

# STATES OF JERSEY

## OFFICIAL REPORT

**TUESDAY, 12th DECEMBER 2023**

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[9:35]

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

**COMMUNICATIONS BY THE PRESIDING OFFICER**

**The Deputy Bailiff:**

**1.1 Welcome to His Excellency the Lieutenant Governor**

On behalf of all Members, I would like to welcome His Excellency the Lieutenant Governor to the Chamber this morning. [Approbation]

**PUBLIC BUSINESS - resumption**

**2. Proposed Government Plan 2024-2027 (P.72/2023): twenty-fifth amendment (P.72/2023 Amd.(25)) - amendment (P.72/2023 Amd.(25).Amd) - Alcohol Duty - resumption**

**The Bailiff:**

We now return to amendments to the Government Plan, and the Assembly is currently debating the amendment to the twenty-fifth amendment, and I invite the next Member to speak on this amendment.

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

Sir, just to say that at the end of the debate yesterday, I asked the Attorney General a question, and he was going to give the answer in the States sitting this morning.

**The Deputy Bailiff:**

Yes, thank you. Mr. Attorney.

**Mr. M.H. Temple K.C., H.M. Attorney General:**

Deputy Scott asked me if the Minister had powers to adjust transfers in a proposed Government Plan. There are powers of the Minister to reallocate in relation to an approved Government Plan and the primary powers in Article 18 of the Public Finance Law, and the Minister may direct that an amount appropriated under a Government Plan for one head of expenditure can be allocated to another head of expenditure, subject to provisos. There are 2 provisos: that other heads of expenditure must be set out in the Government Plan, or be a new head of expenditure relating to a major project in the Government Plan. There are controls over those powers in that the Minister must give the States at least 4 weeks' notice of a proposal to give a direction under this Article, and the Minister must also consult with any Minister that may be affected by that proposed transfer; so there are 2 controls over that power. In addition, there is a wider accountability provision in the Public Finance Law in that under Article 23 the Minister must give a written statement setting out each function undertaken, which would include a transfer under Article 18 to the States Assembly on a semi-annual basis; so twice a year. Those are the 2 controls.

**Deputy M.R. Scott:**

Thank you. Just a follow-up question, please. Just following on, the Department for Economy's estimated expenditure in the Government Plan being £35.5 million, out of which it estimates giving grants and subsidies of over £25 million. If, after performing its delayed value-for-money review of all the arm's length organisations to whom it gives grant funding, the department is able to save £324,000 out of this £35.5 million, which is the amount of its budget that the Economics and International Affairs Panel proposes should be reduced, equating to less than 1 per cent of its budget, can the department invest this sum into growing the economy in line with the Common Strategic Policy or does it have to hand the money over to the Treasury?

**The Deputy Bailiff:**

Can you answer that question, Mr. Attorney?

**The Attorney General:**

Deputy Scott did give me notice this morning of the question so I have given it some thought. My view is that if a department has achieved efficiency savings and that is accounted for in a Government Plan that is approved by the States Assembly, that simply means that that department has less budget for the year to spend.

[9:45]

It does not mean that it is free to use the amounts saved on other areas of expenditure, effectively increasing its budget, in the way that the Deputy suggested. So, my answer is no, the department would not be free to do that.

**Deputy M.R. Scott:**

Does that mean that the amount saved therefore goes back to the Treasury for reallocation?

**The Attorney General:**

No, I think the amount saved is simply that the department has less budget for the year. It is not an amount that goes back to the Treasury. It is simply the department has less budget to spend for that particular year.

**Deputy M.R. Scott:**

Thank you.

**2.1 Deputy H. Miles of St. Brelade:**

The Health and Social Services Minister will speak about health-related concerns but, at the risk of sounding like the fun police again, I just wanted to remind Members why, as Minister for Justice and Home Affairs, I do not support the freeze on alcohol duty. Once again, I deferred to Ministerial colleagues to support a 4.5 per cent increase, but I would prefer a reversion to the policy of an above R.P.I. (retail price index) increase to constrain consumption and to compensate services. The negative effects of alcohol cost the emergency services tens, if not hundreds, of thousands of pounds every year; police time wasted dealing with drunken behaviour, ambulance callouts to alcohol-related incidents, fire service to fires where people have fallen asleep after a good night out and left the cooker on. There is a cost to the courts, the Probation Service and the prison who pick up the pieces of lives broken by alcohol-related offending, either as a victim or an offender. This Island is awash with alcohol. We are second only to Lithuania in the league table of per capita alcohol consumption. Alcohol consumption in Jersey was 12 litres of pure alcohol per adult. That is really not a statistic to be proud of. Alcohol was a contributory factor in nearly 20 per cent of all crimes recorded in Jersey in 2022. That does not include the process offences such as drunk and incapable, which are dealt with at Parish Hall. The true level of alcohol-related offending is likely much, much higher. Alcohol was a factor in nearly a third of recorded assaults and nearly a quarter of nighttime economy offences committed in St. Helier. The impact of alcohol and domestic abuse is also well-documented, and women and girls are disproportionately negatively affected. The impact on children and families where disposable income is directed towards wine and beer rather than school shoes and after school clubs is also well-documented. Members who are familiar with the N.S.P.C.C. (National Society for the Prevention of Cruelty to Children) and the work that Brighter Futures do will know all about that. The international evidence is robust and compelling. The link between increased price and lower consumption is proven time and time again. When faced with such strong evidence base about other subjects, people believe it; how to reduce disease, how to improve educational standards, et cetera. But it is really curious that when it comes to alcohol reduction and also obesity, people do not tend to believe it. They consider the evidence in relation to their own experience and not at a population level. Yesterday, we heard that the policies in place we have in Jersey to reduce consumption are flawed. We are only different to other communities in that we are nearly at the top of the leaderboard.

As I said previously, that is not something to be proud of. Knocking Lithuania off the top spot should not be our aim. We are no different to other communities. The international evidence applies to us equally. The good news is that the percentage of crimes in Jersey involving alcohol has trended downward from 23 per cent in 2016 to 15 per cent in 2022, which tends to suggest that pricing above R.P.I. has had some positive effect. Increasing the price of alcohol does work to reduce consumption and therefore reduces alcohol-related crime and disorder. We heard a lot yesterday about duty rates and how that is going to affect the hospitality industry, and how a freeze is necessary to support this sector. I am a bit confused by this. Other jurisdictions are markedly more expensive. They have adapted to deliver a vibrant hospitality offer. If anybody has been to Iceland, alcohol is fiendishly expensive; £15 for a glass of wine, £20 for a pint. Downtown Reykjavik is buzzing. It has a thriving hospitality industry. Increasing the price of alcohol does work to reduce consumption. This Island has an unhealthy obsession with alcohol that needs to be addressed. Like it or not, all the evidence suggests that increased price and reduced consumption leads to a more peaceful and law-abiding society.

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

In these kind of debates it can be tempting to take a polarised stance and say: “I am absolutely in favour and I want to support hospitality.” “I think the Government is bad and they are using this stealth and indirect tax, a consumption tax.” I will say some of that, do not worry, I have not completely lost the plot. On the other hand, say an argument maybe like alcohol is bad, we need to tax it out, we need to stop drinking and we need to be a society of teetotallers. I think the reality is somewhere in the middle of that. I think the first thing I am going to do is ask for a call for honesty and looking not just at alcohol but of the issues that may be partially being conflated here. What we are saying is that alcohol duty directly will affect the viability of the hospitality industry. I think there are lots of problems that need to be unravelled in that statement, if that is the basis on which the alcohol freeze and even the compromise which we are talking about now of course - I will speak to the amendment - from Government. The Government is basically in this very strange position where they are not backing the Minister for Justice and Home and they are not backing the Minister for Health and Social Services. So that last speech is largely irrelevant because Government has already said: “No, we are not doing that now. We are having a below inflation increase.” It is about 4 or 5 per cent. I do not know why the Minister is shaking his head because that is the case. There has been a conversation that has taken place at Council of Ministers, and let us say half of the Council of Ministers have said: “We cannot support this. We will vote against Government and possibly defeat you on the alcohol freeze if you do not come forward with this.” That is politics. I am not criticising anyone. Therefore we have got this amendment. The problem is it does not do either thing now. The argument to say we need to decrease alcohol duty for this vision of an alcohol-free society where everyone lives longer and people are not going out and getting whatever, getting into trouble. The first thing I would say, though, to the Minister for Justice and Home Affairs is it is not alcohol per se that is causing an increased need for resources in the blue light emergency services. It is bad behaviour. You can go out and stab somebody, punch somebody without drinking alcohol, and you can go out and drink alcohol and behave perfectly exemplary, if you want to. Lots of people do that so we cannot simply say ... and we often hear in court - Sir, you will hear it all the time - about mitigation. The person was not in their right state of mind. They could be drinking alcohol or they could have been taking illegal drugs. I do ask the question: what do we do about illegal drugs? Is Government going to increase the duty on illegal drugs? Because illegal drugs put a burden on our society. Illegal drugs break up families and we see the consequences of that. But, at the moment, Government does not even tax one penny of those illegal drugs. I think Government needs to get its head around the wider problems of addiction, about people needing to find outlets. Let us get back to this idea that by decreasing alcohol duty it will automatically help hospitality. I do not think anyone is saying that outright, because that would probably be a slightly naïve position to take. I think the Minister for Sustainable Economic Development has already touched on this, is that there

will be really difficult times for the hospitality industry - like many industries in Jersey - over the next year and 2 years, due to a variety of factors because of behavioural changes. Because let us face it, people have got less money in their pockets and if you have not got any money and you are spending all your money on higher rents you are in a really difficult situation. If you live in the centre of St. Helier in a cramped apartment, which you are paying perhaps a third or a half of your income, your disposable income on, and then you cannot even have the ability to go out for a drink or 2 to a pub. You may even be somebody who does not drink alcohol because there are people in our society, for whatever reason, young people are turning away from alcohol in their droves. Right? So this idea that we need to tax people out of drinking is not automatically true. Young people have taken the education advice that they get. They have seen that it is better to be fit than to drink lots of alcohol and to get fat or a fatty liver. They like to go to the gym. They like to go out on walks, on runs. So we have a much healthier generation than even my generation or ones that came before. The idea that we can simply tax them out of drinking and that we need that as the stick does not follow because they are already doing it without the tax. They may be young people who are earning perfectly good salaries in Jersey as well. So I think we need to scotch that. What I would say, though, is that there is a shared problem between Government and hospitality, in the sense that Government is also addicted to alcohol duty. So they predicate every budget on an automatic cost-of-living increase on duty. Then there is an argument about whether they should increase it above the rate of inflation for health and law and order reasons; that is basically wearing thin. The other point I wanted to make at this juncture is the fact that there is a valid debate to have around alcohol policy. Scotland, for example, had a debate a few years ago - I think in the last couple of years - and they decided to introduce minimum unit pricing for alcohol. Jersey never had that debate. Does anyone remember having a debate about minimum unit pricing in Jersey? I have been here 15 years. I have never had that debate but it has been introduced. How did it get introduced in Jersey when we have never decided that that should be the policy? It got imposed on us by non-politicians. I do not know the exact word but it is effectively the Licensing Bench, is it not? The judiciary in Jersey, and I mean no disrespect to them because the law gives them the right to do that, as I know they also have to deal with the consequences of excess alcohol consumption. But in the absence of politicians having a mechanism or the desire to bring forward a debate on happy hours and on minimum unit pricing and perhaps other mechanisms that we should be looking at, who should sell alcohol? Should it be that you can buy alcohol? When the Minister for Justice and Home Affairs mentioned that alcohol in Iceland is very expensive, I was thinking: "You should go to Morrisons." **[Laughter]** Because the discrepancy that you get ... and this is the other issue, is it not, the discrepancy you get from supermarket to supermarket in Jersey not just for alcohol but for food? It can almost be double. This is a wider issue. Should it be that your petrol station should not necessarily be able to sell you alcohol because your supermarket does not ... it does sell your petrol, does it not? We need to have that debate about where alcohol is available and when it is available. I have said this before, is that alcohol is probably dangerous whenever you drink it in excess, right? If you go into a shop, you cannot buy alcohol at 11 o'clock in the evening, which is very strange, is it not? Because you might have finished your shift at 10 o'clock, you might want to go into your local corner shop, which is still open, because they are selling petrol and M&Ms and other things which are potentially bad for you, but we have not taxed them yet, and you are thinking: "I would really love to just get a bottle of Tiscas or a can of Carlsberg or a bottle of Jersey cider and have it so that I can watch some TV before I go to sleep, about 2 o'clock in the morning, because I do not have to get up until 11:00 for my next day. My next shift starts at 2 o'clock in the afternoon. But we are telling people they are not allowed to do that. But you can go and buy alcohol from 7:00 a.m. in the morning and that is okay. As soon as the shops open you can go and get your bottle of Buckfast, let us say for want of a better word, and you can go and sit in the park with your brown paper bag next to the Don statue and you can admire the Don statue. It is great. It is done by a Frenchman, ironically, celebrating a British general and governor in Jersey. You can drink your bottle of alcohol all day, but you cannot go and get a can of alcohol at 11 o'clock at night if you have just finished work and you only want one can. This

is the very strange system that we have. If you do that, you have to pay a minimum unit price in Jersey as well. The first thing I ask is that Government gets its house in order. It is not a unique problem that has faced this Government only. Other Governments have not got their head around this. But I know that this Government is very keen to not let the judiciary make decisions that politicians should be making. I think they would welcome that probably as well. Now let us get back more directly because I think you have probably given me a bit of latitude, but I think it is important to contextualise these debates.

[10:00]

But the point is that hospitality itself is not homogenous either. I would ask the hospitality industry why they are predicating in their gift, if you like, as an industry on the sale of alcohol. If you go to a Muslim country, for example, they do not need to do that. You can still go out and have fun. You can have a cup of tea, a cup of coffee. You can go to the theatre in a Muslim country, and I am just using that as an example, or a country where it is not in their culture to automatically drink, and you can still have fun. I think that is valid. But we have to also accept that we are in a different place as an Island and as a European and a British dependency. The mindset is still shifting. Let us get back to the point as to maybe why I do not support this Government freeze. First of all, I think it is a dog's dinner. I think Government should have had the courage to either say: "No, we are not accepting this amendment. We want at least an R.P.I. increase or above R.P.I." because that has been their rationale all the way through. Having a middle way does not solve anything. I think the point is here that Government needs to have that wider debate about alcohol strategy and alcohol policy, whether it is to do with Economic Development, to do with Home Affairs or to do with Health and Social Services before it puts any form of increase forward on alcohol duty. I think I will leave it at that.

### **2.1.2 Connétable M.K. Jackson of St. Brelade:**

In common with several other colleagues, I have experienced these debates many times over the years, and the arguments do not seem to change a lot. There are a couple of points I would like to draw Members' attention to. This is one that I persistently mentioned and it has come up in correspondence, is the difference in A.B.V. (alcohol by volume) or the alcohol content of a particular drink and, taking it down to the points that the Minister for Justice and Home Affairs has made, the effects of that on different people. My view is that the higher the alcohol content is the higher the tax should be on that particular drink. The basic effect of what is being proposed, whether it is 4.5 per cent or higher, is that it will shift the drinking habits from on-licence to off-licence. That point was emphasised only this morning, when I interviewed a manager for an off-licence premises, and when I asked him to comment on the proposals we would be debating this morning, he said: "That will be better for us because it will move people from the pubs to the shop", which is actually a true point. So are we gaining anything by pushing the price up? I suspect not. I think that sadly it just will stimulate people to drink more at home without the supervision that they would get in an on-licence position. Finally, I would like to comment on the Minister for Sustainable Economic Development's remarks yesterday, and I did rather feel at the time he did protest too much because realistically we have been going back for many years talking about revisiting reviewing the licensing law and, while not personally so, his department have been lax in dealing with it. I think we have got to the point in order for us to be able to make a valid judgment in this sitting, or in any sitting, we need to have a reasonable licensing law we can deal with. At the moment, I think it is fair to say it is all over the place. We get applications for various categories at Parish Hall level. We had only one a couple of weeks ago where a club wanted a first category licence. So you get a club licence, which restricts its membership, but they want to invite everybody in, so become a pub. So is it a club or a pub? That remains to be seen when it goes to the Licensing Bench in due course. But it is messy and I do hope these comments are taken on board by the Minister for Sustainable Economic Development. Perhaps during his term, he can attack this once again and come up with a rather more balanced licensing law than we have already.



### **2.1.3 Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter:**

I think we need to remember the state of the economy. We need to remember where we are at the moment, the pressures on businesses on the back of the COVID pandemic, which actually wiped out the reserves of most businesses, especially hospitality; arguably the worst hit. But retail and other businesses as well. We are still recovering from that. We are going to be recovering from that for many years to come. On top of that, we are still insisting on clawing back all of the social security payments and G.S.T. (goods and services tax) payments and other payments that businesses were not able to make during the pandemic because they were shut and they were not taking any business. Ironically, a lot of business who kept their staff on paid their staff throughout the pandemic and, as a result of that, incurred social security and other payments and have to repay it back where other jurisdictions have taken a more lenient approach. I am not saying we should or we should not, but we have to remember by following the path we have taken we are keeping these businesses under a lot of pressure for many more years to come. This is not an ordinary everyday budget debate on duty increases, where some of the points made might be more appropriate than they are today. We have short memories when we fail to remember that we have had years of excessive duty on increases on alcohol and fuel. Fuel, well, that is for another debate. But that also has a major impact on the cost of living. In the Government Plan or this amendment or any proposition or amendment, to increase the cost of increased duty has no reference to the impact on the R.P.I., the cost-of-living index, and I know the Minister for Sustainable Economic Development chairs that board. But one of the recommendations from the previous group, that when there was a proposition to increase a price or commodity or something, and I know there are limited levers on the actions we can take, the impact should be noted. We do not know whether these duty increases and all the prices going up are going to have a 0.01 per cent or 1 per cent, we do not know what impact they are going to have on the already beleaguered and under pressure cost of living. But they will have an impact and that impact will be going in the wrong direction, no matter how large or small it is. Our economy remains under enormous pressure, bearing in mind that something like 70 per cent of businesses are small businesses. Those are the businesses that are being impacted by this. Larger businesses are still being impacted, but they are more able to deal with high cost of living, high inflation, costs of commodities rising, even if we do freeze duty rates, which I strongly believe we should, there are still going to be immense price pressure on the industry. Prices will not stay the same, just to counter some of the arguments made in the connection to health and the importance of price increases to health, which I think has been overplayed from time to time. Prices will rise because manufacturers will have to put prices up. Distribution costs will be going up. We have heard that Condor ferries are putting their freight costs up by 19 per cent. That is all going to be pushed through to the front line with zero duty increases. There are going to be increases and more pressures on margins for businesses. The fact is, however sanctimonious we might be about the rights and wrongs of this, small businesses, especially in hospitality, are not going to be able to survive because of massive increases in costs of running their business and enormous squeezes on their profit margins, which are reducing. If you look at hospitality businesses particularly, you will see that the payroll percentage of their turnover has increased significantly and the gross profit margins they are achieving are reducing. That is something that is not sustainable. I do not know how the Government can start off by saying we are going to go with the cost-of-living increase of whatever it was at the time - 10.1 per cent, something like that - and then said: "Actually, we will do a deal and we will find a compromise at 4 per cent." The difference in income between the 10 per cent and the 4 per cent they have soaked up but that last bit of cost, the 4 per cent to zero, is suddenly a big problem. I know from the heads of expenditure that the Sustainable Economic Development Department's budget has increased over 2023 by £3 million. I know my good friend, Deputy Morel, the Minister, is probably not going to be happy with me for saying that, but I would like to be in his position with an extra £3 million, and I am sure, given time or the right of reply, he could account for every penny of that. But unlike other departments who have been taking into account inflation, such as Home Affairs, and I will come on

to the Minister for Justice and Home Affairs' speech in just a minute, it looks like his department is rightly called "sustainable" because his budget is ...

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

Point of clarification ...

**Deputy L.J. Farnham:**

I am not going to give way just at this point. It is going to be very sustainable because they have got such a good increase in their budget. The Minister for Justice and Home Affairs, I am afraid I do not like to make light of the health issue because it is a very important issue, but she did trot out the same old lines that we have had time and time again from Minister for Health, scripted lines written by officers about the dangers of alcohol. I do not take that lightly at all but, of course, the only way to remove that altogether is to have some prohibition. Maybe we should do that for a year or 2 and see what that does to the crime rate. But of course we know ... and I am sorry, I do have enormous respect for the Minister for Justice and Home Affairs, but while saying that a zero increase in duty is going to give the police a lot more work on Friday and Saturday night, and this from a Minister who has presented a budget to the States that is going to put enormous pressure on front line policing. I am sorry, that does not wash with me. I would rather it were the other way around. I just urge Members to think about the economic circumstances we find ourselves in, think about the challenges many small businesses, not just hospitality, are facing. This year, let us go with a zero increase in duty, bearing in mind that costs are still likely to rise regrettably at the point of sale for alcoholic drinks because of the massive raises in inflation we have seen. What I am trying to say is that, to try and alleviate the health concerns, prices will not stay the same with a zero increase, they will still increase slightly. If we put any duty on they are going to increase even more than that, which is something that is not sustainable at this moment in time.

**Deputy K.F. Morel:**

Sir, if you do not mind, I would not like Deputy Farnham to be in a position of having inadvertently misled the Assembly so could I have a point of clarification, please?

**The Deputy Bailiff:**

Only if he agrees to deal with it.

**Deputy L.J. Farnham:**

Yes, Sir, I do.

**Deputy K.F. Morel:**

The Deputy said that the Minister for Sustainable Economic Development's budget had risen by £3 million; he might want to clarify that it has not. The Department of the Economy's, which includes financial services, budget has risen by £3 million. He might want to clarify that. The Minister for Sustainable Economic Development's budget has not increased by that amount. It is much less than that.

**Deputy L.J. Farnham:**

I was just looking at the copy of the heads of expenditure from the Government Plan and under the heading Economic Development, Tourism, Sport and Culture they showed an approved budget for 2023 of £32.526 million and for 2024, £35.537 million. Now, it does not provide a breakdown in there. In fact below it has financial services, which goes from £7.7 million to £11 million. That is about a £7 million increase between them. I am sure if they get their heads together they can find a bit of change for this.

**Deputy K.F. Morel:**

I stand corrected then.

[10:15]

**2.1.4 Deputy M.R. Ferey of St. Saviour:**

I am probably one of a handful of States Members who is completely teetotal. We went out for an excellent States lunch last Friday and I was sat close to the Dean and the Connétable of St. Helier ...

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

I am not sure where this is going.

**Deputy M.R. Ferey:**

... who are not teetotal. The conversation got on to whiskey, of which I know the Dean is rather partial to, and during the conversation I was able to impart my knowledge of whiskey, the regions, the tasting notes, even getting on to subjects such as the angel's share. The Connétable of St. Helier remarked that for someone who was a complete teetotal, I have an extensive knowledge of whiskey. Thinking about it overnight, it was because, of course, I used to be a connoisseur. Now other people may have a different word for that but I was a connoisseur. I have seen the dark side of alcohol. This is not to scare anyone but both in my professional life and my personal life I have seen the very dark side of alcohol and that is why I am grateful for the Minister for Justice and Home Affairs' comments in relation to that. But, equally, I am not puritan. I understand that hospitality needs support and I also understand that loneliness can be a killer. For some people getting to the pub, socialising with friends, is the only outlet that they have from the 4 walls that surround them. That is an important part of the equation as well. Equally, too high prices lead to people pre-drinking, at whatever age, loading up on alcohol too early and getting into problems elsewhere. I believe that this amendment to the amendment offers the correct balance because it offers a modest increase while taking account of the current economic circumstances that we currently find ourselves in. In that regard, I will be supporting the amendment to the amendment.

**2.1.5 Deputy J. Renouf of St. Brelade:**

I would like to deal with a couple of points first that have arisen during the debate. Deputy Tadier asked why I was shaking my head when he said the Government was split because Deputy Miles had expressed support for a higher rate of tax. Actually, I can confirm that Deputy Miles is supporting the Government position, which is a compromise. Deputy Farnham, I think also offered a rather low blow against the Minister for Justice and Home Affairs on saying that her speech was written by officers. I know that the Minister for Justice and Home Affairs needs no one to write her speeches for her on the question of alcohol. It is a subject on which she feels exceptionally passionate. I think that was a totally unnecessary comment. I would like to start by noting, as one or 2 other speakers have, that we have a schizophrenic attitude to alcohol as a society but also as a Government, in a way, and as politicians. We have a very high level of alcohol consumption in Jersey, which we generally agree we want to reduce on public health grounds, yet whenever we try to reduce alcohol consumption we come up against the established economic interests, particularly hospitality in the context of this Island, that genuinely do depend on alcohol sales. There is a danger that what the hospitality industry is saying is that it needs to be able to sell at least as much alcohol as it is now in order to sustain itself. Personally, as Deputy Tadier said, I would like to see the hospitality industry show greater interest in reducing its apparent dependence on alcohol sales. But, nevertheless, it is without doubt the case that the hospitality industry is under pressure on many fronts. The 2 positions that we have, that we want to reduce alcohol consumption but we also want to support the hospitality industry that depends on alcohol consumption, are ultimately not compatible. Sooner or later we have to tackle this contradiction. I accept we are where we are, which is why I am supporting the reduced increase in duty, which is smaller than what was originally proposed, in other words, the

amendment to the amendment. In general, I do support increasing the price of alcohol but I accept that at the moment we have a cost-of-living crisis so the middle way proposed in the amendment to the amendment seems to be right. No increase in duty, in my view, would be the wrong signal to send. I think it is worth remembering why we increase taxes on alcohol because we often end up focusing on particular aspects of this issue rather than the whole picture. Understanding the reasons for taxing alcohol and why taxing alcohol does have population level effects is very important. One of the reasons that taxes on alcohol are justified is that they reflect the health harm that alcohol consumption causes and the costs that fall on the public through increased health costs. That is an important point that applies for all alcohol sales, whether it is in hospitality or off-licence. We tax alcohol because it causes harm that we all pay for. Second, raising taxes will, in general and in aggregate, reduce consumption. Anyone who doubts this should consider the alternative proposition. What effect will cutting the price of alcohol have? It will increase consumption, of course, therefore the converse must be true. Raising the price of alcohol cuts consumption on average. That does not mean to say that everybody makes an immediate decision but on average, across a population, some people will reflect on the cost and make a decision to either reduce or cut alcohol entirely. There are other points about this. Raising the price of alcohol in a fairly consistent way also sends a message about our attitude to alcohol, particularly, for example, to young people. Earlier, it was referenced that young people are giving up alcohol in greater numbers and we could potentially draw the conclusion that young people have seen what society is telling them about alcohol. One of the ways we send that message is through pricing. The third reason, of course, is because it also raises money for the Exchequer, which is necessary to fund all the things that Members of this Assembly want us to fund. So what about the argument that this disproportionately affects hospitality? Again, I think the issue here is about seeing the whole picture, the population level effects. Some people, it is argued, will opt for off-licence sales to offset the increase in prices in pubs or restaurants. Well, they may, but others who are currently buying from off-licences may cut back their expenditure in off-licences, the net effect being a potential reduction. It is quite hard to see those population level effects because we look at it from a personal point of view and we tend to think: "Well, 4.5 per cent increase in alcohol, probably not going to affect my consumption, therefore, it does not work." But it does work and I can give one example from when I was working in London. One day I noticed that my lunch costs at work had considerably risen and it was costing more than £5 every day to buy lunch. I did some sums and realised that that was £25 a week or £100 a month or £1,000 a year and I thought: "Hang on a minute, perhaps I could find better uses for that £1,000 than spending it on lunches from Tesco or whatever." So I started making my own sandwiches. Now not everybody responds in that way but some people do and that is the point about the effect of price rises. Deputy Farnham says that prices will increase anyway. Well, to an extent, but the facts are - and this is from the Jersey alcohol survey - a direct quote: "Between 2020 and 2022 the price of alcohol in Jersey increased." Yes, it did. "But inflation of alcohol price was lower than that of other household expenditure." Of course in 2023 we froze the duty completely. So there may have been some increases but they have not been excessive. Deputy Tadier argued again on the individual points that there are people who will act badly without alcohol in their bloodstream. Of course that is true but that is irrelevant. On average, over time, people who drink cause more crime and have worse health issues. Well-established. It is also argued that people with low incomes will no longer be able to have a drink. Well, yes, they will, just perhaps one drink fewer a week will mean they will have saved the money caused by the 4.5 per cent increase in alcohol duty. That, of course, on average, across the population, would be a good thing because that is what we are aiming to do. But there is another point about low-income people that needs to be borne in mind. Again, it is seeing the whole picture. People on low incomes are by far more likely to suffer harm caused by alcohol. In Scotland, where it has already been pointed out a lot of work was done in this area, they found that rates of alcohol-related deaths were 5 times more likely in low-income groups. Five times more likely. I will close by just hammering home the link between pricing and consumption. A study in the U.K. (United Kingdom), a Government study, comprehensive review: "The evidence reviewed tends to suggest that increasing

alcohol price reduces heavy drinking and some studies also suggest that heavy drinkers may be more affected by price increases than responsible moderate or occasional drinkers. On balance, the evidence shows that increases in alcohol prices are linked to decreases in harms related to alcohol consumption.” The World Health Organisation, I think this report has been referenced by some people but this is a direct quote: “Decades of research and country experiences from all over the world have shown that increasing the price of alcoholic beverages through taxation is one of the most cost-effective policies used to lower drinking levels and alcohol-attributable harm. This has been recognised as a “best buy” intervention by the World Health Organisation delivering greater health impacts in reducing illness, disability and premature death than other policy options. However, alcohol taxation remains one of the least implemented measures largely due to opposition from economic operators and because price increases are generally unpopular with the public.” I think that is a pretty fair summary of where we find ourselves in this Island. My view is that after one year of a duty freeze, the second year of a freeze would send the wrong signal. It is well-established that the longer a freeze goes on, the harder it is to reinstitute it in the future. This amendment to an amendment establishes a compromise. It maintains the principle that there should be some continuing increase alcohol prices, although in this case well below both inflation and average earnings. Deputy Tadier calls it a dog’s dinner, I call it a compromise. At the same time, we have committed to a thorough examination of alcohol duties and I support the idea that we should look at seeing whether we can, over time, flex the tax regimes relative to the off-licence and on-licence trade. To conclude, I would say that the amendment to the amendment that we have put forward strikes the best balance we can that bears in mind our public health responsibilities, our need to raise money to pay for the health harms that alcohol causes while acknowledging the stress that the hospitality industry is under.

