

2015.05.12

### **3.2 Deputy A.D. Lewis of St. Helier of the Chief Minister regarding the Control of Housing and Work (Jersey) Law 2012:**

Now the Chief Minister is nicely warmed up, I will go with this one. Sorry, is the Chief Minister going to answer this question or the Assistant Minister?

#### **The Deputy Bailiff:**

Perhaps you could ask the question and then we will get to that.

#### **Deputy A.D. Lewis:**

Will the Chief Minister explain what steps, if any, are being taken to evaluate the impact on S.M.E.s (small and medium size enterprises) of the application of the Control of Housing and Work (Jersey) Law 2012 and what policy changes, if any, have resulted from any evaluation undertaken?

#### **Senator I.J. Gorst (The Chief Minister)**

I will be asking my Assistant Minister with responsibility for population matters to act as rapporteur.

#### **Senator P.F. Routier (Assistant Chief Minister - rapporteur):**

I will try and keep it a bit calmer. **[Laughter]** The Housing and Work Advisory Group meets week in and week out, listening to businesses of all sizes and sectors. We offer support where we can, however we do not approve every application. Instead we need to consider local employment first and only allow migration that delivers the most benefit for Islanders. This approach does have an impact on individual businesses and we are of course happy to keep this under review. But let us not be too pessimistic because in 2014 we saw record private sector employment growth, which has to be positive. The outlook for future employment and profitability published recently in the Business Tendency Survey is also more positive including for small businesses. We will continue to evaluate the overall business performance.

#### **3.2.1 Deputy A.D. Lewis:**

Does the Assistant Minister really believe though that the current way that the law is administered is administered in a fashion fitting of the current economic climate? I have evidence today of one particular application that has taken over 3 months and still no decision has been made. When the department was contacted they were told: "No, there are too many financial services applications therefore we have to put yours to the back of the queue." That is not, I do not think, terribly fair and could the Minister answer as to whether that is the genuine case?

#### **Senator P.F. Routier:**

I have to say I am a little bit taken aback by the suggestion that somebody was told that their decision would be put to the back of the queue because there are too many financial services applications in place, because that is not how we progress things at all. There are some decisions which do take longer to make because of perhaps more information is needed, but certainly we do intend to deal with applications on an even-handed basis and if the Deputy would like to let me know who that particular case is I would certainly ensure that it is looked at promptly.

#### **3.2.2 Deputy M. Tadier:**

The Assistant Minister said that he is meeting regularly with the stakeholders. Is the feedback that he is getting that the 5-year rule is working or that the 5-year rule is not working and is not meeting their needs?

#### **Senator P.F. Routier:**

We meet on a regular basis with people who are asking to put forward their business case for additional licences and the 5-year licence application is a challenge for some businesses. There is no doubt about it. But we do recognise that the States and the Island are wanting us to ensure that we do limit migration to our Island and it is the mechanism which was being used in the law.

### **3.2.3 Deputy M. Tadier:**

Has any modelling been done in recent times to find out what the implication would be of abolishing the 5-year rule completely and finding out what effects that would have on the population in the workforce in stimulating business, *et cetera*, in the round? If not, why has that not been done?

### **Senator P.F. Routier:**

Certainly we monitor the applications we do get. Perhaps it would be useful for Members to be aware of the permissions that we have granted. There have been in 2014, 440 permanent registered permissions given. There have been 316 that have been rejected and there have been 813 permanent registered permissions removed from licences. That is just to give a general overview of how it is working. But with regard to the specific question, is that to do away with the 5-year thing altogether I believe would be a very risky thing to do because it would open up the floodgates, where there would be no control at all to people coming to the Island. It would put at jeopardy the work placements for those who are already in our Island. We must not forget, although we have had a better decrease in unemployment announced today, there are still 1,390 people unemployed, who are actively seeking work, and on top of that there are people who do not go to Social Security, probably about another 1,000 people, so we are looking at about 2,400 people who are looking for work. We must recognise that we must try and get those people into work first.

