

STATES OF JERSEY

Corporate Services Scrutiny Panel Population and Migration Review

FRIDAY, 16th MARCH 2012

Panel:

Senator S.C. Ferguson (Chairman)
Deputy R.J. Rondel of St. Helier
Deputy S. Power of St. Brelade
Connétable D.J. Murphy of Grouville

Witnesses:

The Minister for Economic and Development
Chief Executive of Economic and Development
Economic Adviser
Director of the Population Office

Also present:

Dr. P. Boden (Panel Adviser)
Ms. S. McKee (Scrutiny Officer)
Mr. W. Millow (Scrutiny Officer)

[09:19]

Senator S.C. Ferguson (Chairman):

Welcome to this hearing of the Corporate Services Scrutiny Panel on the Population and Migration Review, which we are undertaking. If I can draw everyone's attention to the code of behaviour for members of the public. It is displayed on the wall and, in particular, if I can bring your attention to the following. All electronic devices including mobile phones should be switched to silent and if witnesses' phones go off it will be a £25 fine to the Scrutiny charity fund. The taking of visual images or audio recordings by the public will not be permitted. If you wish to eat or drink please leave the room. Finally, I would ask members of the public if they would kindly not interfere with the proceedings and as soon as the hearing is closed please leave quietly. Members and witnesses may wish to make themselves available afterwards but any communication should take place outside the building. We have just updated our rules and regulations, it may be slightly different to when you were last here, but

we have a new Chairmen's Committee. For the sake of the witnesses, may I confirm that you have read and understood the witness statement that is almost in front of you? Minister, we seem to have somewhat of a dichotomy here; do you consider that population increase is an inevitable consequence of economic growth?

The Minister for Economic Development:

I think it would be virtually impossible to grow the economy organically, if I can put it that way. So there is going to be a need, there has to be a requirement for some immigration in order to deliver growth.

Senator S.C. Ferguson:

But as the Minister with responsibility for delivering the Regulations and Undertakings Law how do you ensure that your department can deliver on States' policies given the limitation there has been on immigration?

The Minister for Economic Development:

The drive very much in recent years has been for high value, low footprint businesses to be developed so any inward migration is, as far as we are concerned, demonstrating either economic or social value to the Island, and we apply that very neatly as far as the Regulation of Undertakings Law is concerned. We will continue to do so in the future, but the thought of no inward migration, for example, if that were a scenario that was deemed to be appropriate, would have devastating effects for the ability to grow the economy and more importantly to diversify the economy.

Senator S.C. Ferguson:

Who within your department has the responsibility for delivery of the law?

The Minister for Economic Development:

The Regulation of Undertakings?

Senator S.C. Ferguson:

Yes.

The Minister for Economic Development:

As Minister I have ultimate responsibility for the law.

Senator S.C. Ferguson:

How many people do you have in the department working on it?

The Minister for Economic Development:

The Population Office in terms of numbers of individuals ...

Senator S.C. Ferguson:

The Population Office is part of the Chief Minister's Department.

The Minister for Economic Development:

Yes, but currently there is a split responsibility and that is why we have the Migration Advisory Group, which consists, as you are well aware, of representatives of the Chief Minister, Social Security sit on it, and Housing and Economic Development. So it is a criss-cross departmental responsibility, which gives a more balanced outcome of the competing powers. It would be entirely inappropriate to have ... which is ultimately why the new Control of Housing and Work Law is going to sit in the Chief Minister's Department to remove the full control from Economic Development. It would be inappropriate for the department to have such control in isolation, which is why you get the balance currently from the Migration Advisory Group.

Deputy S. Power of St. Brelade:

Would you say, Minister, that the Chief Minister's Office is completely divorced from economic growth or economic development?

The Minister for Economic Development:

I would not say it is completely divorced, no. The Chief Minister's Department quite rightly has an overarching view of the activities of all departments and that is completely appropriate, but I think it is a much more appropriate place for it to be located under the new law, putting it in, for example, much as I would like to have all the leaves of control of immigration, it would make it much easier for a Minister for

Economic Development to fulfil the obligations of the department, which is to grow the economy, create job opportunities and so on.

Deputy S. Power:

So the answer to the question as to who has overall responsibility, the answer is 3 Ministers at the moment but in the future it will be one Minister, the Chief Minister, and he has some say in Economic Development. He does have a say in endorsing his Minister of Economic Development's policies.

The Minister for Economic Development:

He would endorse it, yes.

Deputy S. Power:

Because it would be impossible for the Chief Minister to be divorced completely from his Minister who has responsibility for economic development.

The Minister for Economic Development:

Yes.

Connétable D.J. Murphy of Grouville:

Going on to the census situation. Firstly I would like to say of course your department have my deepest sympathy about the result of the court case yesterday. That was very bad luck. With the last census results what was your reaction to the results and the fact that the population levels were much higher than the figures projected in the last Strategic Plan? We had about 10,000 more than we thought, I think.