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

Sir, I wonder if I could just beg your indulgence and ask how many speakers there are still to go?

**The Deputy Bailiff:**

Only Deputy Rob Ward on my list at the moment, then there is Deputy Wilson and the Connétable of St. Saviour and Deputy Gardiner.

**Deputy I. Gardiner of St. Helier North:**

No, I would like to raise the défaut on Deputy Doublet. She was online and her vote of present was not registered.

**The Deputy Bailiff:**

Is the Assembly content to raise the défaut on Deputy Doublet? The défaut is raised. Yes, sorry, I had Deputy Wilson and the Connétable of St. Saviour, was it? So it is just 3 Members.

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

I was not sure how to explain my position and I would like to thank the Minister, he helped out a little. There are some strange analogies being made in this debate. One of them about the cost of sandwiches and make your own sandwiches. Now I will note that what the Minister did not do is give up eating sandwiches, he just made his own.

[10:30]

I do not think the suggestion is to make your own alcohol. I mean, we have all tried it. I remember when I was a student we brewed some alcohol. It was actually called wizard killer, it was totally unpalatable. I have no idea what the alcohol content was because I never quite mastered that part of it, probably because we consumed the wizard killer while trying to actually work it out. But there is a really serious point to that. We talk so often in this Assembly about unintended consequences and we also talk about our very specific economy and the specificity - and I got that word out, I am very

pleased with myself - of Jersey as a place and of its industries. There are huge pressures on the hospitality industry from COVID, which was a horrendous experience for everybody on this Island and for businesses and those who tried to make a living. My colleague mentioned, for example, something that is close to my heart, the music industry on the Island and events. That has been seriously affected by people just not attending venues and we have seen venues closing down partly because of the price of getting a drink. You might want to go out and have a pint and watch a band play; there is nothing better for your health than watching live music. I really genuinely believe that it is good for us. What we need to be very careful of is thinking of the obstacles that we may put in the way of that. Now, in the past, I would have absolutely supported - and I do support ... I understand and I see the health issues but I think what we have here is a very convoluted argument, which was mentioned before. What is happening, and this happens with young people in particular, I think, or they are not even ... actually I think that is a stereotype and it is unfair. I think we see more and more what is called pre-drinking or pres. They go to someone's house for pres, that is what it is apparently called. What happens there is you consume as much alcohol as you possibly can that will get you through the rest of the night without having to go to one of the nightclubs and buy more than one drink because they are so expensive. Remember, we have a large amount of the duty on our alcohol already. That is not going to go away with this decision. That amount of duty is already there. However, not if you buy duty free. If you travel a lot ... and I am not going to make any aspersions on travel but if you travel a lot you can come back with duty free. If you have a lot of air miles, you may also have a well-stocked drinks cabinet because you do not pay duty on that. I think we have some real clear points that we have to make on this argument. Also, I would say if there is a huge health benefit, there needs to be some decisions made. I am going to say this and might not catch anybody's eye on the Assembly - I will look up as I used to do if I did not want to catch anyone's eye - I wonder whether when we have black tie dinners or when we have social events organised, if we are going to be puritanical about the effects of alcohol, which is probably correct, then we should not be serving alcohol at those events, because we do. This is the extension of these arguments if you take them to the fullest extension. Somebody mentioned about prohibition. Well, yes, perhaps we need to try that but you know what would happen, as happens now, if you can travel a lot you can get duty free and there would just be private clubs where people can drink, and I am sure we would change the laws accordingly. One of the things that made me speak here is this notion ... there was a mention made that among less well-off households the effect of alcohol is greater. There were more effects of alcohol on those people. Yes, absolutely but that is because there are other variables. The largest variable there is poverty and inequality. That inequality is exasperated by regressive taxes, which is the middle name of this Government; a regressive tax. The better regressive way tax conservative liberal coalition that will take your money where it can. I have said it. It is probably unfair but I have said it now anyway. I think one of the things we need to be very careful of this year, in particular post-COVID, given where we are with hospitality venues closing down, is the message that we send. I will finish with this bit because this is the bit that really got me thinking. People have mentioned the messages getting to young people. The messages getting to young people at the moment on this Island are it is unaffordable to live here, we are going to make everything as difficult as we can, like going and having a night out. We are going to make travel expensive for you, we are going to make owning anything expensive, rent is expensive and we are going to push you for just about everything that we can. Then when you make an intelligent decision ... which actually I understand because I am an intelligent individual myself who has gone through an education system and benefited from that hugely valuable education system. I am going to make an intelligent decision to say I am going to drink less and I am going to get fitter because it is better for my health long term. I feel better about it, it is better for my mood, I am more aware of mental health and I will make that decision. Then what we say, when those decisions are made, is the metrics are you are only doing that because we sent the message we are going to tax alcohol more. You have the metrics wrong. The metrics of this increase in alcohol duty of 4.5 per cent, which is a midway compromise and meaningless in many ways, is we are going to carry on taxing regardless of the

situations we are now. For once, I think we have to say: “No, not this time, the compromise does not work either.” We need to vote against this amendment and I will be supportive of a freeze this year for the very specific reasons that I give, because I think it will send the right metrics and it will say to people: “We are going to support an industry where we can. We are going to support your intelligent decisions. We do not want you to do massive pre-drinking before you go out. We want a music industry. We want live music. We want people to be able to go out and have a good time. The other issues of inequality and poverty and mental health, we will address through other areas of our policies such as a fairer taxation system, a fairer rent system and all of those issues that we talk about so often in this Assembly.” That is not convoluted and I would urge Members not to support this amendment.

### **2.1.7 Deputy K. Wilson of St. Clement:**

I find myself in an uncomfortable position speaking on this issue. As the Minister responsible for health in the Island, my preference would have been to see a much bigger increase in alcohol duties in order to reverse Jersey’s position as the second highest ranking country among O.E.C.D. (Organisation for Economic Co-operation and Development) member states for alcohol consumption; something we should all be concerned about. The health-related evidence on the effects and the impact of alcohol is overwhelming and you have only to read the Public Health intelligence report, as many Members have referred to this morning, on Jersey’s alcohol profile to gain further understanding of this and listen further to the recent podcast from the chief executive at Silkworth Lodge, who recounted the impact excessive consumption has on the lives of people within our community. Freezing alcohol duties is not something I support but taking a proportionate approach to this complex issue would hopefully avoid criticism of important public health initiatives which are being caricatured as the enemy of economic development in the Island. The thing we have to consider is what balance must be achieved. We do not want to be killjoys and we do not want to harm business but, on the other hand, we cannot ignore the economic costs associated with alcohol consumption and the harms caused by it. I just want to give some indication of the scale of the harm. One in 5 adults drink in excess in Jersey, 33 per cent of people report binge drinking at a frequency of monthly. The rate of harmful drinking is higher in men with one in 3 men and one in 6 women. Heavier drinkers have higher rates of sickness leave and are more likely to be unemployed resulting in a loss of economic activity. In 2021, there were 725 hospital admissions specifically related to alcohol, two-thirds of which were males. Twenty-three per cent of offences in the St. Helier nighttime economy involve alcohol. I do not want to repeat some of the statistics that my colleague, the Minister for Justice and Home Affairs, referred to earlier. It is too easy to say that alcohol leads to illnesses. Let me just remind Members what they look like. Liver disease, cancer, stroke, foetal alcohol syndrome in children, infertility, depression, dementia and further consequences that involve family breakup, divorce, unemployment, suicide, homelessness, financial problems and road traffic accidents. Denying these harms and not investing in services to address them does put our economy at risk. If we can reduce harm by placing a duty on the cost of alcohol, which is a proven technique, we get more for the taxpayer to prevent these harms and reduce all of the health conditions associated with alcohol consumption which then need treating at the expense of the taxpayer. Research conducted by the Institute of Alcohol Studies at the University of Strathclyde highlighted the potential for a double dividend of a simultaneous improvement in health and a stimulus to the economy when alcohol duties are increased. So we must, through this debate, arrive at a place where the complex set of circumstances relating to duties on alcohol can be addressed proportionately. The reason I am supporting the amendment to the amendment is for this reason. We have to bring alcohol consumption down but we also have to work with hospitality industry to help us to do that. This has been achieved in other countries so why can we not do this here? The Minister for Justice and Home Affairs referred to Lithuania, and I can expand on their approach. They took a very hard-line approach by increasing the price of alcohol drastically and rapidly for alcoholic beverages which were the cheapest. This was followed by increases in beverages with a higher alcohol content,

alcohol advertising was banned, the age you could buy and consume alcohol was increased from 18 to 20 and alcohol selling hours were introduced and resulted in a decrease in consumption, alcohol-related incidents and alcohol-related deaths. Now I am not suggesting that we should go to that extreme here in Jersey but I do believe that we should look at some of the other examples of where there are interesting ways to tackle some of the issues. In August this year, the U.K. introduced a new duty system, after listening to feedback from industry, economists, public health groups and many business owners, which is based on the founding principle of taxing alcoholic products by strength. It is believed that applying the newer lower rate of duty on drinks, less than 3.5 per cent alcohol by volume per litre of alcohol, will help to encourage and innovate new lower strength drinks to support responsible drinking in the U.K. They took the approach to work across all industries but we find ourselves locked into a scenario where public health initiatives designed to tackle harms are at times considered an enemy to the industry and used as the reason to explain why the hospitality industry is struggling. So far the evidence suggests that the approach we have taken to raising duties on alcohol is working. As we have heard, the number of 16 to 34 year olds consuming alcohol is reducing and the number of people teetotal has doubled between 2014 and 2022. This will have many economic benefits in our community for the longer term. There are signs in society that people are developing a new relationship with alcohol, it does not matter where or with whom you choose to access alcohol the way forward is managing the volume you consume and drinking responsibly. This is a controversial subject area and as Minister for Health and Social Services my job is to ensure we improve health outcomes. So while this level of duty is less than what was originally asked for, freezing alcohol duty will not assist in addressing harms related to alcohol consumption and places greater pressure on an already stretched health system to deal with such harm. I urge Members to reject a freeze on alcohol duties but to be more proportionate in their response and support the amendment to the amendment which strikes a balance between reducing alcohol-related harm, increasing income for Government to spend on essential services and supporting our local economy.

[10:45]

### **2.1.8 Connétable K.C. Lewis of St. Saviour:**

I think I have to come out of the closet, as it were, straight away and announce I am one of the others that are completely teetotal. I do not have a past in that respect; I have never been a drinker. I would not know a single malt from a triple malt but there you go. I would not argue with the statistics from the Minister for Health and Social Services, except for one. When they work out how many units each individual has per year, I always think: "Well, who has had mine?" I know that there are people out there who do have problems with alcohol but is alcohol the problem or is alcohol a symptom of a deeper problem? The overwhelming majority of people work very hard and they would like to go out at night and have a drink; I do not have a problem with that. Good luck to them. Cheers, good health to you. I have absolutely zero tolerance for anyone who drinks and drives, which is possibly one reason why I am very popular at parties: "Oh, good old Kevin, he can drive us home." I used to get my leg pulled as a young man going to the pub with friends. "Oh, Kevin does not drink. Oh, go on, Kevin, have something else." "Okay, a bag of peanuts." People left me alone and I do not think I have suffered badly over the years by being teetotal. As has been said, we have had a discotheque closed down recently or a nightclub - giving my age away there - closed recently and there is possibly more to come. People have suffered very badly with the effects of COVID, many businesses have closed and I do not think this would necessarily cure the problem. The alcohol duty is going to go up because, as has been said, we are going to have up to 20 per cent increase on shipping that will put alcohol up anyway, so the job is done for the Government in that respect. I cannot read my own notes here. It is going to be one of those trials this year that we have to go through. I will be voting against the amendment and voting for the main proposition. People are sometimes doing 2 jobs and they just like to go out and unwind with friends. So with responsible drinking, I do not have a problem and wish them well.



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

Can I be heard in the Chamber now?

**The Deputy Bailiff:**

Yes, we can hear you.

**2.1.9 Deputy L.M.C. Doublet:**

Excellent, thank you. Just to clarify for Members, I am at home today due to the school being closed, caring for my child while working. I want to talk about children because the Minister for Health and Social Services and the Minister for Justice and Home Affairs have mentioned many different statistics. I wanted to add a few more and build on some of the things that they have mentioned and take a children's rights perspective to the issue that is before us today. Indeed, domestic abuse is very common during pregnancy, so even before a child is born they can be at risk from domestic abuse caused by alcohol. The World Health Organisation estimates that around 55 per cent of domestic abuse perpetrators were drinking alcohol prior to the assault and women who are abused are 15 times more likely to abuse alcohol. Another statistic is one in 6 abused women is first abused during pregnancy. In fact, this is so prevalent that our health services, the midwives, have a standard question that they ask women when they go for their first midwife appointment when they are first pregnant. They are asked whether they are being subjected to any abuse at home. It is that common during pregnancy. When a child is born 40 per cent of confirmed cases of child mistreatment involved alcohol or other drugs. Another issue that I wanted to raise with the Assembly, and it is one that has been largely invisible in Jersey, although when I was a teacher I was informally trained in how to spot the signs in children. Foetal alcohol syndrome is something that is very common in Jersey and I think we have yet to understand how common it actually is. I just wanted to note that there should not be a stigma around this condition because it is often caused by women drinking alcohol before they knew they were pregnant, so women are often blameless in this respect. I think our culture of drinking should be blamed rather than any individuals. It is this culture of alcohol consumption that this duty increase would go a long way towards tackling. Foetal alcohol syndrome has a massive impact on children. Some of the increased needs in our school ... of course, we do not know exactly the reasons behind the increased needs in our school, which we are putting a huge amount of money into tackling and supporting children with increased needs in our schools. It could be down to screen use, the impact of COVID, other social factors but I believe that, because prior to this Government there was not even a facility locally that could diagnose this syndrome in the Island, it is a really underestimated problem in our schools. The symptoms of this disease is alcohol use during pregnancy causes irreversible brain damage to the child and it causes poor co-ordination, hyperactive behaviour, difficulty with attention, poor memory, learning disabilities, speech and language delays, intellectual disabilities, poor reasoning and judgment skills, vision or hearing problems, problems with the heart, kidneys or bones. I could go on. So we do need to start taking our culture of alcohol consumption, excessive alcohol consumption, seriously and we need to start taking more of a children's rights approach to this because children are being actively harmed by the culture that we have in Jersey today. So I will be supporting duty increases and I hope that Members will, at the very least, support this amendment which will go some way towards addressing some of the problems.

**The Deputy Bailiff:**

Does any other Member wish to speak on the amendment to the amendment? I will call upon the Minister for Treasury and Resources to reply.

**2.1.10 Deputy I.J. Gorst:**

Not an easy debate to reply to because I understand those Members' positions who are - and the panel themselves in their amendment - calling for a freeze and the reasons that one might support a freeze.

Those arguments have been articulated. I did just want to comment on the speech of a seasoned operator, who stood up and rightly informed us that it is not a good thing in politics to be polarised and that the arguments on both sides are not simple nor straightforward but then went on to say because they were neither simple nor straightforward the middle ground was not the ground to occupy, rather we should pick an extreme. While, on the one hand, that makes for appealing and robust political speech-making, I would just like to explore whether the conclusion of an argument which is nuanced and balanced is to take an extreme position in either angle or on either side. For me, it is not. I think the difficulties have been well-articulated and I do find it somewhat frustrating that we, in common with lots of other Parliaments, start to cast out doubt on statistics produced either locally by the Health Department or international studies looking at the consumption of alcohol. I referred to that study which was across 112 countries in my opening comments. We cannot allow anecdote to override proper peer-reviewed studies into behaviour. That is not what this Assembly is renowned for and it is not appropriate. Nor can we simply, because people under stress circumstances might behave in a way which the law says is intolerable, dismiss the concerns that the Minister for Justice and Home Affairs rightly articulated. She and officers across her departments, if I can call them that - they are not departments, of course, but that is shorthand - experience on, I would like to say, a weekly basis. Unfortunately, I fear is becoming more common even than that. Therefore, there are truths in the detrimental health impacts of the excessive consumption of alcohol or even in the consumption of alcohol actually we are finding more and more. A challenge to me, as I know it would be to you. Nor can we simply ignore the public order effects of excessive consumption of alcohol as well. That is one side of the argument. I do not think either today we can ignore, nor are Ministers asking Members to ignore, the voices of the hospitality sector. The reason I say that we are not ignoring those voices is because when we had our initial discussion about duties on alcohol we very much were cognisant of the health and public order issues, and that is why we put forward not quite an inflationary rise, 8.9 rather than 10.9. But we have listened to the difficulties that the hospitality sector have rightly relayed to us. My officers at Treasury have come up with all sorts of potential weird and wonderful options that on balance I think we decided would be too complex and would not help in dealing with those concerns that the hospitality sector relayed to us. So we are seeking to balance those nuanced arguments with a rise because, of course, it is really important that we present a balanced budget. We are seeking, in this amendment, to recognise the arguments made by the panel, to recognise the arguments made by hospitality but at the same time to recognise the very real effects that alcohol consumption has in our community. Now, we know that hospitality sector suffered during COVID, as Deputy Farnham reminded us. They were supported with considerable support during that period, as he knows, and the relevant departments are taking a lenient ... we have seen some commentary recently suggesting that we are being too lenient with some of these businesses, but we are taking a lenient approach to helping them as they come through COVID and they have Social Security contributions or G.S.T. contributions. We remind ourselves, of course, that the hospitality sector is a zero tax-paying sector so it does not pay corporate tax. It just has either G.S.T. or I.T.I.S. (income tax instalment system) that it pays over on behalf of its staff and the element of Social Security. So we are taking a lenient approach there. The other issue about the balancing of budgets ... and I have to say that, again, I think Deputy Farnham was unfair to his former Assistant Minister, now the Minister for Sustainable Economic Development. As we heard the Assistant Chief Minister say, this proposal, if we do not go with the amendment, does take money out of both of those budgets: Cabinet office £700,000, Tourism, Sport and Culture £300,000. Members might say: "Well, they are only small amounts, they can deal with them."

[11:00]

I remind Members that in the amendment which will take money from bottom lines to support agriculture, the Minister for Sustainable Economic Development is taking a cut to his budget there of £1 million. The Cabinet Office, within which sits M. and D. (Modernisation and Digital), is also proposing to have a cut to their budget there of £1 million. So it is not just in isolation that we take

these changes, we take them in their whole round of the Government Plan. I know that the Minister for Sustainable Economic Development is concerned about the hospitality industry, about the renewal of modern fit-for-purpose jobs and we have seen, even during a period of a duty freeze, institutions closing. Some institutions might have taken out borrowings at times of low interest rates and invested heavily, and that has not worked out for all the reasons that we would understand. Economic circumstances have changed. Those businesses are operating in a very different environment. Others are simply not getting the paying customers or the footfall and that is a challenge because how does Government support those operators? That is difficult because each one of us knows that old phrase “use it or lose it” and that can be for local shops, to a nightclub, to our hospitality venues. We, as a community, have to show that we value them with our custom and with the spending of our own pounds. The Constable of St. Brelade spoke about the licensing law and I know that that is something, again, that the Minister for Sustainable Economic Development is pushing forward. What we are proposing to do in Treasury is separate from the licensing legislation. What we are proposing to do is to look at the duties across the range of alcohol, because we absolutely accept the argument that there needs to be, moving forward, a level playing field. That is a level playing field around where the duty lies in regard to strength. Again, there are no easy solutions here. We all know that wine has less duty per volume than beer. To be totally honest, there is a reason for that and that is because policymakers, on the whole when we look across the world, we see they are making policy decisions in their own interest and we need to address that and we are committed to addressing that in Treasury. Again, the same is with spirits. We also need to address - although there is no model globally other than one which is quite bureaucratic, as I mentioned earlier - the differential between on and off-licences and other countries use cashback methodology to reduce, in arrears, the duties that on-licences pay. That will be more bureaucracy because on-licences will need to be able to record their sales in a different way so that we can give that cashback. We remind ourselves at the point that we bring those forward in the next Government Plan it is not necessarily going to be any easier because off-licences will start making representations to Members as well. But we are committed to do that and we will do that. That needs to happen alongside the licensing work as well. I come back to Deputy Tadier’s point. These are nuanced, they are difficult arguments and that is why I believe that a balanced approach, which is a compromise - and there is nothing wrong with that, that is our system of Government that we work together to find solutions to problems and to issues - that is why I think that this is a reasonable, a sensible and a proportionate amendment and I ask Members to support it.

**The Deputy Bailiff:**

Thank you. Is the appel called for?

**Deputy I.J. Gorst:**

Yes, please, Sir.

**Deputy M.R. Scott:**

Will this be taken in parts?

**Deputy I.J. Gorst:**

Yes, I am happy to take 1 and 2 together and then 3 separate.

**Deputy M.R. Scott:**

Thank you. Sorry, 1 and 2 relates to the duty not being frozen and having the compromised duty. Part 3 relates to the proposal that the Minister work with amending the way in which duty is levied?

**The Deputy Bailiff:**

There will be a review, yes. So 1 and 2 together and 3 separately, Minister, is what you are proposing?

**Deputy I.J. Gorst:**

Yes, I am happy to propose this.

**The Deputy Bailiff:**

All right. So Members are invited to return to their seats. I invite the Greffier to open the voting in relation to the first 2 parts of the amendment. If all Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. I can announce the amendment to the amendment has been adopted: 27 votes pour, 19 votes contre and one abstention.

<b>POUR: 27</b>		<b>CONTRE: 19</b>		<b>ABSTAIN: 1</b>
Connétable of St. Peter		Connétable of St. Brelade		Connétable of St. Clement
Connétable of St. John		Connétable of Trinity		
Connétable of Grouville		Connétable of St. Martin		
Connétable of St. Ouen		Connétable of St. Saviour		
Connétable of St. Mary		Deputy G.P. Southern		
Deputy C.F. Labey		Deputy M. Tadier		
Deputy S.G. Luce		Deputy M.R. Le Hegarat		
Deputy L.M.C. Doublet		Deputy R.J. Ward		
Deputy K.F. Morel		Deputy C.S. Alves		
Deputy S.M. Ahier		Deputy L.J Farnham		
Deputy I. Gardiner		Deputy S.Y. Mézec		
Deputy I.J. Gorst		Deputy T.A. Coles		
Deputy K.L. Moore		Deputy B.B.S.V.M. Porée		
Deputy P.F.C. Ozouf		Deputy M.R. Scott		
Deputy P.M. Bailhache		Deputy C.D. Curtis		
Deputy D.J. Warr		Deputy L.V. Feltham		
Deputy H.M. Miles		Deputy R.E. Binet		
Deputy J. Renouf		Deputy A. Howell		
Deputy H.L. Jeune		Deputy R.S. Kovacs		
Deputy M.E. Millar				
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				

**The Greffier of the States:**

Those voting contre: the Connétables of St. Brelade, Trinity, St. Martin and St. Saviour; Deputies Southern, Tadier, Le Hegarat, Rob Ward, Alves, Farnham, Mézec, Coles, Porée, Scott, Catherine Curtis, Feltham, Rose Binet, Howell and Kovacs. The Connétable of St. Clement abstained.

### The Deputy Bailiff:

We will now move to vote on the third part of the amendment. I invite the Greffier to open the voting. If all Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. I can announce part 3 of the amendment to the amendment has been adopted: 43 votes pour, 2 votes contre and 2 abstentions.

<b>POUR: 43</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 2</b>
Connétable of St. Brelade		Deputy M.R. Scott		Connétable of St. Clement
Connétable of Trinity		Deputy A. Howell		Deputy A.F. Curtis
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 L.M.C. Doublet				
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 P.M. Bailhache				
Deputy T.A. Coles				
Deputy B.B.S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy J. Renouf				
Deputy C.D. Curtis				
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 B. Ward			
Deputy K.M. Wilson			
Deputy L.K.F Stephenson			
Deputy M.B. Andrews			

**2.2 Proposed Government Plan 2024-2027 (P.72/2023): twenty-fifth amendment (P.72/2023 Amd (25)) - Alcohol Duty - as amended**

**The Deputy Bailiff:**

We now move back to the twenty-fifth amendment, as amended. Does any Member wish to speak on the amendment as amended?

**2.2.1 Deputy M. Tadier:**

I cannot resist being the little boy in the “Emperor’s New Clothes” and maybe others will follow when I point out that the Government’s position and their arguments have not been at all consistent here. It is very strange that we have the cost of living this year at 10 per cent, people’s wages have gone up by about 7 per cent to 8 per cent, yet Government have not increased duty on alcohol by that amount, they have actually done it by 4.5 per cent. What the Government is saying loud and clear is that we are making alcohol cheaper for you, certainly in terms of the duty we are charging. But all of the arguments we have just heard in the last debate were about making alcohol more expensive for people. So I am not sure why we have ended up in this position. Pretty much every Member who spoke from Government, the Minister for Justice and Home Affairs, the Minister for Health and Social Services, we even had Deputy Doublet joining us from in the ether and talking to us about pregnant women who drink while they are pregnant and it has an effect on the child. I was thinking then well if a pregnant woman gets a bottle of vodka on Condor Ferries and brings it back to Jersey and drinks that she is not paying any duty at all. The Government strategy, the Education Department and young people are not dealing with that issue. So all of those issues that have been raised to justify this dog’s dinner position that we are now in where the Chief Minister is not even supporting her own Ministers, I find very strange because they have effectively given up £1 million, and that is a £1 million that could have been spent on Health and Home Affairs. I am just calling it as it is. We have this very strange position where Government is actually reducing duty to 4.5 per cent and I am wondering whether we can support that position now or whether we should just have the full increase on duty. Very strange, is it not, that we find ourselves in that position?

**2.2.2 Deputy L.J. Farnham:**

I just wanted to say how disappointed I am that the Assembly has decided to impose this duty on an important sector of our economy at such challenging times, forcing many of us now to support an amended amendment that we do not actually support because the alternative is to go to an 8.9 per cent increase. I cannot even try to persuade Members to vote against the amended amendment, if that is clear. I think rather than pretend that if we do not support this, albeit smaller, increase, a smaller compromising duty, the Island’s going to fall apart with drunkenness and further alcohol problems, you can drill down into the figures in a great detail. I think there needs to be a lot more emphasis, education and information shared with the public on initiatives that can address some of the issues we are having with, fortunately, a vast minority of people that do have a problem with alcohol. So please let us try and use that to help people to improve the health of Islanders. We should be spending double, treble, 5 times more on getting that message out there and looking at all the useful schemes and initiatives there are. Young people are leading the way, we have seen that. Young people are turning away from alcohol. I will align to back in the day when many of us were

younger and we had the anti-smoking. Most of us probably smoked at school. Well, not at school, not during lessons anyway. Although I had seen that happen when I did a stretch at Les Quennevais School back in the day. I joke, but then, of course, we all started to learn about the dangers of smoking. I see that repeating itself now with young people and alcohol, so that is good. So let us now focus on education rather than penalising an industry that is literally on its knees, given the circumstances we find ourselves in. I think this is a bad day for the Assembly. I think we have made the wrong decision, albeit democratically. We will, unfortunately, see more hospitality businesses closing in the months ahead because outside of the increases we have imposed on them today there is heat, light, water, energy. Just about everything businesses are dealing with are increasing. As a result of this decision, more businesses will fail.

