

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 27th MARCH 2007

Question 1

- (a) Will the Chief Minister advise whether the ratio of 1.8 dependants per immigrant worker arising from the 2001 census is still applicable to new 'j' category employees today, and if not will he inform members what the correct figure is?
- (b) Will he further inform members –
- (i) what overall change occurred in 'j' category consent activity between the first half of 2006 (to June 1st) and the second half in real and percentage terms?
- (ii) what change occurred in the proportions of time-limited and unlimited consents over this period?
- (c) Does the Chief Minister consider that there is a link between the 77% rise (from 84 to 149) in 'j' category purchase consents between 2005 and 2006, the increase in permanent 'j' category licences and the change in policy to allow private sector 'j' categories to purchase in their own names? Is the trend in increased 'j' category numbers and 'j' category purchase consents predicted to continue?
- (d) Given that the 2% of the working population who are 'j' categories were responsible for 7.3% of house purchase consents in 2006, does the Chief Minister still maintain that 'j' category activity has no effect on house-price inflation which we have witnessed in the latter half of 2006 and into 2007?
- (e) Does the Minister anticipate that the rate at which 'j' category approvals become converted into 'j' category housing consents will increase now that most 'j' categories will be permanent appointments?

Answer

- (a) The ratio of 1.8 dependents per 'j' category employee was calculated at the time of the 2001 census. The Jersey Annual Social Survey provides a good point of reference, and the next round of the survey - which will be taking place later this year - should provide a sample of sufficient size to be able to comment on any change in the average number of dependents, and there will be a further opportunity to assess the ratio of dependents after the 2011 census.

- (b)(i) Fifty-seven 'j' category purchase consents were issued over the five month period to 31st May 2006 and 92 for the seven month period to 31st December 2006. On a like for like basis, this represents a 159 increase (accounting for the different time frames).

It is worth noting that the latter part of the year, covering the summer months, is a traditionally busie period for the whole housing market. In 2005, for example, 31 'j' category consents were issued in the period to 31st May, and 53 in the period from 1st June to 31st December.

- (ii) Over the first five months to 31st May 2006, 95% of applications were granted with a time limit; over the seven months between 1st June and 31st December 2006, 32% of applications were granted with a time limited consent.
- (c) It is interesting to note that growth in 'j' purchase consents was higher before the introduction of the new Contract Policy than it was after the policy was introduced, as evidenced by the table below.

'j' purchase consents	2005	2006	% increase on
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			prior period
Pre-new Contract Policy			
Five Months to 31 st May	31	57	84%
Post-new Contract Policy			
Seven Months to 31 st December	53	92	74%
12 Month Period	84	149	77%

This is the case because it is the performance of the economy, and financial considerations, which overridingly drives housing demand, as opposed to something like a new Contract Policy. At the same time, and vitally, this consequence of economic success needs close monitoring. This is taking place, with decisions on 'j' applications being made within the overall States approved target of 2% economic growth and no more than 1% average annual working population growth.

- (d) It has never been stated that 'j' category purchases have *no* impact on the housing market, simply that any impact is *minimal* in light of the fact that 92% of purchases are made by locally qualified individuals. This was clearly stated in a previous response given on the 21st November 2006. As also stated in the same response -

“it is simply not plausible, in the context of large increases in local employment and real economic growth for the first time in 5 years, to ascribe the increase in house prices to a small number of essential employees.”.

It should be noted that 3% of the total working population are 'j' category employees (Manpower Survey–30th June 2006). The figure of 2% comes from the manpower survey, but is a private sector comparison only.

- (e) The statistics in the table in answer (c) above are clear. Growth in 'j' purchases did not accelerate on introduction of the new contract policy, but is rather a consequence of economic growth.

The new contract policy reduces staff turnover and encourages stability in the labour market, and by the same token, over the medium term, the new policy will also reduce turnover and volumes in the housing market.

Question 2

Will the Minister reveal to members what figures are projected for possible net annual inward migration to achieve the 2% economic growth called for in the economic growth plan and whether this figure refers to heads of households only or includes dependants?

Answer

The States target of 2% real economic growth is based on 1% growth in the workforce. The growth in the workforce will be achieved through increased participation of local people, and inward migration will only be allowed where key skills (that will facilitate growth and employment) are required and where housing requirements be accommodated within existing projections.

