

## **2.10 Deputy J.A. Hilton of St. Helier of the Minister for Economic Development regarding the use of non-locally qualified licenses:**

What action, if any, is the Minister able to take to ensure that those employers who hold vacant non-locally qualified licences, and who are therefore in a position to employ people newly arrived in the Island, offer the post to locally qualified persons?

### **Senator A.J.H. Maclean (The Minister for Economic Development):**

Under the current Regulation of Undertakings (Jersey) Law, businesses are granted 3-year licences which, unless there is a breach of the law, cannot be revoked or changed. However, over the past 12 months, in order to support the rising number of local job seekers, the Population Office, during the process to review and renew licences, has very carefully considered unutilised licences. The Migration Advisory Group and Population Office have been reducing the number of licences for non-locally qualified persons in the economy in response to the economic climate. From a number of 9,100 at the end of 2009, the number of non-locally qualified licences was reduced to 7,346 by the end of 2012, a reduction of 1,754. This work will continue, including using the new powers under the Control of Housing and Work (Jersey) Law which will allow us to revise licence capacity at any point. What we will not do, however, is to restrict high value or growth businesses who demonstrate that they need specialist skills that are not available locally. These businesses are critical to our economic future and importantly, through their success, create job opportunities for locals.

### **2.10.1 Deputy J.A. Hilton:**

I thank the Minister for his answer. The reason I asked this question was because it came to my notice from a constituent, and this was put in the public domain, that they had gone for lunch in a pub operated by a local brewery and were very, very surprised to find that the young lady who served them had only been in the Island 2 weeks and had walked into this job. They were really disappointed by that, so this is why I have asked the question. We have over 2,000 people unemployed in the Island but it seems that local companies are still employing people who have just come off the boat. Could the Minister address that point, please?

### **Senator A.J.H. Maclean:**

I share the frustration of the Deputy and she has alluded to where the focus of the problem is in terms of non-locally qualified, which is in industries such as hospitality, such as agriculture and such as retail. It is where businesses have, as has been explained before, licences with an allocation of non-locally qualifieds and, of course, if somebody leaves that post, that allocation is still in place and can be replaced, and so the example the Deputy has referred to is simply that. It is a replacement, I suspect, although without knowing the detail of the individual company. I am very happy to ensure the department investigates, but these are the sorts of examples that we hear and I understand how frustrating it is, but we are working very hard to ensure we get local people who are unemployed back into work. There are a whole stream of ways in which that is being done which the Deputy and other Members are well aware of.

### **2.10.2 Deputy J.A. Martin of St. Helier:**

It might not come under the Minister's remit but I think it does. Are all licences flexible, because I note that we have X amount of people out of work and I note we have many full-time jobs that are unfilled, such as in the catering industry where part-time would maybe employ 2 people. So is the licence per person, or is it flexible enough to be 2 people, whether qualified or unqualified?

### **Senator A.J.H. Maclean:**

Technically speaking, there could be 2 people so the Deputy is right in that respect. I mean the bottom line on this is that however hard we work, and the issue and the real gain here is job

substitution. What we need to seek to do is to encourage more local people to go for jobs in hospitality, retail and agriculture. That is where there are jobs available. That is where we have, for decades, been bringing people and their families into Jersey. So more local people need to be prepared to do those jobs. There are opportunities, and I know my colleague at Social Security and his Back to Work team have been working really hard. The hospitality programme, for example, seeking to offer training to local people to encourage them to go into the hospitality sector, is one example and there are many others. But it is not going to be an easy job necessarily.

### **2.10.3 Connétable A.S. Crowcroft of St. Helier:**

Is the Minister aware of local businesses that are being frustrated in their efforts to grow their business, especially in the hospitality sector, by the fact that there simply are not people with the suitable skills and experience available in the local job pool? Will he show flexibility and encourage the Population Office to show flexibility in allowing those businesses to grow at a time when we really need them to?

#### **Senator A.J.H. Maclean:**

As the Minister for Economic Development, I want to give the opportunity for every business to grow in whichever sector that may happen to be. The Connétable is perfectly correct. There are frustrations within hospitality and retail sectors who find difficulty because they are being pressed to employ local people, and they tell us consistently that they get local people coming for jobs who are not up to meeting the standards that they require, or who will not stay the course in terms of working in hospitality, which is unsociable hours, weekends and so on. It is a very difficult balance. If you are running a business you want to employ the person who is going to do the job for you to ensure you can keep the business going, to ensure you can be profitable and to ensure that you can continue to employ the local people, which are still an important component of that particular business. It is a very difficult balance.