[11:15]

### **2.2.3 Deputy P.F.C. Ozouf of St. Saviour:**

Very briefly, from an external point of view, may I say that I have listened to the debate. Like Deputy Ferey, I am currently a teetotaller, although I do not need to be anymore apparently because I am better. But the world outside is in turmoil, the U.K. is in turmoil. Deputy Tadier said that there was an inconsistent line from Ministers. I would respectfully say that there is not. There is no binary solution, as Deputy Farnham would have us believe that simply the solution for hospitality is simply about alcohol duties. It is not. There are significant issues which are externalities which are affecting Jersey. In this debate, what we can do is we can take a pragmatic and proportionate approach, which is what the Council of Ministers have done. We can take the message generally, outside from this budget debate, that we are not an Island in turmoil, that we will not take binary solutions, we will take the right decisions because we are a rock of stability in a world of turmoil. This is about sending a confident message of an Island that has got good public finances, is not in turmoil and that there is an Assembly with a Council of Ministers that is focusing on the things that matter for our valued hospitality industry, which is not just about alcohol. It is about recruitment and many other issues which they do and I would strongly suggest that some of the business failures that we have spoken about - and Deputy Farnham has said we are going to see more failures in hospitality - I do not think it would be because of alcohol duties. It would be the other things that the Council of Ministers, like Ministers and Governments around the world must attend to, recruitment crises, cost-of-living issues and others. Those are the issues that we must tackle and the Council of Ministers, I think, is unified on tackling those issues. I urge Members to support the amendment.

### **2.2.4 Deputy S.Y. Mézec of St. Helier South:**

Deputy Ozouf said he was speaking from an external point of view and it sounded like it was an external one to this realm of reality. How out of touch do you have to be to think that this will have a positive impact in any sense in our economy and wider society? I align myself entirely with what Deputy Farnham said about this and think that this is a sad outcome, although better than it otherwise could have been and so obviously has to be supported. I hope that the third part of the amendment to the amendment, having been accepted, will provide an opportunity for Government to treat seriously what it may be able to do to support hospitality. Otherwise, we will simply find ourselves in this exact same position next year with more businesses on the line, more places threatened with closure and the inflationary pressures from other aspects like housing and all the rest, which this Government has absolutely no proposals whatsoever to deal with, continuing to make that worse and businesses will be coming time and time again to a Government that claims to be pro-business but is nothing other than words rather than actions. We will simply find ourselves here again next year.

### **2.2.5 Deputy R.S. Kovacs of St. Saviour:**

I intended last minute to speak on the amendment to amendment but I did not put my light on in time. Now we are at the outcome that we have to vote on the compromise solution but I just want to make some points. Nobody negates the impact of high alcohol consumption on both health and crimes or

violence but increasing taxes on it will solve the problem for addicts. An addiction is a health condition which cannot be addressed by taxes. They will always find more dangerous ways to find resources for it, like selling family goods or divert to drinking more at home in an uncontrolled environment. As the Constable of St. Saviour said, consumption of alcohol in excess is a symptom. An illness, I would say. Do we believe that we can treat an illness with tax? The former Connétable of St. Saviour said in a similar debate in 2018 - and she did not always speak a lot but when she did, she was always direct so I will just quote a very short phrase from that debate - "I have first-hand knowledge, as most of you will know, about alcoholism, and putting the price up will not solve any problems because they will find the money that they need for the drink regardless, and in the end it will be the family who will suffer because the family will not have money either for food or for any other bits and pieces because the alcoholic will have wanted the money for drink. Jewellery will be sold, anything of any value will go, and that is in the household; and then you get your domestic violence. Trust me, it does not work. I have been there nearly 25 years and it does not work putting the price up; it does not help." If we take the statement to tax alcohol to stop alcohol violence and crime, should we tax knives to stop knife crime or work on the root cause? Or if we froze fuel duty, does that mean we are supporting speeding? Deputy Renouf, if I recall it right, he gave some stats example of alcohol consumption reduction between 2020 and 2022. We should not forget that in that period we had the pandemic and socialising in a pub was very limited, so I am not sure how relevant that data is. He also said he would like to see hospitality not being dependent on selling alcohol to survive. Should we then close pubs altogether as it is their business activity? As the measured alcohol duty declines, will the Government increase more duty to make up for it? Where I am coming from with all of this is exactly what Deputy Farnham said. It is the wrong period to have this increase. It will badly affect the businesses that are already on the verge and are really needing this kind of support to survive. Now we have this compromised solution and I urge you to support it.

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

I just wanted to be clear that where we are at the moment is we have to vote for something we do not really agree with otherwise the outcome is even worse. So we vote for the amendment, which is 4.5 per cent. If we do not vote for that there will be an 8.9 per cent - favourite figure of the Government - increase in alcohol duty. We are all put in a difficult position. I think that needs to be made clear for the hospitality industry as the position we have been put into, because the metrics and the messages are very important. I do not know how much a full-page advert in the *J.E.P. (Jersey Evening Post)* costs but I know they can be used for other propaganda, perhaps they should be used to get this message across.

#### **The Deputy Bailiff:**

Does any other Member wish to speak on the amendment? I call upon Deputy Scott to reply.

#### **2.2.7 Deputy M.R. Scott:**

I thank Members for their contributions to the debate. I would like to assure pubs and restaurants and everyone in the hospitality industry of the panel's continued support. My late father, who died at the age of 94, would go to the pub for a pint every lunchtime and every evening. I do not wish to suggest it was the alcohol that made him live so long but he exercised a lot in his youth and he made the effort to go to the pub to socialise. The people in the pub generally kept an eye out for each other. Had they had enough to drink? Were they driving? Were they being civil to each other? If children were allowed in the pub, were they being looked after? I also had a family member who was an alcoholic. His lifestyle was very different. Economic productivity requires us all to work productively and there have been speeches by Members that have ignored the fact that prices are going to go up significantly in the hospitality industry, whether or not alcohol duty is added. Alcohol prices in Jersey already are higher than in the U.K., which has frozen alcohol duty. It was ironic to



hear that crime rates were down last year when there was an alcohol freeze in place. I would have liked to have heard more from the Ministers about their views on duty free alcohol outlets supported by Government. As for the Minister who referred to an attitude as schizophrenic, I would like the Minister for Health and Social Services to have a word with him about that condition. I nevertheless thank the Council for having shown support for the amended proposition, which is what we now have to vote upon. When agreeing to changes that can impact on the operations of any industry, it is important that consequences are considered. In this case, the Jersey Hospitality Association has referred to a tsunami of rising costs and described the proposal to increase alcohol duty as a compound recipe for disaster for hospitality as the industry is facing other significant costs this year, also commenting on the state of the industry, which is beleaguered by increased operating costs with customers themselves challenged by increased cost of housing and living, has said there may be no second chance. The well-being of Islanders is important to the panel as well as to the hospitality industry. More and more Islanders are finding challenges in being able to meet socially after a busy day of work as they try to make the Island more economically productive. Has Government even considered that if it raises duty, and it obviously has and it will be, 4 out of 5 people who are not excessive drinkers, what could be the negative impact on their well-being? Anyway, we are where we are. One submission basically said, and this was Institute of Directors: "While the I.o.D. (Institute of Directors) is comprised of industry leaders we are also hardworking individuals with families and we note that the alcohol duty has a knock-on effect on each Islander." So I do very much urge the Assembly to support this proposition. The Jersey Hospitality Association has expressed its willingness to work with Government in their campaign - and I hope it is a continued campaign - that will be evolved to promote responsible drinking. Raising alcohol duty just is not enough. I can assure the Government of the panel's willingness to work with the Government in this respect too. Jersey traditionally has resisted the adoption of Guernsey's puritan traditions so I hope the spirit of sound judgment remains in this States Assembly. I very much urge Members to support this proposition, vote pour.

**The Deputy Bailiff:**

Is the appel called for?

**Deputy M.R. Scott:**

Yes.

**The Deputy Bailiff:**

The appel has been called for. Members are invited to return to their seats and I ask the Greffier to open the voting on the twenty-fifth amendment, as amended. If all Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting.

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

I am so sorry, Sir, I have accidentally touched Deputy Binet's on the way through. I have pressed my button and his button. I am so sorry.

**The Deputy Bailiff:**

All right. Thank you for declaring that, we will take it into account. I invite the Greffier to close the voting. I can announce that the amendment has been adopted: 45 votes pour, no votes contre and one abstention.

<b>POUR: 45</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 1</b>
Connétable of St. Helier				Connétable of St. Clement
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 L.M.C. Doublet				
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 P.M. Bailhache				
Deputy T.A. Coles				
Deputy B.B.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				



**The Greffier of the States:**

The Connétable of St. Clement.

**2.3 Proposed Government Plan 2024-2027 (P.72/2023): fourteenth amendment (P.72/2023 Amd.(14)) - waste charges**

**The Deputy Bailiff:**

We now move on to the fourteenth amendment proposed by Deputy Mézec and I invite the Greffier to read the fourteenth amendment.

**The Greffier of the States:**

Paragraph (b) - After the words “domestic liquid and solid waste” insert the words - “, but excluding the consideration of any charges that are aggressive and do not take into account the proportionality of payments to the income of the payee”.

**2.3.1 Deputy S.Y. Mézec:**

In the Chief Minister’s proposing speech for the Government Plan yesterday she talked about the amendments that have been lodged to this plan in their entirety and her views about the prudence of those proposed amendments. She referred to Jersey’s tax principles in which she said: “We cannot undermine these principles and we do not want to raise taxes.” Let there be absolutely no doubt that they do want to raise taxes, as is very clear in part (b) of the Government Plan proposition that that is precisely what they are planning to do. Also referred to in that proposition is the sustainable funding mechanism for health, which I am sure will be tax based, unless they can find some magic money tree to pay for it. Raising taxes is precisely what the Government is aiming to do but they are using language to try to avoid a proper debate on that.

[11:30]

The purpose of this amendment is to try to have an honest debate and give an indication to the Government about what we are and are not prepared to accept on that. In proposing a waste tax, the Government is seeking to tax us to provide a service that it already taxes us to provide for that service; that is what the waste tax will do. They will introduce some form of mechanism for extracting more money out of people and businesses who already pay into the pot, to provide for a service which we already get. They may say they need more funding for it to provide a more sustainable funding mechanism for it because of the investment that is needed in our waste system. I may be sympathetic to that argument because there does need to be investment into that system. But I do not want to see a new tax or charge introduced that has a regressive impact and harms those households and businesses in these tough economic times that we are facing. In proposing paragraph (b) of this Government Plan, the Government is asking for permission to be given to them so that they can dedicate resources into investigating a new waste tax or charge. They need to do that because a previous States Assembly explicitly forbade them from being able to even dedicate resources to investigating it when that was debated in a previous Budget. Sorry, Sir, I am just slightly distracted by the noise behind me. They need the States permission to lift that prohibition so that they can look at mechanisms for charging waste. The purposes of this amendment is to enable the Government to have that prohibition lifted but not lifted entirely if it involves dedicating Government time and resources to a particular kind of tax or charging mechanism that could end up being unpalatable to this Assembly because of who it targets and the distributional impact it has, where it may in the future come to this Assembly and be defeated, thus rendering all of that time and resource investigating it completely futile. I am asking the Assembly to agree that if the Government is to look at mechanisms for charging for waste, that that should not include mechanisms which are regressive. The definition of a regressive tax is a tax where the effective rate increases as the taxable base decreases or, to put that another way, it is to proportionately charge more to those who are least able to pay. According to my principles, I think that is an unfair way to tax and I think it is short-sighted because of the

economic harm that it does. It is much better to have progressive taxes, which is where the effective rate increases as the taxable base increases. It asks those with the broader shoulders to carry more of the burden. In giving the Government permission to investigate charging mechanisms for waste, by adopting this amendment we would be saying to them: “Go ahead and do that work but do not waste your time coming up with mechanisms that disproportionately charge those who are the least able to pay it.” That is an issue of principle that I think we can decide on today, rather than sending the Government to do all of this work and come back later with something that we might find unpalatable. That is so important to do because of the tough economic times that we are facing and the Government is talking about introducing a tax, be it stealth or otherwise, on households and businesses; that will have an impact on them. They will be paying something extra but receiving nothing for it; they will still be receiving the service that they are currently paying for. For households, asking those of already limited means to pay potentially more or even the same as those who have much more income and who, frankly, would not notice as much if they had to pay a little bit more as a household on a low income, we should say today that we do not want to see that kind of mechanism. To add on another cost of doing business for small businesses, most of those will be in hospitality and catering, who inevitably need to benefit from the waste disposal systems because of the nature of the business that they do, throw in another cost of doing business on top of that in exchange for nothing new and nothing extra and base that purely on the fact that they exist and operate and not charge it in relation to their profitability. To say to a business that is potentially raking it in and making loads of money that they pay more, whereas one that is struggling that we will not risk throwing another charge on top of them at a level that is going to see them go under because they cannot afford it. The Government asks us to reject this amendment in their comments paper because it would limit their ability to look at all sorts of mechanisms. Also, I say good, they should be limited in their ability to look at mechanisms which this Assembly might find unpalatable or which go against the basic principles that I would hope all Members would want to see about fair taxation and supporting our economy and supporting households that are struggling. To look at mechanisms that would harm those is to waste time and resources that ought to be more appropriately directed at mechanisms that are fair and more likely to command the support of this Assembly. In making this amendment I ask the Assembly to maintain that prohibition for that particular kind of charging mechanism, to say to the Government you are still forbidden for considering regressive charging mechanisms and instead focus your resources on either progressive measures or very least proportionate measures because those are substantially fairer and that is why I make the amendment.

**The Deputy Bailiff:**

Thank you, Deputy. Is the amendment seconded? [**Seconded**] Thank you. Does any Member wish to speak on this amendment?

**2.3.2 Deputy T. Binet of St. Saviour:**

I am surprised that nobody wanted to speak. I hope they might have something to say. But I think I would like to tackle first the issue about double tax, which has been made by Deputy Mézec. I have to say I very much understand that issue and I think it is fair to say that the plan here is not to introduce a tax that replaces the tax that people are paying. The essential idea here is to introduce a tax to bring in the amount of money that we need to cover the underinvestment that has been going on for some considerable time. I would also make the point that nobody in the Assembly has a monopoly on care for people on lower incomes or the worry about the place that businesses find themselves in at this particular point in time. There may or may not be further comment but I would just ask Members to remember that all we are looking to do here is simply undertake exploratory work; it is nothing more than that. We have already made a clear commitment to undertake impact assessments on the likely effects of any proposed charges; that is so that we can understand the potential impacts for the community and for businesses. Why on earth would the Assembly seek to restrict the way we undertake that work even before it starts? I have to say coming from Deputy Mézec it seems ... I do

not know if undemocratic is the way to describe it, but it is a strange approach to be prevented from even thinking about an issue properly before we can reach a conclusion. But I just think it is in the interest of fairness and transparency we should really be left to consider every combination. It might include increasing income support for people on low incomes. I do not think it is fair to tie our hands or put us in a straitjacket before we start the process. I think we are all acutely aware of the effects that this may have and I think we are all sensible enough to come back with some sensible propositions and that might even be a progressive tax. Who knows? I would just say when people come to vote on this, please leave the department to come together with some sensible suggestions for this and people can vote yes or no when we come back to the Assembly.

### **2.3.3 Deputy L.J. Farnham:**

I urge caution to Members that when a Minister says this is just a bit of exploratory work. Because if it was a bit of exploratory work it does not need the Assembly's permission to do it.

#### **The Deputy Bailiff:**

If you want to speak, Deputy Gorst, then you can speak in due course. **[Laughter]**

#### **Deputy L.J. Farnham:**

Yes, I will give way.

#### **The Deputy Bailiff:**

If you want to make a speech then it is not appropriate to interrupt another speaker.

#### **Deputy I.J. Gorst:**

I apologise for that, Sir. But it is not correct what the Deputy has just said. Currently Ministers are not able to do exploratory work, as the Deputy knows, because of a previous decision by the Assembly. Ministers cannot even do exploratory work on this issue without a decision of the Assembly.

#### **Deputy L.J. Farnham:**

Since when have previous decisions of this Assembly interrupted what the Government want or do not want to do? But anyway I usually do not mind interjections from my good friend, Deputy Gorst, but in retaliation I am going to read just a short paragraph from Deputy Mézec's report, which says: "In 2016 the Ian Gorst-led austerity Government considered multiple attempts to increase taxes, both directly and indirectly, on Islanders to fill the black hole they had created in public finances. These attempts were ill-conceived, badly explained and were proposed in direct contradiction to many of the election pledges made by Government Ministers to oppose raising taxes." I think there is a certain sense of *déjà vu* there because I participated in the elections in 2022, those promises came flying out of most Members. This waste disposal, liquid waste, solid waste, in my opinion, for what it is worth, should come out of general taxation and not be introduced by charges like this. The last Assembly sent the Government away with a flea in its ear about this and I am surprised that this Government has the audacity to bring it back. This is a general taxation issue and I ask Members to remember that. Having said that, according to Deputy Binet and Deputy Gorst, this is just probably a gentle attempt, they just want to have a look at it to see what it is like. But I guarantee not on the acceptance of the Assembly with this particular amendment or proposal from them to look at it, it will shortly be followed or in the next Government Plan by a firm proposal to introduce these charges. But just on notice, I will be opposing this at every stage. It should be something that is taken account of in general taxation and perhaps it is time to look at our general taxation, rather than have a line of stealth charges. Before Reform Jersey get too excited, I am not proposing we increase it but just prioritise more carefully, give the right priority to these sort of things, to the infrastructure requirements that Islanders need, rather than £80 million on Cabinet offices and such forth.

### 2.3.4 Deputy J. Renouf:

I strongly urge Members to reject this amendment. To take up some of the points that have been raised, there is no skulduggery here, there is no hidden agendas. We are being completely upfront and honest about the need to have an honest conversation about how we raise money to pay for systematic underinvestment in vital resources. We have suggested that we do that by considering something which, until now, has been banned for us to consider. Deputy Farnham attempted to suggest that we are not constrained by that. I can absolutely tell this Assembly that we are constrained by the previous Assembly's decision. I have had briefings from officers to tell me what we can and cannot do. That has been hammered home to us. We cannot do certain things. We cannot even ask officers to consider various things. It seems to me that was the amendment by, I think, Senator Le Fondré, the Le Fondré amendment, as it is generally known in Government. Perhaps Deputy Mézec is after the Mézec amendment but it seems a strange form of political mortality to be searching for, to have amendments passed that attempt to stop people even considering ideas.

[11:45]

Why not general taxation? Why not general taxation? For lots of reasons but for one very good reason that is specific to this issue, the ability to impose charges allows us to consider how we might influence behaviour. In other words, it allows us to consider that we have a system with limited capacity and that we might want to incentivise behaviour that reduces the production of waste and reduces the impact of the consumption of water but that is, ultimately, what often generates a lot of waste. That would be a good thing; that would be a mature and sensible thing for us to be considering, given our constrained resources, but it is currently not allowed. I think we have adopted this approach, and Deputy Binet has been very strong in pointing out that we should not attempt to use charges to be additional, an attempt to substitute for taxation for the budget that is already used to pay for waste. This is additional money to pay for a known proven need. The Le Fondré amendment had at least one benefit, one improvement over the amendment that we are considering, and that is clarity. It said that we could not have any discussions about certain types of waste charges. The amendment that we are considering does not have the benefit of that clarity. It says that we should not discuss anything that is regressive. The problem is that regressive is a sliding scale. We need to think about how this would work in practice. Let us look at one of the things that was briefly touched upon in Deputy Binet's speech; compensatory measures. A tax may appear or a charge may appear regressive but it might be compensated for by other measures somewhere else in the budget. Would that not be allowed? Because in fact it would not be allowed, I think, according to this but I do not know. How will officers and indeed Ministers know when they are crossing the regressive line? A regressive tax might be considered a flat-rate tax but we might have bandings. What if it was, let us say, 3 bands? That is not totally regressive but it is not as good as 5 bands or 10 bands. Which one would be allowed to consider? I imagine we might need to get on the phone to Deputy Mézec and ask him. Does this pass the regressive threshold or not? Of course Deputy Mézec may say, well, no. We would all trot back and try and come up with something that did pass the relevant threshold. The central point here is that really when we face a major issue like this we should not start off with a restraint, with a refusal to even consider something. We do not know what the precise definition of regressive is. There are multiple options which may partly have regressive elements, they may be compensated for elsewhere. There may be many different versions of these things. They may be designed to do things like manipulate or encourage various types of behaviours which would be beneficial. All of these things should be considered in the round and then they will be brought back to the Assembly for everyone's consideration. Deputy Mézec says we should not waste our time on items that are regressive. But it might be turned down even if they are not regressive; that is the nature of bringing propositions to the Assembly. You do the work, you present a case and it falls or stands. It would not be wasting time. We need to have a free hand to consider all the different possibilities when we look at waste charges. I am sure that this Assembly will take a balanced view when those decisions come back. If we have done something that is so blatantly unfair, that falls

foul of basic principles of fairness and equity, then this Assembly will make it very, very clear to us. But please do not waste our time, Deputy Mézec says. No, we will not do that though, will we? Because we are not entirely stupid, so we will bring forward proposals that are measured and proportionate. But if the Assembly takes a different view, then obviously we will need to reflect on that. We might even ask the Assembly Members' advice and have some discussions and some meetings and just talk about it with Scrutiny. Who knows? I urge Members to reject this amendment. Let us be free to consider all the options in all their various permutations and let the Assembly decide at the appropriate time when we have all the information in front of us.

### **2.3.5 The Connétable of St. Helier:**

I think I have a pretty good track record of opposing waste charges because Members who were in the Assembly, as I know Deputy Mézec was, in 2016/2017 know that I and the Parish of St. Helier struggled to remind the States Assembly that a promise had been made to the Parish in the 1950s that parishioners would never have to pay for waste. That went as far as an appeal but was defeated, partly due to the excellent work of my good friend, the Attorney General. He may have been the Solicitor General of the day, I am not sure. Anyway, that was an expensive defeat for the Parish; we lost that argument. Since then I have been waiting really for Government to come back and say: "Right, now that we can charge for waste disposal, we need to start thinking about it." A lot has happened in that time. Obviously recently I have become a member of the Council of Ministers, which I am best pleased I was not back then. But also what has happened in that time, and I want to allude to our sister island in my speech in 2 different ways. First of all, Guernsey has taken an ambitious trailblazing step with waste disposal and almost without much resistance introduced an extraordinarily ambitious and tough new approach to recycling; introducing a whole suite of waste charges, payment per bag of waste and this kind of thing but with an exceptionally good recycling offer that goes right across the States of Guernsey. I have been able to see that in place when we were there for the Crown Dependencies network a couple of years ago. Guernsey, they are the trailblazers in terms of waste-charging and in terms of recycling. Their recycling rate is way up in the 70 per cent mark. Of course one of the principles about that is that everybody in Guernsey has to accept that they are going to pay for polluting. Polluter pays works in Guernsey. That applies to the less well-off as well as the well-off because everybody in Guernsey appears to accept with remarkable ease that they will have to play a part in tackling the problem they had, not having an incinerator, having voted, I think wisely, against building an incinerator. They had to accept that landfill was no longer an option, therefore, they were going to all together face the need to reduce their waste, and they are doing a great job and I commend them for it. Whether I commend our sister island so much for their recent debates about paying for things is another matter. What we have seen, as far as I can tell in the States of deliberation in Guernsey, is a refusal to accept that certain bills have to be paid and a refusal to look at any way of doing that, and that is perhaps why they are in the state they are at the moment. It is, I think, tomorrow that their vote of no confidence proceeds in the top committee there. It does seem to me that there is probably not much comparison to be made in that second example with our sister island. But I do take the point being made by Ministers that if they cannot consider waste-charging, if their hands are to be tied and they cannot consider allowing everybody to tackle this, then we are not going to get a good outcome ... we may not get a good outcome. We have already had assurance and it is obvious, I think, that any charges are not going to come in without a States debate anyway. Are we really saying to the Minister for Infrastructure: "Go away and look at waste-charging but do not look at certain things"? I think that is tying his hands. I would much rather let the department do the work. I urge them to look very carefully at what Guernsey have done because, as I say, I think they are a shining example of how a small island can cope with its waste problems. For that reason I will not be supporting the amendment and I will be supporting the Council of Ministers.



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

I just wanted to refer to obviously the 2016 proposition, which I was not around for debating. But it is a very strange matter for the States Assembly to, effectively, despite all the democratic principles that we espouse to say you cannot, as a Government, whoever the Government is, look at a particular matter. I just find that incredibly anti-democratic. I find it a really strange position to take. The next step from there is Deputy Mézec's amendment here is again saying you cannot look at these things. I know Deputy Mézec is a democrat, so I find it quite odd that he would prefer to stop work and to stop a Government doing any thinking. It is not even coming up with a proposal, just doing any thinking, rather than allowing that thinking in the normal democratic manner to take place, then various propositions to come forward and then have the argument about those propositions in the proper democratic manner here in the Assembly. Obviously, say, if any proposition that did come forward was deeply regressive I would absolutely expect Deputy Mézec to be pointing that out and to be arguing passionately about the regressive nature of that and trying to turn the Assembly against those propositions if that was the case. For me, this is not so much about waste charges in themselves, this is much more about democracy and what we are as an Assembly and what we allow ourselves to do, which I would like to think is think widely, think of what is best for the Island, regardless of what that may entail and then bring a proposition to this Assembly to be deliberated on here. Therefore, I do urge Members to reject Deputy Mézec's amendment but in itself rejecting that amendment does not mean it does not tie Members' hands in any way to rejecting any future proposals that may come forward because they are regressive. That would be perfectly valid but that is the democratic way to do it. This, tying hands in advance, has nothing, in my view, to do with democracy.

### **2.3.7 Deputy H. Jeune of St. John, St. Lawrence and Trinity:**

I just wanted to add for Members' understanding, we are talking about one side of waste-charging. There is of course the other side, which is trying to reduce as much waste that is being produced in the first place. As part of the Carbon Neutral Roadmap there will be work that will start and commence next year on the circular economy strategy, something that already we have been working on or officers been working on through eco active to try to educate Islanders about the waste hierarchy, as we call it, where the first point of waste hierarchy is to reduce your waste to begin with before starting to recycle and then dispose of, and so that is really important. At the moment this proposition of course is talking about charges but there is that other side where we will be looking at the circular economy strategy to try to help Islanders, as a whole, both businesses and individuals, to try to reduce the overall waste that will be produced on the Island, to be having that circular economy by reusing and recycling before disposing of, which will hopefully reduce those overall charges that may or may not happen with the exploratory work that will happen, which will hopefully happen as well. I wanted to give that other side as well. That is not just one side, there is a whole host of work that will be commencing next year as well on this issue.

### **2.3.8 Connétable D. Johnson of St. Mary:**

Simply to say it is perhaps worth recording there was previously a proposition to introduce waste charges, which found that at the time of the debate I happened to be chair of the Environment Scrutiny Panel. It found that mainly because what was then the Minister for T.T.S. (Transport and Technical Services), having been given the authority in the M.T.F.P. (Medium Term Financial Plan) to introduce waste charges, felt there was no need to go out to consultation. It was that lack of consultation which prevented it going any further. I recall that we had started a debate and on the second morning it was withdrawn for that reason because the Council of Ministers realised their mistake.

[12:00]

It would, therefore, be odd if we got so far down the line with a further proposition that consultation was in fact stymied at the outset because, again, it would run the risk of not proceeding. I support the Council of Ministers in opposing this amendment for that reason.

