

2016.06.28

**14 The Deputy of St. John of the Chief Minister regarding the assumptions used to estimate the net migration figure in the interim population policy: [9525]**

Given that the net migration figure of plus 325 in the interim population immigration policy is a planning assumption that is aligned to other policies, including economic policies, can the Minister advise whether, as statistics show, a net migration figure of 1,500 in 2015, the policies currently in place are flawed and a new planning assumption will have to be made for the medium to long-term sustainability of Jersey?

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

Sir, could I ask Senator Routier to answer this, please?

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

As Members will appreciate, today the issues around immigration are never easy. Every week businesses come to the Population Office seeking staff so they can generate the profits and pay wages and taxes, which in turn provide our community with the services we need, but Islanders are understandably concerned about house prices, about traffic, the countryside and public services. As intimated earlier, next spring we have promised the debate on the long-term plan for Jersey, including population policy. As part of that, we will need to reset our planning assumptions.

**3.14.1 The Deputy of St. John:**

It does really concern me that we are agreeing a Medium Term Financial Plan on the basis of long-term planning assumptions, and we are constantly told that this is about the long term, without sufficient information for making that planning. Could the Assistant Minister advise whether, going forward, the Council of Ministers believe that there will be a higher number? This is not the fault of the migration of people, this is not the people's fault, but in order to provide sufficient public services the public expect, the simple demands of economics with regard to supply and demand, dictates that we will need to be spending a lot more in the future.

**Senator P.F. Routier:**

I want to reassure Members that the Medium Term Financial Plan, which will be published on Thursday, does take note that the numbers will be greater than they have been in the past. We know that funds which we are putting into services are going to need to be increased, and that is what we are planning for, and it is something which we know is our duty: to ensure that the correct amount of funds are there to provide the services for our population going forward.

**3.14.2 Deputy R.J. Renouf of St. Ouen:**

Having regard to the rise in zero-hour jobs year-on-year, currently 11 per cent of all jobs in the Island, why does the policy permit new jobs to be created as zero-hours jobs and, if jobs cannot be offered as permanent, that makes employees very vulnerable. How can that be regarded as of economic benefit to the Island under the policy?

**Senator P.F. Routier:**

The decisions made about applications for businesses do not particularly reference whether it is a zero-hour contract. Certainly, we know the value of a particular business and what they contribute towards the Island. We do have discussions when we interview employers when they come to appeal. When it is more likely that they are at the lower end of the pay scale and they have been refused their application, we do discuss the wage levels with them. But certainly the Housing

Advisory and Work Group and the Population Office do not take a direct note of the wage levels; it is more about the contribution to the community in perhaps other ways, whether it is social benefits for the community.

### **3.14.3 Senator Z.A. Cameron:**

When issuing extra licences for businesses that are seen to benefit the economy, what consideration is given to the cost of our environment and health such as the limited water supply, soil quality and food and energy security?

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

The whole purpose of the Housing Advisory and Work Group is to have a broad cross-section of opinion. We have the Minister for Housing, the Assistant Minister for Economic Development, Tourism, Sport and Culture, we have the Assistant Minister for Social Security and myself, and we take a broad view of all the issues which relate to our community. The Senator mentions about the water levels. Certainly, the information that we have currently, which has been recently researched, is that our water consumption is at a static level and has not been increasing, even though we have had a higher population, but we do take note of all of those issues.

### **3.14.4 Deputy M. Tadier:**

Page 5 of the Interim Population Policy states that our population will be 110,700 in 2035 if - and I emphasise "if" - we average net immigration of plus 325 people per year. Clearly, we have not been averaging plus 325; it seems we have been exceeding that by 3 or 4 or even 5 times, so what are the revised figures for the population in 2035 based on actual inward migration and how does that affect things like planning for the new Les Quennevais School and the size of the new hospital?

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

Certainly, the projections going forward are something which we know we need to revise. With regard to Les Quennevais School, I am aware that they have sufficient capacity within that building; they have built in spare capacity there. The hospital also has been planned for a population which we know is going to increase. We were always going to get to that number, but it is at what stage. It will not be next year, certainly, but we know the population is increasing, because we need it to increase, but it is the speed at which it increases. There is going to be an increase as we go forward.

### **3.14.5 Deputy M. Tadier:**

The Minister said that they will need to revise that number. Should this number not have been revised already? We know that we are exceeding that figure, we know that we are engaging on capital projects and building; should the Minister not know already and be telling Members what that new figure is?

