

STATES OF JERSEY
Corporate Services
Population and Migration Sub-Panel

MONDAY, 26th NOVEMBER 2012

Panel:

Deputy S. Power of St. Brelade (Chairman)
Deputy R.J. Rondel of St. Helier
Deputy J.M. Le Bailly of St. Mary
Deputy G.P. Southern of St. Helier

Witness:

President of the Chamber of Commerce, Mr. D. Warr

In attendance:

Ms. S. McKee (Scrutiny Officer)

[09:40]

Deputy S. Power of St. Brelade (Chairman):

I am Deputy Sean Power. I am Chairman of the sub-panel, which is the Population and Migration Sub-Panel as part of Corporate Services. We have the normal health warning on the wall there, David. You have done this a few times, so you do not expect me to read it out. I will just let the panel introduce themselves. Then you can introduce yourself and we will kick off. Sean Power, Chairman, Population and Migration Sub-Panel.

Deputy R.J. Rondel of St. Helier:

Deputy Richard Rondel of St. Helier, Number 3 and 4, Vice-Chairman of the panel.

The Deputy J.M. Le Bailly of St. Mary:

John Le Bailly, Deputy of St. Mary, sub-panel member.

Deputy G.P. Southern of St. Helier:

Geoffrey Southern, Deputy of St. Helier, Number 2 District.

Ms. S. McKee:

Sammy McKee, Scrutiny Officer.

President of the Chamber of Commerce:

David Warr, Chair of the Jersey Chamber of Commerce and also owner of Coopers Tea and Coffee Merchants.

Deputy S. Power:

Good. Well, welcome and thank you for your time, David. We have had some of this discussion before.

President of the Chamber of Commerce:

We have.

Deputy S. Power:

So I will sort of kick off as to where we were. We will start with this one. I know some of the answer to this, so I will ask again. How much involvement did the Chamber of Commerce have during the consultation process of the new legislation and do you believe your ideas and opinions were heeded?

President of the Chamber of Commerce:

I think we have had a reasonable amount of knowledge of what is going on and when I say "ideas", yes in principle. From what I have seen coming out now, which will hopefully be the new law next year, I would say, yes, we are pretty satisfied that that is a fair representation of where we would like to go.

Deputy S. Power:

In previous meetings in 2009 and 2010 I think you were then part of the Chamber of Commerce's review of the population theories. You did express some reservations about the old Regulation of Undertakings and Development Law at the time. Would you just care to remind this sub-panel as to what your concerns were?

President of the Chamber of Commerce:

Yes. The biggest concern has been, particularly in small business, the lack of flexibility; the idea that if you want to grow your business or have access to alternative members of staff (i.e. (*id est*) unqualified members of staff) it was very difficult to do that, to flex the population out. We are now going back a few years now and clearly the unemployment situation has changed dramatically. This was an era where we pretty much had full employment. There was an issue about finding

appropriate levels of qualified staff to work for you and so I found myself in particular in certain situations whereby I could not local a good-enough qualified individual and, therefore, found myself looking at unqualified individuals, which in turn I then found I could not employ because I did not have a licence to employ them. So it was all getting extremely difficult. Now, clearly, the world has changed a lot in five years and things have moved on and what the Population Office is trying to do now is to try and sort of control that a bit more.

Deputy S. Power:

I think in one of your submissions to a previous migration advisory panel you produced a graph where I think you implied that over the last 30 years the employment graph was parallel to the population growth. You effectively said that the old Regulation of Undertakings and Development Law did not really do anything.

President of the Chamber of Commerce:

Yes, I would agree with you and I think that was the case because I think the problem was the economy was apparently growing so fast that you had to find ways of finding people and I think that came out as evidence in the graph and, because the Regulation of Undertakings was not being policed as it will be under the new rules, I think a lot of things were happening which nobody in politics was prepared to admit was going on.

Deputy S. Power:

Okay, good. You have just referred to the fact that the previous law was not policed. The new Control of Housing and Work Law is going to be brand new, which includes the Register of Name and Addresses Law. You said that it will have some powers of regulation and some powers of control. Do you think that will be more effective?

President of the Chamber of Commerce:

Let us just go back as far as an employer and what is important from our point of view. One is that it clarifies at least for the employer, if someone comes in, whether they are qualified or unqualified. The issue in the past has always been a case of an individual comes in through your door looking for a job, say they have been on the Island for over 5 years and, without being too funny, most people accept that application.

[09:45]

Now we are going to have a situation which is going to have a card which is going to say whether this person is ... I am trying to think of the technical term which it is, but basically qualified to work or unqualified. So they literally have a legal qualified card, which basically then puts the employer in a position, if they ever get quizzed on it, of saying you knew what the score was ahead of time. In other words, you have got an official card which says that these people are validly employable under the qualified system.

Deputy S. Power:

The name is simply a name and address card. It does not have any I.D. (identification) as such on it.

President of the Chamber of Commerce:

It is something, is it not? It is something. We have to trust something. I mean, at the end of the day, how much more bureaucracy do you want to bring in? You know, you can keep in bringing in another layer after another layer after another layer. As long as we have something which can be verified in some way, shape or form or cross-referenced then I think the current system looks like it is going to be a pretty good one.

Deputy S. Power:

We will probably come back to some of this as we progress through the questions. John, I think, is leading on the next one.

The Deputy of St. Mary:

How do you see yourselves, the Chamber of Commerce and your members, operating under the new legislation with this card introduced?

President of the Chamber of Commerce:

How do I see it operating? I think we have to work very closely with the Population Office. One of the items of feedback which I have got is those businesses which may not be compliant with their existing undertaking, their undertakings in terms of whether they have qualified or unqualified and what that balance should be, tends to be in the food service industry, in the catering industry, trying to find the right members of staff. It could be you only have a licence for seasonal staff and then you extend the months you are open for and then you suddenly find you have got an

unqualified member of staff who you no longer are supposed to employ. I have heard situations and have been reported about situations whereby businesses find themselves in a situation whereby they are therefore in breach of their current undertaking rule. They are very nervous about going back to the Population Office and saying: "Hands up, we are doing something wrong". I think it is those kinds of businesses which are trying to operate legally. You would argue, no, they are not operating legally; they are operating illegally. They are trying to run their business and make a living out of their business and are a little nervous about how the Population Office, once some of these issues come to light, are going to deal with those scenarios. I think that is one of the wider concerns which is coming back to me a lot.

Deputy G.P. Southern:

Can you just explain how you see it operating differently to the old system? You have already mentioned that the last system was not policed.

President of the Chamber of Commerce:

When you say "policed", obviously the difference now is that we have a clearly identifiable metric which says if I put a job advertisement out there or go on the Social Security website or whatever and look for somebody who is qualified or unqualified you get a raft of people who come and are looking for a job. In the past what was happening was people were coming with C.V.s (curriculum vitae). There are obviously people who are unqualified, knew what this situation was about 5-year residency and things like that, and probably tweaked their C.V.s to say: "I have a job here going back 5 years or more." On that basis, employers who did not maybe have sufficient unqualified licences would say: "Okay, fine. That is good enough for me. We will hire you. You are hired." After that, under the old system with Regulation of Undertakings, you had quarterly visits, half-yearly review ...

Deputy R.J. Rondel:

Half-yearly review.

President of the Chamber of Commerce:

Half-yearly review, okay, and clearly that was up to the employer. You were self-auditing. So the employer was filling out those forms. I cannot say for everybody. I know of situations whereby people were managing those returns and putting them back into the office to make sure that they complied with their existing allocation just

so they can keep their business running. Now, under the new scheme we get rid of this sort of potential employee coming in with their C.V. which says: "I have been employed for 5 years". We now have an official card which will be a way of verifying whether they are qualified or unqualified and so, for me, that then means that if someone comes along ... and your point, I think, Geoff, is about saying: "Well, are the Population Office now going to go around and knock on businesses' doors and say, 'Hang on, can I have a look at all the cards?'" Clearly there is that option but I think the reality is there is no get out as far as the businesses are concerned. You have a card which clearly identifies whether someone is qualified or whether they are unqualified to work and I think that is a level up on that.

Deputy G.P. Southern:

But your business will still have a quota, so many licences and so many registered.

President of the Chamber of Commerce:

Correct. The positive side to the new legislation is that if we are going to hire qualified people, we are no longer going to have to go back to the Population Office and say: "Can we increase our quota to 20 people?" Right now we have this mad situation whereby if I want to hire 3 more people who are qualified I have to go back to the Population Office and say: "Can I extend the number of people I can employ?" I mean that is completely mad. So I think what is good is we have got the situation whereby, if you are qualified and a business wants to employ more people, they can do that quickly and easily without referencing the Population Office. Clearly the issue now is about how many unqualified licences you might be able to retain.

