

# STATES OF JERSEY

## MIGRATION POLICY REVIEW

BLAMPIED ROOM, STATES BUILDING

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Committee: Deputy G. Southern (President)  
Senator P. Le Claire  
Deputy J. Martin  
Deputy J. Bernstein

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### EVIDENCE FROM

SENATOR P. OZOUF (President, Environment and Public Services Committee)  
MR W. OGLE Y (Policy and Resources Department)

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on

Friday, 15th April 2005

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DEPUTY SOUTHERN: Sorry to keep you waiting, but, amongst other things, we realised that

we have had the heating on in this room at minimum for the last hour and a half and we wondered if we were going to warm up. We start with the formal bit. I would like to welcome you to the Panel hearing. It is important that you fully understand the conditions under which you are appearing at this hearing. You will find a printed copy of the statement I am about to read to you on the table in front of you.

Shadow Scrutiny Panels have been established by the States to create opportunities for training States Members and Officers in developing new skills in advance of the proposed changes of government. During this shadow period, the Panel has no statutory powers and the proceedings at public hearings are not covered by Parliamentary privilege. This means that anyone participating, whether a Panel Member or a person giving evidence, is not protected from being sued or prosecuted for anything said during hearings. The Panel would like you to bear this in mind when answering questions and to ensure that you understand that you are fully responsible for any comments you make.

So that is the formal bit over. Thank you for coming. If I could start with a fairly general point and just seek your opinion, Senator Ozouf, it is fairly obvious that the Migration Policy is one branch of a linked set of policies. We are talking about the Strategic Plan, the Fiscal Policy, the Migration Policy, the Economic Growth Plan and Planning for Housing. They are all interlinked and certainly my opinion is, and I think Senator Walker agrees with me, that not only are they interlinked but they are interdependent. If one policy fails, it will have serious knock-on effects on the other branches of the policy. I just wondered how you saw the Migration Policy fitting in, in particular, with the Economic Growth Policy.

SENATOR OZOUF:           Okay, well, thank you for the invitation. I am very pleased to be here, so I start by saying that I have read the evidence that Senator Walker gave and I agree with everything he said in it. In fact, I couldn't have put it better myself. I would say that I agree fundamentally that these policies are interlinked and, in an ideal, joined up, sensible government, they also would be interdependent. I have had quite a difficulty, even perhaps with Members of the Migration Working Party and indeed in the media comment and explaining what the Migration Policy was about, in actually getting the message across that what my job was and the

work of the Migration Steering Group was to put in place a revised mechanism. What the Migration Policy wasn't about was that it wasn't about setting an immigration number or a population number. There were some elements of reorganisation of the population contained within the policy, moving people from non-qualified to qualified and observations about non-qualified and J, but the fundamentals said there was going to be some reorganisation within the overall population.

What this debate is not about is about a number and my job was to put in place that I have a strong view that the control mechanisms, the regulatory mechanisms which the States had in terms of the Regulations of Undertakings and the Housing Law were tired and needed to be streamlined, needed to be modernised, needed to be put in a modern context, having better social justice and having better administrative arrangements for the user and for the States. That is what this policy is all about.

It is entirely understandable that people are looking forward to when the Migration Policy would be adopted and how the Migration Policy would then be used, the mechanism that would be used in order to achieve other objectives. That is why there is a link, rightly, with the Strategic Plan, setting a 1% maximum increase in the working population; the Fiscal Strategy in asking for 20 million in economic growth, the Economic Growth Plan giving details of that; and indeed there are consequences of all those three decisions on the Housing and Planning Policies. So they are interdependent, they are interlinked and, in a streamlined, efficient government, they would be interdependent.

DEPUTY SOUTHERN: You stopped rather suddenly. I thought you were continuing. In particular, yes, we have had sort of two versions of the Migration Policy, one that says that it is actually a relatively minor change, just changes the cap badges, changing the labels, with no real fundamental change to the system. The other is that it is actually a very important significant change to the system, particularly in terms of social equity and fairness. How do you personally see it? Which of those two perspectives sits with you best?

SENATOR OZOUF: Okay, I was struck by one respondent to the consultation, who said that what was a politician doing in getting involved in the reorganisation of administrative systems

and, to the extent that there is a reorganisation of the administrative systems of the Housing Department in issuing Js and the Regulation of Undertakings in issuing licences, there is an administrative reorganisation. I think that is really important, because I think it means that better decisions will be able to be made. I think that there are some fundamental changes in the Migration Policy that are also being proposed. That is, for example, a unified qualification period.

We can talk about the non-qualified housing market, and I know that some of the Panel Members may have some strong views about the two tier housing market. I have never thought that it was right that Jersey should have this divisive way of accommodating people or imposing accommodation rules on people -- haves and have nots are used to sort of explain the problem there. Fundamentally, I think it is wrong that people are living in Jersey for long periods of time, contributing to Social Security, tax, providing public services or providing private services and that they could not live in a home which they called their own or that they could not have a lease on a property and have exclusive possession of that property and get a front door key. I think we needed to deal with the problem of the non-qualified market and all of the issues that flow from having that market. I, as a new States' Member, dealt with the consequences of these administrative arrangements in dealing with many G category cases, G category cases that, frankly, should never have been allowed to become in that level of individual distress and personal distress.

So, to summarise, yes, this is a tidying up exercise of administrative systems. There is a better, more efficient system that is going to be put in place for businesses and for the States themselves too -- it doesn't make sense to do two things in two places, it is better to do it once and do it properly -- but also equally important, perhaps even more important, there are issues of social justice that are at the heart of the migration proposals.

DEPUTY SOUTHERN:           Nonetheless you are saying that this doesn't actually address or eliminate the issue of the non-qualified housing?

SENATOR OZOUF:           Indeed it doesn't. What it does do is it sets a framework. It sets a framework for dealing with this over a period of time. We are not going to deal with the non-qualified sector and the standards of accommodation and the rights of occupation, the rights and

disputes of possession, the rights to have a lease and the rights of not being able to get chucked out of your accommodation in one moment. It has got to be a sustained policy over a period of years based upon the supply of accommodation. This sets out that framework to deal with that in a sensible, orderly way.

DEPUTY SOUTHERN: Thank you. Paul, I believe you have got some questions specifically on the details of the Migration Policy.

SENATOR LE CLAIRE: Yes, thank you. Can I talk about the register, the development of the register of people and how we are going to monitor the people on the proposed register? In the document it says that *“It will be necessary to remove an individual’s registration when there is good reason to believe that they are no longer resident in Jersey so we have a good understanding of the numbers”*, and it also says: *“Experience elsewhere indicates that systems are able to ensure the register could be maintained with a reasonably high level of accuracy.”* So that is encouraging. The question I would like to ask either of you is what is a reasonable level of accuracy and how will this be achieved?

SENATOR OZOUF: I will ask Bill to come in. By the way, I asked Bill to come along as I was a P&R appointment and Bill is the Chief Executive of P&R.

DEPUTY SOUTHERN: We were going to question it, but then we worked it out. You happened to have steered it through, but nonetheless it is a P&R document. That is perfectly acceptable.

SENATOR OZOUF: It is P&R, yes, and it is only a matter that I have been on been moved on to.

SENATOR LE CLAIRE: Can I ask Mr Ogleby then?

SENATOR OZOUF: Well, can I just deal with the fundamentals, Paul? The fundamental issue here, and it is actually quite relevant because this week we have heard only yesterday that Guernsey has moved to a ten year census and Jersey too, the P&R Department, the Committee has agreed to move to a ten year census.

One of the striking things that I found which I never could get my head around when I was a new States’ Member five years ago (and I was on the Industries Committee with responsibility for Reg of Unds and the Housing Committee with responsibility for housing in Js

and also as President of the Committee responsible for the census) is that I was quite astonished that we didn't have good data on which to make decisions concerning population and immigration. I was fairly bemused throughout the seventies and eighties and nineties that the States were talking a lot about immigration, they were talking a lot about population, but when I turned up at the Housing Department and said: "Well, how many Js are there in the Island, how many non-qualified people are there in the Island", I was absolutely astonished to find that we had no data. It was all done on, you know, assessment or estimates, but they were proved estimates.

For the first time in the census we asked people to give their housing qualifications. We asked what the actual house that was being part of the census, whether or not it was qualified, non-qualified J, lodging and all the rest of it. The data set that we had was deficient. We solved that by a census asking those questions. We made changes to the Reg of Unds return. That quarterly manpower return sent to all employers of the Island, asking how many employees they had was just simply split between the five year rule and non-rule five year rule. We had an extra column put in to get the numbers of Js.