### **2.3.9 Deputy P.F.C. Ozouf:**

The charters of James I in 1627 and Charles II in 1688 confirmed rights and privileges on Jersey to levy our own rates of duty and taxes. But we have here a situation where we have those rights and privileges as an Assembly but the Government who serves this Assembly is not able to look at the wider issue of charges. I have been known to say if it quacks and it waddles it is a duck and some charges are taxes and some are really recovery of government expenses that are incurred by the Government in order to run those services. The Constable of St. Helier's comments are absolutely correct in the issue of waste. I would correct, if I may say, Deputy Mézec who suggests that the Gorst Government was an austerity Government. No, it was not an austerity Government. Government spending rose. What happened is that it was money moved from areas that could be having savings and largely put into health services at the time, as I recall, but maybe the Minister for Treasury and Resources will correct me. The Government has a responsibility and this Assembly has a responsibility to set a range of duties and charges in a manner which is likely to be conducive towards economic growth, as well as looking after the interests of individual householders. It is not a binary matter. Deputy Farnham, in opposing the Council of Ministers' amendment, says we should look at general taxation. What does he mean by "general taxation"? Is it a consumption tax? Is it an income tax? Is it a business tax or is it something that looks like a tax? The Council of Ministers is quite right when Deputy Gorst said and the Constable of St. Mary said, the Council of Ministers is unable to look at recovery of monies that should be perhaps given consideration of being paid for by businesses who do enjoy a low level of taxation. Rates, for example, in the U.K. are 80 per cent of rent roll. Here they are about 4 per cent. We need to maybe talk to the Comité des Connétables about business rates in future. We do need to have an issue. Where today we have some real issues in terms of problems with infrastructure. The Minister for Infrastructure is quite right, the Minister for the Environment was quite right. There are issues in terms of the management of liquid waste and solid waste, which needs a range of Government interventions. Some of which will be charges to avoid, for example, waste-risings that otherwise could be recycled. Other issues in terms of liquid waste are. Liquid waste is a service that is provided at the moment by general taxation but it cannot be invested in in any long-term way because of the way it is structured at the moment in terms of raising charges. There is a discussion to be had about how we fund long-term infrastructure costs through a range of taxation of the charges but the Council of Ministers cannot even have that discussion. We cannot even have a discussion about whether a charge could be brought in or not. It makes no sense in an Island that has the rights and privileges to set its taxation and duties. The rights of the Government should be also extended to having a range of other charges when there is a case to do so. There could be a case to do so but we cannot even have the discussion about it because of the Le Fondré amendment. When the facts change I change my mind and the facts are clear, that the Minister for Infrastructure needs investment in liquid waste because he needs to have that in order for the Minister for the Environment to consider with the planning responsibilities appropriate planning matters so that we can build houses in the right places. At the moment the Government has a situation from a result of the last Island Plan where you cannot have houses because we cannot have the waste connections because there is no waste water connections. That must say to Members there is something wrong. We need to find acceptable, proportionate and fair and - I will not say the word progressive, I am being encouraged to make an additional word - we must have a range of interventions, which means a range of taxes and charges that are sensible for today and the economy of the future. The economy of the future will always be, I would suggest respectfully to Members, an Island of low taxation because that has been one of the issues that we can advance in Jersey's interest and that is why we enjoy such a good trade in services business today and tomorrow. Taxation is complicated, it is not just general taxation - I say to Deputy Farnham - it is a range of

charges and duties and others. That discussion cannot be had at the moment because of the Le Fondré amendment, which this amendment seeks to overturn in order to have that conversation. But I would assure Members of one thing, that they have the ultimate say. They have the ultimate say because we have the privilege, as a States Assembly, of making our own taxation and charges decisions ourselves. But there is a problem that we cannot even have a bit of that conversation because of the underlying issue that this amendment seeks to achieve. I would hope Members are reasonable. I would hope that they are pragmatic and I hope that there is a sense that we have to find solutions which are proper. Yes, it is quite right to look at the issues of Guernsey and to reflect on ... I take no pleasure in looking at the issues in Guernsey but one of them may or may not be the fact that they did not consider a consumption tax and a G.S.T. I do not say it is a requirement of theirs but if you do not balance your books and you cannot balance your books, then you have political instability. We do not have political instability in Jersey. I think we have a pragmatic and proper Assembly that will consider the right decisions, that they need to be given those options by way of a proposition to a charge, which cannot really be done. That debate should be had and this amendment would allow that to happen and not to shackle the Council of Ministers that are here to serve the Assembly in a proper way and give Members options about the right things for the future. We need this underlying issue to be solved so that we can come back with proper proportionate arrangements that are fair to Islanders and will be conducive to economic growth and all those other important issues.

#### **2.3.10 Deputy M. Tadier:**

First of all, can I say welcome back to Deputy Ozouf in the fuller sense of the word because he is back, I think? We are getting the old school Deputy Ozouf who has even taken us back to the 1600s with the charter of King James I. Can I say I am a bit baffled as to what that has got to do with this particular debate, apart from the fact we know in Jersey they did not even have sewers until mid-1800? Of course someone had to pay for that and, interestingly enough, it was the Constable of St. Helier, not the current one but Pierre Le Sueur, who introduced sewers to Jersey at a time when there was a cholera pandemic and he has quite fittingly got a needle or rather the obelisk at Broad Street in his memory. But the point is none of this debate here today about whether or not the future taxes or charges to do with liquid waste are regressive or not, takes away any of those charters that were conveyed and the privileges that were conveyed on the Island of Jersey. Indeed, Deputy Mézec is exercising his right to bring an amendment, effectively, through a budget and the Assembly is now exercising its right now to decide on whether any future taxes should be regressive or not. I am a bit surprised, I do not mind being called naïve, maybe it is a bit naïve of me to think that this should be in any way controversial. Why would we want to send the Government away to look at regressive charges? Certainly I would not want to do that and if I was a Minister I would welcome the steer from the Assembly to say that, yes, by all means go away and look at future charges, look at future taxes. We are not saying that they cannot be tax-neutral. We are not saying that they have to be progressive. We are just saying that they either have to be progressive or neutral and we just do not want them to be regressive. When I hear the Minister for the Environment, who is also good value, the Minister for Planning and the Environment is very erudite and he can turn his hand to any speech and any position that the Council of Ministers takes to defend or to promote. He does remind me a little bit of the Lewis Carroll character Humpty Dumpty, only in his words, not in his physique I hasten to add. When Humpty Dumpty says: "When I use a word it means just what I choose it to mean, nothing more and nothing less." Of course he is saying regressive can mean different things to different people. I think I heard him right. I was outside the Assembly but listening on the old parlour phone downstairs. He is saying: "Why would you want to tie my hands? I need to bring something back and regressive can mean different things to different people." It does not, we know what regressive means, it means that it impacts those who are least able to pay the most; that is what regressive taxation is. It is not a new concept and anyone in the Assembly who is not familiar with that is probably in the wrong job, certainly if they are in Government. I do not see why this is so controversial. I understand maybe that there is a rational argument to say that there should be user-

pays charges. We know that in many jurisdictions, many systems, that the water system and the sewerage system are linked - I think I have said this before, I am getting *déjà vu* or *déjà entendu* is maybe the better phrase - and that usually Government takes care of the whole thing or it outsources water and sewerage to a private supplier or an arm's length, who then puts in a charge. This is when we need to be having the debate about whether we want that to be regressive. Let us not say this debate is going to happen sometime in the future. Deputy Mézec has lodged an amendment saying that we should not have regressive charges. If you have any thoughts about whether water charges should be regressive or not, Members need to be putting them on the record now, so that is what I will do. I will say that I have already been quite uncomfortable with the fact that the water metering was brought in, I think, under the radar. What that means is you might just say that is rational; that is surely fair, is it not? It is fair that you pay for what you use. I would welcome the thoughts of the Assistant Minister for Education, who we know likes to speak on children's issues. Because if you have a large family with 3, 4, 5 children you will necessarily use more water, I would suspect, if you want to maintain basic standards of hygiene, whether that is to do with bathing, to do with cooking, to do with washing the dishes. You will necessarily use more water and you will necessarily produce more waste water as a result. Therefore, if in addition we are going to bring in a waste charge, which potentially looks at how much water comes out of your waste water pipes, you will be paying more if we allow for regressive taxation, regressive charging to happen because that is what we already do with the water system. If we go down the route and say to the Minister: "We are quite happy for you to pursue a regressive methodology", which he will no doubt want to look at ... that is what he is saying. He wants to look at ways that are regressive and that harm those who are least able to pay the most. He is going to come back with a whole load of options, which we, as an Assembly, then have to look through. Then we have to have this debate again as to say, why did you go down that avenue in the first place? It is because you told me that you wanted me to look at regressive charges. What we are saying today is that if we do not accept this amendment by Deputy Mézec, which I think is obvious and any right-thinking person should accept and adopt that, we are saying to the Minister please go away and look at regressive charges and taxes to find a way to bring that back to the Assembly. Then of course we are just going to have this debate again, whether it is in a year, 2 years, 3 years or in a future Assembly there will be lots of options there for regressive taxation. I do not want any part of that. I want to expedite the system and the methodology that the Assistant Minister goes through to make sure that ... and we know this is a wider issue, is it not? Because at the moment it is about water, in the future it will be about climate change, it will be about climate taxes. I do very much look to the Assistant Minister behind me. Because when those new taxes are in, if there is already a methodology and a track record of imposing regressive taxation on a population who are already finding it difficult, the cost of living difficult because those are the type who can absorb the costs; they do not mind if a new charge is introduced. But it is the majority of those who cannot afford it and that is what we are asking in this very simple amendment, is to not consider regressive taxes in future. Please, come back with charges or taxes if you must. Make sure they are tax-neutral or that they are possibly, a radical idea, even progressive in nature.

### **2.3.11 Connétable A.N. Jehan of St. John:**

I was reminded by Deputy Johnson about the 2017 plans because at that time I was the chair of the Chamber of Commerce Transport and Tourism Committee. We felt that the plans were very ill-thought-through.

[12:15]

Deputy Binet spoke about the underinvestment in drains. There is a clear need. In 2023 we have got far too many houses, areas that are not connected to drains, areas that would shock people when they saw the location, who are unable to build houses because we do not have drains and we do not invest in the drains that we have got. That plan in 2017 was targeting commercial businesses and yet a lot of households would have used far more water than some of those businesses that have been targeted.

I believe any review that is undertaken should look at everything possible. We are currently looking at a budget of £1.3 billion. Our priorities are totally wrong, in my opinion. We should be able to provide basic infrastructure from the money we currently raise. It is totally wrong that we do not have good recycling. My colleague behind me spoke about the Guernsey recycling. St. John has introduced recycling in 2006; it is still not adopted across the Island. We have to do far better to reduce our waste, to ensure that we provide the services; basic, basic services. I am pleased to see the increase in water and sewer extensions in this budget but we have got to do far more and we should not restrict ourselves where we look to get that revenue but I would look where we have currently got it in our existing income.

### **2.3.12 The Connétable of St. Brelade:**

I would just like to contain myself to a solid waste issue and particularly highlight the costs of the local kerbside collections, which all Parishes deal with. At the moment those collections are taken down to La Collette and received by the department that the parishioners through their rates pay for the actual collection. What I would flag up, we do not anticipate receiving a charge from Infrastructure to take that waste. We are already dealing with it. It has been mentioned before and I suggest that would be a regressive tax in that all households would be hit. Notwithstanding that, I think everybody has to look after their own waste and perhaps the department might consider focusing rather more on how people dispose of their own waste and making that easier.

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

First of all, I would like to congratulate the Council of Ministers for getting their act in order. It is good to see that they can really get together when it comes to the introduction of regressive taxes into the future. That is a clear principle, it is focused, it has got a really good - what is the phrase, I cannot remember what the phrase is now - relentless focus? That is the phrase, thank you, Deputy. A relentless focus and ensuring that we enable government officers ... very important the role of officers because officers will inform you on what you should be doing, very important that we enable them to come up with regressive taxes in the future. That is really important, so well done, Council of Ministers. It is good to see so many principles in the Assembly. The Constable of St. Helier, really strong principled about St. Helier not being charged for waste but do not worry because there is another set of principles there as well now as part of the Council of Ministers; good to see part of that Council of Ministers. Congratulations to the Constable of St. Helier bringing real transparency and how those principles now change for the people of St. Helier. We have regressive tax, we have water meters. Water meters look at how much water each individual household uses and pays and they are regressive because if you have a large family you will pay more. If you are not wealthy enough or you live in accommodation that you rent that does not have an efficient water system, for example, or may have waste, then you will pay for it and you might not be able to do anything with it. It is a nice world that we can all live in to say we can look at every single piece of waste that we have but if you have not got your own bin and you are going to share one in a house of 5 or 6 flats or rooms, then that is much more difficult to do. How are we going to account for that? I do not know and regressive taxes punishes. The argument will be: "But we are not looking at these taxes, we are not, honestly not, it is okay." And the question was there is no hidden agendas. But that has to be coupled with the very opening speech from the Minister for Infrastructure - trying to get the Ministerial names right - he said: "We might even have a progressive tax." Let us think about that. So in psychology this thing called para-linguistics, the vocal features that accompany speech; it is really important. Because I could say to you no, or I could say no, and they are very different meanings with the same word. I think it is very important the tonation that comes with these sentences that are used in this Assembly. We might even have a progressive tax. We might even have a progressive tax. We might even have a progressive tax. That suggests to me that a progressive tax is somewhere down the line. What we are looking at is let us remove that democratic control that said there are some principles in this Assembly, there are some principles that we have. Some have other sets of principles will fit in

wherever. I want to also say let us remove that democratic principle that we say that we are not going to just have raft after raft of regressive taxes, particularly when it comes to waste disposal for people on this Island and businesses. Yes, of course we have to address the recycling and the amount that we use. We have to look at the amount of energy we use. We have to look at the way we insulate our homes. We are not doing any of those things effectively because we are just not going down that line. The reason is this, because the simple fall-back position and the principled position of the Council of Ministers and this Government is we can always fall back on a nice regressive tax because those it affects most will not be the people who are out there voting as much as everyone else and they probably will not have the control. Because those who speak up in this Assembly against that are currently in the minority, and that is where we are and that is one of the issues that we face. I would like to say though to the Minister for the Environment, and I honestly mean this, I do not like it when he stood up and said he is not entirely stupid. I could be facetious and stand up here and not entirely ... but what I would like to say is I do not see the Minister as stupid at all, he is an intelligent man. There are intelligent people throughout this Assembly and we need to stop putting ourselves down. This is not about some sort of personality clash which keeps coming up. I have got to say that every time somebody ... it does seem those personality attacks are on the increase, particularly for us in Reform but there you go, just listen to the argument instead. I do not see him as stupid at all. What I see is a principle that is misguided and we need to talk about that principle and we need to accept that as misguided. The notion of outsourcing, and this is the concern and this is why we need to keep this check and balance in place at the moment. Because what we have got is an increasing narrative of we have huge investments needed, huge investment in the sewerage system, et cetera, et cetera, okay, but we cannot really afford it. What are we going to do? We are going to do it because we want more homes on the sewerage system otherwise we cannot build homes, so it becomes a self-fulfilling prophecy. Then the principle behind it is we do not have the money from central Government, we cannot do that because we have a huge hospital to build to begin with and we do not know how much that is going to cost. But there you go, we will cross that bridge when we come to it; let us not talk about bridges. We might end up with one of those. Perhaps if we could connect it up to a ... anyway, move on. Moving to Guernsey and send our waste there, build a pipe, and we are coming up with some ideas, there we go, Council of Ministers, great idea. I have lost my own track now. Yes, of course, we get to the huge cost and then we outsource that cost and as soon as we outsource that cost we lose control of that cost. Then, inevitably, it becomes a regressive tax with different drivers. The drivers are not about the well-being or the fairness for our people, it is about I have this cost as a company, I must take this cost back, therefore this tax is the one that fits that most effectively, therefore it will happen. That is why we have to put the check and balance against regressive taxes in place now in this Assembly, rather than leaving it to have this gradual acceptance of that change, which is what happens. That is the worry and that is why this amendment is way more important than we recognise. That if we allow this to be cut loose now we will come back here in 3, 4, 5 years' time and we will be introducing waste charges for individuals on this Island at a time when there are charges everywhere else and the Government would have lost its responsibility. The reality for people in this Island is they have these charges everywhere, from their water charges to G.P. (general practitioner) charges, to these small charges, G.S.T., these regressive taxes that build up and build up and build up. They are an annoyance if you are quite well-off and they are: "I just do not want to pay this extra, although I can afford it." But they are much more than that if you are struggling, and more and more people in this Island are struggling; that is the reality. We had a quote, I do not know when it was in history, I am a great fan of, I think it is Susie Dent - I keep getting the name wrong. No, Arthur Dent, that is *Hitchhikers Guide to the Galaxy* - who is a wordsmith and she tweets every day or Xs, I do not know what you call it now, word of the day and today's is ... I think it is called bayardism. It is a 17th century word and: "It is a confidence that is rooted in ignorance or wilful understanding of reality." I think we need to be really careful of that. That the reality of people's lives day to day and these extra charges that can be imposed may seem small but when you build them up together we end up with a sort of gestalt charge where the sum is

more than the total of the parts because of the impact it has on those individuals. I would say be very, very wary of voting against this because we will come back in a few years' time - probably not me - someone will come back and hold this Assembly to account for the decision that was made today and lets loose the move to regressive charges for such an essential part of what we have every single day on this Island. I urge you to vote for this amendment.

#### **2.3.14 Deputy E. Millar of St. John, St. Lawrence and Trinity:**

The first thing I would say is I do not think I have heard anywhere from anyone in Government that we are going to bring in regressive charging. It is very much a matter of considering options and nobody is going to plan ... is starting with a blank sheet of paper that says let us draw up a regressive tax. As the Constable of St. John has said, there is no question that we need investment. I support the principle of some charging for waste management. It is clear that we need that. I was approached by a constituent some months ago who was outraged, he was not on mains drains, his septic tank was broken and he had asked, he had identified closest mains drain and ask to be connected to it. The answer he was given was that he could not connect to it because it was full. It just simply did not have any more capacity and that connecting more houses to it would cause possible sewage in water courses and all sorts of environmental damage. It is very clear to me that we need to look at investment in mains drains. The reason I also support charging is that my experience of it is that it is pathetically poor. I also do not have mains drains; an advantage or disadvantage, you may say, of living in Trinity or some of the other northern Parishes that do not have mains drains. It would appear that I own a septic tank. Even though the septic tank is situated in another person's field and it supports another 2 properties, I appear to have ownership of it. I have responsibility therefore, periodically, at least once a year, of having it emptied. If I get organised and empty it earlier, sometimes it does not need very much emptying and it only takes one tank, which means you pay nothing. Other years, and I blame my neighbour's over enthusiasm for power washing, it sometimes takes 2 tanks. This year it cost £33 for the second tank. That is the cost for waste clearance for 3 households; all of which are under-occupied, I accept. However, £33 cannot come close to meeting the Government's cost of sending 2 tankers with people to empty the tanks and take it away and drain it. It just cannot. I do not mind user-pays charges. I do not mind paying more than £33 to have that tank cleared. We do have to think about how we invest into infrastructure and how we raise funds to do that. Nobody is planning on regressive charging.

[12:30]

#### **2.3.15 Deputy S.G. Luce of Grouville and St. Martin:**

I will be brief. Members have spoken about main drains. I want to put them on notice that my Scrutiny Panel will very shortly be publishing a review that we have taken some time to do over the situation. Members are quite right, there are areas of this Island that you would consider to be mainstream, yet applicants are putting in requests to join the main drain system and being told it is at capacity. In the middle of the Island, in the middle of Trinity, there are people being told they cannot join. Work has to be done across the whole Island to make sure that we can continue to build houses for people to live in. At the moment, the ageing main drain system is a problem. I want to talk briefly about solid waste. We are trying in this age to get people to produce less waste, but we need to look at systems which penalise, if you like, businesses that produce vast amounts of waste. They do not pay any more than a business that is good and creates fewer problems for us and for Government. We need to look at that. Kerbside recycling has been mentioned. We could not get anybody to tender to do kerbside recycling in St. Martin recently. That needs to be looked at. We need to be thinking about where we go in the future. We have energy from a waste plant which is halfway through its useful life. The decision on where we go next needs to be taken soon, when you think about how long it took to get a decision to build the plant at La Collette. We have heard about water meters. They may be regressive, but they certainly save a huge amount of water; water which is going to be an important resource in the coming years. The meter itself is an absolute necessity.

The way we use that meter might be the way forward for the Reform Party. What I want to say with that is the meter was a policy, if you like, that needs to be modified in the way it is used. I say to Members: please do not tie the Minister's hands with this amendment. What he could do is look at these regressive taxes and modify them so they can be used for best for everybody in the future. I have given a very short list of issues that he faces. There are many, many more. He does not have enough money to do everything. He is going to have to come up with some solutions, so I say to Members, please do not tie his hands at this early stage. Every decision he makes will have to come back to this Assembly.

### **2.3.16 Deputy I.J. Gorst:**

I am loath to stand bearing in mind the time and what the previous speaker has just said. I take it with a light-hearted pinch of salt when people refer to the Gorst-led austerity Government, particularly when there was a Member referring to it negatively. He was a Member of that Government. Anyway, that is politics. I wanted to reiterate what the Minister for Infrastructure said in his initial response about the cautious careful approach that he is taking with this, together with his colleague, the Minister for the Environment. I absolutely believe that they are taking a cautious careful approach. They are very mindful of what has happened previously. They are equally mindful, as the Assistant Chief Minister said in heaping praise upon how Guernsey are dealing with their waste in an appropriate manner. It would be wrong of us to tie the hands of the Minister as he does his thinking, which he is not able to do now without this change. He wants to be able to learn from best international practice, be that in Guernsey or be that somewhere else across the globe. That investment is needed. Some of it, as the Constable of St. John says, can be taken from existing funding. Some of it may require additional funding. The whole purpose of the wording as drafted in the Government Plan currently, is that he can do that work, he can engage with his Scrutiny Panel, as we have heard he is very willing to do. The problem with the amendment that Deputy Mézec brings forward is that it inadvertently and unintentionally may tie off some proposals which are positive, which the mover of this amendment would support. Therefore, I would urge Members to reject the amendment for the reasons that others have said.

### **The Deputy Bailiff:**

Does any other Member wish to speak on this amendment? I call upon Deputy Mézec to reply.

### **2.3.17 Deputy S.Y. Mézec:**

I thank Members who contributed to this debate. There is one good argument against my amendment that I am surprised to not hear from any Member. That argument is that a regressive tax is the right thing to do because it would be the most efficient and practical way of raising revenue for this. Nobody has had the guts to make that argument. Instead they say: "Oh no, we do not like regressive taxation, but do not vote to rule it out." If not now, when? They are asking to dedicate time and resources to something that they either do not have the guts to say they support or do not support, in which case they are asking Members to waste time and money. Neither of those positions, frankly, are legitimate on this. To be clear, when some Members have taken offence at my referring to a previous Government as an austerity Government ... Deputy Ozouf, who does not have a correct definition of "austerity" if he thinks that it simply means absolute reductions in terms of budgets, because that is not what it means. We will come on to definitions later. It was an austerity Government, because it took certain elements of Government spending to find savings from that inflicted harm on some of the most vulnerable people in our society. They include £10 million cuts to the Social Security budget targeted at single-parent households, pensioners and people with disabilities. It was a shameful episode in Jersey's political history and ought never to be repeated. The architects of it should have it brought back to them every time possible in the hope that they may learn the lessons from it. What that Government also did, is it attempted on 2 occasions to fill the financial black hole that had been created by the previous Minister for Treasury and Resources by



introducing stealth taxes, like a waste disposal charge, albeit not to domestic households, which was defeated in this Assembly, because it was badly thought through, badly consulted on and would have had a harmful impact on those businesses. Some of them appear to have learned no lessons from that exercise at all and instead want to dedicate time and resources to looking at other mechanisms which may suffer the exact same fate. They also proposed introducing a health tax, which would have been capped to exempt the super wealthy from paying the full rate of it; another regressive tax. These definitions are not difficult to deal with. It was astounding listening to Deputy Renouf. He had this idea that if there were different bands to the charge ... if there was a 3-band version or a 5-band version would you be prohibited from looking at the 3-band option? Perhaps they would have to call me to ask. The definition is clear. The definition of a regressive tax is a tax where the effective rate increases as the taxable base decreases. Unless the rates decrease as those bands go up, of course, you would not be prohibited from looking at them. That is absolutely clear in the proposition. Those attempts to muddy the waters are wrong. In fact, that same Deputy spoke about, and I made a note of the words, "being upfront and honest". That is exactly the point of this amendment. It is about us saying to one another in this Assembly, as the body that will have to take the decision one way or the other at the end of it, and to the public, these are the things that we are not prepared to tolerate because we think they are wrong. Deputy Morel spoke about democracy. What is undemocratic about an elected Chamber saying: "We do not want this to happen, so please do not waste your time on it." It is what happened in 2016, that a prohibition was put on the Government from investigating those kinds of domestic waste charges. Now this Government is wanting to increase charges on the public and on businesses, despite their statements that they do not want to raise taxes. That Government wanting to increase taxes and charges has lodged a Government Plan, which has part (b) on it to lift that prohibition and the Assembly will decide one way or the other. That is a perfectly democratic process. Just as it is democratic to say here and now: "Okay, if you want to go down that road, do not waste your time with iterations of taxes and charges, which are going to harm the households and businesses that we say we want to stand up for, because it will suffer the same fate if it comes back to this Assembly as previous ones. You should exclusively use your time and resources on measures that will be more palatable to this Assembly." Instead, they want to say to us: "Let us waste time looking at measures." Some of those same Ministers say: "Of course, we are not going to do." It is complete cognitive dissonance. Deputy Binet spoke about there being no monopoly on care for vulnerable and businesses, which of course is right. However, there is such a thing as a voting record, and you cannot keep hammering people with a voting record that seems to be at odds with that principle. I am offering Members that opportunity to say if they do not want those restaurants, those bars, those hotels, that may not be in the best of times, that may not be making loads and loads of profit, to say to them here and now: "Do not worry about a massive regressive charge being put on you in the future, at this moment in time we are going to rule that out." Instead they are going to have to look at something fairer and more progressive." It is about saying to households now who may be struggling with the cost of living: "Do not worry, we are not going to hammer you with a charge that you cannot afford. We will come up with a better mechanism." This idea that Deputy Binet raised about how we may impose this charge but we will increase income support to counteract it. Is that the most creative thing they can do; give with one hand and take with the other and create a greater dependency on the welfare system, which Deputy Ward's Scrutiny Panel has already shown has many problems with it and the practical way that it delivers its services? I do not think that is the right thing to do. We can do much better than that. There is nothing antidemocratic about making a decision today, but we do not want to give any kind of credence to the idea that we will introduce a regressive tax, but we will give the Government the freedom that it is asking for to look at proportionate and progressive measures, which many of those Members of Government say that is exclusively what they would be prepared to tolerate anyway. This is about saving time and money. It is about saying to those households and businesses: "Do not worry, we are not going to have that dark cloud hanging over you for longer, and allowing you to fear or you to maybe even hold back on investing in your businesses, your restaurant, your bar or what have you, because you are worried

about the cost of the business going up by an unfair regressive charge put forward by the Government.” Let us get to that point sooner rather than later. I want to give a special shout out to my Constable for his wonderful speech where he started by extolling his previous reputation as someone who opposed waste charges and then gave a speech which left that reputation in tatters by the end of it. It is amazing how you see these transformations in these debates sometimes. I have been pretty clear all along that I am against regressive taxation and I will never make an apology for bringing propositions to this Assembly to try to get that principle adopted. That is about being upfront and honest, as Deputy Renouf asked for us. I make the proposition and the amendment and ask for the appel.

### **The Deputy Bailiff:**

The appel has been called for. I invite Members to return to their seats. I ask the Greffier to open the voting. If all Members have had the chance to cast their votes then I ask the Greffier to close the voting. I can announce that the amendment has been rejected: 16 votes pour, 31 votes contre and one abstention.

