

3.7 The Deputy of St. Mary of the Minister for Social Security regarding the possibility of means testing the maternity grant available to new parents: [9559]

Having regard to the Council of Ministers' stated intention to target benefits, will the Minister advise whether consideration has been given to means-testing the maternity grant of approximately £600 which is currently available to all new parents irrespective of their income?

Deputy S.J. Pinel of St. Clement (The Minister for Social Security):

The recent benefit changes, as agreed by the States last year, relate to tax-funded benefits and the need to support investment in key strategic areas such as health and education. The great majority of these tax-funded benefits include some element of means testing and are well targeted to specific vulnerable groups. Alongside these targeted tax-funded benefits the department also maintains a contributory benefit system. Employers, employees and the States make contributions into the Social Security Fund. Pensions and benefits are provided to workers who have made contributions. Entitlement to contributory benefits is based on the contribution record of the employee and benefits are paid at standard rates. Members will be aware that a major review of the Social Security Fund is underway and a public consultation will be launched later this year. This review will seek to understand the extent to which we, as an Island, value each benefit and the role each plays in supporting people with life's events. Maternity grant, adoption grant and the weekly maternity allowance will be part of that review, accounting, as they do, for a spend of around £2.5 million per annum from the Fund. Means testing of contributory benefits would be a new direction for Jersey. In my view it could not be taken lightly or without careful research, consultation and deliberation, and this will underpin the social security review. Thank you.

3.7.1 The Deputy of St. Mary:

I thank the Minister for her reply and I know the review is in process. However, I also note that in the year 2005 there were a total of 997 births on the Island. If each of those, or if the parents of each were to have received their £600, that would mean a total outlay by the States of £600,000. Does the Minister not accept that of that total a number of parents will, particularly with regard to decisions taken to establish careers before embarking on families... does she accept that many of those parents are not in actual need of the benefit and that the funds could therefore be put to greater use?

Deputy S.J. Pinel:

I thank the Deputy for his supplementary question. We are always looking at where funds could be better used. But as I said in my original speech, looking at the means testing of contributions would be a completely new direction for Jersey and we will be looking at all the benefits in the review.

3.7.2 Deputy G.P. Southern:

Would the Minister take the opportunity to extend what she just stated and rule out the possibility of means testing contributory benefits and commit herself in the next 12 months to extending the maternity allowance further to enable better conditions for statutory maternity leave?

Deputy S.J. Pinel:

No, I will not commit to doing that because this is all part of the review which is going to take the best part of 2 years; it is an enormous amount of work to undertake and I will not commit to anything until we have done the consultation.

3.7.3 Connétable C.H. Taylor of St. John:

During the consultation will the Minister examine the difference between families with their first child and subsequent children? Because the first child, you need to buy things like prams, cots, pushchairs, *et cetera*, and subsequent children they can be handed down and there is a difference in the cost.

Deputy S.J. Pinel:

Yes, the Connétable is quite right and every child receives the same grant. There is a big difference between the grant and the allowance. The grant is what was discussed in the question, which is a one-off payment and is used for either a pram or car seat because it is quite an expensive item. But every child receives that £600.

The Deputy Bailiff:

Final supplementary then, Deputy of St. Mary?

The Deputy of St. Mary:

No, thank you, sir.