Deputy R.J. Rondel:

Do you see the onus really is on the employer?

President of the Chamber of Commerce:

Yes, absolutely. I think the onus is falling much more on the employer. What I am a little concerned about is that we end up with a regime ... we still need a flexible workforce. For me, I do not think we can ever say just draw the shutters down and say: "That is it. We are going to no inward migration at all." I mean if the economy is growing and we need more people and we do not have the skills on the Island, we still need unqualified allocations. I think what the Population Office has to do is get the balance between what economically works and what politically works and that is always a challenge.

Deputy R.J. Rondel:

Do you see it being a little bit more difficult for smaller businesses, rather than larger businesses that may well have a collection of unqualified licences?

President of the Chamber of Commerce:

Yes, I think that is historic. I am very conscious that the Population Office right now, every time a licence comes up for review (every 3 years your licence comes up for review) are cutting down on the number of unqualified licences they are giving out to existing businesses. For instance, if in the past you had 6 and you showed that you were only using 4 of those or 3 of those, the Population Office are taking the view: "We are going to reduce the number of unqualified licences. We are only going to give you ... to encourage you to employ more, to look towards the local market," which is understandable but, again, it is a delicate balance.

Deputy R.J. Rondel:

That leads quite nicely on to the Director of the Population Office has advised that the new legislation will reduce red tape for businesses. Would you agree with that statement?

President of the Chamber of Commerce:

In general, yes. Red tape can never be reduced. In general, yes. It definitely is a positive step forward for both parties and, at the end of the day, it is for both parties. It is trying to fulfil a political remit, which is trying to control inward migration, clearly. It is trying to fulfil a business requirement and that is that we need to have a bit more certainty and I think that will be helpful. It also helps business in terms of the qualified side of things; i.e. not having to go back to the Population Office if you are growing business to employ more qualified people. So I think that is a positive. I think the only area which makes me a little nervous is this unqualified bit and it always has done, but that again can be quite political as well as economic. That is always a challenge. So, in general, yes, I think it is a step in the right direction, for sure.

Deputy R.J. Rondel:

Do you think this legislation will provide enough flexibility for smaller businesses in particular? I mean one of our concerns is the smaller businesses.

President of the Chamber of Commerce:

Yes. There are 2 areas of flexibility. One is starting off and trading and getting an undertaking. That is the first point. Then there is obviously the ability to employ people and how many people and what kind of people you employ. I mean it is quite interesting. There are so many aspects to that. It is not simply just about the employment thing. The reason I brought this egg box with me today is a guy who is a young farmer who is trying to get his business established, I do not know if he was quoted in the paper the other day or on the news the other day as saying that, if he knew the trouble he was going to go to to set up a business now and seen what he had gone through, he would not have bothered. He would not have made the effort. We should not be in a situation like that and for me that is not just a case of who he can employ or who he cannot employ. That is also involves planning and all the other areas which need to help and work together. I think that is the other thing we need, this working together.

Deputy S. Power:

David, you mentioned that you submit information to the Population Office, as you have to, quarterly and Richard's question was essentially about reducing red tape. Just give the panel an idea how often in your time running your own business, or any business in Jersey, have you had a visit from the Population Office?

President of the Chamber of Commerce:

I have never had a visit and I have been running businesses for 20-something years now.

Deputy S. Power:

So you have never had a physical visit or inspection of your business?

President of the Chamber of Commerce:

Visit, no, not at all. In fact the only time I had an issue (and we are going back 5 or 6 years ago now) was I was not fully up to speed. We were able to employ local people for the jobs that we needed. We found ourselves in a situation whereby we suddenly found there was not anybody suitable walking through the door who was qualified and at that point I thought: "Goodness, I had better just check our undertaking," because we had not even checked our undertaking to see what the situation was. We suddenly found we could not employ anybody non-local. Then out of the woodwork, the moment I started shouting about it, lots of other businesses

starting putting their hand up and saying: "Hang on, we are in the same situation. Why is there not a set rule," because it was very random. Certain people seemed to be able to get unqualified licences quite easily. Others there was a complete clamp down on and I just felt that was totally unfair at the time. There had to be some kind of generic rule which could be applied and I think the Regulation of Undertakings, as it was then, understood that and were trying to be a bit more pragmatic, but I just found it very disappointing at the time the way they were carrying on things. There seemed to be an inherent unfairness. I think what has happened over the years is that awareness has been established, probably helped by me shouting from the rooftops about it, but on top of that now obviously the conditions have changed dramatically and one of the conditions is we now have a significant local unemployment situation. I think, rightly so, things have been done to try and change things around because we have to change the culture of business. Small businesses have found that, because the finance industry has been so strong historically, they were getting less than good individuals coming through their door. They were struggling to get individuals coming through their door and I think that awareness is changing. Since the last meeting we had and I was very critical that we were not getting any C.V.s from local individuals, I think we have seen a sea change in that. Since my last appearance here that has been quite significant; the change in that front. So I have to say that is good. That message is getting through. Now what we have to do is we have to get business owners to believe in the local population as having the resources and the ability to do something locally.

Deputy S. Power:

When you say that your business has never had a visit, in terms of your role as Chamber President and your previous long-term commitment to Chambers, do you know if your colleagues in Chamber have had visits?

President of the Chamber of Commerce:

I have no idea. No, nobody has said to me: "We have had a visitation." No, not at all.

Deputy S. Power:

You have never heard that?

President of the Chamber of Commerce:

Never heard that by anybody, no.

Deputy S. Power:

So my final question in this section is, if that is the case, that you have not had a visit in ... 26 years, did you say?

President of the Chamber of Commerce:

Well, it is not as long as that. I am not that old.

Deputy S. Power:

My concern then is what will change in the Population Office with the new law. Therefore, the question would be, if you are a law-abiding, responsible employer, are there going to be less diligence employers out there who will essentially play the system? How do we deal with the ones that do not do what you do?

President of the Chamber of Commerce:

Clearly you have to police the system to a degree. Most businesses want to be law-abiding. What is the difference? There is a law and there is a kind of turning a blind eye to certain things and I think there is a business imperative out there to keep the business running at all costs, you know try and keep your business going and try to find who the heck will come through the door, especially if you have lost your chef on a Friday and: "Can I find someone to keep the business running on a Saturday," kind of thing: "What am I going to do about that?" But your fundamental point is, yes, it still does need to be policed by somebody and if business is totally confident that nobody in Government is ever going to look at these cards and check you out then you may as well have not bothered.

Deputy S. Power:

So the issue really is that the regulatory side of it (as you call it, the policing side of it) has been, from your own business experience, non-existent in terms of visits for 26 years.

President of the Chamber of Commerce:

Correct.

Deputy S. Power:

So the argument then will be, on the new Control of Housing and Work Law, what provision they will have for visiting a reputable business like yours to enforce the law?

President of the Chamber of Commerce:

Well, let us think this logically through. If I have a card from an individual who is qualified or unqualified and they bring that card in, my thoughts are that then they get put on to my Social Security return, those individuals, and surely that then can be cross-referenced against my licence somewhere internally in Government, if they are organised enough, to say: "Okay, tick, tick, tick, tick, that is what all these people are doing." Obviously the next thing after that is, if I do not fill the Social Security form out, I am in breach of Social Security law. So, for me, there are other ways in which that can be done on the basis that the Population Office works for Social Security. That is a way, for me, of policing it without someone knocking on my door.

Deputy S. Power:

Last question before I hand back to Richard. How many visits have you had from anyone from Social Security?

President of the Chamber of Commerce:

Funnily enough, we had one. We have had one in the 20-odd years I have been running Coopers and that was quite recent. So clearly they are paying a lot more attention now to what is going on.

[10:00]

Deputy G.P. Southern:

That was about who you were employing?

President of the Chamber of Commerce:

That is right, yes. That was about was our return filled out correctly, how that matched up with the list of people we were paying wages to and things like that.

Deputy G.P. Southern:

You said that you are seeking local people, qualified people, walking through the door with good C.V.s that you want to employ.

President of the Chamber of Commerce:

I would be careful to go as far as that. I think what we are finding is we are increasingly relying on the Advance to Work groups to push people through. That is our route now. It is Advance to Work. It is through Social Security. Historically it would have been an ad in the paper. It is no longer the way you do it anymore. You go down the Advance to Work route. C.V.s in themselves are okay, but, I am sorry, there are no many written-up C.V.s which are just fake that until you have seen the whites of their eyes you are not going to know what you are going to get. I have to say, even the Advance to Work system, as good as it is and they sincerely try to push people through, I brought a few bits and pieces here today to show the contrast that we get. We get some people through Advance to Work who are terrific and we are still employing. We had one individual who was highly recommended to us and lasted 4 weeks and that was it. Both C.V.s looked identical in terms of what they could do and what they could not do and all the rest of it. So, unfortunately, it is a case of until you can see the whites of their eyes. What I would say has happened is we are having to manage our staff much more closely now than we ever did before. I think that has been a big change.

