

POPULATION POLICY REPORT

**Lodged au Greffe on 5th November 2002
by the Policy and Resources Committee**



STATES OF JERSEY

STATES GREFFE

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PROPOSITION

THE STATES are asked to decide whether they are of opinion -

- (a) to refer to their Act dated 4th November 1997, in which they approved existing policies in relation to population and, having full regard to the Island's international obligations and the U.K. Immigration Act 1971, as extended to the Island and within a detailed licensing framework to be agreed by the States, to agree in principle new policies as follows -
- (i) all newly arriving persons who are not residentially qualified under Regulation 1(1)(a)-(h) of the Housing (General Provisions) (Jersey) Regulations 1970, as amended, and who seek to occupy property or work in the Island, will require a licence;
 - (ii) all persons who are not residentially qualified under Regulation 1(1)(a)-(h) of the Housing (General Provisions) (Jersey) Regulations 1970, as amended, and who already occupy property in the Island at the date it is agreed these new policies should commence, will be entitled to a licence by virtue of that occupation;
 - (iii) a single authority should be established for the purposes of determining applications for licences to occupy property or work in the Island;
 - (iv) all persons who are residentially qualified under Regulation 1(1)(a)-(h) of the Housing (General Provisions)(Jersey) Regulations 1970, as amended, should, subject to proof of qualification, have no obligation to apply for a licence whether to occupy property or to work in the Island and nor should their employers, (if any), need to seek consent for them to work in the Island;
 - (v) a strategic objective be set, such that within ten years of the States agreeing detailed proposals in relation to (a)(i) to (a)(iv) above, all persons who establish themselves in the Island by virtue of (a)(i) and (a)(ii) above, excluding seasonal and short-term workers, as being entitled to occupy property or to work in the Island, should be enabled to participate in the Island's housing market so that all long-term residents have fair and just access to residential accommodation; and,
- (b) in order to give effect to the policies established by (a)(i) to (a)(iv) above and the strategic objective set by (v) above to charge -
- (i) the Industries and Housing Committees, in consultation with other committees as appropriate, to review the Housing (Jersey) Law 1949, the Housing (General Provisions) (Jersey) Regulations 1970, the Lodging Houses (Registration) (Jersey) Law 1973 and the Regulation of Undertakings and Development (Jersey) Law 1973, together with other related legislation, and to bring forward, through the Policy and Resources Committee, detailed proposals to give effect to (a)(i) to (a)(v) above;
 - (ii) the Industries, Education and Human Resources Committees, working together, to review current policies with a view to encouraging the increased employment in the Island, in both public and private sectors, of skilled workers who have benefited from the Island's education system, and;
 - (iii) the Policy and Resources Committee to -
 - (A) develop and bring forward proposals for the introduction of a system to create an electronic or other suitable means to provide evidence of individual entitlement pursuant to (a)(i), (a)(ii), (a)(iv) and (a)(v) above in relation to the housing and labour markets;
 - (B) seek to develop robust economic modelling techniques that will support the timely introduction and operation of the licensing scheme envisaged in paragraph (a) above and, having regard to Census data and all relevant economic, social and environmental factors, will facilitate a considered view of the desirable size and skills mix of the Island's population to be taken by the States from time to time;
 - (C) publish statistics and information regularly on the situation regarding the population of the Island and to present to the States annually a review of the situation regarding the population of the Island, beginning in 2004.

POLICY AND RESOURCES COMMITTEE

- Notes:
1. The Finance and Economics Committee's comments are to follow.
 2. The Human Resources Committee's comments are to follow.
 3. The Industries Committee's comments are to follow.
 4. The Housing Committee's comments are to follow.

REPORT

Members will recall that, following a three-day debate on this subject in July 2002, there was a tied vote on the Committee's Proposition P.101/2002, which accordingly was not endorsed by the States. The Committee announced afterwards that it would take stock and revert to the States in the autumn.

The Proposition now brought back to the States is very similar to the earlier version. It reflects the fact that there was a fair consensus in the States during the debate in July that it was essential to tackle the inequities that were arising from the 'two-tier' housing market and that work therefore needed to be put in hand on a new, single licensing scheme to govern all newly-arrived persons who seek to occupy property or work in the Island. An approach on these lines was seen as the key to enabling the much needed housing market reforms to begin to progress.

