

3.8 Deputy M.R. Higgins of the Chief Minister regarding the growth in net inward migration of registered people from January 2013 to 2015: [9564]

Will the Chief Minister explain the reasons for the growth in net inward migration of registered, i.e. formerly non-qualified people, from January 2013 to 2015 and detail what sectors of the economy such people are working in and estimate the contribution made by those people to income tax receipts during this period?

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

Could I ask Senator Routier who is responsible to answer this, please?

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

Our economy is performing well and businesses are demanding more staff. Since 2013 we have more workers across a range of sectors. There are 540 more people working in financial services, 410 more in construction, 1,410 more people providing private health and education services, and over 900 extra people in service businesses. Last year, private sector employment in Jersey rose by 1,950 people and we experienced net migration of 1,100 workers. These are the sorts of challenges businesses are facing. With regard to the total taxes new migrants have paid, we are exploring how this can be extrapolated from the tax system. But it is not all about income tax, it is about the wider economic and social benefit to our Island and to the services we need.

3.8.1 Deputy M.R. Higgins:

In the 2015 figures where we had net inward migration of 1,500 people, 400 were “J” cats, so in other words those primarily for the finance industry and so on, and 1,100 were non-qualified employees and we know that many of the non-qualified employees are either on minimum wage or zero-hour contracts. Can the Minister explain where these 1,100 people have gone, the non-qualified ones?

Senator P.F. Routier:

The Deputy is jumping to the assumption that because somebody has a registered licence they are working in the lower paid part of our economy. This is not correct because we do have a number of applications from financial services, from the law section: they do employ people who are on registered licences. But the assumption that the majority do go into the lower paid section is probably correct but it is not by any means the total, where they would go. So, I hope that answers the question.

3.8.2 Deputy G.P. Southern:

The Assistant Minister said he was chasing down the figures for tax revenues from this particular sector, inward migrants. When does he believe he can return to the House with a figure that reflects what the earnings are of these particular inward migrants, the 1,100, and what tax they are paying? When will he report those figures to the House?

Senator P.F. Routier:

We are asking the Tax Department to see if they can do some work but it is going to be a very difficult piece of work. We need to recognise that ... I think Members will have accepted that the additional income tax that was received last year which came from new people coming to the Island through the ... because they pay I.T.I.S. (Income Tax Instalment Scheme) straight away.

[10:45]

There was, because of those people coming to the Island they were supporting other businesses and there was a general increase in tax. It is a difficult piece of work for the Tax Department to achieve but we are asking them to do what they can for us to help to support our work.

3.8.3 Deputy G.P. Southern:

Alternatively, would the Assistant Minister accept that there is an alternative way of assessing roughly what income is being generated by this group in looking at Social Security records? Social Security know who is registered and they know where everybody is working and what contributions have been paid, therefore indicating what salaries are coming in and thereby what sorts of tax.

Senator P.F. Routier:

All that work will be collated together by officers using all the sources we have available to us and no doubt they will be looking at the social security returns to achieve that information.

Deputy G.P. Southern:

If I may just briefly, I have not received an answer to when; when will he do this and report?

Senator P.F. Routier:

I am unable to answer that question at the present time because the work is ongoing.

3.8.4 Deputy M. Tadier:

The question relates to the underlying policy. Can the Minister confirm that the 325 threshold that they put in place is still valid? That is the current policy which the Council of Ministers are working to. There is no new policy that somehow sneaked on to the table without the rest of us knowing about.

Senator P.F. Routier:

I think the Deputy is very aware that the policy which was around was not solely about a number, it was about ensuring that we have the people that we need in our Island to ensure that our productivity and our social and economic environment is the best we can possibly have it. So we are, I think ... I hope Members will recall it; there have been times when I have been asked a question about the 325. I have always responded that if a business comes to us and if we are at the 325 or a number like that, if a business comes to us with a good economic proposition which is of benefit to our Island or whether it is we need more nurses or doctors or whatever, we are not going to say no to those applications. That has always been in the policy right from day one.

3.8.5 Deputy M. Tadier:

The 325 relates obviously to the population, not exclusively to issuing of licences. But the question has to be asked, how many years in a row will this Government have to overshoot that policy, in this case by 3 times as many, so 1,100 compared to 325? Even for people who are bad at maths, it is quite a big margin to miss your target by. How many times will this Council of Ministers have to miss that target before they consider changing the number or getting rid of it completely?

