

23.09.12

10 Deputy C.S. Alves of St. Helier Central of the Minister for the Environment regarding a vehicle scrappage scheme (OQ.181/2023)

Will the Minister advise whether a vehicle scrappage scheme was considered as part of electric vehicle strategy?

Deputy J. Renouf (The Minister for the Environment):

Deputy Alves has agreed that Deputy Jeune may answer this question.

Deputy H. Jeune of St. John, St. Lawrence and Trinity (Assistant Minister for the Environment - rapporteur):

I would like to thank the Deputy for her question. The E.V. (electric vehicle) incentive was originally designed with a requirement that for every electric vehicle sold using an incentive a petrol or diesel vehicle would have to be deregistered. However, consultation with the motor industry locally provided strong feedback that linking together the scrappage and the incentive scheme would artificially inflate the market price of those old petrol and diesel vehicles, as dealers potentially fought to get hold of them. It would also add significantly to the cost of the purchase of the E.V. to the customer, and this would disproportionately impact on those on lower incomes and those that did not have a vehicle to exchange. It was agreed with the Motor Trades Federation that we would work together to design and introduce a more effective standalone petrol and diesel scrappage scheme.

5.10.1 Deputy C.S. Alves:

What guarantees does the Assistant Minister have that fossil fuel cars replaced will not be sold on or kept in a household?

Deputy H. Jeune:

I thank the Deputy for her question. At the moment, we would be unable to guarantee that. The incentive scheme tries to encourage more electric vehicles to come to Jersey and that is why we have put in that it is new or used electric vehicles that are first registered to the Island. As I said in my last answer, we will be very much working with the Motor Trade Federation to develop a standalone scrappage scheme, because it is imperative that we also do start to look at getting rid of old vehicles that use fossil fuels as soon as possible.

5.10.2 Deputy R.J. Ward:

I note that the policy T.R.2 Vehicle Scrappage was removed from the Carbon Neutral Roadmap. Are we now hearing that there will be a replacement for this scrappage scheme, given that the electric car subsidy scheme gives no guarantee of the removal of fossil fuel vehicles from our roads?

Deputy H. Jeune:

I would like to thank the Deputy for his question. The Minister and I, when we first were discussing the details of this electric vehicle incentive, were very minded to introduce the scrappage scheme as part of this incentive. However, as I said in my first answer, after consultation it was very clear to us that this would be detrimental to the incentive scheme. Therefore, we made the commitment to make a standalone scrappage scheme separately. As the Deputy is aware, we have a very small team and at the moment we are working on this incentive scheme and on the heating incentive scheme

and others. So we have not started work yet on the scrappage scheme, but we will do so as soon as possible.

5.10.3 Deputy R.J. Ward:

I will take it that there will be a new standalone vehicle scrappage scheme developed, but we do not know when. Can I ask the Assistant Minister, does she agree that the best way to reduce road transport vehicles is to make public transport the go-to means of transport? That should be the thing that we invest in most in order to change the travelling habits of our population?

Deputy H. Jeune:

I thank the Deputy for his question. It is clearly recognised in the Carbon Neutral Roadmap that 40 per cent of our carbon emissions comes from transport and so the Carbon Neutral Roadmap has many policies; 11 policies, to look at ways to reduce fossil fuel use of the Island, and active travel and use of public transport is one element of those 11 policies. This Government has been working hard to increase and support public transport use as well as active travel. There is also, of course, our bike incentive scheme and soon we will be launching the cycling and walking infrastructure strategy to look at corridors of cycling infrastructure that can be improved in the coming years. The electric vehicle scheme is one of many that will try to help reduce our emissions in the transport sector.

The Bailiff:

I have the Connétable of St. Helier, then the Connétable of St. Brelade, Deputy Mézec and then a final supplementary. I am afraid we are pushing over the edge of any reasonable time allowed for the question.

