

22.02.08

11 Senator S.Y. Mézec of the Chief Minister regarding the Common Strategic Policy (OQ.25/2022):

What statistical evidence, if any, does the Chief Minister have to determine whether the ambition set out in the Common Strategic Policy to deliver a fair balance between wages, taxes and benefits, rents and living costs for Islanders has been achieved?

The Bailiff:

Deputy Chief Minister, are you dealing with this?

Senator L.J. Farnham (Deputy Chief Minister - *rapporteur*):

If it is okay with the Senator, yes, thank you. As Members will be aware the 2022 Government Plan allocated additional funding to allow the living costs and household income survey to be restarted from September 2021, which will run for a period of one year. The original survey was started in 2019 but was severely disrupted by COVID because it involved a significant amount of field work and personal contact. However, the high-level findings from the interrupted 2019-2020 survey will be published during this term of the States. The income distribution preliminary report from 2021 and 2022 is provisionally scheduled from August 2022 with the full results from the survey expected in Q1 of 2023. In terms of the statistical evidence, this will provide the best indication of overall living standards for Islanders. The last housing costs household income survey was completed in 2015. It is important that these surveys are carried out more frequently in the future and that will, of course, be subject to further funding.

3.11.1 Senator S.Y. Mézec:

I believe that was a long way of answering with the word “none” because in the Deputy Chief Minister’s answer he appeared to reference no statistics that bear this out, whether that is the case. Can I ask the Deputy Chief Minister if based on access to the statistics which we do have like, for example, Statistics Jersey’s reports on real-terms earnings, would he like to give his assessment of whether this Government so far in its term, which is almost at an end, has achieved a fairer balance between wages, taxes and benefits, rents and living costs, which was very clearly stipulated in the Common Strategic Policy as one of their aims? Does he believe we are better or worse on that metric?

Senator L.J. Farnham:

The Senator is technically correct that we have no statistics from the housing incomes plan because it was, unfortunately, delayed. We should now be in possession of those statistics and will help us to judge how we have been getting on, if we have made any progress, what sort of progress, if we have not made progress. Because on top of the pressures faced by COVID in the logistics of completing such surveys there have been enormous other pressures. There is pressure coming along, for example, with the cost of living and increase in price and not only on the back of COVID but on the back of Brexit as well. There are huge challenges coming along, so it is difficult to accurately state what progress has been made. We can go down and list the policies that have been enacted to help alleviate the problem and help with the drive towards better income equality. But without those very important statistics there is no way of showing how successful, if at all, we have been.

3.11.2 Deputy G.P. Southern:

Will the Assistant Minister now commit himself to the publication of what income distribution trends we have already for 2021, for example, which may have been done, even at a high level, so that before we come to the next election they can check out whether we have achieved any progress on this front or not?

Senator I.J. Farnham:

I would very much like to make that commitment but I am not sure it is going to be possible. The results of the 2019-2020 work, and I took some time to speak to the head of Statistics Jersey this morning to get the very latest update, we managed to get to about 50 per cent of the sample. Not fully detailed but there will be some high-level result from that, which we are committed to publishing and the aim is to publish them in the first quarter. The work that was restarted in 2021 and is due to be presented in August 2022, I am not sure is going to be at the stage where we can draw any meaningful data from it but we can certainly speak to. I can undertake to talk to Statistics Jersey to see if there is any early high-level data that can be shared. Yes, very prepared to do that.

3.11.3 Deputy G.P. Southern:

Will he go further and not just simply talk to the stats but to make a political decision that is essential to have this high-level 50 per cent information out in the public in order to have a meaningful conversation about our economy and about income distribution on the Island?

Senator I.J. Farnham:

We will do our very best. Statistics Jersey do run independently of the Government, so we have to work collegiately with them and I will certainly undertake to do whatever we can to get those helpful statistics out. But, like I say, it might be difficult because of the short period of time since restarting the survey there might not be enough data gathered to give anything meaningful but we shall certainly try.

3.11.4 Deputy R.J. Ward:

Can I ask the Minister to go back to the question with regards the strategic policy to deliver a fair balance and one of the factors is living costs? Does the Assistant Chief Minister recognise that there has been a significant increase in basic living costs, such as things like pasta and daily staples, which disproportionately affects those on the lowest incomes? Does he recognise that that is affecting people on this Island daily?

Senator I.J. Farnham:

Yes, of course I think we all do. We are all acutely aware of the inflationary challenges that we are facing, not least in foodstuffs. Having said that, some welcome news that our recent inflationary figures were lower than anticipated because we do not have the challenges of the high soaring energy costs that we are seeing in other countries, mainly the U.K. But, yes, there are severe pressures at the lower end in certain sectors. While we have made some headway, for example, increasing minimum wage by 23 per cent since 2018, of course moves like that are offset against the cost-of-living index. It is important we stay ahead of the game.

3.11.5 Deputy R.J. Ward:

Does the Chief Minister recognise that those inflation figures quoted can mask the significant increase in some areas, such as those food staples that disproportionately affect people on lower incomes? Therefore, where does the use of, for example, foodbanks fall into this balance of

between wages, taxes, benefits, rents and living costs because they are increasing and is there any data on that?

Senator I.J. Farnham:

Of course the overall total R.P.I. (retail price index) figures are, as the Deputy knows, an amalgamation of all the figures. But in the report every category is broken down, so it is clearly visible. I am not sure how the increasing usage of foodbanks is measured in the equation, I simply do not know and I do not think we have any statistics to deal with that.

3.11.6 Senator S.Y. Mézec:

In answer to one of Deputy Ward's questions the Deputy Chief Minister referred to cost of living index and rises in the minimum wage. These are 2 metrics by which you can judge success on what the Common Strategic Policy asked this Government to deliver on. I am asking him, I kind of think this is the third time I have asked him the same question, but based on the statistical evidence that he does have access to, like R.P.I. figures, like the breakdown of R.P.I. figures, like the housing cost survey, like the real terms earnings index, can this Deputy Chief Minister say that this Government has succeeded in this term of office in its aim to deliver a fair balance between wages, tax and benefits, rents and living costs or would he prefer to say what most of us recognise is the reality, which is that they have failed to deliver on this and that the statistical evidence we do have shows that life has not got better for the people who this pledge was targeted at?

Senator I.J. Farnham:

While the statistics are not available to show that we have succeeded, I would certainly say we have not failed. The statistics are required to measure both descriptions that the Senator refers to. What I can say is that this Government is committed, as stated in the Common Strategic Plan, as approved by the States Assembly to working to reduce income inequality. That is what we have been doing. That is what we are going to continue to do. I hope the next Government continues to do that. We have been doing it, as Members will know, against the most extraordinary and unexpected economic circumstances. However, I can continue to give that commitment to the Assembly that although we cannot measure whether we succeeded or whether we failed, we are doing everything we can to alleviate the problem, but there is more to do.