<b>POUR: 16</b>	<b>CONTRE: 31</b>	<b>ABSTAIN: 1</b>
Connétable of St. Martin	Connétable of St. Helier	Deputy M.R. Scott
Connétable of Grouville	Connétable of St. Brelade	
Connétable of St. Ouen	Connétable of Trinity	
Deputy G.P. Southern	Connétable of St. Peter	
Deputy M. Tadier	Connétable of St. John	
Deputy L.M.C. Doublet	Connétable of St. Clement	
Deputy R.J. Ward	Connétable of St. Mary	
Deputy C.S. Alves	Connétable of St. Saviour	
Deputy L.J. Farnham	Deputy C.F. Labey	
Deputy S.Y. Mézec	Deputy S.G. Luce	
Deputy T.A. Coles	Deputy K.F. Morel	
Deputy B.B.S.V.M. Porée	Deputy M.R. Le Hegarat	
Deputy C.D. Curtis	Deputy S.M. Ahier	
Deputy L.V. Feltham	Deputy I. Gardiner	
Deputy R.S. Kovacs	Deputy I.J. Gorst	
Deputy M.B. Andrews	Deputy K.L. Moore	
	Deputy P.F.C. Ozouf	
	Deputy P.M. Bailhache	
	Deputy D.J. Warr	
	Deputy H.M. Miles	
	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		

[12:45]

**The Greffier of the States:**

Those voting pour: the Connétables of St. Martin, Grouville and St. Ouen, Deputies Southern, Tadier, Ward, Alves, Farnham, Mézec, Coles, Porée, Curtis, Feltham, Kovacs, Doublet and Andrews. Deputy Scott abstained.

**LUNCHEON ADJOURNMENT PROPOSED**

**The Deputy Bailiff:**

The adjournment is proposed. Are Members content to adjourn now? The Assembly is adjourned until 2.15 p.m.

[12:46]

**LUNCHEON ADJOURNMENT**

[14:15]

**The Bailiff:**

I start this afternoon’s business with the Christmas cheer fining the Connétable of St. Mary for the phone going off, I believe, immediately before the adjournment. There was an extremely large note in front of me saying I had to impose a fine on the Constable of St. Mary.

**Deputy M. Tadier:**

Sir, is it a regressive fine or ...?

**The Bailiff:**

I do not know enough about the Connétable’s means to be able to say.

**2.4 Proposed Government Plan 2024-2027 (P.72/2023): amendment (P.72/2023 Amd.) - Social Security grant funding**

**The Bailiff:**

We now continue with the debate on the Government Plan. The next amendment for the Assembly to consider is the first amendment lodged by Deputy Bailhache. I ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

Page 2, paragraph (e) - After the words “Article 9(2)(b) of the Law” insert the words “, except that in Summary Table 3, the transfers in the last 2 rows of the table should be replaced as follows.” Page 2, paragraph (h) - After the words “Appendix 2 - Summary Tables 5(i) and (ii) of the Report” insert the words “, except that in Summary Table 5(i) the figures in the columns Expenditure and Head of Expenditure for Treasury and Exchequer shall each be increased by £20 million in 2024, so as to reinstate the States grant to the Social Security Fund in full.”

**2.4.1 Deputy P.M. Bailhache of St. Clement:**

It is rather disappointing that we are having this debate. I truly believed that the Government had accepted that social security funds should no longer be plundered for other purposes. Why did I think that? There are 2 reasons. First, the Minister for Social Security said in the February debate: “The States grant will be returned to its full value of some £82 million in 2024.” No ifs, no buts, the States

grant will be returned to its full value in 2024. The second reason is that the Minister for Treasury and Resources effectively said the same thing. He said that my words had struck a chord with him and he agreed that Ministers had not quite weaned themselves off this kind of process. Then he went on: "In that Government Plan for 2024, Ministers have said, no, the transfer from taxpayers to the Minister for Social Security will take place and that is just over £80 million." I am not going to make a Mark Antony speech about honourable men. However, I do not understand how Ministers can be so brazen and how indeed they can be supported by the Council of Ministers. I understand the difficulties of balancing the books. I understand the reluctance to take money out of the Strategic Reserve. However, a commitment was given: "The States grant will be returned to its full value in 2024." It is regrettable that a commitment of that kind can now be so casually ignored and not even thought worthy of mention in the Minister's comments paper; not a word. Perhaps it is because they know that there is no justification for saying one thing and doing another. This brings the Assembly into disrepute. We rely upon one another to say it as it is and not to mislead each other with undertakings given and then conveniently forgotten. The broken commitment is, in my view, a good enough reason in itself for supporting this amendment. There is an even more important reason to vote for the amendment, and that is the principle which I set out in my report. That principle is that money in the Social Security Fund and Social Security Reserve Fund belongs to the Island's pensioners and prospective pensioners and not to the Government or even the States Assembly. It should not be used directly or indirectly for collateral purposes. The Council of Ministers seems to advance 2 reasons for asserting that the social security money can be used in this way. The first is that no money is being taken out of the fund. It is just not being put in. On the last occasion I described that argument as sophistry, specious or over-subtle reasoning. Ministers did not like the word, but that does not make it inappropriate. The States are under a legal obligation to pay a supplement into the Social Security Fund each year in order that it has enough money to pay pensions. It is, on this occasion, just under £80 million a year. It is the basis of the whole pension scheme. The States supplement the contributions of those who cannot afford to fund their own pensions. It is not a discretionary amount. There is a statutory formula to work out the sum which will, when added to the contributions made by employers and employees, enable pensions and other benefits to be paid. That is why, if this amendment fails, the States will be obliged to pass regulations to disapply the law. What is being proposed in the Government Plan is to reduce the statutory sum by £20 million in 2024 and again in 2025. That amount will not be paid in. The consequence of that is that £20 million will have to be transferred out of the Social Security Reserve Fund into the Social Security Fund for each of those years so that pensions can be paid. However you twist it about, the reality is that money which the Government is legally obliged to pay into the Social Security Fund is not to be paid in and money is to be taken from the Social Security Reserve to compensate for that failure to pay in. You can claim that money is not being taken. I say that is sophistry, specious reasoning, to try to disguise the amorality and impropriety of what is proposed. My amendment is very straightforward. Instead of taking money from the Social Security Reserve Fund to balance the books, the Government will have to use the Strategic Reserve. We come then to the Government's second objection, which is that they do not like taking money out of the Strategic Reserve. Nor do I, but it is the lesser of 2 evils. At least the Strategic Reserve is States money, which comes from taxpayers. The Social Security Reserve Fund comes from contributors, employers and employees, who pay in to the fund to receive a pension at the end of the day, supplemented as I have explained. The fund belongs, as I have said, to pensioners and prospective pensioners. It should only be used for purposes for which the fund was established. If Members allow this money to be taken out, there is really no reason why the process should not be repeated on other occasions. Why not take out £100 million to put in the Climate Fund? Perhaps that is a bridge too far. Why is it all right to take money out to balance the books, but not all right to take money out to put in the Climate Fund? The truth is that neither is acceptable. The reason why such transfers are wrong is that the money does not belong to the States. It is a fund which gives security for the payment of people's pensions far into the future and that future is far from certain. There may be a lot of money in the fund, but that

is not a justification for taking it. That is the morality of the shoplifter at Marks and Spencer who reasons to himself that the store can afford to lose these goods, it has much more money than he has. Then there are some weasel words at the end of the comments papers, which imply that the Fiscal Policy Panel might think this is acceptable. I quote: “The Fiscal Policy Panel in their latest report restate the recommendation to grow the Strategic Reserve.” Do they recommend doing so at the expense of pensioners’ funds? Have they even been asked? Finally, the Government says that it does not matter that we are taking money from the Social Security Reserve Fund, because it will all be given back in 2027. Really? If I were a betting man, I might take a punt on that. We have learned that Ministers’ expressions of intent cannot always be relied upon. The fact that you intend to pay back borrowed money does not make the taking of it any more legitimate. In another capacity, I sentenced numerous individuals who had taken money from a bank or business who swore that they always intended to pay it back. It was still theft to take money which does not belong to you. I do not suggest that the word “theft” is appropriate in these circumstances, but I would say that it is amoral, improper and wrong to take pensioners’ money from the Reserve Fund and to use it for purposes which have nothing to do with the payment of pensions. I move the amendment.

#### **The Bailiff:**

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

#### **2.4.2 Deputy E. Millar:**

I will start by referring to the Deputy’s comments about what was said in the Assembly last year. I absolutely accept that commitments were made last year. I did say the States grant would return to its full balance this year. That was what I understood at the time. I suspect that is what all the Council of Ministers understood at this time last year. However, things have changed. We are facing a very difficult year, this year and next year for Government, and hard decisions have to be made. Any suggestion that this decision, this proposal, was made in any kind of cavalier, off-hand manner, is frankly incorrect. It is simply not correct. There were long and difficult discussions about this, about what we should do. The suggestion that we are playing fast and loose on this and that nobody cared is far from the truth. I would go on, however, to say that I suggest the Deputy has misinterpreted the proposals for reinstating the States grant. I reject in the strongest terms any notion that the Government is plundering the Social Security funds.

[14:30]

I can only reiterate again that this Government is not withdrawing money from Social Security funds. It is, however, proposing to pay into the fund at levels which are affordable; £57 million in 2024, £69 million in 2025, £89 million in 2026, and £130 million in 2027. That is a total of £345 million of taxpayer revenues being paid into the Social Security Fund over the next 4 years. I believe that is what the grant would have been had it been paid at normal rates over 2024 and 2025. There is no loss to the fund. It is simply a somewhat deferred payment schedule. The Deputy also refers to the Consolidated Fund borrowing from the Social Security Fund. Let me again make this clear, there are no funds being withdrawn from Social Security funds in this Government Plan. We are in fact putting more money into the funds by reinstating the States grant over the 4-year period, albeit at a slightly lower level this year and next. What has changed since last year is that the recent actuarial reviews have been published. Those show that previous decisions of the Assembly have put the funds in a very strong position. That fortifies us against part of the financial challenge we face with an ageing population. This is in spite of previous decisions of this Assembly to freeze or remove the States grant, as required by the wider financial position facing the Island, for example, in supporting Islanders through the COVID-19 pandemic. I would correct a couple of things that the Deputy said. The funds may well belong to pensioners, but they are not solely used to pay pensions. They also pay short-term incapacity allowance, long-term incapacity allowance, home carers’ allowance. Any one of us at any time who have paid contribution can claim a benefit from that fund, where our

contribution record merits it. Contributions do not just come from employees and employers. Over very many years, contributions have also come from taxpayers. That is what we are doing this year by reinstating the States grant. As I just said, £345 million of taxpayer money is going into this fund, so it is not just individuals and employers who have contributed. Returning to the actuarial review. That actuarial review, as at 31st December 2021, which is the date of their report, shows that the net balance in Social Security funds, being the Social Security Reserve Fund and the Social Security Fund remains at over £2 billion in today's value. It will remain at that level until the 2050s, assuming net migration of 325 a year. A higher migration assumption of 700 people a year leads to an increase in the value of the funds over time. With no net migration, the fund is still above £2 billion by 2041, although it does decline during the 2040s. These long-term forecasts against a range of migration scenarios show the underlying strength of the Social Security scheme at its current contribution rate. The Government seeks to reinstate the States grant in a manner and at levels which we can afford for each year of the plan. Even with the challenges we face during this cost-of-living crisis, which we have heard a great deal about already this sitting, by the end of the plan the fund is no worse off. We must ensure we live within our means and this approach demonstrates fiscal prudence without impacting on the fund in the medium, let alone the long term. What the Deputy has proposed is a worse option. At a time when the Fiscal Policy Panel are telling us we should be growing the Strategic Reserve, he is seeking to withdraw money from it, at least temporarily, much like the temporary deferral of the full grant. This is consciously taking money out of our pillars of fiscal stability rather than a slight delay in our savings for a fund that measures itself based on decades rather than years. With respect, the Deputy seems to have misunderstood the Government's plans to reinstate the States grant, which will go ahead. I encourage Members to reject his amendment to pay for the States grant at a level which is unaffordable, while borrowing from the Strategic Reserve to do so.

#### **2.4.3 Deputy B. Ward:**

I am pleased to support the Deputy of St. Clement and thank him for bringing this amendment. I was intending to do the same, however he beat me to it. On 7th February, earlier this year, I presented my speech, which opposed the Minister for Social Security's proposition 110. During that debate, the Minister for Treasury and Resources and the Minister for Social Security assured the Assembly that the money would be restored to the formula set down in the law. That is Article 9A. It is quite explicit of how that is done. This assurance on 7th February, I am making an assumption, gave Members comfort, hence the support for the proposition, which was agreed. Here we are, December 2023, some 10 months later, enshrined in the Government Plan and we have an about turn and a plan to withhold £20 million during 2024 and a further £20 million in 2025 via the States grant. I am aghast and so very disappointed. In my previous speech, based on my experience, in the world of multibillion pound pension funds, I emphasised the extreme importance that funding streams into pension funds must not be tampered with and or be used as a go-to piggybank. In my last speech, I exercised restraint. However, what in my view is happening draws parallels with the famous Robert Maxwell case some 40 years ago where money was diverted from the company pension fund to fund other unassociated areas of their group. Since this was exposed, the U.K. Government has introduced several laws preventing this type of situation happening. They put in place laws to specifically protect and ring-fence pension-fund assets. Here we are, holding back on an important funding stream to our pension fund, effectively behaving like Mr. Maxwell some 40 years ago. I believe that the pension fund is owed approximately £300 million, due to the prior years of underfunding. That is from 2020 to the end of this year. That is £300 million. I am at a loss as to why the actuary did not show this as a debt to the fund. We are again being asked to support that a further £40 million be withheld from the pension fund over the next 2 years, with these funds being diverted elsewhere without any clarity, openness and transparency. That is what we are all signed up to do. May I suggest as a way to pay for shortfalls, et cetera, that the money, as suggested by Deputy Bailhache, that is taken from the Strategic Fund is that it is repaid. Every February, March of each year, around

that time when all the accounts are signed off, we hear every single year, I have been in this Island for 45 years: “Oh, we have found another £20 million. Oh, we have found another £40 million.” That money can go back into the Strategic Reserve, which will help the money that is going to be taken out. There is a solution. Not taking out of a pension fund, but you take it out of the Strategic, use the surplus that is found in February and pay that back. I am aware that the Government wish to return the £40 million underfunding in 2027, but who knows what state our finances will be in by then, unless the Minister for Treasury and Resources can see into the future with guarantees. If so, I would like the Minister to give me the winning U.K. lottery ticket numbers for 2027, if he can see into the future and guarantee. Seriously, it is very dangerous for us to continually borrow from the resources of future years, especially as there seems to be little consequence for failure to then uphold that promise. I will remind Members again, we are assured in February that Article 9A, which sets out that grant formula, would be returned to normal in 2024. Well today we can see that this is clearly not the case. While I appreciate that pension matters are not everyone’s cup of tea, when one talks about pensions you can see people’s eyes glaze over and one switches off. I apologise to Members for being rather nerdy but I do understand pensions and we should all take pension provision very, very seriously, as a failure in this area can have far-reaching consequences for the economy and livelihood of Islanders. Therefore, please may I encourage Members of the Assembly if they do not understand pensions and its funding streams to then consider please very seriously supporting Deputy Bailhache’s amendment for the good of us all. In doing so this will send a clear message to the Government that the assurance as stated in February earlier this year must be honoured as set out under Article 9A of the Social Security Law. Thank you, Sir, and the Assembly for listening. Please support Deputy Bailhache’s amendment.

#### **2.4.4 Deputy P.F.C. Ozouf:**

I rise with some trepidation because some of my remarks sometimes are not welcome but I feel that I ought to rise and say that Deputy Bailhache, in advancing his amendment, has used some very colourful language. I know that there is a history of colourful languages in the use of the Social Security Fund. When it was first brought in, coffins were used by way of it being a death knell to the end of employers not being able to fund it. He spoke of no justification, he spoke of commitments being broken and principles. I am looking at the law and I am looking at the actuarial review provision under Article 32 which the Minister has spoken about. Article 32(3) of that law says: “After completing the review, the actuary shall report to the Minister on the financial condition of the Social Security Fund and the adequacy or otherwise of the contributions payable under this law to support the benefits payable thereunder having regard to its liabilities under this law.” So the facts are the actuarial report which was not available last year has now been advanced to the Minister independently and shows that the spirit of that very important contribution fund that has got 3 contributors into it - employees, employers and taxpayers - that shows that the fund, because of sensible decisions of the past, is in a very good state. In fact, it is a remarkable fund because I do not think there is an alternative fund anywhere that is as good as Jersey’s. Pensioners have got the knowledge that even with, as the Minister for Social Security said, the future ageing society, even with those challenges ahead, the fund can meet its pension obligations in a very certain way, in a very secure way, because there has been no raiding of the Social Security Fund. Less the Minister for Treasury and Resources tries to interfere into the Social Security Fund sustainability, they cannot. The current Minister for Treasury and Resources was a Minister for Social Security in previous Governments and woe betide a Minister for Treasury and Resources that tries to tinker with the fundamental principles that that Article 32 requires the Minister to say. If the actuarial review would have said the fund is not in a good state ... and to Deputy Ward, who I completely understand, Deputy Barbara Ward, in her arguments about clear messages to pensioners, our fund pays pensions at a higher rate than most other jurisdictions and it increases at a higher rate. If I am not mistaken I recall that it is a measure higher than that of inflation. It is an earnings calculation, as I recall.

[14:45]

Our fund is better than anywhere else in the world and that is because it has not been played with in other places. What is and must be acceptable is a medium-term view and I suppose the only regret I have in the debate today is that we are not able to have a 3-year budget which can guarantee things. The last Government threw away the fact that we should have 3-year budgets with guaranteed amounts to be put forward. The fund is in a good state and it is not the lesser of 2 evils, I would advance to Deputy Bailhache. The fund is currently in a good position, it is going to get the funding that is required under the law. If the amendment is defeated then legal arrangements will enact that properly and the fund is in a good position that does not require this Assembly to take money from the Strategic Reserve, which is there for a rainy day, and transfer it into the Social Security Fund this year because it is in a very healthy state. We are dealing with long-term issues, the Social Security Fund is a long-term fund, it is a pay-as-you-go but with a balance in hand, and a very significant balance in hand, paid for largely by taxpayers - significant amounts from taxpayers - in addition to employees and employers, and that means that the fund is in a good and healthy state. So why are we being asked to take, for a legal principle that I do not think is correct based upon my interpretation of what the legal provisions are, why are we being asked to take money from the Strategic Reserve that we have been told by our economic experts, the F.P.P. (Fiscal Policy Panel), should be maintained? I do not know whether the Deputy attended the F.P.P. when they came to advise Members about what we should do. I think that they were absolutely clear that we should prepare for the rainy day of the general economic situation of Jersey but we do not have an issue in respect of the universal pension provision that this, among other things ... and it is difficult to explain all the provisions of the Social Security Law because, as the Minister has said, it is not just about pensions, it is about a whole load of other contributory benefits. So, I am afraid to say, that the principle that I have is that the fund is in very good order, it is perfectly appropriate to defer a payment into it because the pensioners do not need to worry at all because the fund is in such a good state. We should take the principle of good economic management and good financial management and make decisions accordingly. When the facts change I change my mind and the facts are that the actuarial report is better than expected and therefore the payments due from taxpayers can be deferred for 2 or 3 years. It is not like a thief in Marks and Spencer's or whatever store that is taking money. The States is not that and there is no such accusation that could be made. There is a principle of good economic management. We have asked taxpayers to continue to pay the supplementation grant when it was not required but we continue to pay it. The Minister has given a continued commitment to pay it even when the economic condition of the Island has made it difficult. This year we have to have a year-to-year, unfortunately not a 3-year, budget, and we have to basically defer that payment which the Minister has been quite clear is going to be paid but at a later date. I would suggest that that is not borrowing, that is a sensible deferral of monies not being taken from the fund. It is going to be paid in at the right time to match the expenditure of pensions. In fact, it does not need to be paid for quite some considerable time because of the balance in hand of the fund which has been invested so well from its employees, employers and taxpayers' funds that have been well-invested, which means that the fund is in such a good position. My principles are of financial prudence and financial properness and balancing the most important issues which are that the Stabilisation Fund, which is our rainy-day reserve, I would suggest that we do not take money out of it to put into a fund this year that is already in excess, hugely in excess of what it is required as a pay-as-you-go Social Security Fund. Other places have tinkered with it, we have not, and this is perfectly in line with what we should be doing, having taken an overall approach to long-term funding of a long-term fund but we should be cautious. The rainy-day fund is also to be looked at and if we start moving money from the Strategic Reserve imprudently, as our economic advisers have told us to do ... they said not to take money, they have not said ... they have said the opposite of what Deputy Bailhache is saying. They said we should put more money in and he is basically saying that the principle of economic and financial matters should be overridden. I do not agree, this is a proper arrangement which is properly going to be brought into an amendment to the law which is perfectly permissible. The Deputy will know there have been some numerous amendments. He has been in this place for a long time and he



knows that there have been proper legal amendments made to reflect the economic situation of the time and it was right that there was a pause in supplementation payments to deal with COVID and other periods. We are still dealing unfortunately with the COVID hangover and the hangover that now we have a general problem with an economic situation which is not good and favourable, but we have to do our best and we have to use resources in the right way and allocate them on a prioritised basis. My priority is the Strategic Reserve which should not be having funds withdrawn from it when it is not needed to. I ask Members to bear that in mind in their deliberations about whether they are going to move money from one fund to another in order to meet something that has got a lesser requirement, which is a Social Security Fund today. The undertakings of the Ministers should not be underestimated. Undertakings are given but when the facts change Ministers have to change their mind and present this Assembly with sensible decisions, and that is exactly what the Minister for Social Security and the Council of Ministers is doing. So I would ask Deputy Bailhache please to maybe curb his comments on principles because my principles are equal to his. I have principles and I have economic and financial principles that must be reflected in law and they will be done so. I urge Members to reject the amendment, well-intentioned, but I think it forgets the principles of financial and economic matters. It just looks at a law but the law I have mentioned also has the provision of the actuarial review. I urge Members to reject the amendment.

#### **2.4.5 Deputy M.R. Scott:**

At some point very early on in my career as a States Member some member of the public sent me an invitation to join a Facebook group, it was called Codgers Corner. **[Laughter]** Anyway, Codgers Corner posts these jokes and so I thought it was quite a nice thing to do basically, notwithstanding the implication, that the member of public was trying to cheer me up. Indeed, there are jokes that have cheered me up on Codgers Corner, even the one that says: “What do you call a group of politicians?” “A pack of lies.” Anyway, I have found this a very difficult proposition to come to a position on because, while I very much accept what Deputy Bailhache has said about the importance of Government being held accountable to its commitments, there also are consequences in terms of eating into the Strategic Reserve. One thing that really frustrates me to some extent is a lot can be traced back to the proposition that was brought by Deputy Luce in terms of the rural and fisheries funding, which I supported, and the attempts to not eat into the Strategic Reserve, given the size of that funding. I guess it is all perhaps well to speak in hindsight but I think it is perhaps a pity that it was not brought in a context of the Government Plan impacts, that was the reason, but also that the Council of Ministers perhaps did not talk through States Members more in terms of the potential consequences. It is a very difficult call. I certainly do not really relish the idea of going around my constituency, facing the many pensioners who live there who basically will be suggesting that I am just encouraging Government to rob them of their pension pot, but it is a reserve. I do also feel that the Strategic Reserve Fund is becoming a bit of a smoke screen in terms of it being shown to support the Island, presenting itself as having a strong economy, and it needs to do that to promote itself in terms of the finance industry in other respects. But what is happening behind the scenes is exactly this, is it not? We have got a Government Plan where in fact the Technology Accelerator Fund is also kind of chucking a few bob in the direction of the digital economy programme for Government. Now that has been highlighted, I believe, by both the Economic and International Affairs Panel and the Corporate Services Scrutiny Panel. This is happening and the continuation of more and more duties: “Oh, yes, well that is the R.P.I., let us hype this up a bit” and of course: “Oh, might it be inflationary?” “Oh, perhaps we will not look into that.” I really would like Government to just wake up a bit and start rethinking in a much more productive manner than we are seeing. We are talking about being more productive, we are talking about economic productivity, how about rethinking the way that you are doing your tax in a much more fundamental way and indeed how about delivering that value-for-money programme that at least in the case of one Minister promised in terms of the arm’s-length organisations that my panel at least was promised by the end of this year but has not happened. By value-for-money review I really would hope that we are not just talking about: “Oh,

you just need to find X million.” I was imagining, more for me perhaps, that there would be some really kind of serious investigation of how departments are managed, how they would be managed in a way that is more productive, more efficient, does not necessarily have to be by the acquisition of technology. It can be through methods that involve more modern management methods. This is the sort of thing that I was very much hopeful that maybe we would see now some true modernisation in terms of mindset and attitudes, and it has not happened. So, I regret to say that I will be supporting Government on this occasion, somewhat resentfully, and while I very much respect Deputy Bailhache’s intent, I am afraid that the Strategic Reserve Fund has got a purpose, it does need to be preserved, but I really do expect Government to start doing something better than this sort of programme.

#### **2.4.6 Deputy G.P. Southern of St. Helier Central:**

It is a rare occurrence for me to stand and completely support the words of Deputy Bailhache. Deputy Bailhache, when he gets it right, boy, does he get things right. He is absolutely correct in saying that this is a ring-fenced fund which should not be touched. Promises were made, call them principles if you like, promises were made previously to repay the money that was being lent for a short period of time because of COVID and that that would be paid back in the following schedule.

[15:00]

Specified completely; absolutely right that it should be paid back. I can hear from the strong language used by Deputy Bailhache that this really means something to him, as it does to me, the ring-fenced nature of the fund, the Social Security funds, should be preserved. We cannot, whenever we choose - we made an exception last time - but whenever we choose we cannot dip into this just because ... it is not taxpayers’ money, by and large, 85 per cent of it is pensioners’ money. That is the reality. We fiddle with this, at least I think that is the correct term, at our peril because the faith of all those pensioners, the faith of any worker when he pays his contribution, is that it is paid into a fund which will support him in later life. Without the sacrosanct nature of the ring-fence that calls into question: “It is just like tax.” “No, it is not just like tax, this is your fund for your benefit, for your pension, by and large, and you can trust us to look after it and not to mess with it.” That is the reality. Support for Deputy Bailhache for my part is absolutely solid, he is absolutely right.

#### **2.4.7 Deputy M. Tadier:**

It is funny when you miss Deputies who are no longer in the Assembly. When I used to sit over on the back row and I would have another Deputy, a long-serving Deputy, in front of me who would say: “This is jam tomorrow.” Because we are hearing promises about what will be done tomorrow that: “In the future, do not worry, we are going to repay this money.” Then we are also hearing about that we do not know what is coming around the corner. We are told that we are in a very strong position but then we are also told that the economy is in a very difficult position and that is why we need to ... that is why we cannot make this usual payment that we make into the Social Security Fund that we would normally make, so we are using that money. I have to agree that it does boil down to sophistry, it is a specious argument. That is what it boils down to. I know sometimes it is incorrect to make analogies directly with personal income and what families might do but I think in this case there is a valid analogy to be made. I cannot help thinking, and I hope this is not offensive to anyone, but we have already heard the term “codger” used in this Assembly, and I did not find that joke offensive necessarily but I was waiting for the humour. I am sure there are other good posts in there and it is obviously very subjective, is it not? I am thinking of the old boy who outwardly lives the life of austerity and dresses like a pauper and goes around saying: “Can you lend me 50 pence, Guvnor, so that I can have a cup of tea?” But then when you get back to his ramshackle home there is millions of pounds under his bed either stuffed in the mattress or in a briefcase. Or a better analogy is that you have got somebody who has got a current account and that is their spending money. They have got a savings account which has got lots of money in it but they are also paying into their

pension pot because they know that in 30 years' time they are going to need it, they do not know what the future is, and they are keeping up their payments on a regular basis. But they get into a little bit of trouble, like their expenditure has got higher and they have not gone out to get another job or to ask for a pay rise from their employer, so they say: "You know what? Rather than dipping into my savings account because I want to keep that savings account there, I could take a small percentage out to cover my living costs, what I am going to do is just not pay my pension contribution this month." Their pension adviser may well get on the phone, if they are a pension adviser who is worth their salt, and say: "Are you sure you want to be doing this because you might just be doing it this month but if you carry on doing it next month and the month after, you are soon going to find that that fund is dwindling and then we may not be able to invest that." So the other thing that we have not heard about is that there is an opportunity cost in the Social Security funds because that money that is not being paid in would also be getting invested, it would also be getting the interest at the very least, but it would be being invested for the specific purpose which the fund was set up for. I think that is the other strong argument that we have here. There is a contract between the public, between the employee and the employer and the States, and it is not just this Government but it is Governments and the States in its wider form: the past, present and future. When we have got one Government that just comes forward and says: "We are going to not do this this time even though we have said we would, and even though we said we would replenish the money" you can understand that there is a wider issue of that relationship and that trust, not simply because they have not fulfilled their obligation to refund the monies into the account, but also because that social contract is being changed at a whim and without any consultation with the public and the other party there, so I think that is problematic. I would also say that there needs to be some longer-term thinking because there is a question here about what constitutes a rainy-day fund. Euphemistically we can call it a rainy-day fund or a strategic reserve and questions have to be asked about when you do use that fund, is it only for an extreme situation when something bad has already happened and it is supposed to pay for, what, one year of expenditure? Or do we use it perhaps more proactively to invest to save and foresee problems that might be coming down the line and using it like that second or third bank account that we might have in order to offset those. Lastly, I hope Deputy Bailhache does not think that this is too much of a dig because I think we have given him lots of support in this particular proposition, but I will be interested to hear what the other half of his party has to say. If I were a betting man ... I will not say, I will let the other half of the party speak. I am not sure which wing, if it is the liberal or the conservative wing of the party. But we know that Deputy Bailhache is principled, I think, and he spoke in a principled way. What I would say though is just generally it is a bad day for party politics if the leader of the Liberal Conservatives can rely more on the support of Reform Jersey than he can on the rest of his own party. Just slightly, because I think, yes, the bottom line is if the party cannot vote together then what is the point in having a party? So it would be nice to at least know that we have got Deputy Barbara Ward voting with Deputy Robert Ward for once and we have got Deputy Mézec and Deputy Bailhache voting together. It would be nice if the 2 parties could also stand on a principled agenda and say: "Enough is enough, do not rob Peter to pay Paul. Let us get a sustainable way and replenish the fund" as he said. The last point I did want to make is that you can of course understand why the teachers would reject a pay offer which is saying: "Look, we have not got any money to pay you now but, you know what? In 2026/2027 or 2025/2026 we are going to give you R.P.I. We can guarantee that." "What, even if it is 20 per cent? Even if it is 25 per cent, you are going to guarantee us a 25 per cent pay increase even though you cannot give it to us when it is a 10 per cent increase?" I think enough is enough, do not pull the wool over our eyes anymore, do the right thing and support this amendment.