The Minister for Economic Development:

Indeed. I think nobody wants to see the population level grow to the level that perhaps they have. Certainly it is disappointing but probably not surprising in some respects. That is why I fully support the new Control of Housing and Work Law because I think it puts in place far greater controls to be able to manage in the future population and immigration in an appropriate way. I think there were some failings in the current system, and I include in that our responsibility through Regulation of

Undertakings that do not give us and do not give the department enough ability to, in the past, be able to control these issues in the way that perhaps we would like to have done.

The Connétable of Grouville:

The last Scrutiny report on this, which was on 1st June 2009, did recommend there must be an inherently cautious approach applied to the allocation of unqualified licences but it just seems this is where the growth has occurred in the population growth, has it? Not J-Cats because J-Cats are much more tightly controlled, I think.

The Minister for Economic Development:

I think that is a fair comment. You can see from the statistics that, for example, the lower skills areas involving, for example, the hospitality sector, the agricultural sector, you have a far higher number of non-locally qualified people working in those areas than you do in some of the more professional areas, and those controls are effectual, for example, as you just pointed out, by J-Categories which are very closely controlled.

The Connétable of Grouville:

There was the actual result; what are you going to take away from these results for your future situation? You are committed to economic growth, how are you going to balance the 2?

The Minister for Economic Development:

Our policy within the department, and it will come out and be clearly identified within the economy growth strategy when that comes to the States for debate, and we have been applying this principle for some time. We are looking for high value businesses and we are looking for low footprints, and that has been our drive. I should point out that inward investment is a key element of diversifying the economy. It has been very successful to date. We have brought in something like 80 or 90 new businesses over the last 4 years. I make this point because it is a good way of demonstrating the importance of limited but appropriate inward investment and, importantly, inward migration. Of those 80 or 90 businesses it resulted in about 900 job opportunities being created, and from those the majority, more than 90 per cent, have created local

jobs. So 90 per cent of the 900 job opportunities are for local people. So it is bringing in essential businesses, entrepreneurs and investment, which drives diversification of the economy and growth. So it is important that we have the right immigration, we want to keep the numbers low but we want them to be high value.

Deputy S. Power:

I think the fourth census bulletin identified the areas of population growth and I think we saw there was a net increase of over 5,000 people from the Eastern Bloc, I am mostly referring to Poland, Romania, Bulgaria and those countries. I accept, as I have had some experience of the Migration Advisory Group, that the Regulation of Undertakings Law and the Population Law works very well with (k)s, (j)s, and that area but it does not seem to work ... we do not seem to be effective in controlling the 5,500 that come in, in that period. We do not seem to be able to control that because there is the free movement of goods and labour across the E.U. (European Union). So in terms of the new Control of Housing and Work, how much of a difference do you think it will make, because a lot of the people that have just come in, one final comment, may lose their jobs in the L.V.C.R. (Low Value Consignment Relief), et cetera, and we are going to be picking up those that qualify under the 5-year rule.

[09:30]

Your colleague, Senator Le Gresley, is going to pick up those, so what effect of changes do you see in the Control of Housing and Work that stops this flow which may carry on given the greater depth of recession in the Eastern European countries?

The Minister for Economic Development:

I think there are far more effective controls that are going to be in place under the new law. You have, for example, the registration cards. I mean an overarching comment is the level of detail and the interaction and sharing of information between departments. It is going to be much clearer, much more effective through that, so you have your registration cards, for example. You have the Population Register. All the facets of the new law are going to provide better oversight for departments, Ministers, to be able to control and have a clear understanding, but more importantly there is going to be the ability for enhanced compliance as part of it, so you can identify a

problem and you can do something about it, and these are some of the weaknesses that we see in the existing controls that are in place now. I would go on to add that I think that we have identified that it is certain, if I can put it this way, lower value sectors perhaps where there is more of a challenge in terms of immigration. We need to try particularly in the current environment of rising unemployment in the Island, which we are doing, to encourage local people to go for jobs that perhaps in the past have not been as attractive or have not, for some reason, got the same status associated with the Europeans. In Europe, for example, hospitality is something you are proud to be involved in - if you are a waiter or a chef or whatever it happens to be - whereas that is not the case in Jersey. So we have got a lot of work to do in all areas but we can get and should be able to achieve working with industry, which we have been doing with Jersey Hospitality to encourage more local people to go for these jobs. You are right, Eastern Europeans and others have the right of access but if we are finding the jobs are being soaked up by locally qualified people then that will make it much more difficult for them to find appropriate labour and so on.

Senator S.C. Ferguson:

So you are reckoning that we have a culture problem in that our local people will not pick up some of these jobs. Is this a culture problem because of the type of job or is it a culture problem because they are getting into a benefit lifestyle?