Deputy G.P. Southern:

That means?

President of the Chamber of Commerce:

That means me spending a lot more time with them. We now have a document here which one of key performance indicators, which I ever thought I would ever start using as a small business, but basically going through a list of things and saying: "Right, your desired performance is this. Are you achieving this or not achieving this?" Now, I have always thought of this as being a much bigger organisation kind of thing to do, but I increasingly now believe that this is the only way. The reason we have to do this is through the employment law and because clearly you have an employment law which, if you do not dot all the Is and cross the Ts as an employer and you have an issue with an employee, you can end up in some serious trouble. So we are having to manage these situations a lot more. You could argue there is a lot more red tape in that respect.

Deputy R.J. Rondel:

Do you find, as a small business, there is help for you to set up and initial these systems?

President of the Chamber of Commerce:

Not really, no.

Deputy R.J. Rondel:

No?

President of the Chamber of Commerce:

No.

Deputy R.J. Rondel:

So it is left to you as an individual small business?

President of the Chamber of Commerce:

It is left to me, yes. This came up as an Advance to Work individual who really messed us around and Advance to Work came into us and said: "Well, how are you measuring their performance?" We said: "Well, we try and have a chat with them and do things like that." We are quite informal. You know, they try and manage themselves and, "We will keep you up to date. We do not think you are up to speed." But after 3 weeks or 4 weeks when somebody is not improving in any way, shape or form, you have to ask the question: "What is going on?" The A.t.W. (Advance to Work) guy said to us: "Where are your measures? Where are your official written-down measures?"

Deputy R.J. Rondel:

Yourself, your own business, you are pretty forward-thinking and on the ball and up to date with different things, but you must have members that have got small businesses that would struggle with ...

President of the Chamber of Commerce:

Absolutely. Well, I struggle with this because I am trying to run my business and I am trying very hard at the same time to ... and we are a very flat business. There is me and everybody else, kind of thing. So I think it is quite a challenge, but that just seems to be one of the consequences of the change in the employment situation.

Deputy R.J. Rondel:

What if things do turn around and the employment locally did drop (hopefully one day it will), how do you see it changing if you suddenly do need to employ unlicensed people?

President of the Chamber of Commerce:

Sorry, clarify that.

Deputy R.J. Rondel:

If you need suddenly some unqualified people, do you see enough flexibility in the legislation to be able to do that?

President of the Chamber of Commerce:

I will tell you after we have our next review of our licence, to be honest with you. I am a great believer. Even if we are not using licences, I think it is nice to have a couple in your back pocket which you can use if necessary without breaching the law. So I would say there should be a minimum unqualified. Most businesses should be allowed a minimum unqualified. Now, whether that is one in 10 of your workforce or something of that order, I would say that is not an unreasonable situation just to give that flexibility. As I say, I will tell you more if my workforce is flexible enough in a couple of years' time, but it really does depend on the economic circumstances. Absolutely right. You know, if there are not the people on the ground who are qualified to do the jobs, then you have to have another route.

Deputy S. Power:

Under the new law, David, the Population Office (we have touched on this) would have more powers for controlling the number of licences and implementing permission for local businesses. What implications will that have for local businesses in terms of bureaucracy? Again, do you think the new laws will have further work for you?

President of the Chamber of Commerce:

I do not think it is going to have any further work for me. I mean I do see it as a very constructive way forward. As I said, I think it ticks a lot of boxes on all the issues which we are trying to deal with at the moment. As far as I am concerned, I am very positive about the new law. For me, it is a bit about the Population Office and how they manage it, you know how they work with businesses. I think that is the important thing; that they work with business. There has always been this fear factor.

You know, you send a letter in: "You are in breach of your licence, end of story. You had better change that all around in the next 2 weeks or 3 weeks otherwise we are going to withdraw your licence to trade," that kind of threatening behaviour. I am aware there have been some pretty strong letters and communications made to other businesses over the years. It has always been resolved in the end, but I think we have to understand that if we are going to grow local businesses there has to be a bit more thought and pragmatism brought in.

Deputy S. Power:

So businesses that obey the rules it would be in your interest for the implementation of this law and for the enforcement of this law right across the board, it will be fairer for you rather than some of the people who do not obey the law; some of the people that are obviously operating in a market or in an area of Jersey's economy that they simply ignore everything.

President of the Chamber of Commerce:

I agree. As much as we talked about policing before, I think this does, in a roundabout way, police the situation a lot better and it probably is fairer. It is fairer to most people.

Deputy S. Power:

But the point you are making there is in order for it be fairer you have got to enforce it.

President of the Chamber of Commerce:

They have got to enforce it and they have got to be pragmatic when they enforce it. So that is the other point. It is difficult to be pragmatic with the law. I know you either break the law or you are on the side of law, but there has to be pragmatism in there.

The Deputy of St. Mary:

There are certain industries which do need policing. Not all industries work the same. I mean all the town traders, for instance, operate totally different to the building industry and the agricultural industry. It is those 2 which tend to have most of the immigrants in it and that is the ones that are not checked. Do you feel there should be a separate form of checking?

President of the Chamber of Commerce:

Again, you are starting to get into more bureaucracy and things like that. Again, we come back to a wider picture (it is just an interesting commentary here) and that is if you are going to manage this immigration issue better what the States have to do is ... if we are going to bring people in to do jobs, and you are talking about the construction industry, the question has to be asked: why do we not have the skills already here on Jersey to satisfy those particular industries about which you describe? Therefore, there is surely one of your controlling measures on immigration. If someone comes in and they want to come and live in Jersey, one of the reasons they are allowed to come in is because they have a skill that we do not currently have. That then goes back into Advance to Work and Skills Jersey and all of those kinds of things to say: "Hang on, guys. We are having to bring people in because we do not have the existing skills. How do we turn that around and say: 'We are going to train up, because we have this unemployment issue, people into the areas in which businesses are telling us there is not sufficient skill levels'?" This is why this whole business because a much bigger issue for us all. You know, it is not just about the population being controlled. It is about Education being involved. It is about Planning involved. It is just a cross-departmental issue.

The Deputy of St. Mary:

I think you hit it right on the head there. Basically in the construction industry people are not offering apprenticeships because of costs and cost of time and it is just not possible anymore.

President of the Chamber of Commerce:

Yes. So the question is: what is our Government doing to try and help encourage that apprenticeship, up-skilling our local workforce? An issue, for instance, which has come up to me the other day, and I have just spoken about the last President's Message, is about how we fund tertiary education at the moment. We want to have more students go away to university and come back as qualified and develop our economy but we are in a situation where we have a grant system at the moment, for instance, and this is just a tiny little aside. Why do we not have a student loan system as they do in the U.K. (United Kingdom)? At the moment what is happening with the grant system is the taxpayer is paying the money away, but there no money coming back from the student who is getting the benefit of the education in terms of repaying those loans. I know it opens up a whole can of worms but the reality is if you are serious about developing people locally to come back and do the jobs,

whether it be most the basic or the most sophisticated jobs, all these issues need to be looked at.

Deputy R.J. Rondel:

Perhaps looking at the basic labour force in agriculture, for example, that requires unskilled labour which is not available locally, there used to be a work permit system for that industry and hospitality to some extent. Do you not feel that that may be a way of going?

President of the Chamber of Commerce:

You think agriculture should still be allowed to bring in labour?

Deputy R.J. Rondel:

My question was just whether you had thought about that.

President of the Chamber of Commerce:

It is interesting. If you had asked me that question a couple of years ago or a year ago, I would absolutely say: "Yes," because you cannot find anybody locally to do these jobs and maybe that is still the case. Certainly we have expanded our business. We are now finding locals who want to get involved. I did said "want"; out of necessity, want to get involved in the food service industry and café environment and those things, which we would not have seen before. So the reality is it is almost educating some of our younger people to say: "These jobs are not just for immigrants. These jobs are for everybody." The question is: how much do we want to burden our Social Security? I think we have got a £90 million bill at the moment. There is a term, is there not? Beggars cannot be choosers and I think you have to accept that there are certain basic jobs that people have to get out there and do, love it or hate it. It is interesting. We are employing one person at the moment on a part-time basis. This individual, a locally-qualified individual, is doing 3 jobs at the moment. They are doing a few hours for me; they are doing a few hours for somebody else and somebody else. The reality is there are jobs out there for people to do if you choose to do them and, certainly as an employer, if you see that kind of proactivity you are going take these people on because it is just sending a big message to you. I think we have to get passed this: "That is below me," or: "That is not my job anymore." I think we now, 1,800 or 1,900 unemployed or whatever the number is ... in fact I see the latest population stat is quite depressing because I thought our economy had turned the corner. We do not appear to have turned the

corner at all and we seem to be going in the wrong direction again. Some of these guys have to have a bit of a reality check. Now, whether that is Social Security getting more brutal, I do not know but I think it also means the industry needs to be saying: "Come on local guys, roll up your sleeves."