What I am saying is that good information is required to make good decisions about the issuing of J category licences and about licences under Reg of Unds and at the heart of the issue behind the population register is we have got greedy. Now that we have actually got the information from the census and better information on the Reg of Unds return, we actually now want better than that. We want as much as it is possible to have real-time information about people and the amount of people working. So, at the heart of the population register idea is to get information. It won't be, of course, as any data set is, 100% accurate, but you can put controls in place to get it as accurate as it possibly can and therefore the issues about removing registration are pertinent. That is the background, just so that we are clear about why we are doing a population register. There are other reasons too.

SENATOR LE CLAIRE: Before I ask, because you hit on a nerve there that I was going to try and draw out, but I think you have made a very good point, having good information, before I ask Mr Ogleby the question, and I will repeat it, having good information based on the census, you went in and you analysed the J categories. Do you think that that analysis in that census was

accurate then?

SENATOR OZOUF: I do, yes. The Head of Statistics independently verified and said that the census that we carried out in 2001 was probably the most accurate census that we have carried out in modern times. Is it 100% accurate? No, but it was as accurate as it can get by census and there is always a rider, there is always a caveat and there will always be a margin of error, but, generally speaking, we can reconcile those figures with the housing figures and Reg of Unds and all the rest of it.

SENATOR LE CLAIRE: How, in particular in relation to the J cats, because this is a policy about J cats, how accurate do you think the J category portion of the census was?

SENATOR OZOUF: I think it was good, because we reconciled it with the Housing Committee's own records. I have never heard any criticism about the J category information.

DEPUTY SOUTHERN: I think we will return to the J category.

SENATOR LE CLAIRE: Could I ask Mr Ogley then that question again? What I wanted to understand, because that is a good indication to this sort of better information and a real-time register, what is a reasonably high level of accuracy and how will this be achieved? It is mentioned that this is evidenced from other places. Where was that evidence and how will we achieve this?

MR OGLEY: Okay, the how will we achieve it is this use of the idea of a unique identifier.

SENATOR LE CLAIRE: Right.

MR OGLEY: And the reason for that unique identifier is giving people access to housing, to employment and to services. We don't need to link the identifier so that we know an individual is accessing all of these things, but we use it as a gateway into it. So you can't get this until you have declared that, your identifier; and the identifier will identify whether you have licensed, qualified or entitled housing requirements. So the access to housing, first of all, is an absolute requirement.

The tying of it or the issuing of it to the Social Security system then puts another reason that that identifier has to be in place. I know that when we last talked you were concerned that we have to make sure that the Social Security system is itself better controlled, more up to date

and that the production of actual personal verification becomes important. We have said we have made a commitment to do that.

So using all of those and also then making it, for example, using the same unique identifier for access to public services, so you declare that when you have a service, as I say, we don't then need to join them all up so that we know a lot about the individual; and there would be big data protection issues if we were to do that. We have made a commitment there. But what it will mean is that we can use those systems to talk to each other and to flag up when a person's identifier has not been activated.

SENATOR LE CLAIRE: Can I ask a question then, because that is actually something that was in the back of my mind in relation to hits on the numbers. You have got a unique identifier -- let us call it 120 -- and the unique identifier for person 120 is activated each time that person goes to the hospital, goes to Social Security, gets housing or whatever. How can we cross-reference those without breaking Data Protection Laws to identify when that unique identifier is not being used?

MR OGLE: We wouldn't have to cross-reference them. I mean, this is an issue we would have to work through with the Registrar. You wouldn't have to cross-register them, but each of your systems could flag up if an identifier has not been used and then you can put a threshold into any of those systems that would, say, set up a flag if the identifier has not been used and we then need to set a reasonable time period for that, because, for example, with housing you are going to know the identifier is current because somebody is in housing. In others, it may well be much longer periods. Flag up if that identifier has not been used and then just ask the other systems if it is current or not and, if it is not current, wipe the flag away.

Now, that is not about cross-referencing, that is actually about checking is something current or not. So you are never actually saying: "Tell me whether they are using all of this". It is saying: "Is it current", interrogating all of the systems, and then it is saying: "Let's check those currencies." So, if it is not current in 9 but it has actually been used, you know that is a live record. That is most important.

SENATOR LE CLAIRE: Obviously that is possibly something I could explore with the Data



Protection Registrar to satisfy my own mind. I'll take that answer, but, rather than going on to that, could I progress a little bit further into this high level of accuracy and where it is evidenced from. I understand how you anticipate you are going to use it, and the methods by which you are going to see it is active. I guess that is the best thing for accuracy, but where is the evidence that you have experienced elsewhere drawn from?

MR OGLEY: Okay, right. Can I just finish the accuracy thing because it is important? What that means is that your number is always going to be a maximum number. It is always, if anything, going to understate the total population. I think that is important in an island where population control is very important.

SENATOR LE CLAIRE: I am sorry, I missed what you said.

DEPUTY SOUTHERN: Understate or overstate? I missed that.

MR OGLEY: It will overstate. If anything, it will overstate.

DEPUTY SOUTHERN: Yes.

MR OGLEY: Because, on the system we are proposing, a record is more likely to be inactive and not flagged up because of the time period than it is to be removed. So, if anything, your population number will be overstated, and that has always seemed important to us in terms of control. That is important. Then, of course, that is cross-referenced by things like the Housing Needs Survey and by the manpower returns. We can introduce cross-references across the total so that we know. Senator Ozouf has talked about the statistics change and the Head of Statistics' very clear working through that we would actually on that have a much more timely year on year set of statistics and that they will be subject to much less data accuracy than a five year census that then currently gets out of currency over the subsequent five years.

SENATOR LE CLAIRE: What do you mean by "*introduce cross-references*"? When I mentioned earlier that I was wondering how you would satisfy the data protection issues on cross-referencing, you said that there weren't going to be any cross-referencing as such, but then you have just finished by saying "We would introduce cross-referencing." Can you clarify that?

MR OGLEY: Yes, there is a big difference there. We are not going to cross-reference on individuals because that would be a data protection issue, absolutely not, that is what I have said

to you, but you can cross-reference the totals because, from your population register or whatever it is called, you get a total. As I say, that is a maximum. And then all you do, when you carry out your Housing Needs Survey or your manpower returns, is you validate those elements of it that relate to those elements of the population. Therefore, you have got an immediate cross-reference.

DEPUTY SOUTHERN: Can I just confirm that we have asked you to supply us with the data from the Irish scheme and the English scheme that is being investigated that gives you this confidence that you are going to have a fairly accurate system?

MR OGLEY: Okay, yes.

SENATOR OZOUF: May I just add a couple of observations?

DEPUTY SOUTHERN: That it is on its way to us?

MR OGLEY: Yes.

DEPUTY SOUTHERN: I think we did that last time.

SENATOR LE CLAIRE: Is that the evidence question that I asked before?

DEPUTY SOUTHERN: Yeah, yeah.

SENATOR OZOUF: I mean, I would say that is a good question to ask. I would say that this is an agreement in principle to set up a population register. There is going to have to be a great deal of work to deal with the actual mechanics of it, but what I want to say to you is that the data protection issue is absolutely vital. I took the Data Protection Law to the States. I understand these issues. We care about the data protection issues. I think they are fundamentally issues which it is right that the States have adopted and has, because the privacy of information, the legal privacy of information and the safeguarding is of course a great comfort to all of us who are going to be the subject and our houses the subject of the States' register. What I can say to you also is that the census had this very same problem, that you are getting confidential information which then must be translated through to the statistics.

The key word that Bill used was when he said comparing totals. You collect data in order to get overall statistics and our statisticians, they are the ones that cleanse off all of the individual personal data and give us, the politicians, the information that we want to know in

order to make good decisions. Data protection principles are absolutely fundamental, and P&R as they work up the proposals are going to have to stick to them.

On the whole issue of data, we have got data everywhere. Sometimes it is conflicting, sometimes it is duplicated. We have got a Social Security database. We have got a Housing database. Probably you and I have got a record at the Housing Department and probably Geoff and everybody else has. There is a housing unit and an issue of all the housing units that have ever been subject to a housing control. There is a Reg of Unds licence database. All of these databases, this register is designed to make sense, to make the collection, maintenance and use of data more efficient than currently at the moment.

There are trade-offs here and there is a trade-off which is presented in the Migration Policy which says: "If you do get your unique identifier, then you will be released of a number of administrative burdens that you currently have." I am housing qualified, yet every time I need to transact with the Housing Department to lease or purchase a property, I need to fill out a form and that needs to be processed by the Housing Department. What added value is that? I would prefer to move that resource into the Health Service or save the money. So there is a trade-off here presented in the Migration Policy which says: "Yes, a population database needs to be put in place. It makes sense because it is more administratively efficient. It will give us better data. Better than that, it will stop some of the nonsenses that we have got, one example of which is the housing control."

DEPUTY SOUTHERN: I don't think you will find anybody around this room arguing with that particular example that you gave.

SENATOR OZOUF: I'm delighted to hear it.

