

STATES OF JERSEY

OFFICIAL REPORT

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[9:30]

The Roll was called and the Deputy Greffier of the States led the Assembly in Prayer.

PUBLIC BUSINESS

1. Common Population Policy (P.116/2021)

The Bailiff:

We continue therefore with the debate on P.116, the Common Population Policy. Next listed to speak from yesterday evening is Deputy Young.

Deputy C.F. Labey of Grouville:

I just wanted it to be noted that I have to attend a medical appointment at 11.15 and if I cannot speak before then I would just like it marked appropriately.

The Bailiff:

The only person listed to speak at the moment is Deputy Young so you should be, if you want to.

Deputy J.H. Young of St. Brelade:

I am happy to defer to my colleague, the Deputy of Grouville, if she wished to go first and I will follow her.

The Deputy of Grouville:

No, I did not mean I wanted to speak. I may very well later on but I just wanted it noted that I have a medical appointment from 11.15.

The Bailiff:

Thank you very much, Deputy.

1.1 Deputy J.H. Young:

The 60 pages and appendix report that we have received, shared by Deputy Huelin, I think does include a very cogent analysis of the reasons why we have collectively - and I emphasise that word - failed to achieve the Island's long-term ambition of limiting our population. I think the foreword, particularly in the summary, does clearly identify the reasons in that analysis. It indicates, I think, right and foremost - and I am grateful for Deputy Huelin highlighting this - the longstanding tension. In fact I would put it higher than tension - conflict - between the continued demands for economic growth and more and more employees from a number of our industries. Not universally because the evidence I have seen shows that the finance industry does make impacts but they are rather different from hospitality, retail and others. I think that what that ends up meaning is that for decades we have allowed that unsustainable growth in the demands at the cost, I believe, of our environment, our physical environment, but also I think now we are clearly seeing the signs of its effect on our community and fracturing our community and social policies. Of course there is a need for infrastructure as a result of continued growth. That obviously requires a construction industry that has its own demands as well. We have an ageing population again, which we see the forecast where there is a huge impact on our health services and social care facilities. Of course, I think, the social fracturing has been seen by the impact we are now seeing on our housing market where demand has driven prices to the level where it threatens, I think, our very society and where we have not got our policies rights. There are so many inconsistencies. For example, we laud 2(1)(e) wealthy residents while at the same time we allow our young people to struggle for even a basic home. So I really would advocate these and, if you have not, please have a read of the Ministerial foreword because I think Deputy Huelin does make it very clear. In the summary, in this report, it sets out the direction that is proposed for us. First, proper collection of ... the report talks about data. I do not like using that. Data has no meaning. Information has meaning. Therefore development of information systems to help integrate various bits of Government because of course population - absolutely right

- cuts across all of our Ministers. So point one, we need to get our information systems sorted. Then we must stop dependence on inward migration and shift to our own community and gearing ourselves up. Obviously we have been through the experience of what happened with Brexit now, but prior to that the adoption of the free market in 1991, which of course inherently I remember attending an Oxford University seminar in the 1990s where it was quite clear that what would happen with free movement is that there would be an equalisation of labour rates and labour costs throughout all of the European community, which obviously we have seen. So Jersey has benefited from that, been able to bring in labour. Labour is worthwhile to the people who came here and are here now. That has been good for them. But of course our society has paid the costs. Costs in infrastructure, housing and so on. We have a new situation now that we have to adjust to. Of course that is going to take us time but I will turn to the issue of time in a minute. Then we have the issues of schools and so on. In the third element in the summary was our migration controls. I was pleased 4 years ago, when elected as Minister, to be asked to join the working group with the former Constable of St. John who came up with the framework of our new way we managed entitled, licenced and registered people under the Housing and Work Law. Of course one was able to participate in lots of meetings with members of business and others and those tensions were there absolutely, as they say, in spades. But I am pleased where we have ended up is the States have approved the report that came to the States previously and here we are, later next month, we are going to be asked to agree and debate the new Draft Control of Housing and Work (Amendment) (Jersey) Law, P.13.

[9:45]

Which I am really pleased to see that work coming forward. Personally, I am disappointed that we have not got the regulations. Sadly it is too late to debate them. That must be a priority. But of course this issue of disappointment, I am disappointed that we have come to this situation. I think we have had massive disruption of course from COVID but I think the tensions here in this issue have brought this point. So I do need to record that disappointment. My wish, my hope, that the new Government, which I have declared that I shall not be seeking a part of, will absolutely put this right. For example, disappointment that we do not have the census. We do not have anything from the census. There are the I.T. (information technology) systems to go with the Control of Housing and Work Law, and we are told we are going to see a new employer return from our new tax and social security systems, and we are going to have a wonderful common database. I do not argue against those principles. They are valid but why oh why is it so I.T. is so tardy. We are pushing millions of pounds into I.T. in our Government Plan. Why? We have seen numerous visions of data driven solutions - finance, H.R. (human resources) - and yet so few have achieved. Having said that, I make an exception to spatial digital mapping systems, which I think where we have succeeded, so it is not all blues there. But we need interim solutions. I just do not see that future Governments can wait. So some old technology, short-term stopgap systems. I still hope we might see the census number of the size of our population before the States debate on the bridging Island Plan. I had asked for it at the planning inquiry; do not have it. So far we do not have it. I think we really do need to know that because the number we have got is 107,000 thereabouts, which is an estimate based on 2019. Of course it was 10 years since we had a real census so we need to know whether the rate of migration of 1,400 per annum, which we have seen over the past 10 years, has reduced. We do not know. We have got no information. I asked for it and they have not got it. I want to validate the 700 migration population planning assumption that we made in the bridging Island Plan. I would like to have that. I would like to know but at the moment we do not. So next month I will be proposing the loss of valuable green fields, eroding our special environment. Unless of course I believe it is a consequence largely, not fully, of our failure to control population. That is not something I want to do. It is something I feel I have to do because of the need of our community. I regret we are in that situation. But we must never allow that to happen again. There we are. We have now seen a situation where we have to address this as soon as we can because we have seen such incredible price inflation of people's homes. One is hearing £100,000 gain in the last year on an ordinary house. Now houses which were built from the basic States loan scheme around the Island for around about £20,000

£25,000 sort of thing, are now selling for £800,000-plus. This cannot go on. It cannot wait until 2025, as the report suggests. My message please to the new Council of Ministers is this has to be brought forward. We have the impact of infrastructure. The report talked about a long-term plan where we know traffic; our roads are at a limit. Our network is at a limit. We cannot build more roads. That requires different solutions. Of course schools, we are waiting for the schools plan. Health, there is that. Of course we have the cost. How we finance all this extra infrastructure. Huge sums. We are already having to borrow. What next? So we really have to put this absolutely at the core of future Government priorities. My view is we cannot wait to 2025. Okay, we cannot set a perfect number, as the report says. There are agreed risks in setting the limit. I can remember back in, I think it was the late 1980s, the States had a policy of setting what they call zero job growth. Every economist pretty well in the developed world beat a path to Jersey to see would it work because in a situation where you are either boom or bust no society has been able to achieve a steady state. What happened? It was followed by a recession in the 1990s. So it is not an easy thing to do but nonetheless to have some number gives one a benefit, particularly as the last Island Plan had a number of 325 of course per year and what we have seen, 1,400 a year. 1,400 a year at the same time when one-fifth of every person coming into the Island gained access to housing and the qualifications which obviously has a massive impact on demand in the housing market. There are a couple of details we do need to look at, I think, in every sector. For example, it is right that we have opportunities for licensed employees, because we need those, to be able to come to Jersey and not be disadvantaged. So access to a licensed housing market is, I think, important. But what we are seeing of course is that those people are able to benefit from higher salaries because that is required for licensed employees. Those people have large deposits brought from elsewhere. Of course, they are competing with our local housing and young people who do not have that. Who earn mostly less and do not have those deposits or easy access to them. So I think that points to the need to look at some of the limits that we apply under that law. I am hopeful that the new Control of Housing and Work Law and the rules that are set will address that. I think we need to look at raising the minimum price levels on 2(1)(e)s and to limit the impact of global property speculation. One other thing I would like to mention, I disagree with one statement in the report that it says that extending the pension age is a solution. No, I disagree. In Jersey people only have to work 45 years and a contribution to gain a pension, it is 30 years in the U.K. (United Kingdom) and we do not have any way of topping that up in people locally. Yes, allow people to work voluntarily over 65, voluntary and be able to make contributions and enhance their pensions but, no, to compulsory changes as a way forward. Of course we were promised this in 2011 ...

The Bailiff:

I am sorry, Deputy, that is your time up for 15 minutes and you must finish your speech there, I am afraid.

Deputy J.H. Young:

Okay, so where does it get to us ...

The Bailiff:

No, I am sorry, that is 15 minutes; there is no time to wrap up.

Deputy J.H. Young:

Sorry, Sir, the clock was not working on my screen and so I did not have a clue.

The Bailiff:

That is quite all right, Deputy, it is certainly working here.

1.1.1 Deputy I. Gardiner of St. Helier:

From the start I want to acknowledge the most challenging task that the Deputy of St. Peter has been given because we all know how complicated it is. I am pleased for the previous speaker because

Deputy Young is going into various details and I think that my speech will be sharing where I am standing with this document presented in front of us. Given the lack of population data, this document with vision and action for this year and for the future year is a very comprehensive one, covering a much-needed project for data collection, education, infrastructure, productivity. We also can find short-term solutions for short-term challenges. The need for accurate and timely data is a theme that runs through this policy report. It is clear, it is made clear for all of us by the Deputy of St. Peter, the data is missing. I think it is the best we could have hoped for without any data. But our Common Population Policy should be primarily about a number, the number of people living in Jersey, coming into Jersey, live in Jersey and it does not make any assumptions or, as far as I can see, contain any questionable assertions. I really appreciate that this time the Deputy of St. Peter, in his role as Assistant Chief Minister, did not present us with the number that did not hold the ground in a year. We had examples from the past, an example which came to my mind first, is the interim population policy that had a target plus 325 and in 2015 we have our population increase for 1,500. Personally, I really respect an honest and open statement from the Deputy and also from the Government that at this stage without data it is premature to identify any numeric targets to either the total population or population growth. On the other hand it was in the power of this Council of Ministers during the last 3½ years to work to get this data, an example to provide more resources to Statistics Jersey that they will be able to produce census data earlier. To give additional resources does not mean influence independence of the Statistics Unit, to just make sure that they have enough resources to be able to provide much necessary data. What we are having now, Deputy Young, our Minister for the Environment, said the bridging Island Plan will be getting towards 1,000 plus 100 but we do not know. We are working from a different assumption on infrastructure capacity study, on a different assumption on our hospital, on a different assumption fiscal policy. Would it be more beneficial if all of them would work and the money and time based on proper data? This is about priorities. In essence, what we have in front of us is the policy to describe how we will make a policy. The policy is only in the name. I looked through this document and I can see on page 45 it is an action plan, a very good action plan to collect the data for 2022. Every Minister, the Chief Minister, the Minister for Health and Social Services, the Minister for Social Security, the Minister for the Environment, everyone has a task to collect the data; it is a plan. On page 47 paragraph 7.2: “Encouraging and enhancing productive activity within the resident population.” A very important one, I agree, and if you are going further on this paragraph we have various programmes; education reform, post-16, complete the review of student finance, Digital Academy. All of these initiatives are important and all of them would contribute for our population management but, again, it is not instead of, for me, a population policy. Where it is centred now, it is really difficult to vote for a vision statement as a policy, instead of voting for the policy.

[10:00]

From one hand I feel it is a really good document, really comprehensive document, and it is opening conversation between Government, Back-Benchers and the population, this is where we are without trying to create something that does not and it is a way forward. I think if the title on this document would be *Vision for the Population Policy* or *Milestones to Create a Population Policy*, I would vote for it immediately because I do believe there is work here done and it is a valid action plan going forward. Is it the population policy to have as an exercise that in this term we did a population policy? No. I am not sure if the Deputy of St. Peter would consider to say: “Let us change the name of the document and we will come back to the debate.” I will listen to the debate. I decided to share where I am and, as I said, the name of this document would not be Common Population Policy that we can say, yes, we have done it without doing it. I would say, yes. But since now it is a really good milestone action plan to create the population policy, for me, I need to consider how I will be voting.

1.1.2 Senator S.Y. Mézec:

I think it is about time we turned the heat up in this debate and I have to say I have been interested in the very measured and held-back responses from some contributors so far in this debate. The issue

of population policy is of existential importance to the Island because it touches on literally everything. It is about how we develop our economy, it is about how we find skills for our public services and how we provide infrastructure to support our quality of life. It is because it is so all-encompassing that time and time again we have it made clear to us by the public that they want action on this. Before properly kicking off my contribution in this debate I wanted to start by issuing 3 congratulations. The first of those is to Senator Pallett on behalf of his Scrutiny Panel for producing what I think is an excellent Scrutiny report. I am particularly impressed at his demonstration of diplomacy in that report. I find what is most interesting in it is what is written between the lines. The second of those congratulations is to Deputy Ward for his speech yesterday in which he was able to present a version of the case against this proposition in a very measured and reasonable way, so that room would be left for others of us to make the same argument but using a different approach, an approach which I will demonstrate with my third congratulations, which goes to the Deputy of St. Peter for his most impressive efforts in managing to spend so much time to produce a 124-page report, which manages to say literally nothing. We are wasting our time in this debate. I think it is fair to be clear about that and say that if this proposition is adopted it has no practical effect. It changes nothing on the ground, no rules are changed, no targets are set and no new instructions to Government officers are given as a result of this. The proposition does nothing except endorse work that the Government is already doing anyway to spend tens of millions of pounds on I.T. systems to do things that they have been promising for years but never seem to deliver anything out of, except an inflated budget every year. Whether we vote *pour* or *contre* on this proposition has no impact at all and the more appropriate course of action should have been to lodge this as a report, not a proposition. If you do not want to take my word for it that this proposition does not achieve anything, then I would recommend reading finding 14 in the Scrutiny report, which puts it extremely succinctly, where it says: "The Common Population Policy does not result in tangible action." That begs the question why we are even here. At the start of this term of office we agreed a Common Strategic Policy which said: "The Government would deliver a new population and migration policy which aims to reduce our reliance on net migration." This document does not fit the bill. This document basically says we will do nothing because we need more data. What the Council of Ministers has produced here is a lamentable failure to meet even their own basic commitments and I do not understand why some Members have been so shy about saying that up until this point. This proposition, because it is named Common Population Policy, gives the impression of ticking that box off before the election but in actual fact it does nothing to do what we had committed to in the C.S.P. (Common Strategic Policy) to try to reduce our reliance on net migration. They may say that it will lead on to other measures that will affect that but those should be in what is called the population policy, not this document, which is merely a report saying that they do not have the data they need to properly do this and, essentially, passing the buck on to future Council of Ministers. I guess the reason that this is so disappointing at the end of this 4-year term is because without a proper new policy the default is that the old policy remains and that old policy is completely broken. It is an old policy that originates from about 20 years ago where a conscious decision was made to increase Jersey's population year on year through net migration in order to grow the economy, raise more tax revenue and maintain an adequate dependency ratio and, by each of those measures, that policy has proven to be a failure. We have not seen proper economic growth in that time, partly because of a failure to improve productivity. When we do have economic growth it is wiped out by the fact that that is spread over more people, so nobody is better off because of it. Islanders have faced a prolonged freeze in our economic standard of living, which can be seen in the information provided by Statistics Jersey. We have not raised adequate tax revenue, which is why successive Governments have constantly tried to raise taxes on working people on the sly and our dependency ratio has not particularly improved either, which, to be perfectly honest, ought to have been predictable. Because everyone you bring in today eventually flips to the other side of that ratio and there is a phrase for that sort of scheme, it is called a Ponzi scheme; that is what our population policy over recent decades has been and it was always doomed to failure. Other consequences this has caused is we have a society with unacceptable growing inequality, where those at the top of society earning the most have

seen their incomes massively increase, while rates of poverty have increased to shameful levels at the same time. We are facing more and more pressure to destroy more of our environment and we are now talking about cramming more homes into St. Helier with scant regard for the quality of life of the people who live there and all of this compounded by the housing crisis. What I am disappointed with in P.116 is that it does not properly say that the line is now drawn under that old policy. It does not properly say that the days of the old population policy are now over and replaced with a new policy, which says the Ponzi scheme is over and instead we now adopt a stable population level where we try to live within our means, to support people on Island through education and training to fill those skills gaps when necessary, that we protect our environment, that we create a fairer society where people contribute their fair share, rather than do what this document does, which rather than asking for a fairer social security contribution is talking about raising the pension age. What a great message to send. He can shake his head, I have read it in that document; it says that that is one of the things we ought to consider doing. It is optional. Well how very, very creative of this Government that they will talk about that, making younger people work longer than those who will be making this decision have to because they are too scared to look at our social security contribution system to get the funding we need for our health service, to get the funding we need for our pensions. They want to make life worse for working people because they do not have the courage to adopt the real solutions that we need. That is why I am pleased at least to be able to say that I will not be putting my name to this failure of a proposition. My party will not be putting our name to this proposition either. We think it insults the intelligence of the public by masquerading as something which it is not. It does not provide the solutions that I think Islanders deserved at the end of this 4-year term, to be able to say that we are now taking that action to move towards a stable population policy by genuinely reducing our reliance on net inward migration and instead being asked to adopt a policy that does nothing new but instead just asks us to endorse what is already happening with the extravagant waste of money in the I.T. systems that are not delivering anything that we have been promised for years that they would deliver. That is tens of millions of pounds going in to deliver these systems, when that could be money being spent in our education system, which, as Deputy Ward and others have so brilliantly demonstrated in this term, is not adequately funded. We argue over hundreds of thousands of pounds about even feeding our children properly at school, so that they are in a better position to learn but we will happily throw all of this money at a system that is not doing what it was meant to do. Since this Council of Ministers has squandered the opportunity to do anything meaningful, it will be for the next Council of Ministers to produce a policy which will do something, which will commit to reducing the permissions we give to employ people from outside of the Island when there are opportunities to employ them inside the Island, to put money towards our education and training services, not just for young people but for lifelong learning as well, as the way we work changes over coming years - I know some are talking about that - and to provide for a fairer society where people contribute according to their ability to pay, so that we do not have what we have now in our health system with people leaving, not just leaving because they are working in an environment which is not pleasant to work in but because for that privilege they are not even being paid what they need to earn a decent living to be able to afford a roof over their head and believe that they will be able to provide for their families properly. The next Government will have to clean up this mess. To be honest, I am optimistic that they will because if this is the record that this Government seeks to leave office with it is history and that is good news for us all. I urge Members to oppose this lamentable proposition.

1.1.3 Deputy J.H. Perchard of St. Saviour:

The Common Population Policy has been brought to the Assembly in response to P.120, which was the proposition which was debated in November 2020. P.120 outlines the fundamental data information that this Assembly wanted to see in a Common Population Policy and, therefore, I think it is relevant and appropriate to revisit what was expected of this policy, indeed what was demanded by an overwhelming majority of the Assembly and comments on whether or not it has been delivered.

P.120 was an attempt to focus the contents of the population policy on data that we had at that point failed to collect.

[10:15]

At the time I suggested that was a reason why Jersey had not quite managed to get a grip on the population control issue. In part (a) of that proposition, this Assembly requested data that we were told had already been made available, so I was expecting to see it, but part (a) of P.120 asked for that data to be presented in a very specific manner to show the 10-year intervals to allow clear comparisons, clear decennial comparisons to be made. I do not think that has been done. In part (b) this Assembly asked for a projected number of infrastructure projects that would be required as a result of population growth. Specifically it was mentioned that we would want to know how many new schools would be needed, the impact on hospital facilities, staff accommodation, the need for affordable housing, for elderly residents and first-time homeowners, social housing requirements, road maintenance, construction and so on. The feeling I get from the policy that has been proposed is that that simply could not be done, that data that we demanded that we voted for could not be brought. Part (c) in P.120 we had asked that anticipated additional funding from a kind of social security point of view would be included and, again, I very much got the feeling that the response was it could not be done. Part (d) asked for public consultation, which I think has been carried out to a degree but, as the Scrutiny report highlights, there is still some dissatisfaction. Part (e) of my proposition at the time asked for a clear rationale with supporting evidence for why net zero is not the Government's proposed position. There are some paragraphs on this in the report but I would not describe it as robust analysis. Interestingly, there does seem to have been a shift in attitude from the Assistant Chief Minister on this, as noted in the transcripts of the Scrutiny hearings with him. It has been acknowledged that that is a goal, which is certainly something that was absolutely not said when I was on Scrutiny and led a review into the work of the Migration Policy Development Board, has kind of actively avoided as a statement. I think there has been some progress made and acknowledgement made but certainly no analysis. At that time during that debate this Assembly was offered an amendment to my proposition by Government. That amendment was to allow the Assistant Chief Minister to bring forward an interim population policy. Members will recall that we had a bit of a back and forth about what exactly that wording meant and what that would look like. We had the opportunity to decide whether we were content to receive an interim policy by the end of 2021, which would not include the information proposed in P.120. We had the opportunity and Members had the opportunity to say to me and to say to the Deputy of St. Peter: "I do not think that this data is achievable or collectable or reasonable and we will go with the Deputy of St. Peter and we will accept an interim policy that does not include the data." We had that debate. Members had the opportunity to pursue that line and Members overwhelmingly rejected that amendment. A large majority of Members rejected the idea of allowing an interim policy. At that time, the Deputy of St. Peter described in the back of what we are trying to define what was meant by an interim policy, it is in Hansard, you can see it, he described it as it would be a "stake in the ground". What I have found particularly galling is that that was stated on 4th November 2020 in relation to what the Government's amendment would deliver, as opposed to the proposition I was offering: a stake in the ground. On 6th January of this year in a public hearing, it is in the transcript, the Deputy of St. Peter described what he had brought in the Common Population Policy. He described it in January of this year as "a stake in the ground". That phrase was heard in November and this Assembly actively voted against it. We voted against the idea of having an interim policy, a stake in the ground, a vision but without data. Over a year later we have something that has been delivered but is described in exactly the same language, word for word. This, for me alone, is a red line. I cannot support such a brazen display of someone sticking to what they wanted to do, despite an overwhelming majority of this Assembly saying: "We do not want that, we want more." For Members who have wavered on the issue of the data collection and the feasibility, I would like to just repeat something I said in that debate, which I think was something that contributed to Members' thinking on this issue. I have reflected on the reasons I have been given for why the interim update is achievable and why a

population policy is not by the end of next year. Those reasons, to me, have been not enough for me to believe that the Assembly should not support development of a population policy by next year. The reasons given by Government were ones of resource and time. At the time I said we cannot allow for political priorities and political decisions to be dictated entirely by a resource issue. If the Assembly asks for a population policy by the end of 2021 then it is down to the Executive to provide the resource to allow that political decision to be enacted. If we consistently allow Back-Bencher propositions or any propositions to be derailed by a resource question, what we are essentially doing is allowing the priorities of the workload of officers to dictate our political decision-making; I think that is the wrong way around. To my mind, and I maintain this position today, if the priority of the Assembly is in a certain direction, it is down to the Executive to ensure that those priorities are fulfilled and met within Government. We voted against the Government attempt to bring an interim policy that did not have the data. We voted in favour of something more robust and, therefore, as an Assembly we expected appropriate resources to be redistributed, if needed, to achieve what we voted for; that has not been done. I will not be supporting the proposition.

1.1.4 Deputy M.R. Higgins of St. Helier:

I am going to be brief, maybe because of the comments that have been made by the previous speakers - Deputy Young, Senator Mézec and Deputy Perchard - and I will not repeat what they say but I agree with, I think, virtually everything they have said. I also want to congratulate the Scrutiny Panel for their report; it says everything that needed to be said. If I just start off by saying I think the document is not a policy but an indictment of Government failure, not just this Government but also all the previous Governments that have served in the States over the last 20 years or more. It is, as others have stated, not a policy that is worthy of debate. It tells us very little, other than they cannot come up with a policy and it is being kicked down the road for future Council of Ministers and States Assemblies. They state we do not have the data, the information with which to come up with a policy. That is a failure of Government, of repeated Governments, under-investment in I.T. and systems and in people, for proper people. They are telling us basically much of what we already know but they are not addressing the issues. If I just go back to saying they are telling us what we already know, we have known repeatedly that we are going to have a high-dependency ratio going forward and we have got to be able to deal with the ageing population. Inward immigration is not always the answer. It is telling us that automation is going to change the jobs market and possibly the shape of the industries that we have within the Island, so it is not really giving us any real detail. It is telling us that we need to retrain our existing workforce, that has been said for as long as I have been in the States, over 14 years and I have been asking Governments to do that. The housing crisis we have, again, is illustrated by the failure of the Government to act. We have had a population policy which has allowed people to come in, as others have said, to achieve high economic growth, to bring in the workers that we need to do this and that. But those people will require housing, those people will require schools, they have to have more infrastructure; none of this has been dealt with over the years. It is being kicked further and further down the road. The one thing I want to repeat is what Deputy Young was saying, and that is we are going to be losing some of the people who will solve this problem. For younger people of this Island who cannot afford to live here and are going to have to leave the Island and find opportunities outside the Island where they can afford to live. We have a policy where we are bringing in increasing numbers of 2(1)(e)s who are buying mega-mansions. We do not need mega-mansions and, by the way, they are also buying up the land surrounding them and eventually Islanders will not be able to see and walk through the areas that they want to and enjoy the Island. The policy has failed because what they are now talking about is vast numbers of houses which we are going to build on green spaces. I think it is Senator Gorst who, again, has his responsibilities in the past for failing to deal with this issue and other issues. Talking about we need to build higher in St. Helier, it should not be an exception if it is appropriate. The truth of the matter is St. Helier has taken the burden in the past of housing and it will in the future, unfortunately. But Governments do not get policy together and, anyway, they have failed; I will not go into that, it is a separate argument. What I will say though is that if I was still teaching and this was a paper that had

been produced by a student, then I would have to grade it as a fail and there was nothing that I could write to encourage them to do better in the future, as there is no time for them to improve. They have failed and it is being kicked down the road for others to deal with. As others have said, I cannot endorse this as a policy, it is not a policy and, therefore, I shall be voting against it at the conclusion of debate.