Deputy G.P. Southern:

The reality is, David, that most of that £90 million goes on working households.

President of the Chamber of Commerce:

Right, okay, and not the unemployed?

Deputy G.P. Southern:

The wage they are getting is for the family.

President of the Chamber of Commerce:

Okay.

Deputy G.P. Southern:

If you are employed you do not get income support. It is in-work benefit.

President of the Chamber of Commerce:

Okay, I take your point. But if you think about how much it is costing our economy to have 1,800 actively seeking work at the moment, it is 1,800 times £90 a week times 52. It is in the millions, is it not? It is between £10-20 million per year to support them and I think all industries have to be looking inward at the moment.

Deputy G.P. Southern:

While we can do a certain amount to up-skill our local workforce, the reality is that we will never meet the demand, say, of balancing that. We cannot simply get enough bodies there with the skills to fill that. We are always going to have to import some. How do you feel about the future in terms of overall population? That is inevitably going to mean that we do increase population.

President of the Chamber of Commerce:

As far as the population is concerned, we have to understand and recognise we have an ongoing changing demographic. That is we are going to, over the next 20 or 30 years ... in fact we have already seen it happening. There are more people alive

over the age of 16 than there are under the age of 16. Now, that is a change in our demographic already. So we are going to see many more people who are going to be required to be supported by our economy than are working in our economy. That is a reality. The question is: how do you get that balance? How do you get more people into the economy to try and pay for those people who are no longer working in it? That is going to be our challenge in the next 20 or 30 years. It is an ongoing major problem and I do not think that is about skills or anything like that.

[10:15]

That is about where do we draw the line on retirement, when people retire? How long can we keep people in work for? There is a hugely complicated battle there. All I do know is that we cannot just draw the shutters down and say: "That is it. We are just going to rely on our indigenous working population to provide out into 2030, 2040, 2050." I do not think that is feasibly possible, unless we tax everybody into the ground and then we have a completely uncompetitive economy and we end up with all sorts of problems then.

Deputy S. Power:

Okay, David, we may come back to that in a minute, but we will get Geoff to lead on the next 2 questions.

Deputy G.P. Southern:

Where are we? What question would you like next?

Deputy S. Power:

For the moment, if you want to continue with your sequence and then you are leading on 7 and 8.

Deputy G.P. Southern:

The issue that also we brushed over briefly in the beginning was the validity of this registration card. It has value in the sense that in view of your licence you can get a job, et cetera. If it had a value is there a risk in fact that it becomes tradable?

President of the Chamber of Commerce:

Yes is the simple answer to that. Yes, clearly it is. If you look at Social Security cards what surprises me always is how many cards Social Security willingly issue if

somebody says: "Oh, I have lost my card. I have lost my card. I have lost my card." I think that area absolutely needs to be tightened up on. I know you then get into the world of I.D. (identification document) and: "Can I see your passport alongside the card," and that verifies who you are. Maybe that is where you have to go if you really want to take this on really seriously.

Deputy R.J. Rondel:

You can stick a photograph on the card.

President of the Chamber of Commerce:

Well, that is contentious, is it not? That then becomes an I.D. card and that brings up a whole different ballgame. I wonder if a passport alongside a card is probably a more politically-acceptable route.

Deputy S. Power:

That is a validated form of identification.

President of the Chamber of Commerce:

Yes, a validated form of identification, exactly. At the end of the day, if you think about the finance industry right now, if you want anything ... we had it happen the other day, a company we are dealing with. In fact our bankers recently started suddenly asking us: "Who are the directors? Can you identify who are they? We need a driving licence and a valid ..."

Deputy G.P. Southern:

You had to have your I.D.

President of the Chamber of Commerce:

Exactly, and so that kind of stuff is now taking place just as normal, as standard. It is already happening. Maybe some kind of rule has to be applied to these cards. You know, it is sitting alongside those cards. It might be an idea. I know we are getting into very delicate territory when we start saying photographs on cards.

Deputy S. Power:

I think, though, that the argument is going to have to be had at some time in the future as to whether we do have a card with data on it. A name and address card as such, without a photograph, without any data on it at the moment is obviously the

simple way forward, as has been suggested. But, as Geoff has said, there may be an element of it being traded and the issue has been now that a precedent has been set at Social Security. It might be about: "I have lost my card." "What is your name? Where do you live?" You get a new card. Hopefully this system will be more effective for employers.

President of the Chamber of Commerce:

Will be tighter than that. My recommendation in that case would be to say: "Bring a passport with you," I think if you want to be serious about policing it and not trading these things.

Deputy G.P. Southern:

Right. Then we have got the prospect of a new system being set up, probably next year, and how do we try and populate the list.

President of the Chamber of Commerce:

Yes.

Deputy G.P. Southern:

What about accuracy of the details?

President of the Chamber of Commerce:

Of the data? Maybe the Population Office needs to get out and talk to businesses like mine a little bit more. Absolutely right. I mean there has to be some kind of verification procedure. There has to be. You cannot start issuing cards left willy-nilly on the basis of the old licence. You have to somehow verify what you have already. Certainly I would expect that as a business person.

Deputy G.P. Southern:

In terms of the accuracy of the list, the names and addresses, we have also got the possibility that that will not be accurate in 5 years, we are told. It will be accurate as a headcount, but it will not be accurate because what are we going to do about people who leave the Island? You are supposed to say: "I am leaving," but there is no enforcement of that. Again, in terms of the population, the system might not be ...

President of the Chamber of Commerce:

As watertight.

Deputy G.P. Southern:

It depends on how we operate it.

President of the Chamber of Commerce:

I can only build on as far as the business is concerned. You know, at the end of the day we have a situation whereby if someone leaves our work that clearly is recorded by Social Security, because we no longer pay their Social Security. We have a final date there, so they can see that. Now, then the question is: does the Social Security Department then follow that up in connection with the Population Office to say: "Has that individual just moved jobs or have they reappeared somewhere else or have they left the Island?" I think it would be very unfair to put the burden on business to turn around and say: "You have got to identify whether that person has left the Island or not." That is just a step too far for us.

Deputy G.P. Southern:

That is not your job.

President of the Chamber of Commerce:

That is not my job. That is exactly right, yes.

Deputy G.P. Southern:

That is the Government's job.

President of the Chamber of Commerce:

Exactly.

Deputy S. Power:

Has Chamber discussed the mechanics of everyone in Cooper & Co or everyone in some other businesses having to go down and get their name and addresses compiled.

President of the Chamber of Commerce:

No, the logistics have not been discussed. I have had a meeting, though, with Paul Bradbury at the Population Office about how the communication is carried out and the way in which it is communicated to businesses. So we have been doing some work on that with him, but that was a meeting which took place probably a couple of

months ago now and I have not heard any feedback from that. We just gave our input as to our concerns about making sure they did not put the fear of God into businesses who may be on the edge of complying with their existing licences.

Deputy S. Power:

But the mechanics of everyone in Cooper & Co getting ...

President of the Chamber of Commerce:

Getting a card has not been discussed yet. No, we have not got that far yet and I have not heard of anybody in Chamber of Commerce have that either. We have not been approached by the Population Office about the best way to do that either yet. Now, I do not know if that is a process of where it is in the States as far as being passed. As far as I was aware, it is coming in in February. Am I right in thinking the law is coming in in February?

Deputy S. Power:

Yes.

President of the Chamber of Commerce:

So I am a bit surprised we have not heard very much at the moment.

Deputy S. Power:

Have you had any information bulletin or any direction from the Population Office as to how something like 30,000 employees on the Island are going to get their names and addresses ...

President of the Chamber of Commerce:

No, not at all.

Deputy S. Power:

Okay. So it seems to me that it might be useful for you and Chamber to get direction as to how the mechanics of the issuing of these cards with I.D. is to be done.

President of the Chamber of Commerce:

Correct.

Deputy R.J. Rondel:

Which industries within Chamber do you think will be most affected by it?

President of the Chamber of Commerce:

Probably a bit of retail. I mean obviously hospitality could well be affected. I think hospitality is the big area to pay attention to and I think a lot of sensitivity will be required in that area at the moment. I think retail is reasonably covered. There are certainly plenty of people out there who will work in retail at the moment who are locally qualified. So I think they could probably be a bit tougher on them as opposed to the hospitality sector.