DEPUTY SOUTHERN: But can I take you back on to the fact of information and stats and data?

SENATOR OZOUF: Yes.

DEPUTY SOUTHERN: In particular, at the moment we are bandying around this figure of 900 J cats via Housing and EDR etc, and it is actually wrong. We had over a 1,000 -- nearly 1,100 -- in the 2001 census and the most recent job market survey indicates that that number has been maintained. It is around 1,100 J cats. But what is particularly remarkable is that, in a fairly

static economic climate, the number of J cats in the private sector since 2001, the period 2001 to 2004, has increased by a quarter, so that is in a static period of economic growth. It is fairly flat.

In the past, whenever we have expanded the economy, although we have seen some booms and growth, we have seen ourselves suck in migration. As night follows day, that is what happens. If you follow through the curves, growth and migration or immigration, they both go up together or they both go down together, but with a slight time lag. Is there anything in what is being proposed in the Migration Policy that can help eliminate that particular thing that says: “We grow, we suck in migration” and in particular immigration on J cats?

SENATOR OZOUF: Politicians always say that is a really good question because they want to make the ----

DEPUTY SOUTHERN: I know it is a good question. You don't have to tell me.

SENATOR OZOUF: May I say that that is, Chairman, absolutely an extremely astute question, which I am very pleased to give an answer to, because I think it is really important. Before I give the answer about the controls, let me just make some observations about the numbers. I have got the census, the 2001 census, data here. Again, I think sometimes people are talking at cross purposes. We must be absolutely clear what we are talking about in terms of numbers. The census revealed that there were 780 J category heads of household. In addition to that, there were 330 members or residents of community establishments. So that was 330. So the number of J cats at the time of the census was, as you rightly say, about 1,100. I think sometimes if the question is asked people sometimes refer to heads of household and not the total number, because of course there are other ones that live in the establishment, so we can be very precise about that. So it is just an observation about not to worry about whether or not you are getting different numbers. It might be that the question is wrong.

DEPUTY SOUTHERN: Nonetheless, we are talking about growth.

SENATOR OZOUF: Yes. Now, I haven't examined recently the increase in Js, although I have the figures here from the Regulation of Undertakings and we are now tracking the number of J cats. I think there has been an explicit policy from the Housing Committee of actually increasing the amount of Js and that is not overall. There are two questions about immigration.

There is the total quantum and there is the make up of it. You could have a total immigration of ... and we have an ebb and flow of Jersey, not including seasonal workers, of about 2,500 people every year. There are about 2,500 that come in and recently there have been about 2,400 that have been leaving, so we have net immigration, net minus immigration in the last few years.

DEPUTY SOUTHERN: Emigration.

SENATOR OZOUF: Sorry, emigration in the last few years. In the years of economic boom, which you referred to, we had net immigration of plus 400 or plus 500 or even 700 or 800 in the late 1970s and 80s. So you need to divide the question between the make up of it and the actual total quantum. You are right, in the last two or three years -- in the last three or four years probably -- the overall has been a minus figure.

Now, I think there has been a conscious decision by the Housing Committee to allow a greater, ever so slightly greater, proportion of those, of that immigrant population, to actually get Js. That is why you have seen the number of Js rise when, perversely, you have seen the overall number of immigrants, the total net of the ebb and flow, actually being smaller. I think that is a good thing. I don't think ... We referred to the figures for the amount of J cats in the Island, which was about 1,100 in the 2001 census. In the 2001 census there were a further 7,000, over 7,000, non-qualified, and that is not including the 4,000 -- I think it is in addition, but I can't remember what it is -- additional seasonal workers.

DEPUTY SOUTHERN: Seasonal workers.

SENATOR OZOUF: Yes. The States, in my view, failed on a number of accounts in dealing with this immigration issue and the control mechanisms. The States throughout (and I am sad enough to have examined the history of the Housing Law and Reg of Unds, but it is important) effectively, when there was a crisis in 1948, houses were being bought by people coming out of the Island. The States brought in the Housing Law because they thought they should control houses. It was then brought in. It was then lifted. The controls were lifted, put back down again, lifted, put back down again, I think, on seven occasions in the forties and fifties. There was another crisis again in the early 1970s and the States lifted the controls and numbers went up every time. In the 1980s we had a down-turn, the controls were lifted and then the brakes were

slammed on in the middle 1990s, effectively too late.

What is happening now is that the controls, the Reg of Unds and the housing controls, have not been lifted. The mechanism has not been lifted in the period that we have seen, which has been an economic cooling period in the last three or four years. Better than what we have done in the past is we have actually looked at the mechanism and we have strengthened it, or we are proposing to strengthen it. We are proposing to make sense of it. We haven't lifted our foot off the brake, we have actually proposed to put in a mechanism that makes better sense. When the economic growth, which Deputy Voisin is proposing does come and when the applications for lots of jobs do come in, what we need in place, not too late but on time and ready to deal with it, is we need the mechanism in place to deal with those demands, because at the heart of the Migration Policy is about the ability to say "No" to an application.

So what I am saying is that, unlike previous administrations which have simply put on hold their mechanism and not put any controls in place and allowed the numbers to grow, what Policy and Resources, Housing and EDC are doing this time is smartening up, reforming and modernising that mechanism ready for the economic growth that will happen, I hope, in the next two or three years. It is important that that mechanism works. I don't know whether I have lost you.

DEPUTY SOUTHERN: No, no, you haven't lost me. I am following you perfectly, I think.

**(The witnesses conferred)**

SENATOR OZOUF: Can Bill then come in?

DEPUTY SOUTHERN: Where you maybe have lost me is, as we grow the economy, you are saying that we have control that can be put in place and that is ready to be put in place. So we will put the brakes on as we grow?

SENATOR OZOUF: No. I think Bill has got an important point to come in with in a second about the ... well, he will make a point in a second.

DEPUTY SOUTHERN: It is almost like saying we are going to grow, but we have got to put on the brake.

SENATOR OZOUF: No. But the brake, this mechanism has to work within the policies that

have been set out in the Strategic Plan, which say that the working population must not increase by more than 1%, to a maximum of 1%. Now, the mechanism, this migration mechanism, this unified system of housing and Reg of Unds, has to deliver a result to achieve that objective of not more than 1%.

DEPUTY SOUTHERN: Right.

SENATOR OZOUF: And, therefore, I think it is really important that the mechanism can truthfully and realistically deliver that.

DEPUTY SOUTHERN: And we will look forward to exploring that in the next minutes/hours. Bill, you wanted to get in there just before I come to Judy?

MR OGLEY: If I may, a couple of minor points. Your last point there about are you putting your foot on the brake but still going for broke, we need to go all the way back to *Imagine Jersey* and the economic analysis that was done for that that showed that if you actually promoted the Island as strongly as you possibly could in the sectors we are on about, we could potentially achieve much higher levels of economic growth than are included within the Economic Growth Plan and that that would have a massive effect on population. Hence the need for migration to actually act as a brake on what you potentially could achieve. But it was also made clear that you would effectively then be turning this into a one industry island only and others would have to go.

DEPUTY SOUTHERN: We will return to that, yes.

MR OGLEY: The other two bits though are, in finance in particular, as the investment in technology and productivity have come through, it is quite clear that organisations are able to handle much larger portfolios with a similar staff base and, therefore, you can soak a lot of that growth up. Indeed, the trick will be to keep employment levels up in that sector, which is important for local workers.

The other thing I just wanted to add is that, of course, migration isn't only about Js and that is where we concentrate, on Js and licensed. But if you just look over the last five years and what's happened in the agriculture sector, the number of jobs in that sector -- and I know they are different people -- has reduced by 510.

DEPUTY SOUTHERN: Yes.

MR OGLE: That is in 2004 compared to 1999. So we need to find a way of replacing that.

DEPUTY SOUTHERN: And, on that point, I am sure Judy you have been trying to get in for a while.

DEPUTY MARTIN: Yeah.

DEPUTY SOUTHERN: I know that is one of your areas.

DEPUTY MARTIN: You started off, Philip, by saying obviously you had read the transcript of Senator Walker and you agreed that you couldn't put it better yourself. I mean, and when we are talking about the number of 1% or 500 jobs, he makes the statement here that, you know: "*We have a ... pool of people, local people, already resident in Jersey, not necessarily qualified but already resident in Jersey, who will be able to drive a very considerable part, if not all, of the staff requirements to fuel economic growth.*" What research has been done out there, Philip, to know these people? Where are these people coming from?

SENATOR OZOUF: I am not going to duck the question, but my job as I sit before you today was to be Chairman of the Migration Working Party dealing with the mechanism. I know that the Chairman has alluded to issues of the interlinkage with the Planning Policies. I am not going to duck the issue, but I would be honest and say that I have not ... I can't tell you the ... I can't tell you.

DEPUTY MARTIN: But you agree with the statement?