The Minister for Economic Development:

I think it is probably both, in truth. I think we need to work hard to overcome both those issues. We want to operate a benefit culture that is a hand-up, not a handout, and I think if we do not get that balance right then it becomes too comfortable, particularly for young people, to not be motivated to go out and find jobs that they perhaps do not feel are appropriate for them or at a level that they wish to, or an area in which they wish to work. In reality of course that is far from the truth because it can be a step up. You can take a job that may not be your ultimate aim and goal. I mean I am sure we have all done it. I certainly, when I was younger, did some jobs that I perhaps would not have imagined doing but it was the experience and it meant you were doing something, you had something on your C.V. (curriculum vitae) and you were earning some money. That is simply because my father would not let me sit around. A big boot up the backside ...

Senator S.C. Ferguson:

Did not do you any harm.

The Minister for Economic Development:

Some may disagree with that, but there we go.

Deputy R.J. Rondel of St. Helier:

How, as a Minister, do you propose to be able to achieve that? Places like the Co-op and Waitrose have a lot of non-qualified licences. How do you propose to encourage them to employ local people if they have still got non-qualified licences?

The Minister for Economic Development:

I think one of the points you can pick up on that is that under the new law you will have far greater flexibility. There is the ability to vary the terms where at the moment we are in a situation where businesses have applied licences over a 3-year term and we cannot alter that. Not that one would necessarily want to impose on businesses' changes, I am very much of the belief that you should work with industry because the majority of businesses are keen to work to the common aim to employ local people if they can, or the right people, and they are prepared to train as well.

Deputy R.J. Rondel:

So at the moment a licence cannot be changed unless it is a minimum of 3 years; just to clarify?

The Minister for Economic Development:

If a licence is in place for 3 years for a business and it is only part way through it, and they have a certain allocation of non-locals, we cannot do anything about that. When the licence expires, of course, and we do, we renegotiate. In fact there are numbers I have here, over the last 2 years quite a number of licences have been revised. In 2010 there was the removal of non-locally qualified staffing permissions from existing licences 565, and in 2011 375. Additionally, non-locally qualified requests were refused in 2010 390, and in 2011 334. So there are far more being refused but

importantly, taking your point up, we have taken away non-locally qualified permissions ...

Deputy R.J. Rondel:

Are you able to elaborate as to what sectors those would come from?

The Minister for Economic Development:

I think it is broadly across the board.

Deputy R.J. Rondel:

Is there any possibility you could maybe let us have that information?

Director of the Population Office:

I cannot provide it now but I can provide it, and it is across the board and it is as the licences come up for renewal every 3 years. I will do some analysis.

Deputy R.J. Rondel:

That would be very useful, if you would not mind, thank you.

The Connétable of Grouville:

Just one more question, if I can ask it, and that is in view of the L.V.C.R. problem at the moment, I was astonished when we were told at our meeting with the Treasury that they estimated that 80 per cent of the people working in that industry were locally qualified people and only 20 per cent were coming in from Eastern Europe, places like that. In my mind, I think I had somehow come to the conclusion the opposite would be the case but it is not, is it?

Chief Executive of Economic and Development:

No, it is 83 per cent, I think, on the figures that we had from the middle of last year are locally qualified, i.e. more than 5 years' resident, and a very significant proportion of those, the majority are either Jersey born or British. So the view that there is - we made this point in the broad case - this is an industry populated by migrant labour is not correct. Neither it is correct, I think, Deputy Rondel, to assume that companies like Waitrose employ the majority of their staff as non-locally qualified.

Deputy R.J. Rondel:

I did not imply that.

Chief Executive of Economic and Development:

Because the majority of the people who do work for them, and Waitrose is a good example where they took on everybody who worked for the previous company and employed 200 more people, we were very strict with them at the time on the number of locally qualified people that they had to employ and they made best endeavours so to do, so they are not reliant.

The Connétable of Grouville:

This of course turns our argument on the head that in fact the local people are not looking for the work, and the sort of dependency culture that exists when in fact we have got a lot of local people, 83 per cent as you say, taking up low paid jobs in a low qualified industry. The argument now has to be ...

The Minister for Economic Development:

I would not say it turns it completely on its head because if you look in the hospitality sector, say restaurants, hotels, bars, and agriculture ... take agriculture out and say hospitality, there is around about 3,000 non-locally qualified. It is by far and away the highest number of non-locally qualified.

The Connétable of Grouville:

Are you going to encourage people to move from L.V.C.R. into hospitality?

The Minister for Economic Development:

We are. In fact, one potential, I would not like to use the word “silver lining” quite, but certainly an opportunity is that a number of people have been made aware who are in the L.V.C.R. industry, have previously had experience in hospitality, hotels and so on, and that is why we are working with businesses, and we are also working with the Hospitality Association to hopefully be able to transfer some of those people back. Certainly a lot of the work is seasonal, as you will appreciate, but fortunately we are

coming into the season, so we hope to be able to offset some of the immediate losses through the seasonal into hospitality if we can.

Deputy R.J. Rondel:

Given the 2011 census will not be completed until June/July, what measures do you think should be proposed in the new Strategic Plan in relation to population and immigration?

