here and there, lower on aisles, up on top of the aisles, in front of your eyes, and there is a lot of marketing that is linked to that approach. I rather fear that, if we were to agree to reducing 5 per cent off food, that would probably not be the reality when the time comes, and that will not be filtered down to the place where we wish it to go. I would far rather that the effort be targeted on community support in terms of bonuses as otherwise, as was indicated by the Dean earlier. That will be a far more targeted and accurate approach. So, on that simple basis, I do not feel I can support the proposition, but I do commend the Deputy for bringing it.

Deputy R.J. Ward:

I think Members may want to speak but I wonder if we can ask for the adjournment, because we have 5 minutes left and I spoke for a lot longer than I thought I was going to as my mind got working. I wonder if we can ask for the adjournment.

The Bailiff:

I think that is a proposition that you can make, it is within 5 minutes, but it might be helpful, in order for Members to decide it, if people could indicate if they intend to speak in this debate, so that people will know at least. Clearly there are a number who do intend to speak, so it seems to me that it is not improper at this point to ask for the adjournment.

Deputy R.J. Ward:

I propose the adjournment.

The Bailiff:

The adjournment is proposed. I am prepared to take it at this point, so the Assembly stands adjourned until 9.30 a.m. tomorrow morning.

ADJOURNMENT

[17:24]