1.1.5 Deputy M. Tadier of St. Brelade:

I will start off with probably my only somewhat magnanimous words, which will be that I fully recognise this is a tricky art in terms of a policy. During the course of the speech I am going to be telling a few maybe unpopular truths, as I see them. They will not necessarily just be unpopular with Government but I think they might be unpopular with the wider population because they are not populist but, nonetheless, as I see them, and I think they need to be said. They are not often points that would be raised maybe by any politicians or rarely. If you ask people in the community, as I have been doing and my party has, and I am sure other politicians, you will hear people say that there are too many people in Jersey, that population is out of control and that we need to do something about it. Then when you ask them: "Okay, what do you think we should do?" they say: "I do not know" generally and these are not stupid people, these are people who do give it a lot of thought because it is not an easy issue. There are lots of moving parts in play, there are things to do obviously with the economy. I always see population as a function of the economy and I will talk about that in a moment how population can obviously not just go up, it can go down, a bit like the stock market, although in Jersey it has been tending to go upwards steadily with the occasional blip over the last 200 years. The other thing is that people will say to you: "It is a bit like cars, is it not? There are too many cars on the road, we need to do something about the traffic." "Do you have a car?" "Yes, we have got a car, we have got 2 cars." "Do you use them?" "Yes, we use them every day to go to work but it is not my car that is the problem, it is other people's cars that are the problem." I do not say that critically, I say that as a car driver, I say that as somebody who needs to also constantly look at how they travel and finding greener and more sustainable ways to do that. I think it is similar with the population to a certain extent.

[10:30]

It is a bit like trees, some trees are planted, some trees get dropped here by seeds, by birds, but they all end up growing and contributing to our woods, our forests and our greenery in the Island. It is the same with the population. It does make me chuckle when people talk about being tree-Jersey focused, that makes me sceptical. I think, first of all, that is often selective history and selective memory because even in people who claim to go back hundreds of years in Jersey they will also have many parents, grandparents, great grandparents who were not born in the Island but who brought a lot into the culture of the Island, the economy of the Island and not least the gene pool. If we look back to 1851 in Jersey the population was much smaller and indeed in that time there were about 57,000 people. If you go back to 1821 there were some 28,000 inhabitants. I am sure if you stop somebody walking down King Street, Queen Street - it would not have been called that back then, maybe Rue de Derrière - they would have said, yes, there are far too many people in Jersey, we need to stop the population increasing. One thing I want to say here is that Senator Mézec was absolutely right to refer to this as a Ponzi scheme, and I think that word is often used generally to mean something that is a scheme that is unsustainable. But we would do well to look back at the actual meaning of what a Ponzi scheme is. It is not simply something that is unsustainable, it is a business model that is designed deliberately as a scam. It is designed to make sure that you need to get more and more people coming in at the bottom buying into the scheme, so that the early adopters, the people who own the most shares, are the ones who benefit from it, and the people at the bottom, who are the ones who take the risk, often do not benefit and when the scheme crashes they do not see any of their money or their effort for their investment. I think that is what we have here, it is not simply a population issue that we got in Jersey, it is an economic and undeconstructed and unreconstructed countless model that we have in the Island, which serves to make people at the top richer and richer.

We cannot separate population policy from housing issues because everybody in Jersey has to live somewhere and everybody in Jersey who is currently here does live somewhere. They may not live in their ideal house or units of accommodation, some may be couch-surfing, some may be in sharing situations and there will be a few still who are homeless, sleeping rough. But everybody lives somewhere generally but what we see is that ownership is not uniform. I remember being told by somebody who worked at Social Security a good 5 or 10 years, when I was a younger politician, saying: "I cannot say anything publicly about this but we have some people who own hundreds of properties in Jersey." He said: "I have seen them and we are paying for their mortgages. We are paying them directly out of taxpayers' money." We have a system over here as well where - and this is going back to the Ponzi scheme - we have conditioned people to blame the victims. We would not accept that if we were talking about violence against women and, quite rightly, any victims should not be blamed but often it is the human mentality and it is up for political manipulation to turn problems around and rather than focusing on the true root causes of those issues is to find an easy scapegoat. What we found and I found just from talking to people generally is that it is the people who do not create the problem who are the ones who are often scapegoated for it. The ones who benefit the least in the population are often the ones who are blamed for it. What do I mean by that? We often talk about our immigrant population as if they are a problem. They come here to work, they are economic migrants; they are only in it for themselves. It has got to the point where we are saying we could not possibly allow these people to stay in Jersey because they are contributing to the problem of population growth. I have even heard people who surprised me, I would not expect this from them, saying: "We need to go back to the 20 years residential qualifications." When appropriate I have challenged them on that gently and said: "I do not quite see it like that." Because, as I have said, all of these people who come here to work for periods of time, it might be for months, it might be for years, they may end up settling here or they would have ended up settling here in the past, all contribute, I think, economically, culturally and they all live somewhere already. I see it as, what difference does it make if we allow them to own a property or to just rent it off some very rich person, who possibly does not live here? But even if they do live here, why are we allowing people to own hundreds of rental properties, which will get paid for, in some cases, by taxpayer subsidy, simply to stop some immigrants owning their own properties? I say this because at the moment it might be Romanians, it might be Polish, it might be Portuguese who are working here and often living here and well-established. I still think in many cases they are treated as second-class citizens and hopefully that will change. But it does not help when we have this narrative going along in a population policy, which is often just slightly under the radar, dog whistle, if you like. But the narrative is it is those who are to blame and we have got to stop them from settling here. I was reminded, talking to a longstanding Jersey worker at L'Horizon Hotel, and like many workers in the hotel industry he was from an African country. I do not want to identify the individual but he has been working here for 27 years. He has come to Jersey and he has to go back every 9 months. He is, to all intents and purposes, probably more Jersey and an 18 year-old, who has only lived in Jersey for 18 years of their young life. But he has got the experience, he loves Jersey, he comes back here. There is this ludicrous situation where he has to go back for 3 months of the year. He can probably vote, he has probably been here for 5 years and as long as he has been here for 6 months he can take part in elections but he cannot live here. Why would we be sending people back who are experienced and capable workers who love the Island, who are committed to it, when the hotel itself has to stay open 12 months a year? We want businesses to stay open the whole year, yet we are talking about 9-month visas for people to come here and work. I think we have to be much more creative than that. I want to pay tribute to, in particular, those workers. I do question whether the regulation that we have around people who can buy over here matters and works. I think it is counter-productive. What we see is that we have people who do not become stakeholders in our society. I know it is not as simple as this but people tend to become stakeholders when they are homeowners. As I said, it is not as simple as that. But often you will find that when people are allowed to own their own home, make a home in Jersey, you will find that it does not matter. In the past Huguenots, who have resettled in Jersey, whether they are Italian, Spanish and how that they got here through forced labour or if they

came here through economic migration, they have all settled in Jersey and I think that Jersey is much richer for that. Lastly, I want to say, and I know these are slightly scattergun thoughts but I think it needs to be put on the record, that of course there is an issue for the current Government, they want business as usual and, rightly or wrongly, the rest of the community want a population policy. But the point is that the Ponzi scheme has to stop. We have to reconstruct our economic model to make sure that it works for the Island. While some people see this as a very difficult time for Government and there is wide disillusionment, I think, with politicians and with politics, I would look at it the other way round and say it has never been such an exciting time for politics in Jersey. Because in the past when the money was pouring in in the 1960s, 1970s and 1980s we did not need a Government, we did not need politicians, we just had managers. The money was pouring in, it could not get spent quickly enough. Now, for the first time, we have realised that we do need politicians in the truest sense of the word to make often far-reaching, clever and sensible political decisions, which are not going to keep everybody happy. We do that in a backdrop of Brexit. We do that in a backdrop of economic downturn post-pandemic hopefully, where we may be having to grapple, not with issues of over-population but with issues of under-population, people being priced out of the market, leaving the Island. Traditional economic migrants not coming to Jersey anymore because they can find a better deal elsewhere and because their home country situation is improving economically. These are the issues that we are grappling with. They are often ones and points which the public do not necessarily want to hear because they do not provide easy solutions but these are the issues that we all have to grapple with. In summing up, I would simply say beware of any politician who says that they can solve all of the Island's population issues because at the end of the day, in addition, we are not an independent island, we do have open borders. I think we are much richer on balance for having people from all over the world in the Island contributing and it is about treating people fairly equally, as well as just keeping the Island at a sustainable level.

Senator J.A.N. Le Fondré:

Sir, can you hear me okay?

The Bailiff:

Yes, we can hear you.

1.1.6 Senator J.A.N. Le Fondré:

Okay, relatively. Apologies if my voice gives up at some point and for obvious reasons it will be a shorter speech, people will be delighted to know. It would be a surprise, Deputy Tadier, to say that I agree with part of what he said. It was probably his last sentence but bear in mind I fundamentally disagreed with the rest of it. But the part in his last sentence was to the voting public, was be aware of politicians that promise you they will solve every problem that they are worried about and I heartily endorse that comment. We have always tried to be honest with the public when we have been dealing with a complex position, which is what we are facing right now. What I am puzzled about is for everybody who says this is not a population policy have obviously not read page 10 of the report, which says: "The overarching aim of the Common Population Policy of the Council of Ministers is to progressively reduce Jersey's reliance on net inward migration within the currently agreed Common Strategic Policy." I am confused because for me that is a policy and that is, in essence, what we are asking the Assembly, with all the bells and whistles attached to it, to sign up to today. We were also very clear, when Deputy Perchard lodged her proposition in November of 2020 - and I will talk about timing - we did make the point that there was a lot of information that was being requested in there and that perhaps it should be done as a report to the Assembly, rather than as a debate. That was rejected by the Assembly by, I think, 24 to 19 votes. We have been honest all the way through that there would be challenges in getting all the information together and more work has been done and more resources have been put in, has been eminently clear. But, equally, we have taken steps, so we have found future States Assemblies by making it a matter of law; that the Common Population Policy will have to be debated and considered by future Assemblies in each, I think, Government Plan. Therefore what would one prefer? People for us to be dishonest and, therefore,

put a number, for example, in a document that would be completely meaningless at this stage or to say that the actual policy is the one I have read out, which is, hopefully, a realistic one. But it is also making the point that we are in a delicate balance. If we have a train that has been going down a particular track at high speed for a very, very long time, you do not suddenly slam on the brakes because that ends up in catastrophe; you start slowing it. That is the point on all of these things. As the Deputy of St. Peter is very fond of saying, it is a balance and he holds up his Venn diagram.

[10:45]

I will also make the point, and I am going to focus on particularly, I think it is Deputy Tadier, Senator Mézec and, I think, Deputy Ward, who appear to want to have their cake and eat it. In essence, from what I have heard from Deputy Tadier, he has challenged the fact that, in essence, we do have controls over who can own and buy property and things like that in the Island. As my interpretation, in the absence of anything else, is that the Reform Party would immediately remove housing controls, which would obviously not in itself be a solution. I have heard Senator Mézec, again, appealing to all members of the public with the wonderful expressions that he does not want to see green fields built on but, equally, he does not want to see the town built in. I think that is obviously a nirvana or utopia and completely unachievable. That is the problem with politicians who have not grappled with this particular problem, particularly the level of detail that Deputy Huelin has done. I think the comment I will make is that we know this is an incredibly complicated problem. I would also put another thing in context, which many people seem to have forgotten today, and indeed the reference by Deputy Perchard, who I have a huge amount of time for and who I know is very passionate on the subject, yes, we all absolutely agree by the way on the data that is required. It is the resources and time that was required to do it. There is not a magic wand to generate those resources in the time we have had. Putting it into this context, I think the debate on this, which was very, very close to the date we also did all the census stuff, was 4th November in 2020. Something like, I think it was the 10th, there was a vote of no confidence. On something like 24th November the next wave, which I cannot remember, I think it was the 10th the start, we had very few vaccines in place at that point, from memory, and indeed, from memory, we ultimately ended up with the discussions about limiting people's freedoms as to what they could do over Christmas. We implemented various measures, essentially, we closed non-essential retail, if I remember, from Christmas Eve and, ultimately, I think things - I have not got the timing in front of me - returned to a semblance of normality roughly in March 2021. It is very convenient for those politicians who have not been involved in trying to handle matters in the pandemic to overlook the amount of time and resource that the pandemic has taken out of the system. As one who has been leading the Island all the way through this, I am acutely aware of the absolute sterling efforts, not just by politicians but also by the senior members of the teams to look after Islanders, and that has been the absolute priority during our time. Therefore, while people have been doing that, they have not been doing their normal day jobs and part of that will have caused delays in whole ranges of areas, including in here. We did put extra resource into here in 2021 and progress has been made. But we must all recognise that not only has the pandemic had an impact but on a very, very complicated subject we have started to untangle it. In essence, I will start to pause there, I go back to that point written down in the document that we are discussing, in the proposition, in the policy, it clearly states the following: "The overarching aim of the Common Population Policy of the Council of Ministers is to progressively reduce Jersey's reliance on net inward migration within the currently agreed C.S.P." In essence, if Reform and other Members of the Assembly do not want to vote for that, then for me they are sending a very clear message that they do not want to have population controls almost of any form because a vote against that would be a vote against that statement, in my view. We have been very clear and very honest, we believe. There is an awful lot of amount of work that has been happening and indeed I believe there will be another debate on further controls, which, as we said, are the crucial levers to put into the hands of future Assemblies and future Council of Ministers to then start applying as they wish. On that basis I would suggest for many Members of the Assembly that it might be better to vote for this as a first step.

1.1.7 Deputy G.P. Southern of St. Helier:

I want to start with examining a little patch of the Common Population Policy. On page 44 it says there: "As well as collecting better data in order to provide regular information to Ministers and Scrutiny to help guide future population policy actions, Ministers understand the need to raise the level of public awareness in respect of population issues." In addition to collecting data we are going to make the public aware that we have got a population issue, as if we need to be guided: "There is great public interest in this subject but sometimes opinions are expressed without the full facts being available", so we are going to collect some data: "To achieve the overall aim of reducing the need for net inward migration, actions will need to be taken by everyone, Government, businesses, individuals." Does this proposition suggest any of those actions? It does not. As well as collecting better data the rest of the document is virtually empty: "It is vital that the Government provides clear and accessible information to the public to allow an informed debate on this subject." Hooray: "This is especially important over the next few years as the vision and main foundations of the future policy are developed and implemented." Empty, empty, empty. If you turn the pages 45, 46, we have got columns of data collection one after the other from all Ministers, the Chief Minister, lots of data collection by him or her, the Minister for the Environment. Because it is not going to happen this year, next year or the year after; policy will be made at some stage and changed at will. What is not in there are any actions. I want to refer Members to a document dated December 2001 and it is called *Jersey into the Millennium: A Sustainable Future*. Have we got a sustainable future today? Have we got sustainable actions today to cope in particular with the problem we are having with our housing need? What is not in this document? Any form of action. If we look at the 2001 document, 20 years ago, what do we find? Potential solutions to where we are today. There is a list of them, there are something like 500 initiatives that one might pursue. I will just take a few of those, the ones that concern housing need which is linked in this document to poverty issues. So the first on the list at the ranking number one: "A new programme of massive States investment in social housing." That sounds appropriate to me. Number 2: "More sheltered housing for elderly and for people who have social needs who cannot survive or integrate in housing estates. Housing with lifts with gardens for leisure with resident wardens where necessary and proper alarm systems for our elderly." That makes sense to me. Where is that in this document produced by our current Government? Number 3: "Provide more support and facilities for single young people." Again, we are recommending. Number 6: "Ensure Government practices and decision-making demonstrates equality and justice and does not discriminate." Well we have gone some way on that but could we do better, could we do more? Number 8: "Recognise equality and pay a respectful wage to all as in many European countries and Canada." This dates from the days before our minimum wage and our living wage. People should be given a decent income and not have to rely on handouts. Number 9: "Provide financial help for elderly home owners who require house maintenance and renovation to provide independent units or carers or income from a tenant." Again, practical solutions to what issues we are facing. Number 10: "Evaluate Government policies by how they support the less affluent as well as encouraging the rich to ensure that Government policies make a difference for the poor in their daily living." Number 11: "Introduce an immigration policy in the context of controlling population." We have heard how we have failed, singularly failed to control population over the years. We aimed at 325 and we hit 1,500; that is the reality of what has happened in our society over the past 10 years. Number 15: "Positive overt obliteration of racism." That is one. I like that one, obliteration of racism, if only we could do that. Number 17: "More halfway houses for those who need help to reintegrate into society with aftercare support." Number 18: "Introduce grants for refurbishment of housing." Number 20: "Remove discriminatory policies which create second-class citizens, treating welfare claimants as valuable members of the community and not as lower-class citizens." We are some way on that but not far enough. Number 21: "Protect the rights of workers." Again, there is one that goes to my heart. Number 23: "A policy to encourage the establishment of more community centres where all members of the community can gather, possibly run by the community for the community." Finally, number 24 in this section on housing need and policy: "Better training for professionals so they can give better advice to people experiencing hardship and therefore promote a

sense of self-worth.” That is the sort of thing that should constitute our policies. It does not. It does not. Why not? Because this particular proposal contains nothing by way of policies to ease our population and our housing issues, which are getting worse daily, apart from doing work on statistics. Thank you.

1.1.8 Deputy J.A. Martin of St. Helier:

It is one of those debates where I was not sure because most speakers at the beginning have looked at the 100-and-so pages and said: “You have not done what we asked you on the tin.” I am sitting here thinking: “Well, I have been here 20 years” and then I am listening to Deputy Southern quoting a 21 year-old document and history. If nobody knows, in 1979 if you were not here before 1st January, housing qualifications stopped overnight. They did not come back until the late 1990s. This led to lodging houses and people having children and not being able to contribute, not being able to buy. It was a policy for population and if you did not ever get qualified you would go home. It did not work. I was the thorn in the side as well around the policy we are even mooting for 9 months, 4 years, *et cetera, et cetera*, because I kept saying: “Well if I had the choice of Jersey, who do not really want me but they want me for that amount of time, or a choice of this other country, where would I go?”

[11:00]

Well I know the answer to that. I am even more confused about the comments from Reform because I am reading on their page what they are going to do under population. They offer the opinion that the new proposed work permit system will prevent between 500 and 700 registered workers from graduating. Basically the Government must stick to those rules, they must set a target for numbers and they must not break that and then problem solved. If the problem was that easy to be solved, do you not think over the last 40 years somebody would have come up with it? If the scheme of what we have is wrong, because I do understand you bring more people in, they get older, then we have the dependency ratio; I am the Minister who must make sure the elderly are getting a pension. But the pension money that was collected many years ago started paying out pensions, so the youngsters now, anyone of pensionable age, are paying their pension. It is simple, maybe not the best scheme, but that is what we have, so I must make sure. We also have the lowest unemployment so where am I going to reskill all these workers to fill the jobs that are absolutely necessary out there? These are your family workers, they will shut that company. Anyone who has ever been on H.A.W.A.G. (Housing and Work Advisory Group), everybody who comes in and says: “Well it is only us. We only want a few extra”, it could be chefs, it could be cleaners, it could be other industries, gardeners, *et cetera, et cetera*, “but it is only us.” If you ask them about the population policy they say: “Well it is only a few for us” and they do not realise that “only a few for us” are also sitting outside the door who only want a few extra for them. But they have started a business, they are literally pulling their hair out and they cannot get workers. What we are trying to do is you have to do it slowly. I am sorry, you do it slowly or people paying now must pay a lot more very quickly, because we have a population of 107,000 and the population still want the public services, they want their contributory pension, *et cetera, et cetera*. So, at your own peril, you have one chance, this Assembly and many others, to get this very, very wrong. I am sorry it has not moved quick enough and this has not been done. When I was on the population board, the first one with the Constable of St. John, we had everybody in from industry, from Jersey Water, Jersey Electricity, Jersey Heritage and obviously you would get a different story. But Jersey Water and Electricity said: “You have to decide what you want on the population. We can definitely make sure there is enough water and we can definitely make sure there is enough electricity.” Jersey Heritage again - I have absolute respect for the person who was speaking for Jersey Heritage - want no more people because they do not want any more building anywhere really because they want to preserve the heritage, the fields, *et cetera, et cetera*. We had the farmers in, dairy farmers, and you would get a different story. Everybody in their own industry was trying to automate. The Jersey Dairy have done so much but they said: “We still will need workers.” So, is it that we want everyone to come in for a short amount of time? In the middle

of this we had Brexit and all the people that could have just come a few years ago now need a permit, so we are sort of doing that. If we move too quickly, we know that really, really has an effect on certain industries, which is not a good thing because people work there. So, all I will say is there is a lot of work gone on this and obviously if you cannot vote for it because you do not think it goes far enough and you are going to have a better idea and you are going to bring it along, that is all well and good, but I think this is the way to go. You cannot do this overnight. It has been tried and tried and tried, knee-jerk reactions, and things all went wrong. So, please, please, please, get behind the Deputy of St. Peter, get behind this policy and say: "This is a start and this is where you want us to go." If not, no more work can be done. It is entirely up to the Assembly and basically you are voting against anything to do with population saying: "Oh, we do not want anything."

1.1.9 Deputy K.F. Morel of St. Lawrence:

I would like to thank all Members for speaking so far. It has been interesting to hear people, some of them veterans of this Assembly, telling us that previous Governments, this Government have not done anything to control population growth, yet they are veterans of the Assembly who themselves have therefore not done anything to control population growth. It is clear that people are not happy; some people in this Assembly are not happy with the population policy that we are faced with today. I am not enormously happy with the population policy that we are faced with today. I do not think the Deputy of St. Peter is enormously happy with the population policy that he has proposed to us today and the reason for that is because nothing has been done for the last 20 years in any way to put this Assembly and the Government of Jersey in a position to control population. As a result, we are not 20 years into a cumulative set of working on population policy, we are starting afresh today. This is step one. I have heard lots of States Members complaining about this. What I have found fascinating is I have not heard any single States Member, whether they are a member of a party, whether they are an independent, I have not heard one yet this morning provide a single solution. Not one. I have heard moaning, I have heard complaining, I have heard no solutions. I think that in itself speaks volumes because they are saying there are no solutions in this population policy, yet they themselves have come up with no solutions. They do not have any because we do not have the data. Can anyone here today tell me what the size of Jersey's population is? I will happily give way to a point of clarification if someone wants to clarify for me today's population of Jersey. We do not know. We have had Brexit; we believe people have left the Island. We have had a pandemic; we believe people have left the Island. We had a census a year ago; we still do not see the results of that. We do not know the population of Jersey today. One reason for that is because previous Governments, including this one, it has to be said, because they have had 3 or 4 years, have not brought in a monthly, as they have in Guernsey, population data system. I do not know why that has not happened but if we are taking the year 2000 as day zero, for instance, that is 22 years of no Government bringing in a better system of knowing the size of our population on a regular basis. That is a lot of people, a lot of States Members who are to blame for not bringing in such a system to enable us to be beyond step one today. What I do know about population at the moment is that every business, every charity, every group, every organisation that I speak to does not have enough staff. That is the one fact I face every day when I speak to organisations around the Island. So I do know that organisations, whether they are for profit or not for profit, are enormously challenged right now to deliver the services that they wish to deliver to Islanders. That is causing creaks and groans; we see that within the Government where we know there are certain services which are struggling to keep up. But we also see that in the shop down the road where the gent who runs it or the lady who runs it is working themselves day in, day out, hour after hour because they cannot find staff to support them, to take the pressure off them. So our small business owners are struggling enormously because they cannot get the staff right now. So, if we were to, let us say, stop population growth today, no more inward migration, we will probably see a catastrophe in terms of the way our business community and other organisations, including charities and so on, including our education system and our health system, we would probably see a catastrophe hit us today because they are struggling with lack of staff. Therefore, to stop anyone coming in today would be incredibly damaging to

everything that we enjoy within this Island. Because, let us face it, we still expect to go to the shop and have the shop open and buy the goods that we want to buy. We still expect to receive high-quality services but we know that organisations are really struggling to get staff. Let me talk about another element of population. Sorry, let me just interject here, everything I have said and everything I am about to say comes from a person, a States Member who really would like to get control of population. I would like to see us in a net-zero population growth situation but I know very well that that is not a position we are able to take today. Another truth about population, we have an increasing dependency ratio. This is something we hear over and over again, perhaps to the point of it being one of those terms that people begin to ignore because they hear it so often, but what does it mean? It means that overall our population is growing older. This means we have fewer people of working age in the population, more people are retiring. Now, I have a real issue with the way we have allowed retirement through the 1990s, early 2000s, *et cetera*. I have relatives who retired at 55 from the private sector, things like this. That means, given that they are very likely to live to 85 - if they are female that is the average life expectancy in Jersey of a woman - that is 30 years of not working plus your 18 years at the beginning of your life. That is 48 years of not working. That is a difficult ratio of work to not work to maintain services in the Island. With an ageing population, we know there are fewer workers within the Island, people of working age. What does that mean, given the tax system that we currently have in this Island, the Zero/Ten tax system that is entirely focused on personal income tax? Well it means that unless we bring in more workers to pay tax, we will have a reducing tax take, that is a given. All else being equal, right now our tax system means that we have a reducing tax take unless more people come in. If we increase productivity substantially and significantly, you might be able to overcome that, but so far no Government has managed to increase productivity and currently productivity levels are falling. Now, increasing bank interest rates over the coming year or 2 are going to increase productivity but that is not something we should rely on because that is entirely out of our control, it is entirely in the control of the Monetary Policy Committee of the Bank of England and, guess what? They do not look at Jersey when deciding their interest rate levels and they certainly do not look at Jersey's population and their productivity rates when they are deciding their interest rate levels. So we may see an increase in productivity, effectively an artificial increase in the productivity as bank rates increase. But outside of that, our productivity gains have been zero; in fact, they have been negative over the past 20 years. So, at the moment we have a tax system which, without productivity gains, means you absolutely have to keep bringing in workers to this Island. The one truth that I have heard in the absence of solutions was the description of Jersey's systems as being Ponzi schemes and that is absolutely correct. A Ponzi scheme - forget about the scam bit as mentioned by Deputy Tadier - a Ponzi scheme is more people coming in at the bottom to pay the fewer people at the top. Well, we need more people coming in at the bottom because we have such a large amount of people at the top, so to speak, and by top I am talking about age, so we have a tax system based on personal income tax. That in itself means we need more people coming in in order to maintain our service levels across the Island in both the private and public sector. So, given that truth which I believe every single person in this Assembly agrees with because it is reality, the only way you can overcome that is by changing the tax system. Our tax system does not allow us currently to control population. It is that simple. When I say "changing the tax system", you need to change it away from a focus on personal income tax. It is not about putting up taxes, that is not what I am saying, I am saying you need to broaden the tax base to move it away from personal income tax.

