

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY S.Y. MÉZEC OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 3rd FEBRUARY 2015**

Question

In response to questions on 20th January 2015, the Chief Minister referred to the need for “containing prices” as part of his targeting poverty; will he inform members whether this will include measures to achieve reductions in the short term (in the first quarter of this year) to the price of gas, heating oil, and electricity and will he further produce for members the evidence that he has for his statement (as part of his answers on 20th January 2015) that “rent control does not work”?

Answer

In containing prices in Jersey we have to accept that there are factors outside our control, such as global trends in commodity prices, which have recently led to a fall in oil and food prices. These global trends have already impacted on prices in Jersey, with the December 2014 RPI figures showing that petrol and heating oil prices have fallen year on year, and that food prices are lower on both a quarterly and annual basis.

It would be unrealistic to think the States can manage prices on a quarterly basis but we can help Islanders further by focusing on the matters that are under our control – the way we set fiscal policy and through competition policy.

We will continue to follow Fiscal Policy Panel advice by making sure that fiscal policy is counter cyclical and does not impact unintendedly on local prices. Competition policy is now the responsibility of the Chief Minister and every effort will be made to enhance policy to the benefit of consumers. Where possible we will aim to remove barriers to entry in key markets in Jersey and where monopolies naturally exist we will aim to regulate them effectively. We will also look to ensure that consumer representation makes the consumer’s voice heard and work closely with the Channel Island Competition and Regulatory Authority to identify where they can help to improve competition. The Assistant Chief Minister has already started discussions on how they can build on their previous work to improve the way fuel markets in Jersey work.

Rent control does not work because it affects the incentives facing landlords and potential tenants and has knock-on effects on supply and demand. This can reduce the availability and quality of rental housing, cause distortions in the way housing is allocated, be difficult to administer and ultimately mean that the intended distributional goals are not achieved. The Minister for Housing will be reporting in more detail on this issue in February.