The revised Proposition equally reflects the fact that there was clearly a degree of unease on the part of some Members about the proposal to introduce an assumption, for policy planning purposes (including the framing of the new licensing scheme) of annual net inward migration of 200 persons. An amendment to put this assumption at zero was defeated, but concern remained about the 200 figure, notwithstanding the reasons for it advanced by the Committee.

In the light of these considerations, the Committee believes that the most immediate task should be to seek agreement in principle on the strategic objective of ending the two-tier housing market over time and to get endorsement by the States for a start to be made in the New Year by the new Housing and Economic Development Committees on detailed work on a licensing scheme to facilitate the objective. The question of what given migration assumption should eventually underpin such a licensing scheme can be left to one side for the time being. The implications of an ageing population and a projected decline in the size of the workforce will have to be addressed eventually but the States can revert to this once they have before them the results of more detailed work on a housing scheme from the Housing and Economic Development Committees. This should be as soon as practicable during 2003 and that discussion will be able to be informed by the most up-to-date information about the population.

The Committee therefore commends the revised Proposition to the States on this basis.

Appended to this Report is a summary of main relevant statistics, prepared by the Statistics Unit. This is an updated and slightly expanded version of the summary that was circulated for the July debate. The Committee's previous report accompanying P.101/2002 remains relevant to the revised Proposition now presented.

Financial and manpower implications

There are no immediate implications. The policy work entailed in taking forward the Proposition, if it is agreed, will be handled from within existing resources. Looking ahead, the proposals in this report offer, the Committee believes, significant scope for streamlining and reducing existing functions of government, leading to resource savings. The proposals also have the potential to reduce regulatory burdens on the private sector.

Statistics Unit
Policy & Resources Department



Background statistics for the debate on Population Policy

Total Population:

March 2001 Census: **87,186**

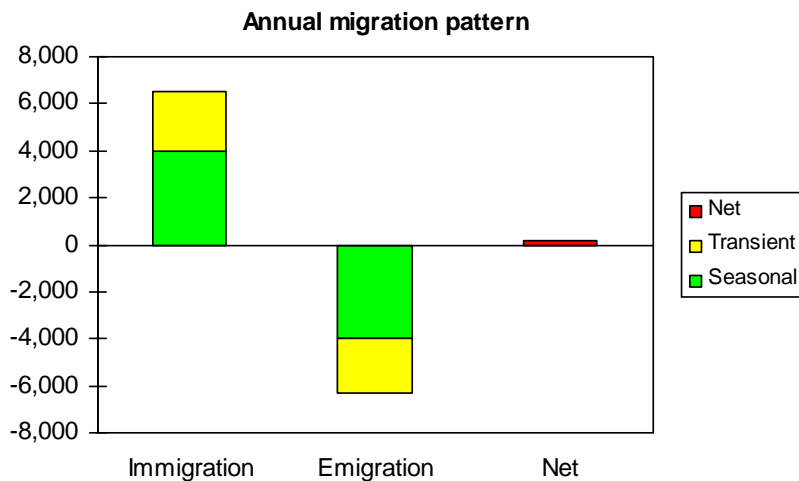
	Census	Change	Natural growth (Births-Deaths)	Migration and other
5-year change	1996-2001	+2,040	68%	32%
10-year change	1991-2001	+3,100	81%	19%

March 2002 (estimated): **87,275**

Ebb and Flow: (average number of persons *per year*, 1996-2000)

	<u>IN</u>	<u>OUT</u>
Seasonal (< 1year)	4,000	4,000
Transient Residents	2,500	2,445