[11:15]

We need to find money from elsewhere. It cannot be focused on people. As long as that is the case, we will not get a grip of population. The second element of the Ponzi scheme which has been mentioned a few times, is the social security system. Our social security system pays today's pensioners from today's workers. Well, when you have more and more pensioners coming into the system day after day after day, guess what? Our social security system is entirely designed from the 1960s so it may be out of date. Our social security system has to bring more people into the Island

in order to pay the increasing amount of pensioners that we have in the Island. Our tax system, our social security system stop us, they fundamentally stop us from controlling population growth. If you want to control population growth, you have to change those 2 systems. Now, I could give you my ideas on how to change your tax system. I believe you need to just look at different taxes. You need to do so in a way which does not harm the financial services sector. You need to do so in a way which does not harm entrepreneurship in Jersey because the “zero” in Zero/Ten is fantastic for an entrepreneurship in Jersey and it is an incentive that I would not want to remove. At the same time, I would not want to introduce a tax system which harms the financial services industry because at the moment it is still the largest contributor to our economy and without it we would see a massive decline in our standards of living, one that nobody, no matter what side of the political divide they are in, no one in this place would want to see that enormous drop in living. We need to diversify our economy to make sure that we can wean ourselves off such a dependency on finance. I would suggest we need to look at areas of corporation tax, we need to look at some gains taxes, property gains tax, but in a way which does not harm our financial services industry. Social security, I want to have solutions to that; I just do not. I know that areas where they have privatised the social security system in terms of moving to individually invested pension funds so that your pension that you pay through your lifetime is yours and is in your funds, that they have not really worked. But we cannot move to population control without changing the social security system. That is going to take a lot of work, a lot of working together as an Assembly, all 49 of us - not just the Government - all 49 of us working together as an Assembly to work out an appropriate way forward for the social security system. That will take years and no party, no individual has that answer right now, I do not believe. Certainly this morning not a single solution was given. We could potentially use our tax system to increase productivity. If you were in any way to bring in some corporation taxes, could they be linked to productivity gains so you are taxed less if you have increased your productivity? It is possible; let us look at it. Let us challenge some of these deep, ingrained cultures of the way this Island is run. Let us just explore them. I am a big believer in let us put the idea on paper, let us then look at it and research it. If it does not work, throw it out, but let us not scotch any ideas just because they are ideas. So, I will be voting for this population policy. It is not the world’s greatest population policy, it is not what anyone, I do not think, including the people proposing it, exactly wants but it is where we are at. It is the reality of where the States of Jersey is today in regards to population. Anyone who suggests otherwise is living in another world. We need to do a lot in this area. No Government before has done anything in this area. They have done quite the opposite. Previous Governments have relied on increasing population to drive economic growth, to drive tax take and if we are to break that cycle, we need to look at some of the fundamental elements of the economy and of the way public services are financed in this Island. So we need Ministers who are willing to look at those challenges. Ministers who sit there and say: “Oh, we have just got to keep this same tax system that we have today” should not be Ministers in the future because these are challenges. They are enormous challenges and no one has the right answer but this is a starting point. Therefore, I ask Members, do support this because it means, at the very least, we will have to be coming back in a year’s time to provide another population policy and updates for it so we know where we are going. For the first time we have a direction and we have a way of reporting on it. That is progress. Therefore, I will be supporting this proposition.

1.1.10 Senator L.J. Farnham:

I am very pleased to follow Deputy Morel who, as Assistant Minister in the department, has been a real asset with a very firm grasp of the challenges we face economically. There is not a lot more, Members will be pleased to learn, that I can add to what he has said. But I just wanted to add a little bit insofar as this proposition that we are debating today simply wants to put this Assembly and this Government and future Governments on the right course, on the right track for dealing with this. I think the questions, if we simplify it, we need to ask ourselves are: do we agree we need to start managing properly our immigration and its impact on our longer-term population? Do we agree that we need to ensure that our key economic sectors and job markets must have access to the appropriate

skilled or experienced workforce, external workforces, without that impacting adversely on our long-term population challenges? Do we agree that we must become less reliant on immigration to sustain our economy and to instead promote enhanced development and skills for Islanders? Do we want to get a real grip on the data that is required to give us the detail to make longer-term decisions and start putting some detail and some figures around our population aspirations that Members are demanding today with the best will in the world but impossible to do right now? So today this policy presented simply asks us to do that. It asks us to adopt a position that puts us on the right track and puts this Assembly, and future Assemblies and future Governments, on a course for dealing with the population challenge which is something this Assembly and previous Governments have not managed to grapple with and do so. This is simply pointing us in the right direction.

The Bailiff:

Does any other Member wish to speak on the proposition? If no other Member wishes to speak on the proposition, I close the debate, and call upon the Deputy of St. Peter to respond.

1.1.11 Deputy R.E. Huelin of St. Peter:

It has been interesting; anybody would think there is an election around the corner. What has happened is it has highlighted the real complexities of the subject. As my old maths teacher would say: "It is a meaty problem." I will go through speeches and pick out salient points from them but there are some overriding common themes. I have to thank Deputy Tadier, I think, who said he was meeting many colleagues of his who he perceived were very bright who said they did not know the answer. I have to thank Deputy Morel because I really do not need a summary speech for this. I think we could all just stop now with the way he has seriously grappled with the future and the challenges of the past. For the last year, I have probably asked myself every single question that has been posed in the debate today. If I would have had an answer to any of those, do you not think I would have brought it to the Assembly? The biggest challenge is ensuring all aspects of our Island life are managed in harmony. Now I think there is a scientist over there, Deputy Ward, is it Newton's Second Law, each reaction has an equal and opposite reaction? Not sure. Every action that we take takes a consequence, and a consequence of that action has to be assessed in the big picture. I will hold up, for those watching - I think this is about the eighth print-off of this Venn diagram that I have used - matching the harmony we have to maintain between community, environment and our economy. We, as a States Assembly, have to ensure we have the thriving economy in order to support those people that we need, in order to ensure they have great healthcare, in order to ensure we educate our young to the best possible and in order to ensure we look after those that fall on hard times. That is our responsibility. We have to do all of that without destroying the environment that we all cherish. Now, if there was an easy "pick that one out of the box solution", do you not think we would have done it? Do you not honestly think we would have done it? I must immediately point out support for my officers who are listening to this. They have really worked with me to grapple with this and are hopefully not feeling desperately let down and that Deputy Morel has saved the day and given them some encouragement to continue going forwards. Bear with me; I really should have been a doctor because I cannot read my own writing. I think Deputy Ward mentioned assumptions, we should have based things on assumptions. Well I do not know, there is an old joke when somebody breaks the word "assume" down into 3 different parts, you know what that does for us all, do you not? I was hoping to hold off on my favourite quote from Jim Barksdale, the former C.E.O. (chief executive officer) of Netscape: "If you have data, bring data. If we are only having opinions, let us use mine." That really sums it up. We need to be basing our future on evidence. The census came up a couple of times. We are not in control of the census; the census is independent. Us, as politicians, cannot knock on the door and say: "Hurry up" or: "What is it going to look like coming out?" They are independent and should be independent. Of course I am disappointed and in the initial stages when asked to do the population policy, especially P.120, bringing it forward, we are a couple of months late, I was initially deeply concerned about whether we would have the census data and being able to make anything meaningful of it. I considered that long and hard and realised: "Yes,

census data will be interesting but it is only a snapshot in time.” It is one day in March last year and we are going to learn about it in March this year. It is a year out of date. What has happened in the last year? I do not know what has been going on. Maybe we have all had our heads in the sand. But we have had many people talking about people leaving the Island, having no idea, but we cannot pinpoint that. I think, somebody else has mentioned, yes, of course the goal is to have a new census and a new census should be based on near real-time data. I use “near real-time” because real-time data is seriously complicated. Near real-time data should be 30 days and that ties in with the combined employer reporting which will be submitting data on a 30-day cycle, as we agreed in the Assembly last year. I really appreciate Deputy Young’s input because there was a lot of stuff there. The interim solutions for I.T.; one of the things you do not do is interim solutions. Interim solutions compound the problems unless they are part of a strategy going forwards. The other thing about interim solutions is they take resource and they take resource away from having the long-term solutions you are putting in place.

[11:30]

As we know, resources are challenged, not just technical resource, which is highly skilled, but also just the numbers of resource in the Island. We could have brought in loads and loads of people to do this and then on the other side of things said: “Oh, you want another 80 licences for technical people?” or: “We are paying consultants in order to deliver this” or: “We have got too many consultants.” Again, a meaty problem. Put it forward, pension age is a recommendation to look at, not mandatory that it will be increased. Let us kill this one now. I think I am in the *J.E.P. (Jersey Evening Post)* today, you never know, and stating quite clearly, as we get older, we are living longer, we are living healthier, which is fantastic news and a testament to medical progress and science. I think everybody knows I retired just when I was 55 from my proper career, shall we say? What am I doing now, 10 years later? You never know, I might be doing more, but if I am not in this seat after 22nd June this year, I assure you I will not be sitting down, my golf will not be getting worse, and just walking up and down the beautiful Island of St. Ouen with my dogs. I will go and find something to keep my brain going. Whether that is paid or not, I will be doing it. We need to encourage people to continue being active mentally and physically going forward. That is my stance, encouragement, it is the carrot not the stick. But that would have to be looked at in the round as to benefit to the Island. Thank you, Deputy Gardiner, for acknowledging that it is a challenging task. I will address whether it is a vision or a report later. She again mentioned data and resource. One thing that has happened in the last couple of years, is we are going to replace a 1987 computer system. How we got to that situation it beggars belief, in my mind. Absolutely amazing; however, it is going to be replaced. Replacing I.T. systems are not buy a piece of hardware or buy something in the crowd, buy a piece of software, plug it in and off you go. The complexity of the change management that is involved in implementing and understanding the business that you are trying to automate is a huge, huge task and it involves highly-skilled resource. It is resource that has been sucked in to do that. That does not mean there is endless resource everywhere else for some of the tactical systems that we have around here. Monty is right ... sorry, Deputy Tadier. Sorry, Sir, I apologise, my brain is quite full at the moment.

The Bailiff:

Thank you. We still have to leave some space for Standing Orders, Deputy.

The Deputy of St. Peter:

Absolutely right, I apologise. Unfortunately, that is what I have written down as opposed to writing down “Deputy Tadier”. But he is absolutely right insofar as the Ponzi scheme and that is why the Control of Housing and Work Law that we approved in P.137 removes the automatic migration as you go through the 5-year and the 10-year barrier, and that is coming back to this Assembly next year. It will not be the regulations but we are all expecting feedback from businesses, we need these controls. They may not suit everybody but that is the flexibility within it that we are hoping to bring. Thank you for the support from my Chief Minister; it is his proposition. I really did enjoy the history

lesson from Deputy Southern, 20 years in the Assembly, who has ultimately been part of the reason that we do not have the foundations going forward for a population policy based on data and policies. Thank you, Deputy Martin. I need to say no further with Deputy Morel, I just appreciate his contribution and that of ... tax needs looking at. It is not just the tax, it is the Zero/Ten. The world is changing. The concept out there of things called “zoom cities”, “zoom towns” where it is becoming quite normal to literally move around Europe with a laptop, change location every 2 months and still work for the same company or work for yourself. How we are going to be able to tax that and manage that to the best of our advantage, I do not know. When I was still working in my previous role, we were already starting to discuss the impact of robotics and the replacement of staff and whether they could be taxed or not. I am not saying that is the answer, I am saying we must be front and centre of the thinking of that because we need to seize on opportunities. Changes, when grappled properly, equal opportunity; changes, when ignored, equal crisis and we must be prepared for that going forwards. I am going to pay thanks to absolutely everybody that participated in the last year of this. We have had focus groups, the survey that went out, our workshops organised by Jersey business, representations from utility companies, the Honorary Consuls over here, all of whom came in. I made the extraordinary offer for anybody who emailed me and wanted to come and see me, I would meet with them. I met with every single one who contacted me, all valuable input, and I want to thank them. But also, not only listening to them all, I want them to realise those were huge numbers of people we were engaged with and we listened to. We have been criticised for doing nothing and what have we achieved? In summary, we extended the States of Jersey Law to force - well, they could rescind it if they wish - every Council of Ministers to publish its population policy at least once a year. I listened with great interest to Deputy Southern giving his lesson from 2001, and let us ask the question, all these fantastic list of things that were there in 2001, why have they not been actioned upon? Why? Because nobody put the hooks in to ensure that they went on from successive Government to successive Government. That is what we have done. We have introduced the systems which will be live - they are collecting data today - but they will be live in the summer to control the manpower controls. The new system for self-service for people to apply for licences and manage the process going through that which will streamline the process which is what all the businesses are asking us; it is a clunky, slow process which people need to address in order to be responsive to their businesses. Control of Housing and Work Law I have met and we believe we have met the requirements where at all possible of P.120. I think Deputy Perchard mentioned ... sorry, Deputy Perchard, I missed you in flicking through the paper, I apologise for that, but we met them as best we can. It is important to notice that we did approve something. One of my big bugbears is we have these propositions that come to the Assembly that do not have a fair and reasonable assessment of the manpower and financial considerations. The request there would cost absolute fortunes and could not have been delivered in the near term in order to meet that requirement; however, it is absolutely clearly noted the requirement to have the data that Deputy Perchard and the Assembly agrees. I basically voted for the report, by the way, and not the main proposition, just to put some clarity on that, if she wishes to challenge me on a stake in the ground. I believe I am being consistent with that. I disagree the claims that it is just a report. Can I remind Members of the firm long-term commitment that they have been asked to do today, which the Chief Minister articulated and reminded of us so clearly: “The overarching aim of the Common Population Policy of the Council of Ministers is to progressively reduce Jersey’s reliance on net migration within the current agreed Common Strategic Policy.” We will also note, as the Chief Minister said in Scrutiny and, in support of my colleague, Deputy Morel has reminded us of this, at some stage we have to get to a point of stability or we will end up in the sea. That is fine, that is the direction of travel if we continue at the high level of population, albeit many years ahead, but we have to have in the back of our mind the goal to make that stable. That is just good practice; how achievable it is and when it is achievable is the aim. All I would say is, I think Deputy Martin said it, a vote against this proposition today is a vote for further delay, a vote that fails for a proactive population at the heart of Government. Okay, it is a stake in the ground. Okay, it is phase one but let me say, if we do not have phase one and start a proper policy with proper controls with proper data to make informed decisions, you know what? We will be back

here in another 20 years' time. Deputy Southern's successors will say: "Back in 2022 we turned down a population policy in order to do X, Y and Z and therefore that is why we have got no data, we have got no information; in fact, we are floundering in the wilderness again" because we have not taken the bull by the horns and addressed it, come to the table and addressed the challenges that we are trying to face. It is a tough challenge and we, as an Island collectively, must rise to that challenge and play our part, not just the 49 of us in this Chamber, and not just the support we get from the officers working with us and both working within my team and working with the Scrutiny team, it is everybody. Everybody must think about the productivity which is so fundamental that Deputy Morel articulated so clearly. The education, preparing our young for the future of tomorrow and not continuing with the existing ways of which we are bringing up our children. They are our future, corny as it is, but they are. The aspects of life-long learning and flexibility and adaptability we must, as an Island, rise to this particular challenge. One thing I was amazed by in the survey is when asked the question: "What are you prepared to do to play your part in reducing the dependence on migration?" 18 per cent of people said they were not prepared to do anything but they also said they wanted to freeze migration, they wanted to know more. So I implore to those 18 per cent in the survey, play your part in this. We are a community, we are a collective, we must work together. I have to remind you of the future technology and the impact it is going to be and we have to be cognisant of this within our decisions. The report, it is PwC (PricewaterhouseCoopers) but I have also read it in a lot of the U.S. (United States) papers at the moment. It is a common theme; take the numbers, whatever you want, but the simple thing is a large number of jobs will go to robotics in a very short period of time. Read whichever one you want: between 20 and 35 per cent, between 20, 35 and 45 per cent. It does not matter. Who knows? The pace of change is so dramatic, who knows? But if we are not prepared for that with our adaptability of education, our adaptability for getting life-long skills and being prepared for that, we end up in a crisis. We will end up having 25 per cent of people knocking on the door of Deputy Martin's office needing support. That is a crisis. That is a crisis because we have not foreseen it. Now take it the other way around, if we are prepared for that and acknowledge where those roles might go, work with people within the Island to change their skills, up their skills, transfer their skills in a positive, proactive way to make their jobs more exciting, more innovative and more lucrative for them, it becomes an opportunity and we avert the crisis. If we had this data 10 or 15 years ago, if we had the policies in place 10, 15 years ago, we would have foreseen the trends that were happening in the housing market. Instead, it arrives on us and smacks us in the face, and we are like rabbits in headlights because we do not have an immediate solution. That is why we need these solutions. I thank all of those who have contributed. This is a living document and I really, really hope that whoever takes over my role after June, if it is not me, I say beware of what you wish for you if you vote against this and end up with this particular role. Because it is a tough challenge and that person will have to stand by their guns, stand by their belief in order to drive it through, drive it through for the benefit of everybody in this Island, not for the horseplay that can potentially happen in this Assembly.

[11:45]

It is an inaugural population policy, it is a start, it is a great start, it is the start that the Island has been waiting for. With that, I maintain the proposition and ask for the *appel*.

The Bailiff:

Very well, the *appel* is called for. I ask the Greffier to place a vote into the link. While that is happening, could I just remind Members that the link is not to be used for comment, it is to be used for necessary practical things but comments on other people's speeches, they are simply an additional political comment made by the speaker and therefore a second speech and is contrary to Standing Orders. So no comments, please, in the chat. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The proposition has been adopted.

POUR: 26		CONTRE: 17		ABSTAIN: 0
Senator L.J. Farnham		Senator T.A. Vallois		
Senator J.A.N. Le Fondré		Senator K.L. Moore		
Connétable of St. Helier		Senator S.W. Pallett		
Connétable of St. Lawrence		Senator S.Y. Mézec		
Connétable of St. Brelade		Connétable of Grouville		
Connétable of Trinity		Connétable of St. Martin		
Connétable of St. Mary		Connétable of St. John		
Connétable of St. Ouen		Deputy G.P. Southern (H)		
Connétable of St. Clement		Deputy M. Tadier (B)		
Deputy J.A. Martin (H)		Deputy M.R. Higgins (H)		
Deputy K.C. Lewis (S)		Deputy of St. Martin		
Deputy J.M. Maçon (S)		Deputy of St. John		
Deputy S.J. Pinel (C)		Deputy M.R. Le Hegarat (H)		
Deputy of St. Ouen		Deputy J.H. Perchard (S)		
Deputy L.M.C. Doublet (S)		Deputy R.J. Ward (H)		
Deputy R. Labey (H)		Deputy C.S. Alves (H)		
Deputy S.M. Wickenden (H)		Deputy I. Gardiner (H)		
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy S.M. Ahier (H)				

The Deputy of St. Peter:

Can I just thank Members for their contribution today?

The Deputy Greffier of the States:

Those voting pour in the chat: Deputy Maçon and then in the link: Deputy Ahier, Senator Le Fondré, the Deputy of St. Peter, the Connétables of St. Brelade and St. Ouen, the Connétable of St. Lawrence, Deputy Truscott, Deputy Lewis, the Connétable of St. Helier, Deputies Pinel, Young and Morel, the Deputy of St. Ouen, Senator Farnham, Deputies Ash and Labey, Deputy Guida, the Connétable of St. Mary, the Deputy of Trinity, Deputies Wickenden and Martin, the Deputy of St. Mary, Deputy Doublet, the Connétables of St. Clement and Trinity. Those voting contre: Deputy Perchard, the Deputy of St. Martin, the Connétable of Grouville, Deputy Ward, Deputy Le Hegarat, Senator Vallois, the Connétable of St. Martin, Senator Pallett, the Connétable of St. John, Senator Mézec, Deputy Gardiner, Deputy of St. John, Senator Moore, Deputy Southern, Deputy Tadier, Deputies Alves and Higgins. Sorry, the Deputy of Grouville voted pour.

The Bailiff:

The Deputy of Grouville, can I ask, did you vote before I closed the voting or after? Do not count the vote.

Deputy J.A. Martin:

The Deputy was going out today; she had to go to a medical appointment. She may have voted and then gone.

2. Draft Commercial Vehicles (Licensing of Operators) (Jersey) Law 202- (P.118/2021)**The Bailiff:**

We now move on to the next item which is the Draft Commercial Vehicles (Licensing of Operators) (Jersey) Law, P.118, lodged by the Minister for Infrastructure and I ask the Greffier to read the citation.

The Deputy Greffier of the States:

Draft Commercial Vehicles (Licensing of Operators) (Jersey) Law 202-. A law to make provision for licensing operators of specified commercial vehicles and related purposes. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following law.

2.1 Deputy K.C. Lewis of St. Saviour (The Minister for Infrastructure):

This long overdue law makes provision for a Jersey scheme for the licensing of commercial vehicle operators of vehicles over 3.5 tonnes. In 2008, a working group on the condition and maintenance of vehicles operating in Jersey recommended the introduction of a licensing scheme and such a scheme was included in the 2010 Sustainable Transport Policy approved by the States Assembly. Members may be aware that as an interim step an order under the Road Traffic (Jersey) Law 1956 was made which enabled the annual roadworthiness inspections of medium and heavy goods vehicles and those that have been undertaken by D.V.S. (Driver and Vehicle Standards) since 2018. However, an annual roadworthiness inspection simply assesses the condition of the vehicle on the day of the examination. There is therefore a need for legislation which sets standards and ways of working and associated record-keeping and gives the power for the inspector of motor traffic to act when non-compliance is found. Fundamentally, this scheme is about improving the safety of commercial vehicles. It falls firmly within the safe vehicles aspect of the safe systems approach as part of the Road Safety Review which was reported to the Assembly in December 2021. However, importantly, it also serves to provide a level playing field among operators in terms of maintenance regimes and systems of inspections and seeks to ensure an operator cannot gain competitive advantage through not maintaining its vehicles properly. Licensing schemes such as this are common in large and small jurisdictions throughout the world with the U.K. scheme having been in existence since the 1930s. The proposed Jersey scheme reflects best practice but it represents a more proportionate approach, reflecting the particular circumstances in the Island. In summary, the scheme sets out the main standards which must be adhered to, including a requirement for good repute among operators, the need for a competent transport manager to oversee the operation and a strong regime of vehicle checks and maintenance. I regard these as an appropriate and proportionate set of standards for all operators to adhere to. Indeed, I am aware that a number of well-established operators in the Island already comply with these requirements. The new law requires existing operators to apply for a licence and includes transitional provisions to make sure they can continue to operate while their application is being considered. I can assure Members that the whole ethos of the inspector of motor traffic and the D.V.S. team will be to support the local industry through the applications process and, provided the required information is submitted, I believe it is highly unlikely that an existing operator will have the application declined. The application process places a strong emphasis on operators agreeing to abide by a set of conditions relating to the operation of vehicles. These conditions will be the yardstick against which D.V.S. will assess ongoing compliance. As with any licensing scheme, the inspector of motor traffic will be required to ensure compliance with the terms of the scheme, which is why there are a range of sanctions and in some areas legal penalties included in the law. These include the power for the traffic officers to undertake audits, including reviewing records, inspecting vehicles and premises and, in exceptional cases, for the inspector to issue a range of sanctions from imposing conditions to suspending or even revoking a licence. I would like to

emphasise that a risk-based approach to compliance would be taken and compliance activity would be focused on issues identified or on evidence received indicating that licence terms are not being met. I would also like to emphasise that the inspector of motor traffic's focus at all times will be to assist operators in meeting the terms of their licence and to engage with operators to understand the nature of the problems and possible solutions before deciding whether to act. Any serious sanction would only be invoked if an operator fails to engage with D.V.S. or after an extended period of unsatisfactory engagement. As would be expected, the law includes provisions for operators to be able to appeal decisions of the inspector of motor traffic with an appeal body established by the Law Society to deal with specific appeals. Engagement with the local industry began in 2016 and has been ongoing ever since. More recently this has included draft guidance documents being issued through gov.je, an industry survey, and follow-up sessions to explore issues raised. This engagement has been enormously helpful in getting feedback, which D.V.S. has responded to and used to adjust the scheme in places. The scheme will be self-funding and will cover both implementation costs and the cost of ongoing administration support required to run the scheme. These costs will be recovered through the payment of fees licensed by operators. The fee structure will comprise of an application fee in the region of £200 and an annual fee in the region of £90 for a vehicle operated. These costs are the price for establishing standards and undertaking the required compliance activity to ensure a level playing field across the industry. In addition, D.V.S. believes that the fee levels identified per vehicle are not significant when considering the cost involved in maintaining commercially operated vehicles properly. I would like to thank the Environment, Housing and Infrastructure Scrutiny Panel for their helpful comments on the scheme, having been briefed by the D.V.S. team in December 2021. Assuming the law has the support of the Assembly, there is considerable work to do to establish the necessary guidance, procedures and crucially information technology systems to support the licensing system. This will be accomplished by an ongoing programme of industrial engagement events to ready the industry for the implementation of the scheme. It is therefore anticipated that the scheme will become operational and the first application will be received during quarter 4 2022. I urge Members to approve this legislation as it will improve the safety of commercial vehicles and will provide a much needed level playing field among operators in the Island. Sir, I make the proposition.