The Minister for Economic Development:

I think the new Strategic Plan, which the States have yet to debate clearly, is going to make it clear that population is a priority in immigration and it is continuing very much of the same - when I say “the same” I mean the recent same - insofar as under Regulation of Undertakings we now take a much firmer line. I demonstrated a number of refusals on non-locally qualified, for example. It is more difficult, rightly so, much more difficult for businesses to achieve additional non-locally qualified or, for that matter, J-Categories or other staffing levels, they have to prove the economic value and social value, and so on. That is as it should be. They have to prove that there is no appropriately qualified local people for the role in which they are seeking to find employment.

Deputy R.J. Rondel:

The population policy agreed by the States in 2009 allowed for inward migration of an average of 150 households on a 5-year rolling average and set an overall limit for the Island’s population of 100,000 people. In light of the census results is a new population target going to be set in the Strategic Plan debate?

The Minister for Economic Development:

At the moment the census results are still being assessed and there is quite a bit of work to be undertaken as a result of that. As such, I am not certain that a target itself can be put into the Strategic Plan because we would be seeking to put a target in place before all the necessary data had been properly analysed. That in itself, from a timing point of view, presents a problem.

Deputy R.J. Rondel:

Do you think the Council of Ministers should set specific limits for total population?

The Minister for Economic Development:

I think we need to be aware of the targets that have been set previously. I think the issue is not so much the targets that have been set previously, it has been the ability to apply those targets and to monitor them. What I am comfortable about is the fact that when the new Control of Housing and Work Law comes into place, as I have previously mentioned, there are mechanisms within that to allow proper control of housing to the population situation.

Deputy R.J. Rondel:

To the existing limit?

The Minister for Economic Development:

I think that was an appropriate target at the time. I think, certainly from my perspective, it is not an inappropriate target, as we sit here today.

Senator S.C. Ferguson:

But if we have a larger population, I am looking in the context of the Strategic Plan, then we will need more services and more staff. So that we have got the economic growth, we have got a larger population, we need larger services, more staff, so our public services we are either, if we are going to keep within budgets and so on, going to have to reduce public services or it is going to cost more and we may have to put up taxes. Is this genuine growth? How do you cope with your side of fitting into the Strategic Plan when your growth is going to lead to larger population?

The Minister for Economic Development:

If you look at the Regulation of Undertakings Law, of which I have direct responsibility, the key to that is managing demand on the Island's resources. So that makes it fairly clear that decisions taken have to take into consideration the wider impacts on the Island. So it is not just foot to the floorboards growth at all costs without considering some of the issues that you have talked about. I would not necessarily say that you have to have increased numbers of staff, and so on and so forth, if you manage carefully your population. I think if you let rip on population

you would have the sort of scenario you are describing. But I think if you carefully manage it within the lines that have previously been discussed, then that can be controlled within the limitations and abilities of the Island's infrastructure.

Senator S.C. Ferguson:

But if we carefully manage it, as you have just said, how come we have just got 98,000 in the Island instead of 92,000, after all you do have Reg. of Uns. under your ...

The Minister for Economic Development:

Absolutely, and I think I made the point earlier on that the Regulation of Undertakings and the other mechanisms used for oversight and control of immigration and population have had their flaws, do have their flaws. The point I made is that the new Control of Housing Law that is coming in in the summer has the necessary, in my view, mechanisms in place to much more effectively control and have oversight of immigration and population to ensure the target set can be met.

Senator S.C. Ferguson:

How many prosecutions have you had under the Regulation of Undertakings over the last 5 years?

Director of the Population Office:

We have had no prosecutions over the last 5 years.

Senator S.C. Ferguson:

So you have not been checking it?

Director of the Population Office:

Yes, we do check it.

Senator S.C. Ferguson:

How come you do not have any prosecutions? I cannot believe that everybody is whiter than white. Life is not like that.

Director of the Population Office:

Life is not like that but equally businesses do make mistakes in terms of whether their employee is local or non-locally qualified so we can assess them in compliance. As the Minister said, we do have flaws in our law in terms of the ability to bring prosecutions in terms of the information and the legal powers, which is why all our focus has been on ... we have focused on developing a new law with the right legal powers so that we can identify non-compliance and then we can effectively prosecute.

[09:45]

Deputy R.J. Rondel:

Is that law part of the new housing law or is that going to be a separate law?

Director of the Population Office:

The Control of Housing and Work Law has the new powers in it in terms of more information, more gate-keeping in terms of employers. We absolutely clear the residential status of their employees, hours around ordering, activity to cease where we find non-compliance and better ability to refer to the court to bring the prosecutions that we want, where there is wilful neglect of the law.

The Minister for Economic Development:

One of the key issues is that under the new law we will be able to focus on compliance, which is effectively what you are referring to, and it will reduce the administrative element, so we can much more effectively target resources.

Chief Executive of Economic and Development:

It is worth mentioning that the Regulation of Undertakings licences control the working population, which is not the same as population, which is another thing. I think just going back to your earlier assertion about the increase in economic growth and increase in population, and particularly increasing cost to the public services, inherent in your thesis of course is the public sector is at capacity and cannot be made any more efficient in dealing with additional population. There is no direct evidence that there is a direct link at the moment between adding population and increasing the

public services, because I think there is no direct evidence to suggest the public services are at capacity.

