

7 Statement by Deputy G.P. Southern regarding the Health, Social Security and Housing Scrutiny Panel

7.1 Deputy G.P. Southern:

The Health, Social Security and Housing Scrutiny Panel welcomes the early publication of the *Income Distribution Survey Report 2009-2010*. The States of Jersey Statistics Unit are to be praised for achieving such a comprehensive report so quickly. With such a wealth of information, it is too early to draw definitive conclusions about what it says. It does, however, like its predecessor, point to the impact of high housing costs on the whole population, but especially those on low incomes. The early publication of this new data means that the sub panel can draw an accurate picture of the impact of income support to inform policy decisions as to the way forward. It further enables us to use the 2010-2011 benefit levels and to include the impact of the withdrawal of transitional protection in our report. Unfortunately this will mean a delay in finalising our work on the review of benefit levels, however, this will still enable our work to be incorporated with the social survey and to feed into the Minister's proposed review of income support. Our goal of developing a sound database on which to make informed social policy decisions remains.

7.1.1 Deputy I.J. Gorst:

If I could just join with the Deputy in thanking the Statistics Unit, it is indeed an excellent piece of work carried out in a very timely manner. The Deputy does raise in his statement the issue of affordable housing, I am not certain whether his panel has to date reviewed that particular issue or worked with the Housing Department. I wonder if he could confirm whether that is going to be on his agenda because I think he is right in raising that issue and it is something that we, as an Assembly, should be working together on.

Deputy G.P. Southern:

I will answer that in 2 ways. Firstly that in our report it is very clear from the work we have already done that the impact of rent levels is a very significant one for significant numbers of our population, and also that it is early days yet but it is certainly my intention that the next review that we do will be about the provision of social housing, whether that is affordable or not and whether that is the issue that we take on. But it certainly will be concentrating on housing, it is an area that we have not done a great deal of work on and it is time, I think, to move on to that. Despite our big brief, that is the next target and I think the Minister is aware that we are coming to see him next.

7.1.2 Senator S.C. Ferguson:

Will the Deputy, when he is using this information in his work with his panel, will they be looking at absolute poverty levels as opposed to relative poverty levels?

Deputy G.P. Southern:

No. I can say to the Senator that is definitely not our intention. The universal standard around the world is 60 per cent of median income which gives an indicator of relative poverty within a particular community and since we are dealing with a particular island community with its peculiar circumstances, that is the measure we shall be using.

7.1.3 Senator S.C. Ferguson:

There is a certain amount of discussion going on at the moment among the cognoscenti that in fact we should be looking again at our measures and perhaps not relative so much as absolute measures. I wonder, will the Deputy look at that for comparison?

Deputy G.P. Southern:

The simple answer is no.

7.1.4 Senator P.F.C. Ozouf:

The Deputy is rightly concerned in his statement to refer to the impact of high housing costs on low income families. Does he accept that, while well-intentioned, government subsidies help landlords and do not help tenants? Will his review accept that political philosophy and help Ministers find a solution to that?

Deputy G.P. Southern:

Our review will examine carefully the evidence of the impact of rents. It does not take a political point of view, it will be evidence-based.

7.1.5 Deputy S. Power:

Will the Chairman, in his review, be looking at the size of the private rental market and its relationship to social housing? Because I think that is an important area.

Deputy G.P. Southern:

Is the Minister referring to this particular review of benefit levels? In which case it has not come up as a significant factor so far, as I am aware, so the answer is probably that it will not be, although having drawn my attention to it, I will investigate to see whether that is a factor.

7.1.6 Senator P.F. Routier:

I am just a little bit surprised at the Chairman's response with regard to the relationship between relative income and absolute poverty, because I understood the Chairman was a mathematician and understood that it is unachievable for everybody to get up to 60 per cent because it is an impossible thing to do. Does he accept that aim of getting everybody to 60 per cent is practically unachievable?

Deputy G.P. Southern:

While I can accept some of the statements made by the Senator contained therein, no, it is absolutely the point that in order to make comparisons with any other jurisdictions one has to have a marker and the universally accepted international standard now, accepted by all of the western world and by all economists everywhere, is 60 per cent of the

median income. That is the marker of relative poverty and it is no good flat-earthers saying otherwise. Absolute poverty is a concept that is obviously relative to wherever you are. The level of poverty in India relative to Jersey is nothing like what exists here. One cannot make comparisons unless one chooses relative income.

7.1.7 Senator J.L. Perchard:

Can the Deputy assure me that he has not already written the executive summary of this report and just has to fill in the details of it?

Deputy G.P. Southern:

The Member is impugning my integrity. I object to that question absolutely. [Laughter] Will you make a ruling on it?

7.1.8 Senator P.F.C. Ozouf:

The Deputy scolds me for not answering his questions, the boot is on the other foot, I do not believe he answered my question. Does his review commence on the premise that subsidies in the housing market help owners of property, landlords, not tenants?

Deputy G.P. Southern:

I will answer it this way, if I may. My understanding of the way which the rent subsidy scheme works in Jersey is that indeed - I agree with the Minister - that it works to the advantage of the landlord far more than the tenant. That is the case. However, that is a political philosophy and an approach that I hope will not filter into the independent and evidence-based report that I produce. If it is does, if that conclusion is anywhere in it, then it will be based on evidence and not on my political philosophy. Is that clear?

7.1.9 Deputy P.V.F. Le Claire:

I know nothing about these things, which does not say that I know anything about anything else either, but there we are. It does seem, however, that there is a political stance being adopted by the Members on my right, which predominantly form-up the Council of Ministers, in relation to an absolute indication and a relative indication. I wonder if that was applied to a minimum wage, if we could have an absolute minimum wage or relative minimum wage and whether that could be factored-in as well?

Deputy G.P. Southern:

It seems to me that a minimum wage must be relative because it is to do with conditions in the particular community on which it is based, and it will be different around the world. While we are on this topic, if the Members questioning me today have evidence that real poverty or non-relative poverty is a marker that I should be looking at then I look forward to receiving the evidence and the papers on which that is based.

7.1.10 Deputy I.J. Gorst:

While the Deputy is quite right that 60 per cent is the internationally recognised comparator, does he not agree that there is some merit in jurisdictions looking to see what

relative low income looks like at 50 percent, particularly when we bear in mind the statistic which I gave earlier whereby Jersey's 60 per cent figure is only £30 less than the U.K.'s actual median figure?

Deputy G.P. Southern:

Yes, there is some validity in looking at other measures, 70 per cent, 60 per cent, 50 per cent, because that gives a picture of the depth of poverty and so, therefore, has some validity if one wants to examine those particular factors as indeed a report commissioned by his predecessor, actually looking at the depth of poverty in Jersey, has already commented on.

Deputy I.J. Gorst:

Perhaps the Deputy will be pleased to know that I shall be commissioning a very similar report on the back of these figures.

The Bailiff:

That concludes questions to the Chairman. Now, I have given leave under Standing Order 17(5) for the Minister for Treasury and Resources to make a statement in relation to the administration of Woolworths, and perhaps this would be a convenient moment.