#### **2.4.8 Deputy S.G. Luce:**

I am not sure whether to be happy or sad or to be worried or content because in the big book of excuses we have had over the last few years: Brexit, we have had COVID, recently we have had the storm, but most recently we have had Deputy Steve Luce and twice today I have heard my name

rolled out as one of the reasons why things cannot be done by Government. So from now on at least I will know that if I do hear my name mentioned that somebody is in trouble and I need to start paying attention. I congratulate Government because they have responded to Deputy Bailhache and Deputy Barbara Ward as well as they can. They have thought hard, which they use an excuse, they have told us that the fund is in a really good state, and they are being prudent and the F.P.P. have told them that it is the right thing to do. But I think we all know that deferring payments that you are obliged to make for once, and then doing it a second time, it becomes year-on-year and it is the start of a very slippery slope that very soon becomes the norm. I warn Members against it and urge them to support Deputy Bailhache.

#### **2.4.9 Deputy M.R. Le Hegarat of St. Helier North:**

I have a vague memory of sitting in Fort Regent socially distancing as the chair of the then Health and Social Security Scrutiny Panel when this sort of delaying of a payment reared its ugly head. What happened was, was that I think for those of us that were still relatively new to the Assembly, probably did not really fully understand all of the sort of bits and pieces to do with the Social Security fund, at that time the money was needed for COVID and it was long, hard and thought, and we agreed that the payments could be delayed. However, the actual panel at the time said: “No, you cannot delay it for the next 2 or 3 years” or whatever it was at that particular time. We said: “You will bring it back next year.” There was a reason for that because we did not want to go down that slippery slope and continue to be pushing this back. What I do find very, very interesting, and maybe it is me that has got this all wrong, is the fact that this Social Security Fund is really very healthy according to everybody, according to all the experts on funds. So I leave this with the Assembly as a whole, if the fund is in such a good position, why are we putting the pension age up?

#### **2.4.10 Connétable M. Labey of Grouville:**

I rise rarely, I know, but I would like to make 2 points, the first being that I have been to presentations given by the Social Security Department about the long-term care and our pensions and the projections I saw, the fund run out in 2040. They were making premises about the rising population and I am firmly of the belief, having been round door to door in Grouville, that we are going through a period of net migration, and I think that is probably the first time since the Second World War that that has happened. I do not think the Social Security Department should ignore that fact that we may be going through a period where people are more likely to leave than they are to come to the Island basically because it is a very expensive place to live. Secondly, I went to a presentation given on higher education last week where they claimed a survey had been done of secondary students saying that if any of them went to higher education, 80 per cent of them would not return to the Island. I find that very alarming. If there is this phrase the “bean drain” I think that is a very good example of what may be happening in our future, so I think we should all bear that very much in mind when we start talking about raiding our pension pot.

#### **2.4.11 Deputy A. Howell:**

Deputy Millar and Deputy Gorst gave us all an undertaking in February and I believed them. Now, they are giving us an undertaking that they are going to defer payment but they are going to make it up in 2024, 2025, 2026 and 2027 but how do we know that? Will they be in the States at that time? How many of us will be here? How can we say that we are going to make a payment in 2026 and 2027 because we just may not be able to? This Island does have debt now and I think perhaps the States, we are overspending, and I think we have to be very careful what we are doing, and we do not have to defer this payment into this pension pot or the social security. I think we should do the right thing and support Deputy Bailhache’s amendment.

#### 2.4.12 Deputy I.J. Gorst:

Politics is always at best challenging and politicians have to do things, Sir, which you in your position never do. I can give you the benefit of my experience that eating humble pie when it is to be eaten is best not done in public. But of course the reality is that when Ministers presented the Government Plan last year the proposal was to reintroduce the supplementation grant. It is quite important that I just explain what that is because it is apparent that there is some confusion about that.

[15:15]

That is not connected any longer with the contributions that individuals make towards their pension nor the contribution that employers make for those individuals that they employ towards their pension. It is a third leg of support and that is provided by taxpayers, so this is not interfering with that, as others have said, sacred bond between employees and pensioners. So it is absolutely correct to say that the Social Security Reserve Fund which stands at over £2 billion, we are unique. I do not know of any, other than perhaps oil-producing countries, other country that has such a reserve to pay for pensioners. I cannot think of one but I am happy for any Member to interrupt me and tell me of a non-oil-producing country that has a £2 billion pension pot to pay old-age pensions. It is right that that bond, that trust, is maintained. It is also right to say that during COVID, in order to pay the many hundreds of millions of pounds that Government paid to individuals via their employer, that it was the right thing to do to not make that tax contribution to the fund at that time because it was healthy and it remains healthy when, as the Minister said to us, we looked at the actuarial review. It was the right thing to do. Ministers have got to present a Government Plan which is balanced and this Government Plan reintroduces a large part of the taxpayer contribution into the Social Security Reserve Fund as detailed in the comments paper to the amendment. It does not reintroduce it all, that is absolutely right, which is what Ministers had hoped to be able to do and had indicated to this Assembly they would do. To that extent, I accept the reprimand of the mover of this proposition but, let us be clear, it does reintroduce £50 million worth of taxpayers' money on top of the contributions that all employees and employers are making to the Social Security Fund, just not quite in the fulsome manner that the mover of this proposition would like. I do not think I have ever been referred to as Mr. Robert Maxwell and certainly not in this Assembly. For one thing we have a quite different physique but there are many other differences as well. Of course, I enjoyed Deputy Barbara Ward's commentary around pensions and I find myself with little to disagree upon in regard to her comments about pensions. But we remind ourselves that what we are talking about today is the old-age pension, it is not the employees or States employee pensions or the teachers' pension which she sat on as a *quasi* trustee. I enjoyed my period sitting on that very same panel as well. We know that those pensions are themselves in surplus and have got extremely healthy substantial reserves, unlike the Mirror Group pensions, or I should say the previous Mirror Group pensions, and what the then owner of the Mirror Group did to those pensions. So it is a totally different position that we find ourselves in today with what is being proposed by Ministers and what the amendment is proposing. Members did not object when in the mini-Budget Ministers brought forward the proposed reduction in social security contributions which, again, it was a positive decision to support Islanders during that period of the cost-of-living crisis, nor was it suggested that those individuals should pay back those reductions either. So it is quite important that we say, to my recollection ... and I could be wrong. It is not beyond the realms of possibility, it would not be first time either [**Approbation**] there was never any ... not on policy matters as my friends in Reform might be indicating by their stomping. I do not recall any commitment given to repay those COVID monies foregone at any point in the past. It would not make economic sense, and I will come on to that as well, because I fear that the mover of the proposition feels passionately about reinstating the full amount as quickly as possible and is not satisfied with this very substantial reinstatement on a phased basis. But I am not sure that his heart really is in taking the money from the Strategic Reserve either, for all of the reasons that he knows the Strategic Reserve is there for. It is important we have reserves, we have different pots that we do not mix and match in the way that some have suggested we should. The Constable of Grouville

talked to us about the long-term care fund. That of course is a wholly different fund as well that does have money in from taxpayers contributing, as well as taxpayers contributing through their I.T.I.S. rate and pensioners as well, as we know. We know from the actuarial review that that is the fund which is under most pressure and that that is the work that the Minister for Social Security is doing and will need to come forward with proposals to deal with that fund. But the economists were absolutely clear, and I hope that Deputy Barbara Ward will not mind me referring to a question that she put to the Fiscal Policy Panel when they fed back on their review of the Government Plan and the economic conditions, because she asked the question of them that she often asks me and that is: should we not repay that money back into the Social Security Fund? It is relevant because their answer was: "No, that would not be economically sensible. If you are going to put more money into any of your reserves, the reserve you should put money into is the Strategic Reserve." They would also like to see us putting money into the Stabilisation Fund, which is why I have got that provision in the Government Plan to, at the year end, if at all possible, to put money into the Stabilisation Fund. But I remind Members again that the balancing of this Government Plan was made, and I do not make this as a criticism of any individual, but was made so much more difficult than where we thought it was at the start of this process because of the challenges that the health service is facing. This Government Plan puts substantial money into the health service, helps them with their programme to deliver appropriate health services to Islanders, because I think that that is really quite an important priority for Government. I think it is a really important priority for Islanders. Any Member who has had either a family member or a constituent who has had to engage either on a ward or on a waiting list, no criticism of the individuals involved because they are absolutely first class, but they are struggling under the weight of medication and operations and waiting lists that are required. It is right that we work with the health team to address those challenges. That is where the pressure in this Government Plan comes from and that is why ultimately Ministers thought it is best, absolutely, we have got to stick with that commitment to reintroduce supplementation - sorry, a technical name for taxpayers' money - into the fund but that it was right that at this stage we did not do it fully but we help support health with the problems that they have got. I know that no Member is saying it is the wrong thing to help health; every Member knows it is the right thing to do but that is the balance that we had to deal with. So, I really do ask Members to think very carefully, even those who absolutely think the principle of reinstating of the grant is really important. It is important Ministers accept that they have not in this plan been able to propose the full reinstatement and they hold their hands up and apologise for that. I have got no qualms in doing that but I do think that the mover of the proposition does not really quite think money coming from the Strategic Reserve, the rainy-day fund, to do this is either the right approach and it certainly is not the approach that the independent economists say that we should do. So, again, it is with a heavy heart that I ask Members not to support this amendment today.

#### **2.4.13 The Connétable of St. John:**

I was really interested to hear Deputy Gorst's speech and the passion he had. I wish he had have shown some of that passion when asking colleagues to show restraint in their spending plans for next year. We have heard about the need to do better. I do not believe we should be taking money out of either of the funds, we should be living within our means. A £1.2 billion budget for an Island of 103,000 people is amazingly high and we should be doing better to live within that. We heard from Deputy Ozouf about good economic management. Well I would respectfully suggest to him that good economic management would have seen us live within our limits and not need an extra £20 million. He also mentioned about financial and economic principles. It appears they do not stretch to being disciplined when spending. Deputy Scott spoke, quite rightly in my opinion, about improved efficiencies and living within our means. We really should listen to the Deputy when she talks about this. We really need to do far, far better in that area. I have no doubt that in the future we will be discussing personal workplace pensions in this Assembly where we will be discussing the need for financial discipline from individuals and businesses. I believe we should be leading on that front and

not say: “Do as I say, not do as I do.” We really should be far more disciplined when it comes to this and I will be supporting Deputy Bailhache.

#### **2.4.14 Deputy J. Renouf:**

I want to look at this idea of a great principle being violated because to me it seems that over the 4-year plan the whole amount will be paid to the Social Security Reserve Fund and therefore it will be ring-fenced. It is therefore a reprofiling, it is a rearrangement of the payment schedules. Instead of putting the amount in every year that was previously said, it rearranges the amounts paid in each year to achieve the same effect.

[15:30]

£345 million will go into the Social Security Fund from the government funds over the budget period. Let us test the great amorality that is at stake here with a little thought experiment. If you went to sleep today and woke up in 4 years' time you would see that the Social Security Fund was exactly where it should be. You would care not a jot whether less money was paid in the first couple of years and then more in the last couple of years. That is not sophistry, it misses the central point. The fund will be in exactly the same position as if it had been paid by the same amount each year, so it is not therefore at the expense of pensioners. Not a single pensioner nor any other recipient of money from the Social Security Fund will lose out. Not a single one. The argument is advanced that essentially some Members do not trust us to keep to that payment schedule. Well, I guess, fair enough, that is a pretty nihilistically argument to bring to this Assembly. Why trust us on anything that is in the Government Plan, it all involves 4 years of tax-raising and spending measures. In my view, the principle that Deputy Bailhache is talking about here is a principle without a purpose. The principle is that the money should never be taken out of the Social Security Fund. The purpose should be to protect pensioners and other beneficiaries. We are emphatically not violating that fundamental purpose or the principle. There is no theft, nothing immoral, nothing improper. The far worse principle, as Deputy Ozouf said, would be to raid the Strategic Reserve. We are supposed to be building that up; that is a very clear message. That is the area of our vulnerability, not the Social Security Fund. The area of our vulnerability is the Strategic Reserve and indeed the Stabilisation Fund. These are the important things that we must be building up; that is a principle worth defending. The Social Security Fund, on the other hand, is in rude health and we simply acknowledge that we can achieve the same ends by simply reprofiling the expenditure. I therefore urge Members to reject Deputy Bailhache's amendment.

#### **The Bailiff:**

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

#### **2.4.15 Deputy P.M. Bailhache:**

I would like to thank all Members who have participated in this debate, particularly, if I may say so, those Members of the Reform Party who have indicated support for this proposition. Deputy Tadier is of course right to tweak the tail of the Jersey Liberal Conservatives but then parties do get into difficult positions when they form *quasi* alliances with a Government. I seem to recall that Deputy Mézec got himself into a bit of a spot of bother when he joined the Government a little while ago, so conflicts are created and conflicts have to be resolved as best they can be. I do not want to compound the embarrassment of my friends the Ministers on the other side of the Chamber but I will say in response to Deputy Ozouf, who quoted the passage from that famous economist which he is fond of quoting: “When the facts change then my opinion changes” which was essentially was what the Minister for Social Security was saying but the difficulty is that the facts have not changed. We have had an actuary's report, it is true, but there was never any suggestion I think that the Social Security Fund was not in a good position. The essential fact is that the Social Security Fund is money that

belongs to pensioners and it should not be played with. I do not propose to repeat everything that I said in opening this debate. I will only say that an important principle is, in my view, at stake. That principle is that funds in the Social Security Department belong to pensioners and prospective pensioners and not to the States and that is the principle which Deputy Renouf does not seem to be able to understand. These funds give security to all Islanders that in the uncertain years ahead there will be money available to assure that a basic pension can be paid to everyone and we should not use this money for other purposes, whether balancing the books, paying for health or paying for the COVID pandemic, these are things for which Social Security Funds should not be used. Using the fund for that last purpose was a fundamental mistake. It has given birth, I think, to the assumption that these pension funds are a kind of piggy bank, as Deputy Barbara Ward said, into which the Government and States can dip whenever it is convenient to do so. Deputy Luce was quite right to talk about a slippery slope, that is exactly where we are, because here we had a Government which but 9 months ago was saying: “No, we will never take money out of the Social Security funds again”, in effect, that was what was being said, and here we are in December doing exactly that. The problem is, and Constable of St. John put his finger on this, is that we have not got enough money in the Consolidated Fund. We should have but we have not got enough money in the Consolidated Fund and what do we do about it? Do we go to a ring-fenced fund, as Deputy Southern accurately described it, or do we go to the Strategic Reserve? If the money is going to be repaid in 2027, as the Government assures us that it is, then what is the problem with going to the Strategic Reserve? It is the principle and how important is the principle to Members? It is very important to me and I do not think that the principle should be broken. The Social Security Fund will be vulnerable in the future and pensions for our pensioners will be vulnerable if we get into the habit of thinking that this is a slush fund which can be resorted to whenever there is a difficulty in balancing the books of the Consolidated Fund. I move the amendment and I ask for the appel.

**The Bailiff:**

The appel is called for. I invite Members to return to their seats. The vote is on the first amendment. I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The amendment has been adopted: 26 votes pour, 21 votes contre, no abstentions. **[Approbation]**

<b>POUR: 26</b>		<b>CONTRE: 21</b>		<b>ABSTAIN: 0</b>
Connétable of St. Brelade		Connétable of St. Helier		
Connétable of Trinity		Connétable of St. Peter		
Connétable of St. Martin		Deputy C.F. Labey		
Connétable of St. John		Deputy L.M.C. Doublet		
Connétable of St. Clement		Deputy K.F. Morel		
Connétable of Grouville		Deputy S.M. Ahier		
Connétable of St. Ouen		Deputy I. Gardiner		
Connétable of St. Mary		Deputy I.J. Gorst		
Connétable of St. Saviour		Deputy K.L. Moore		
Deputy G..P. Southern		Deputy P.F.C. Ozouf		
Deputy M. Tadier		Deputy D.J. Warr		
Deputy S.G. Luce		Deputy H.M. Miles		
Deputy M.R. Le Hegarat		Deputy M.R. Scott		
Deputy R.J. Ward		Deputy J. Renouf		
Deputy C.S. Alves		Deputy H.L. Jeune		
Deputy L.J Farnham		Deputy M.E. Millar		



Deputy S.Y. Mézec		Deputy M.R. Ferey		
Deputy P.M. Bailhache		Deputy A.F. Curtis		
Deputy T.A. Coles		Deputy K.M. Wilson		
Deputy B.B.S.V.M. Porée		Deputy L.K.F Stephenson		
Deputy C.D. Curtis		Deputy M.B. Andrews		
Deputy L.V. Feltham				
Deputy R.E. Binet				
Deputy A. Howell				
Deputy R.S. Kovacs				
Deputy B. Ward				

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

Those Members voting pour: the Connétables of St. Brelade, Trinity, St. Martin, St. John, St. Clement, Grouville, St. Ouen, St. Mary and St. Saviour; and Deputies Southern, Tadier, Luce, Le Hegarat, Rob Ward, Alves, Farnham, Mézec, Bailhache, Coles, Porée, Catherine Curtis, Feltham, Rose Binet, Howell, Kovacs and Barbara Ward. Those Members voting contre: the Connétables of St. Helier and St. Peter; and Deputies Labey, Morel, Ahier, Gardiner, Gorst, Moore, Ozouf, Warr, Miles, Scott, Renouf, Jeune, Millar, Ferey, Alex Curtis, Wilson, Stephenson, Andrews and Doublet.

### **2.5 Proposed Government Plan 2024-2027 (P.72/2023): eighteenth amendment (P.72/2023 Amd.(18)) - Free G.P. visits for all full-time students**

#### **The Bailiff:**

The next matter to be debated is the eighteenth amendment, brought by Deputy Alves, and I ask the Greffier to read that amendment.

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

Page 2, paragraph (e) - After the words “Appendix 2 - Summary Table 3 in line with Article 9(2)(b) of the Law” insert the words - “, except that a new line should be inserted in Summary Table 3 to include a transfer of £75,000 from the Health Insurance Fund to the Consolidated Fund to allocate funds to extend the Free G.P. visits for Children and Young People Scheme to all full-time students, including students in full-time education undertaking Higher Education at Highlands College, Colleges, and Universities in the U.K. or abroad”. Page 2, paragraph (h) - After the words “Appendix 2 - Summary Tables 5(i) and (ii) of the Report” insert the words - “, except that, in Summary Table 5(i) the Head of Expenditure for Health and Community Services should be increased by £75,000 to allocate funds to extend the Free G.P. visits for Children and Young People Scheme to all full-time students, including students in full-time education undertaking Higher Education at Highlands College, Colleges, and Universities in the U.K. or abroad”.

#### **2.5.1 Deputy C.S. Alves of St. Helier Central:**

This amendment seeks to address what I think is a gap in the current offering of free G.P. consultations for young people and an inconsistency in access to free services by those studying on and off-Island. Last year the Government approved my amendment to the Government Plan to provide free G.P. consultations for children and young people aged zero to 17, and I would like to take the opportunity to thank the Minister for Social Security for doing this work and extending it to cover access to a range of additional services. However, this has highlighted an issue with those turning 18 when in full-time education. For example, there are 2 students in the same academic year group attending the same educational establishment; one has a birthday in September, the other has their birthday in August. The student whose birthday is in September will have to pay for their G.P.

consultations for the majority of the academic year, while their colleague who has their birthday in August will not. The arguments and issues that were raised in favour of the original amendment last year to provide children and young people with free G.P. consultations do not suddenly disappear because somebody turns 18 before somebody else. This person will still experience many of the same issues, including financial dependency on someone else. The other issue that has been highlighted to me is the disparity that currently exists between those studying full-time on-Island and those studying off-Island. For example, there are 2 students over the age of 17; one is studying off-Island in the U.K. and the other is studying on-Island. They are both full-time students, for example studying a degree course, which you can do on-Island as well as in the U.K. The student studying in the U.K. has access to free G.P. consultations along with some additional services provided for by the N.H.S. (National Health Service). The student studying on-Island does not have the same access. Again, both these students will face the same difficulties. Students are among some of the most vulnerable groups and they are more likely to have to depend financially on someone else and, therefore, unable to access the care that they need in a timely manner while also respecting their need for privacy. As highlighted in my report - and that I will not cover again - keeping students healthy has a much wider, far-reaching impact. It produces positive outcomes in academic performance, economic contributions and productivity, public health and disease prevention, inclusion and equality and long-term savings. I am going to keep this short and sweet. I hope that Members can see the value of this amendment and will vote in favour of it. I make the amendment.

[15:45]

**The Bailiff:**

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

**2.5.2 Deputy E. Millar:**

As Deputy Alves said, much of what is going to be said today will probably have been said last year as well. Deputy Alves and her Reform Jersey colleagues have put forward a wide range of proposals in recent years to extend government support for health costs. This year she has commented on our expansion of, following her proposal, the introduction of free G.P. visits for children and young people that came into play last year. That is very clearly for children up to the age of 17, and I would simply make the point that a child under the definition contained in the United Nations Convention on the Rights of the Child is a young person under the age of 18. So we are not talking about children; we are very clearly talking about adults over the age of 18. This year Ministers were pleased to support the proposals from Deputy Kovacs to extend existing support for wound dressings and medical hosiery to create a large-scale scheme during 2024. Ministers are also supporting a proposal from Deputy Feltham to provide additional financial assistance to parents of children with serious health conditions. In both cases there is a clear medical need driving the scheme. Unfortunately the same argument cannot be made in respect of full-time students and Ministers cannot support Deputy Alves proposal to provide free surgery consultations to adult students. Access to timely primary care is an important part of all modern health systems. Since 2020 low-income families and pensioners have been able to access surgery visits for a fixed fee of £12 per adult. During 2023 I took clear action to reduce the cost of G.P. visits for all adults with a £20 reduction with all G.P. surgeries from June. From July all children's surgery visits have been free. Our pharmacy initiatives will also benefit Islanders in terms of reducing costs of G.P. visits and prescription costs. The Deputy's report suggests that full-time students are the next most vulnerable group after children aged under 18. I have some concern with the way we use the word "vulnerable". Is someone who is 18, about to go to university, to leave home, to study in the U.K., possibly in another country; are they really vulnerable, and vulnerable to what? They are young and healthy, most of them - as the Deputy says herself - may have one visit a year. So the idea that they are all vulnerable in some way I think needs questioning. I can reassure Members that low-income adults are already covered by the Health Access Scheme and receive surgery visits for £12. Young adults with a significant disability are also

covered by the Health Access Scheme, even if they remain living at home in a non-income support family. All care leavers have full access to primary care services I believe up to the age of 25. These groups of young people are covered, whether or not they are students. I do have a number of questions about the Deputy's proposition. Why cover this group? There are elements of unfairness. The Deputy suggested slightly that the young person involved may be at school or may be at Highlands. Where does it stop? What about part-time students who do not earn very much otherwise? What if someone does not go to university until they are 23? What if they go and work in financial services for a couple of years and build up a nice nest egg and then go to university when they are 23? Are they covered? What if they do a second degree and then do a PhD? What is the cut-off point in all of this? It is very unclear. There will be some considerable logistical issues in this because we simply do not know who all the full-time students are. I have not been able to gain information but we think at least 25 per cent of students do not receive any grant funding so we do not necessarily know who they are. It will be difficult to know how doctors prove who full-time students are and who are not. I think we need to be very careful about what we do with G.P. visits. I know that Reform feel closely that healthcare should be free for all, but we only have to look to the U.K. to see just how difficult that is. Deputy Alves said, very confidently, that a student from Jersey studying in the U.K. can see a G.P. free of charge, for nothing. An elderly relative of mine who was 87 3 weeks ago needed to see a doctor so she phoned on the Monday morning. She did not phone first thing because she knew it would be busy so she phoned mid-morning. The call handling service told her that she was number 18 in the queue. She waited a long time to speak to someone and when she did she was told that that number was only now dealing with emergencies and she had to call again tomorrow. The following morning she called again. She was number 24 in the queue and again she waited a very long time to speak to someone and was told that there were no appointments left, she would phone again today. She phoned the third day, again was 20 something in the queue, and again was told to call back. She asked if she can make an appointment for the following week when her G.P. that she normally sees was back from holiday and she was told no, she cannot make an appointment in advance because that is not how they do things. You have to phone and just see whether you are in the lottery for an appointment that day. So what are we suggesting, that children are getting medical appointments when older people cannot; 87 and she cannot see a doctor. This is what we are looking at. The N.H.S. notion of free care for everybody is simply not happening so what are we going to do? Are we going to say to Jersey students: "Do not bother, keep your illness, stay ill for 10 weeks and then come home and see a doctor in Jersey." We need to be careful. We are in a global shortage of doctors. We have to be very careful; everything we do that increases the pressure on doctors risks older people in Jersey - who potentially are vulnerable - not getting to see doctors. We have to value G.P.'s time and simply making it free for people who do not really need it is not helpful. We cannot run a health service making piecemeal amendments to our healthcare system. The overall cost of our health system will rise steadily in coming years as we enjoy longer lives. Some of those lives will be healthier than others. The Minister for Health and Social Services is leading a major review of future health systems and funding challenges and will report back to the Assembly by the end of next year. In the meantime Ministers will continue to support well-targeted schemes to support access to healthcare, subject to the need to provide sustainable funding for these schemes in future years. For all of those reasons this scheme is not well-targeted, it will be difficult to operate, it will be unfair among numerous classes of young people, and I urge Members to oppose it.

### **2.5.3 Deputy M. Tadier:**

We have heard I think a well-rehearsed argument from our Minister for Social Security, which I think contained quite a lot of non-sequiturs. She seemed to be arguing against the principle of free G.P. visits full stop, which is not what is being proposed here. We already have free G.P.s for those up to 17 and Deputy Alves is simply asking that this be extended to those in full-time education. The point, if you are in full-time education then you cannot be working. So the commonality between someone

under the age of 18 and somebody who is a student is that you are certainly not in full-time work and if you do a little bit of part-time work here and there it is to cover the costs of your tuition and your lodgings, et cetera. That surely has got to be one of the compelling reasons; you do not have an income stream, therefore you need that support and how often have we heard from all sections of the Assembly, also previous Assemblies and we have heard it probably from the Assistant Minister at Education and Young People, and possibly the Minister, about this cliff face that young people can face at the age of 18. I am also thinking about care leavers; we must not forget those in all of this. That when you get to the age of 18 everything changes and then you are considered an adult, you are pushed out into the big wide world. But in reality that is not the case at all, is it, 18 to 25 year olds are still very dependent; they may be doing their education in Jersey, they may be doing it in the U.K. So we have simply heard this argument that a foreign country ... Deputy Millar has talked about a foreign country which has got a bad health system. She thinks there is a foreign country to the north of us called the United Kingdom which has got a bad health system and so one of her relatives had trouble getting an appointment, but what has that got to do with anything? I feel sorry for her relative but we are not trying to replicate that system in Jersey. It has to be said that if there is a student at university in the U.K. who is also picking up that phone trying to get an appointment with the G.P. in the U.K. he or she will be going through that same problem where the phone will be there, you are 25th in the queue, and that student will not be able to get an appointment in the U.K. So they have either got a choice of not getting an appointment in with the G.P. in the U.K., we are being told, or coming back to Jersey and having to pay for a G.P. when perhaps only a year earlier they were getting free access to G.P.s. So what are they supposed to? Are they supposed to go to their parents and say: "Can you lend me £20 please so I can go and see the G.P.?" "Why do you want to go and see the G.P.?" "I need to talk to them about something a bit private." "Well, can you not talk to me about it? I do not really have £20 on me." This is the reality of what I think Deputy Alves is trying to do. It is not saying fundamentally break our health system, it is saying that we already have access for certain groups in our community - some of whom could be considered vulnerable, and there will be students in that area who are vulnerable as well - just simply extend it to the point where they finish their education and where they start working. I do not think that is a radical proposition, I think it is a moderate one, and I very much see the comments of the Minister for Social Security as scaremongering and not relevant.