Deputy R.J. Rondel:

Do you think there is more available now because of, historically, the 5-year rule and a lot of people have left farms and other areas and have now gone into that 5-year, 6-year, 7-year qualifying period?

President of the Chamber of Commerce:

There is no doubt about that at all. There is a whole bunch of the Polish community who are all qualified well over 5 years now and, in fact, we are employing 3 or 4 of them already who are all qualified individuals. I just wish we could get a little bit more acceptance about some of the Jersey public about some of those, that they are entitled to work here. They are entitled to work with these new terms.

Deputy S. Power:

Can I just be clear? Those Polish employees that you have currently, those 2 or 3 you referred to, they would have started in the agricultural industry as far as you are aware?

President of the Chamber of Commerce:

They may well have done, or hospitality. They may well have started in hospitality. Somewhere else, yes, for sure, and graduated into retail and gone on from there.

Deputy S. Power:

Hospitality and café work.

President of the Chamber of Commerce:

Yes, exactly. Café work, yes.

Deputy R.J. Rondel:

Would you agree that what probably happened is that as soon as the work permit ceased and where they were regulated to an employer within the industry, they were then allowed the flexibility to work elsewhere in the Island?

President of the Chamber of Commerce:

Yes, absolutely. Without being funny, at the time that made our life easier.

Deputy R.J. Rondel:

Yes. In the past it has been suggested that increasing the qualifying the period for access to work from 5 to 10 years could be advantageous in helping to control the population. Do you think this would help? It obviously would not help a business if you are looking for 5 years, but in terms of controlling the whole population, there is a big question as to whether we should change that 5 years back to 10 years.

President of the Chamber of Commerce:

For me, that is a bit like moving G.S.T. (Goods and Services Tax) from 3 to 5 per cent. I think at 5 years or 3 per cent most people will accept that that is the amount of money to pay or that is the people to employ. I think the moment you move from 5 to 10, as with G.S.T. from 3 to 5, the tendency to breach the rules increases. So I do not think you get a neat line. At 5 years, compliance is pretty high at the moment. At 10 years compliance for an undertaking might, you will find, start to wobble a little. Sorry to talk in analogy.

Deputy R.J. Rondel:

You are probably benefiting from that slot, as we were talking about before.

President of the Chamber of Commerce:

I agree with you. We have some of the best members of staff we have ever had. Our Polish are terrific. They make an absolute positive contribution to my business and not just to my business but to the economy of Jersey. You cannot just say it is all mine. It is the economy of Jersey they are contributing to, hugely, and I think we should not underestimate that.

Deputy R.J. Rondel:

So as the economy does grow again, slowly, do you feel there will be pressure then for the next lot to come in, because, as I said, you are benefiting from that 5-year ...

President of the Chamber of Commerce:

Yes, benefit at the moment. I think it all comes down to how we change the culture in our young people. I think Advance to Work and Skills Jersey, all of this kind of thing, have a lot to do. We have seen a report recently on literacy and numeracy where we are well below the scale in those areas, which are crucial to businesses. We had a situation of a member of staff who I asked to fill out a paying-in book the other day, who is perfectly good dealing with tools but struggled to add up the numbers on a paying-in book for banking purposes. I mean how can that have happened to someone in their 20s to get that far? You know, we are failing somebody there, surely, if that is happening in our businesses. I think what Jersey has to do is really learn from the current downturn, learn all the bits we are trying to hang together, and we do hopefully turn around and get more people back into work and so forth and so on we have got a good basis. We have got an infrastructure there which recognises all the key things that we need to be doing all the time, to come back to Geoff's point, by controlling this population point.

Deputy R.J. Rondel:

There has been a big move on the Advance to Work scheme, as you have said, and I think TFI Friday is an example who are going to open later this week. That will be a good example as to how locals may or may not succeed.

President of the Chamber of Commerce:

It is interesting because apparently they have gone to quite a huge expense. Being a big organisation, they have really put the team through the mill apparently to try and get the best people they can to do that, which is fine if you are big organisation. A much smaller organisation - you know, 4, 5, 3 individuals or whatever - you do not quite have that kind of fire power to attract.

Deputy R.J. Rondel:

Hence you need that flexibility on unlicensed...

President of the Chamber of Commerce:

Correct, unlicensed as well. Yes. But I do come back to the point, I think businesses have turned the corner of now looking inward to locals because I think there is an awareness. I use the word "moral". Not many people probably around this table would say businesses can be moral, but we are. Obviously we are human beings

like everybody else, but I think the reality is I feel there is a moral imperative to try and look more in-depth at local individuals and hence the Advance to Work scheme is a good mechanism for us to do that because it does do a bit of filtering for us. I think the past there was no filtering mechanism to say: "Is this person appropriate or is that person appropriate?" Anybody can write a C.V. up and say whatever they want to on that. I think what the A.t.W. scheme has shown is that this filtering mechanism does help. It does not work 100 per cent of the time and you have got to accept that a bit, but it is an improvement on where we were at. That, for me, is a really positive message.

Deputy S. Power:

We saw some information from the Statistics Office, David, that traditionally Jersey had a high transient population during the summer months. People came and a lot of them left. Recent information seems to suggest that a lot of people are staying within the immigrant population. Have you experienced that in your business? The ones that arrives say 2005, 2006, 2007, many more are staying?

President of the Chamber of Commerce:

Well, I think the Statistics Office, if my memory serves me right (I have seen the graph, I think it is) if you stay for a year I think your likelihood of then staying longer increases dramatically, does it not? If you do not quite make ... that may be blindingly obvious, but what I am saying is there is a tendency of once you have got your foothold in the Island then people do tend to stay and I can understand that. You just have a look around Europe and look around the U.K. Look at the employment opportunities there are at the moment and the question is: which is the better hole to get into? Is it better to suffer in Jersey maybe in the housing situation or whatever and have a job or be unemployed in Spain and join the 25 per cent of people who are unemployed over there? There is much bigger economic things going on.

[10:30]

Deputy S. Power:

But in your own experience as owning a local business, have you noticed across the counter, in your own situation as an employer, that there are more established immigrants applying for jobs rather than newly arrived?

President of the Chamber of Commerce:

Would I have noticed the difference? I do not think I have particular noticed a difference, no. We still, on a weekly basis, get someone who I would not say is quite off the boat but not far short of that saying: "Is there a job available?" So I think there are still plenty of people looking around and I am guessing this will put more pressure on those people who are not 5-year qualified. Well, they are already under pressure because clearly 1,800 people are actively seeking work and then, if you are unqualified, I think ... Am I right in saying that Social Security will not pay you if you are not qualified for work? You may be able to inform me a bit better than that.

Deputy G.P. Southern:

You cannot get income support.

President of the Chamber of Commerce:

You cannot get income support, yes.

Deputy G.P. Southern:

Under 5 years.

President of the Chamber of Commerce:

Under 5 years, yes. So are you going to hang around if you are struggling to find a job and cannot get income support? You are not. You are going to go, are you not? Would I say there has been a dramatic sea change? I do not know. Having had 2 break ins I think there is a bit more desperation out there, that is for sure.

Deputy S. Power:

Yes, unemployment and poverty. The Chamber of Commerce has previously held the view that the States really has no business regulating business as such and that we should really regulate everything through housing controls. Has there been a shift in that policy or are you still of that belief? How often does it come up?

President of the Chamber of Commerce:

Recently it has not come up and I think probably the reason it has not come up recently is because of the unemployment situation. I do not think that there has been that kind of tightness there. I think one of the issues in the past has been wage inflation. You know, because you cannot get individuals or the individuals you wanted you were getting sort of this massive inflation of wages as the people who

were locally qualified were able to walk into another job for an extra whatever per hour. That now clearly is not the situation at all. It is completely the other way in fact, I would say. So to come back to your question: "Has Chamber's view changed," as leader of Chamber of Commerce I would say my view has softened on that front. I think there is a way forward but I come back to it. I think what I have seen has been more the case of how the law is applied which has changed. I think when it was truly hard-headed and I felt that small businesses were getting a really raw deal on this then certainly there were all sorts of other avenues to go down. But I think now that we have seen an easing (and, as I say, I have got to use that in inverted commas), a bit more pragmatism and a bit more understanding of the realities of the economic situation, I think those kind of issues probably are fading into the background a bit more.

Deputy S. Power:

So you say your view has eased. That would mean that you are slightly more relaxed.

President of the Chamber of Commerce:

Yes.

Deputy S. Power:

But you keep repeating that it depends on how the law will be applied and how the law will be enforced.

President of the Chamber of Commerce:

Correct.

Deputy S. Power:

Because you do it legally.

President of the Chamber of Commerce:

Yes.

Deputy S. Power:

So it is very important for your business that there is an even hand across the whole industry.