The Bailiff:

Are the principles seconded? [**Seconded**]

2.1.1 Connétable M.K. Jackson of St. Brelade:

My panel is mindful of the need for draft legislation to help improve commercial vehicle standards. I would draw Members' attention to a comment paper which has been submitted: "The potential impact of the cost of the scheme for commercial operators is currently unknown and as a consequence the additional costs which may be passed on to the public." Should the proposition be adopted, the panel intends to keep a watching brief on the rollout of the proposals and, particularly, in a fees order. The panel requests that the Minister shares the draft fees order once it is available. I say this particularly in the light of learning that it is proposed that operators will have to pay a 5-year fee of £200 plus an annual fee of £90 per vehicle plus an annual inspection fee under a different piece of legislation of £188. This seems to me extraordinarily messy and could easily be streamlined by amalgamating the vehicle charges by being, shall we say, honest and transparent and say that the annual check and permit will cost £278. This links to the way this will be regulated on the road by way of regular and *ad hoc* checks.

[12:00]

It must be made easy for our police, both States and Honorary, to manage the paperwork. They really do not need to be looking for stickers on windscreens plus bits of paper which may be somewhere in the driver's cab. I would ask the Minister in summing up that he would confirm that he would attend to this with a view for making the regulation system easy for operators and the police alike. The panel recommends, in addition, that the Minister ensures that both the operators guide and the guide

to maintaining road worthiness are made available in multiple languages online on the Government of Jersey website.

2.1.2 Connétable A. Jehan of St. John:

I welcome the proposals in front of us today. In a previous life I operated one of the largest fleets on the Island and have also managed fleets in the U.K. In starting, it should be noted that D.V.S. are struggling to keep up with the A.R.I.s (Annual Roadworthiness Inspections) with some operators having a 4 to 5 week wait to get commercial vehicles in for testing currently. These tests, in my opinion, have greatly improved the standard of heavy goods vehicles on the Island. I would urge the Minister to also look at vehicles under 3.5 tonnes, as I think it is obvious to anyone looking at these to see that this is where more risk is now in terms of unsafe commercial vehicles. One area that I am disappointed is missing is drivers' hours. I would have liked to have seen that addressed in this work. Hopefully it will be addressed in future work, because that is as high a risk as a defective commercial vehicle. We have just heard about the Scrutiny Report. It is a good report that has been shared with us and their concerns over costs and training. The transport manager is a role with key responsibilities. I would challenge the assumption that it will not add costs to businesses. Those businesses that outsource the role will have to pay and for those who add responsibility to an existing post could find themselves paying more to an existing employee with additional responsibilities. While it will add costs, in my experience it will not be a material cost and I would hope operators would see it as an investment rather than a cost. I would support the views that it could be streamlined. I would also urge the Minister to look at technology for ease of use, particularly for checks. In terms of training, 7.9, the scheme is not prescriptive about driver training. It is left to the discretion of the operator to determine what training is required and to ensure that adequate training is provided to ensure drivers are competent in their work activities. The Scrutiny Panel covered this in their report and I would like the Minister to confirm his thoughts on this in his summing up. In my experience, again, introducing both driver training and telematics, I have experienced a 15 per cent saving on fuel. When you are sending a 6-figure sum on fuel, these 2 measures prove to be a good investment. Also, the feedback from drivers was positive, even those who may have been nervous before being trained. We have seen that recently in the Parishes where the Honorary Police are receiving driver training. We need to recognise the value of drivers in transport, freight and haulage; these people ensuring goods get to shops, businesses and homes; and bus drivers, who are playing a large part in improving our transport alternatives. We need to make driving a profession that people want to join. There is a shortage of professional drivers everywhere and Jersey is no different. I can foresee challenges which are already there but becoming bigger. Bus drivers, artic drivers and truck drivers are in short supply. We need to make these people feel valued, give them the training they need, add to their existing knowledge, and make them more professional. I believe that this law, if it is brought in, will be the first step in making driving more of a profession. I would urge Members to support the proposition.

2.1.3 Deputy J.H. Young:

I wanted to raise the subject of appeals, as I do raise during new regulations. I am sure the purposes of this new regulation are very important, but it is equally important that the arrangements we make for appeals against such administrative decisions have a degree of consistency across our regulations. What I would invite the Minister to reflect on in his responses is whether or not he believes it is the right way to describe the appeal arrangements as being populated, as I read the scheme, by qualified lawyers only. It seems to be that what we have is an arrangement controlled by the president of the Law Society. I do not see a problem with that, but, of course, all the other members of the 3-person panel need to be qualified lawyers. Obviously, in my past experience in regulation matters, lawyers are not the only one with skills in exercising judgments. There is absolutely no question that if one looks at the subjects where these decisions are going to be made, they will require the exercise of judgment. That is one thing I would like. In other areas we have established administrative tribunals and, yes, we have them in some cases led by lawyers, but nonetheless they have other members of

those tribunals appointed through whatever processes, like the Jersey Appointments Commission, for people with special knowledge and experience to go on those lists. I believe those citizens have added a great deal of value. That is one aspect. The other one, of course, is having, again, a lot of experience in regulation matters, it is probably very likely that when appeals arise, because somebody is aggrieved that a decision has gone against them, that they are very likely to get lawyers to represent them and come forward with their cases. I would like to hear what the Minister thinks about that arrangement, whether it has been discussed as to whether or not this could be accommodated through the way we are going with the tribunal service for planning and other matters, through the Judicial Greffe or what have you. I would like to hear his views on that.

2.1.4 Senator T.A. Vallois:

Briefly, I want to touch on the fee structure for this particular piece of legislation and the way that it may or may not be prescribed. The reason why I make that point is because it is becoming rather obvious that there are a number of pieces of legislation that are being introduced with new fee structures. I wonder if the Minister can confirm whether the fee structure that is being determined under this legislation will be ... has it been agreed in the Government Plan and, if not, will it come in the Government Plan coming forward by the next Council of Minister and, therefore, the charge cannot take place until 2023? If that is the case, what does that mean for the proposition that was passed by the Assembly in 2003 with regard to user pays charges? Would the Minister commit his office to assure the Assembly that the fee structure that will be prescribed is not making a profit for the department as per the requirements in the Public Finances Manual?

The Bailiff:

Thank you very much, Senator. Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles then I close the debate and call upon the Minister to respond.

2.1.5 Deputy K.C. Lewis:

This whole scheme is designed obviously for safety of commercial vehicles on the roads in Jersey. Basically it dovetails with what has been happening in the U.K. and Europe since the 1930s. It is all about improving safety. The Constable of St. Brelade, I thank the Constable and the Scrutiny Panel for P.118.Com, fees audit and views of use for operation. I absolutely agree with you. We will do what we can to make this as simple as we can. I will take the Constable's comments on board. Constable of St. John, I thank him for his comments. I know he has experience in this field. Drivers' hours is something slightly outside of the remit at the moment, but obviously something that needs looking into. In the U.K. they have tachometers, but we do not have any long-distance in Jersey. However, drivers' hours are something that needs to be looked at. The system that we are bringing in is nowhere near as onerous as it is in the U.K. and Europe, which takes our local situation into account. I would agree that driver training is something that needs looking at in the future. There is a driver shortage of both heavy goods vehicles and indeed P.S.V. (passenger service vehicle) drivers too. That is something locally we need to address. Deputy Young mentioned appeal to law officers and having local experts and lay members on board. I do not have a problem with that; expert opinion is always good. The whole scheme is basically industry-led, because it is the industry which has been calling for this for many years now. Senator Vallois mentioned user pays; yes, the scheme is designed to break even. It will be just user pays as far as we can make it. There will be new technology involved, which the team are working on as we speak. With that, I make the proposition in Second Reading.

The Bailiff:

Thank you very much, Minister. I ask the Greffier to place a vote into the link. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The principles have been adopted.

POUR: 43		CONTRE: 0		ABSTAIN: 0
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy I. Gardiner (H)				

Connétable of St. Brelade, I assume your panel does not wish to call the matter in.

The Connétable of St. Brelade (Chair, Environment, Housing and Infrastructure Scrutiny Panel):

No, thank you, Sir.

The Bailiff:

Thank you very much indeed. How do you wish to deal with the matter in Second Reading, Minister?

2.2 Deputy K.C. Lewis:

If Members are content, *en bloc*, but if there is anything in particular I am more than happy to take them separately.

The Bailiff:

Do you wish to propose or do you simply wish to answer questions?

Deputy K.C. Lewis:

It is extremely wordy, Sir. Looking at the hands of Members, just propose. The notes are all there, which hopefully the Members have gone through, plus the comments from Scrutiny, so if I can just propose and answer questions.

The Bailiff:

Are they seconded for Second Reading? **[Seconded]** Does any Member wish to speak in Second Reading? There is a request in the chat by Deputy Lewis to take Article 17 separately. That is in order.

2.2.1 Deputy J.H. Young:

I was grateful for the Minister in his reply to me about my question about appeals and that the Minister agreed with me that having persons of special knowledge and experience as being members of the appeal body joining the president of the Law Society was a good plan. Unfortunately, Article 17(1) and 17(6) precludes that as currently drafted. It makes it absolutely plain that all 3 members have to be lawyers or members of the Law Society. That seems to be a matter which does need amending. It cannot be amended now, of course, so I would like a separate vote on that, because I think as a principle we should be using lay skills. Of course, we are going to have to pay for these lawyers, because subsection 17(9) makes it plain that we are going to have to pay money and expenses where, frankly, having lay people generally do that on expenses only. There we are, so I would like a separate vote on that. It cannot be altered now, because it is too late. I am grateful for the Minister's comments that he thinks that would be a useful thing to do.

[12:15]

The Bailiff:

Thank you very much. Does any other Member wish to speak in Second Reading? If no other Member wishes to speak then I close the debate and call upon the Minister to respond.

2.2.2 Deputy K.C. Lewis:

I thank all Members for their comments. I am more than happy to take Article 17 separately. There is a slight anomaly, as has been pointed out, but there are lawyers out there with a very in-depth knowledge of motor traffic law and indeed fleet management. However, I do not have a problem with amending that in the not-too-distant future, to have expert lay people on the panels. It is going to be an extremely rare event. I cannot see it happening, but obviously we have to be prepared for rare events. I would propose Articles 1 to 16.

The Bailiff:

Yes, if you propose Articles 1 to 16 then we can deal with Article 17 after that. Very well, I ask the Greffier to post a link into the chat. The vote is on Articles 1 to 16. I open the voting. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. Articles 1 to 16 have been adopted.

POUR: 43		CONTRE: 0		ABSTAIN: 0
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				

Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy I. Gardiner (H)			

Do you now propose Article 17, Minister?

Deputy K.C. Lewis:

Yes, thank you, Sir.

The Bailiff:

I will allow the Greffier a moment to put a link into the chat for Article 17. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. Article 17 has been adopted.

POUR: 33		CONTRE: 9		ABSTAIN: 0
Senator L.J. Farnham		Connétable of St. Peter		
Senator J.A.N. Le Fondré		Connétable of St. Clement		
Senator T.A. Vallois		Deputy M.R. Higgins (H)		
Senator K.L. Moore		Deputy J.M. Maçon (S)		
Senator S.W. Pallett		Deputy R. Labey (H)		
Senator S.Y. Mézec		Deputy J.H. Young (B)		
Connétable of St. Helier		Deputy K.F. Morel (L)		
Connétable of St. Lawrence		Deputy of St. John		
Connétable of St. Brelade		Deputy C.S. Alves (H)		
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy L.B.E. Ash (C)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				

Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy R.J. Ward (H)			
Deputy I. Gardiner (H)			

Do you propose Articles 18 to 25 and the schedule, Minister?

Deputy K.C. Lewis:

Yes, please, Sir.

The Bailiff:

I ask the Greffier to put a voting link into the chat. I open the voting and ask Members to vote. I ask the Greffier to close the voting. Articles 18 to 25 and the schedule have been adopted.

POUR: 42		CONTRE: 0		ABSTAIN: 0
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
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Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				

Deputy L.B.E. Ash (C)			
Deputy K.F. Morel (L)			
Deputy G.C.U. Guida (L)			
Deputy of St. Peter			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy I. Gardiner (H)			

Do you propose the law in Third Reading, Minister?

Deputy K.C. Lewis:

Yes, please, Sir.

The Bailiff:

Is it seconded for Third Reading? **[Seconded]** Does any Member wish to speak in Third Reading? If no Member wishes to speak in Third Reading, I ask the Greffier to place a link into the chat. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The law has been adopted in Third Reading: 39 votes pour, no votes contre, no abstentions in the link and a further 2 votes pour noted in the chat.

POUR: 43	CONTRE: 0	ABSTAIN: 0
Senator L.J. Farnham		
Senator J.A.N. Le Fondré		
Senator T.A. Vallois		
Senator K.L. Moore		
Senator S.W. Pallett		
Senator S.Y. Mézec		
Connétable of St. Helier		
Connétable of St. Lawrence		
Connétable of St. Brelade		
Connétable of Grouville		
Connétable of Trinity		
Connétable of St. Peter		
Connétable of St. Mary		
Connétable of St. Ouen		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Clement		
Deputy J.A. Martin (H)		
Deputy G.P. Southern (H)		
Deputy K.C. Lewis (S)		
Deputy M.R. Higgins (H)		

Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy I. Gardiner (H)				

3. Draft Taxation (Enveloped Property Transactions) (Jersey) Law 202- (P.119/2021)

The Bailiff:

The next item of Public Business is the Draft Taxation (Enveloped Property Transactions) (Jersey) Law, P.119, lodged by the Minister for Treasury and Resources. For the purposes of this debate, the main responder is the chair of the Corporate Services Scrutiny Panel and I ask the Greffier to read the citation.

The Deputy Greffier of the States:

Draft Taxation (Enveloped Property Transactions) (Jersey) Law 202-. A law to provide for the taxation of certain transactions by which control of an entity which owns certain land in Jersey is transferred from one person to another and for connected purposes. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following law.

3.1 Deputy S.J. Pinel of St. Clement (The Minister for Treasury and Resources):

It is possible, under our existing rules, to pay neither stamp duty nor land transaction tax where ownership of Jersey real estate is transferred by way of a transfer of shares. While the vast majority of property transactions in our Island are subject to stamp duty or L.T.T. (Land Transaction Tax), there are a small but seemingly growing number that are free from any charge at all. These transactions largely involve commercial properties but the practice of enveloping does include some often quite prestigious private dwellings. The outcome is that 2 otherwise equivalent property transactions can face 2 completely different tax outcomes. One is taxed, the other is tax free, offending basic principles of equity and our long-term tax principles aiming to keep taxation low, broad, simple and fair. This issue was first raised by my predecessor in his Budget 2018 statement and this Government undertook to progress matters in my Budget 2019 statement and in its first 2020 Government Plan. I am not sure whether it was entirely right in the past to characterise an enveloped property tax as a stamp duty anti-avoidance measure. There are perfectly legitimate reasons for property to be held in corporate and other forms of envelope. That being said, it cannot be right, as

happens now, that such different tax outcomes arise from having this gap in our legislation and there is currently undoubtedly an incentive to envelope property purely to secure a tax advantage. It is right that we close this gap or loophole and if we do not close the gap, then we are, through an act of omission, sanctioning the enveloping of properties for tax purposes which could see stamp duty receipts diminish. This is an increasing risk to the public purse. Work has been underway since 2019 to develop the policy and the draft legislation we are debating today. Work was put on the backburner for some time during the pandemic and has been prolonged in nature to seek to engage external stakeholders. It is fair to say that this measure is not supported by everybody. Given the recent criticisms of this draft legislation, I want to say something about the scale of stakeholder engagement we have tried to secure. The key stakeholders include those who already hold property in corporate or other envelopes, those engaged in the buying and selling of commercial property including property developers, lawyers who administer often complicated commercial transactions and tax accountants. A full public consultation was held for 12 weeks between July and October 2019. The consultation document set out in some considerable detail what was then being proposed, which was a new tax for certain property transactions that were escaping a charge either to stamp duty or to land transaction tax. For clarity, the change to stamp duty is restricted to freehold, including flying freehold land and certain so-called contract lease properties known in the U.K. as leasehold properties. Land transaction tax is restricted to properties which are transferred by way of a share transfer and which always convey the right to occupy a dwelling. Revenue Jersey received only 3 responses to the consultation, albeit from senior figures in Jersey's tax and property world. Those responses were broadly supportive and, given the strength of feeling among many States Members about this issue, I asked officers to press on with the proposals in order to meet the Government's commitment to deliver greater equity in this area. The policy was developed further and, in 2021, a copy of the draft legislation was circulated to a broad range of external stakeholders for comment. An 8-week period was given for comments. Further revisions to that law were produced in the coming weeks. A workshop was held with stakeholders in July last year and officers subsequently had a number of confidential discussions with stakeholders in the property world on a one-to-one basis. I am grateful for the feedback we have received from stakeholders during this period which informs some key changes to the draft legislation, including to the financial threshold at which the tax would become payable and some technical changes relating to contract leases and mixed-use properties. Following requests for further engagement and lobbying by some stakeholders against these proposals, external subject matter experts were once again consulted in November 2021. I labour these descriptions of our engagement with the industry because I am conscious that some external stakeholders continue to argue against these changes and may even suggest more time is needed to consider the best way forward. I accept that this is a new form of taxation to which some stakeholders object on principle, while other stakeholders in the same sectors do not.

[12:30]

I am disappointed that some stakeholders may not have taken the opportunity to comment on the draft law sooner on account of their fundamental opposition to the proposals and then, in some cases, seemingly argued that there was insufficient engagement. Some stakeholders have, even in recent weeks, raised a number of technical points which I have been happy to accommodate, including the one encompassed by the Scrutiny Panel's first amendment which I support. My own amendment proposes the commencement date of 4th April 2022, which I consider provides sufficient time for existing property transactions which are in the pipeline to be completed without the need to renegotiate sales agreements. It is time for action. As the Corporate Services Scrutiny Panel recently pointed out in the debate of their Government Plan amendment 22 on stamp duty, the Treasury has been looking at property taxation issues on and off for the best part of the last decade. Officers have worked very hard with those stakeholders who are willing to engage, however late in the day. The right outcome, in my view, is that where there has been a transfer of an interest in Jersey real estate, all transactions should be subject to tax, whether that be stamp duty, L.T.T. or enveloped property transactions tax regardless of whether the property is held by an individual, by a company or by some

other form of entity. This is what the draft law creating the enveloped property transactions tax delivers. The law is so-called because the property is said to be enveloped within an entity. That entity will usually be a company. The intention of the draft law is to close this gap and to ensure consistent and equitable taxation of all property transactions. The new tax will mainly affect commercial transactions. It is possible for residential properties to be enveloped but it is uncommon because of Jersey's housing restrictions on residential property. For the avoidance of doubt, this is a new form of taxation and it will hit some purchasers of Jersey property in their pockets for the first time. The measure was never primarily about raising revenue. It has always been focused on equity of treatment but it does also remove any perverse tax incentives to envelope solely for the purpose of avoiding stamp duty. Our most recent economic analysis indicates that a new enveloped property transactions tax may yield around £2.4 million to £5.3 million annually, somewhat more than the £1 million we were previously forecasting. I have signalled that up to £1 million per annum of those funds will be allocated to the housing development fund. This revised forecast largely arises from the growth in the volume and value of the practice of enveloping and further demonstrates the need for the new tax to protect the public purse. Some Members will be aware that representations have been made by the Fiscal Strategy Group of Jersey Finance Limited on behalf of a number of external stakeholders who do oppose this measure. They argue that the law should not apply to commercial property transactions or, if it does, that the introduction of it should be delayed as a further aid to economic recovery post COVID. While the Chief Minister and I have met with the stakeholders and considered those representations very carefully, and while we have previously agreed to make a number of changes, for example, to thresholds, it remains the view of the Government that it is important to introduce this tax as a matter of equity and fairness. If we do not support this new law, we would consciously be perpetuating inconsistent treatment across similar transactions and effectively inviting all owners of commercial property to envelope. It is crucial that we prevent any further losses of revenue from any future growth in enveloping and ensure a neutral treatment for all property transactions. In respect of the latest refreshment of advice on the economic impact of this measure, I believe this continues to indicate that the impact of this new form of taxation on our economy is not significant. Given the way property prices move in Jersey, the marginal additional cost on the next sale of a property subject to this tax is, in my view, very unlikely to dent the profit margin on a sale. London Economics who undertook the latest analysis suggest that the additional marginal cost is likely ultimately to be distributed between the vendor and the purchaser, although the purchaser is liable for the payment of the tax. I am grateful to the Corporate Services Scrutiny Panel for its speedy review of this proposition. Following some consideration, as I have said, I am happy to accept the first amendment lodged by the panel which relates to a consequential amendment to the Companies (Jersey) Law. I am grateful to the panel for their review of the issues that led them to withdraw their second amendment which would have fundamentally undermined the primary purpose of this draft law. I am conscious, as is often the case towards the end of a Parliament, that our legislative programme has put pressure on the remaining sessions of this Assembly. This measure could have come before the Assembly sooner had we achieved full engagement from stakeholders at the right time in 2019 and subsequently, especially during 2021. It has been delayed to accommodate 11th-hour representations. I have asked officers to redouble their efforts to secure engagement on tax technical issues at the right time. I turn now to the contents of the draft law. The legislation creates the concept of a relevant transaction which is where an interest in an entity is transferred and, as a result, a person has a significant interest in that entity. In simple terms, a significant interest is where a person owns or controls more than 50 per cent of an interest in an entity. They therefore have the benefit of ownership without being the legal owner of the property. The most common example will be where shares in a company are transferred and where that company holds the property. There are also some anti-avoidance measures, including look through rules to allow for change of ownership and rules about the aggregate holdings of connected persons. As with stamp duty and L.T.T., this tax is only payable on transfers of Jersey property. The draft law outlines in a schedule a list of excluded transactions which would not be taxed. These exclusions align with stamp duty and land transaction tax and also cover other exclusions designed to maintain Jersey's

international competitiveness. One such exclusion relates to collective investment funds. Another provides for a form of group relief so that connected companies will be able to restructure without being liable for the new tax. Another exclusion covers transfers that involve companies listed on stock exchanges recognised in the Income Tax Law. The amount of tax that is payable under this draft law is the same amount that is payable in respect of share transfer properties under the land transaction tax law. These are very similar rules for contract leases where the tax payable will be the same as is payable under the stamp duty law. As I have already said, this draft law is expected to apply largely to commercial transactions, although it may also apply to a few non-commercial properties. As a result, the draft law sets out 2 different minimum thresholds. One for domestic property and one for non-domestic, below which no tax would be payable. Moving on to the practical effects of this law. A person who acquires a significant interest is required to file a statement and pay the tax within 28 days of the transaction. This is the same for transactions under the land transaction law. In practice, as with stamp duty and land transaction tax, it is expected that the tax will be paid at or very close to the time of the transaction. An online form will be provided to facilitate this. The Comptroller of Revenue will administer the law ensuring a consistent approach with land transaction tax. A surcharge of 10 per cent will be imposed for late payment and rights of appeal are provided. This is also aligned with the land transaction law. An order will be made subject to the Assembly's adoption of the draft law that will outline the information that must be provided to Revenue Jersey when a transaction occurs. This will be a similar process to the declaration made under land transaction tax. In the interest of openness, I have presented the draft order as an addendum to this proposition. Finally, I would like to mention that I myself have lodged an amendment to the draft law to delay its commencement date. This provides some additional time to affected parties and a certain date on which the new tax would take effect. I believe this allows sufficient time for imminent transactions to be completed. In conclusion, this draft law closes the gap that exists which allows some Jersey property transactions to escape taxation. If we do not close it today, then we can expect the gap to increase. I commend this draft law to the Assembly.

The Bailiff:

Thank you very much, Minister. Are the principles seconded? [**Seconded**] We have 5 minutes before the time when the Assembly would normally adjourn. I do not know how long you would anticipate speaking for, Senator Moore.

Senator K.L. Moore:

Sir, my reasons for asking to speak was to declare an interest. I have not taken part in the Scrutiny Panel's review. In fact, the vice-chair, Deputy Ahier, has led this review and he is the rapporteur on our behalf today, so I intend to withdraw.

The Bailiff:

Very well. Thank you very much, Senator. How long would you anticipate speaking for, Deputy Ahier? It is just a question of whether we adjourn now.

Deputy S.M. Ahier of St. Helier:

I am happy to adjourn, Sir.

The Bailiff:

You think you will be speaking long enough that it will be worth adjourning.

Deputy S.M. Ahier:

Indeed, Sir.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

The Assembly stands adjourned until 2.15 p.m.

[12:41]

LUNCHEON ADJOURNMENT

[14:17]

The Bailiff:

The debate on the principles of P.119 is now open. Deputy Guida, you have indicated that you wish to speak first.

Deputy G.C. Guida of St. Lawrence:

Yes, Sir. I would like to declare an interest as well.

The Bailiff:

Very well.

Deputy G.C. Guida:

It is very, very technical. I need to make sure that it is the case. Do you mind if I ask the Minister for confirmation?

The Bailiff:

Yes. Whether you need to declare one is normally a matter for the Chair.

Deputy G.C. Guida:

I can ask you first, if you prefer.

The Bailiff:

Well, I think the Minister might be better placed but my take on this is that merely having an interest in what is an enveloped property is a matter that will be common to a significant number of people so it does not require a withdrawal but a declaration very possibly.

Deputy G.C. Guida:

In that case, I will just declare my interest, Sir.