SENATOR OZOUF: Yes, I agree.

DEPUTY MARTIN: And you agree with this statement.

SENATOR OZOUF: I know that what they have said, what P&R have said, is that they will achieve economic growth through a maximum increase in the working population of 1%, which is 500 jobs, and, to the extent that it is possible to not have a one-to-one match of an immigrant versus one of the 500, they will do it. From the data ... it is not my frontline position to do that, but I would observe that in the last three to four years we have seen a contraction in the labour market of, I think, over 2,000 people. We know that unemployment levels are higher than they were previously. We know that we have got some data of the female participation in the



workforce and the overall participation in the workforce and there is some capacity within the existing population to represent some of those increases in job numbers.

Now, I haven't got the data before me, but it makes sense, which is why I agreed with what Senator Walker said. It makes sense to me that, because of the circumstances, that objective (and it is a maximum, it is not necessarily going to be the figure and certainly it is going to take time for the Economic Growth Policies to come into force) won't be a one-for-one match. But a good thinking economic development, working with the Migration Policy, is going to be of course testing employers who are coming for applications for increased staff and they are going to be wanting to be ... I know that when I was on Industries, you required skill assessments, you required a justification of how they were going to train local people and all the rest of it. There is a lot that Reg of Unds can do and does.

DEPUTY MARTIN: I will just finish there by saying, yeah, we probably do need a good Economic Development or President, but I just put that same question to Economic Development and they have got no idea -- they have done no research -- about where these people are coming from. So maybe we haven't got the right Economic ... if you say the data is there, could you provide it, because we need to know? They have no research.

SENATOR OZOUF: Okay.

DEPUTY MARTIN: They don't know where the data comes from.

SENATOR OZOUF: Well, what I would say, Chairman, is that that question is a question ----

DEPUTY SOUTHERN: It is not appropriate for EDC.

SENATOR OZOUF: ---- which is more relevant to the Strategic Plan and to the Economic Growth Plan than it is for the Migration Working Party.

DEPUTY SOUTHERN: Yeah.

SENATOR OZOUF: What I am doing is I am putting in place, hopefully, and the group that we worked with -- and P&R has agreed with that -- is a mechanism that will be able to deliver those strategic objectives which are objectives of the Committees.

DEPUTY SOUTHERN: But, as you say, it is an element to be put to the Strategic Plan and to the Economic Development Committee.

SENATOR OZOUF: But it does make sense to me.

DEPUTY SOUTHERN: We just put it to the Economic Development Committee so, whilst we have got Bill here, perhaps, as Chief Officer, you can tell us something about what research you see behind this, the relative balance between pulling people in and jobs for local people.

MR OGLEY: Yes.

DEPUTY SOUTHERN: Before I come to Julian.

MR OGLEY: I will largely be reiterating what Senator Walker said, because that is where the information lies. The big issue is ... well, there are two issues. One is economic growth and the other is fulfilling jobs for local people. It has always been made clear that largely the economic growth side, in terms of filling tax revenue, is going to have to be driven out of the finance industry, with derivatives of different types of finance and actually increasing the volume flowing through that. That was the point I was making, that, potentially, if the Island didn't care about ensuring that there are good jobs for local people, the finance industry could possibly grow very significantly and outsource an awful lot more employment outside Jersey and still produce even higher levels of economic growth. Our intent has always been that those jobs should be for local people as far as possible and that the finance industry within Jersey should be an industry based in Jersey and employing in Jersey. So that leads us to the view that, when you actually look at the finance industry, it is not going to require a massive significant increase in employment.

That was the point that I think Senator Walker was making and the Strategic Plan has made, that if you wanted to set a much lower increase in the workforce, you could do and still potentially deliver the Economic Growth Strategy and the tax revenue. But actually what you would then have would probably be a significant pool of unemployed local people who would be looking for alternative employment. The 1% increase in the working population was set to ensure that there could be jobs provided for local people.

Now, where do those local people come from? There are young people leaving school. There are significant cohorts, as we all know, bottled up at Highlands. There are over 900 young people there -- way beyond that that in any year you would expect to be there. If you see a

halving of that over five years, you get a lot of young people coming into the workforce. That is why the Strategic Plan and the Economic Growth Plan put a lot of emphasis on skills development and training for work, for equipping those young people. That is supported by the 14 to 19 Strategy, the higher education work that was announced only this week. So young people is one.

The second is we do have still 500 or so people unemployed. It vacillates around that. The Strategic Plan's eschewed aim is to reduce that, so there you have those people available to the workforce. So there are significant numbers there.

If you also look at Jersey's history, we have had a significant reduction in the effective retirement age, largely funded through occupational pension schemes and we do see that continuing for the next five or ten years. Even if that continues, what we are seeing is those older workers who want to find alternative forms of employment and come back into the labour force or continue working longer.

So if you put young people coming into the workforce, potential rôles for unemployed people and older people wanting to find jobs, you have got a significant demand for an increase in the workforce to provide jobs for local people, as opposed to driving the Economic Growth Strategy. I mean, we didn't see it through the Strategic Plan.

DEPUTY SOUTHERN:            You see those as two different strands?

MR OGLEY:                Yes, we didn't see the Strategic Plan saying economic growth is a driver for a population and workforce increase because of the changes in finance and employment practices and productivity. We saw the cap on the workforce being to allow jobs to be created for those local people who want jobs to fill them.

DEPUTY SOUTHERN:            I can see Senator Ozouf is trying to get in again.

SENATOR OZOUF:            Yes, I agree with all of that, but just one observation is -- and, again, not many people perhaps know this -- but the Regulation of Undertakings now six monthly report and the licensing for Reg of Unds exempts people over ... I can't remember whether it is 60 or 65.

MR OGLEY:                It is 60.

SENATOR OZOUF:            It is 60?

MR OGLEY: Yes.

SENATOR OZOUF: And so one needs to be cautious again, when looking at the overall population returns that are given, that only includes the below 60 figures and licences. We put in place when the housing market was very strained and there were lots and lots of people looking and lots and lots of employers chasing individuals, it still didn't work even if they could employ without any licence a person over the age of 60. So we have got to be smart in actually putting in place incentives to get those people that Bill was talking about into the workplace.

DEPUTY SOUTHERN: Julian?

DEPUTY BERNSTEIN: I have got a couple of questions, but one may be for you, Bill. The situation at the moment with 500 approximately unemployed people in the Island, but with Highlands College absolutely chocabloc full and having financial problems vis-à-vis actually training people, clearly the young people who are leaving school are considering that there aren't suitable jobs on the job market and therefore going on to further education, plus the fact that they are being told that they need qualifications if they want to go forward. So I don't see that the numbers at Highlands College are going to fall, or maybe slightly. With that situation with the 500, with the correlation between the numbers of people unemployed sitting rather statically at 500, where do you see the way forward?

MR OGLEY: Okay?

SENATOR OZOUF: Yes, yes.

MR OGLEY: Well, if you look at the cohorts at Highlands, of course, unless we are very careful, young people will move out of Highlands at the end of their courses and still be looking for employment. Hence the Economic Growth Strategy, the Workaround Enterprise, the Workaround Skills Development become so important. If you are not careful, you start to stack up cohort on cohort on cohort and your 900 that is then in Highlands might well stay at 900, but your 500 unemployed might rise by the size of each cohort. That is not something that, when we talked to the public in *Imagine Jersey* and when the States looked at the Strategic Plan that actually was wanted. It was wanting to find good employment for those people, whether it be by some growth in finance and then us working very hard to ensure that that employment stays

within finance for local people rather than being sourced outside the Island, I don't think that's a case of pulling in people to displace local. It is a question of whether we can keep employment for young people in the Island rather than find it is outsourced elsewhere in the world.

So that is where the emphasis on the Growth Strategy comes from and why the ceiling was put into the Strategic Plan to allow the jobs to be created for those people rather than putting in a ceiling which didn't allow the creation of sufficient jobs for the people coming into the workforce, because if you put, as we said, the number of older workers still seeking to remain in employment and find employment, you could get a very unhealthy competition situation between those people and young people coming onto the market. So this is hence the big investment in skills training and the cap to allow the creation of those jobs. The cap isn't there to soak up lots of growth, because you could, if you put too tight a cap on, effectively suppress local employment because you get into an unhealthy competition situation.

DEPUTY BERNSTEIN: Are some of the older people staying on in employment because financially they are not capable or have enough funds to comfortably retire at the moment?

MR OGLEY: I think you would need to ask Employment and Social Security that.

DEPUTY SOUTHERN: Yes, that is wandering off track.

MR OGLEY: There is a really important statistic. When we looked at this, the effective retirement age, which is the average retirement age across Jersey, between 1995 was almost 60 and, by 2002, was down to 56. Now, that is a trend that you can't see continuing for too long. Otherwise, with the demographics and the dependency ratio that we are all well aware of being a significant problem to address for the future, the dependency ratio will geometrically increase and the Island won't be able to afford to balance those people.