President of the Chamber of Commerce:

Correct. Absolutely right, and there should always have been and I think that is what has been so depressing over the years. With the finance industry being so strong and basically sucking in some of the best people, because of the political pressures at population level, there was a complete lack of awareness that there is a whole bunch of other businesses in the service industry who also have a requirement for a certain level of skilled staff. I think that has at long last drip fed into government and has affected how policy is carried out.

Deputy S. Power:

In some ways the backbone of the Jersey economy and diversification is small business and we have got to nurture them.

President of the Chamber of Commerce:

Absolutely. One of the problems (and I point at my dear old egg box) is I do not think we are doing that. I do not think we politically are genuinely 100 per cent behind diversification of our economy. We are going to have a Panorama report tonight about the industry. I think the *Guardian* over the weekend has going after things, the HSBC scandal. In fact in my last report I am saying, as sure as eggs is eggs, something else is going to crop up and it is going to be bigger or whatever as Jersey is under the spotlight. The question has to be: what are we, Jersey, doing about our economy to get that diversification going forward? There is plenty of areas where we should be diversifying into: filming or heritage. People keep knocking on my door and saying: "Why are we not supporting this? Why are we not supporting that?" We are in a very challenged situation at the moment, certainly from an external point of view.

Deputy R.J. Rondel:

What do you think is the main obstacle in front of smaller businesses who are trying to progress? Is it places like Planning?

President of the Chamber of Commerce:

Planning can be an issue. I am sure Planning are sick of me banging that drum all the time. I am very conscious there are a few issues. Regardless of whether you love it or hate it, the co-op scheme in Charring Cross, for instance, is one of your classic examples whereby we could get shovels in the ground and get going and it is almost like a non-acknowledgement of the current economic situation. Regardless of

size of building, our respect for heritage and all these kind of areas, the political imperative is to create jobs and that means you have to grow your economy. You have to get businesses who are prepared to invest in it and encourage them to come along. Now, if you cannot get the co-op spending the money, God help you at small business level. I mean how many small business independents would you say have set up in the High Street recently? Zero. There is nobody doing that. We were having this conversation the other day. I cannot recall so few small businesses setting up in the retail environment as there are right now. Rents are too high. We are getting beaten up on the internet, is the other area. The public criticism is unbelievable from businesses. Even Philip Ozouf is quoted here last Saturday in the paper having a go. I know he was having a go at fuel and duties and stuff like that, but he did have a wider swipe at what businesses are doing. When you have that negative kind of mind-set, what business is going to be realistic and have a go?

Deputy S. Power:

Moving on from your own slight shift, I just want to clarify this. You believe that this Control of Housing and Work Law will work if it is implemented properly and if it is enforced properly?

President of the Chamber of Commerce:

It will achieve what I think it is trying to achieve. I hope it will. It will be an improvement on what we are doing at the moment. It will be more measurable. I think it is going to help people like Duncan Gibaut in the Statistics Office to be able to give you guys a better idea about where we are going. It will help us in turn then to plan out our infrastructure going forward as to what we want to do. Will it result in fewer people coming into Jersey or not? I do not know. I think at the end of the day what affects that more than anything is whether the economy is growing or shrinking. If the economy is growing you have to expect more people to come to the Island. If the economy is shrinking then, heaven forbid, we have people leaving the Island.

Deputy G.P. Southern:

That is the reality, is it not?

President of the Chamber of Commerce:

Yes.

Deputy G.P. Southern:

If we go back into growth then we will see the same problems.

President of the Chamber of Commerce:

Precisely.

Deputy G.P. Southern:

You believe, under those circumstances, the new system will be better in responding?

President of the Chamber of Commerce:

Sorry, clarify what you mean. Responding to?

Deputy G.P. Southern:

Responding to, let us say, you saying: "I need to expand. I am ready to expand and I need and I cannot find local people."

President of the Chamber of Commerce:

You come back to that again.

Deputy G.P. Southern:

While we are in a recession and while there are jobs not filled, people not in work, then the system is okay?

President of the Chamber of Commerce:

Correct.

Deputy G.P. Southern:

But it is not a depression.

President of the Chamber of Commerce:

Correct.

Deputy G.P. Southern:

When it comes to depression, will it be any different to what we have seen in the past?

President of the Chamber of Commerce:

The reality is no. Economies are so delicately balanced. It is about being competitive. When I talk about competitive, it is not just about business. It is about Government being competitive. It is about all the different bits and pieces being competitive and I think if, as a result of a squeeze on employment, for instance, you turn around and say: "We are going to restrict who you can employ," as has happened in the 1990s and things like that, wage inflation goes through the roof. Then what happens? You just do the maths on it. Wage inflation cuts the business bottom line. How do you compete? That means you have to sell goods or your services at a higher level. Yes, if the economy is prosperous people will be prepared to pay those higher levels. But on the other hand if you get into retail and that means your margins have to go up, people just go online. It is not simple world of this little bubble economy of Jersey anymore.

Deputy G.P. Southern:

That has been a major change.

President of the Chamber of Commerce:

That has been a massive change and that is the way we are all dealing with the world in the future. Is it 17 per cent of all transactions retail-wise take place on the internet now? That is a loss to our economy, a complete loss. That is just money flowing away from our economy and not helping jobs.

Deputy R.J. Rondel:

That is uncontrollable and that will not change either. It will only increase.

President of the Chamber of Commerce:

Totally uncontrollable. Absolutely uncontrollable. Therefore, what we have to continually think is: "What do we do that is best for Jersey? How do we manage all these competing, conflicting interests?"

The Deputy of St. Mary:

But that situation could be just a small area which has nothing to do with the economy, like parking.

President of the Chamber of Commerce:

Yes.

The Deputy of St. Mary:

If we had better parking people would not go online because it is still much better to go to a shop and make a choice.

President of the Chamber of Commerce:

But this is what Chamber talks about: accessibility to town and various things like that. We are talking about accessibility. It is about how you use parking. You will get us all started on parking now, but it is about flexing the parking arrangements, so that you have shopper parking in the right places; you have long-standing parking in the right places. I think the stats will tell you - the T.T.S. (Transport and Technical Services) guys will tell you - that there are fundamentally basically enough parking spaces out there already. It is just they are not in the right places necessarily for what you want to do and so schemes like the Sand Street Scheme have to be applauded. I think that is a move in the right direction. People do not want to be beholden to a pay card which they have to rush out and recharge for fear of getting a fine. So, I think T.T.S. - and I give them their due - are moving in the right direction. They are starting to think about it a bit more positively. The other area is the town team which the Constable of St. Helier is trying to get going. It is stuttering a bit at the moment, but I would say that enhancement of town, you know at the end of the day it comes down to, as you say, it is much more than price. People want entertainment; they want all sorts of other things. They want to mix and mingle with people and other things like that in a friendly environment and in an easy way. So, I think we have to again understand that dynamic as well; it is a lot more complex, but it is just like all these issues. There is much more to it than simply: "Oh, it is cheaper on the internet."

Deputy R.J. Rondel:

Just to bring it back to population et cetera are you aware or are you familiar with the Isle of Man system where they do operate a work permit system?

President of the Chamber of Commerce:

No, I am not, no. I have heard of it, but I am not familiar with it, no.

Deputy R.J. Rondel:

Right, okay, and my next question was going to be what are your views on it and obviously ...

President of the Chamber of Commerce:

What are my views on it. Yes, I am sorry, I cannot comment. I cannot comment on that.

Deputy R.J. Rondel:

So you are not aware of their system?

President of the Chamber of Commerce:

No, I am not aware of their system, but the Isle of Man economy is quite different, is it not, to Jersey in terms of its success?

Deputy R.J. Rondel:

Yes.

Deputy S. Power:

Diversified as well.

Deputy R.J. Rondel:

Yes, it is diversified.

President of the Chamber of Commerce:

Yes.

Deputy S. Power:

Can I just bring you back, David, to the control of Housing and Work Law to be? There are between 32,000 and 33,000 people employed on the Island, a quarter in the States sector. Therefore somewhere in the region of 22,000 to 23,000 people are in the private sector; that is large business, small business and self-employed. I am just wondering - I hate to go back, but I need clarification from you - how Chamber view ... the State sector will be quite straightforward, one would imagine, but I am just wondering what the logistics are of 22,000 or 23,000 people employed in the private sector out there are getting name and address cards with their ID or the introductory period of this law.

President of the Chamber of Commerce:

Okay, you are putting me on the spot now. If I was the man set up or lady set up to do this what logistical thing, what information have I got? Data-wise I have obviously

got Social Security records, so as a business I have got the name and address of all of my employees, so that is one bit of information. So, that Social Security will have that information a very up-to-date record of what we have. Now, the question is, do Social Security contact me and say: "Can you validate all of these names and addresses for us because we are going to issue you with a card?" We as the employer then give that card with a pay packet to the individual who we are employing. That would be I would have thought a fairly tight way of doing it because we would only be issuing cards to people we are employing. Alternatively if you go down the employee, the individual route, I am struggling to work out how you would identify a Polish individual, how you would get to them. I do not know; I am trying too hard to ...