Senator S.C. Ferguson:

Absolutely. I think we probably agree on that one.

Deputy R.J. Rondel:

Have you updated dates for the new Housing Law to come into effect? It was supposed to be the middle of the year.

Director of the Population Office:

We said 12 months after the States approved the law, which they did last July, so our objective is this July.

Deputy S. Power:

Has it come back from Privy Council?

Director of the Population Office:

It has not come back from Privy Council yet.

Deputy S. Power:

Has the Residential Tenancy Law come back from Privy Council?

Director of the Population Office:

It has.

Deputy S. Power:

That was 2009.

Director of the Population Office:

Can I just make one more comment on non-compliance? You say everything is not whiter than white out there. It is not, but the vast and significant majority of businesses do seek to comply with the law and when we do get complaints we find they are compliant with the law. So our experience is not of vast non-compliance. It

is not even experience of significant or marginal non-compliance, but very limited non-compliance.

Senator S.C. Ferguson:

That is interesting.

The Minister for Economic Development:

But those are the ones of course one hears about.

Senator S.C. Ferguson:

Obviously, yes.

Deputy S. Power:

One final comment on this, Chairman, before we move on, the Director of the Population Office has had no compliance powers in the Reg. of Uns. Law and he has had no compliance budget.

Director of the Population Office:

I think it is fair to say we do have compliance powers but they are nowhere near where we want them to be. We do have a compliance budget but because we do so much administration on the Reg. of Uns. I do not think it is enough. When the new law is in, as the Minister said, we are going to cut out a lot of the superfluous rules in the Reg. of Uns. and we are going to refocus those resources on to compliance. We have now got one compliance officer, I would expect us to have 3, under the new law. So you have got a significant ramping up of our resources and our powers and our information. This has really been our focus to make sure we can do this under the new law.

Deputy S. Power:

We could talk for half an hour on this, but we will not. Can I move on, Minister, to population and migration policy for the future? During the Business Plan debate for 2012 there were a number of assumptions made in that debate because it did not have the result of the census. We now have the results of the census and there has been a reference by the Chief Minister and the Minister for Treasury and Resources with

regard to population modelling, which is being undertaken at the moment. Will this population modelling be concluded before the debate on the Strategic Plan?

The Minister for Economic Development:

As I understand it, the answer to that is no. I believe that to date it is estimated that that model be complete by the end of the year.

Deputy S. Power:

Would you suggest that we are almost in a position where we are driving into a blind alley by debating the Strategic Plan without any idea as to where the Council of Ministers are on population modelling and the position the Council of Ministers will adopt on that?

The Minister for Economic Development:

I think to have a meaningful debate on population and immigration at this stage, without the model being in place, we would certainly be having that debate blindfolded and I think that would be thoroughly inappropriate. The timing is certainly unfortunate that we do not have a model in place but nevertheless we do not. We have to work with the timetable that is available.

Deputy S. Power:

It seems to me you are in an extraordinary precedence of having major debates just before we have relevant data, such as a census, such as the Chief Minister's assumptions on population modelling; here we go again.

The Minister for Economic Development:

I mean it is unfortunate that under the law the Strategic Plan has to be debated at the very latest in May. The timing from the census are very clear. Clearly that has to be properly assessed. The quickest it can be done in terms of the modelling is, we are told, the end of the year.

Director of the Population Office:

The only thing I would add is if we are setting population and immigration targets it seems absolutely essential that we base it on sound data, i.e. the census. The only

other thing to add is that the laws that we apply, the Reg. of Uns. Law and the Housing Law, are not just there to achieve a population target. They are also there to do other things, i.e. to ensure that our locally qualified people have access to work so that demand on housing is not excessive. So there are other indicators to which we apply those laws.

Deputy S. Power:

You said the demand in housing is not what?

Director of the Population Office:

Excessive.

Deputy R.J. Rondel:

Do you think we should have a census in a shorter period than 10 years or some other way of monitoring the population?

Director of the Population Office:

The Population Register is absolutely what we need. The Minister said again we need information on an ongoing basis so that we can monitor our performance against whatever targets are set.

The Connétable of Grouville:

I think as a matter of information you might know that the States refused to go ahead with the previous census. We were going to have one on a 5-yearly period and the then Government, it was ...

The Minister for Economic Development:

The Chief Minister before last.

The Connétable of Grouville:

It was put to the States and we voted to delay the census until the last one. So it was after 5 years where we obviously lost complete control, which was a big mistake.