Senator P.F. Routier:

The amount of times I have had to say that it has never been a target and it is not something that is... people have used that word as being a target but it is not a target. We know it is a planning assumption which departments have been using to provide services and we know that not every department is using that same number. We know that the Infrastructure Department

have been using a different number, we know that Education, on the annual basis review of the number of places they need in schools, we know that last year the school population ... although the age difference was different but the actual number of children was stable. So it is a matter of every department is reacting in their own way to how they provide services. Finally, just the final point about when we are going to look to doing something different. I hope that Members will become involved, in the autumn of this year, in a workshop which we happen to be holding so that we can all understand exactly what we are trying to achieve with a policy going forward. I would really encourage all Members to get behind a decision-making process which will help us to get a better understanding of what we are trying to achieve.

3.8.6 The Connétable of St. John:

I hope I can remember my question. Jersey is trying to lead the world with digital and we are putting a lot of emphasis on digital. One of the easiest ways of knowing how much tax particular sectors have is by having a unique tax number for each person with a unique digit somewhere in there and then if you need to know whether they are new immigrants this year, next year or the following year, you need to press 2 or 3 buttons on a computer and it will tell you. Is this something you are looking at?

Senator P.F. Routier:

I thank the Connétable for that suggestion. It is certainly something we can consider when we meet to discuss the way forward in our autumn workshop. Certainly that is an innovative idea which we could look at.

3.8.7 Deputy S.Y. Mézec:

Is the Assistant Minister able to let Members know when he will be able to tell us the date at which he can give us the figures for income tax contributions made by these people?

Senator P.F. Routier:

As of today I am unable to tell you that but as soon as I can let the Members know I will do that.

3.8.8 Deputy S.Y. Mézec:

I am not sure that necessarily answers my question. I was not asking for when he will have that information, I am asking when he will know, when he will have that information.

Senator P.F. Routier:

I think it is one of those unknown unknown questions. I honestly cannot answer that standing here. I will do it as soon as I possibly can.

3.8.9 Deputy G.P. Southern:

Is it not the case that the Assistant Minister cannot accede to the Constable of St. John's request because we still have not got a functioning effective population register up and running, and when does he expect to have a fully functioning effective population policy in play?

Senator P.F. Routier:

I am very pleased to say that the Statistics Unit is very keen to get this up and running as soon as they possibly can. The last we spoke with the Statistics Unit is that they wanted to achieve that sooner rather than later, but again I know this does not give you a date of when that will be but certainly it is one of their priorities to achieve that as soon as they can.

3.8.10 Deputy G.P. Southern:

Supplementary, if I may. Is it not the case that reduction in the Statistics Unit staffing level will make it very difficult to have that population register up and running?

Senator P.F. Routier:

We have touched upon the subject of the numbers of people working in the Statistics Unit previously. What seems to have been missed is that there will be statistics people moving from other departments to work within the Statistics Unit which will bolster their resource to enable them to achieve what they need to do within their work programme.

3.8.11 Deputy M.R. Higgins:

Other Members have raised the fact that the number has been 3 times what were anticipated. How can the Minister say that increased population is beneficial if you do not have figures about how much money they are generating in the economy and contributing to the economy? Also, how can he say it is beneficial when, of the 1,500 that came in there were 300 non-economically active dependants brought with them?

Senator P.F. Routier:

As I said in my opening remarks, it is not solely about economic contribution to the Island, it is about social contribution as well. We need to recognise that even though somebody comes into a position which is not paying a great deal of tax they are supporting our economy generally and we need to ensure that we do make decisions which are tough decisions. It is not just myself, I am joined by the Minister for Housing, the Assistant Minister for Economic Development and the Assistant Minister for Social Security making these decisions which we try and pull together all the information we can and make a decision which is of benefit to our Island and we will continue to do that. But the issue with regard to whether a low tax paying person is of benefit to our Island is not just a straightforward decision about tax, it is about their contribution to the whole of our Island.

The Deputy Bailiff:

Before we move on to question 9, can I give notice to Members that the Bailiff has allowed 2 urgent questions to be put during the course of this sitting? The first is by Deputy Labey of the Chief Minister and the second is by Deputy Southern of the Minister for Health and Social Services. We will take those immediately after the next question.

Deputy G.P. Southern:

Are those questions circulating or being prepared because I do not have a copy of one?

The Deputy Bailiff:

They were circulated by email yesterday, I am informed, Deputy. Your question comes second along so if Deputy R. Labey is not in any difficulty then you will be in a position to get them.