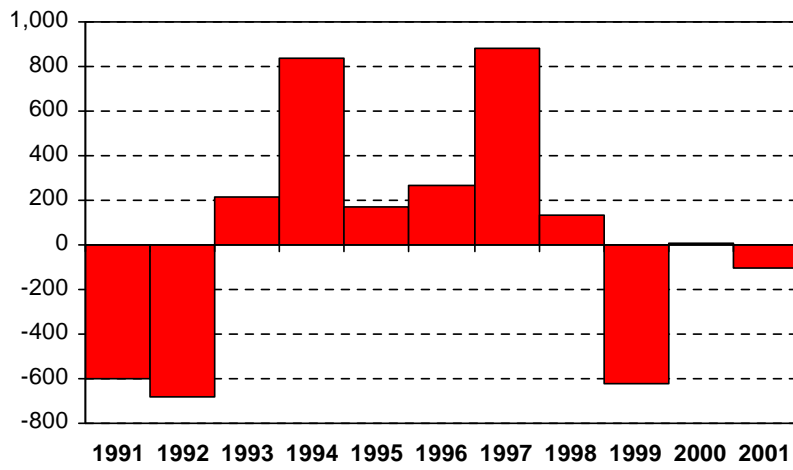
Net 55 persons IN *per year*



Annual net migration:

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Annual net migration: 1991-2001



Population Projections:

The model for projecting the population (undertaken by the U.K. Government Actuary's Department) assumes that - any ***net*** migration (whether immigration or emigration) occurs -

- in the 16-25 year age band

for persons who are -

- residentially non-qualified
- single
- economically active (with a job or seeking work)
- **without** dependants.

The Census data showed that the model assumption was true for **82%** of residentially non-qualified persons aged between 16 and 25 years who arrived in the Island in calendar year 2000.

Immigrants, once resident in the Island, are then assigned the age-specific Jersey fertility and mortality rates, i.e. they have children and die with the same probabilities as the resident population.

Definitions:

- **Working Age:** men aged 16-64 years
women aged 16-59 years

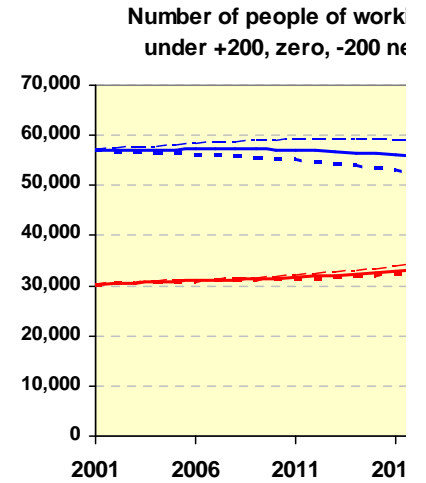
Dependants: the sum of:
children aged 15 or under
retirement age (women/men aged 60/65 and over)

Projections for year 2031

Summary of population projections from 2001 to 2031:

	<u>2001</u>	<u>Net migration scenario (persons per year)</u>			
		<u>+200</u>	<u>Zero</u>	<u>-200</u>	
Total population	87,186	97,340	88,620	79,850	
Working age	57,010	55,240	48,790	42,310	
Under 16 years	15,670	15,270	13,000	10,710	
Retired (aged 70 years or over)	14,510 8,700	26,830 16,900	26,830 16,900	26,830 16,900	=>+85% =>+93%

Projected numbers of Working Age and Dependents: 2001-2031: under +200, zero and -200 net migration per year



Dependency Ratio

$$= \frac{(Under\ 16 + Retired)}{Working\ Age}$$

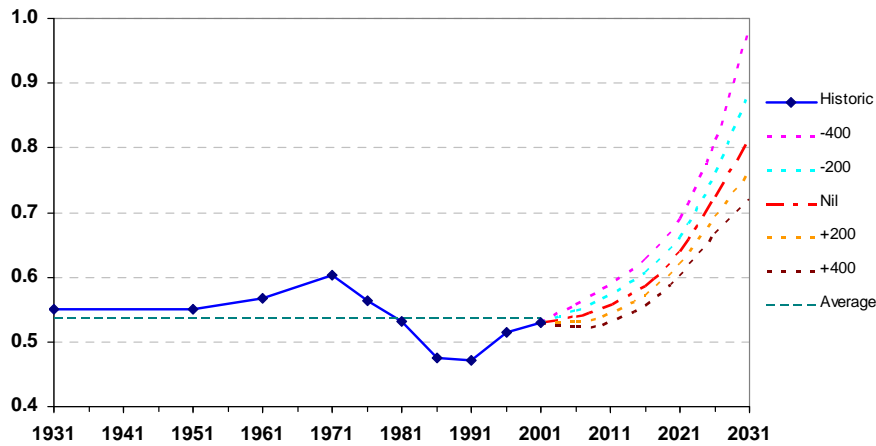
Projections for year 2031

<u>Historical average</u>	<u>2001</u>	<u>Net Migration scenario</u> (persons per year)		
(1931-2001 Censuses)	<u>Census</u>	+200	<u>Nil</u>	-200
0.54	0.53	0.76	0.82	0.89