Deputy G.P. Southern:

Or Portuguese, yes.

President of the Chamber of Commerce:

Or Portuguese or whatever and they may not speak English or whatever.

Deputy G.P. Southern:

The rubric is that no one has to get their card until they change residence where they live or change jobs, so as you change job as you move to a new job that is the time when you go in and ...

President of the Chamber of Commerce:

You trigger it which is your point about why it is going to take them 5 years to sort it all out. My immediate reaction would be I would have thought you could sort it out a lot quicker than that in a big percentage way by using mechanics through Social Security. You know, I believe that would be a fairly obvious kind of way.

Deputy S. Power:

My question is this idea of transitional period, how it is going to work because I have got no clear idea in my mind as to who will validate who has a new card and who is operating under the old card and who elects not to have a new card and what about those that do not transact?

President of the Chamber of Commerce:

Well, the question is can you elect not to have a new card; can you elect not to have a new, you know? You cannot elect to do that?

Deputy S. Power:

No, anyone who is in gainful employment or transacts to a property or a lease or whatever would transact and anyone who is registered at Social Security would transact and would create a transaction.

[10:45]

President of the Chamber of Commerce:

Yes, sure.

Deputy S. Power:

That is how the system works, but in my own view I have no clear idea in this amorphous 5 year period how it all is going to work together because little old Mrs Le Moniard who is a State flat has never transacted in her life and will refuse point blank to go down to Social Security and get a card if she lives to 91 and because she does not intend to transact, so how does that work?

President of the Chamber of Commerce:

Good question and I can only talk about it from an employment point of view and say well I can help out on the employment side; in other words the 23,000-odd people who you are saying work in the private sector. I would have thought that would be reasonably straightforward. You know this is me not having thought about this for the last 24 hours, but just talking here today. I would have thought that would be fairly straightforward to deal with if Social Security can talk to us. I mean they have all our records. Every quarter they get all of our records of who we are handling. If they give us a series of cards which we then maybe get our employees to sign for to say that they have successfully received the card, at least that is maybe the employed population sorted out, but I take your point about Mrs Le Moniard who maybe has not ...

Deputy S. Power:

My problem then is you as an employee with 9 employees you are implying that you are then going to be asked to validate by identification the name and address cards. How does that work?

Deputy G.P. Southern:

That is not going to happen. The relationship is between the individual and the company through Social Security: "Here is my data, not to you, but for them." That is the relationship and that is ...

President of the Chamber of Commerce:

Okay, so you have made my life easier already, okay.

Deputy S. Power:

It makes your life easier, but it does not make it very easy for the mainstream of 23,000, 24,000, 25,000 people that have to have cards, so that was the basis of the question.

President of the Chamber of Commerce:

No, I agree, it is a massive logistical issue, yes and you know 5 years seems a hell a long time to be trying to sort out a problem which is fairly dynamic.

The Deputy of St. Mary:

But David just made the point previously about backing that card up with a passport. Why have the card at all; why not just go and show the employee your passport? That employee goes back down to Social Security and gets issued a card.

President of the Chamber of Commerce:

They could do that, yes and then we have the card and we can hold the card if necessary, like we do the Social Security card, yes.

Deputy S. Power:

Are there any questions on that? Then we have seen from 2005 on this big spike in population growth on the Island and we have seen the recession come in as a result.

President of the Chamber of Commerce:

Not as a result of the spike in increase in population.

Deputy S. Power:

I should have said we have seen the spike in population and then we have seen a recession. As a result of those 2 phenomena, one after the other, how do you think in the future, given the spike in the 4 years, 5 years to 2010 and the recession afterwards, population numbers should be managed; what do you think we should be looking toward?

President of the Chamber of Commerce:

I mean almost by implication you are saying shall we through a whole bunch of people out who we no longer need. That is a good question. I do not know that we need to do anything. My gut feeling is you will see a natural, you know, wastage. I think you will. At the end of the day if people cannot find jobs and they have still got the rent to pay and the mortgage to pay and all the rest of it, I do not think they are going to hang around, so a sort of a fear that somehow you are going to have all these people, I do not know. Maybe they will all sit here and wait on their hands and expect Social Security to keep paying money out, but again we have already identified that under 5 years you are not going to get any Social Security, any contribution towards anything, so you are not going to hang around. So you are going to go and find easier climbs if that were possible. So, I do not know, I just see it as being a natural you know we have to it is like a wave, the market will in the end level itself out and sort itself out.

The Deputy of St. Mary:

That is okay for the immigrants, but the problem area is the ones that are here that are not employed. They are not going anywhere.

President of the Chamber of Commerce:

No, I agree and basically if we shift the problem from here, we just move the problem over to the U.K. or to France or to somewhere else, do we not, and, yes, it is everyone's problem almost, is it not, what you do? I do not know is the simple answer. It is hard to know what to do. I think all we can do is we have to try and grow our economy and we have to try and be positive about our economy, create more jobs and make it easier for people to set up in business to create jobs. We have to, as we talked earlier about, make sure our youngsters are fit for work whether that is academically or with their hands. To do that we make sure our education system is as up to speed as we can have. We just have to make sure that we put all those bits into place as soon as possible and on an ongoing basis.

Deputy R.J. Rondel:

I think you alluded to it earlier about the education of the young ones. That is so vital because you mentioned in Spain 25 per cent unemployment, but the under 25 year-olds it is 50 per cent which is frightening.

President of the Chamber of Commerce:

Well, you know, if you think 25 per cent unemployment what that would look like in Jersey you would be looking at maybe 10,000 people knocking on Social Security doors. That is a horrific situation; a horrific situation. So, I just think coming back to your point about saying those people are not going anywhere, absolutely they are not, but what we have to do is make sure they do not just rot and we do not have this "lost generation" of people who never had a job and never had an opportunity to get a job. We have to make sure we skill these people up and get them the necessary where-with-all to make their employable.

The Deputy of St. Mary:

So, this might not be politically correct, but should we offer local employers an incentive to employ those local people?

President of the Chamber of Commerce:

Well, we already have the one year rule, do we not?

The Deputy of St. Mary:

But in a more long term ...?

President of the Chamber of Commerce:

Gosh, I get really worried about all of that kind of stuff, you know, Government subsidising businesses to employ people. You can get into a very sticky mess with all of that. I mean the situation already is quite challenging with long term unemployed. I do not know if you are aware of a Social Security scheme whereby if you employ someone who has been over a year unemployed then you get a refund of Social Security payments; okay, that is the current scenario. We have got one individual, funnily enough, by accident who is on that scheme at the moment working for us, but I would not have hired them because I thought: "Oh, this is going to save me some Social Security. I want to hire you because I think you are fit for the job I want to employ." I mean maybe it has incentivised some businesses to sub-optimize,

but the problem always is that only business is only as good as your worst employee and so that is why it is important to get their skill levels up and I think that is why come back to the background of it all and that is it is so important for the education system and for Skills Jersey and for Government to have a really good understanding of what the demands are of our economy and saying: "Where are the gaps? Hang on, we have got all this bunch of people; we have got a bunch of gaps here. Why are we continually looking outside to bring more people in when we already have these people sitting here which are costing us money?" So I think it is all these different places working together properly.

Deputy R.J. Rondel:

So, do you see, as Chamber, any flaws in the new regulations; can you highlight anything?

President of the Chamber of Commerce:

At the moment, no. What I have seen and what we have read and what we have been shown, no, is the answer. As I say, I think it is just more about the pragmatism in which it is supplied. That is what I want to see, but I think it is a more "genuine" system than we have at the moment. I think that would be my main word. I think it is a more "genuine" way.

Deputy R.J. Rondel:

Improvement.

President of the Chamber of Commerce:

It is definite improvement and I like the flexibility of not having to knock on the Population Office door if I want to employ more local people. That really for me ...

Deputy R.J. Rondel:

Providing you have got a certain amount of unlicensed ...?

President of the Chamber of Commerce:

Yes, yes, I am not talking about even unlicensed. What I am saying is that if I want to grow my business and employ and go from 10 to 20, in the past regardless of ones who are qualified or unqualified, I have to knock on the door of the Population Office and say: "Can I now employ 20 people? Can you give me a licence?" but that is going out the window. But obviously clearly in the background behind there it would

be nice to have that flexibility. I have got to be careful at this moment in time because clearly right now it is not an issue, but it is something which people need to not just wash their hands of.

Deputy R.J. Rondel:

We have got to keep thinking ahead as Government or trying to. We have not being putting it in the past, but that is when suddenly things hit you and you are not prepared for it.

