

22.03.29

7 Deputy R.J. Ward of the Minister for Treasury and Resources regarding duty on biodiesel (OQ.55/2022)

Given the current increase in diesel fuel prices, will the Minister advise what considerations, if any, have been given to removing the level of duty from biodiesel in order to encourage conversion to this renewable transition fuel?

Deputy S.J. Pinel (The Minister for Treasury and Resources):

As mentioned on the previous question, the awareness of 63.89 of duty is charged on a litre of diesel, regardless of whether it has been produced using more sustainable methods. Much consideration has been given to how best to promote the uptake of transition fuels, including second generation renewable diesel and the renewable content fossil fuels. This is a topic my department has debated extensively with the counterparts in the Department of Infrastructure, Housing and Environment. The draft carbon neutral roadmap bears the evidence of that debate, which pledges to bring forward policies that subsidise fuel duty on second generation renewable diesel and to explore the suitability of renewable content fuels as standard grade in Jersey. The retail price of road fuels has risen across the board, biodiesel is no exception and is more expensive than traditional fossil fuel diesel. While I am committed to the proposals laid out in the carbon neutral roadmap, I believe that now is not the right time to implement them and that we should consider the policies at the time they are debated by the Assembly in April.

[10:45]

Instead the Government's immediate focus is on targeted action that will ease the increases to the cost of living for those who need it most.

3.7.1 Deputy R.J. Ward:

I asked the Minister whether she would consider again in fact that we may be missing an opportunity here because the differential between biodiesel and non-renewable diesel has gone from something like 60p a litre to something now about 15p a litre. Now is an ideal opportunity to make a small cut in duty in order to make that transition and change culture. Would the Minister agree that now is the time and that there is an opportunity being missed?

Deputy S.J. Pinel:

I can only answer that at the risk of repetition from the previous question that all these avenues are being considered but it cannot be done with the wave of a wand. We have got legislation that deals with it and all departments are looking at what we do to best advantage those who are disadvantaged in the current situation.

3.7.2 The Connétable of St. Brelade:

Would the Minister, given the complexity of fuel importation and storage and mixing, confirm that she is liaising with the various fuel suppliers to achieve the best result for residents?

Deputy S.J. Pinel:

The importation of fuel is not in my remit but, yes, we try to watch what happens but, as I said, in the previous question, that one cannot enforce what the retailers do, one can only deal with the import and distribution.

The Greffier of the States (in the Chair):

This is a biodiesel question, just to remind Members.

3.7.3 The Connétable of St. John:

Would the Minister agree with me that it would be advantageous to remove the environmental duty element from all renewable fuels?

Deputy S.J. Pinel:

I am not quite sure what the Connétable means by the environmental one. Is that the amounts that goes to the Climate Emergency Fund?

The Connétable of St. John:

Yes.

Deputy S.J. Pinel:

Everything is under consideration but of course the Climate Emergency Fund is very high on everybody's agenda and I think it would be very difficult to remove the amount of money that goes to the Climate Emergency Fund, bearing in mind that is a much bigger problem than the current situation, which of course the Consumer Council brought up, which I understand, but they suggested a reduction in duty for 3 months. We are talking about a Climate Emergency Fund, hopefully, to be achieved in 2030.

3.7.4 The Connétable of St. John:

The clue is in the title, "climate emergency". Surely we could take the environmental duty off of renewable diesel to assist and encourage people to use a more friendly fuel.

Deputy S.J. Pinel:

In answer to that, I think we are doing everything we can to assist people with being environmentally friendly.

3.7.5 Senator K.L. Moore:

The Minister's answers this morning so far have told us that there is much consideration going on but what is the timeline on those considerations and when will the public hear the fruits of those discussions?

Deputy S.J. Pinel:

A very good question, thank you, Senator. The idea is that if we have to change the law, which I mentioned in answer to a previous question as to an emergency budget, which it would be, we would have to get the law changed, which is not the end of the world but of course then we would

have to bring it before the next and last States Assembly and then ask for the permission of the Bailiff President to reduce the lodging time. It can be done, it is being considered.

Senator K.L. Moore:

I think I will be steering too far off the subject, Sir, so I will leave it for later.

3.7.6 Deputy G.P. Southern:

Given the list of things that need to be done as a matter of emergency, which of those is she prepared to proceed with now?

Deputy S.J. Pinel:

I think I have only mentioned emergency in the title of the Climate Emergency Fund, so I do not consider that there is an emergency otherwise in this case.

3.7.7 Deputy G.P. Southern:

The point is that the Minister said it requires legislative change; that legislation change could be done now. Why is she not doing it now?

Deputy S.J. Pinel:

I do not think I have ever repeated myself so often in this Assembly. Just to say that it requires change in legislation if we were going to reduce the duty, which will take time and that has to be approved by the Assembly. It would have to be done for the next sitting.

3.7.8 Deputy R.J. Ward:

The Climate Emergency Fund was set up to try and reduce emissions of carbon into the atmosphere and ways in which we can do that, does the Minister not agree that by encouraging the culture of change to biodiesel that would reduce our emissions and, therefore, is it a correct use of the Climate Emergency Fund right now and can be done when the differential between 2 fuels is less than it has ever been?

Deputy S.J. Pinel:

I can only say, again, that all these options are being considered. This is a particular one from the Deputy; it is noted, it is considered and if we are going to do anything it will be for debate at the next Assembly.