- Net immigration of +400 persons per year can be expected to maintain the current dependency ratio (0.53) until 2011;
- after this date, much greater immigration would be required to maintain the ratio due to the ageing of the population;

Jersey's Dependency Ratio : 1931 - 2031

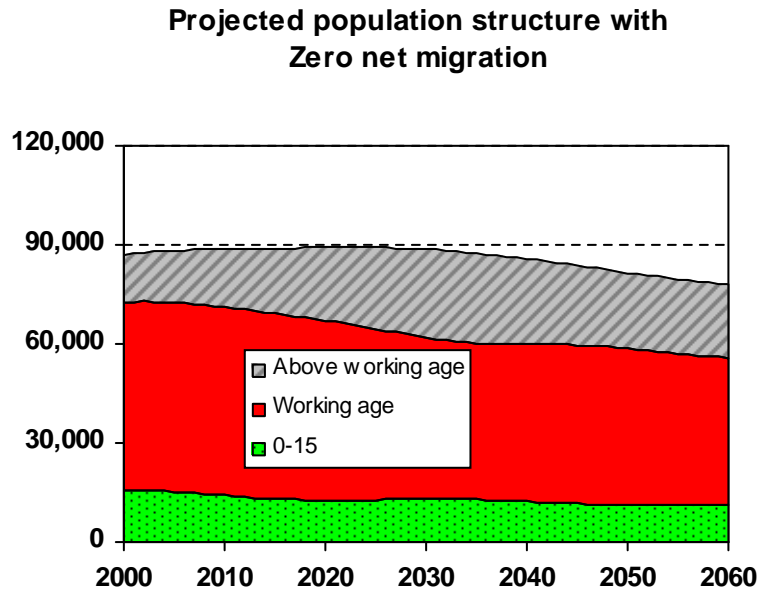
Historical and under different Net Migration Scenarios



Population structure over the very long-term (2001-2061):

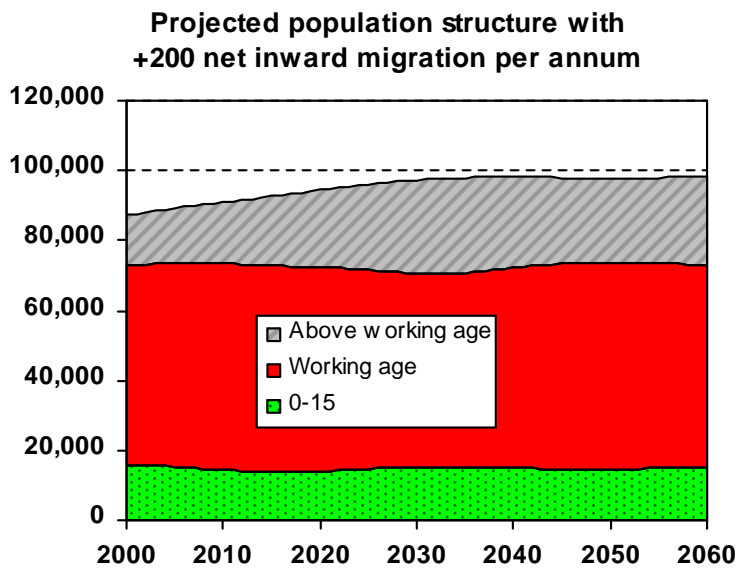
Zero net migration

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- under zero net migration the population rises to a peak of 89,200 in 2023, and then decreases due to the mortality of the ageing population.