President of the Chamber of Commerce:

You are not prepared for it, yes and there has to be that recognition and I know as economics change and political pressures change and that is the danger we always have in business is that politicians change their mind and I know none of you have ever changed your mind in your lives before, but what I am saying is businesses need continuity, they need certainty, okay and hence if you do not have a degree of certainty then you do not invest; you do other things.

Deputy S. Power:

Would you encourage the Population Office then under the new regime to be to carry out random checks on employers and I base that on the question I asked you half an hour ago that you have never had a visit. Would you encourage the Population Office to go out and visit people and just check their records randomly?

President of the Chamber of Commerce:

Well, yes, you can, but I think this new regime will be an opportunity to do that. I think it is a bit like the G.S.T. Office did. Once the G.S.T. was installed and set up we had a visitation subsequently and they clearly had been going through all the different businesses who had been putting in their G.S.T. returns just to check that what they are doing is right and so for me I think it is just a good excuse for the Population Office to get their face into business because I think it makes life so much easier if you can put a face to someone in Government who is going to affect your business and I think that would be a really positive, constructive thing for them to do.

Deputy S. Power:

So, you said you have had a visit from G.S.T. You have a recent visit from Social Security, but you have never had a visit from the Population Office?

President of the Chamber of Commerce:

From Population, no, nothing.

Deputy S. Power:

So, you would not be against that?

President of the Chamber of Commerce:

Not at all. Not at all and especially if we are setting up a new scheme which is basically a verification that you have done it right.

Deputy S. Power:

So, a year in or 2 years in you would have no problem with that?

President of the Chamber of Commerce:

No, not at all. Not at all.

Deputy S. Power:

Okay. The second question related to that is the Director of the Population Office was quoted in the paper recently as saying he would be able to carry out stock checks. So, for instance if a van came from Dublin or Budapest and was carrying out some work on the Island, they would be literally checking that vehicle and operator, van employee or doing the shop-fit out or whatever and it technically would be able to stop that work being carried out. Has Chamber ever given any thought as to how that area would be policed?

President of the Chamber of Commerce:

How it is to be policed? A good question. I do not think we have and it is quite an interesting one because I have to say I was on a boat early morning sailing from Portsmouth the other day. I was at Poole the other day; the fast boat. I was quite struck by how many "white van men or women" are coming on to the boat and you do wonder where the heck these people are all going to when we supposedly have an unemployment problem. Why are these jobs not being kept on the Island and I absolutely would be all for any way of enforcement in controlling that kind of activity.

Deputy S. Power:

So, to be specific then, if the Population Office were to carry out checks on the car ramps coming for a vehicle, particularly the larger, because some of these vans can

come on the fast boat as well, you would be in favour of random checking of these vehicles that are not Jersey registered and even Jersey registered to make sure that they are to meet the requirements of the control of Housing and Work Law?

President of the Chamber of Commerce:

Yes, absolutely, I have no problems with that at all; no problems with that at all. I think it is absolutely right if you are serious about trying to control this problem and we want to keep jobs on Jersey and we want to keep them in our community and without money flowing away, at the end of the day if people are doing this randomly what are we losing as an Island? We are losing employment opportunities; we are losing Social Security; someone has to pay for health. The job may be cheaper and all the rest of it. No wonder it is cheaper because you are not contributing to our society.

Deputy S. Power:

I think the problem is if somebody comes from either Belfast or Budapest and they are not regulated or they are they are not registered there is evidence that they do turn up at A. and E. (Accident and Emergency). They end up in the court system and it does cost the Island money, so you will agree with this?

President of the Chamber of Commerce:

I agree. I absolutely agree with that.

Deputy S. Power:

Okay, we are coming to the end of our questions. Deputy, do you have any questions for ... Richard? No, John, anything else you would like to ...?

The Deputy of St. Mary:

I think we have covered most of it, but I am very positive on that last comment that we should do these random checks and they should not really be that random. They should be everything that comes in.

President of the Chamber of Commerce:

I agree. I absolutely agree with that. I think everything that comes in is checked. You should have the right paperwork to come in, if you are coming in to do work on this Island, absolutely.

Deputy G.P. Southern:

We might need some more public servants to do that?

President of the Chamber of Commerce:

Yes, but are there not ways and means? It is just waving a piece of paper. I could not believe how easy it was for me to drive into Jersey without any check, not even my passport was checked or anything at all coming in to the boat from Poole the other day. I was really quite surprised because sometimes there is a bit of comfort in knowing that someone is doing a little bit of a check-up on you.

The Deputy of St. Mary:

But all you would do would be change the people who are not working at Social Security and give them a different job.

President of the Chamber of Commerce:

Well, maybe that is another way.

The Deputy of St. Mary:

Because if you regulated that area they would not be adding to your unemployed list.

President of the Chamber of Commerce:

Maybe you have an answer there.

Deputy S. Power:

Geoff, do you have any other questions?

Deputy G.P. Southern:

No.

Deputy S. Power:

A last question from me then - and it would be a good question for Chamber and let us know what the outcome would be - is are you convinced that the provision to enable that kind of enforcement at that level where somebody would be greeting the ferries on a daily basis and on a weekly basis that the Population Office has the resources to do that because that is part of the key aspects of population?

President of the Chamber of Commerce:

Yes, I agree, but surely on the other hand, you know, if we start to have a situation whereby we become more automated with the other areas, surely that will free up some resource. I am always a bit nervous that you instigate a system which is supposed to be more effective and more efficient and then suddenly you find out you need 10 more people to apply it. I do not know. Let us balance the cost. What is the cost to our economy versus the cost of employing an additional civil servant or 2 civil servants to police it?

[11:00]

Does anybody know what the economic leakage is; has anybody done their homework, the mass on the economic leakage, of let us get on to “white van man” coming on to this Island and taking business away from this Island because I think if you could quickly identify what the economic leakage was then you could turn around and say: “Well, we justified this by policing it more highly and therefore the cost of employing 2 more civil servants to do that versus the economic leakage makes the mass mean that it is sensible to do that.”

Deputy S. Power:

Well, the analogy would be this, if Cooper & Co, it is a legitimate business that has been operating for a number of years now, and somebody comes in with a van load of coffee from somewhere and sets up as Ace Coffee Suppliers and does not obey any of the rules, does not regulate under it and does not register under control of Housing and Work, leaves after 3 weeks, goes off and gets another van and comes back then that is the issue we are facing. So, my suggestion, my question is, if Cooper & Co do it legitimately we should make sure that Ace Coffee is stopped from doing it illegitimately or illegally and that is the acid test at the harbour.

President of the Chamber of Commerce:

I agree, but I think we come back to the point is about cost versus economic leakage. You have to somehow have a number. You cannot just randomly pick something out of the air and go well that justifies 2 people. Presumably because it is not policed it is not possible to do that number at the moment, but one would say do you put a scheme in for a year and say: “Look, we are going to police everything. We are going to check everything out and see what comes about.”

Deputy S. Power:

I am not sure we are going to get people to do it on a daily basis on each and every ferry, but if we did it on a random basis every week, every second Monday or every third Thursday or every other Tuesday.

President of the Chamber of Commerce:

I would not be that regular.

Deputy S. Power:

Then we would find out as to what the degree of leakage is.

President of the Chamber of Commerce:

Absolute leakage is, yes.

Deputy S. Power:

The problem is that unless the new control of Housing and Work Law is enforced properly we are going to get discriminatory trading which will affect existing businesses that are legitimately setup and have a right to be protected, not by the States directly, but by they are enforcing the laws that the States are passing. So that is the issue.

President of the Chamber of Commerce:

Absolutely and we already see it happening. I have had a number of phone calls over the years from people who have complained about activities being advertised in the *Evening Post* which competes directly with our business and they are saying: "Hang on, they are coming in and they are hiring a room in a hotel to do whatever and how is that fair against me who is paying Social Security and all the rest of it?" We already have that situation, so absolutely better policing is required.

Deputy S. Power:

Okay, well, I think if my panel are happy we are very grateful to you this morning because you have been very open and frank and we would be grateful as a panel if between now and say - I might upset the officer here - January, if Chamber does consider the mechanics of the name and address card issue, you might let us know if there is a meeting between Christmas.

President of the Chamber of Commerce:

Yes, there is. There is one on Wednesday, funnily enough, so I will bring that up on our agenda.

Deputy S. Power:

If Chamber could consider the mechanics of this we would be very grateful as a sub-panel to know what your views are.

President of the Chamber of Commerce:

Okay, what the mechanics are. Yes.

Deputy S. Power:

On that happy note, I am happy to thank you for your attendance and close the meeting.

President of the Chamber of Commerce:

No problem at all; no problem. Thank you very much.

[11.03]