3.1.1 Deputy S.M. Ahier:

The Corporate Services Scrutiny Panel undertook a review of the Draft Taxation (Enveloped Property Transactions) (Jersey) Law during a reduced timeframe following the lodging of P.119 prior to the Christmas period. Early indications of the contents of the draft law were provided to the panel in November of last year and an officer briefing being received on 10th December. Prior to its lodging, the panel was advised that the Minister was consulting with stakeholders on the draft law and updating it to match the views being expressed. The application of stamp duty to enveloped properties has been a long-term consideration by the Government with ongoing review and consultation being outlined in recent Government Plans with a wider review of stamp duty still being developed. However, it is impractical for the panel to conduct public scrutiny of legislation prior to its lodging and it is regrettable that the Minister for Treasury and Resources has brought the proposition and supporting documents forward in such a short timeframe as it has limited the ability for public consultation by the panel. The panel would highlight that the lodging and reissue of key economic impact analysis in late January with supplementary information on which economic calculations were based does not appear to have allowed the Minister sufficient time to rectify all concerns raised by key stakeholders. Indeed, the Minister, only last Thursday, published the draft version of the statements of order. This would certainly have been useful had it been provided during consultation. Yet the timeframe, 2 working days before this sitting, has meant that it has not been possible to scrutinise the contents. The Minister has maintained that enough has been done to consult upon and fine-tune the draft law. It is, however, somewhat worrying that she highlighted that, in her

understanding, P.119 would not be subject to Standing Order 72 limiting the Assembly's ability to refer the draft law to Scrutiny. You have indicated to the panel, Sir, that it does not appear that P.119 is barred from the Scrutiny process and it may be open to further examination if necessary. To be clear, we do not plan to call in the draft law. However, should the Assembly have concerns or queries, the Minister should provide comprehensive answers within her summing up. During our review of the draft law, we received written submissions from key stakeholders including Jersey Finance, the Fiscal Strategy Group, legal and property professionals and put the questions to the Minister at a public hearing. I will not outline all of the details of the review during this speech. They can be found in our lodged comments paper but it is fair to say that the introduction of the enveloped property transactions tax is a contentious issue within some industries on the Island. However, the primary concerns of the panel have now been addressed, as I will now outline. Firstly, the panel was made aware that changes to the Companies Law 1991 proposed within the draft law would create uncertainty and complexity around the transfer of shares in a Jersey company which may have risks to some companies and, as such, the Island becoming less attractive to international investors which, in turn, would have a negative effect on Jersey's economy. The panel therefore lodged an amendment to remove these changes which the Minister has consequently accepted. Secondly, the panel received representation of Island industries which questioned the introduction of a new tax upon commercial property ownership as well as the economic and practical impact of E.P.T.T. (Enveloped Property Transactions Tax). The panel therefore lodged a second amendment to remove enveloped commercial property from the scope of the new tax. This was on the basis that there was not enough supporting evidence to warrant its debate. However, the Minister and Revenue Jersey have subsequently outlined specific exemptions of the tax and procedures of its implementation. As the amendment would greatly alter the purpose of the draft law and, on the provision of further information, the panel has robustly discussed this position, and after consideration has decided to withdraw its proposed removal of commercial properties from the scope of the draft law. Lastly, the panel was concerned that the Minister has lodged an Acte Opérateur which would have allowed immediate implementation of the new tax. The Minister has since lodged an amendment to clarify that the draft law will not come into force until 4th April 2022. We are pleased that this course of action has been taken as it will allow time for the Minister to provide guidance on the procedures concerning the new tax, both within Revenue Jersey and for those performing transactions including enveloped properties. This will also allow for the completion of any transactions currently underway as the enactment of the Acte Opérateur had come as a surprise to industry. The panel concludes that while the introduction of enveloped property transaction tax is a complicated and somewhat controversial piece of legislation, the principle of the proposed introduction of the new tax is based upon the intended goal of ensuring broadly equivalent treatment across similar types of transactions involving land in Jersey. The panel is of the opinion that the introduction of new taxation should always receive ample consideration. Although the Minister has advised the panel that enveloped property transaction tax is a simple method of closing the gap of paying stamp duty or land transaction tax as an individual or company, it will introduce a new charge for those purchasing companies which own property in Jersey. The panel has deduced from the content of the written submissions received and amendments required that the Minister should have provided comprehensive detail and engaged further with key stakeholders on the draft law prior to the proposition being lodged. Questions remain regarding the practical and economic impact of the draft law on this segment of the economy. The timetable that the Minister adopted for the preparation and release of the economic impact analysis has restricted the ability to address concerns regarding the economic consequences of adopting the draft law. The panel is presently minded to support the draft law since the Minister has accepted our first amendment and has incorporated the third amendment. It is conscious, however, that the tax is complex and may be regarded as controversial by some. I hope that all Members have had the opportunity to read our comments paper and will give due consideration to it before making their final determination.

3.1.2 The Deputy of Grouville:

I would not describe this as controversial; I would describe this as a law of fairness, and I am grateful to the Minister for Treasury and Resources for bringing it forward. It cannot be right under our existing rules to pay neither stamp duty nor land transaction tax where ownership of Jersey real estate is transferred by way of transfer of shares. While the majority of property transactions in our Island are subject to stamp duty or L.T.T. there is a small but seemingly growing number that are free from any charge at all. The outcome is that 2 otherwise equivalent property transactions can face 2 completely different tax outcomes; one is taxed and the other is not. There are perfectly legitimate reasons for property to be enveloped but it cannot be right, as happens now, that such different outcomes arise from having this inconsistency in our legislation, and there is currently undoubtedly an incentive to envelope property purely to secure a tax advantage. The issue was first raised in the Budget in 2018 and also in the Budget 2019 and the Government Plan, so I would not necessarily agree that the timeframe has been short. The new tax will mainly affect commercial transactions because again it cannot be right that a first-time buyer, for instance, is paying stamp duty on their first property yet some not insubstantial commercial properties pay absolutely nothing. If we do not support it we would be allowing this inconsistent treatment to continue and effectively inviting all owners of commercial property to envelope.

[14:30]

3.1.3 Deputy D. Johnson of St. Mary:

I will add just 2 brief points if I may. The first is that the phrase used most commonly throughout has been one of “tax avoidance” and I think it is only fair to put on record that many of these structures are set up not to avoid tax but for genuine commercial reasons. I think it would be unfair to assume that everyone indulging in this mechanism is seeking to avoid tax. It may well be that the outcome is to avoid tax but that is not necessarily the motive. The other brief point I make is that, as the previous speaker has just said, this legislation has been long in the gestation period, if I might put it that way. I recall shortly after I first joined the States some 7 years ago it was brought before the Assembly fairly early on and was shelved. Those having the benefit of an enveloped property knew, and their financial advisers certainly must have known for some years, therefore, that it was on the cards and that it would be coming soon. So in that respect I cannot say I have too much sympathy for the argument that it has been thrust upon them without enough notice. There has been ample time to rectify it before now, and with that I shall be supporting the proposition.

3.1.4 Deputy G.P. Southern:

Just a few simple - I hope they are simple - questions to get my head around what is happening here. We talk about broadly levelling off taxation. There are 3 types of tax; stamp duty, L.T.T. and E.P.T.T. Is it a simple comparison that you make to compare the thresholds and the rates of tax being paid on particular properties in any of those groups? Secondly, I note that you were going to put £1 million in a housing fund and yet your estimates of how much revenue this will generate is up to £5 million. I am just wondering why you could not decide to put a little more in the housing fund to alleviate in a little way our crisis there rather than keep it at £1 million?

3.1.5 Deputy R.J. Renouf of St. Ouen:

Some speakers have spoken about this issue being around for a long time. I can confirm it has certainly been around since the early years of this current century because I recall being a lawyer in practice when the Treasury was seeking views of lawyers on taxing properties which were held by way of share transfer, because it was recognised - it was recognised in the legal profession and recognised by Government - that effectively transfers of immovable property were happening but not being taxed in the same way as freehold transfers. The effect was the same people had the enjoyment of their property but because they happened to hold it by way of a shareholding the law at that time did not reach those transactions. There was no stamp duty applicable. So a consultation took place, lawyers were asked to ... I think at that time I was working on the conveyancing subgroup of the Law

Society. We made a submission and the upshot of it was that at a very late stage the Treasury announced that they were making some limited changes; they were going to charge a new tax to those properties which gave rights of occupation to residential accommodation. Effectively those people who held a block of shares and by holding that block of shares that would give them the exclusive rights to occupy usually a flat in a multi-occupancy building. These are very typically the flats that have been converted out of former townhouses all around the town, typically occupied by first-time buyers, people with limited means. The Treasury told us that was because they could reach those people; those sort of companies had secretaries who were based in Jersey, but they had not found out a way of reaching the companies that might hold more complex portfolios of property and where secretaries and officers might be outside Jersey. The result of that was that the land transaction tax of 2009 was introduced. That is how long ago we are going to, 2009, and we were assured: "Do not worry because we recognise the inequality and we are working on it and we expect very shortly to come forward with proposals for capturing the remaining companies where immovable property could be transferred without any taxation implications." That was said in 2009 and we are now 13 years later, so I welcome at last what is being proposed today. It is sorely needed because it has been felt ... certainly the lawyers working in the area felt this was unfair, it seemed, to our clients who were buying a flat, one of several flats in a converted townhouse, and they had to pay tax on it but somebody could buy an office block or a shop in our town centre by way of share transfer and there is no tax payable. This measure today puts right that unfairness and I hope the Assembly will support it. I know it has been contested there is unease among the legal profession because of course there will be clients who do not wish to incur this bother of having to deal with paying tax to the Government, and they are in the market where thus far they have not needed to. But it is absolutely right and fair that everybody should be treated the same and all immovable property should be treated in the same way. I hope this might lead on to a time when eventually transacting in real property by way of shareholdings could really fall out of use; particularly when it comes to residential property for badly needed homes, and we could move to a situation where properties are held by way of flying freehold, which when it was introduced attracted stamp duty quite fairly. This has taken a long time but it is right that at last it has come to fruition and we are restoring equality and, at the same time, making sure that the same return is paid on these transactions as is paid if the property in question was held on a freehold basis. I urge Members to support the proposition.

3.1.6 Deputy M. Tadier:

It is a question first of all to be asked and answered hopefully in the summing up. It regards as to why we do not know what the income will be. I noticed on the financial and manpower implications it says: "Income from E.P.T.T. is uncertain but revenue received up to £1 million per annum is proposed to be allocated to the housing development fund. Just to clarify first of all, does that mean that is what they estimate the income to be? It will be up to £1 million which in itself is a vague sum so it could be anything under £1 million, and does it mean that if there is more than that raised only £1 million will go into the housing development fund? I do not know if that is what Deputy Southern was also asking. I suppose just another observation is that it is interesting that this is clearly a tax-avoidance mechanism. I heard what the Deputy of St. Mary said but the long and short of it is it is a tool and a loophole which is being closed which allowed some people, depending on how they organised their property through a company, to not pay tax while others would have to do that. That is clearly an unfair practice and it is also losing revenue for the Government of Jersey to be spent on the public good, so it is only right that that be shut. But it is interesting to note that it was deemed to be controversial and that it has taken a long time to do, and it perhaps shows where the vested interests are in Jersey because if it was something like raising indirect taxation - and there are very many forms of it now - that often gets nodded through every year in the Budget, but when it comes to these kind of mechanisms it is much more difficult, it would seem, and we know that there are ways to arrange one's finances. The example I always give is that a company declares its expenditure and it only gets taxed on its profits. Of course in Jersey it does not get taxed on its profits anyway, it only gets taxed on the distributed income, so any money that the company spends on a company car, on a premises,

of course that can be put down as a business expense. But when you have to spend things on your own running costs, whether it is your food, your car or your home of course you get taxed on your income, albeit with some allowances. So I am glad to see that this is being done; I do not see what all the fuss was about and maybe it is the start of things to come.

The Bailiff:

Thank you very much, Deputy. Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles then I close the debate and call upon the Minister to respond.

3.1.7 Deputy S.J. Pinel:

Thank you very much to those who have taken the trouble to speak; it is very helpful. Firstly to Deputy Ahier, the chair of the Scrutiny review panel for this particular law, and I did say in my opening remarks that there was a controversy about this and I do find it a little bit difficult to appreciate the lack of time when - as several speakers have already said - it has been in the pipeline ... I think the Deputy of St. Ouen said 2009 but my predecessor, the Minister for Treasury and Resources, brought it to the Assembly in 2018. It was repeated again in 2019 and again in the Government Plan of 2020, so there has been a lot of time for consultation. Again, as I said in my opening remarks, a lot of it was because stakeholders were quite slow to come forward. But anyway, I very much appreciate Deputy Ahier's comments and the work of his panel, and the attendance at briefings and also a States Members briefing which we had on 31st January. The Deputy of Grouville hit the nail on the head; it is a law of fairness, and again repeated the inconsistency about the timing which I had mentioned in my speech. The Deputy of St. Mary again mentioned a long gestation period, and I will not go over all that again. Deputy Southern I think was asking the same question as Deputy Tadier, and as one can tell by the numbers that I quoted - somewhere between £2.4 million and £5.3 million - it will be clear to the Assembly that it is a forecast without an awful lot of data to back it up. That is the reason why, with a bit more information than we originally had which quoted about £1 million, it is now ... if we can only estimate that it is between 30 and 40 transactions that go through a year then that will give the Assembly and listeners the realisation of how difficult it is to give a precise estimate. When we originally had the £1 million quote it was immediately put to the housing development fund; that stays the same until we have a better idea of what the forecast could be. So that is a combination of just not knowing what kind of revenue we will have, but it will become more apparent later on.

[14:45]

The Deputy of St. Ouen, again the long time in discussion, as I have already mentioned, since 2009. It is in my view and that of my fellow Ministers and revenue officials that it is very much time that this inaccuracy, this gap, this loophole was corrected. One can see from the States Members briefing one of the slides which indicated that £3.2 million was revenue in 2015 in stamp duty. By 2020 that had reduced to £123,000. It is definitely an excuse, is the enveloping at the moment, to avoid the tax. With which I ask the Assembly to approve the amended principles.

Deputy G.P. Southern:

I do not believe the Minister answered my question about how level the playing field now is between the 3 types of taxes.

The Bailiff:

Will you give way for that further clarification, Minister?

Deputy S.J. Pinel:

Yes, I do not have the figures as yet. As I think I explained, it is very difficult to forecast what the revenue will be.

The Bailiff:

I think Deputy Southern is asking are the rates applicable in these transactions the same or equivalent to the rates applicable for L.T.T. and for stamp duty, and are the thresholds in respect of which cut offs apply for those things the same for these transactions as well. Does that correctly summarise your question?

Deputy G.P. Southern:

It does indeed.

The Bailiff:

Yes, I think that was the question. It could be, Minister, that you do not have the information but if you are able to answer it that was the Deputy's question, I believe.

Deputy S.J. Pinel:

I am sorry I did not answer all of the Deputy's question. The levels are £500,000 for a residential property and £700,000 for a commercial property and as to the detailed figures I will ask the department to get back to the Deputy.

The Bailiff:

I will ask the Greffier to put a vote into the link. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes then I ask the Greffier to close the voting. The principles have been adopted.

POUR: 40		CONTRE: 0		ABSTAIN: 2
Senator L.J. Farnham				Senator S.C. Ferguson
Senator J.A.N. Le Fondré				Deputy G.C.U. Guida (L)
Senator T.A. Vallois				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				

Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy I. Gardiner (H)				

Deputy Ahier, you indicate you are not calling this matter in?

Deputy S.M. Ahier (Chair, Corporate Services Scrutiny Panel):

No, we are not, Sir.

The Bailiff:

How do you wish to deal with the matter in Second Reading, Minister?

3.2 Deputy S.J. Pinel:

If it is acceptable to Members I wish to propose the Articles *en bloc*, as amended.

The Bailiff:

There is your amendment, so you would like to take that as amended, your particular amendment ...

Deputy S.J. Pinel:

Yes, please, Sir.

The Bailiff:

There is also the amendment you are accepting from the panel?

Deputy S.J. Pinel:

Yes, please, Sir.

The Bailiff:

Do Members agree that the Articles can be taken as amended? If anyone does not agree could they indicate in the chat? A point of order, Deputy Tadier?

Deputy M. Tadier:

Yes, thank you. It is something I should have raised earlier but I have only just thought of it. There was at least one Member earlier who asked the point regarding declaring an interest but I am not sure whether they did declare an interest?

The Bailiff:

Yes, they did.

Deputy M. Tadier:

Did they say what the interest was?

The Bailiff:

No, they simply indicated the interest. There was a declaration of interest, yes. I am not sure that is a point of order though, Deputy, but there we are. I am assuming that Members are content to take the Articles as amended. No one has indicated that they do not want to do that. Deputy Young, do you want to say something about that?

Deputy J.H. Young:

Yes. Article 22, I have not heard an answer for the Minister, and maybe I missed it, I apologise, as to why we need to delay the implementation by 4th April, which is the third amendment to Article 22.

The Bailiff:

Would you like to then have a separate vote on Article 22? In other words you do not agree the amendment being made?

Deputy J.H. Young:

Yes, I think so.

The Bailiff:

Well I think in which case, Minister, we will have to deal with that as an amendment when we come to that particular Article.

Deputy S.J. Pinel:

It is just Article 22, is it?

The Bailiff:

That is the only one that has been raised at the moment. Deputy Tadier, you have a reiteration of your point of order?

Deputy M. Tadier:

The reason I ask it, Sir, is that it seems to me if we are to declare an interest it is important to know what the interests are in order for you to be able to rule what the right outcome is. For example if it was a housing matter and I say I have got an interest, that could be an interest as a tenant or a landlord, and we normally say that. In this case you would expect to know if somebody is directly affected by this if they have enveloped property which is going to change, or to determine the right course of action. But I think either way it should be something for the public record.

The Bailiff:

Yes, I think that is probably correct, Deputy, that there should be some general understanding of what the nature of the interest is, is declared. So, Deputy Guida, you declared that you had an interest; are you able to state in very general terms what is the nature of that interest?

Deputy G.C. Guida:

Yes, of course. I own companies which, among other things, own real estate.

The Bailiff:

Very well. That is the only declaration that has been received, I believe, of anyone who is participating.

Senator J.A.N. Le Fondré:

Senator Moore has made a declaration.

The Bailiff:

Yes. Senator Moore, are you still participating in the debate?

Senator K.L. Moore:

I did withdraw but I was just rejoining as I could see it was coming to an end.

The Bailiff:

On the principles it is. Are you able to indicate the nature of the interest that you declared earlier, just in very general terms?

Senator K.L. Moore:

Yes, of course. I live in a shared transfer property and the adjoining properties which are also share transfer.

The Bailiff:

They may or may not be affected by this tax; they may be affected by the L.T.T., I suppose. But in any event, that is the nature of your interest, thank you very much indeed, Senator. Does anyone else wish to declare an interest? Very well, then we will move on. With the exception of Article 22, which we will take the amendment separately, we will deal with the other Article accepted the amendment, Minister, as amended. How do you wish to deal with them then; do you wish to propose the Articles?

Deputy S.J. Pinel:

Yes, please, Sir.

The Bailiff:

Do you wish to speak to them or do you wish to take questions on them?

Deputy S.J. Pinel:

I can take questions if people have them but it would be quite a lengthy address to speak to each one.

The Bailiff:

It is a matter for you entirely how you choose to deal with the matter.

Deputy S.J. Pinel:

I will wait for the Assembly. If they have questions I will answer them.

The Bailiff:

Very well. So you propose the Articles *en bloc*. What we will do is you will propose Articles 1 to 21 and I will ask if those are seconded and then we will come on to Article 22 in due course. Articles 1 to 21 are proposed. Are they seconded? [**Seconded**] Does any Member wish to speak on any of Articles 1 to 21?

Deputy R.J. Ward:

Sir, I just have a point of understanding.

The Bailiff:

Is this clarification from the Minister?

Deputy R.J. Ward:

I think it has to be clarification from the Minister, Sir. Article 22, as amended, if that falls, what is the consequence of that? Do we go back to the unamended version?

The Bailiff:

At the moment, Article 22 is not being proposed. When we reach the point when Article is proposed, the Minister will propose her amendment, which will defer the commencement of the law until April. If that amendment is accepted, that is when the law will come into effect. If the amendment is rejected then it will come into effect as soon as it receives the Royal Assent. If that assists.

Deputy R.J. Ward:

Thank you, Sir. I am glad I asked the question.

The Bailiff:

Yes. Does any Member wish to speak on Articles 1 to 21? If no Member wishes to speak on any of those Articles then I close the debate and ask for a voting link to be put in the chat. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. Articles 1 to 21 have been adopted.

POUR: 40	CONTRE: 0	ABSTAIN: 1
Senator L.J. Farnham		Deputy G.C.U. Guida (L)
Senator J.A.N. Le Fondré		
Senator T.A. Vallois		
Senator S.Y. Mézec		
Connétable of St. Helier		
Connétable of St. Lawrence		
Connétable of St. Brelade		
Connétable of Grouville		
Connétable of Trinity		
Connétable of St. Mary		
Connétable of St. Ouen		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Clement		
Deputy J.A. Martin (H)		
Deputy G.P. Southern (H)		
Deputy of Grouville		
Deputy K.C. Lewis (S)		
Deputy M. Tadier (B)		
Deputy J.M. Maçon (S)		
Deputy S.J. Pinel (C)		
Deputy of St. Martin		
Deputy of St. Ouen		
Deputy L.M.C. Doublet (S)		
Deputy R. Labey (H)		
Deputy S.M. Wickenden (H)		
Deputy of St. Mary		
Deputy G.J. Truscott (B)		
Deputy J.H. Young (B)		
Deputy L.B.E. Ash (C)		
Deputy K.F. Morel (L)		

Deputy of St. Peter			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy I. Gardiner (H)			

We now come on to Article 22. Do you propose that, Minister?

3.3 Deputy S.J. Pinel:

Yes, please, Sir.

The Bailiff:

Is that seconded? [**Seconded**] Would you like to speak to your amendment, Minister?

Deputy S.J. Pinel:

Yes, please, Sir, but I think you answered the questions very eloquently yourself. It is purely because, as I mentioned in my opening remarks, without my amendment then the legislation would come into effect up to 7 days after it is hopefully agreed by this Assembly. Because of concern expressed, mainly by legal authorities, with, as I said in my opening remarks, transactions - some underway - we thought an extension to 4th April would satisfy those requirements. So that is why we have brought it.

The Bailiff:

Does any Member wish to speak on the amendment to Article 22?

3.3.1 Deputy J.H. Young:

The query I wanted to raise, and I apologise if I missed it in the Minister's opening remarks. This started out where we had the usual taxation act that this new tax would be brought in in the usual way with immediate effect, just as it does with income tax and every other tax we have done. Yet, what I am troubled about is that we have had representations ... I am not sure where those representations have come from, but I assume they are persons who have an interest in transactions that are in progress that they wish not to have the tax applied. We heard earlier from the Deputy of St. Ouen and the Minister that these proposals have been hanging about for many, many years, so it should not have come as a surprise. I put it rather stronger than the Minister and I am concerned about this. I would like to hear further from the Minister on that Article, please, to reassure me that all is okay to put this off for, effectively, quite a few weeks.

[15:00]

3.3.2 Deputy R.J. Ward:

I was going to ask a similar question which is: why are the dates given as 4th April? Is there a risk of a rush of transactions before that date, which means that this could be counterintuitive to what we are trying to achieve with this tax? I do fully support this and think it does make things fairer and I am absolutely in favour of it. It is just those questions: why that date and will there be a rush of transactions?

3.3.3 Senator T.A. Vallois:

I was a member of the panel that scrutinised this particular legislation and if I can assist the 2 previous speakers in any way, there have been concerns raised ... I would like to address this misnomer about this has been in gestation and all those types of things for many years. Yes, it may have been an idea. Yes, it may have been something that would be considered at some point in the future. However, the legislation was not lodged. It was not finalised until recently. I would hope that many Members, being politicians and parliamentarians as part of a legislative assembly, would understand the importance of semantics in legislation and the way that legislation is written in law. Some of the concerns that were raised were, of course, the issuance of guidance that sits around the implications of the legislation that are coming in. There was a concern expressed about the length of time it would be given. The Acte Opératoire was brought in as a surprise to those who would be required to carry out the necessary administration, which is absolutely right to do so. Yes, it would usually be a case of us carrying out taxation and following a Government Plan. However, there has not been sufficient information within the Government Plan about what the detail around that would be. It would be deemed appropriate to give sufficient time to enable that guidance that will be issued by Revenue Jersey to be issued and understood so that the legal responsibilities that are required under the legislation that will be passed are appropriately administered. I hope that assists the speakers in terms of this particular amendment.

3.3.4 The Connétable of St. John:

I wonder if the Minister in her summing up can tell us about the financial and manpower implications. In the amendment it says: “By itself this amendment is not expected to have resource implications” but we are being told there will be a loss of revenue.

The Bailiff:

Thank you very much, Connétable. Does any other Member wish to speak on the amendment to Article 22? If no other Member wishes to speak on that amendment then I close the debate and call upon the Minister to respond on the matter of the amendment.

3.3.5 Deputy S.J. Pinel:

I thank Senator Vallois indeed for her very clear explanation. The date of 4th April was lodged because it is 2 months away from this debate and the Law Society are now happy with it. As I say, the legal and accountancy firms were a little concerned about the Acte Opératoire being implemented within 7 days of the law being approved. We have accommodated that to allow transactions already in place - in answer to Deputy Ward’s will there be a rush - to allow them to be fulfilled, which is what we are asked to do. That is why it was moved to that date. I hope that answers all the questions.

The Bailiff:

Thank you very much. I ask the Greffier to put a link into the chat. The vote is on whether or not Article 22 may be amended. That will then be followed by a vote on Article 22 in its amended or unamended form. The vote is do we allow the matter to be taken as amended. I open the voting and ask Members to vote. It says in the link “Article 22 as amended”. That is not correct. The vote is on whether Article 22 can be amended. The vote is if Members vote *pour* then we will have a vote on whether we adopt Article 22 as amended. If Members vote *contre* then it will be a vote on whether Article 22 is passed unamended. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. Article 22, the amendment, is adopted.