### **2.10.4 Deputy R.G. Le Hérissier:**

Can the Minister confirm that the view he put forward at the beginning, that he is not in a position to withdraw these licences until they naturally expire, so to speak, has been legally tested?

#### **Senator A.J.H. Maclean:**

That, frankly, is a matter that will be addressed in the new law which is coming into force on 1st July, so I trust that will be the case. What we have been doing, as I pointed out, is taking out capacity when licences have been coming up. Of course, there is a rolling programme. Licences come up all the time and capacity has been taken out on a regular basis since the economic climate has deteriorated.

#### **Deputy R.G. Le Hérissier:**

I wonder if the Minister could answer the question. Has it been legally tested that he is unable to terminate the large number of licences currently existing in the system, which are undermining the move to the localisation?

#### **Senator A.J.H. Maclean:**

I am not aware that it has been legally tested but, as I say, the new law comes into force in July and I suppose that will give absolute certainty of that particular question.

### **2.10.5 Deputy G.C.L. Baudains:**

There used to be a differential. I cannot remember if it was 5 per cent or 10 per cent, whereby local people enjoyed a small advantage over people from outside the Island. Does the Minister

believe that a reinstatement of such a system would benefit local employment? If so, would it be possible to reintroduce it?

**Senator A.J.H. Maclean:**

I think the Deputy is referring to procurement issues where there was a preference towards local suppliers, which gave them an advantage of, I think, 5 per cent or 10 per cent as he says. I am not certain that it has been used with regard to employment in the past. I am not quite sure in practical terms how one would apply it, bearing in mind that the majority of business, well in fact all businesses, the majority of their employees are locally qualified.

[10:45]

**2.10.6 Deputy T.M. Pitman:**

I did not think you could see me there behind my little colleague in front. The Minister referred to antisocial hours as one of the reasons why these industries are frustrated, they cannot fill them. Does he not concede that his department, and not just his department but his ministerial colleagues, need to be doing something more on a living wage, to make those jobs realistic for people? Obviously, doing nothing should not be a lifestyle of choice at the taxpayer's expense, but we must ensure that there is an incentive for people to work and to fill those opportunities, to help boost the economy and to give people self-esteem.

**Senator A.J.H. Maclean:**

What I said was it was unsociable hours, I think. If I used the term just used by the Deputy, then I apologise but I believe it was unsociable. That is what I certainly meant. On the subject of living wage, I know the Deputy feels strongly about this issue, but from a purely commercial perspective, he has to realise that if we are using the example of hospitality, it is an export industry, and we are competing in a very competitive world. We are already an expensive destination in many respects. Businesses have to operate within the cost base of the Island as it stands at the moment and, as such, are working within the laws delivering and paying wages, meeting the minimum wage and, in fact, many, and I have seen examples, exceed the minimum wage. Nevertheless, they have little difficulty finding employment from people that have necessary skills, but also the desire and the culture to want to work hard for the employer, which is an important point, from people who come from outside of the Island. What we have to do is instil that culture into the local community. It exists in part. We need many, many more who pick up on that and we need to work hard to try and deliver it.

**2.10.7 Deputy J.A. Hilton:**

I have to say it is most disappointing that a local brewery like Randalls should see fit to employ somebody who has literally only been in the Island for a couple of weeks. Extremely disappointing. You spoke briefly about the Back to Work scheme. I listened to a young man on the radio yesterday, local young lad, 20 years old, who was saying how well Social Security, the Back to Work scheme, had worked for him and how encouraging that was to get into hospitality. So when you hear of cases like this, where a local brewery is employing somebody who has literally only been in the Island for 2 weeks, it is unacceptable. What I would like to ask the Minister is whether he would consider putting a condition on all licences that when a vacancy becomes available by a non-qualified person, that that licence for that non-qualified licence, in effect, becomes null and void.

**Senator A.J.H. Maclean:**

That is a difficult one to adhere to and certainly I am not going to make a commitment in this Assembly, but I take the point raised by the Deputy. I understand the frustrations, particularly with regard to the company in question. There are others that do similar things. I was encouraged though, reading in the *Jersey Evening Post* at the weekend, a local construction

company making the point that they insist on local employment and they follow that through, and although we have heard a bad example today from the Deputy, there are many, many, many other companies that go out of their way to try and employ local people, particularly because of the existing economic climate. I think that is right. As a department, we also encourage local businesses to do exactly the same and we will continue to press that point.