DEPUTY SOUTHERN: But that is a part of the normal ebb and flow.

MR OGLEY: Yes, quite so, but if ----

DEPUTY SOUTHERN: That is separate from the Economic Growth Policy, which is linked to the 500 jobs, up to 500 extra jobs.

MR OGLEY: It is to seek to create those jobs for people so that they can ----

DEPUTY BERNSTEIN: I had one question, but I think the Senator wanted to say something.

SENATOR OZOUF: Okay, it is interesting, because I have read the evidence or the questions that you have asked other people and I can clearly get a flavour of what you are pressing at here. May I say that I think the key question for the Scrutiny Panel is, is the mechanism that is put forward in the Migration Policy capable of delivering those targets of a maximum of 1% economic growth, because almost what you are doing and the discussion that you have just been having is the second set of work that needs to be done, which is that those are the policies. What you are talking about is the way in which the Committee that is going to be responsible for implementing and using the mechanism, what are their policies going to be at that time in actually giving out licences.

I think the question that ... and that has got to be done yet. I mean, Economic Development have got an existing Reg of Unds Policy, which sits below the Regulation of Undertakings Law. They are using that policy in the determination of their applications on a daily basis. Now, the policy, there is going to have to be a policy drawn up after the States has agreed this migration which is going to inform the decisions, which is a Committee policy which informs the decisions of how to grant or not grant those licences and it is that which is going to result in whether or not it is 500 or 1 or whatever. This is the mechanism and I think the thing that you are testing is, is the mechanism sensible enough or strong enough to be able to deliver that policy, to deliver that result.

DEPUTY SOUTHERN: Yes. Do you want to move on?

DEPUTY BERNSTEIN: Yes, I do.

SENATOR OZOUF: I hope that makes sense.

DEPUTY SOUTHERN: Because I think we are getting a bit ...

DEPUTY BERNSTEIN: It might not be the best question, but ----

SENATOR OZOUF: It is a difficult question.

DEPUTY BERNSTEIN: No, no, no, I'm very worried about this growing the economy by 2% across the board. I haven't seen any proof that it can be done across the board. I would like your comments on that because I think that is a very important rung on the ladder, because if we get the growth, then employment links into that and immigration, if we need special people with

special knowledge. If we don't grow the economy across the board, I mean, we might well be able to do it in the finance sector, but I would like to know your feelings about other sectors, because, from my own personal knowledge, I can't see the hospitality industry growing by 2%, but they are employers of lower end employees and, therefore, there is a possibility that if you grow the economy by 2% in the hospitality industry, we could employ people from within.

SENATOR OZOUF:               Okay. It sounds as though that is a question, with respect, that is a test of the Fiscal Strategy and the Economic Growth.

DEPUTY BERNSTEIN:         Yes, but it is a rung on the ladder.

SENATOR OZOUF:               It is. What we are testing here is, is this policy, is this migration mechanism capable of delivering that objective within it. So what you are saying is ... and, wearing an F&E hat, I would say, yes, I am very confident that the 2% economic growth can be achieved. The more challenging question is, because you could achieve it in a number of different ways, we could achieve 2% economic growth by simply, you know, we shred all the Reg of Unds and the Housing and let people flow in and, my goodness me, we would get 2% economic growth. The challenge is and the key question is can we get 2% economic growth within the confines, within the stricture of the 1% maximum increase in working population. The other thing which you haven't talked about yet, but no doubt we will be also talking about, is the supply of housing, because those are the constraints.

So the answer, Deputy, is, yes, I do think that all the evidence that I have clearly shows that we can. If the Isle of Man can achieve their levels of economic growth and Jersey has a proud history of succeeding when it puts its mind to it in terms of delivering economic growth for its residents. It is not government that does that, it is individuals all over. It is not only finance. Finance itself isn't only one industry. It is a combination of whole separate sectors of industry and they are interdependent themselves. Tourism benefits from business people coming here and hedge fund managers bringing their staff, their friends here for weekends, holidays and all the rest of it. There is an interdependence here. What is good for finance, I think, is good for tourism and, in the way that we are running the States in a much more joined up fashion, it makes sense to make efficient use of advertising resources for agriculture as well as tourism and

as well as finance. So, yes, I am confident. Is it going to be 2% growth in all the sectors? Well, probably not. It is an overall target, but we want a balanced and diversified economy.

DEPUTY SOUTHERN: I think Paul wants to get in before I move on.

SENATOR LE CLAIRE: Yeah, there are two areas really I would just like to touch upon. It is 2% above RPI economic growth. That is what we are trying to achieve, isn't it?

SENATOR OZOUF: Real growth, yes.

SENATOR LE CLAIRE: Real growth, which has been stubborn at 5.3%, so we have got a target to aim for, an economic target to aim for. Given that the finance industry's profits are likely to be up again, as we have heard this morning from Mr Harris, yet there are 1,600 fewer jobs in Jersey since 2002 and 500 people are unemployed rather than the 200 that were unemployed then, how do you see those things squaring themselves away? Obviously the finance industry pounds per square feet for office space in London is £70 and in Jersey it is £30, but how do you see getting the money to square away these economics is going to be achieved any other way than bringing people in?

SENATOR OZOUF: The key word, which I don't think Bill used, but it was at the heart of what he was saying, was productivity. We are going to ... that fundamental point about getting 100 people in an office building in town, with better IT facilities, with better skills and with perhaps an outsourcing of administrative functions in Bangalore or wherever administrative functions happens these days, the key to it is getting the people that are sitting in Jersey to be as productive as possible. The debate about productivity in Jersey has only recently almost been talked about. When commentators talk about the American economy or they talk about other national economies, they are talking about the growth in productivity. I don't think that we have been as productive. Funnily enough, actually Reg of Unds was probably one of the biggest catalysing effects for productivity, because it constrained labour resources and companies in Jersey have had to learn to do their business with a constrained amount of manpower resources.

But, of course, productivity never ends, Paul. It is a constantly moving target which you have to improve. We know one of the most telling statistics that I have seen in the last few years which shows that there is an opportunity for productivity is there is a clear relationship between



productivity and skills. The more skilled your labour force, the better and more productive they will be in all sectors of the economy. Our skills are, I think, lacking in some areas. The census showed in 2001 that we have one of the lowest levels of degree attainment compared to other places. We have got professional qualifications, and I know that professional and vocational qualifications aren't everything, but they are an indication. This has then been reinforced by the skills audit. There is an opportunity to improve skills in Jersey that will yield high productivity, and that is the way that you will deal with or you will offset economic growth with lower immigration.

SENATOR LE CLAIRE: The second part.

DEPUTY SOUTHERN: The second part?

SENATOR LE CLAIRE: That is a full answer to how we will achieve the financial goals by improving productivity. Improving productivity doesn't necessarily mean employing more people, as is evidenced by the fact that there is 1,600 fewer jobs since 2002 and unemployment has risen from 200 to 500, so we are getting more out of our people, more out of the people in Jersey, not necessarily providing those people with opportunities in employment. That is specifically what I want to hone into. That is specifically what I want to hone into on this.

That is that we have identified the fact that there will be a 1% growth in the overall number of people working. How are we able to identify that that is 500 people, first of all, when we issue job licences every three years to employers and we don't know how many people that are working. We know how many licences they have got. So that is the first figure, but how do we not know that those numbers of a maximum of 500 are not totally out? Also, how are you going to factor in of those 500 through this mechanism from a P&R perspective that any of those 500 jobs are going to be for the local people?

SENATOR OZOUF: Right, okay. First of all, dealing with the earlier question which I didn't answer about the trend rate of economic growth, and you are right to point out that the 2% is a real increase in the economy and, of course, you can achieve economic growth by, if you have got an overall level of economic growth of 6%, then a lot of that with high inflation, with a 5% inflation rate, it is eroded and you only get 1% economic growth. So you are right to point out the importance of inflation and you are right to point out that it is the control of inflation. If our

costs are rising higher in Jersey than they are in our competition, we are becoming competitively more ... we are becoming less competitive and that has a bearing on productivity. I am confident, Paul, that we can achieve 2% economic growth, but I want to see economic growth with low inflation. That is the ideal. That is the ambition of all finance departments across the world. And do we need to do more with inflation? Yes, of course we do, but the States itself has caused inflation by spending more money than the economy can sustain.

SENATOR LE CLAIRE: That was not my question though.

DEPUTY SOUTHERN: Can we address the question?

SENATOR LE CLAIRE: My question specifically is, out of those 500, and I question whether there was going to be 500, because we issues licences.

SENATOR OZOUF: We don't know.

SENATOR LE CLAIRE: But we don't know.

DEPUTY SOUTHERN: I am not questioning that.

