

3. Questions to Ministers without notice - The Minister for Economic Development

The Greffier of the States (in the Chair):

Very well, we come now to Questions without notice to Ministers and the first period is to the Minister for Economic Development. Deputy Hilton.

3.1 Deputy J.A. Hilton of St. Helier:

At the end of 2009 there were a total of 9,100 non-locally qualified licences in the labour market. Currently there are 7,571 non-locally qualified licences still in the labour market. This represents a decrease of approximately 17 per cent in the total number of licences available in the 3 years from 2009 to 2012. Considering all licences come up for renewal every 3 years, does the Minister believe he is doing enough to protect local jobs for local people?

Senator A.J.H. Maclean (The Minister for Economic Development):

I thank the Deputy for the question, it is an incredibly pertinent question at this time with rising unemployment levels. To answer the question in short, yes, I believe we are.

[11:00]

I am encouraged certainly by the reduction in figures that the Deputy has referred to; 17 per cent less non-locally qualified licences in the marketplace and we do actively review licences as and when they come up. We do indeed put applicant businesses under some pressure and scrutiny in terms of employing locally and a number of initiatives have been started, particularly, I should add, within the hospitality sector to encourage greater levels of employment of local people in that sector which has a very high level of non-locally qualified currently.

3.1.1 Deputy J.A. Hilton:

Supplementary, Sir. I am sorry but I do not accept that a 17 per cent reduction over 3 years is enough when we have almost 2,000 people unemployed at the current time. Does the Minister agree that while his department is stripping out some capacity at the renewal point, thereafter people become locally qualified for employment or a business may be reducing its staffing so capacity is created in the licence in both circumstances over a 3-year cycle? Will the Minister confirm in future except in exceptional circumstances all non-locally qualified licences will be removed entirely at renewal?

Senator A.J.H. Maclean:

I cannot possibly agree to that. Quite simply, if you look at the make-up of the non-locally qualified sector, the majority of non-locally qualified fall in the low value sectors, that is agriculture, that is tourism, that is retail and wholesale. Many of those sectors we encourage, by various schemes, local people to take up those jobs. There is a disconnect, unfortunately, it is not always easy to get locals to take those type of jobs. We are trying to move in that direction. There has been some improvement. We continue to aim to reduce the number of non-locally qualified but it is not quite as easy as the Deputy seeks to suggest.

3.2 The Deputy of St. Martin:

Yesterday in the Economic Affairs Scrutiny Panel hearing the Minister said that he thought we needed a fundamental review or fundamental rethink of planning. This year in the Welsh Assembly, entire chapters of planning law have been revised to align planning policy on economic development and more closely with the Welsh Government's broader economic policies in order to try to ensure that the planning system in Wales facilitates economic renewal more effectively. Is that the sort of fundamental rethink the Minister was considering when he made his comments?

Senator A.J.H. Maclean:

I thank the Deputy for raising the comments that I made yesterday. I noted yesterday that the media were not present but thankfully he has brought it into the public domain. Yes, I did make comments along those lines and, simply, it is like other governments. We need to think about removing barriers to investment and to growth. Clearly in that regard I am keen to encourage investment, I do not want to see it blocked, and I am keen to encourage employment, local employment, and I do not want to see that blocked either. I think in that respect we need to consider all aspects of our planning system and I think it is most important that we consider not just important environmental and social matters, I think level billing should be given to economic factors as well in determining planning applications. That is an important point that although there are many economic considerations within the Island Plan they do not translate through to planning guidance and that in my view is a problem.

3.3 Deputy M.R. Higgins:

The Minister for Economic Development undertook over 18 months ago to bring to this Assembly a proposition to introduce a Financial Services Ombudsman. He has not done so. In fact he was going to do it within 12 months. He has not done so. Will he explain to the Assembly why he has not and when he expects to bring it in?

Senator A.J.H. Maclean:

Yes, this matter has been more complex than anticipated. We are working in conjunction with Guernsey and I have to say that I am pleased to announce that law drafting instructions have gone to the Law Draftsman. I would hope that by 2014; a debate in the States within 2013 and that there will be some effect introduction by 2014.

3.3.1 Deputy M.R. Higgins:

Supplementary, Sir? Can I ask what differences, if any, have arisen between yourselves and Guernsey on this particular matter?

Senator A.J.H. Maclean:

Well, there are a number of matters to consider but most importantly there have been delays in relation to the electoral cycle. There was an election in Guernsey. Different views were expressed between the former House and the current Members responsible for this issue, and indeed the timetable under which Guernsey could progress this particular project was not aligned initially with our own. That is why the timetable slipped slightly.

3.3.2 Deputy M.R. Higgins:

Sorry, I did not get my question over properly. I mean in terms of the drafting and provisions of the Financial Services Ombudsman, is the Minister on the same hymn sheet or do you have different ideas about what should be in the law and what he should be doing, and what are they?

Senator A.J.H. Maclean:

Naturally matters such as this are open to negotiation and that is why it has been somewhat of a lengthy process. I would hope that the Deputy would have some comfort from the fact that instructions have now gone to the Law Draftsman.

3.4 Deputy M. Tadier:

It follows on from Deputy Hilton's question. Will the Minister confirm that once a licence has been reissued, if an employee ceases to work for that company during the 3-year period the employer can automatically take on another unqualified worker without having to go back to the department?