#### **2.5.4 Deputy R. Ward:**

I want to thank Deputy Tadier because I was sat here thinking: "There is something wrong with that argument that has just been made." He used the phrase "non-sequitur" and I have to admit I had to look it up because I have never been quite sure what that means. It means a conclusion from a statement that does not logically follow from the previous argument or statement, and I think he used that phrase beautifully. Because what we had was an argument that said ... and this is what we get every single time and, yes, I am very, very, very proud that as a Member of Reform we have brought consistently principled - that terrible thing called principles, they really do get in the way sometimes when you are elected on them - those principles that we believe people should access healthcare, which is also a really key principle in delivering good healthcare. Because primary healthcare - as recognised by the Minister for Health and Social Services - is absolutely vital in a healthcare system that works. Early diagnosis, early treatment, means better outcomes for everybody involved, particularly for young people. I wanted to mention a couple of things. This argument that young people are not vulnerable, I think that is a very, very risky argument. I really hope that young people do not have vulnerabilities, I really hope they are secure in everything they do, but I remember being young and we all had vulnerabilities at that age and needed support of those around us. When they go off to university or when they start studying, the pressures of studying, the pressures of being away from home, the pressures of being independent can exacerbate those vulnerabilities. Anything that we can do to give access to care and help in a private way is worth every single penny that we spend from this Assembly. This small amount of money that will be spent on this, this relatively

small amount of money which could secure one, 2, 3, 20, I do not know how many young people going to get the help they need and having early intervention is worth every single penny. So I dispute that notion. But there also seems to be a contradictory ... I do not know if it is a tautology or not, this idea that if we make it free we will flood the G.P.s with young people, but young people are fit and do not need the G.P. So which is it? You cannot have it both ways. We have healthy young people who will want to go to the G.P. Well, I do not know about you but when I was young the worst thing was going to the G.P., particularly if my mum took me. I do not want to talk to the G.P. with my mum there. Young people need to have that privacy to talk about their health needs. We all know that.

[16:00]

I am extraordinarily disappointed that this was not accepted by Government. I know we do not have the “put children first” motto anymore, because I think we all realised the last Government was not really doing that, but I really hope that the notion of it stayed with us, that we would look after our young people. It is recognised, quite rightly, elsewhere ... and I would say to Deputy Tadier the other side of that is that care leavers do have the care leavers offering until 25, quite rightly, because we are providing that support for them. I do not mind money going on that because it is the right thing to do. If you want to be purely economic it will save money in the long term because people get access to healthcare, do something about it, and look after themselves better. We are all parents, I am a parent and I worry about my children, totally unduly and I catastrophise every time I think there is something wrong. I have got to stop doing it but I do it all the time, to the point where I will message my son and say: “Can you ring me?” because that is the only way he will contact me because he thinks there is something wrong - it is going to run out eventually - and I will just check he is okay. Now, I want him to be able to access a G.P. where he can, and in the U.K. when he was at university there were campus G.P.s and it was not such a long wait anyway, so I think that is another false argument. We are not the N.H.S. I am tempted to say that is what happens when you leave the Tories in charge of the N.H.S. for 13 years, but anyway. Or the Conservatives, or the Liberals; I do not know which we are now, but anyway. But I think there are some really strange arguments being hammered here. This is simple, and I am very pleased that Deputy Alves kept her opening speech so simple and short because it is exactly what it is. There is a loophole, let us fill that loophole, let us provide the service that we can on this Island and we have proved we can do to young people, just to extend it to full-time students. I urge Members of this Assembly, think really carefully before you accept these false arguments, and to support this amendment and we can leave today having done something very positive for this Island.

#### **2.5.5 Deputy M.R. Ferey:**

I would like to add my support to the Minister for Social Security and her Ministerial colleagues. In my view, the mover of this amendment has failed to make the case to provide free access to full-time students. Her own calculations show that this group typically only visits the G.P. just over once a year and quotes the average price of a student consultation at £33. This is your equivalent of less than £40 for a whole year. We already have a scheme for low-income students. We already support care leavers and we already support disabled students. We already provide free, confidential sexual health services for young adults via the Brook service. While the overall cost of the Deputy’s scheme is not high this is not a reason for accepting it. I ask Members to reject this amendment.

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

I thought I heard the Minister suggest that a financial picture of the state of our health service and the needs of our health service is going to be available by the end of next year. Can she confirm that or even perhaps the Minister for Health and Social Services might suggest a different timescale, because I understood that we were going to get the full picture of the economics of health in the Island by the end of quarter one this coming year. Can either of them just clarify what the status is?



**The Bailiff:**

I am afraid the Minister for Social Security has spoken and cannot speak again in the debate. Whether the Minister for Health and Social Services chooses to speak is a different matter.

**2.5.7 Deputy K. Wilson:**

I am happy to answer the Deputy's question and to say that the initial first phase of the work is being completed on the sustainable health funding and we are on track to produce some proposals during 2024. We will try and bring those forward if we can, but we are sticking to the original timescale. I just want to support colleagues in social services around the effort to increase and improve access to primary healthcare. As colleagues have already mentioned, there have been a number of initiatives designed to address access issues for both children and adults over the last couple of months. While I agree in principle that access should be universal in terms of improving health outcomes for people, that does not come at the expense of doing that on a free basis all of the time. I think we have to be proportionate in our approach to how we develop access to healthcare for people across the Island, particularly targeted healthcare which allows us to use the resources that people have talked about today that need to be used more efficiently and more effectively. I think as part of the health strategy work that we are going to be bringing forward for next year one of the areas that we want to focus on is the importance of prevention. I would like to propose that this is where we would work with young people to understand how and in what way they would like to access healthcare, what are their needs, why should we just be forcing them down the line of a G.P. contact? Their needs are diverse, they have views about what they want from a healthcare service, and I think on that basis I would urge Members to consider that there are other opportunities, other alternatives to providing better healthcare for students that we will be discussing in the new year.

**2.5.8 Deputy S.Y. Mézec:**

I congratulate Deputy Alves on bringing this amendment and I defy any Member of this Assembly to try to muster up an argument to claim that her previous amendment to make G.P. consultations for children free was anything other than a huge, resounding success that has had a positive impact on those children and their families who otherwise would have been paying. The feedback that I get from health professionals is one of overwhelming support for it. It has been a thoroughly good thing. The reason for that is because it is based on a sound principle, the principle of free at the point of need: "From each according to their ability, to each according to their need" which when it comes to healthcare there is no finer principle because when your health decisions are affected by your access to money you do not always make the best health decision, you put off things, you do not get the timely help when you need, and that ends up with things being more expensive or sometimes more harmful in the long run. That is why I will make no apologies for saying that we ought to one day get to that situation where access to primary healthcare is free at the point of need for all Islanders so every Islander can get the healthcare they need when they need it, in a timely fashion, and not have to rely on artificially keeping the queues down by charging people, and also ending up with added pressure at A. and E. (Accident and Emergency) because people who cannot afford it end up putting it off and then end up presenting themselves there because they have got no other opportunity and are met with those signs on the door making them feel guilty for not having been able to afford to get the primary healthcare which probably would have avoided their need to go to A. and E. in the first place. I think the explanation of people's experiences as students from Ministers has been completely out of touch with the real-life experiences of students. I remember when I was a student I was skint all the time. All the time. I lived thousands of pounds into an overdraft, I had thousands of pounds of debt, and that was not because I was not working part-time when I could as well to make extra money, it is because I was spending that on my rent, I was spending on my books that I had to pay each term for, and everything else. Nothing else at all would have featured into that equation but I certainly knew people who were even worse off than I was in that situation. So if I wanted to go and see a G.P. I would either have to do so in the U.K., which I did not want to do because it was not my

G.P., my G.P. was based in Jersey, that is the one who I wanted to see, and if I came back I would probably go cap in hand to my parents which is exactly the situation we want to avoid because frankly it is an embarrassing thing to have to do. I completely agree with the way that Deputy Ward referred to the situation in the U.K. That is the mess you get when you have underinvestment in health services which, for at least 13 years in the U.K., has been ideologically driven and we can see what an absolute mess it is. Getting queues for seeing a G.P. in the U.K. is down to funding priorities; it is not down to the principle that anybody ought to be able to see a G.P. when they need it. I know of instances in the U.K. - particularly in towns outside of London - where I had friends who got to see a G.P. very quickly when they needed it because they just happened to be lucky enough to be based somewhere where the local authorities had made particular decisions on funding for health access, and so the queues were not so bad there and could go very quickly. It is all a question of priorities. Deputy Tadier of course was totally right that it is a non-sequitur here, and Deputy Ferey pointing out that their stats say that students only go to see a G.P. slightly more than once a year. So what is the problem then? It is going to be cheap to do it but that once a year might, when it comes to it, be very important for that student. There are all sorts of health things that we can be affected by, even in our younger years when you might otherwise assume would be the healthiest time for us. This is the direction of travel. The Minister for Health and Social Services spoke about the wider work they are doing on health funding and the way they wanted to engage with students. Are you going to engage with students and are they going to say: "No, keep charging us to see a G.P."? Of course they are not. They are going to say the precise opposite; we can presume that without having that conversation with them, and this will be the direction of travel. So we can either do what we did last year, which was to ignore the advice given to us by the Government and vote to go ahead with expanding a scheme that provides free access to primary care for a wider group of people, it was a resounding success last time it was done, it will be a resounding success if we do it again. So rather than prevaricate and defer to some future review or future consultation, which is an oh so easy thing to do, I hope Members will support this amendment from Deputy Alves and I bet you none of us will regret it afterwards because we did not the last time we did that.

### **2.5.9 Deputy K.L. Moore:**

I fully appreciate, and so does the Council of Ministers, that on the face of it this seems like a very simple, low cost and good initiative to support, but if we consider the words of the Constable of St. John in the previous debate, we do have to watch our pennies. There is absolutely no doubt that it was the right thing to do to fund the under-16s in their attendance at G.P. surgeries and that is making a big difference, it is true. But what we have to do now is exercise some discipline because this will not stop, and where do we stop? We are in the second year of this Government and our spending plans and, as the Minister for Health and Social Services has set out, we are in a process of redefining how we pay for our healthcare services and how we put right the legacy that we have taken on, the uncontrolled spending of the previous Minister for Health and Social Services and the people running that service. That is being put right through the investment of this Government, through the good work of the turnaround team, and we are seeing change. Just this morning Members and the public could hear on the radio the change that is being delivered in terms of the reduction of waiting times for scans. Absolutely vital work that is being done and delivered by the careful investment of this Government. This is about priorities. This is about focusing on what is absolutely necessary and it is about focusing on writing the legacy that we have, finding a way forward and delivering sustainable budgets for the future so that we can ensure that the students of today have a strong and healthy future in the Island, one where we can afford to ensure that they want to and are able to afford a good quality of life here in an Island a community where everyone can thrive. This is like buses; we would all love to make our services free to all but the problem would be if we were to do that we would not be able to afford the service itself. I take the view somewhat that I would prefer to see more buses on the road, absolutely, and therefore in order to fund those we do have to take a difficult step sometimes



and exercise some discipline and some restraint. I ask Members, as tempting as it might be, to please kindly vote against this amendment.

[16:15]

#### **2.5.10 Deputy L.V. Feltham of St. Helier Central:**

I will try and be brief and I will not repeat the points that have been well made by my Reform Jersey colleagues about our principles about free access to primary healthcare. However, I did want to address some of the claims made by Ministers in some of the arguments because it seems rather strange to me that only this morning and yesterday afternoon we were having a debate whereby Ministers were telling us effectively that increasing the price of alcohol would limit the amount of alcohol people might consume and change behaviours. Yet they are now saying that the cost of a G.P. visit is not going to stop people from going and seeing the G.P. It seems to me rather a duplicitous argument around cost. We have also heard from Ministers today that this particular amendment is not well targeted because it is not means tested. Yet yesterday Ministers argued to retain hundreds and thousands of pounds of uncontrolled spending on un-means tested tax reliefs. Again, a duplicitous argument. My other point that I wanted to make, because I did promise I would keep this brief, and it only came to me as Deputy Mézec was speaking about his student experience, is if you are sat in this Chamber today thinking about your own experience as a student, think again about how different that is likely to be to the students for today. Because if your student experience ... and I am sure many of you will have been of the age, as am I, whereby we got fully-funded degrees together with a fully-funded maintenance grant; that is not the experience of students today. That is exactly what puts students today at the risk of vulnerability, at the risk of having to go and ask their parents for money if they might want to go and see a G.P. for something that is private and personal, and potentially something they do not want to discuss with their parents. Because, as the Minister for Social Security quite rightly said, at that age they are an adult, they are forging their own independent life, but we are not giving them the means through grants and maintenance funding that previously students had to have that independence. So I urge you to support the Deputy's amendment today and support further access to free G.P. visits for more people on the Island.

#### **2.5.11 Deputy A. Curtis of St. Clement:**

I had no intention to speak on this, and I am sure we all keep hearing that during these debates. I just want to highlight the ability for us through these debates to find nuance and find better positions and better points of view. In hearing Deputy Alves' opening remarks she highlighted a challenge with the knife edge that we see with the under-18 scheme - which I think has been said should be commended and is working well - and that is those in higher education, in essence a year 13 course potentially in something in Highlands is similar - hitting a period where their peers are not affected. Now, I think there is a great case for hearing that argument and reflecting. I think that argument, however, is not the same argument as one to promote free G.P.s for all full-time students. So I think it is possible to take something, regardless of how this goes, out of the debate and hear those valid arguments while reflecting on arguments about those who make life choices to enter full-time education. I highlighted around the Council of Ministers' table my concern sometimes with our approach to supporting and promoting the be all and end all of full-time education while not reflecting enough on how many careers require part-time education. Many apprenticeships have part-time education and ultimately sometimes do not lead to careers with such high-paying jobs. So I would ask Members to reflect on the choices people make, reflect on the good stories we are hearing out of these debates and maybe where changes will be made, but also the case is made that a full-time student can be an incredibly broad category and it can be people who make that decision to improve their employment prospect or to educate themselves for reasons. We need to be careful with that definition, notwithstanding perhaps lessons to be learnt on expanding the scheme brought previously.

### **2.5.12 Deputy L.J. Farnham:**

I remember a former Greffier, some Greffiers back, asking them what did they dread hearing from Members and they said: “I dread a Member stands up and says, ‘I was not going to speak but’.” But I was always going to speak on this, albeit it briefly. I cannot believe how an argument can be made against this, and I think my time in the States has been a rather extreme learning experience and we all continue to learn. A number of years ago perhaps I would not have supported this. I perhaps would not have supported free buses. I probably would not have supported free G.P. visits for children. But having seen it and seen the benefits it brings and seen the confidence it restores in this Assembly from Islanders and from children and from students and from those who benefit, whatever their background and whatever their financial position, has been a revelation as far as I am concerned. I know the pressures on G.P. surgeries are probably more about the availability of health staff and doctors and G.P.s and some of those issues as opposed to an increase in numbers using them. I am not sure. I have been very lucky; I have been with the same surgery all of my life, as were my parents and my grandparents, and even my great-grandparents. I always manage to get an appointment very quickly and if people do not I am quite happy to share the name ... well, no, maybe I am not happy to share the name of my surgery, but I still believe we have very good, in fact excellent primary care over here. This is about improving access to primary care and this will improve access to primary care for full-time students. How better can you improve access to primary care than to making it free to those people who I think would benefit from it, i.e. full-time students. Of course we often nod through or do not debate properly things that are going to cost us hundreds of thousands or even millions or tens of millions. Those can go through on a nod, but here we are, £75,000. In the scheme of things, what are we doing? Let us support this. Let us give full-time students free access to primary care and let us move on.

### **2.5.13 The Connétable of St. John:**

In the previous debate I spoke about the need for prudence. I was really happy to support the proposal for free healthcare for youngsters and I am happy to support this amendment. The money, £75,000, is easy to find. I will give you an example. In June 2023 we approved P.19, that had a budget for £14,400 per month for an interim chair. We spent £21,060 per month for the first 10 months. That is how you save money; you live by your budgets, you stick to your budgets, and let us get on with it.

### **The Bailiff:**

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

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

I thank everyone for their contributions, especially those who spoke in favour, and my Reform Jersey colleagues who have probably left me very little to cover in the summing up. One of the issues here was around what is the cut-off point, some people mentioned part-time students and I think I would have loved to have been able to bring it forward for everybody, for every student and apprentice. However, I think we have to learn to prioritise - like I think the Chief Minister mentioned - and for me, and as Deputy Ward highlighted, full-time students are those that are not working, they are in full-time education and, therefore, do not have the same disposable income. I think it was the Minister for Social Security who mentioned we do not know who they are, how are G.P.s going to know who the students are. Well, I think that raises another issue, I think that raises the issue around the lack of decent data collection in Government, and I think that is something the Minister should not be happy to admit. Also I think there is something called a student card which I think most full-time students carry, it also offers them access to discounts so maybe that would be a way but anyway, let us move on from that. I found the use of the word “adult” quite convenient in some of the contribution from Government, especially when, according to some of the laws that are currently in

place, you are still seen as a dependent until you are 25. Full-time students are full-time students. It does not matter what age they are. The number of students who are older - and when I say “older”, a lot older I suppose - is negligible. If one of the very few things that they can gain from being a full-time student is a free G.P. visit then is that really that bad? At the end of the day they will be contributing their skills back to the economy. They do not have the time to earn as much as somebody who is working full-time so surely this is a way to support their learning and to encourage people to further their education. Also adult full-time students are probably more likely to come back. I think we already heard today that a lot of students are saying they will not be coming back and adult students are more likely to come back because they have established those family links here. We have heard a couple of people’s personal stories and I am going to share my personal story. I went to university later on as an adult. I was at university when I was 23; I think the Minister for Social Security mentioned the age 23. By that time, like Deputy Feltham mentioned, I had to pay for my university fees. Unfortunately I was also diagnosed with cancerous cervical cells and I developed an autoimmune disease around the same time. Both these conditions needed regular monitoring and regular bloodwork and G.P. visits. Now, I could have visited the G.P. in the U.K. for free, and I did on occasion when I needed to, when I needed to get certain prescriptions, if I had flare-ups, et cetera. But, like Deputy Farnham mentioned, I obviously prefer to be monitored by my G.P., the G.P. that had known me since I was practically born and I felt comfortable with. Now, fortunately I had a very understanding G.P. who did not charge me all the time, because I can guarantee you now if I had to cover the costs of those appointments and choose between eating and going to a G.P. visit I would have probably prioritised eating and I probably would not be here today. That is the reality. I think I have made it quite clear that this amendment seeks to address some obvious inequalities that exist. I am not going to repeat them; I think it is quite obvious. I think the nuanced arguments against are just invalid and I think ultimately it is up to Members to make that decision on what they can carry in their conscience. So I urge Members to think very carefully and to support this amendment. I maintain the amendment and ask for the appel.

**The Bailiff:**

Thank you very much, Deputy. The appel is called for. I invite Members to return to their seats. The vote is on the eighteenth amendment. If Members have returned to their seats then I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their votes then I ask the Greffier to close the voting. The amendment has been adopted: 24 votes pour, 20 votes contre, no abstentions.

<b>POUR: 24</b>		<b>CONTRE: 20</b>		<b>ABSTAIN: 0</b>
Connétable of St. Martin		Connétable of St. Helier		
Connétable of St. John		Connétable of St. Brelade		
Connétable of St. Clement		Connétable of St. Peter		
Connétable of Grouville		Deputy C.F. Labey		
Connétable of St. Ouen		Deputy S.G. Luce		
Connétable of St. Mary		Deputy K.F. Morel		
Connétable of St. Saviour		Deputy S.M. Ahier		
Deputy G.P. Southern		Deputy I.J. Gorst		
Deputy M. Tadier		Deputy K.L. Moore		
Deputy L.M.C. Doublet		Deputy P.F.C. Ozouf		
Deputy M.R. Le Hegarat		Deputy P.M. Bailhache		
Deputy R.J. Ward		Deputy D.J. Warr		
Deputy C.S. Alves		Deputy H.M. Miles		
Deputy L.J. Farnham		Deputy J. Renouf		

Deputy S.Y. Mézec		Deputy R.E. Binet		
Deputy T.A. Coles		Deputy M.E. Millar		
Deputy B.B.S.V.M. Porée		Deputy T.J.A. Binet		
Deputy M.R. Scott		Deputy M.R. Ferey		
Deputy C.D. Curtis		Deputy A.F. Curtis		
Deputy L.V. Feltham		Deputy K.M. Wilson		
Deputy A. Howell				
Deputy R.S. Kovacs				
Deputy B. Ward				
Deputy M.B. Andrews				

[16:30]

**The Deputy Greffier of the States:**

Those Members voting pour: the Connétables of St. Martin, St. John, St. Clement, Grouville, St. Ouen, St. Mary and St. Saviour; and Deputies Southern, Tadier, Le Hégarat, Rob Ward, Alves, Farnham, Mézec, Coles, Porée, Scott, Catherine Curtis, Feltham, Howell, Kovacs, Barbara Ward, Andrews and Doublet. Those Members voting contre: the Connétables of St. Helier, St. Brelade and St. Peter; and Deputies Labey, Luce, Morel, Ahier, Gorst, Moore, Ozouf, Bailhache, Warr, Miles, Renouf, Rose Binet, Millar, Ferey, Alex Curtis, Wilson and Tom Binet.

**2.6 Proposed Government Plan 2024-2027 (P.72/2023): thirty-third Amendment (P.72/2023 Amd.(33)) - Increase revenue expenditure for agriculture and fisheries**

**The Bailiff:**

The next matter for the Assembly is the thirty-third amendment, brought by the Council of Ministers. I ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

Page 2, paragraph (f) - After paragraph (f), insert the following new paragraph and re-designate the subsequent paragraphs accordingly - “(g) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2024 of up to £10 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2023 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2024;”. Page 2, paragraph (h) - After the words “of the report” insert the words - “, except that, in Summary Table 5(i), the Head of Expenditure for Economic Development, Tourism, Sport and Culture should be increased by £2,000,000, with decreases to the following Heads of Expenditure - (i) Cabinet Office £1,000,000; (ii) Customer and Local Services £22,000; (iii) Children, Young People, Education and Skills £286,000; (iv) Infrastructure £74,000; (v) Environment £18,000; (vi) Health and Community Services £415,000; (vii) Justice and Home Affairs £60,000; (viii) States of Jersey Police £47,000; (ix) Financial Services £13,000; (x) Ministry of External Relations £5,000; and (xi) Treasury and Exchequer £60,000;”.

**Deputy K.L. Moore:**

I think the rapporteur on this is the Minister for Sustainable Economic Development.

**Deputy K.F. Morel:**

I am afraid it is not me. **[Laughter]**

**The Bailiff:**

Is anyone from the Council of Ministers going to propose this amendment?

**Deputy L.J. Farnham:**

I will do it, Sir. [Laughter]

**Deputy I.J. Gorst:**

Looks like it is me, Sir.

**The Bailiff:**

Yes.

**2.6.1 Deputy I.J. Gorst (The Minister for Treasury and Resources - rapporteur):**

This of course is a straightforward amendment arising out of a decision that the States made earlier this year, merely some weeks ago. I was clear in that debate that I supported - as did other Ministers - based on what would be a difficult process to allocate the required funding across budgets. That is what is proposed and that will, therefore, provide the funding to agricultural and fisheries as instructed by the Assembly in the vote some weeks ago. I know there is an amendment to fund it via a different process, which Ministers do not support for understandable reasons. I think that the Minister for Sustainable Economic Development is taking his more than reasonable share from his budget to help fund this priority that he has in his department and that the Members of the Assembly supported on the back of Deputy Luce's proposition, as is the Cabinet Office, which is why Ministers have sought to object to some of the other reductions in that department. I propose the amendment to the Assembly.

**The Bailiff:**

Thank you very much, Minister. Is the amendment seconded? [Seconded]

**2.7 Proposed Government Plan 2024-2027 (P.72/2023): thirty-third amendment (P.72/2023 Amd.(33)) - amendment (P.72/2023 Amd.(33).Amd) - Increase revenue expenditure for agriculture and fisheries**

**The Bailiff:**

There is now an amendment to the amendment and I ask the Greffier to read the amendment to the amendment.

**The Deputy Greffier of the States:**

Page 2, paragraph (1) - Before Paragraph (1) insert a new paragraph as follows and re-designate the subsequent paragraphs accordingly - "Page 2, paragraph (e) - After the words "in line with Article 9(2)(b) of the Law" insert the words - "except that within Summary Table 3 the transfer from the Strategic Reserve to the Consolidated Fund should be increased by £3,000,000 for 2024, with this funding of £3,000,000 for subsequent years to be identified from an alternative sustainable funding source".". Page 2, paragraph (2) - Substitute the words following "increased by" with the words "£3,000,000".