5.10.3 Connétable A.S. Crowcroft of St. Helier:

Would the Assistant Minister agree with me that she is putting the cart before the horse, if you will excuse the pun, by making this very generous gift of £3,500 to relatively well-off people in order for them to buy extremely expensive motor cars when she could have spent that money, I think it is a total of £4.5 million, on improving cycling routes and walking routes, particularly in the town, which will have got more people out of their cars than this technique?

Deputy H. Jeune:

Thank you, Constable, for your question. As I said in my last answer, this specific incentive is one of 11 policies that are looking at how to reduce our emissions in the transport sector in the Island.

[11:00]

It was agreed in the last Assembly through the Carbon Neutral Roadmap and also the Climate Emergency Fund that this specific amount of £4.9 million was given to reducing fossil fuel vehicles on the Island. The bike incentive scheme was taken from this budget line and the rest was agreed in the last States Assembly. I believe the Constable took part in that vote to agree that it is important to also focus on cars. Though it is absolutely this Government's aim to increase and to support Islanders to use other forms of transport, and we have of course the transport hierarchy where you start with walking and cycling and then public transport and then from there go to personal vehicles, that many times you will need to use your personal vehicles. This is why this incentive is specifically designed to help support Islanders to go from using fossil fuel cars to electric vehicles. This incentive specifically focuses on the differences between the cost of an electric vehicle and a fossil fuel vehicle. It is designed to nudge and to encourage Islanders when going to purchase a vehicle, also mopeds

and motorcycles are also included in this incentive, to make the choice of an electric vehicle over fossil fuel vehicle and so the incentive is designed for that specifically ...

The Bailiff:

Deputy, could you bring your answer to a close, please.

Deputy H. Jeune:

That is why the incentive is designed like that.

5.10.4 The Connétable of St. Helier:

I should say that when I supported the Carbon Neutral Roadmap I did not know that we were voting to spend £4.5 million as a gift to relatively well-off people to buy another motor car without getting rid of the one they have. Would the Assistant Minister be willing to pause this scheme while further scrutiny of it takes place to see whether this money, taxpayers' money, is being spent in the best way possible to make our Island better for everyone?

Deputy H. Jeune:

I thank the Constable for his question. As I said, 40 per cent of our carbon emissions come from transport and, unfortunately, a larger number of that is from personal cars and vans being used on our roads. The States Assembly recognise that we are in a climate emergency, that we have to do something about reducing our carbon emissions on the Island. This incentive is in trying to encourage Islanders to move away from fossil fuel vehicles. I believe that we need to have a suite of policies to be able to encourage different Islanders to be able to do that. The Climate Emergency Fund is specifically ring-fenced with an objective to reduce our emissions on the Island and there are, therefore, a number of things that we have to do. Unfortunately, in Jersey, even though we are a small island and could really benefit from the use of electric vehicles, our uptake is relatively small compared to other jurisdictions like the U.K. and France. Therefore, this incentive scheme is to encourage those to buy electric vehicles.

The Connétable of St. Helier:

Sorry, I did ask if the Assistant Minister would agree to pause the scheme, could I have a yes or no answer, please?

Deputy H. Jeune:

I do not believe at this stage that we need to be pausing this scheme. We are doing what the scheme was designed to do and was agreed by the States Assembly.

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

While the incentives proposed by the Assistant Minister, I believe, are laudable, I would point out to her and for further consideration that, shall we say, the older vehicles, hydrocarbon-powered vehicles, are the cheaper vehicles which people can afford. The proposals, as on the table at the moment, are for vehicles which are way out with the affordable capacity of many residents. I ask the Minister, is she prepared to take that into consideration, particularly if a scrappage scheme is put on the table?

Deputy H. Jeune:

I thank the Constable for his question. We looked very closely at the prices of electric vehicles versus petrol and diesel vehicles and that is why we put a cap on this incentive for £40,000, because we believe that covered up to family cars but not going into luxury cars. But I have to insist that this incentive is very much about also used electric vehicles and so there are a number of vehicles on the forecourts that you will see in the Island are comparative to fossil fuel cars because they are also second-hand cars. But also though maybe the cost can be seen as higher on purchasing of an electric vehicle, the running costs and maintenance costs of an electric vehicle is extremely low. Hopefully, Islanders, when looking into whether to buy an electric vehicle or not, will take the whole life cycle of the electric vehicle and their usage into consideration because it is much cheaper to run an electric vehicle and to maintain an electric vehicle than a fossil fuel car.