Senator A.J.H. Maclean:

It would be correct if the licence was in force. Obviously at regular intervals the licences are reviewed and a business would need to demonstrate that it needs still that quota, for example, of

non-locally qualified individuals. Licences when reviewed are being reviewed generally downwards unless there is a very strong case to the contrary.

3.4.1 Deputy M. Tadier:

The Minister said earlier that the licences are reviewed every 3 years so that means if employees come and go in between there is no requirement for the company to... when that post becomes vacant to employ a locally qualified person, they can just keep on with that licence even if some of the applicants coming may be locally qualified. Is that currently the case?

Senator A.J.H. Maclean:

That is currently the case but of course that will change under the new law that is going to take effect next year.

3.5 The Connétable of St. Helier:

I would like to ask the Minister where he stands on my amendment to cap the proposed increase in the alcohol impôt given the support for the amendment that has been expressed by the Jersey Hospitality Association.

Senator A.J.H. Maclean:

Clearly I will be making that known when the debate comes around shortly but I would just add that it is incumbent upon me as the Minister for Economic Development to do all I can to support businesses and as such I think Members will see that I will vote accordingly.
[Members: Oh!]

3.6 Deputy R.G. Le Hérissier:

Apropos the importation of labour, given the allegations that there is a sort of cultural aversion to local people working in hospitality and agriculture, in particular. Would the Minister state for the House whether he now requires these employers to put forward a training plan showing how they intend to entice or recruit local people into their industries before he even considers approving or giving approval for a licence?

Senator A.J.H. Maclean:

I sit on the Migration Advisory Group and when applications are considered a very heavy weighting is given to businesses that have demonstrated exactly that. There are some very good employers in the Island in the hospitality sector and other sectors that do put in place considerable efforts and resources to do exactly that. I have seen some that have spend... one particular business spend something like £50,000 in seeking to recruit local people and putting in place training programmes. From the numbers that they put through their programme, a very small section resulted in taking up the posts that were put in place which is clearly disappointing after such an investment.

3.6.1 Deputy R.G. Le Hérissier:

I wonder, just to follow-up, could the Minister tell us the reasons why they did not take up those positions?

Senator A.J.H. Maclean:

I think they are multiple but there is a cultural issue, I think, in part. We need to, like many other places in Europe, be proud of, for example, our tourism industry. It is a career path that should be not looked upon with shame as if it is something of a low grade occupation. That is not the case. There is a great deal of pride in working and an opportunity to progress in hospitality to managerial positions and further. So I think we need to overcome that. One employer said to me that they went through a training programme with a young girl and she got the job and did not come in on the third day because apparently the father had called in to say that he did not want his daughter waiting on tables.

3.7 Deputy J.A. Hilton:

Notwithstanding the Minister's answer to my previous question, I note that currently there are non-locally qualified licences for 3,600 people involved in the wholesale and retail trades and hotels and the restaurant business. Does the Minister not agree that while there is spare capacity in these licences we are just encouraging more people to come into the Island to take up these vacancies? Does he not agree with that?

Senator A.J.H. Maclean:

Yes, I do but changing the position cannot be done overnight. There has been progress, we continue to work hard to encourage these sectors like hospitality, agriculture, retail and wholesale that the Deputy refers to, to employ local people. The problem we have got is that a lot of local people do not want to work in those sectors. There is a disconnect.

3.8 Connétable D.W. Mezbourian of St. Lawrence:

What assessment, if any, has the department undertaken on the impact of introducing gaming machines into local bookmakers?

Senator A.J.H. Maclean:

The department has not directly made any assessments, that is a matter for the Jersey Gambling Commission and I know they do review such issues on a regular basis. I am very happy to ask them to contact the Connétable with their latest research.

3.9 Senator A. Breckon:

In regard to financial services and Know Your Client, is the Minister confident that the regulatory function of the Jersey Financial Services Commission is effective when possible funny money is discovered in local banks?

Senator A.J.H. Maclean:

In short, yes, I am. I think our standards, our regulations and oversight are at the highest standards possible, in fact they far exceed those which are seen in other jurisdictions that quite often seek to criticise us.

3.9.1 Senator A. Breckon:

If I may follow that up. Why is it then that a Jersey resident would need to go in with a passport, possibly a gas bill and other kinds of identification and others from elsewhere do not appear to do that?

Senator A.J.H. Maclean:

I do not think the Senator is correct; I think everybody has to provide the necessary proof from a K.Y.C. (Know Your Client) point of view in terms of opening new accounts. Interestingly, I was talking to a businessman yesterday, a local businessman who has developed a significant operation in the United States, who tells me that he regularly opens accounts without the need for any proof of identity.

3.10 Deputy R.G. Le Hérissier:

In a policy issue that rivals the length that other policies take to implement, could the Minister inform us, notwithstanding the success it appears of the Christmas Lottery, if there will ever, ever, ever be a link-up with the National Lottery, and if so, when?

Senator A.J.H. Maclean:

At the current time I think it is highly unlikely and that saddens me greatly. I did think initially that there was an opportunity but it now appears that they have diminished. We are and continue to put work and effort into our own lottery and I think that the opportunity to have, notwithstanding the fact that the Summer Lottery this year was not a great success, I think we

can seek to reintroduce something similar next year and increase the level of opportunity for Islanders to involve themselves in lotteries for big prizes and also, and most importantly, to raise vital funds for charities and good causes.