SENATOR LE CLAIRE: Out of those 500 ----

DEPUTY SOUTHERN: The Panel is not questioning that.

SENATOR LE CLAIRE: Out of those 500, how many do you envisage being allocated to people that are local, that aren't bringing in the 2.18 accompanying members of their family?

DEPUTY SOUTHERN: Can I add to that and can I make it a bit more specific? Let us move away from licensed to registered.

SENATOR OZOUF: Right, okay.

DEPUTY SOUTHERN: If we look, for example, at the Polish immigrant workers that have come in recently, I mean, there were over 2,600 in 2003. They no longer have to require a permit. They are EA nationals and they can come in as they choose. So we are talking about the migration proposals regulating and monitoring but where is the control?

SENATOR OZOUF: Okay.

DEPUTY SOUTHERN: How is the control being achieved there? For example, I mean, I am fully aware that the Poles now are manning most of our supermarkets. I mean, they have moved into that sector. How in the future, under the new migration proposals, do we control that sort of

thing? I don't think we can control it.

SENATOR OZOUF: Well, absolutely we can. If the Panel hasn't understood that, then we need to go through and explain exactly how this mechanism is going to work. Just closing off the issue about economic growth and productivity, I just want to say that the UK and Jersey's productivity is lower than other industrialised countries. We can do more and it is important to do better on productivity because that means that the overall employment numbers will be less than they otherwise would be if we have got a more productive economy. So I want to just highlight the importance of productivity and productivity considerations and skills considerations in giving companies licences are very important. In other words, Economic Development require companies to demonstrate the training of their workforce when they are giving licences.

Now, it is the giving of those licences, Chairman, that you asked the very important question of how can you control these. Well, a job licence that is given by the Regulations of Undertakings currently has two categories. If an employer comes along and, say, it is a start-up company and they want to employ 100 new staff, the Regulations of Undertakings licence categorises those job licences, if they can get the Reg of Unds to agree them, into two categories. At the moment, it is under five year and over five year. So the key control is that you limit the amount of non-qualified and, confusingly, non-qualified under Reg of Unds means less than five years, but that is not the same thing as non-qualified under Housing. We need to make the point at some time during the morning that a key also to this policy is to make sense of these definitions and to harmonise them to make them the same because nobody understands them.

DEPUTY SOUTHERN: And we should make sure that Senator Walker gets that information, because he is always mixing up the two.

SENATOR LE CLAIRE: And it is very important ----

SENATOR OZOUF: Let me finish, if I may, Paul.

SENATOR LE CLAIRE: For a point of record, it is also important to recognise that when the requirement to recognise people as locally qualified was dropped into this five year being locally

qualified, I questioned the motives of that allocation. Now it is being used as the confusing mechanism to change the whole system.

DEPUTY SOUTHERN: Point made. Can the Senator answer?

SENATOR OZOUF: That is the control that has existed at the moment from Reg of Unds, that you are giving an employer a total quota of jobs and obviously the portion of the licence which is most closely tested is, of course, the number of non-qualified under Reg of Unds, in other words, people with less than five years. It is true to say that Reg of Unds pretty well do grant most applications that are over five years.

What this mechanism does is this puts the ability for that licence to be in not those two categories but three categories. It proposes that the categories be that we retain the five year registered and we convert the registered, the non-qualified under Reg of Unds, into registered and we retain the five year rule. In addition to that, they get the ability to put the number of Js, which is currently confusingly done somewhere else by the Housing Committee, on a case by case basis and not in an overall quota number and they put the number. So that 100 is going to be split by a five year number, J number and qualified number.

That is the way that you can control the overall numbers. When the Regulations of Undertakings report their amount of licences given, that is why we see the number of staff approved split by qualified and non-qualified and that is the control. Many people have said do away with the five year rule. You can't do away with the five year rule if you want to control the make up of jobs which absolutely flow into the amount of people that will come in.

DEPUTY MARTIN: So, yeah ---

DEPUTY SOUTHERN: Judy, yeah, go on.

MR OGLEY: Can I just add to that? The big issue, and there was a significant debate at the Steering Group and the Officer Group, was whether a licence covers all of the employment by a particular employer or only specified categories, and the proposal is that it covers all of the employment.

SENATOR OZOUF: Yes.

MR OGLEY: Licensed, registered and entitled. The people you were talking about, you said

you didn't know you could control them. Well, they would have to be employed by the employer in a registered job.

SENATOR LE CLAIRE: So the 500 could be exclusively J cats with 2.18 accompanying people or, if the figures are wrong, 700?

DEPUTY MARTIN: Yeah, yeah, sorry.

DEPUTY SOUTHERN: I have asked Judy to come in, sorry.

DEPUTY MARTIN: Philip -- sorry, Senator -- right, so you are ... firstly you said that this Migration Policy is the mechanism and, you know, will the policies be robust enough. You have just outlined one that, you know, you really put it on the line that there's going to be registered (and they have got to be here five years), licensed ----

SENATOR OZOUF: No, the registered will be here less than five years.

DEPUTY MARTIN: Oh the registered are less than five years?

SENATOR OZOUF: Yeah.

DEPUTY MARTIN: So you have got the registered and the licensed. People who come to the Island tomorrow can go to any licensed job as well if their skill meets that, but how are you then saying registered people don't have to be here for five years, they are under five years? So anyone who comes in tomorrow, how will that stop ... you have got sort of keeping minimum low wage immigrant workers kept to a minimum and then the States will manage inward migration through regulating overall employment.

SENATOR OZOUF: I sympathise with the fact that we are dealing with a number of different concepts here. Just to take one step back a second, the Housing Law attempts to control occupation of houses and categorises people in terms of being qualified and non-qualified. The Reg of Unds categorises jobs and, at the moment, we have got a complete mismatch between all of these three. We are controlling houses, we are controlling individuals and we are controlling job posts, and they have all got different definitions. So it is terribly confusing.

What we are doing here with the Migration Policy is ... well, why did this attempt to control these different things happen? Well, in the 1940s it was houses that people thought we could control immigration through. We then controlled the occupation of houses and that failed.

When Colin Power arrived in the Island in the early 1970s, he said: “If you want to have any overall mechanism, overall control over immigration, you need to control jobs.” What the Reg of Unds does is it controls those jobs.

What we are now doing is we are bringing in the J category concept from the Housing Committee and putting it into the control mechanism on jobs. You do that providing you don’t give a total number of licences in the registered category, which is outside the objectives of the overall working population and ... what I am trying to say is that the totals that you grant across the private sector in those three categories, out of that will fall effectively the amount of people that are going to be able to come to Jersey and get a job, because effectively you are not going to come here unless you have got a job.

DEPUTY SOUTHERN: So when Waitrose come ... when Safeways come to you and say: “We would like to employ this group of Polish workers ----

SENATOR OZOUF: Well, the Reg of Unds will be turning round ----

DEPUTY SOUTHERN: Well, offer these jobs as ... what is the bottom one?

DEPUTY MARTIN: That is what I was asking.

DEPUTY SOUTHERN: What is the bottom?

DEPUTY MARTIN: Registered.

DEPUTY SOUTHERN: Registered, registered jobs.

SENATOR OZOUF: They don’t say yes. They don’t say yes.

DEPUTY MARTIN: But it falls down then.

DEPUTY SOUTHERN: They aren’t going to say “No”.

SENATOR OZOUF: Well, they can say probably.

DEPUTY SOUTHERN: The Population Office will say: “No, those have got to go to local people.”

SENATOR OZOUF: If you take, for example, the fulfilment industry, the Reg of Unds ----

DEPUTY SOUTHERN: Okay, right.

SENATOR OZOUF: The Reg of Unds, the fulfilment ----

DEPUTY MARTIN: No.

SENATOR OZOUF: Well, let me just continue because it is a good example.

DEPUTY MARTIN: Well, can I just cut in here because my point was coming exactly where Geoff was coming from, so you can answer them both together. Even if you did say: "Right, you can only have 20 people registered", 20 people registered, do you think that will stop the people coming from outside to take on less than five years, but you can have 20 licensed jobs, you then in this document say: "The licences will be monitored by the employer and he can give that licensed job." So if he is having a bit of difficulty getting a registered job, he is going to use one of those licences to give to a lower paid worker.

SENATOR OZOUF: But he has got to have them in the first place.

DEPUTY MARTIN: Well, yes, but he would have them. You are saying this will squeeze the bottom market, but it won't necessarily. We need to know that this policy is robust enough to say: "Well, you can control." There is nothing I've heard and there is always a system open to abuse, but what you are saying doesn't work ----

SENATOR OZOUF: It does.

DEPUTY MARTIN: ---- because that employee is going to have the licences or the registered. He will, if he is squeezed and he wants 20 cashiers to man his tills, but that is supposed to be registered ----

SENATOR OZOUF: But he has got to get the licence in the first place. Bill wants to try and explain this because this is fundamental.

