

2.14 Deputy G.P. Southern of the Minister for Treasury and Resources regarding the estimated cost in lost tax in respect of the redundancies at Jersey Telecom:

Or 15, Sir. I have skipped to this question before but the Minister did not answer so I will ask it again. Will the Minister inform Members what estimate he has for the costs in lost tax in respect of the redundancies at Jersey Telecom?

Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):

It is not possible to estimate the impact of any redundancies on tax revenues without investigating individual circumstances, which would not be appropriate.

2.14.1 Deputy G.P. Southern:

Does the Minister not accept that even at a reasonable estimate of the average wage with 115 redundancies in the offing that a figure of perhaps £400,000 annually might be reasonable to estimate for this loss?

Deputy E.J. Noel:

No, I do not accept that for the main reason that although in total up to 115 jobs, including those already taking voluntary redundancy, may be lost, the Deputy does not take into account that many of these and hopefully all of these employees will find alternative employment.

2.14.2 Deputy G.P. Southern:

Does the Assistant Minister for Treasury and Resources have some sort of crystal ball that he can find 115 vacancies for highly skilled and specialist technical people and, in fact, for anybody made redundant tomorrow or during the coming year that the vacancies are there? Because certainly the Minister for Economic Development does not know of them and the Minister for Social Security, I do not believe, can believe that they are there.

Deputy E.J. Noel:

I am confident that the economy of Jersey will recover and as it recovers more jobs will be made available.

2.14.3 Deputy G.P. Southern:

Is the Assistant Minister for Treasury and Resources therefore predicting that by this time next year we will be through the recession and not the 2 to 3 years being predicted by his Minister?

Deputy E.J. Noel:

No, I am not predicting that we will be out of this particular economic difficulty within 12 months, but the Deputy's question was on impact on tax revenues. Tax revenues are over a long period of time and I believe that the majority, if not all, of the workforce, or I hope the majority if not all of the workforce at Jersey Telecom who may be made redundant in the coming months, will find gainful employment in a reasonable period of time.

2.14.4 Deputy D.J. De Sousa:

The Assistant Minister has just said that tax revenue is over a length of time. If somebody is made redundant where do they find the money to pay the taxes? Surely it is an instant impact?

Deputy E.J. Noel:

Those unfortunate individuals - and we are talking about individuals and their families that are made redundant - will be receiving suitable redundancy packages from their employers. It is for those individuals to sort out their ongoing liabilities including the taxes that are due and I am sure that the Controller of Income Tax will have a reasonably sympathetic ear to those individuals.