

5.13 Deputy M. Tadier of the Minister for Social Security regarding eligibility for the Food Costs (or ‘G.S.T.’) Bonus:

As the food costs or G.S.T. (Goods and Services Tax) bonus was introduced as an alternative to removing G.S.T. from foodstuffs in an attempt to protect those on low incomes, will the Minister advise why residents who have been here less than 5 years are not eligible for this bonus?

Deputy I.J. Gorst of St. Clement (Minister for Social Security):

Residents who have been living in Jersey for less than 5 years do not qualify to receive the G.S.T. bonus because the qualifying conditions are linked to the 5-year residency requirement under the income support scheme.

5.13.1 Deputy M. Tadier:

So, it is swings and roundabouts here. Clearly the next question has to be why is it then linked to the 5-year residency?

Deputy I.J. Gorst:

That was approved by this Assembly. The Food Costs Bonus (Jersey) Regulations 2008 and the conditions are in those regulations which this Assembly approved.

5.13.2 Deputy G.P. Southern:

Is the Minister aware of the latest research from Loughborough which suggests that in the U.K. those at the bottom end of the earnings scale and those on benefits will be 10 per cent worse off following the increase in inflationary pressures on food and essential services? In an Island which taxes essentials what measures will the Minister take to protect those at the bottom end of our society from these inflationary pressures?

The Bailiff:

I am not sure that arises out of this question, Deputy.

Deputy G.P. Southern:

The G.S.T. bonus was introduced to protect those at the bottom end from precisely these sort of pressures. It was actually called the “food bonus” and not the “G.S.T. bonus”.

The Bailiff:

That is a wide-ranging question about how you can protect people generally, so, Minister, do you want ...

Deputy I.J. Gorst:

Sir, yes, I was going to correct the Deputy there. Obviously those lowest income families would be eligible for income support. The G.S.T. bonus or the food cost bonus, as the Deputy rightly referred to it, is for those who are above the income support threshold yet do not pay tax. So it is somewhat ironic, having said that, that the Deputy should question me in this manner because as he well knows I am one of those Members who believe that we should not be charging G.S.T. on foodstuffs, but that is another debate. This Assembly does not concur with my opinion on that.

5.13.3 Deputy G.P. Southern:

Is the Minister prepared to protect those who are not currently protected at the bottom end of the scale, i.e. those with less than 5 years' residency? Will he bring something to the House to protect them?

Deputy I.J. Gorst:

I hope that this is remaining on the food cost bonus. I am not certain that it was there. Having said that, I should remind Members that when income support was brought in in 2008 the housing costs element of that support was reduced from 10 years to 5 years at that time. So, that is a relatively short period of time to see whether it is working. I personally do not believe that it should be reduced any lower and I have to say that I personally do not believe that this bonus should be introduced for those with less than 5 years residency. Having said that, they are decisions of this Assembly, this Assembly has rightly made those decisions and my department administers the law in line with those decisions.

[12:15]

5.13.4 Deputy M. Tadier:

I am glad to hear the Minister supports not having G.S.T. on food but given that it has been the decision of the Assembly and given that what one tends to call the Le Fondré proposition or proposal was a sweetener to keep G.S.T. simple while at the same time keeping the most vulnerable protected, does he acknowledge that anyone in the Island who has not been here for 5 years, if G.S.T. had not been on food then they would benefit from that, they would benefit and not have to pay G.S.T. on food? Therefore those in that position are being unfairly penalised simply by a decision of this House and that, in fact, if one is to stand by the strategic planning of greater social inclusion, protecting those in need and greater equality in the Island, we should not be on a technicality penalising those members of Jersey society simply because they have not been here for the 5 years?

Deputy I.J. Gorst:

I would not say that those individuals were being penalised. I would say that this Assembly took the decision not to extend the benefit to those who have not been here for 5 years. However, I do understand that of course those individuals will be paying G.S.T. on their food. I make what perhaps is a personal comment, it does seem to me somewhat strange that earlier this year I brought forward a proposal to remove the food cost bonus altogether as part of my C.S.R. (Comprehensive Spending Review) proposal in the belief that perhaps we could then ... **[Interruption]** The Deputy at the front says: "Shame" but that then perhaps we would remove G.S.T. from food. Members who were in favour of removing G.S.T. from food were also against me removing that bonus. Sometimes I do feel that there is not necessarily a joined-up approach in how people vote.