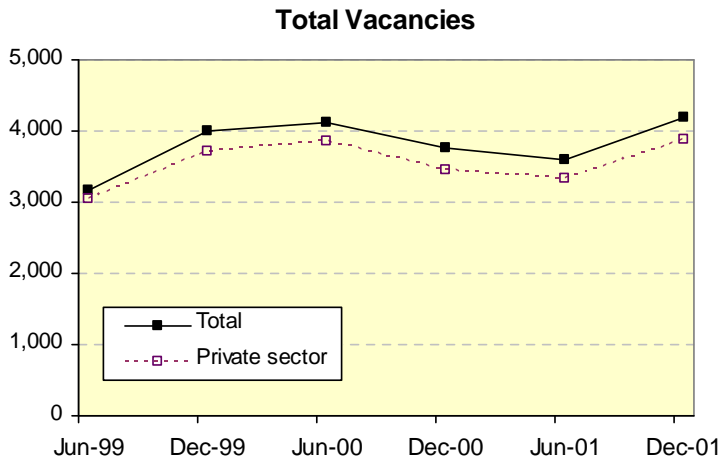
+200 net migration per year



- under net immigration of +200 persons per year, the population rises to a peak of 98,100 in 2040 and then remains effectively constant (mortality of ageing residents balances the effect of immigration).

Labour Market: 1996-2001

- People employed: static since December 1999; peaked in late 1998
- Public sector: 5% increase since 1996 (mostly before June 1999)
has remained at 12% of total employment 1996-2001
- Financial sector: 25% of total employment at December 2001
has increased from 22% of total at December 1996
- Employment Qualifications (includes 5-year rule)
 - December 2001: 84% locally qualified;
2% "(j)" category;
14% non-locally qualified
- Unemployment (Census figures)
 - fell by 34% from 1,549 in 1996 to 1,022 in 2001
- Vacancies



Vacancies and shortfall of skill-base => wage-led inflationary pressure

Manifested in:

Retail Price Index (RPI) + 4.2% per annum (Sept 2002)
 Average Earnings Index + 4.2% per annum (June 2002)

Housing

- Households gaining residential qualifications:

- ◆ approximately 120 households per year under current 18 year rule;
- ◆ a one-year reduction in the qualifying period brings approximately an additional 140 households into qualified status

- Dwelling units required over the next 5 years:

(re-analysis of Couttie survey data by the Statistics Unit: January 2002)

includes the effect of migration

Net Migration scenario (persons per year)

	<u>+200</u>	<u>Nil</u>	<u>-200</u>
Qualified sector	3,180	3,110	3,020
Non-qualified sector	1,160	990	840

- Potential surplus in private rental accommodation:

the requirement in the non-qualified sector could be met by a substantial surplus in private rental accommodation which would appear if appropriate numbers of owner-occupier and social rented housing were built over the five-year period;

the Island Plan implies building 90% of the qualified sector requirement; the projected private rental surplus would then be at the level of 2,000 units by 2007;

if non-locally qualified residents were permitted access to private rental accommodation, the potential surplus could

accommodate all the unqualified demand under any of the migration scenarios.

The Current Resident Population: 2001 Census

Residential Qualifications:

2001 Census: (a-h): 77% (j-k): 2% Non-qualified: 21%

“(j)” category:

total = 1,100; Public sector = 40%; arrival rate = 240 per year

11% of qualified teachers are “(j)” category; 31% of doctors;

25% of dentists; 16% of nurses, midwives, health visitors.

Economic Activity:

- 82% of working age population were economically active, i.e. either working or seeking employment; (4% points higher than U.K., both genders)
- 67% of total population; (constant 1991-2001: male rate decreasing; female rate increasing)
- 29% of the economically active were not residentially qualified

Skill-base: (working age population)

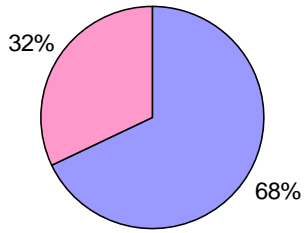
- 11% at degree level (U.K. = 16%)
- 34% no formal academic qualifications (U.K. = 16%) (including 1 in 5 managers/senior officials)

Comparisons with other jurisdictions: (2001 Censuses)

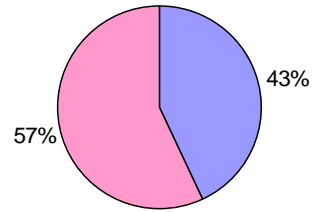
Change in resident population:

