

2.2. Senator L. Norman of the Minister for Economic Development regarding the timetable for the introduction of Price Marking Regulations:

Would the Minister inform the Assembly of his proposed timetable for the introduction of Price Marking Regulations and will he confirm that he plans to have the regulations in place with effect from 1st May 2008?

Senator P.F.C. Ozouf (The Minister for Economic Development):

Members will recall that the decision was made on 7th November 2007 and the States voted in large majority to impose G.S.T. (Goods and Services Tax) inclusive price marking. Retailers now have the clarity on what price marking system will be in use in dealing with consumers. If inclusive pricing controls are not in place when G.S.T. begins in May 2008 there is, in my opinion, potential for chaos. Senator Norman gave some excellent examples of the problems of when there would not be inclusive and exclusive prices in the recent debate. I therefore propose to consult on the regulations in early January and then lodge those regulations in the earliest possible course in January or February of next year, with a commencement date for inclusive pricing on 1st May 2008. Of course, any Member is free to lodge amendments and so it will ultimately be this Assembly to decide exactly the date of implementation, but I will be proposing 1st May 2008.

2.2.1 Senator L. Norman:

Does the Minister accept that implementation of the regulations and the introduction of G.S.T. have to be simultaneous to avoid confusion and complications?

Senator P.F.C. Ozouf:

That has been my position right the way through this difficult debate and I think that Members themselves have come to their own conclusions about the importance of inclusive versus exclusive pricing. I think the Scrutiny Panel report was very clear in relation to the issue of chaos and certainly it will be for this Assembly to decide whether or not inclusive pricing is to happen on 1st May but that is what I will propose.

2.2.2 Deputy J.A. Martin:

The Minister has just said it is for any Member of this House to bring amendments. I am sure that I was assured by the Minister on the price marking debate that they would be bringing amendments on inclusive pricing but that the amount of G.S.T. would be shown on a till receipt. Is he going to honour this promise?

Senator P.F.C. Ozouf:

I would say 2 things to the Deputy. First of all, it is absolutely clear that I will consult with the Scrutiny Panel on the detail of the regulations - that is the first thing. As soon as we have a draft of those regulations I will certainly communicate with the Scrutiny Panel. In respect of this issue of a till receipt, we have been doing some further research and looking at the arrangements of till receipts and the rights of having a till receipt in other jurisdictions. I am happy to share that position and share that research with the Scrutiny Panel. My position remains that it is desirable to have a till receipt with the G.S.T. broken down in that. How we achieve that is why we have to have some discussions. It is not as easy as I thought it was going to be.

2.2.3 Deputy G.P. Southern:

Will the Minister commit himself to bringing such an amendment to introduce a till receipt showing the amount of G.S.T. paid and in what timescale will he do so, and is he aware that in order to do so he has to amend the G.S.T. law itself?

Senator P.F.C. Ozouf:

I will be progressing the issue of the price marking legislation, and it is for the Treasury Minister to propose amendments to the G.S.T. law. We will work together in the earliest possible course to

provide a solution. What is clear, and I am sure that the Scrutiny Panel and other Members will agree, is that good practice is available from other jurisdictions where till receipts are generally available but not on a 100 per cent basis, particularly for small purchases. It is that area that we need to continue to discuss and I am happy to engage with both the Corporate Affairs Scrutiny Panel and the Economic Affairs Scrutiny Panel, and with the Treasury Minister to find an acceptable solution which is in the interests of consumers.

Deputy G.P. Southern:

In what timescale?

Senator P.F.C. Ozouf:

The timescale is absolutely clear. G.S.T. will commence on 1st May 2008. My position is that inclusive pricing should also happen on 1st May 2008 subject to States' approval so it must be dealt with in the earliest possible course early next year to give retailers and consumers certainty.

Deputy G.P. Southern:

And receipting?

Senator P.F.C. Ozouf:

I cannot go any further except to say that my position on receipts is the same as the Scrutiny Panel's. If we can achieve it within the laws that we have then we will achieve it and we need to take best practice from other jurisdictions. I do not think there is much between us in what we are trying to achieve.

2.2.4 Deputy R.G. Le Hérissier of St. Saviour:

Has the Minister reached a tentative conclusion in respect of labelling very small imported items like newspapers?

Senator P.F.C. Ozouf:

There are discussions going on with retailers both with my Trading Standards officials and indeed Treasury officials in respect of our implementation of inclusive pricing. I have further meetings with retailers this week. The Chief Trading Standards Officer met the Chamber of Commerce at the end of last week and we seek to try and avoid any difficulties with retailers and some pragmatic solutions will have to be taken.

2.2.5 Deputy J.A. Martin:

Is the Minister telling the House he is bringing a proposition before 1st May 2008, that we will have to decide when G.S.T. comes in on 1st May 2008 that it will be compulsory that all retailers are up and running with inclusive pricing, albeit that it needs to be a States' debate? I think a lot of retailers out there will be very scared at the moment because they have been given an assurance they would have a year to comply.

Senator P.F.C. Ozouf:

This Assembly considered a proposition by Senator Norman in respect of inclusive pricing. This Assembly then considered the inclusive pricing bill and has effectively set a clear signal that we are moving towards inclusive pricing. I believe that I need to bring regulations to confirm the position of inclusive pricing and I think that I need to take the clear view of the Assembly that that should be in place at 1st May 2008. In respect of retailers and their views, we need to give retailers certainty. Retailers need to buy one system that they can then use for a period of years. Those systems, we are clearly saying, should be on an inclusive pricing basis.