



Deputy Lyndsay Feltham, Chair
Corporate Services Scrutiny Panel
Scrutiny
Morier House
St Helier
Jersey
JE1 1DD

BY EMAIL: FAO Monique Magalheas

15 October 2026

Dear Deputy Feltham,

Proposed Budget 2027–2030 (P.73/2026): submission from the Jersey Consumer Council

Thank you for your letter of 9 October 2026 inviting the Council's views on the Proposed Budget 2027–2030. Council members have reviewed the proposals and the Financial Annex (R.159/2026). Our comments focus on what the Budget means for Jersey consumers, particularly lower and middle-income households. We are content for this submission to be published.

Overall view

The Budget contains some welcome relief, but the Council is concerned that it does little to address the cost of living for lower and middle-income households. We are also concerned that gains from higher allowances may be offset by increases elsewhere.

We would add that the Budget documents, and the Financial Annex in particular, are difficult for a lay reader to follow. We would encourage the Panel to ask the Government to publish a plain-English summary showing what the proposals mean for typical households.

Income tax thresholds and childcare relief

The Council welcomes the £600 increase in the personal income tax threshold and the increases to child allowances and childcare tax relief. Childcare costs are a serious pressure on Jersey families, and this support is needed.

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However, we ask the Panel to test whether households will actually be better off once higher duties and other charges are taken into account. An analysis of the net effect of the Budget by household type and income band would help Islanders judge this for themselves.

Alcohol and tobacco duties

We recognise the health rationale for these increases. Duties of this kind, though, fall hardest on lower earners. They also add to the pressure on a hospitality sector that is already struggling, as anyone visiting St Helier in the evening can see. We ask the Panel to consider the cumulative impact of these duties on hospitality businesses and the people they employ.

Fuel duty and vehicle emissions duty

The freeze on fuel duty for 2027 is a welcome start. Islanders have faced increasing petrol and heating oil prices this year, and the Council would have supported a temporary cut in fuel duty during 2026. We would ask whether such a measure could still be considered.

The inflation-linked increase in Vehicle Emissions Duty is, in effect, another rise in the cost of motoring that many consumers will not notice until they pay it.

Reduced stamp duty on non-main residences

The Council has concerns about extending the reduced 2% stamp duty rate on non-main residences into 2027. The relief benefits buy-to-let investors and second-home buyers, and may add to the pressure on housing supply for local residents and first-time buyers. We ask the Panel to examine the evidence for the extension and its effect on housing affordability.

Tax warehousing, ISE fees, Pillar Two and Time to Win

The Council recognises the importance of the finance industry to Jersey. From the information published, however, we are unable to judge what tax warehousing, the reduction in International Service Entity fees or the Time to Win measures mean for ordinary Islanders. We ask the Panel to seek a clear explanation of their effect on consumers. Where a measure reduces revenue, we would like to know where the shortfall will be made up.

Fairness of the tax system as a whole

The Council believes a wider question sits behind these individual proposals: how the overall tax burden is shared across the population. Taken together, income tax, social security contributions, GST, duties and property taxes may be shifting more of the burden onto working households. We would urge the Panel to recommend an independent, comprehensive review of where Jersey's tax take comes from and where the pinch points fall.

Such a review could consider, among other things:

- whether the upper earnings limit on Social Security contributions should be removed or raised, so that higher earners contribute more of their income
- the effect of GST on household budgets; we accept that removing GST from food would probably require a higher overall rate, so we are not proposing it, but the Budget offers no alternative support for lower and middle-income households
- the combined effect of concessions such as the reduced stamp duty rate alongside duty increases that fall on everyday spending

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Funding major projects: a Jersey community bond

The new hospital and the Fort Regent regeneration will be funded partly from reserves, and the Government may in time need to borrow. The Council would ask the Panel to invite the Government to consider a Jersey bond offered to Islanders first. This would let residents invest in their own Island's infrastructure and keep more of the interest paid within the local economy.

One possible model, offered as a starting point rather than a finished design:

- a long-dated bond with a fixed redemption date (for example 2055) and an interest rate in the region of 3–5%
- offered first to Jersey residents at a small discount to its face value
- residents buying at the discount required to hold for two years, except on the death of the holder
- then offered at full price to investors elsewhere
- interest paid half-yearly, with Jersey tax deducted for all holders

Community investment schemes elsewhere have shown how local ownership can fund and sustain local services. As a recognised finance centre, Jersey is well placed to do the same.

Thank you again for the opportunity to contribute to the Panel's review. Council members would be happy to discuss any of these points further with the Panel.

Yours sincerely,



Carl Walker,

Chairman

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