Dr. P. Boden:

I have been here a number of times over the last 5 or 6 years listening to this debate and these issues of controlling the economy and controlling the population simultaneously is extremely challenging. The situation in the U.K. (United Kingdom) at the moment, economic conditions are pretty dire but the levels of registration of economic workers coming into the U.K. has risen quite sharply in the last 12 months. That is quite significant in terms of levels of control, whatever those control elements might be. I was just querying the issue, we talked quite a lot over the last 5 years regarding the importance of the Population Register to the new mechanisms of control. Now the Population Register will take some time to implement, a number of years - 3, 4 - I do not know how many years that is going to take, but there is going to be some time before the register is actively working, and making it work is quite challenging, getting everybody registered and getting a definitive number of people on to that register, so you are using that as your measure of population. I am just intrigued by the short term really. The short-term situation is quite challenging I think for Jersey in terms of you have got control mechanisms at the moment which do not appear to be controlling the level of growth, which means that over the next one, 2, 3 years are conditions, as they are at the moment, likely to continue? Or does the new law enable, in the short term, greater control to be implemented of a population growth?

The Minister for Economic Development:

I think it does. Your points are well made but I think overall the law will help to give more of an oversight and closer control. For that matter, of course contained within it are the mechanisms of Regulation of Undertakings albeit under the new emphasis of the new law structure and within that, as we are currently at the moment, we are applying a far tighter control on business ability to employee, particularly non-locally qualified people, demonstrated by the statistics over the last 2 years. The latest statistics that we see will be even tougher.

Economic Adviser:

Can I just add one thing; we just need to be careful assuming that what is happening in the U.K. may be happening in Jersey. Obviously we have got different economies, different cycles but also we have got different controls in Jersey in terms of how easy it is to come here and live, for example. But also in terms of it is very important, you

are spot on, in terms of understanding what has happened over this economic cycle, and what we are really waiting for is the work from the Statistics Unit to analyse the data from the census so we can say what has happened over the cycle, what has been happening in the first few years, what has been happening in the last few years, and what might we expect to happen, given economic conditions at this point in time, but also given things like that to work, where there really is a focus on job substitution and controls we have got over non-locals. We need to be a little bit careful there in terms of U.K. experience and what might be happening.

Dr. P. Boden:

I appreciate that, but you have a situation where the level of net inward migration has increased and at the same time the return migration has reduced. That is a feature of migration to Jersey over the last 4 or 5 years fewer people are leaving. Obviously they stay here because it is a more attractive proposition than returning. That situation is likely to continue in the short term, and I was trying to get to the second point, which is about setting targets for population growth, setting short-term targets for population growth and net inward migration would be challenging. It is challenging given the degree to which you can control that in the short term.

The Minister for Economic Development:

I think that is right. I mean I cannot disagree with the fact it is challenging, and we have got to carefully manage targets, if that is the right way of putting it. But it is getting the balance right in all respects, not just economic but social, the impacts on infrastructure and so on and so forth. It is not an easy balance to strike.

Dr. P. Boden:

Is the Population Register a fundamental element of the new control mechanisms?

The Minister for Economic Development:

It is part of it, yes.

Director of the Population Office:

It is the way of monitoring the success of the control mechanisms, if you like. It gives us our outcomes.

Economic Adviser:

Just on your point in terms of outward migration and how long people are staying with the new Population Register we will have a lot better understanding of that element. That is one aspect which it has been hard for us to monitor up to this point, but Paul can correct me if I am wrong. We have much more information to be able to understand where the people are staying and how long they are staying. Of course we get new information from the census, which will then be applied to the population model, which is why it is critical. We need all that detailed analysis. You are seeing the chief statistician separately. He will explain the importance of him analysing all the census data to understand these issues, to apply them to the population model going forward.

Director of the Population Office:

Just to be clear, we are not looking through 4 years of the Population Register to understand.

Dr. P. Boden:

I am trying to get a feel for when that might be.

Director of the Population Office:

I appreciate it is challenging but we have got a lot of data in departments already we can bring together. The head of the Statistics Unit, because of the census, is able to improve his assumptions around population modelling, so he will be able to carry on with his current population modelling based on approved assumptions and then compare that against our Population Register. He will be able to monitor the Population Register's accuracy against the statistical assumptions with the aim of having complete and accurate data.

Senator S.C. Ferguson:

When do you think the Population Register will be a valid basis?

Director of the Population Office:

The first return point from businesses under the new law will be 31st December 2012, that is our objective.

Deputy S. Power:

May I ask a supplementary question? One of the key dynamics of the new Control of Housing and Work Law is that we have a very accurate picture of accommodation on the Island and on the qualified accommodation, that we refer to at the moment, particularly the third bedroom or the fourth bedroom in a house in Les Quennevais Park, St. Ouen, St. Helier, wherever it is, are you confident that you will be bringing those units this time because at the moment they are completely off the radar? Who would like to answer that one?

Director of the Population Office:

That is probably a better question for when the Minister for Housing or the Chief Minister is here.

Deputy S. Power:

But it is part of controlling the population, part of what we are discussing.

Director of the Population Office:

But if we are talking about the technical exercise of maintaining a Population Register, I would almost go back to my answer before, we have a lot of information in different departments, including our non-qualified people, we need to bring that together, that is what we are doing now as we speak, into the single register.

