



JERSEY FINANCE

Supporting The Financial Services Sector

Deputy G P Southern
Chairman
Shadow Scrutiny Panel
States Building
Royal Square
St Helier
Jersey JE1 1BA

1st April 2005

Dear Deputy Southern

**SCRUTINY REVIEW: MIGRATION: MONITORING & REGULATION
(P.25/2005) AND ITS RELATION TO THE STATES STRATEGIC PLAN**

I refer to your letter of 21st March 2005.

At the outset, let me clarify what I said at the recent Jersey Finance Presentation to States Members at the RJH&AS.

In talking about the current challenges facing the Finance Industry, I said we must aspire to have a world class workforce if we want to keep our leading-edge position. I went on to say that at the moment we have several hundred vacancies within the Industry, whilst unemployment on the Island is at around 500 – something of a high, in recent times at least.

In the short time you have given me to respond to your questions, it is not possible to provide you with detailed responses, but in speaking to colleagues across the Industry over the last few days, I think I have a reasonable feel for the current situation.

I believe that there are presently vacancies in the following categories;

- a) Trust sector – mainly Trust Administrators
- b) Chartered Accountants
- c) IT sector, at a senior level

It is difficult to be too specific on salaries, but as a guide, I would guess the above jobs would fall into the following bands;

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- a) £40k - £75k
- b) £40k - £80k
- c) £30k - £50k

The simple reason why the jobs are not filled is that there are not the people on the Island with the requisite skills and experience. The Trust sector grew its turnover by around 30% last year, whilst the shortage of Chartered Accountants is not specific to Jersey – the UK apparently has a similar problem.

At the Jersey Finance Presentation, you will have heard me refer to the dynamics of the Education system in Jersey. The Island sends something like 10/15% more students to tertiary education than the UK year on year, but we have around 10/15% less graduates in our workforce. This is a problem for us and it means that we will have to continue to import people unless more Jersey graduates can be persuaded to return to the Island more quickly than they presently do – currently about 60% return after ten years.

The resource needs of the Finance Industry have changed somewhat over the past 5/10 years. With the emphasis now on higher value, lower volume business, the Industry is looking for different skill sets from school leavers and so you will find that there is now relatively little recruitment at aged 16. This is evidenced, I think, by the record numbers of youngsters currently at Highlands College – many are students who left school at 16 but were unable to find local employment.

In line with the States Economic Strategy, the Finance Industry will continue to grow over the next 2/3 years, and will therefore need more resource. Wherever possible, local people will be recruited but with the emphasis on quality rather than quantity, we will still need the flexibility to bring skilled and experienced people in from outside.

I hope my response is helpful. If you need a more detailed reply, I would be happy to survey our Members on some specifics, but I would probably need a month to complete that exercise. Alternatively, I would be very happy to meet with your Panel to answer questions in more depth.

Yours sincerely

Phil Austin
Chief Executive