MR OGLEY: It is fundamental.

DEPUTY MARTIN: I think it is fundamental.

MR OGLEY: May I try and explain?

DEPUTY SOUTHERN: Yeah, sure. I mean, where here for exactly that, don't apologise.

MR OGLEY: Thank you. The whole point here is if we go back to the categories and actually I work from the top down, entitled are local people. Let me just shorthand. They are local people. Licensed people are people who aren't local, but are allowed to come to Jersey to fulfil a job and alongside that they can take a lease on a property, so it is linking that. That is someone like me.

DEPUTY SOUTHERN: Through a company.

MR OGLEY: Okay. The third are people who are not local who can come to Jersey and they have to live in registered accommodation. What you are, it seems to me, concerned about is how do you control the total.

DEPUTY MARTIN: Because you say you can. That is why I'm concerned.

MR OGLEY: Exactly, of course you can. So let us take an employer, just a fictitious example, an employer who comes forward and says: "I would like to employ 100 people." They might say 110 in the discussion and it might come down to 100, but "I would like to employ 100 people." The Population Office will then say (and bear in mind that they will look at the whole housing market and the whole population to see whether we can afford that or not in terms of numbers of people) and they will have the power to say: "Yes, you can employ 100 or 90 or whatever. Of that 100, 90 must be entitled."

DEPUTY MARTIN: Ninety?

MR OGLEY: 9-0.

DEPUTY MARTIN: 9-0.

MR OGLEY: Okay. Let us say for the sake of this argument five licensed and five registered. So what you have said to that employer is: "You can bring either ten people into the Island or employ ten people who are currently in the Island in other licensed or registered jobs", and you have controlled that.

DEPUTY SOUTHERN: And when he comes back to you and says: "I can't fill those vacancies, I can't get them from local people"?

MR OGLEY: Well, then the Population Office ----

DEPUTY MARTIN: He doesn't have to.

SENATOR OZOUF: He does.

DEPUTY MARTIN: Why?

MR OGLEY: He can't go above the ten.

DEPUTY MARTIN: No, but the licence, he can use the licence for anything.

MR OGLEY: No, but the ten, what I've added is the licensed and registered, five registered,



five licensed, and I have said that those are ten people that can come to Jersey, okay? He can't employ more than five licensed people, so you have controlled the ability to enter into leases and the effect on the housing market. He can't employ more than ten off-Island people in total, and you have controlled that. Now, if he comes to you then and says: "Well, thank you very much, but actually I can't find 90 local people to fill these jobs", then that is why we have to have good information. We have to be able to say: "Well, get lost", you know, whatever, "because we know there are a lot of young people in Highlands about to leave looking for jobs. We know there are unemployed people. What are you doing?" Government have got to be able to have that ability. You have got to have that information because otherwise, yes, you are always at a hostage to somebody that comes along.

SENATOR OZOUF: This is absolutely right. Can I draw your attention ----

DEPUTY SOUTHERN: Sorry, no, I have to come back in there because I can see what you are saying, but I am saying that doesn't look very different from what we have got now, and what we have got now is as soon as we boom we pull in immigrants and -- and -- you have no evidence to suggest that you can supply the work demands from the local workforce or local unemployed school leavers etc because you haven't done the research.

SENATOR OZOUF: Okay, no. This is the guts of it. I reject that statement to say that the 500 ... I mean, we are ... you are testing the ability for the mechanism to deliver a result and the best way that you can test it, the observations about whether or not the States put the brakes on or took them off are right in the past. What the States did is they didn't even have the rubber stamp. They put the stamp in the drawer and didn't even have the control mechanism. Reg of Unds and the Housing Law has been lifted and put on and off at numerous times over the last 20 or 30 years. I have evidence to show that. What has happened this time is the stamp has not been put in the draw, it is still there and it is still being used even in times of economic coolness.

Now, when Bill talks about that decision of that employer, what you do is you categorise every single application that comes before the Reg of Unds Office and before the EDC Committee. It is categorised into a sector and there are different rules currently for different sectors. For example, this is the States of Jersey Manpower Report, a public report, RC8 of

2005, and this shows the percentage, because these are on a three year licence basis. The employer is not expected to come to the Reg of Unds office every five minutes. He has to get a structured licence over three years. He has to agree what his total manpower limits are for the next three years, and we have got evidence here to show what the split is, the percentage number of non-qualified licences that have been given.

Now, for example, in 2005, in banking, of that 100, on average, the Committee was giving 14.8% of licences as non-qualified licences. So when a bank came along and came along for 100 employees, say, Bank of St. Ouen's came along and said: "We want to employ 100 people" and Reg of Unds said: "Very good, a new business, we like that" and they say: "Right, what is your split of your requirement of that 100?" and they say: "50 non-local and 50 local", they say: "Hold on a minute, 50 non-local? No way. The amount or the normal percentage that we give" -- and, of course, it is then tested -- "is actually 15%." Now, in the hotel industry and in agriculture, it is much higher. That 100 on average is about 40% to 50%.

So if you examine this evidence you will see that there are policies which guide the decision of the Committee in judging an application. In fact, it is much more sophisticated than that. The Reg of Unds Department will explain to the applicant exactly what the percentage of jobs that they will get which can be non-local. Now, this now needs to be further refined because it needs to be a percentage of non-local and it needs to be a percentage of J, which is effectively the difference between the registered and licensed.

My argument with the current system is that you have got Reg of Unds doing these structured three year licences in one department and you have got another department across St. Helier dealing with Js. Js are actually qualified under here. What a nonsense. What a state of affairs. It's crazy. What I am trying to say here is that the critical decision is the three year job licence as a percentage, those jobs categorised between qualified and non-qualified. In the new parlance, it is the split between entitled and licensed. What Bill has said is there is going to be an overall number as well. That is the way you control it, and it is working. It does work.

DEPUTY MARTIN: Well, you are saying it is working, Philip, but we have already got 500 people unemployed ----

DEPUTY SOUTHERN: And a rising number of Js.

DEPUTY MARTIN: ---- and Gerald, Deputy Voisin, said it was a very similar system, it is just a different name. They can control it now.

SENATOR OZOUF: What you won't do ----

DEPUTY MARTIN: What it is, is you can take a horse to water, but you can't make them drink. There are kids out there who are not going to do the jobs that are available.

DEPUTY SOUTHERN: Don't argue, ask.

SENATOR OZOUF: What I would put to you is that you ----

DEPUTY SOUTHERN: We are in danger of debating again.

DEPUTY MARTIN: Okay.

DEPUTY SOUTHERN: And I'm very aware of time.

SENATOR OZOUF: What I would say to you though is that you would have, in all probability, a higher level of unemployment in the cool economic circumstances that we have seen in the last two or three years. It would have been higher if the Regulations of Undertakings wouldn't have existed, because what they have done is they have actually reduced the amount of non-qualified job licences that they have given in order to soak up that unemployed pool. I worry if we wouldn't have Reg of Unds that unemployment would have been a lot higher.

MR OGLE: Yes.

SENATOR OZOUF: I cite the example of the fulfilment industry. They haven't got any non-qualified people on their licences, and that is a good example of how the mechanism works and why, frankly, we need it, because, if we wouldn't have had Reg of Unds, fulfilment would have probably sucked in huge amounts of immigrant labour and we needed to make sure that ----

DEPUTY SOUTHERN: I am aware, I am very aware of time. I am aware that we haven't even got on to the housing issues. Can I ask you, I know you are trying to be helpful, but to try and keep your answers as short as you can.

SENATOR OZOUF: I will try.

DEPUTY SOUTHERN: And we will keep our questions as short as we can. I've got three issues immediately I want to deal with. I will go with the first one. You mentioned training as part of

the factors, one of the factors that goes into giving a licence. Now, I have got a statement from Education, Sport and Culture about their “*Realising our Potential Strategy for Skill Development in Jersey*”, where it refers to a three way partnership of Education, Economic Development and business and employers and it says that “*The employers will be developing and monitoring programmes and cross-company support, developing in-company training programmes*” and yet at the same time we have got the Financial Services Growth, a plan accompanying the Economic Development on page 6, saying: “*Traditionally, the Island may have relied on financial service providers themselves to ensure that such investment in training and knowledge acquisition, but in an increasingly competitive financial services world, it is suggested that such a policy is potentially misguided and even dangerous.*”

The policy is of course you will do some training, that that will be part of the factors, that we need to train our young people. They are saying: “Hang on, it is getting competitive out there. We are not going to do it.” They are actually transferring a between a starting point of £1 million and £2 million training requirement to the States, saying: “We are not going to train any more. We’re strapped for training. You’ve got to do it.” Now, we have got that £1 million or £2 million, the planning for the budget, the business plan debate, when, after we had got a balanced budget, that came into the equation, EDC’s money, and we said: “Oh we can get that somehow. It will be an accounting approach.”