POUR: 40		CONTRE: 2		ABSTAIN: 1
Senator L.J. Farnham		Deputy M. Tadier (B)		Deputy G.C.U. Guida (L)
Senator J.A.N. Le Fondré		Deputy R.J. Ward (H)		
Senator T.A. Vallois				
Senator S.W. Pallett				

Senator S.Y. Mézec			
Connétable of St. Helier			
Connétable of St. Lawrence			
Connétable of St. Brelade			
Connétable of Grouville			
Connétable of Trinity			
Connétable of St. Peter			
Connétable of St. Mary			
Connétable of St. Ouen			
Connétable of St. Martin			
Connétable of St. John			
Connétable of St. Clement			
Deputy J.A. Martin (H)			
Deputy G.P. Southern (H)			
Deputy of Grouville			
Deputy K.C. Lewis (S)			
Deputy J.M. Maçon (S)			
Deputy S.J. Pinel (C)			
Deputy of St. Martin			
Deputy of St. Ouen			
Deputy L.M.C. Doublet (S)			
Deputy R. Labey (H)			
Deputy S.M. Wickenden (H)			
Deputy of St. Mary			
Deputy G.J. Truscott (B)			
Deputy J.H. Young (B)			
Deputy L.B.E. Ash (C)			
Deputy K.F. Morel (L)			
Deputy of St. Peter			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy C.S. Alves (H)			
Deputy I. Gardiner (H)			

Now, vote on Article 22 as amended. I ask the Greffier, when it is convenient, to put a vote into the link. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. Article 22 as amended has been adopted.

POUR: 40		CONTRE: 0		ABSTAIN: 1
Senator L.J. Farnham				Deputy G.C.U. Guida (L)
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				

Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy I. Gardiner (H)				

Do you propose the law in Third Reading, Minister?

3.4 Deputy S.J. Pinel:

Yes, please, Sir.

The Bailiff:

Is it seconded for Third Reading? **[Seconded]** Does any Member wish to speak in Third Reading? If no Member wishes to speak in Third Reading then I close the debate and ask the Greffier to post a link into the chat. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The law has been adopted in Third Reading.

POUR: 39		CONTRE: 0		ABSTAIN: 1
Senator L.J. Farnham				Deputy G.C.U. Guida (L)
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy I. Gardiner (H)				

Deputy S.J. Pinel:

Sir, may I please acknowledge my thanks to the States Members who have contributed and also the officers in Revenue Jersey for the enormous amount of work that has gone into the preparation of this, and also the Scrutiny Panel chaired by Deputy Ahier for their helpful and well-organised comments, briefings and hearings? Thank you very much.

The Bailiff:

Thank you very much indeed.

4. Draft Social Security (Amendment of Law - Minimum Earnings Threshold) (No. 2) (Jersey) Regulations (P.120/2021)

The Bailiff:

The next item of Public Business is the Draft Social Security (Amendment of Law - Minimum Earnings Threshold) (No. 2) (Jersey) Regulations P.120. I ask the Greffier to read the citation.

The Deputy Greffier of the States:

Draft Social Security (Amendment of Law - Minimum Earnings Threshold) (No. 2) (Jersey) Regulations 202-. The States make these regulations under Articles 50 and 51 of the Social Security (Jersey) Law 1974.

4.1 Deputy J.A. Martin (The Minister for Social Security):

In December last year, States Members agreed to replace the hourly threshold with a pounds threshold to employers and employees to start paying social security contributions. The earnings threshold was introduced from 1st January 2022, this year. During the debate on the minimum earnings threshold, I confirmed that I would bring back regulations to the States Assembly, which will enable the threshold to change each year in line with any changes to the minimum wage. These regulations, if adopted, will mean that the minimum earnings threshold will change on 1st January each year by the same percentage change in the minimum wage during the previous year, up to and including 1st January. I maintain the principles and I will try to answer any questions if anybody has any.

The Bailiff:

Are the principles seconded? [**Seconded**] Does any Member wish to speak on the principles?

4.1.1 The Deputy of St. Mary:

I have just one point. My understanding is that in line with the increase in the living wage there is taken into account each year, or has been, the offset in respect of any accommodation available for, shall I say, seasonal workers. Would the Minister please explain or clarify whether that figure is going to be similarly increased automatically. I ask the question partly because last year it might not have been. I would appreciate confirmation as to that and indeed as to the mechanics as to how that is agreed.

The Bailiff:

Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles then I close the debate and call upon the Minister to respond.

4.1.2 Deputy J.A. Martin:

I will try my best to answer the Deputy of St. Mary. Yes, I take soundings from the Employment Forum, who last year went out on the minimum wage and the disregards for accommodation and food. They came back with a recommendation not to change that because many were not using it. This is completely different. You used to be able to work 8 hours and not really declare anything that it had to go to money, so with everything else that is changing, *et cetera*.

[15:15]

In Scrutiny, I think it was Senator Vallois that suggested this could get stuck; the 8 hours was 8 hours since the introduction of social security, so for 40-odd years or more. It was introduced further down the line but it just got stuck. So this will make the monetary value go up every year, so it is worth having. I hope that answers the question. I ask for the *appel*.

The Bailiff:

I ask the Greffier to place a voting link into the chat. I open the voting and ask Members to vote. If Members have had the opportunity of casting their votes then I ask the Greffier to close the voting. The principles have been adopted.

POUR: 37		CONTRE: 0		ABSTAIN: 0
Senator L.J. Farnham				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of St. Peter				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				

Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy I. Gardiner (H)			

Deputy Le Hegarat, does your panel wish to call this in?

Deputy M.R. Le Hegarat (Chair, Health and Social Security Scrutiny Panel):

No, thank you, Sir.

The Bailiff:

Thank you very much indeed. How do you wish to deal with the matter in Second Reading, Minister?

4.2 Deputy J.A. Martin:

En bloc, Sir, please.

The Bailiff:

You simply wish to answer any questions?

Deputy J.A. Martin:

Yes, Sir. They are very straightforward and really what I have said is exactly ...

The Bailiff:

Is it seconded for Second Reading? [**Seconded**] Does any Member wish to speak in Second Reading? No Member wishes to speak in Second Reading then I close the debate and ask the Greffier to place a link into the chat. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The regulations have been adopted in Second Reading.

POUR: 37		CONTRE: 0		ABSTAIN: 0
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				

Deputy of St. Martin			
Deputy of St. Ouen			
Deputy L.M.C. Doublet (S)			
Deputy R. Labey (H)			
Deputy S.M. Wickenden (H)			
Deputy of St. Mary			
Deputy G.J. Truscott (B)			
Deputy J.H. Young (B)			
Deputy G.C.U. Guida (L)			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy I. Gardiner (H)			

Do you propose the matter in Third Reading, Minister?

Deputy J.A. Martin:

Yes, please, Sir.

The Bailiff:

Are they seconded for Third Reading? [**Seconded**] Does any Member wish to speak in Third Reading? If no Member wishes to speak in Third Reading, I close the debate and ask the Greffier to place a link into the chat. I open the voting and ask Members to vote. If all Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The regulations are adopted in Third Reading.

POUR: 40		CONTRE: 0		ABSTAIN: 0
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				

Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy I. Gardiner (H)				

5. Draft Taxation (Enveloped Property Transactions) (Jersey) Law 202- (P.119/2021) - resumption

The Bailiff:

Before moving on to the next item of business, Members might notice that there has been a flurry of discussion in connection with the Draft Taxation (Enveloped Property Transactions) in the breakdown of the Articles, we forgot to vote for the schedules. The Articles simply foreshadow the schedules, but it is normal to have a vote on the schedules specifically. Although arguably they are incorporated by incorporating the Articles, it is normal to vote for the Articles and the schedule. I propose, if Members have no objection, to put the question of the schedules to a vote, simply to record the fact that they have been voted on. Minister, can I assume you propose the schedules?

5.1 Deputy S.J. Pinel (The Minister for Treasury and Resources):

Yes, please, Sir.

The Bailiff:

Are the schedules seconded? **[Seconded]** Does any Member wish to speak to any of the schedules? I am prepared to deal with this on a standing vote, as Deputy Tadier helpfully suggests. All those in favour would they indicate and if anyone wishes to indicate against or wishes the matter to be put to the *appel*, would they indicate in the chat, because it is difficult to tell if you are standing up at home. Very well, no one is contre. We will take that on a standing vote the schedules have been adopted. Thank you very much indeed.

6. Rent Safe Scheme (P.121/2021) - as amended (P.121/2021 Amd.)

The Bailiff:

The next item is the Rent Safe Scheme, P.121, lodged by Senator Moore. Senator, there is an amendment. Are you accepting that amendment from Deputy Ward?

Senator K.L. Moore:

Yes, I am, Sir.

The Bailiff:

Are Members content to take the proposition as amended? In which case, I will ask the Greffier to read the proposition as amended.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion – to request the Minister for the Environment – (a) to bring forward such legislative amendments as are necessary to make it legally mandatory that all landlords register with the current Rent Safe scheme and are accredited under the scheme in order to rent out property; and (b) to develop a process for the regular renewal of Rent Safe registration based on a risk rating approach to determine the frequency and order of inspections of rental dwellings.

The Bailiff:

Yes, you say you want to speak, Deputy Young.

Deputy J.H. Young:

I was going to ask for the amendment to be dealt with separately, Sir, but I accept that it is too late and I will deal with that as is now.

The Bailiff:

All right. Thank you very much indeed.

Senator K.L. Moore:

Firstly, I do have to start by declaring that I am a landlord. That is important. I am sure, as is probably the norm, there will be a number of other Members who are in a similar circumstance. Should we offer them the opportunity ...

The Bailiff:

So you have made the declaration you are a landlord. Does anyone else wish to make a similar declaration? The Connétable of Grouville, Deputy of St. Peter, Constable of St. Clement, Deputy of Trinity, Senator Le Fondré, Deputy of St. Mary, Deputy Young, Constable of St. Mary, Deputy of St. Martin, Deputy Pinel, Deputy Guida, Deputy Morel, Connétable of St. Helier, Deputy of Grouville, Deputy of St. Ouen, Deputy Tadier. Constable of St. Ouen declares and also is a Member of the Rent Safe scheme as well.

Senator K.L. Moore:

As is the norm, we are all able to continue and take part in the debate?

The Bailiff:

Yes, indeed.

6.1 Senator K.L. Moore:

I also register my properties under the Rent Safe scheme. It is in experiencing that that I recognise that the Rent Safe scheme is an easy straightforward process and is all about setting minimum standards, but also operates its charity to the tenants, much as the Eat Safe scheme has been exceptionally helpful in terms of environmental health and standards for restaurants and offering certainty to people dining in those restaurants. It was with some difficulty that I voted against the Licensing Scheme that the Minister brought last time, but my reason for doing so, which was stated at the time, was because of the cost of implementing that scheme. It appeared to me to be a strange thing to have a well-recognised and established system to introduce something in addition to it. I have throughout this process engaged with the Landlords' Association and the Minister and officers. Initially the Minister and officers suggested that this was too complex, because it cuts across 2 Ministers and the legislation that sits under each of them. I found that quite difficult to understand, because I thought we had introduced One Government and a simplified approach to managing our Government processes.

[15:30]

That was somewhat disappointing, but now I am told that last week the Minister for Housing and Communities has now lodged drafting instructions for a new residential tenancy law to be produced in its entirety. That of course now, due to the timing of this Assembly, would be something that is pushed off into the next Assembly and the next Minister's work. It is my view that we can achieve this in a much quicker and simpler fashion, if the Assembly is so minded. Of course, the Assembly will also have an opportunity to debate and consider Senator Mézec's proposals with regards to tenancy periods. That will come down the way. The Landlords' Association, in their comments that they have sent to Members, which I thank them for, suggests that this will be burdensome and difficult, as they suggest a number of about 20,000 properties that are rented in the Island. Although that conflicts with the suggestion from the Minister in his comments that there would be about 10,000 properties to inspect. Of course, this proposition is based on a risk-based scheme, therefore enabling the Environmental Health team to focus on those properties they do think are most at risk and therefore managing their time wisely under those standards, which are used in other places, so they are well understood. The J.L.A. (Jersey Landlords' Association) also suggests that a register and education programme for those tenants and landlords would be sufficient. Clearly there is more to be done in terms of bringing the properties that are rented to tenants up to standard in the Island. I do not feel that a register and education programme would be sufficient. It is, in my view, sensible and reasonable to be transparent to tenants about the standard of the property they are proposing to rent and also to place that burden upon the landlord. The Rent Safe scheme is, as I have said earlier, a minimum standard scheme. It is simply asking that properties meet the standards that are set underneath the law; standards such as having an electrical certificate. Those that are given the highest star ratings also have greater energy efficiency standards, which their tenants can obviously benefit from, in terms of the savings that they are able to receive from a cost-efficient heating system and the benefit of double-glazing, insulation, *et cetera*. I am sure that Members will have a lot to say on this matter. It is my view that this is a solutions-based approach. It delivers for the public something that has been long awaited. I look forward to the debate and commend the idea to the Assembly.

The Bailiff:

Thank you very much, Senator. It is seconded? **[Seconded]** Does any Member wish to speak on the proposition?

6.1.1 Deputy J.H. Young:

I had held back because I was hoping the proposer of the amendment, as we are now debating this as amended, would speak. I would like to begin by thanking both Senator Moore and Deputy Ward for bringing back, if you like, for our attention, this crucial issue about minimum accommodation standards of housing. It is absolutely a vital one for the Island. Although we live in a prosperous Island, unfortunately the evidence is that we find that some of our housing stock in the rental market is not to the standards that the current legislator has set or even what Islanders deserve. I hope

Members will have had the opportunity to read the detailed comments on the original unamended proposition, which I asked to be worked up for me by our Environmental Health team, who are the absolute experts in this field. They are the team that have advanced all the previous proposals that I have brought forward; although, sadly, I have failed to persuade the Assembly with them. They have to deal with these problems on a continual basis and they know how to deal with these matters very well. That proposition sets down what we believe or what they advise would be the effect if the proposition is approved and indeed, of course, under the amendment as well those problems as terms of practical difficulties, complications and delay would be compounded very, very significantly by the amendment. However, of course, now we only have the choice to say yay or nay on the amended proposition. When I first saw the proposition, I have to say, and I suspect most Members were the same, I thought this seems a very nice idea that we could just do that. Then I looked at the small print. What does the proposition say? It says to bring forward legislative amendments to make it legally mandatory - that means compulsory - that all landlords register with the current rent scheme. So the scheme as it is, that has been running successfully for a number of years on a voluntary basis, designed by the Environmental Health team would become law. I am in the Rent Safe scheme as well. If you go around town, you will see the little stickers on the estate agents' doors. It has been successfully taken up by approximately 2,000 dwellings. The majority of those are at the top level of the standards. Of course there are none at the fail standards. They are level 3, level 4 and level 5, where they meet the even more enhanced standards, which of course are not enshrined in law. What I have tried to do in the comments was to make the point about what the effect would be, which it is not a question that sits above different Ministers. Frankly, that is not any problem at all. The Minister for Housing and Communities and I work together all the time. In fact, we have worked together on the forward plan that the Minister for Housing and Communities will talk about in a minute, which offers much more simpler and effective and quicker solution to this all, along with the current legislation that we have had in place. But the problem is in reality we have a couple of different laws. Just to remind you, one of those laws is the Public Health and Safety (Rented Dwellings - Minimum Standards) Law. That was passed before I was elected Minister by the previous States and obviously what I needed to do was to bring forward regulations to put it into practice. It is those regulations that have failed to find approval with the Assembly twice, even though they were accepted as being needed in principle and the debate we had in the meantime, a proposition from Deputy Ward, because they were seen as too complex, too bureaucratic, too onerous. Again the view has been expressed, strong views, by the Jersey landlords, and obviously those views weigh very heavily with Members as to why those regulations did not go through. If we were to make Rent Safe law and mandatory, not just would it be to comply with the Public Health and Safety (Rental Dwellings - Minimum Standards) Law, but also the existing Residential Tenancy Law. So there is a bit of a difference there; one law deals with self-contained dwellings, the other one deals with self-contained and non-self-contained dwellings. Similarly, there are a lot of different exceptions. There is also the issue of legislating for energy efficiency. Absolutely a first-class objective to do something, have policies on energy efficiencies, and therefore issues that we are going to talk about in the Island Plan, planning policies, building control regulations, and in the carbon-neutral stuff due to come; all those issues. But to put it into law now, and of course how will we do that? What that would mean is that we would need to specify - I say "we" - specify a completely new law. Part of the minimum standards law would have to be amended, if not repealed. Then it would have to be dovetailed in with the work that the Minister for Housing and Communities has announced on the Residential Tenancy Law where we know there are lots of improvements needed and combine them. Then we are left with the new element in about how we are going to legislate on energy efficiency when we have not yet agreed standards. The mandatory standards, we have not agreed those in the Island Plan policies yet or the building regulations, knowing we need to work with industry to arrive at those. So I just think some Members will think I am just making complications. What I am trying to do is to explain what we would then need to do. Because the scheme, the intention here is well-meaning and it is superficially attractive. But I would ask Members to check it out, if you have not read the comments, please read them. Knowing that I would not do a very good job of explaining these complications, I arranged

for our Environmental Health officers to meet with Senator Moore to explain it in detail. Those meetings have happened twice. I am disappointed that somehow, from the Senator's comments just now, however those comments do not seem to have been fully appreciated. Because we do need to do follow through and what my preference would have been, but I took the view that I have failed twice to bring forward the regulations. They were the simplest possible, they were unbureaucratic, they were reasonably easy to deal with. I believe they should not have caused the reaction that they did; the negative reaction. The landlords' views about them were overplayed. But the landlords' views about this proposal at the moment are most certainly not overplayed. Of course Members will have seen that. It has been sent around. What I am told, if we were to have the amended version, because it goes further, the original proposition says that there would be a risk-rating approach for renewals. So, in other words, you do the registration and then you have a risk-rating for renewal. That is the original proposition. When you go to the amendments, the amendment now says that the property cannot be rented out, cannot be rented. So the officers have read this and this is probably a fair understanding.

[15:45]

They need to be accredited under the scheme - this is the amendment, which is now built in - in order to rent out properties. So that would prevent anybody renting a property. What do we know about the numbers? We all know that the exact number of rental dwellings rented is unknown; the exact number. But there are plenty of estimates. Now, the estimates that I have been relying upon throughout this whole process is 10,000 to 12,000. The landlords put a higher number in it. But we think it is about 10,000 to 12,000. If we had to do all those inspections before we could rent these properties out then the resource implications frankly are absolutely off the scale to do that. Those are stated in the comments that I issued on the amendments. They have done a calculation there. This is not my calculation; this is what my professional team are telling me based on their reading of the proposition and the amendment. On the assumption we would need to do this in the first year, inspect all the properties, and the time required to go through, not just the minimum standards but all the extra things I spoke about, check the lease, go through all the details of the lease as far as the tenancy law, do the energy conservation side - I do not know what that would mean - measuring the energy loss in the building and such and such and such, would be several hours. That runs into, you will be shocked to know, I was shocked when I saw it, 20 extra staff. I know Senator Moore says this is rubbish and in Senator Moore's report in the main proposition, Senator Moore refers to a F.O.I. (Freedom of Information) request of June 2021 saying that all this talk of extra cost of doing this job are overstated because the cost in the F.O.I. was £473,800. I have looked at that and we know how the scheme is. The Minister does not issue F.O.I. reports, they are issued by the officers, but the statement that I have looked at here, or the F.O.I. report, those figures are not correct. They were the estimate of the cost of the staff in post, the 6 staff with all the extra costs and overheads of doing the work that they are already doing on regulation. That includes the Rent Safe for the 2,000 dwellings.

The Bailiff:

Minister, would you give way for a point of clarification from Deputy Tadier?

Deputy J.H. Young:

Yes, absolutely.

Deputy M. Tadier:

I had a question, the Minister said he would not have the bandwidth in his department to register everybody and to do the inspections. But could he explain what would happen at the moment if everybody who is a landlord currently registered with the Rent Safe scheme; what would happen in that case?

Deputy J.H. Young:

The practicality is that we would probably have to modify the Rent Safe scheme if that was the case, if suddenly I was faced with 8,000 people wanted to go into the landlords' scheme. What I asked to do with the proposals that I did not get through the States was to work within the resources that we have and, on a 5-year basis, to do a risk-based inspection over a period of 5 years. But of course on the basis that if I was required to do all the Rent Safe people, I would have to say we could not cope with that now. I think that is most unlikely to happen. I do not know how long the Rent Safe scheme has been running, but a good number of years. We do not know yet where the extra properties are and that was the point of why I sought to bring in the register and the licensing. But on the register side, the answer lies with the work that the Minister for Housing and Communities has specified and drawn up, he is going to speak about it in a minute, which I absolutely agree with. That will dovetail with the minimum standards law that we have. So a complicated answer, but the answer is what would happen, it could not be achieved, not to the standard of the current Rent Safe scheme because it is too comprehensive. The way it was told to me is that why Rent Safe was introduced, it was introduced parallel on the Food Safe scheme, where moving from no regulation to full regulation it was felt better to commence with a voluntary scheme to get the principle accepted. That worked well. But of course it did not deal with the whole. That is the work that the team have been trying to extend and I unsuccessfully brought forward and which now Senator Moore's proposal, as amended by Deputy Ward, now proposes that we now adopt that scheme as compulsory, which in my view is simple. It makes it law. I would be happy to seek amendment from the Attorney General. It seems to me that if you say: "Do new legislation" that is what it means, what it says. You want new law. If you say you want something mandatory it means it is compulsory. That brings the whole paraphernalia of what you put in the law, what the penalties are, *et cetera*, which is going over old ground. So I would like to see if I have dealt with Deputy Tadier's question and probably I am getting to the end of my speech and should allow the Minister for Housing and Communities to speak.

The Bailiff:

Is that the conclusion to your speech, Minister?

Deputy J.H. Young:

I think so, yes. I am going to stop at that point if Deputy Tadier is content with what I have said.

The Bailiff:

He may not be content but it is the point of clarification.

Deputy J.H. Young:

I am going to pause at that point. I do not get another chance to come back; I just want to check if there are any other points. I am told that the reinspection over 5 years, even at that rate, would require major increases in resources. The Minister for Housing and Communities will talk about the Residential Tenancy Law part, about the Rent Safe scheme, and the issues that would arise there. So just to say that what I would worry about here is, if we do adopt a scheme that is over-bureaucratic, involves very high costs, then the risks are of course we will spurn off existing landlords, we will deter new landlords, and I would be very keen not to do that. So that is why every proposal that I brought to the Assembly before to achieve minimum standards is based on the least intervention and the least bureaucracy necessary. But what we are now discussing is much more intrusive, much more likely to adversely affect the availability of rental properties, and so I would advise the States not to go this way but to come back again and implement the law we already have and the ideas of the Minister for Housing and Communities, which I agree with, which I believe can be progressed and lead to a much quicker result for the public.

6.1.2 Deputy R. Labey of St. Helier:

Landlords seeking Rent Safe accreditation are following best practice. It is a signal to prospective tenants, if they have the Rent Safe accreditation, that the landlord will be issuing a good tenancy agreement, that the landlord's property is safe and that the landlord's property is energy efficient,

depending on the star rating, but 3 to 5 stars; any of the 3 to 5-star ratings. That is good. That is best practice. That is what we want to see encouraged and perhaps we could do more to get more landlords to sign up to the scheme. But it is a sign, it is a badge of honour that a landlord has done this of their own volition, because it is a voluntary scheme. Once you make it mandatory, all of that goes. Now I too, when I saw the proposition pop up in my inbox, wondered if Senator Moore was on to an interesting, good thing here. But the fantastic Environmental Health team, who really know this stuff in this area, were absolutely horrified. As explained to me, this will not do what we want, a landlords register. So I was vexed. I have signalled to the Assembly, almost from the word go when I discovered about 4 or 5 weeks into my term of office as Minister, I have signalled to the Assembly consistently that I wanted to redraft the Residential Tenancy Law; that it was full of anomalies, it is outdated, and we have to do much better. The Environmental Health team have been working on preparation of papers. We have been looking at what we want the new Residential Tenancy Law to do in terms of rights for tenants, but responsibilities of tenants also, rights for landlords and the responsibilities of landlords also. So come the end of the year, I was vexed that we had not made progress on a landlords' registry. Because it would be such an important and useful tool to my new housing strategy and regeneration team and it is important for regulatory reasons too. So I said to the Environmental Health team: "Why do we not build the landlord registry into the new Residential Tenancy Law?" They said: "No, that is not going to work. I just do not think that will work, Russell." So a week later I had a message and they had changed their mind and they said: "Minister, we think this could work because we could build the landlords' registry into the new Residential Tenancy Law, which is a regulatory piece of legislation, and we think that it could do what we want it to do and serve the right purpose. We need to go to Deputy Young, the Minister for the Environment, to see if he does not mind us taking it from him and putting it into this law." The Minister for the Environment was very positive about it and so we have built it into the instructions that I have just signed an M.D. (Ministerial Decision) to be sent for law drafting. This is incredibly complex. That process will take time. I have signalled to the Assembly as soon as I got the green light from the Minister for the Environment that we were hoping to put the landlord registry into the Residential Tenancy Law. I signalled that to landlords and I have had meetings with the Landlords' Association. I get regular contact with landlords individually and basically what I picked up when I took the job is that landlords felt there was a perception that Government was waging war on landlords, which would be a futile thing to do. The collateral damage of any such war would be most felt by tenants. So I wanted to try to build a better relationship with landlords, with the landlords who speak to me individually and with the Jersey Landlords' Association. So I did signal to them that we were going to put the register of landlords into the Residential Tenancy Law. I have had a meeting with them for an hour last week and it was really positive.