	5 yr change (1996-2001)		10 yr change (1991-2001)	
	<u>Jersey</u>	<u>Guernsey</u>	<u>Jersey</u>	<u>Guernsey</u>
total population	+2,040	+1,130	+3,100	+940
change in total	+2.4%	+1.9%	+3.7%	+1.6%
due to:				
Natural growth	68%	43%	81%	99%
Net immigration	32%	57%	19%	1%

Jersey: 1996-2001

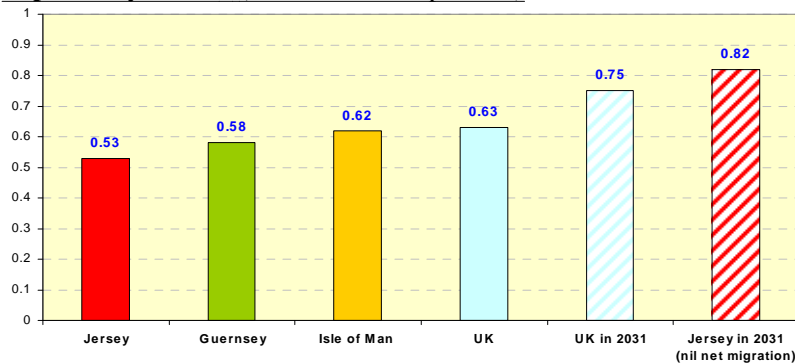


Guernsey: 1996-2001



■ Natural Growth
■ Net Immigration

Dependency Ratio: (for 2001 unless specified)



For comparative purposes, dependency ratios have been calculated with working age defined as 16-59/64 years (women/men) for all jurisdictions. In Guernsey the working age is actually 15-64 for both sexes. For the U.K., the state pension age will change to 65 for both sexes between 2010 and 2020, resulting in the projected dependency ratio in 2031 reducing to 0.66.

Ageing of the population

Percentage of the total population above a given age:

	<u>Jersey</u>	<u>Guernsey</u>	<u>Isle of Man</u>	<u>U.K.</u>
65+	14.1	15.7	16.7	15.9
85+	1.9	2.0	2.3	1.9

Economic activity of the working age population

(figures are percentages)

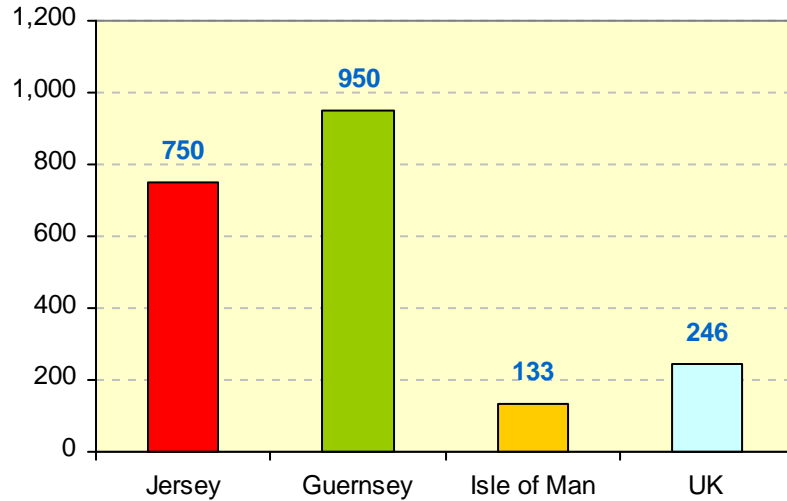
	<u>Jersey</u>	<u>Guernsey*</u>	<u>Isle of Man</u>	<u>U.K.</u>
Men	87	86	86	83
Women	76	71	76	72
All	82	78	81	78

* for Guernsey working age is defined as 15-64 for both men and women; in the other jurisdictions it is defined as 16-59/64 for women/men, respectively.

Population Density

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Population density: (persons per square kilometre)



- If the 2 km² of the St. Helier reclamation site are included in the total area of Jersey, the population density is 738 per km².
- Jurisdictions with magnitudes of population density comparable to the Channel Islands include Barbados (629), Bahrain (910) and Bermuda (1,128 per km²).

*Statistics Unit
Policy and Resources Department
October 2002*