**2.7.1 Deputy S.Y. Mézec:**

Based on track record alone I kind of would prefer it was Deputy Alves or even Deputy Bailhache making this amendment instead of me. The purpose of this amendment is to enable us to enact the decision which we made by adopting P.74 to provide that extra support for agriculture and fisheries, something that I am sure all of us know is so desperately needed and that we all wish to support, but proposes doing so in a different way to that which is proposed by the Council of Ministers which is for them to add on £3 million of completely unsubstantiated cuts across the board to government

departments and instead for one year take that from the Strategic Reserve and require the Government to come up with a sustaining funding proposal in future years for this. The Minister for Treasury and Resources just reminded us in his speech that he had raised the prospect of further cuts in order to fund the consequences of P.74 but, let us be clear, that was not in the wording of the proposition that was agreed by the Assembly, it was merely in the report. So it was not to the letter of what we agreed as an Assembly and in the time after the success of that proposition the Government of course would have had an opportunity to come up with other funding mechanisms if they so chose. The value-for-money programme which in this previous year of the Government Plan and for the next few years projected is to provide £10 million of savings across government departments. It is of course a very cleverly titled value-for-money programme rather than the cuts programme because there will not be a single one of us who will object to Government seeking good value for money. Of course not; we all want whatever services or work the Government is providing or doing to be funded with the best value for money possible. We do not want things to be more expensive than they necessarily have to be. But that programme has come under the microscope because of the recommendations now made not just once but twice by the Fiscal Policy Panel that Government Plans should not include reference to speculative savings. That is for obviously good reasons which is that if you tie yourself to savings which are speculative and unsubstantiated, if they turn out to not be deliverable that then puts huge pressures on other parts of your budget which could lead to even more difficult decisions and potentially cuts to services that do not fit the definition of value for money if they are not delivered. It is the case, and the Government will I am sure do their absolute best to find a form of words to get out of admitting this, but they are proposing cuts ... value-for-money savings - it was a Freudian slip there - value-for-money savings in future years which are speculative because they cannot tell us where those savings are coming from. Instead they say: "We have got a budget of £1 billion a year, of course £10 million is achievable." But that is the politics of: "Yes, I reckon we could make £10 million" it is not an evidenced or substantiated process to tell us: "This is precisely where we will get those savings from." There are plenty of areas where they might be able to reasonably find savings; they might be able to procure a particular resource at a cheaper value from another distributor. Who would disagree with Government wanting to do that to get better value for money? If they can tell us where they think they could achieve that they will find very little resistance on that front. But instead they propose in future years simply a line that says £10 million value for money savings without even telling us what government departments that is coming from. It is only in the year of the Government Plan that we are approving that they tell us exactly how much each department will be expected to save. Even beyond then, there are not anywhere near adequate enough reporting standards on that so we can have confidence that the savings are realistic and deliverable which is why - completely separate to this amendment - there is a Scrutiny amendment to try to impose better reporting standards on a value-for-money programme, which the Government itself has amended to find a different way of doing it because at least they accept the principle that that is an important thing to do. But, contentious as it is already to have a £10 million target for value-for-money savings, now the Government's thirty-third amendment seeks for us to increase that by 30 per cent and in their report to that amendment they offer us one single sentence in it to substantiate it, one single sentence, which says: "This is to be funded through an increase in the cashable savings allocations through the value-for-money programme with each departmental head of expenditure being reduced accordingly." That is it. That is how they offer us £3 million in extra savings, nothing more than that one single sentence in order to do that. I certainly do not feel that is good enough and I think it runs a serious risk of potentially well-intentioned value-for-money targets ending up becoming cuts to public services and putting pressure in other areas that may turn out to be unpalatable to us. So, because they have not come up with that funding mechanism for this year, other than an extremely unimaginative: "Let us just whack on that to the value-for-money programme", without seemingly doing any other further work that they can substantiate to prove that it is viable, instead this amendment seeks to propose that, for one year, we will fund it by using the Strategic Reserve. I do not like being in a situation to propose that. I do not think the Strategic

Reserve ought to be a pot that we just dip into for whatever purposes; we have to have good reasons for it. We have already made a decision once today to do that for very good reasons, as this Assembly clearly decided. But one of the purposes of the Strategic Reserve, as the Government says in its own comments, is to insulate the Island's economy from severe structural decline. It then goes on to say it is not the proper funding source to dip into to fund ongoing government expenditure. But what if that government expenditure is to insulate the Island's economy from severe structural decline, which is exactly what this is about? It is to recognise what we have already been convinced of, which is the extreme difficulties that agriculture and fisheries have been facing and the need for greater Government support for them, which, if we do not do, could end up risking the viability of those industries and many of the businesses that are working in them because of all the other pressures that they are facing. Something that would be devastating for Jersey given how important, not just economically, but through our heritage and the management of our land, one of our most precious resources here that industry provides for us. So we can say that a one-off dip into that reserve to prevent completely unsubstantiated, potentially dangerous, cuts to public services can be done once. I will say, it sticks in the teeth when, in the Government's comments, they say there is no magic money tree and there are hard financial choices to make. Hard choices like giving again completely unsubstantiated tax cuts to people with homes with no mortgage on to rent out rooms with no evidence whatsoever that is a good purpose for losing revenue there. An I.T. (information technology) budget, which seems to go up year on year to extortionate amounts. There always seems to be a magic money tree for that. But if I can indulge the Assembly saying at least for this specific proposition, which would see £3 million taken out of the Strategic Reserve, I can tell you a way that you could deal with this very easily in a sustainable way and that is to adopt a later amendment to this Government Plan to reform our income tax system, which raises enough revenue to provide the ongoing funding mechanism for this and pay back the £3 million into the strategic reserve with money to spare over at the end of it.

[16:45]

So, in this debate, I will not take any lectures from anyone who wants to argue about magic money trees because in the grand scheme of things we are able to provide a sustainable funding mechanism for this that does not end up seeing overall less into the Strategic Reserve. That will be a separate debate and it will be down to Members to decide whether they agree with that principle. But we are certainly wholly behind that, not just because it is a good policy, but because it is democratically what we have promised the public we would do. So I ask Members to consider this amendment as an alternative way of funding that support for agriculture and fisheries, which we know is so desperately needed, but to avoid giving their backing to a further £3 million in cuts because at this point we can only presume that is what they will be. If they are not to be cuts, I am sure the Government would have presented the evidence to prove that to us and we would all be a lot more relaxed about it, to avoid having that risk and instead coming back next year with a sustainable funding proposal that we can all be much more comfortable with. So I make the amendment.

#### **The Bailiff:**

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

#### **2.7.2 Deputy I.J. Gorst:**

The position between the Government and the mover of this proposition to me is quite clear and I will leave other Members to talk about the agriculture and fishing industry if they so wish. We have had a debate on that and the decision was virtually, if it is possible to be virtually, unanimous. No one voted against, let us put it like that. Therefore that need is presented. But here we have a clear choice. That choice is do we seek to allocate our funding, reminding ourselves that this Government Plan is proposing £1.2 billion of funding, seek to deliver services efficiently, and I have enjoyed conversations with the chair of the Scrutiny Panel who is now the rapporteur for his amendment,

around whether it is possible with a budget of £1.2 billion to make general efficiencies right across government to the tune of £10 million per year. The Government fundamentally believes that it is and it believes that this £3 million additional - the difference is the £1 million - is the effects on the Minister for Sustainable Economic Development's budget, can also be added to that efficiencies value-for-money target. That is how I believe members of the public would expect us to deliver this proposal, to reallocate from within existing budgets. Rather unfairly, in large part, Cabinet Office have been criticised time and time again. They are an easy target for all sorts of reasons. But Ministers are proposing here that budget will be reduced, as well as the other reductions, by £1 million in order to reprioritise to spend money on agriculture and fisheries. I think that is the right thing. The arguments that we have had at the Scrutiny Panel hearing is really around what the F.P.P. have said about unstructured budget reductions and whether it is right that we go into the ins and outs of every pound or we simply say to departments: "You manage and provide your services within that overall target." I believe that is the right approach. Scrutiny Panel believes in a different approach. That is not a problem. This is where political differences can be and should be argued over and should be debated over and that we should vote on do we want to seek to ensure that we are always delivering efficiently and always seeking to deliver value for money, and while giving departments greater monies still expecting them to drive out efficiencies in their budgets. I believe we should. We heard of course from the mover of the proposition that really in large part a different view and his concern is that the reductions in bottom-line budgets could lead, or are masquerading as could lead, to cuts in services. It is right that departments and Ministers and chief officers prioritise their spend, prioritise the spend to what can be delivered in-year rather than just we are seeking for a greater forecasted budget and then not spending it at the end. Being careful to make sure there is no duplication. But, as we heard the mover of the proposition say, he is quite happy to bring forward tax changes that will raise more tax in order to replenish the Strategic Reserve. I will come on to the Strategic Reserve point in due course. That is a perfectly legitimate political choice. It is not one that I wish to make. It is not one that I wish to promote and it is not one that I wish to propose to the Assembly this afternoon. But in the short term it cannot be right that we use monies in the Strategic Reserve for everyday revenue expenditure. Yesterday, in the Royal Square, I was asked why do we not follow the United Kingdom on a matter, why do we not do what the United Kingdom does in regard to its budget? I was quite clear, it is okay for us to say we will do A, B, C and D that they do, but let us be clear, other jurisdictions fund their revenue expenditure via borrowing. We do not do that. Nor do we borrow or take money from our Strategic Reserve to deliver revenue expenditure. It would be wholly inappropriate for us to do so. It would be cavalier with our future and the stability of public finances and, therefore, the stability of the economy. I cannot support this proposal that says revenue expenditure, even if it is only for one year, which is a sweetener, from the Strategic Reserve. We live in most uncertain times. We do have a firm foundation and we discussed earlier about buoying up our £2 billion pension pot and Members said no, they want to put another £20 million a year next year and the year after into a £2 billion pension pot. Here we have a £1 billion Strategic Reserve for those catastrophic economic issues that we know other places are facing and we know that the turmoil around us is not going away. We know also that some other small places like us, over the last number of years, have dipped into their reserves for revenue expenditure, initially just for one year, they will deal with it later. Right now they are running at deficits for their everyday expenditure and they are drawing down on their reserves. When I speak to their Ministers or senior politicians, they are really concerned about the future of their public finances. Now we heard the Constable of St. John chastise me. I do not mind being chastised in the terms that the Constable of St. John chastised me earlier. He said that I should be more robust with political colleagues when it comes to their spending aspirations. My only disappointment is that he is no longer around that table to be encouraging me and saying: "Come on, Minister for Treasury and Resources, be firmer. Just say no with them." That is my only disappointment. I hope he carries on from the Back Benches doing that, and this to me is absolutely something that we should not be doing. I am prepared to work with Ministers throughout the course of this year, as I always do. But we cannot start on that



step of saying: “Let us not worry, it is only one year, it is only £3 million from our Strategic rainy-day Reserve.” We cannot do it. I cannot support it. I ask Members not to support it either.

### **2.7.3 Deputy C.D. Curtis of St. Helier Central:**

These new cuts proposed in amendment 33 come on top of large planned value-for-money savings and some department budgets, which appear to be already cut or at least very tight. I am not sure if States Members have noticed how tight some of these budgets are. I questioned Deputy Gorst by email recently over my concerns that department budgets look to being cut in real terms. This goes against the Government’s own financial principles, number 2.2, and I quote: “Departmental base budgets should be maintained in real terms except where changes in services or efficiencies have been identified and agreed.” I did not get a reply. So the States Greffe contacted Treasury on my behalf and I then received an answer. What concerned me in their answer was that their inflation figure for working out department budgets for the year ahead is 3.8 per cent. This information is also on page 51 of the Government Plan but I was hoping for a bit more of an explanation. Page 51 of the Government Plan does also state: “There remains a significant amount of uncertainty around levels of inflation. Also pay inflation is held centrally to be allocated out in the year.” Still, 3.8 per cent over the 12 months to September 2023, the Jersey R.P.I. was 10.1 per cent. Of course inflation is expected to fall in 2024, but is 3.8 per cent too optimistic? The estimated U.K. R.P.I. figure is 5.1 per cent for 2024. This leaves department budgets vulnerable to being insufficient, especially considering the much higher value for money savings being imposed this year. On top of all this, the cuts proposed by the Government in this amendment include a cut of £47,000 to the police budget. Now, nearly all the police budget is staffing, so if this is voted through will we be cutting a police officer post? The cuts proposed for the Children, Young People, Education and Skills budget is £286,000. Will this mean fewer social workers, so vulnerable children are left without the right protection. Will it mean less resource for inclusion in schools so no one to give the extra care needed by small children with a record of need. Will it mean school pupils not have textbooks they need? The answer is we do not know. These cuts are potentially really dangerous and should not be supported. Let us keep this in perspective, the amendment is asking for the funding to come as a one-off this year from the Strategic Reserve. That is much better than cuts to essential services. The responsible vote of States Members would be to support the amendment to the amendment, thereby avoiding these dangerous cuts to essential services.

### **2.7.4 Deputy J. Renouf:**

Just to make a couple of points because I do think there were some comments made in Deputy Mézec’s speech which were quite revealing, and not in a good way. We are on a very slippery slope potentially with this amendment. It shows to me a lack of respect for the Strategic Reserve and its purposes. Deputy Mézec declared that the crisis in farming and fishing is a sufficient trigger to meet the definition of severe structural decline, which is how we measure interventions that are justified to intervene using the Strategic Reserve.

[17:00]

I have to say no, no, no. It is no disrespect to the very genuine needs of both sectors, farming and fishing, to say that their current situation in no way meets the definition of severe structural decline that is explicit in the Strategic Reserve. The Strategic Reserve, as is very clear, is for situations such as the collapse of the finance industry or major natural disaster or a collapse of a bank. This amendment portrays a misunderstanding of what the Strategic Reserve is for and we would be on a very slippery slope indeed if we started dipping in for £3 million here, a few million pounds there. The issues that we have in farming and fishing are significant but they are not existential for the survival of the Island’s economy. If we were to go down this route then we would soon be asked to do the same for other sectors of the economy; hospitality, tourism, and so on. These are all worthwhile sectors to consider support for but not from the Strategic Reserve. So I say that we should

stick to what the Government has suggested here, still painful, but we can, with the Minister for Treasury and Resources' help, achieve it. We should hesitate for an eternity - I think the phrase was once used in U.K. politics - hesitate for an eternity before we go down the route of using the Strategic Reserve for a £3 million piece of current expenditure.

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

The thing that interests me about this particular debate, apart from the fact that obviously, if Deputy Mézec's amendment to the amendment is successful, then the budget for the Department for the Economy will be greatly relieved. So in that sense you sit up and say: "Surely Deputy Morel wants this to go ahead." But the thing that really makes me reflect is the debate we have just had about the Social Security Fund. This strikes me as having a lot of parallels with that. Quite understandably, people who were in favour of Deputy Bailhache's proposed amendment were saying the Social Security Fund is for these purposes; I listened to Deputy Bailhache quite clearly say that. In that case it was pensioners' money and therefore hands off. I get that. There is logic to that. This is a really similar debate. It is saying the Strategic Reserve is there for specific purposes, which I will not go through again, but Deputy Renouf just outlined them really well. As a result of that, if you were thinking the Social Security Fund is there for a particular purpose, then the Strategic Reserve is also there for a particular purpose. It is not there for current revenue spending, as much as Deputy Mézec's amendment helps my budget. So for that reason I do think Members should sit there and think no, we do have to have a level of discipline about ourselves when it comes to matters of money. Again that is what Deputy Bailhache was arguing, in my view, around the Social Security Fund. It stands as well for the Strategic Reserve. Because it is true that there are Governments where you see it just chip away, you just slowly eat away, slice away, at the Strategic Reserve. I have wanted to do it as a States Member. I probably lodged a proposition at some point to say: "Let us use the Strategic Reserve for X or Y." There has been pushback and said: "No, that is there, it is the rainy-day fund, it is the insurance policy for catastrophic events within the Island. So as much as there are benefits in Deputy Mézec's proposition or amendment to the amendment for my department, I have to say no. This is especially reflecting on the Social Security Fund debate that we have just had, we need to maintain that level of discipline and therefore we should, as an Assembly, reject the amendment to the amendment.

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

Interesting that we have the slippery slope argument again; we used to do that a lot. Let me put this point to you when we are talking about the Social Security Fund specifically, yes. So the department funds allocated in the Government Plan have a specific aim to run departments and they are allocated and we are told the Government Plan has been thought about very carefully, money has been allocated appropriately, we have been told this a number of times. But now, all of a sudden, very, very rapidly, in what I think is a rather kneejerk response to an amendment to a proposition brought, within which we recognise the desperate need for an industry on the Island and, no, it was not finance. It was interesting that the Minister for the Environment talks about finance first. It was another industry, one of the diverse industries on our Island - fishing and agriculture - something that is becoming increasingly important in the future, the debate we had before about food security, about an industry that has been here a long time that has tradition that is struggling. So the money has to be allocated. But what we have said is that department budgets are not for the departments, we can just take from them, we can make salami-sliced cuts. And this is the problem. We are salami-slicing. They are not targeted, they are not there, and Deputy Catherine Curtis chose a very good point about the aims of the Government Plan to fund appropriately and then suddenly we can slice pieces off of that whenever we fancy or when the Government fancies. Whereas what we have is an intelligent, thought-about amendment to this amendment that says: "Because we have identified this as effectively an emergency process for agriculture and fisheries and this Assembly very recently, and yes perhaps it should have been done earlier to give the Government more time in the Government

Plan to work out where this money will come from, then we need to allocate money for next year.” This is just for one year and after that that may well give just the lift that is needed for an industry to survive and to build. If it does survive and it does build it will return money to our economy. If it does that, that is a good investment in an economic section of our economy, a part of our economy, which, if we lose into the future will have a significant impact to the nature of this Island. We agreed that last time. I do not know what is the best word to use. I used kneejerk reaction, I think that might be the politest way to put it in terms of where this money is coming from. It does sound like the back-of-a-fag-packet stuff: “Okay, where can we get 3 million quid from?” “Well, I will tell you what we can do, this and this and a bit there, Education £286,000, Home Affairs £47,000, £5,000 from External Relations, you know, there you go. Cushty.” I can use that word again, I hope that is a word we can use in this Assembly, sorted. Bring it to the Assembly, they will nod it through and because they have had to vote for it and we can use that argument, you voted for it, now vote through the cuts that come with it, there you go, that is the consequence of you voting to support an industry here, now you have to vote for the cuts. However, there are many among us who will look at that and say: “Now, hold on a second, that is not the way to do it.” That is not a sustainable way. That is your slippery slope. That if we ever have to react to a section of our economy we cut essential services or front line services in order to do it. That is an unpleasant slippery slope, which we do not want to go down. Now this is a particular issue at the time and I think the issue around this is this amendment has got more support than a normal amendment where we talk about the rainy-day fund would have. Because there is that principle for many here, we will not touch the rainy-day fund, will not consider it, whatever it is. But in this case we are starting to see across this Assembly that the impact of these cuts and changes could be absolutely significant to so many different departments. So I would urge Members to think very, very carefully about whether we want to make those salami-sliced cuts across the department to support an industry on one hand and whether that is the best use of a Strategic Reserve, which is high. Interest rates are high, we are getting money in, we are doing well with it. But this is the time to make that one-off investment so that we can make that change. Rather than going down the slippery slope of either abandoning an industry if we cannot find a funding mechanism, or abandoning parts of our services in different departments because we simply want to make cuts to them, which have not been thought about and not been detailed in any way. I urge Members to support this proposition, this amendment to the amendment, so that the main amendment can be acted upon as we all agreed on in the most appropriate way with the least impact elsewhere and we can move forward.

### **2.7.7 Deputy M.R. Scott:**

I find it strange that the bringer of the proposition is bringing this. Because he does have an important role as chair of the Corporate Services Scrutiny Panel. I do understand he is not bringing it in that capacity. But I do expect him, as president of the Scrutiny Liaison Committee, to value scrutiny. I have, and I hope all States Members have read, the report of the Corporate Services Scrutiny Panel. I will refer to key finding 16. So that basically is a finding that the reserves, Stabilisation Fund and the Strategic Reserve Fund, are not at sufficient levels despite the current and recent past strength of the government revenues. Then recommendation 25, now what does that say? “The Council of Ministers must strengthen its commitment to prioritise the transfer of future surpluses to the Stabilisation Fund and Strategic Reserve to rebuild the funds to appropriate levels and should observe the advice of the Fiscal Policy Panel. A short-term renewed policy action plan must be developed to replenish the Stabilisation Fund and Strategic Reserve and this must be addressed within the next Government Plan. All prior-year basis receipts must be ring-fenced and transferred to the Strategic Reserve as they arise.” Who should I be listening to? What should I be following? What advice? I very much respect the work of my colleagues in Scrutiny and indeed the work of the Corporate Scrutiny Panel in terms of thinking about the economy, as does my panel. So I guess this really underscores some of the kind of difficulties in terms of having an ideological position on one hand, as a States Members, and having a role in Scrutiny and being the same Member. I very much respect

the scrutiny process. I know that there are Members who think it is a waste of time, it is meaningless, but I frankly think if that is the case, do not have Scrutiny, we can come up with some other thing, but that is really my position. I will respect the recommendation of the Corporate Services Scrutiny Panel and I am sure the chair in that capacity would suggest the same.

**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 Mézec to respond.

**2.7.8 Deputy S.Y. Mézec:**

Deputy Scott may feel like she got a gotcha moment there by quoting the Corporate Services Scrutiny Panel's report findings and recommendations, which of course I completely stand by. But I do think I made the appropriate point in my opening remarks on this where I proactively offered a solution, which would be able to see more money going into the Strategic Reserve at the end of it, so I am taking a position that I think is entirely consistent, so there is no gotcha there. Deputy Gorst spoke about the value-for-money programme and said that there were political differences. He is completely wrong. There are no political differences on the principles of the value-for-money programme.

[17:15]

I have a great many political differences with Deputy Gorst as a person, but on the principles of the value-for-money programme there are no political differences at all because I too want to see government departments delivering the best value for money that they possibly can from taxpayer money and providing services efficiently. If there are instances where money is either being wasted or there are alternative opportunities to deliver those services at a more efficient cost, then I would want to snap those opportunities up immediately, and if he wants to present any clear examples of where that can be done safely, without risking public services, he will have my wholehearted support on it. Getting good value for money is not a left or right kind of political difference; we all support that in principle. The difference is not political, it is personal. Because you can have personal traits irrespective of what your politics are to do with how risk-averse you might be, to how data-driven you may be. That is where the difference comes here, it is not political, it is that for whatever reasons the Minister for Treasury and Resources is content to sign up to a figure of a target for savings without the substantiation that others might prefer to see those as genuinely achievable. He is prepared to sign up to it on the basis that he reckons it is deliverable. I am only prepared to sign up to it on the basis that it can be substantiated that it is deliverable. So that is not a political difference, that is a personal difference. But also when it comes to the amendment to remove from the Government Plan an extra table that provides for £3 million of extra savings across different government departments, that does not stop any of those departments from continuing to aspire to make value-for-money savings, they are still allowed to try to do it, they are just not forced to do it even in the event that they cannot do it. So if, despite no effort whatsoever to demonstrate this to States Members, but there is some grand plan behind this table and the breakdown that it has for us of how much can apparently be saved from government departments, if there is a grand plan that can prove that all of this is deliverable safely and without risking pressure on departments to cut, they can still go ahead with this and when they make those savings it can become underspends and they can put that in the Strategic Reserve if they want to. He has the power to do that. So, if these are real, then my amendment causes no harm whatsoever and it shows that they can replenish the Strategic Reserve if they are true to their word and these £3 million are doable. But it will not force government departments to make cuts because they have been told by a decision of the States Assembly that they must do so even if those savings turn out to be unrealistic. The fallback position then is that we have the opportunity to use the Strategic Reserve to make the difference there. That is the situation that we can have. I wonder how many people who work in agriculture were listening to the speech from

the Minister for the Environment, who I suspect some of which would have felt despair listening to it as he talked down any suggestion of them being in an existential struggle. The extra funding that we have agreed for agriculture is in large part to help them with the costs that they have faced by the move to the living wage, something which I have been pleased to be able to have discussions with them to understand the implications of that. That is a large part of that. But it does not take into account some of the other unexpected pressures that we have only faced since in fact these amendments have been published. Like the massive loss that the agricultural industry will have faced from not having access to an abattoir for a period of time recently. We all saw the headlines there about the costs that they will have taken from that, which will have caused many of them great difficulties. We have also had the unexpected increase in freight costs as well that have just been announced, again not calculated into the figure that we have agreed for extra funding for agriculture and fisheries and something that will increase their costs and make business more difficult for them to do as well. So they are facing a difficult circumstance beyond that that they had simply faced from the living wage going up year after year. On that basis, just reading the wording that the Government has offered us about the purpose of the Strategic Reserve, to insulate the Island's economy from severe structural decline, I feel that it does meet that definition. Deputy Gorst repeatedly described it as just general revenue expenditure. It is not. It is clearly exceptional because of the nature of why it has come about and why we are having to debate it in this way. So this amendment provides us that safety net. It allows the Government to go ahead with those £3 million of savings. If they are genuinely possible, they have the freedom then to take the money they save for that and put it in the Strategic Reserve, if they are genuinely so concerned about money being taken out of it for this purpose. But it does not force government departments to make cuts if those savings turn out not to be realistic. I do wish that, rather than trying to guilt-trip us over this, the Government could have provided more clarity on their value-for-money programme and shown us how they could substantiate that those savings are genuine and achievable. Because, if they did, nobody would have a problem, certainly not me, because I do not have a political difference with the Minister for Treasury and Resources on the principle of that. I am more than happy to support savings if they are genuine and do not affect front line services. So, from the points raised in the debate on this amendment to the amendment, I hope Members have realised that those points made opposing here can easily be countered when you understand the nature of how underspends can be dealt with and the position that the agricultural industry and fisheries for that matter too is facing. I hope Members will accept this as an alternative way of being able to deal with that. I hope we do not end up coming back here in a year's time having found that government departments have had to make cuts that are unpalatable to us because we inadvertently gave them the requirement to do so by voting for an amendment from the Government, which attempts to substantiate their savings targets with literally one sentence and nothing more than that. So I ask for the appel.

**The Bailiff:**

The amendment to the amendment is maintained. The appel is asked for. I invite Members to return to their seats. The vote is on the amendment to the thirty-third amendment. Members have returned to their seats, then I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their vote, then I ask the Greffier to close the voting. The amendment has been defeated: 13 votes pour, 35 votes contre, no abstentions.

<b>POUR: 13</b>		<b>CONTRE: 35</b>		<b>ABSTAIN: 0</b>
Connétable of Grouville		Connétable of St. Helier		
Connétable of St. Ouen		Connétable of St. Brelade		
Connétable of St. Saviour		Connétable of Trinity		
Deputy G.P. Southern		Connétable of St. Peter		
Deputy M. Tadier		Connétable of St. Martin		

Deputy R.J. Ward		Connétable of St. John		
Deputy C.S. Alves		Connétable of St. Clement		
Deputy S.Y. Mézec		Connétable of St. Mary		
Deputy T.A. Coles		Deputy C.F. Labey		
Deputy B.B.S.V.M. Porée		Deputy S.G. Luce		
Deputy C.D. Curtis		Deputy L.M.C. Doublet		
Deputy L.V. Feltham		Deputy K.F. Morel		
Deputy R.S. Kovacs		Deputy M.R. Le Hegarat		
		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 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		

**The Deputy Greffier of the States:**

Those Members voting pour: the Connétables of Grouville, St. Ouen, and St. Saviour, and Deputies Southern, Tadier, Rob Ward, Alves, Mézec, Coles, Porée, Catherine Curtis, Feltham, and Kovacs.

**2.8 Proposed Government Plan 2024-2027 (P.72/2023): thirty-third Amendment (P.72/2023 Amd.(33)) - Increase revenue expenditure for agriculture and fisheries - resumption**

**The Bailiff:**

We now revert to the debate on the thirty-third amendment. Does any Member wish to speak on the thirty-third amendment?

**2.8.1 Deputy K.F. Morel:**

I really just wanted to speak, because I did not have an opportunity to speak when we had the debate on Deputy Luce’s proposition and the Government amendment to that proposition, which ended up

with the rural and marine economy being allocated an extra £3 million effectively to £6.7 million. So first of all I do want to thank the Assembly for that decision because, as we have just heard, those 2 industries are in severely difficult situations. The funding that has been allocated is going to go a long way and is already going a long way to helping them. Yesterday, I was asked a question about areas where we have delivered and I was a bit off form yesterday morning, and what I should have jumped up and said is we have been delivering in the rural and marine economies for the last 2 years or so. We brought out the rural economic strategy first followed by the marine economic strategy. We convened both a rural forum of people in the agricultural sector and we convened a marine forum of people in the marine economy sector. Since then, we have been changing those sectors for the better with the work and in lockstep with people from those sectors. In the rural economy particularly, we have seen more farmers entering the industry, which is something that people do not appreciate. Because we have focused on smallholders, we now have more farmers entering the industry. They often tend to be younger farmers. So we are creating a new future for farming in Jersey while dealing with the many commercial difficulties that the larger farmers are dealing with. Obviously we also had to deal with the awful incident at Woodlands just a year or so ago. And our department has again, not only helped, but helped practically and helped financially as well. So I think this Assembly should really be proud and I hope therefore will support the Council of Ministers' amendment to the Government Plan effectively because this Assembly voted on that just a few weeks ago. Because we should be proud of the fact that we are supporting the rural and marine economies in Jersey. We now have a marine support scheme for the first time, as I understand it, in the history of the Island. We are now providing direct financial support to fishing businesses in many different ways. But like the rural support scheme, that support is utterly linked to greater sustainability, better environmental operations, in the way they operate, and helps them find new markets. One of the things we will be doing in 2024 is absolutely focusing on taking Jersey's products to new markets. We have been overly focused on one market to the north, which again just provides a lack of resilience because, when that market declines, the whole thing declines as well. So I would be really pleased if any States Member wishes to learn more about the work that we do for the rural and marine economies and the rural support scheme and the marine economy support scheme. I would be really pleased and my officers would be delighted to take you through it and help you. I do remember one of the Connétables a few months ago coming to speak ... the Connétable of Grouville coming to speak with us just to learn as to what we are doing. So that is an open invitation to all States Members. But thank you for supporting the amendment to Deputy Luce's proposition a few weeks ago and I do urge you to support this Council of Ministers amendment so that we can put that into action.

**The Bailiff:**

It might be helpful at this point if I asked if any other Member is going to want to speak on this amendment. I will not call you in this order, it is just an indication because we are at the point we are almost at the adjournment. I only have one light indicated.

**Deputy M. Tadier:**

I think there may be speakers but I think we should move the adjournment.

**The Bailiff:**

That is really why I was asking. I was not expecting to call people in the order they put their lights on, just to indicate if they are intending to speak. We have at least 2 people speaking and of course there will be the summing up as well. So is the adjournment proposed? Yes, the adjournment is proposed. Very well, the Assembly stands adjourned until 9.30 a.m. tomorrow morning.

**ADJOURNMENT**

[17:28]