[16:00]

I feel that I have begun to repair or build a better relationship with the landlords on the Island. I hope they feel the same way too. I think they do and I think they are developing trust. Once the law drafting of the Residential Tenancy Law has been completed, the first draft, we will publish it and go out to proper, full, meaningful consultation. Due process. That has to be done in this sort of circumstance because we want to know from both sides, all sides, that our new law is loophole-proof. What we are hoping for, and I think we are going to do it, is we are going to find that this new law, there will be benefits for tenants in it and there will be benefits for landlords in it. It is going to be altogether better. So we will do the consultation and then of course we will do the second draft, the law drafting, and it will go to the Assembly. Yes, that will take time. I do not know that it will take any longer than the nightmare that this proposition represents in terms of getting it into law and so on and so forth. But time is important in this sort of scenario. In fact, the J.L.A. (Jersey Landlords' Association) have often said to me: "We need time. If we can see regulations coming down the line, we need time to make sure that we can be ready for their implementation; that our properties are ready." They also deserve the right to be consulted properly and in a meaningful way. That is what I have promised will happen and I am going to stick to that. I believe this would be an administrative

nightmare. It would require an incredible number of extra staff. The reregistering every year would also be very, very difficult and very staff heavy. The beauty of the landlord register would be that the information for it will be input, will be uploaded by each landlord online, hopefully, in a portal and it will have all that data and information. We know, history tells us, that we have difficulty from a digital modernisation point of view sucking up data that was intended for one thing and using that for another. That is why we wanted the digital electoral roll to work for this election coming. So effectively the idea was, if you have a social security card and you have done the right time, you are on the electoral roll, electronically, digitally. But we can just take that information, we can suck it from there, we will put it in there, and we will use it for that. That proved impossible. We have not been able to do it. I worry about the same problem with taking one system, the Rent Safe system, and trying to use it for another purpose. So this will probably be simpler and quicker. I want to continue on this course. We are on to something with a much better Residential Tenancy Law. The landlord register fitting inside it with cross-regulation will do the trick and is cleaner and better. So, in that respect, the landlords feel that this is licensing by the back door. I do not think it is right to do this to them. It is better that we follow appropriate due process. So, as well-meaning and as well-intentioned as this is, I urge Members to reject it.

6.1.3 Deputy R.J. Ward:

First of all, I would like to thank the Senator for accepting the amendment. I will explain my thinking behind that as we go. But I have to say that here we are again. A sort of Groundhog Day for us to look for some form of greater protection for those renting on this Island and paying such high prices. Obviously I feel that we missed the real opportunity to make constructive progress when the landlord licensing scheme was rejected after the principles were accepted. We must remember that. The principles of that were accepted in this Assembly and then we came back for the regulations and after lobbying, direct lobbying within the Council of Ministers, they were rejected. We must remember that. But we arrive at a position where a scheme is suggested that would, at the least, enable us to ensure that the standard of homes for rent reach those of a certain standard set by the States and the rental dwellings law. Something I must say to the Minister for Housing and Communities, he said that Rent Safe means a good standard. Level 3 of Rent Safe is the minimum standard. The minimum standard. That is a really important distinction. So we are not saying that what is happening here is that we are going to suddenly produce a raft of palatial homes. We are going to reach a minimum standard for people renting on this Island. This is Jersey by the way. This is Jersey, a very developed economy, a wealthy Island. We are talking about minimum standards of living accommodation for people on this Island. To be clear, what the amendment does, the amendment clarifies the requirement for accreditation or reaching minimum a 3-star standard. To be clear, this does 2 important things. Without this, we would be formalising inadequate or perhaps even dangerous standards of accommodation. Just being on Rent Safe in some way, their own level 3, would not be adequate. This is both contrary to the standards set out in the rental dwellings law and morally wrong for us as an Assembly that seeks to protect our population as the very first action that we take. That is a vital point about our role in this Assembly. We must not forget our representative role. Second, it means that we are setting a very clear standard for homes on the Island. We must recognise the very significant levels of rent that are being paid, often 30, 40, 50 per cent, or perhaps even more, of people's incomes just on where they are living. Remember that Social Security pays £10 million to private rented dwellings without any guarantee that they reach minimum standards. The same amount, by the way, ironically, that is returned to the Government from Andium Homes. So that is circulation of money from Andium Homes into the private rental sector with no regulation of those standards. For those who are thinking economically in this Assembly, is that really a good way to spend money? I do not think it is. There is a contradiction there. So, again, we have been lobbied by the Landlords' Association and it is the same arguments around cost, the effect of raising standards for landlords, and perceived negative impacts of landlords have been sent to us. So I must point out there are around 6,000 landlords in Jersey. The Landlords' Association represents around 150, I believe. I know some of them in the Landlords' Association do not oppose this and they supported

the previous licensing scheme. So we are not getting a true representation of landlords from this representation. We talk about representation. Nobody, not a single person yet, and I do not think anyone will from Government, who would oppose this, has talked about those who are renting. How about the tenants? Have they been consulted? Their position? Where they are in this system? The answer is no. The Minister for Housing and Communities seems to be not interested in tenants' views, has not had an hour's meeting with tenants, had an hour's meeting with landlords to see whether they can fit into a register. I must point out that a register is a completely different thing. A list of who a landlord is, is different from rental standards. You get a list, it would be a good idea to have a list, but that seems way beyond where we are. So let us look at the proposition itself. The point of the proposition is to bring forward legislative amendments, it says from the Minister. The comments paper he produces outlines the challenges of implementing. But he can control the implementations, Minister. That is what this is giving him the power to do. What he could have done and what he has failed to do yet again, as we failed to pass the regulations, he could have done a number of things. The scheme where new builds need lesser inspection as they would have reached recent building standards. These are just ideas. These are things that could have been worked with. But they have not even been approached in the comments paper. Solutions for making this work have not been put in the comments paper. Just outright opposition. Blocks of modern flats built to the same specification can require one inspection, cutting the numbers required significantly. That makes sense as an efficient, appropriate, proportionate way to deal with the situation. A grandfathering scheme using initial self-assessment could have been developed to enable time and support for improvements. Then Public Health have information on where poor housing is and we are about to go and knock on every single door in districts, you will see where the poor accommodation is. You will knock on doors - well I will, I do not know about some others - where people are cooking their dinner from their bed. That is the reality of living in this Island. That type of thing, that suggestion from the Minister would have done, would have given improvement over time, but still maintain that standards are necessary in a modern society. So what this means is that the comments paper is simply inaccurate and the very worst-case scenario without any intelligent and creative approaches to enabling this proposition. How can we get this done if it is the right thing to do? I remind this Assembly it agreed the principles of a licensing system before the principles were there. But rather than producing comments that are looking to solve perceived problems, I have to say that the Minister has kowtowed to the lobbying groups and the political representatives at the heart of Government. I mention that not simply to be confrontational but to point out that is a real issue here. It has come back again and again and again. When the public look on to this debate and what is going to happen today, if this is not passed again, they will come to the same conclusion that there is a disproportionate amount of power with those interests in this system against those who are spending so much money to find a home, somewhere to live. There is even this suggestion in there from the report that there will be an exodus of landlords from the market. There is simply no evidence for this. Indeed, Written Question 2/2022 from Senator Mézec shows that from 2012 we have seen an increase of 2,000 in the number of landlords declaring rental income at the time of the introduction of Rental Dwelling Standards. So the evidence is not there and that argument is simply flawed. So the comments are misdirected and simply raise the issue that could be addressed by the Minister giving the political will to do something. There is not a political will from the Minister or this Government to introduce any of the much-needed regulations into our rental landscape. We have seen that from the Minister for Housing and Communities today. I do not know what the plan was called, I have lost track of what all these plans are being called; another one with lovely titles. They probably have a particular committee within the Government to come up with the titles. I am sure that is the case. More money being spent with no outcome. But, anyway, part (b) of the proposition allows for a scheme to be developed for ongoing renewal of accreditation with a risk-rating approach. This can be developed in a manageable way. Consider this: if our housing stock is in such bad repair that it is not even manageable, then we have a crisis way beyond just availability. Why on earth has this not been dealt with years ago? The argument seems to be we have so many problems. If we introduce something the problems will come out and we will not be able to do anything about it. So

we are formalising poor accommodation with that attitude. We are all lucky to have somewhere decent to live. But there are many, many, many people on this Island of all income brackets, not just the lowest incomes, who do not. We have to address this in this Assembly and yet again we are not going to do that if we are not careful.

[16:15]

But I have to say this is not the real proposition I wanted to see passed. I believe the licensing scheme would have been the best way forward. But this is the last chance to move anything forward in terms of protection for tenants, raising housing standards, and having some formal record of landlords, who they are, in this Assembly before we break. None of us should assume we are going to be re-elected. So this is our last opportunity to make that difference now. I hope, and I encourage Members not to fall for the same old arguments, not to fall for the same old issues that, as I have shown, and I have explained, are not valid. It is our final chance to make the change where previous failures have failed to make the necessary change with the licensing law and previous failures to reassure tenants on this Island that, for the vast amount of money that they are paying, and the vast amount of taxpayers' money that is being used, we as an Assembly will say there will be a minimum standard for everyone living in a home on this Island. I urge Members to take this opportunity to make this change today, not shirk our responsibility to protect the population of this Island and let us move forward and let us support the proposition as amended.

The Bailiff:

Deputy, will you give way to a point of clarification from the Connétable of St. John?

Deputy R.J. Ward:

Of course.

The Connétable of St. John:

If I heard right, the Deputy stated that the Council of Ministers have been lobbied from within. Can he clarify what he means by that?

Deputy R.J. Ward:

Yes. The Council of Ministers, Assistant Chief Minister, is the political consultant for the Landlords' Association.

Deputy J.H. Young:

Can I raise a Standing Order issue please?

The Bailiff:

Yes, you can.

Deputy J.H. Young:

In his speech, Deputy Ward made an allegation of my kowtowing ...

Deputy R.J. Ward:

I will apologise.

Deputy J.H. Young:

... in my decision. I wonder whether that is allowed under Standing Orders because I am supposed to use resources properly and the most effective way of achieving the States objective. My opposition is based on that judgment.

The Bailiff:

That is a point fairly made. Deputy Ward has just indicated he is perfectly content to withdraw that and apologise for it.

Deputy R.J. Ward:

I am very passionate on this subject. I withdraw the comment. I did not mean to offend the Minister because I want a level of debate that is beyond that, so I do apologise. I withdraw the comment, yes.

The Bailiff:

Thank you very much indeed.

6.1.4 Deputy M. Tadier:

I had better watch what I say as well in that case. Although I do not think we are anywhere near robust debate here, people might have particular sensitivities. What I would say is that I have always considered the Minister for the Environment to be, by and large, a fellow traveller and in the past we have been aligned when it comes to a desire to properly regulate housing in Jersey. We both know that there are some terrible properties that get rented out and that there is very much an asymmetrical relationship between tenant and landlord at the best of times. What I find frustrating here is that this seems to be the fourth iteration we have had in short succession. I know the Minister has had a go of course in bringing in his own form of regulation. We have a scheme here, which already exists. It has been up and running and it is lauded by the department. It is lauded by the Environment Department as being successful and they encourage landlords to join it and to sign up. The point I made earlier in asking my question is that if everybody who is a landlord now turned around and contacted the department and said: "We want to register with Rent Safe," that would be a good thing, would it not? That would be something that presumably the Minister for the Environment wants. Something that the Minister for Housing and Communities should also want. It is something that they should be taking ads out for in the media, as they have been doing with their other propaganda. I know that the Minister for Housing and Communities and Minister for the Environment are not members of the Government party. But, if the Government party can afford to take out propaganda videos saying how well they are doing, they could afford to take out videos and adverts telling the public and the landlords that this scheme is available. They could say that, if you sign up early, then you get your foot in the door and there is an advantage for you potentially as an accredited landlord to distinguish yourselves from other non-accredited landlords. It just seems to me that the Minister for the Environment is protesting too much here. He is saying that: "What if I have to turn this around in a year? How am I going to possibly get around every property to inspect it and accredit it?" Let us break that down? First of all, nobody is saying that there is a timeframe in which this should be done. The proposition, even as amended, does not give a timeframe, it just says to bring forward such legislative amendments as are necessary to make it legally mandatory that all landlords register with the current scheme and achieve an accredited status. So it is up to the Minister for the Environment. Because the request is to him to do this, to choose how he wants to do that, what timescale, what provisions he wants to put in place to get that done, what grandfathering provisions he may wish to instigate for that scheme. So that argument does not stack up. It is not a case of him having to do this within the next year. It is something that could be rolled out on a basis. It could be that it starts off with the landlords or the properties, which we know are problematic, first. They are the ones that are registered. The comparison with what is happening at the moment with vehicles, I used to have a 50cc not too long ago and I used that to get around the Island. It is very efficient. I replaced it with a 125. When I bought that, not long after, I had to go in to get it checked with D.V.S. It was a pretty straightforward process. They told me that it was okay to drive and they flagged up some potential issues in the future that I might want to keep an eye on. I paid for that in fact. That scheme is there in place. You did not hear motorists saying: "This is a terrible scheme. If you introduce that you will be taking all motorcycles, all mopeds off the road." I understand that the plan is to roll out that to be tested on all vehicles at some point but it is done on a priority basis. That is what will be within the gift of the Minister. He can come back to the Assembly and say: "First year I am going to concentrate on these properties and in the next 6 months I will expand it to these properties and in the next 3 years, for example, I know that all properties and all landlords will have to be registered." If the Minister needs more resources, he simply has to ask for it. It brings me to

the point, just look at what we have done during COVID with the number of resources we poured into that to keep people safe. Yes, but also to keep the Island running and to keep businesses functioning. That huge subsidy that was being put in at the harbour, at the airport, to get visitors into the Island, to allow our locals to travel to and forth. But the other point is that we have a housing pandemic here. It is a crisis. We have a pandemic of proportions that we do not really know about. We know that they exist. We know that very expensive rents are out there. People are struggling to afford it and they cannot even be guaranteed that the properties they live in meet minimum standards. I do despair when I find this Assembly not being able to come to terms with even the lowest of the low schemes, the minimum, without any cost to the landlord, when in fact we know that landlords, by and large, most landlords do want to do the right thing. I do not think the Landlords' Association speaks for the majority of landlords. I know landlords myself who say to me: "We are quite happy to be regulated, just tell us what you want to do, we think we are doing it already. We are happy to be on the register. We are happy to be on the scheme. We would even be happy to pay something towards it to make sure that we comply. We have rented in the past and we want to make sure we do the right thing." It seems that we cannot win one way or the other. If we point to a scheme that does not yet exist we are told, no, it is going to be too much bureaucracy. If we point to the scheme that does exist already and it works well we are told, no, that is not fit for purpose. We have never been told that the Rent Safe scheme is not fit for purpose before. I think there are so many red herrings being put around here. I would ask the Minister and say to him if he wants to achieve something in this term, his last term of office, this is the last-chance saloon for him to support something that is meaningfully going to give protection to tenants who are currently in a very vulnerable position. He might be interested. I spoke to a former tenant of St. Aubin who was caught up in the fire there a year ago. Her housing issues are still ongoing. She is still dealing with the consequences of having rented a flat which a fire occurred in and which was not her problem, was not her fault, but it became her problem. She has been left out of pocket, she has been left stressed by it and all because it is quite apparent that there were probably things in the flat that were going on that should not have been going on and that her safety and other people's safety were put at risk. If we can stop that happening across the board, and I do note that, interestingly enough, to achieve a third-star rating in the current scheme, it is very interestingly worded. It says that you need to meet the minimum standards. I will read it: "The property meets the minimum rent safe standard and has achieved accreditation through compliance with the minimum legal standards." It seems to me that you need to have achieved the minimum legal standards to get a 3-star. That presumably means if you have zero, one or 2 you do not even meet the legal minimum standards, which means you should not be renting your flat out or your property out at all because it does not comply with the law. But it would be suggested by this wording that people are renting zero, one and 2-star properties out and these are people who have come forward for the scheme, remember. Imagine those who do not come forward for the scheme currently who might not be complying with the law, and we do not know about them, who rely on tenants being reactive when there is a problem, tenants who may not speak out, who may not know their rights, when in fact we would not tolerate this in any other industry. I will leave my comments there. I do hope that Members have told us of their status, whether they are landlords, tenants, remember who they are here to represent today and in the coming months; it is to make sure that everybody is treated right. If we are not going to treat tenants as basic human beings let us at least treat them as we would customers and give them good customer protection. But I believe it goes further than that, every property is a home for somebody and whether you are renting or living in your own home you deserve to have a minimum standard of safety and that is what we are here to ensure.

6.1.5 Connétable D.W. Mezbourian of St. Lawrence:

I would just like to speak briefly to this. I think the Minister for the Environment used the word "enticing" when he spoke earlier. I think he said that it seems like an enticing proposition and that certainly was the way I felt when I read it. I would just like to put a question to one of the Assistant Ministers for the Environment, as the Minister himself has already spoken. His comments are very

helpful, particularly with the table that he has produced which shows that he estimates that this work would take 20 years to manage and to deliver on. My question to one of his Assistant Ministers is: is this argument against the proposition based on cost to the department or potential difficulty in recruiting the additional extra officers that would be needed to undertake this task if we approve the proposition as amended today? If the problem is in difficulty in recruitment, it seems to me that what we should, as a Government, be doing is taking stock of the potential employees who have been employed by us to deliver the COVID vaccination scheme and who are potential employees for different aspects of Government work. My understanding is that there is probably a pool of almost immediate employable people who could be used for a scheme such as this.

[16:30]

That is my point and my questions to the Assistant Minister for the Environment. Referring to Senator Moore, I would just ask Senator Moore, please, when she sums up to respond to the final sentence in the Minister's comments when he says that: "Unintended consequences for this proposition, if approved, could be an exodus of landlords from the market, increased risk of homelessness and an increase of revenge evictions." When I have heard comments to my questions it will certainly help me decide which way I am going to vote on this proposition.

6.1.6 Deputy G.C. Guida:

Sorry, first of all, I need to withdraw the conflict of interest. I just remembered that I am not a residential landlord anymore but, please, nobody should read anything into that. Very quickly, I think the problem here is that we are configuring many completely different things. Instead of talking about residential standards I would like to talk about food safety. What we are doing here is saying, okay, there is a food safety law. It ensures that if you go to a restaurant you will not get poisoned and if you buy food in the supermarket you do not get poisoned. But we are not very happy about the way it is implemented, so what we will do is that we will make it compulsory to have at least one Michelin star before you can trade. First thing there is absolutely no relation, physical or legal, between getting one Michelin star and the Food Safety Law standards. One is about not killing you and the other one is about the quality of service that you get, the quality of the food. It is a little bit the same. We have a Public Health and Safety (Rented Dwellings) (Jersey) Law 2018 and a Public Health and Safety (Rented Dwellings - Minimum Standards and Prescribed Hazards) (Jersey) Order 2018 and you need to write them down because they are a little bit long to remember. Those things have existed since 2018, they exist, they are standards ensuring that there is a minimum level of safety if you rent a dwelling in Jersey; those standards exist. Our real problem is that we get to be able to inspect those properly and strategically. The last thing we want to do is to inspect them all. It is not just the amount of work because we are talking about years and at least £1 million in expense, and that is the answer to the Constable. It is the intrusion. We are asking to enter and spend several hours in about 25 per cent to 30 per cent of the dwellings in the Island; that is what this is about. Then to inspect them for standards that are not legal, that are like the Michelin standards of a wide range of requirements that allows you to grade a dwelling against another. They are not in law. To do this properly and make it compulsory first we will need to put all these standards in law, that will probably take 8 months to a year, have it voted in a completely new Public Health and Safety (Rented Dwellings) (Jersey) Law 2023 and then one by one visit 30 per cent of the dwellings in the Island. That is the requirement here; that is what this is about. It is a shame because we are so close. We have the laws, we have the order, we have very strict regulations; 90 per cent of the time we know that they are followed, that everything is safe, we just need to find statistically the few that do not comply. We tried a couple of times to have a licensing system, which would have worked because basically it would have given us a list of rented dwellings and a way to licence or not licence. We are very, very close to doing that again without the licensing but at least we are getting the list. With the list we can make statistical visits, not spend millions and years of time but do statistical visits and check statistically that the dwellings respect the law. We do that for almost everything else. When you are on the road, how many times have you been stopped on the road? That is how we check

vehicles; that is how we check that you have your papers, that you are not drunk and that your vehicle is roadworthy. We do not stop absolutely everybody. Once a year we will make a big barge in front of St. Helier and absolutely everybody goes through that and gets an instant M.O.T. (Ministry of Transport). We will do that but it also gives them several years. Again, there is this configuration, this looks so nice, there is the stars that you can get and it will be so nice to just extend it to everybody. We need to write a law for this. We need to write a law saying we will now adopt the standards from the Rent Safe scheme, we will make them compulsory and then we will make a visit compulsory. This is unbelievably heavy and that is why this proposition is a problem. It looks at something and says that is such a simple solution and the solution is about 10 times heavier than the licensing schemes that we have refused not 2 but 3 times.

Deputy I. Gardiner:

Can I ask, please, for a point of clarification from the previous speaker because I wish I would speak earlier so I could ask something that he addressed in the last sentence, if he can clarify?

The Bailiff:

Are you prepared to give way, Deputy?

Deputy G.C. Guida:

Of course, Sir.

The Bailiff:

Yes, you can.

Deputy I. Gardiner:

Would the Assistant Minister advise the difference he sees that the Rent Safe scheme is heavier compared to the licences? Because he said the Rent Safe scheme is worse than the licences one.

Deputy G.C. Guida:

Yes, the Rent Safe scheme is a grading system that goes far beyond the minimum standards. If you have got 5 stars in your Rent Safe scheme you are absolutely at the top and things that are not compulsory, for example, energy efficiency will be part of that.

Deputy I. Gardiner:

Okay, thank you. I will continue with my speech, Sir.

The Bailiff:

Yes, please do.

6.1.7 Deputy I. Gardiner:

Thank you to the Assistant Minister for clarification. Because when I am thinking about the Rent Safe scheme I am thinking about residential standards, which is 3 star and this is the minimum standards that anyone needs to achieve. We do have residential standards, we adopted the principles. I would like to bring Members' attention, if anybody remembers, it happened in 2020, the Environment, Housing and Infrastructure Scrutiny Panel published a report in 2020 before our debate and we, as a panel, have queried the necessity for both the Rent Safe scheme and the licences because it feels like the one scheme in place will be less required. When we looked, we realised that the Rent Safe scheme is simple, it is possible, and independent, do not impose licensing. In my head, a licence you can give and you can take away. It is a licence to operate. In the U.K. during our Scrutiny review we found that there are 27 accreditation schemes and the Rent Safe scheme is one of these similar 27 accreditation schemes. As the panel who made recommendations, and recommendation number one in our Scrutiny review was the Minister for the Environment should explore the possibility of combining the Rent Safe scheme and the proposed licensing scheme. We did not really get the

detailed answer why it is not possible because it is common sense to have the Rent Safe scheme in place. You do not have to recycle them. You can do a fresh start. Several landlords, including myself, have declared that we are ready to have our properties on the Rent Safe scheme so for us it does not make any difference because we did it, we did the process, we met the standards. Why just raise another scheme, why just raise another bureaucratic option for licences if we have this already? What is important, I think, for all of us is to ensure that people live in decent accommodation standards, sorry, accommodation of a decent standard. Now, returning to licences, I remember the department presented that they had a recruitment strategy because with the licences you also need to go and inspect the properties. You cannot give the licence without inspection and we knew that it will take 3, 4 years; we knew that it will take longer. I think it is in the Minister's gift if this proposition is adopted to create a scheme how long it will take and it will take time and the properties to be inspected first and later on. Another function was mentioned about newly-built properties. Unfortunately during the last couple of months me and Deputy Le Hegarat dealt with 2 cases in our district with newly-built properties that when they bought them did not inspect the basis, newly built, just on the market and they are facing serious problems. They are not landlords. They bought it, whatever, but there are problems with also newly built and maybe it is less, maybe it needs to be inspected later at some point, maybe after some years. What I am trying to say is it is very difficult for me to understand why the licence is later than the accreditation; in my head it is not. We have been prepared to do inspections and we want to make sure that the safe minimum standard is met, and it is in the Minister's gift. If you are looking through the proposition, the Minister can decide when it is happening, how it is happening and so on, and it is possible to bring the best standards. I just echo some words that it can be creatively implemented and we do not need to introduce a new scheme when we have something working already in place.

6.1.8 Senator T.A. Vallois:

I think it is important that I am open and transparent with the Assembly. When I first saw this proposition lodged my initial reaction was: "Oh, here we go again." The reason I say that is because I have lost count of the amount times we have had these debates around the importance of having minimum standards for renting properties in the Island. Renting properties in other jurisdictions, there was legislation for minimum standards in the 1970s, England and Wales as an example. It bothers me, this proposition, and the reason I say that is I do not necessarily not agree with it. I know that sounds odd. From my point of view there was a proposition, an amendment to the Government Plan, which I brought, with regards to the resources for the I.H.E. (Infrastructure, Housing and Environment) Department with regards to requirements around extra resources. I think that injected an extra £1.7 million into the department. There was also an additional I think it was around about £1 million that was put in place because of the reduction in the department's budget previously with regard to the expectation of income for the licensing scheme that was expected. So I do question the arguments around resourcing and the requirements. However, I do get the argument around the expectations of particular schemes that have been brought in. I have to reference ... and this is no reflection on the proposer at all, but sometimes I think this is too little too late. The reason why I say that is because I was fully behind the licensing scheme, I was fully behind the rented dwellings law when it came in last year and I was on the Scrutiny Panel that scrutinised that legislation at the time.

[16:45]

I believe that from my point of view if I support this as a Member of the Assembly it is asking for a Minister to go away and bring legislation forward. From my experience last time, and bearing in mind we have got an election in between so we will not see that legislation until the next Assembly, and I will not be here for that, what is to say that it will not happen again? What is to say that if we agree the Rent Safe scheme that Senator Moore is proposing here as this Assembly that when the legislation is brought forward by the future Minister for the Environment around minimum standards ... and I welcome the changes to the Residential Tenancy Law by the Minister for Housing and Communities but for me I have lost a great deal of trust in the Government when it comes to

Assembly decisions and the ability to follow through with the expectations of Assembly decisions. This one in particular, and now it is the fourth time we are debating it, I am not sure whether any vote today, whether it is for or against, will have any influence on legislative changes going forward. So I am stuck in a quandary as to whether I do or do not support this. I would prefer that the legislation that was brought forward by the Minister for the Environment after we had the in-principle debate on Deputy Ward's proposition previously ... if that had been approved, but that was not the case and we are where we are. So I am not sure what I should do and I would like Senator Moore to try to convince me as to why my vote for this may achieve any form of results going forward because at this point in time I am not convinced that that will be the case.