### **3.2.4 Connétable A.S. Crowcroft of St. Helier:**

I would seek further assurances from the Assistant Chief Minister that licences are being granted in a fair, transparent and consistent way across sectors. I know of a restaurant that has but one licence granted, another restaurant allegedly or anecdotally has had a whole clutch of licences granted in order for them to open. That clearly does not create morale in a particular sector. Is it being done in a consistent way across particular sectors like hospitality? Could the Minister further assure us that the needs of small businesses, particularly in the hospitality sector, will not take second rank when it comes to processing applications from financial services?

### **Senator P.F. Routier:**

I do not think it can be claimed that the hospitality industry are taking second rank to other industries because it is that industry that has by far the most licences available to them. We know that certainly there are currently 1,700 licences in hospitality, where there is in financial services 1,100. In retail there are 749. Hospitality does have by far the most licences available to them and we do, I believe, look at every application on the merits of the benefit it brings to the Island.

### **3.2.5 Deputy G.P. Southern:**

To pursue the fairness theme, I know Ministers do not like to hear that word very often. One of the unfairnesses is between large employers and small to medium enterprises. Has the Minister conducted a review dividing decisions on the control of housing and work between those 2 groups of employers and if not, will he do so and publish it in the shortest possible order?

### **Senator P.F. Routier:**

Yes, we are continually reviewing the applications. We do get an update from the department on a regular basis of the licences which have been issued, and I will ask when we get our next update that I share the information with Members.

### **3.2.6 Deputy G.P. Southern:**

Where the critical element is a division between large enterprises and the decisions made there, and small to medium enterprises and the decision made there, will he publish that and, if so, when?

**Senator P.F. Routier:**

I cannot recall when the next detail will be given to us but I will find that out for the Deputy and get it to him. But certainly the information he is requesting I will ensure that we do get that information for him.

**3.2.7 Deputy J.A. Martin of St. Helier:**

In the answer a few answers back the Minister said the Housing and Work Law is also there to control migration yet in a question written today on 8793, for the first quarter, 1st January to 31st March, there have been issued 734 new registration cards, only 18 being Jersey born. Can the Minister confirm that he thinks the migration policy then is working of 250 households per year with 700 over for the first quarter?

**Senator P.F. Routier:**

Those numbers obviously are informative to a certain extent but they do not give the full picture of what is happening within the economy because it does not take account of the people who have left the Island, so it is very difficult to get a ... you cannot take from those numbers the impression that there has been an increase in the population because there is no record in those numbers of people who have left the Island.

[10:00]

But certainly we know that we are looking forward to getting the update from the Statistics Unit in July which will give us a good understanding of how the population policy is working.

**3.2.8 Deputy J.A. Martin:**

Supplementary on that. Can the Minister confirm to apply and be given a registration card, is it true or is it fact that the person must have a job to go to?

**Senator P.F. Routier:**

No, that is not the case. People can go and collect a card and they can only work where a business has a licence to take them into their workforce. But people who come to the Island can apply for a card and then apply for a vacancy position.

**3.2.9 Deputy A.D. Lewis:**

From the information, facts and figures the Assistant Minister has provided, I would say that clearly the system is not working. The 1976 law of Regulation of Undertakings and Development was replaced of course by the 2012 law. They seem to be the same things just in slightly different clothes. I am very concerned that it is simply not working. One of the cornerstones of the Government's policy is economic growth to recover, this is not helping ... this law simply is not helping.

**The Deputy Bailiff:**

Could we come to a question please?

**Deputy A.D. Lewis:**

Will the Minister assure this House that he will look at this policy, this procedure, and review it in light of the purpose of economic growth and that is being a mainstay of the Government's strategy?

**Senator P.F. Routier:**

The Government has many conflicting policies to a certain extent and one of them is the control of migration as well. There is a balance to be struck between developing the economy and also

controlling migration. That is the decision process that we have to take in relation to this law. There obviously will be a general overview of the application of this law in the coming months but certainly we know we have got to keep an eye on ensuring that we keep the population at a level that is suitable for our Island.