5.10.6 The Connétable of St. Brelade:

I thank the Minister for her answer but the reality is that a lot of people are nowhere near affording up to £40,000, as was mentioned. They are looking towards more a less than £5,000 angle, which is what you can buy a cheaper, older, hydrocarbon vehicle for. I would urge her to consider the less well-off in our society when making the decisions.

Deputy H. Jeune:

Absolutely when we are discussing these incentives we do absolutely look at the impact these kind of incentives will have on a range of the people in our society. As part of the Carbon Neutral Roadmap, the just transition was very much an important part of the objective, so this is always looked at.

5.10.7 Deputy S.Y. Mézec:

Is the Minister aware of adverts which are being promoted by car dealers to advertise for Islanders to use the E.V. grant to purchase vehicles which are quite clearly not designed to be the primary vehicle of a household and instead only to be used in the best weather, the rest of the time where they will be, presumably, left in a garage while that household continues to use a fossil-fuel powered vehicle? Does she think that kind of thing represents good value for money?

Deputy H. Jeune:

Thank you, Deputy, for your question. I have seen that particular advert that I believe the Deputy is referring to. Of course, it is up to the Islanders to decide how they would like to spend their money. Of course, the incentive is a very small part of overall price of the car. Also, in that regard, and to the question the Deputy has asked, I would say that is pretty much the same for mopeds and motorcycles as well. I think it is really up to the Islanders to decide how they would like to spend their money when it comes to electric vehicles. Using the incentive, of course we have parameters in place to help us to ensure that as many Islanders have access to the incentive as possible.

5.10.8 Deputy S.Y. Mézec:

If the purpose of the scheme is to act as an incentive for Islanders to purchase a vehicle that would change their habits and, therefore, reduce carbon emissions but is on offer for particular kinds of vehicles that are not likely to offer that purchaser much of a chance to reduce their carbon emissions because of the lack of use that the vehicle will get most of the time and the lack of requirement for them to scrap a polluting car instead, is clearly bad value for money. Does the Minister not think that there ought to have been a better targeted approach so that the money that is spent on an incentive scheme like this would have as great an impact as possible in reducing carbon emissions when this clearly does not achieve that aim?

Deputy H. Jeune:

I believe this would be a one-off example. Most cars that are on offer look like regular cars and will be able to be used as all Islanders use their transport. But I will be happy to look into that one particular issue because that is one particular make that I understand what the Deputy is referring to.

Deputy C.S. Alves:

Sir, I have got a final ...

The Bailiff:

I am terribly sorry. I am clearly sort of running faster and faster until I get up to speed, so almost there. Yes, final supplementary, Deputy Alves, I apologise.

5.10.9 Deputy C.S. Alves:

That is okay, thank you, Sir. How will the Assistant Minister measure the impact and what kind of outcome is she hoping to see, for example, the number of cars on the road?

Deputy H. Jeune:

I thank the Deputy for her question. The way to measure this is to see how many electric vehicles newly registered on the Island will be going up in the coming years. We have that data so far up to this year; I think I have until June this year in my notes. From the launch onwards of this incentive we will be monitoring to see how many new electric vehicles will be registered. My hope is that it will increase year on year. It will encourage more Islanders to be able to see that you can have electric vehicles in the Island; that it is not only good for the environment but it is also good for the Island and for people to use as well. Therefore, we start to see much more electric vehicles within our fleets in Jersey. As I said before, we are very behind in a number of jurisdictions. In Norway, for example, 80 per cent of new cars that have been registered in Norway, it is 80 per cent. We would like to of course aim in the future to that kind of amount.