6.1.9 Senator J.A.N. Fondré:

Just to make sure that I have this correct, it is to bring forward such legislative amendments to make it mandatory that all landlords register with the Rent Safe scheme - that is all landlords - and Deputy Ward's amendment, which has been accepted, are expected to come into the scheme in order to rent out property and that seems to be clear from the report of Deputy Ward and is what is in the proposition, the proposition that is being proposed as amended. If you are not registered under the Rent Safe scheme you, therefore, cannot let out to tenants and there is obviously some argument as to whether it is 10,000 properties or 20,000 properties but whatever the number is, it is a very significant number. What I was going to say is twofold. Number one, the experience and dealings I have had as the Chief Minister in this area is that the officials themselves - and I will come on to the Ministers in a second - are absolutely passionate about trying to resolve this problem and it is those officials who are saying that this is not a way to resolve the issues that we are trying to deal with. We all agree, believe it or not, that we do want to make improvements to the quality and condition of rental accommodation. I would hope we are in universal agreement on that subject but I would also hope that ... in fact I think Deputy Tadier has alluded to it in his last speech, that certainly the Minister for the Environment and the Minister for Housing and Communities are absolutely resolved to try to sort this out, and again it is a matter that is very close to their hearts. Certainly Deputy Russell Labey has said he has been going to lots of ... he is doing a lot of work in this area, we know that, but also he has got the right approach of recognising that there are advisory parties that are involved in any changes in this area and that their various views you need to take into account, and that is called having a fair approach. But to be really clear, if they had come to the Council of Ministers and said: "This is the way forward", if they both came I think the Council of Ministers would have had to have a different view but they have both come to the Council and said: "This does not work." In fact, to be as clear to the Assembly as possible, this proposition, particularly as amended, has the potential to be a complete disaster. In essence, say there are 10,000 properties, according to this proposition they will all have to be inspected before landlords can let to tenants. Goodness knows what happens if there are tenants already in there and that is because even if the property meets the standard, if it has not been inspected to meet that standard it will not, therefore, be accredited as I understand it. There is also some anecdotal evidence that some landlords are already leaving the market. So there is a real concern that this significantly makes matters worse in the rental market, which I would assume is not the intention of the proposer or the proposer of the amendment. So I think what Senator Vallois said about a little bit too little too late ... but I would say I think it is well intended but it is going to lead, on the basis of the information we have been given as the Council of Ministers, to significant negative unintended consequences and that is really the main message that both the Minister for the Environment - and he is absolutely passionate on this subject and he has tried I think at least twice - and the Minister for Housing and Communities will challenge us to do anything we can bring into this area ... for those 2 Ministers - and they have not been lobbied internally by the Council of Ministers, within the Council - to come to that conclusion I really do think and really do ask Members to sit up and take note. Certainly obviously I will not be supporting this proposition and I ask Members to follow suit and to reject this one. It runs a real risk of having serious negative consequences for the rental market that is already facing challenges.

6.1.10 The Deputy of St. Ouen:

I have not spoken often in the many previous debates we have had on residential tenancy arrangements but I just wanted to speak briefly to point out the administrative nightmare that arises if this proposition was to be adopted. The scenario painted by the Minister for the Environment in his 2 comments papers just makes clear the risks that we run, the mess that we might create just by trying to latch on to this voluntary scheme and just by some magic turning it into a mandatory scheme without consultation. The Minister for the Environment certainly does not make those comments lightly. He will have considered this very carefully because it is absolutely his wish and he would have wanted to come up with a scheme and he would have done this if this would have been possible and feasible for him to do it, but we must take note, I believe, of the warnings he has given us in his comments. To turn the Rent Safe scheme into a compulsory legislative scheme requires ... it is so complex, the legislation itself, and is unnecessary. Our Minister for Housing and Communities has told us that he is taking forward the Residential Tenancy Law and the extra provisions that he can put into that, which will involve consultation. It is fair to consult on this and there would be no consultation on a mandatory Rent Safe scheme if we were to pass the present proposition. That is quite unfair. Why would we run 2 huge pieces of legislation in tandem that cover this area? The Minister for Housing and Communities tells us he is making these changes to the Residential Tenancy Law and he is moving forward with that. He has issued drafting instructions, so let us take that forward and not come into this scenario where the I.H.E. Department needs to suddenly find at least 20 extra staff, train them and they have to visit every rented premise in the Island and then reinspect on occasions. As I said, the administrative nightmare that creates. It is far better to target their inspections because I believe the department well knows the premises that they need to inspect and target those and act to protect the tenants that need the most protection that we can give. So I really hope we do not go down and descend into the scenario of this complexity quite unnecessarily and I urge Members to reject the proposition.

6.1.11 The Deputy of St. Peter:

I have not spoken on this subject in the last couple of debates. I kept a low profile. I watched the Assembly form their own opinions. I am not going to go into detail but I just want to bring up a couple of points that I think are relevant that are observations that need to be made. I am on the Rent Safe scheme. I think it is an exceptionally good scheme. I found the service I got when I invited someone to come along and inspect the property good. They looked through my electricity reports and leases, they checked on my deposits, and I came away with 5 stars, unlike this morning's exam results from Deputy Higgins when I got an F. I am very happy to do that and I recently contacted the department to update any changes that had been made to my properties and that was reflected, and that is a very good service. It was quite laborious for the officer inspecting it. It was not trivial but it was thorough and it was good. Now what worries me is we have heard - this is not me - that to inspect 10,000 properties, an unknown number but an estimate of 10,000 properties, will require 20 additional staff. Now, that is great. We can look at the money that 20 additional staff are going to cost but let us forget about that. We spent all morning debating a population policy and the majority of the people who were complaining about the population policy were also wanting to have numbers, restrictions and controls, yet miraculously this afternoon we are going to conjure up 20 members of staff when we have got, I reckon, a greater staffing crisis than a housing crisis. When you go and talk to the businesses over there, they have a desperate urge to recruit and train and have stability in their workforces. It is not the money, it is just the staff. Also what really concerns me is Deputy Labey is doing a great job with a strategic piece of work to bring everything together and what has happened over the last 4 years is the lack of stability and the uncertainty that has been created because of these many different propositions that have come forward that have not been closed. So why would we want to do this when the train is in motion for an excellent piece of work to change residential tenancy and have a register at the same time? I find that extraordinary. However, what I do want to talk about is the matter of landlords exiting the market. I noticed that as soon as I pushed my button to speak Senator Mézec was going to come in hot pursuit because he would want to try to trump what I was going to say. The Freedom of Information that came out

recently saying that there is something like 7,000 landlords and 740 of them are non-resident. I took the time out to delve deep into that and ask a few more probing questions that are quite revealing. What was interesting is that from 2017 to 2018 the law changed whereby the local taxpayers had to declare property income sourced from outside of Jersey. That meant that included accounting for an extra 1,000 resident landlords and 80 non-resident landlords; 1,000 resident landlords means if you have a holiday home that you let out for a couple of weeks in the year to help pay the costs, that is property income that needs to be declared in your local tax return, as an example.

[17:00]

Also from 2018 to 2019, coincidentally, the numbers of landlords dropped immediately after the legislation, 40 resident and 10 non-resident. Not a lot but a subtract. The other thing we do not look into is we have a large number of people in Jersey who rent out their homes because they are working overseas for a period of time. They need to declare that income. They are in the U.K. but they have to declare their Jersey income back to Jersey and vice versa. We have many people coming over and working here in Government who rent their homes out in the U.K. and then come over here and rent here, but they still have to declare their tax income on the properties they are renting in the U.K. All I am suggesting to you is there a lot more to the detail behind this when probed, and the reality of it is it goes back to the need to have accurate data, which I will be fully supporting Deputy Labey with if we are still around when that comes to the Assembly. Do not forget, I did bring P.82/2020, a digital landlord and tenant register, to the Assembly which was approved by many people, if I remember correctly. I contacted some local estate agents and they did a small survey. I accept it is a small sample, 5 or 6 agents came back, over an 18-month period of 2020 to 2021, and they told me that 46 per cent of transactions that they made in that period of time were landlords exiting the market. They also told me that 6 per cent of transactions they took were landlords coming into the market. However, they did freely admit that there was one agent, and I do not know who it is but I hope I am not alluding to who it is, that does specialise in new-build property and they sold a lot of buy-to-let properties. I can see a trend there. I can see a trend of people moving out because of the cost of maintaining properties and buying new builds because it is far easier to look after, to go through the regulations. That is a sensible business thing to do if you wish to do so. My biggest concern with this uncertainty is we are supposed to be looking after tenants here and this constant run around of whether your landlord is selling, the tenant is constantly thinking: "Is it going to be me next?" We see the high profile ones in the paper. "Is it going to be me next?" Anecdotally, I accept I was sitting in an estate agents a couple of months ago having a cup of coffee and in 15 minutes 2 people came off the street and said: "I need to move within a month, my landlord is selling." It is anecdotal and it is a 15-minute snapshot in time but if you put these together there is a real trend and we need to understand that trend before we can go forward and make any more "scare the horses" legislation. If landlords sell somebody buys and it is invariably not another landlord, it is purchased by a developer because normally if they are selling, for sake of argument, it is a property where the standards are very high. It goes to a developer. That developer puts his building crew in, 3 months later puts it on the market, makes a huge profit. That is the reality, the flow of the dollar which is not helping anybody. I will leave it here. I do not think I have to remind the Assembly that I will not be supporting this.

6.1.12 Senator S.Y. Mézec:

I will make the point, I guess, at the very start, that I agree with some what has been said by previous speakers about the situation we are in not being ideal. I agree with that, this situation is not ideal. In 2018 when the Public Health and Safety (Rented Dwellings - Minimum Standards and Prescribed Hazards) Regulation came in, for the first time having enshrined properly in Jersey law that there should be minimum standards in housing which is rented out in Jersey so that it is safe to live in and so that it is healthy to live in - this is about minimum standards not luxury or anything like that - that at some point there would need to be a mechanism for ensuring that those standards were actually applied, that they were standards in reality and not simply standards in theory. The minimum

standards were brought into law without that enforcement mechanism to have some time leading up to that for people to get used to those minimum standards being in place and for those who wanted to be ahead of the game to voluntarily try and catch up and get there. But it was the case, and you can read this in the reports that accompanied that law when it was first brought forward, that it would eventually lead to licensing. The purpose of that licensing would be the same as the purpose of licensing in other areas that are regulated like this, for example restaurants where there are regular inspections, there is licensing and if you do not meet the minimum standards you can be shut down. That was the intention to get there with rental homes. So we are now, in this term of office, in our fourth attempt and it is the fourth attempt both chronologically and in order of preference too. The best option was the option that the Minister for the Environment first brought. That was not acceptable to the Assembly so he then brought forward an amended version based on further conversations and consultation and that was rejected by the Assembly. Then a third version came from Deputy Ward, which was initially accepted, and then when the enabling regulations were brought forward was rejected. Now we are at the fourth attempt, which is to try a slightly different tactic and do it through the already existing Rent Safe scheme. Look at the trend. Every time this subject is raised and rejected what then ends up following is a watered-down version. We are now told by the Minister for Housing and Communities that they are looking at a register to include in the Residential Tenancy Law. A register, let us be clear, is nothing more than a data collection exercise. It is not the same as a licensing regime which means that standards are enforced. It will still leave it down to luck whether we discover properties out there that are failing to meet these minimum standards because the information that will be contained on that register will, in most instances, not be good enough to work out if the property it relates to falls below those legal minimum standards. So on that basis I would argue it is a waste of time, especially when there are regulations that exist that could be brought back again at some point soon to enact a licensing scheme that would enable us to enforce those minimum standards. Even though this proposition is not ideal I will still support it because it is certainly better than what is proposed by the Minister for Housing and Communities, which is merely data collection. I will say to the Minister for Housing and Communities, and I do this I guess to give him notice because there is an item on the Order Paper later in this sitting to talk about residential tenancy matters. He has told us that he has lodged law drafting instructions for the Residential Tenancy Law, he has not told us what those instructions are and it would be nice to know because we are being told with a tangible proposition in front of us in this proposition from Senator Moore, and a tangible proposition from myself later in the Order Paper, we are being told for both of those: "No, do not do this, trust me I have it all in hand, I have already issued some instructions on this." I think the respectful thing to do would be to tell States Members what those instructions are so that we can have confidence that they are the right instructions. The lack of transparency on that is not particularly good. We have only just really properly found out that these law drafting instructions apparently say that there will be some sort of registering system in the new Residential Tenancy Law. Again, that will just be data collection and not enforcement. This has been accused by the Deputy of St. Ouen, who I note did support previous iterations of the licensing scheme, and I remember when I was Minister at the time being grateful for him being one of the few allies on the Council of Ministers on that when it came to it. I was pleased with that but he has now described this one as an administrative nightmare, he has spoken of the same issue that the Deputy of St. Peter has about their needing to be 20 extra staff to do these inspections. That is not a given. It is very clear in the proposition from Senator Moore that there will be a step after this which means putting that legislation together to achieve it, where there will be an opportunity to find the smoothest way of implementing this. There should be no assumption that it will be the most difficult version that automatically is accepted. When we go to drafting the legislation to implement this there will be all sorts of things that we can do to mitigate that impact. Deputy Ward spoke of some of those in his speech about potentially having a grandfathering system. So those that we know are acceptable, we do not have to go through the full process when there is a new block of accommodation. You do not need to inspect every property because as long as one of them meets it you know that the rest of them will meet the same standards as well, so that saves a huge amount of time. There are these things

that we can certainly look at. I can hear some muttering which is not helpful. The contribution that really did take the biscuit though was that of the Chief Minister who said that he was passionate about solving this issue. I would love to see some evidence of this beyond words because in this journey of trying to improve housing standards in the rental sector he has been an obstacle. I think he had some cheek, frankly, in using the testimony of the Minister for the Environment and the Minister for Housing and Communities, who are opposing this proposition, he used that testimony to say that is a reason for rejecting this proposition because the 2 Ministers whose portfolios cover that are opposing it. Well, how nice it would have been for him to have taken that approach when the original licensing proposition came to this Assembly, when his Minister for Environment and his then Minister for Housing, myself, were wholeheartedly in support of it. He could not even bring himself to tell us in advance of that debate that he would not be supporting us. So there really is a double standard here for him to pray in aid their testimony this time as a reason for saying no when the testimony previously was of no interest to him. Other arguments that have been raised in opposition to this. My favourite one is the argument about the landlord opposition to this. It is because that opposition, as far as I can see, is a very small minority interest in this. I have lots of people in my life who I know and interact with frequently who are landlords, some of those are people I am very closely related to and so who I trust and care about very much. Also some who I am not related to and I am pleased to say, in fact, that there are many members of Reform Jersey, not States Members but our ordinary membership, who are landlords who contact us frequently to talk about these housing issues because they are passionate about them too. It is the case that the majority of landlords that I speak to out there in society are extremely welcoming of these sorts of initiatives. Those landlords who are already accredited with Rent Safe will not be bothered by this proposition if it goes through and they probably would not have been bothered either by the previous iterations, the licensing schemes, as well. It would have probably been an extra form they would have had to fill in once every 5 years; not too much to ask really. What it would have done is provided a level playing field for them, and for them not to be tarred with the same brush as the bad landlords that exist out there. It is the case that there are some extremely bad landlords out there who I encounter frequently as a constituency representative. I have constituents come to my drop-in surgery, which I hold every week, and show me pictures of the state of property because it is not maintained properly by the owner of that property.

[17:15]

I had a fantastic one earlier this week, Sir, that, as an experienced lawyer, you might find interesting where somebody showed me a copy of their tenancy, which quoted the Landlord and Tenant Act 1954, which is extremely funny because that is not a Jersey piece of legislation. It has no application in the Island whatsoever, but there are jokers out there frankly who are putting that in Jersey contracts; completely at odds with Jersey law. That practice does exist out there. There are people who are being made to suffer because that practice and that standard is not being raised by the current mechanisms that exist. Theoretically, of course, they could still go through Environmental Health and make a complaint but they do not in many instances. They do not because they believe they will be subjected to a revenge eviction, they will end up homeless, and they end up with nothing at the end of it. That is why it is so important that whatever regime we have for minimum standards is a proactive system, not a reactive system, because then it takes the burden away from that person who is in the landlord/tenant relationship. It is the tenant who is the weaker one in the relationship because they are the one who stands to lose the roof over their head if things go wrong. They are often not in a position to be able to complain. That is why having some stronger system would be much more effective and a register simply will not cut it. Only some form of licensing scheme or what is being proposed here, which is to make this compulsory, would achieve that as well. It is something that for so many good landlords out there who would not be affected by it at all, some of those landlords who are at the margin, perhaps those who think they are good landlords and are well-intentioned but, through no fault of their own, just maybe are not quite up to date on what the legal expectations there are of them, will go to apply, they will go through that process and they will very helpfully, and free

of charge, be told you need to improve this, improve that, sort that out. They can do that and they will have saved themselves in the long run probably a lot of bother. For those at the very bottom end we will have the option to kick them out of the market and say: “You are simply not a competent enough person or actor in this industry to do that” and if that means they sell their property ... I am unconvinced that that is some sort of tragedy either. They can sell their property either to another landlord who will do a good job. Brilliant. They may sell it on to a developer, if the property is in such a poor state that developing it is the only option. I do not see why that is such a bad thing either, to get better quality housing at the end of it. Or, and this is my favourite one, they will sell it to somebody who ends up being an owner/occupier. So a greater opportunity out there for people to own their own homes and get the stability that that provides. There simply is no down side to that. Have the worst operators in the market leaving it, to be either replaced with stronger ones or to provide more home ownership opportunities for other people. I cannot see where the losers are in that scenario. With 27 seconds left to go, I would like to ask Members to support this proposition from Senator Moore as our fourth attempt in this electoral term to do something. If we do not, do not be surprised when you go to your voters in the election to have them ask you why you did nothing, literally nothing, to improve standards in rental housing. I would urge Members to support the proposition.

The Bailiff:

One second to go, Senator.

6.1.13 The Connétable of St. John:

Today I arrived with an open mind on this topic. Shortly after he was elected I was happy to support the Minister for Housing and Communities when he asked for more time. Here we are again being asked for more time. Earlier today we were asked by the Minister for Treasury and Resources to support legislation to make things fairer. I voted for that despite my concerns about the timing of the debate. We own the company that is the biggest landlord in Andium. They have done a great job in improving their standards within their portfolio. Housing associations will then take up a large number of units. So what are we actually looking at? We already have 2,000 on the list. What are we actually looking at? We have heard about 20 extra staff being required. But what about technology? What about productivity? What options have been considered to get these properties registered and registered in good time? We had an interesting comparison earlier around the Eat Safe scheme being compared to a Michelin star. Well, the Eat Safe one star is a minimum standard and the Rent Safe is about minimum standard. It is not about luxury accommodation, although those people who rent luxury accommodation deserve the same protections. I would have preferred if the report had looked at potential alternative solutions rather than just obstacles. The proposal is not an overnight solution. I would suggest that there could still be dialogue with stakeholders as any legislation is drafted. I ask Members, would we be looking to delay this if it was health and safety legislation? Would we be looking to delay this if it was employment law? Would we be looking to delay this if it was legislation regarding financial services? We should be finding solutions. How can large landlords register multiple units in a short period of time? The proposal does not have a timescale for the legislation to be brought forward surprisingly. While I acknowledge Senator Mézec’s comments about some bad landlords, let us not forget the vast majority of landlords are good and they provide good quality homes for Islanders. There is, as we heard earlier, far more work required to promote the awareness for both tenants and landlords about their responsibilities because tenants also have responsibilities, but I am shocked when I talk to landlords who are not aware of their responsibilities, for example, around electrical testing and so on. At the moment, I am with Senator Vallois in terms of being on the fence, and I look forward to deciding which side I fall.

6.1.14 Deputy K.F. Morel:

It has been very interesting and a very good debate. I do fear that people misunderstand, whether it is this proposition or its predecessors. This is not minimum standards. The minimum standards are already there. That is the law. Minimum standards are the law. This does not improve minimum

standards. This does not change that law. Any suggestion that this is about health and safety or employment law analogous to that, it is just not correct. We have a minimum standards law, as was expressed earlier, 2018. Those minimum standards have been there for almost 4 years now. They are quite rightly there. Those laws which already exist are analogous to health and safety in employment laws, and so on and so forth. It is important that people understand that. I will tell you what this is about, because I was on the Scrutiny Panel when the Minister for the Environment came to talk to us about why, in previous versions of this, he was going down those routes and we did a very thorough scrutiny on it. But the Minister for the Environment said quite simply he wanted to know where the rental properties were. I think everyone on the panel agreed with him. That is information that would be very useful to have. But what he brought out through the licensing scheme was not something which showed him where the properties were, it did a lot more than that, and that is where the problems arose. The bit I am struggling with here is again, because I want to support this, we need or the Minister needs to know where these properties are, he does not need more than that. Anything more than that requires more people to be hired, Government to grow again, more regulation and, now we know, 20 people to inspect these. Why do they need inspection? Grandfathering does not work for this because we know there are at least 8,000 properties, or we believe there are at least 8,000 properties, which are not on the scheme at the moment so they cannot be grandfathered in. He would have to, at the beginning of this, when the law came in, *et cetera*, inspect all 8,000 properties. That is an enormous undertaking. My concern is, is that we are a tiny Island. As I keep saying, do not grow government, government is getting bigger. Why is the public service one of the strongest performing sectors in the economy? It should not be. Why has the public service grown so quickly over the past 3 or 4 years? It should not be. If that is what we want then why are we going to be bringing in legislation which requires us to hire more and more people to enforce things? We know as well at the moment that the Minister for the Environment is completely failing in his requirement to enforce planning laws because his planning enforcement team is massively under-resourced. How is he going to do this? I hope to speak to the proposer overnight to understand a bit more because I want us to know where these properties are, I want the Minister for the Environment to have that information. That he can, should he wish to inspect a property, go in there and inspect it because he knows where it is. The problem, he has constantly told us - he told us in Scrutiny - was not knowing which properties are rental and which properties are not rental. That is where I keep falling down. It is where I fell down on the licensing proposals that were brought in before. It is not that I do not want us to know where these properties are; I actively do. I do not want us spending millions pounds of taxpayers' money inspecting properties needlessly. That is what I find annoying. That is what I find really difficult to live with. That is the bit I am still struggling with, it just seems so - I do not like this phrase because it is used so much - the old sledgehammer to crack a nut, and that feels where we are. It is where I felt when we were discussing the licensing of commercial vehicles earlier. The other day I read that we want to rezone 2 fields near the airport for a vehicle testing centre. This is all enormous stuff. This is all more requirements, more inspections, more regulation, more people needed in the public service. We do not have enough staff, as I said in the previous debate, even to staff our existing businesses, our existing public service, our existing organisations and charities. How are we going to staff this? I will tell you how we will staff this? By paying loads of money far over the odds to a chap to do the job. These are the bits that I find incredibly difficult to cope with when it comes to wanting to ... and believe me I know, if I vote against this the Reform Party members to my right will go online, will slap a photo online with a target - a target - over my face. If that is not an incitement to violence I do not know what is.

[Interruption]

The Bailiff:

I think that is crossing the line in terms of ...

Deputy K.F. Morel:

But that is what happened last time, Sir.

Senator S.Y. Mézec:

No, it is not.

The Bailiff:

I did not see anything. I am not in a position to say one way or the other.

Deputy R.J. Ward:

Sir, I apologised earlier for a comment I made, it would be nice if we had the similar courtesy.

Deputy K.F. Morel:

I have seen the photo with me surrounded in bright red: "This is a landlord who voted against the licensing scheme." If the implication was not there the implication was not there. But I believe it was because I looked at that and I actually felt frightened. I am allowed to feel frightened. I cannot be ashamed for that.

Deputy G.P. Southern:

It is nothing to do with us.

The Bailiff:

No, this must stop. This cannot be exchanged. I understand feelings are running high but this must not be an exchange between Members. All comments must be firstly made through the Chair. Quite clearly, Deputy Morel, you have suggested that you had, in effect, a picture up, put there by Reform. The members of Reform in the Assembly have indicated that it was not them that did it. The Chair is not in a position to resolve that one way or the other. I think that has to stay where it is. If you would continue with your speech.

Deputy K.F. Morel:

Absolutely, Sir. Thank you. There are clearly these implications that are made if someone votes against this. I do not want to do that. I do not want that to happen. But at the same time I do not want us to be spending millions and millions of pounds inspecting properties which do not need to be inspected because the vast majority of these properties will not need to be inspected because they will be fine. We need a register; that I know. We absolutely do need that. Do we need larger licensing schemes? I worry if we go down this road, again, we are piling, we will need greater taxation, we will need more people to come in. We will need to grow again this government, the public service, in order to finance this, to do this. I am also struggling. I want to support this but I am really struggling because I worry about what it means again for our Government and where the Island is going in terms of making it very difficult for people to operate here. Whether it is entrepreneurs who want to start businesses but find it difficult because of the excessive regulation, whether it is all the areas I have met, the vehicle licensing and the vehicle inspections. I do worry about how we are going with government and I worry how this grows government again. But I will keep listening and I hope there are more people to speak. I will keep my mind open but that is the hurdle that I need to get across in order for me to vote for this.

The Bailiff:

We have now reached the point where Standing Orders require that I ask the Assembly if it wishes to continue. Deputy Maçon has proposed the adjournment. The Assembly will stand adjourned until 9.30 a.m. tomorrow morning.

ADJOURNMENT

[17:30]