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

We will be asking the Statistics Unit to carry out that work because, since they have only just published these recent figures, we will ask them to help us to give the forecasts for going forward.

### **3.14.6 Deputy M.R. Higgins:**

The Minister is telling us that in the Medium Term Financial Plan they will build in for population growth but, as the population is growing by 5 times the 325 figure, can he tell us now that his projections, or the projections of Ministers, will be 5 times, assuming the population is 5 times higher, and those figures will be incorporated in the M.T.F.P.?

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

I am afraid the Deputy is coming to the wrong conclusion with regard to using: "5 times greater." The last 2 years we have seen an increase in our population of 700 each of the previous 2 years and we have now seen, obviously, an increase to 1,500. The capacity within our services is estimated to be sufficient to manage our population going forward at the current level, but certainly we know that particularly health and education are services where we need to ensure we have sufficient capacity. That is why we are investing so much money in health going forward and in education.

**3.14.7 Deputy G.P. Southern:**

The Assistant Minister has just admitted that the real figures are plus 3,000 instead of plus 1,000 over the last 3 years. Will he state what figures have gone into the Medium Term Financial Plan and whether that makes the Medium Term Financial Plan valid, or less so?

**Senator P.F. Routier:**

The figures, which we are working on, show there will be sufficient capacity within the Medium Term Financial Plan. We are going to see that on Thursday. I am sorry, the second part of the question I have lost track of.

**Deputy G.P. Southern:**

The second part of the question was: "What figures, 3,000 or 1,000, have gone into the structure of the Medium Term Financial Plan?"

**Senator P.F. Routier:**

I honestly do not have that figure in front of me, but what I do know is that for the services that are being provided there is a recognition and spare capacity within the services that we are providing. We have seen services being provided in recent years where the number has been greater than the planning assumption, and services have been working. There have been some pressures in certain areas, but they are being addressed and will continue to be addressed. We know that we have to provide those services and we will do so going forward.

**3.14.8 Deputy J.A. Hilton:**

Can the Minister confirm that the additional licences granted, particularly to the construction industry, are being granted to companies and their employees who pay tax in Jersey?

**Senator P.F. Routier:**

I believe that is the case, certainly, but I would need to investigate exactly that. One final point, property development companies which are based in Jersey themselves pay tax, the companies themselves, but the employees as well would be here and paying I.T.I.S. (Income Tax Instalment System). If the Deputy has any thought that there might be some that are not, perhaps if she was to give me that information, I would investigate it. Certainly, my understanding is that they do pay employee tax and also the companies, as a construction company, pay tax which is different from a lot of other companies.

**3.14.9 Deputy J.A.N. Le Fondré:**

Just to be absolutely clear: can the Minister just confirm that this M.T.F.P., that is about to be lodged, either does use 325 as a planning assumption or, if it is using a different figure, what is that figure?

**Senator P.F. Routier:**

I can tell Members that it is not using 325. I am sorry, but I have not got the figure in front of me to know what is being suggested with regard to the services within those departments. We know that it is going to be a higher figure but, certainly, I will ensure that we can get that to the Deputy when we publish the documents on Thursday.

**Deputy J.A.N. Le Fondré:**

Can that be circulated, please?

**Senator P.F. Routier:**

When it is published on Thursday.

**3.14.10 The Deputy of St. John:**

I find it rather disingenuous for the Assistant Chief Minister to suggest that all our answers will be placed in what is to be an M.T.F.P. Addition on Thursday. In actual fact, the ...

**The Bailiff:**

Deputy, can you find another word than “disingenuous”, which suggests a deliberate attempt to mislead?

**The Deputy of St. John:**

Okay. The Assistant Minister is suggesting all of our answers will be in the M.T.F.P. Addition on Thursday, but does he not recognise that the States Assembly, only in October last year, agreed the M.T.F.P. as a whole for 2016 to 2019, capping the amount of income and expenditure that the public sector is able to spend over that period? So knowing what we know now and what we have heard in answers today, will the Council of Ministers be requesting the Minister for Treasury and Resources to invoke the Public Finances Law to change the overall income and spending limits to create a more sustainable plan?

**Senator P.F. Routier:**

I think when we see the M.T.F.P. Addition, which is published on Thursday, we will see that it is a sustainable plan and that it will accommodate the requirements of our community.