Deputy S. Power:

But as the Director of the Population Office, heading towards social policy, do you think the new mechanisms will bring in all those addresses for people living at the moment, so we can effectively control work and housing?

Director of the Population Office:

Yes.

Deputy S. Power:

There are 2 major dynamics that we are dealing with at the moment. One is the spike in population of 5,000 coming in from Eastern areas, and we have seen that in the fourth Populations bulletin. The other one was the spike in the birth rate. Are there any other major dynamics that you are dealing with, Minister, that may come out of this exercise in analysing the census, analysing population, doing the population modelling. Is there a third area that is causing concern?

[10:00]

The Minister for Economic Development:

I think probably ...

Dr. P. Boden:

I volunteer one to that and that is the outward migration.

The Minister for Economic Development:

That was the point. I was just going to say ... sorry, I did not catch your name.

Dr. P. Boden:

Peter Boden.

Senator S.C. Ferguson:

I am sorry, we did not do the proper introductions. I apologise, it is my fault.

The Minister for Economic Development:

Peter brought up the point about outward migration of those that have come in, I think that is the element that perhaps is not understood, in particular when they transfer these individuals and qualify under the 5-year rule. So staying on, they are qualifying.

Economic Adviser:

It is absolutely critical because what you are trying to do is manage net inward migration through inward migration without proper understanding of detail of the outward migration. So if you are concerned about the net inward migration we need

that information both in the census and forward from the Population Register about that outward migration, because that is really what you are trying to manage. Not just the inflow, we have got good understanding of data on the inflow, but it is the outflow as well.

Deputy R.J. Rondel:

Do you feel we lost some control when we lost the work permit scheme on the hospitality and agricultural industries, because that was closely monitored under the work permit scheme?

The Minister for Economic Development:

Yes, I suppose in some respects but ...

Deputy R.J. Rondel:

We did because what was happening was that coming over as soon as the work permits stopped people used to go and look for jobs elsewhere immediately and that has escalated. That is the main contributory factor.

The Minister for Economic Development:

I would not disagree.

The Connétable of Grouville:

What exactly is the relationship between your department and Social Security when it comes to exchanging information?

The Minister for Economic Development:

It is not just between our department and Social Security, it is all departments that exchange information.

The Connétable of Grouville:

We are only talking to your department at the moment.

The Minister for Economic Development:

The point I was going to make was as we exist at the moment there is very little ability to effectively exchange information. What will happen under the new law there will be the ability for a full exchange of information and that is another key element of the Control of Housing Law when it comes in. So there will be across departments the ability to understand ...

The Connétable of Grouville:

Would you say that the lack of communication has influenced the growth in population over the last 5 or 10 years?

The Minister for Economic Development:

It is certainly not helpful.

Deputy S. Power:

Do you want me to carry on with my area?

Senator S.C. Ferguson:

With your section, yes, please.

Deputy S. Power:

In your opinion, Minister, what action do you think needs to be taken to control migration? If you had a veto over the Council of Ministers, what would you do to control migration and perceived problem in increasing population levels?

The Minister for Economic Development:

I think we have probably captured most of it in the conversation we have had to date. I really genuinely believe the new law is going to be a major step forward in terms of greater attraction between departments, greater understanding of where the issues are, sharing information, which is vital if we are to be able to target policy appropriately. I think we need to try and change and understand the culture of employment in the lower value sectors, if I can put it that way, where ... and there is a chart I have here which I am sure you have seen before, but it does demonstrate very clearly. I have talked about these figures earlier on about the high level of non-locally qualified people in those sectors like hospitality and agriculture, for example. So I think we

need to try and make those industries, which I have to say they are embracing the target that we have set through the Hospitality Association to encourage local people to go for those types of jobs. I think that would be a major step forward.

Deputy S. Power:

I think one of the problems there, is that a lot of our locals do not seem to want to go into those industries. We have already discussed that. So the challenge for population control in the next 5 to 10 years is to not allow another 5,000-odd people to find employment here when there is already pressure on the local economy.

The Minister for Economic Development:

There are 2 elements. The first I was mentioning, which is without doubt the lower value sectors where we have to seek to try and get more locally qualified people into those particular roles. The other of course is through skills and training, to ensure that, for example, the development of new sectors or newer sectors like the digital economy, we can train people locally and this starts at school, to make sure that the right qualifications and training is put in at school, educational training, I.C.T. (Information and Communications Technology) and so on, so that we have a far greater number of local people going for jobs and new industries and existing industries for that matter. But skills and training is absolutely key.

Deputy S. Power:

So the challenge in the next 5 years, certainly within the term of this new Strategic Plan, is that the hospitality and the agricultural industries, and to a lesser extent the L.V.C.R. now, to try and get local people into agriculture and hospitality and L.V.C.R., there are not healthy L.V.C.R. companies above the threshold so we do not have this influx on the lines we have just seen in the last 6 years.

