

Revenue Policy Development Board

Meeting of 30 April 2019

Minutes

Presentation by

Matthew Booth EY

Henry Lukwayi EY

In attendance:

Susie Pinel Minister for Treasury and Resources

Judith Martin Minister for Social Security

Gregory Guida Assistant Minister for the Environment and Assistant Minister for Home Affairs

David Johnson Deputy, St. Mary

Richard Bell Director General and Treasurer of the States

Richard Summersgill Comptroller of Taxes

Paul Eastwood Deputy Comptroller of Taxes

Cora O'Brien Deputy Director, Tax Policy Unit

Sue Duhamel Director, Employment and Social Security

William Peggie Director for Natural Environment, GHE

Jonathan Williams Business Change Director, Information Services

Louise Magris Director, Environmental Policy

Apologies:

John le Fondre Chief Minister

Matters discussed

This was the second technical briefing provided to the Revenue Policy Development Board in advance of it becoming formally constituted with agreed Terms of Reference. The first briefing was an overview of the tax and social security system, provided by policy officers of the States.

This session covered "User Pays Charges" and was presented by Matthew Booth and Henry Lukwayi of EY (copy presentation attached). A number of points were clarified during the discussion:

- Governments and local authorities often provide a mix of public services – some that are free at the point of consumption and some that are charged for. The charges that apply may also differ depending on the level of service provide: a basic level of service may be free but enhanced services may attract a fee or a higher fee.

- Charges can be used for different purposes – to advance particular policies, to change customer behaviour (for example on environmental issues) and/or to provide better services by raising funding to reinvest in the service.
- Alternative costing models exist for calculating “user pays charges” and it is important to select the most appropriate basis in any situation. The basis may differ depending on the particular charge in question.
- If charges are to be based on full cost recovery, then it is important to understand the full range of direct and indirect costs that are attributable to the service concerned
- Any charges imposed on users must be simple for the public to understand and transparent

This Board will consider developing a set of principles for “user pays charges” that will assist decision makers in future. This could be akin to the Long Term Policy Principles that apply to taxation

Key actions

Policy officers will provide the Board with:

- An overview of charges that are currently imposed by the States, for example school fees, private patient fees, car parking fees etc.
- Details of how those charges are set at present
- Details of who currently pays those charges