

STATES OF JERSEY



STATES STRATEGIC PLAN 2009 – 2014 (P.52/2009): FIFTH AMENDMENT (P.52/2009 Amd.(5)) – COMMENTS

Presented to the States on 1st June 2009
by the Council of Ministers

STATES GREFFE

COMMENTS

(1) **The Council opposes Part 1 of this Amendment.**

The Council of Ministers believes that the Deputy's proposal would be difficult, if not impossible, to implement.

As the natural growth (i.e. more births than deaths) of the existing population over the short to medium term is on average 240 per annum, the population will continue to grow even without any additional inward migration.

Accordingly, a proposal to cap the population at current levels raises the issue of what policy would be required to make sure that enough people left the Island to cancel out this natural growth. This also raises questions as to who would be asked to leave, how this would be implemented and how achievable this would be in practical terms.

Putting this aside, the Amendment focuses only on the level of the population and ignores the fundamental issue of the shift in the makeup of the Island's current population over time towards an ageing society. If not addressed, this will have significant implications for the way we live in Jersey.

Section 3 of the policy illustrates the chronic long-term implications on the Island of ageing the current population. This identifies that by 2035 there will be fewer people of working age (-21%) and double those above pension age (+110%).

The Council of Ministers believes that this Amendment would, in the long term, lead to a crucial shortage of workers within the Island. There would also be real danger of a downward spiral of reduced economic activity and rising taxes, which could see more people leave the Island, making the situation worse.

Progressing this Amendment as a long-term strategy is a recipe for economic decline that would mean further population decline, fewer jobs for local people, higher taxes and cut backs in public services – all contradictory to the other key objectives of the Strategic Plan. The Council of Ministers believes that this would be an unacceptable position for the Island.

The Amendment goes on to suggest that the ageing population cannot be 'wished away' by bringing in more people. The Council of Ministers entirely agrees with this statement. This is why its population policy makes it absolutely clear that the ageing population must be addressed through a balanced set of policy initiatives, including maintaining the working population, increasing the economic value generated by those in work and Islanders paying more in taxes and contributions.

Modest inward migration is only one part of a range of other policy initiatives identified within the States Strategic Plan.

The Amendment also implies that the £10 million fiscal contribution made by the proposal is so small as to make it not worth pursuing. The Deputy misses the point that it is the level of the working population that will determine the

extent to which other policy initiatives will be effective. The Council of Ministers' proposal is regarded as the minimum required in the long term to maintain the working population in the Island. The fiscal contribution to which the Deputy refers is that, *on its own*, this level of inward migration would *also* make a contribution to reducing the deficit.

At the heart of the policy is a desire to achieve a sustainable population, one which ensures the social well-being of Islanders is maintained whilst protecting the Island's precious environment and supporting the economy. The population policy must achieve a balance between social, environmental and economic policies and cannot simply focus on one particular aspect, such as the environment.

To address this overall balance requires a long-term, rather than a short-term, view. The Council of Ministers' policy proposal takes a long-term view of the need to maintain the working population and provides the States Assembly with the opportunity to review this on a 3 year basis. By taking this long-term view, the Council of Ministers believes that it can address the need to maintain the working population whilst ensuring that population levels are, and remain, sustainable.

The Council of Ministers believes that any proposal for population which fails to achieve the right balance between social, environmental and economic policy is not sustainable in the long term. The Council of Ministers firmly believes that Deputy's proposal fails to address this balance.

The proposed policy has been subject to detailed analysis. This work has identified that, in the long term, +150 heads of household is sustainable in terms of government services, infrastructure, the environment and the provision of housing. Detailed analysis of housing demand and supply has identified that sufficient capacity exists within a range of urban areas, within and outside St. Helier, brown-field sites and opportunities for regeneration to meet the predicted housing demand. Not all this capacity is within the town area, but it is clear that an emphasis on quality urban living will be an important feature of future housing supply.

The Deputy states that growing the population would have an effect on the quality of life in Jersey – presumably a negative effect. The Council of Ministers believes that a society with fewer younger people, a lack of employment and educational opportunities and reducing support to society from government would have a far more detrimental effect on quality of life in the Island.

The Deputy also states that his Amendment is 'in line with public opinion'. Whilst there is no doubt that inward migration has been the most contentious issue throughout consultation and there remain polarised view on the subject, it is difficult to agree with this statement. Section 4 of the Population Policy identifies some of the consistent messages identified as a result of the extensive consultation undertaken by the Council of Ministers on the issue of the ageing population. The Council of Ministers believes that there is qualified acceptance of controlled inward migration which does not have undue impact on the character of Jersey, its culture, countryside and environment. The

Council of Ministers firmly believes that this is what the proposed population policy achieves.

In summary, this Amendment appears to be unworkable and serves to ignore the fundamental issue that the Council of Ministers is seeking to address – the inextricable shift in the makeup of the population towards an ageing society. The Council of Ministers believes that this would be an unacceptable position for the Island and urges the States Assembly to oppose this Amendment.

(2) The Council accepts Part 2 of this Amendment.

The Deputy seeks to commit the States to evaluating Peak Oil and Climate Change on an ongoing basis and report to the States annually on impacts on policy for Jersey.

What is being proposed is an action arising from the strategic aim of implementing an Energy Policy. This is already included in the Plan under Priority 13 (page 28) and this Amendment is therefore technically in the wrong place.

Progress against the Energy Policy for Jersey will need to be reviewed and reported on annually. Any work to evaluate the use and cost of oil within the economy will be part of that policy. The Council of Ministers accept the Amendment only on the basis of monitoring at a level commensurate with existing resources within the work currently planned for the Energy policy.

(3) The Council accepts Part 3 of this Amendment.

Current environmental initiatives are dependent on the introduction of environmental taxes to match the current modest level of environmental spend. Whilst the Amendment is accepted, the Council believes it would be inappropriate to further increase environmental taxes until the economic climate improves. Consideration of increased charges or taxation must be taken in the broadest context and properly prioritised so as not to place an unfair burden on the taxpayer.

(4)(a)–(c) The Council accepts Part 4 of this Amendment.