The Minister for Economic Development:

You will never reduce, as I said right at the beginning, immigration to zero, and in fact if one sought to reduce it to such a level or anywhere near the ability to diversify the economy or indeed to grow the economy would be frankly impossible. We can improve the situation I think dramatically if we target the areas that I have referred to.

Economic Adviser:

Just one further point on that, in terms of the economic growth strategy what will also be critical is improving productivity in these sectors that are dependent on inward migration. If we can improve productivity it would be less dependent on that inward migration and that again would benefit in terms of that chart.

Senator S.C. Ferguson:

Have you looked at the proposals that Guernsey are making? I mean they are looking at a short-term contract which once the short-term contract, I think it is one or 2 years, comes to an end then you go back to England or back to wherever you came from, which effectively is a work permit. Have you looked at that? Have you considered that?

The Minister for Economic Development:

Not in the short term. I mean the principle, if you are talking about work permits, were considered some time ago. There are, in our view, limitations to a work permit scheme. Controlling population and immigration is a key priority. There is no question of doubt about that, but having an appropriate way of doing it, a flexible way of doing it, is far more appropriate than something like the a permit, which is costly to administer, costly to apply, and would not necessarily, balancing out the pros and cons, deliver an effective outcome.

Senator S.C. Ferguson:

Perhaps I have not explained it properly. It is not a work permit as such or it is not called a work permit. It is a licence and it works on the principle, I suppose, like American immigration, like most immigration works, that you get your permission before you get on the boat or the airplane to come into the Island.

The Minister for Economic Development:

For a strictly limited period I think though.

Senator S.C. Ferguson:

For that one. The one I am talking about it is a short-term limited period. I think it was dreamed up for seasonal industries, the construction industry, and so forth.

Director of the Population Office:

I have been to Guernsey this year; I spoke to them about 3 times this year in terms of their head of Population Office or equivalent. The chair of the Migration Advisory Group has been over in the last 6 months. So we have been following their proposals. The only thing to add is although they do have a housing licence now and they are talking about work and residents permit, they equally have an open market where those controls do not apply. So although somebody can come to Guernsey on a permit and that permit expires they can then move into the open market sector and carry on working. So it is not quite so robust as perhaps it is perceived.

The Connétable of Grouville:

One would wonder about the human rights situation.

Director of the Population Office:

Yes.

Senator S.C. Ferguson:

Anything else, gentlemen?

Deputy S. Power:

No, I think the dichotomy for the Minister of Economic Development and his colleague, the Minister for Social Security, how do you persuade a young Jersey man to get out of bed at 5.00 a.m. and pick potatoes? Or work in the hospitality industry as a kitchen quarter starting rather than be on the jobseeker's allowance? How do we get those guys into work?

The Minister for Economic Development:

By getting the balance of the carrot and the stick right. I have been encouraged by the way in which the Jersey Hospitality Association have embraced the initiative and indeed the numbers that have already begun to come forward. So there are local people who are appreciating this initiative and do seem to be embracing it. We need a lot more, but it is going to take time. I think the key is not just the fact that local people may not view this as a job for life or a career opportunity but it is a stepping

stone. It means they are doing something constructive, earning some money and a stepping stone ... people do not appreciate in hospitality, for example, it is not just the job you do when you start. It can lead on through to eventually management roles which are quite well paid in comparison to the perception that many have. It is not just all about the initial reception or porter roles that might exist.

Deputy S. Power:

I have a son in the hospitality industry and he does very well. I have no further questions.

Senator S.C. Ferguson:

I am sorry, I should have introduced Dr. Boden in the first place. He is our adviser. He is from Edge Analytics and Leeds University and is our adviser on this and has, in fact, advised the previous Corporate Services Panels on population matters and so on. I am sorry. Have you any more questions?

Dr. P. Boden:

No, thank you.

The Minister for Economic Development:

The U.K. have probably in some respects even greater problems than we have in this area, do they not?

Dr. P. Boden:

Much bigger problems, but they are trying to control it. They are trying to control migration. The U.K. Government are trying to control migration but the limits of their control are 20 years subset of the migrant population, the non-E.U. markets. But even then we are in a situation now where we have got the highest levels of net immigration into the U.K. as a result of fairly static levels of immigration but dramatically reduced levels of emigration, people not returning. As a result of that we have the highest levels probably ever in terms of net immigration.

The Connétable of Grouville:

You have a problem of course with your qualified sector moving out of the U.K. and going to higher paid jobs in places like Australia and drawing in unqualified people who start as refugees.

Dr. P. Boden:

It is a multidimensional problem, international migration, because there are all different types of international migration and trying to control all the different elements, whether they are students, workers, or they are spouses, et cetera, is quite an intractable problem.

The Minister for Economic Development:

It is a point that this is not just an issue for Jersey to grapple with.

Dr. P. Boden:

No.

The Minister for Economic Development:

It is an issue that many other jurisdictions have challenging them.

Senator S.C. Ferguson:

Thank you very much indeed, Minister. Thank you, lady and gentlemen.

[10:12]