

2025.11.11

2.11 Deputy M.B. Andrews of St. Helier North of the Minister for Treasury and Resources regarding a Corporate Social Investment Allowance scheme (OQ.244/2025):

Will the Minister advise what consideration, if any, has been given to the introduction of a Corporate Social Investment Allowance scheme to permit companies that donate funds towards preschool education and childcare to claim a tax allowance and if no such consideration has been given, why not?

Deputy M.E. Millar of St. John, St. Lawrence and Trinity (The Minister for Treasury and Resources):

I thank the Deputy for his question; that is an interesting question. No consideration has been given to this specific issue, as it has not been raised with me until now. I am not aware of similar allowances operating in other jurisdictions. Most companies in Jersey, in any event, are taxed at zero per cent and, therefore, would not benefit from any new allowance. Providing an allowance, it would only benefit a relatively small number of companies that pay tax at 10 per cent or 20 per cent, would create a fiscal advantage from which many Islanders would not benefit. The 2026 Budget includes proposals to provide 15 hours of free childcare for 2 to 3 year-olds. I believe that this a more appropriate and effective way to support Islanders with the cost of childcare.

2.11.1 Deputy M.B. Andrews:

Does the Minister for Treasury and Resources not agree with me that corporate social responsibility is about providing some social good back to the community? Obviously with so many parents who are struggling with the cost of preschool education and childcare, would it not be feasible to at least explore this as a potential option to try and lower fees for parents?

Deputy M.E. Millar:

As I say, most companies would not benefit from an allowance scheme. If your tax rate is zero per cent an allowance is of no benefit. Very many companies in this Island do have excellent corporate social governance models and they do contribute to a wide range of good causes. To suggest that some people should have tax allowances because they contribute to preschool education and others who contribute to other very good causes like sport or older people or cancer charities should not get an allowance is a very difficult thing to achieve. The best way to provide support is to target it where it is most needed. Just to give big businesses tax allowances to put money on an ad hoc basis into childcare when Government is extending childcare to 2 to 3 year-olds and when we already have the N.E.F. (Nursery Education Fund), which also provides childcare to families, I do not think this is really an appropriate way forward.

2.11.2 Deputy L.M.C. Doublet of St. Saviour:

Does the Minister not agree that childcare is not just a good cause but in fact essential infrastructure that allows parents to contribute to the economy, and that is whether any mechanisms whereby businesses could provide support to their employees with childcare, that Government should support this? Has this ever been considered?

Deputy M.E. Millar:

Businesses that pay for provision of childcare for their employees can claim a 100 per cent deduction in their accounts. It would likely result in a taxable benefit in kind on the employee, other than where the employee provides crèche facilities, which is an exempt benefit in kind. New tax allowances can only be introduced when there is a very clear evidentiary basis as to how much it would support, will provide the support. Tax allowances are not always the best way of putting money into an economy, particularly not at business level and to ask people to support. Businesses will see tax benefit if they provide childcare; that is already there. But if somebody is given something by their employer that it is only fair that that is then treated as a taxable benefit in kind.

2.11.3 Deputy P.F.C. Ozouf of St. Saviour:

Very briefly. I wonder whether the Minister would encourage Deputy Andrews to visit the offices of Jersey Finance, of which there will be a number of organisations that do provide childcare. In answering his questions with her responsibilities of financial services, would she agree that he raises a good point that raising understanding about what financial services companies need and are already doing, with or without tax allowance, would be helpful in order to progress what the Deputy is trying to do, which is everybody wants to have more better affordable childcare and financial services do do it already. Would she agree?

Deputy M.E. Millar:

I am simply not in a position to comment on what businesses financial services or otherwise do in the Island in terms of childcare. There are benefit in kind arrangements. There are rules about tax deduction. The provision of childcare is an alternative policy. It is not something that sits with Treasury. We simply provide the funding for it if it is what the Assembly wants to do. But can I just go back to the theme of the debate? Where is the money coming from? If you want to provide more childcare find the funding source. Government is working on expanding childcare. We are working on a Budget that balances the books and provides that childcare. We cannot pluck things out of the hat without very careful consideration. Do we put money into childcare or do we take money out of reserves or do we put up taxes? These are the hard decisions that this Assembly has got to make.

2.11.4 Deputy P.F.C. Ozouf:

Would a meeting with Jersey Finance to explain those matters be helpful to the Deputy in the Minister for Treasury and Resources' view?

Deputy M.E. Millar:

I am sure Jersey Finance would be happy to speak to the Deputy or indeed any Deputy who wants to go and discuss with them the challenges that the financial services industry are facing like other businesses in the Island, even people working in the financial services. I am quite sure Jersey Finance will tell you that that is a frequent theme that they find, even in financial services people are concerned about the cost of childcare and the cost of housing. Those are issues across the Island, regardless of industry. I am very sure Jersey Finance would be happy to discuss that. But I think we have to reflect that those are issues affecting all sectors of our community.

The Bailiff:

Final supplementary, Deputy Andrews.

Deputy M.B. Andrews:

No, Sir.

The Bailiff:

Thank you. Thank you, Minister. Question 12 Deputy Warr will put to the Minister for Health and Social Services. Deputy Warr.

Deputy D.J. Warr:

I am conscious of the time as well at 10.57 with 3 minutes to go, so ...

The Bailiff:

We will let you know when we are about to stop