SENATOR OZOUF: Okay. I mean, we said that there is a productivity, there is an important productivity issue for the Jersey economy. We said that we have got clear evidence that our skills are not as good as they should be, based upon the massive investment that we are making in education, etc. So, as looking through economic spectacles, I am always looking for market failure, and government should only intervene when there is market failure.

Now, I think that the key for skills -- and I have sat on the Skills Industry Committee and I know the hard time we gave lawyers and accountants and even hotels in giving their job licences, in having the privilege of a job licence with non-locally qualified, they had to prove and show what they were doing in terms of skill development etc. I think the key to this is partnership. I think that certainly the private sector, yes, the market is becoming ever more

competitive. One of the problems that we have got is, relating back to Paul's questions earlier, that the world of offshore finance is getting more competitive. You need to be even better than we were five years ago. Standing still is not an option and what we have got to do is we have got to identify that the private sector by themselves are not actually delivering the skills that are required overall in the economy by themselves.

So what we have got to do is we have got to use some money, some government money in order to catalyse that training and get it and make it happen. And I don't think we are any different to any other jurisdiction. The question is that it is not in either place, it is both and it is partnership and we have got to edge that money. We have got to get the biggest bang for our buck. We have got to get the best skilled workforce; and a good skilled workforce means good wages, it means high productivity, it means less stress and it means smaller problems.

DEPUTY SOUTHERN: And can I ask you, with your F&E hat on, where that, whatever it is, £2.3 million is coming from that was thrown in the pot after all this discussion had taken place?

SENATOR OZOUF: Of course you understand how important F&E regard each of the components of the Fiscal Strategy. We need each one of those to work and, of course, it requires investment, and I think we have got to have a new debate about public expenditure in terms of separating out frontline services and the money that is required to invest in order to get that economic growth and to get those tax revenues. I would categorise firmly some of the areas within the Economic Growth Plan that require investment in order to get the dividend of better economic growth and the tax receipts going forward. We have got to try to do it. It is a real problem and it is a dilemma, but we have got to try and find it. It is a partnership.

DEPUTY SOUTHERN: Okay. Can I take us on to an issue which we just touched on? In fact you invited us to talk about this a long time ago now it seems. One key element and one that is throughout your document as well, as well as Housing Department documents, is to provide proper housing. That is one of the limiting factors in whatever licensing process is going to take place. I want to take you through some brief figures. I know you can handle figures, but it was a bit difficult with the President of Housing and we had to go through the Officer, but I know you can handle figures.

SENATOR OZOUF: Don't be too unkind to him. He's a good chap.

DEPUTY SOUTHERN: I shouldn't have said that. I shouldn't have said that, sorry that was cheap.

SENATOR LE CLAIRE: Is that off the record?

DEPUTY SOUTHERN: No, it has been recorded now. Right, in the Strategic Plan there is a figure of 1,750 for the overall housing build. That is compared, or can be compared, with figures from the Housing Requirements Survey produced by the Statistics Unit most recently, wherein it talks about the Housing Needs Survey and it says: "*The Statistics Unit in their report estimate a potential shortfall of 1,575 units in the two, three and four bed owner occupier properties*", i.e., based on the perceived demand.

Now, if that demand is not met, then the risk is that the housing market seizes up, because while there is an oversupply in one and two bedroom properties for rent, yeah, those people over the coming period -- and we are talking a fairly set, sound, solid future -- are going to want to move up to two, three and four beds and into owner occupier, yeah? Now, as I say, if that supply is not met, then the housing market might become sticky, it might become difficult.

So you have got the figure of 1,750 from your Strategic Plan (and I don't know where quite that has come from and, talking to the Stats Department, neither do they), but it is compared with 1,575 as we are now. But that 1,575 would be further increased if the effects of the currently non-qualified household getting qualifications under the 15 year rule are included, that number goes up by 155, and that is without any further changes. If you then decide to reduce the qualifying period from 15 to 10 years, which is envisaged on equity grounds and proposed in the Migration Policy, that requires a further 255 units. Further, if you were to increase net inward migration, whether licensed or registered, for every 100 net inward migration you require another 45 households.

Now, if you add those up, 1,575, 155, 255 and 45 per 100, you get a figure which is way over 1,750. So, the question is, whilst one of the arguments behind the Migration Policy is that it increases social equity, greater access to the housing market, there is a danger, as those figures would indicate or might indicate, that we ain't going to be able to do that because the housing

market is going to get very sticky. How can we do that within the stated limitation? The 1,750 number is either wrong or the more recent figures, the Stats figures, are wrong in some way. It is looking like if you want to do that decrease of the qualification period and increase the number of licences who have access to better housing, you aren't going to be able to do it under the current figures. I invite your comments.

SENATOR OZOUF: Okay. Well, you have dealt with a whole suite of issues to do with housing and planning issues. First of all, you are absolutely right to say that the 2% Economic Growth Plan has two constraining factors. One is the 1% increase, the maximum 1% increase, in working population. The other one, which my Committee, wearing my Environment and Public Services hat, has clearly stated to P&R is that the constraining factor must be the land and the statistics and the housing assessment that was set out in the Island Plan. The envelope of rezoning land that we set out, or the 2002 Island Plan set out, is the envelope within which any policy, whether it is Strategic Plan, Economic Growth, the President of Housing's policy, it has got to be delivered within that envelope. I have inherited a position on that and I want to say, again, that is the envelope and there is no more. It is that envelope. We are not going to rezone anything else or any greater verges of land. Otherwise there may be some shifting around a bit, but that is the maximum and that is what has got to be stuck to within the Island Plan, which is an Island Plan leading to 2010.

The data set is absolutely vital here and you can and we were in a deficient situation a few years ago. That was one of the frustrations I had, which was that Reg of Unds were busy dishing out Reg of Unds consent and Housing was busy dishing out housing consents, but we actually didn't have an overall picture of the accommodation industry of the Island. That is why I was, I think almost single-handedly, responsible for requiring that housing needs assessment, because I said: "The Island Plan is all very well, but what you need is you need to set out the demand and supply that is likely." Of course, there are going to be variables and, of course, you can interpret that the data set requirement census, the first housing needs assessment, now the second housing needs assessment is absolutely the data set that we need to make these decisions. I am confident in that data set.

You have picked up on a number of statistics. I mean, the good news is that the Island Plan was based upon, for the first few years of the plan, net migration of 200. We haven't seen net migration of 200. We haven't seen anything like that. That is why this latest housing needs assessment done for 2004 shows a much better supply side than actually any of my predecessors.

DEPUTY SOUTHERN: I would agree.

SENATOR OZOUF: We all know that.

DEPUTY SOUTHERN: I would agree and we are looking forward to what is going to happen next.

SENATOR OZOUF: Right. Now, there are two issues here for the housing supply, for the accommodation supply. We said the envelope is going to stay the same. We have seen lower amounts of immigration and we have also seen the supply that was promised delivered. We have made an assessment of the future supply, and that is important in terms of delivery of H2 sites, private sector B and also non-qualified in terms of more lodging houses.

DEPUTY SOUTHERN: Can I just interrupt you there?

SENATOR OZOUF: Yes.

DEPUTY SOUTHERN: You say we have met supply. However, according to Housing, that has got a bit sticky recently because some of the estimates for 2006 have had to be put off. The money has not come forward and there is 2007. So we have already seen that we are getting increasing resistance to actual densities put on sites.

SENATOR OZOUF: To be perfectly honest, we are not worried. In fact, what the Housing Committee has responded to is, because we have been so successful in delivering social rented units, we have created ... maybe some people don't like the ownership issues of them, but we have succeeded in delivering 800 additional social rented units within the trust sector, the rezoning propositions and you will know my obsession with the 45/55% split on rezoning. We have delivered another 45% of all of the rezoned land in social rented units. In fact, the picture for social housing delivery is good, and it is good because we have been so dogmatic in making sure that on rezoned land we have delivered the 45% split. That is why the Housing Committee are now in a better position in actually not having such a requirement, and certainly this data



shows that there is a good supply of one and two bedroom accommodation and we have got to concentrate on the three bedroom.

DEPUTY SOUTHERN: Yes.

SENATOR OZOUF: My criticism, my only criticism probably, of the Island Plan of 2002 was that it failed to do with the non-qualified sector. Our housing needs assessment looked at the whole picture.

DEPUTY SOUTHERN: Yes.

SENATOR OZOUF: And what we do have is we have an opportunity, I think, to move people that are currently in non-qualified into the qualified market, and we do that in a number of different ways. We can either do that by giving people who are non-qualified Js. Alternatively, what you do is you reduce the qualification period. Now we have got really, really good data ----

DEPUTY SOUTHERN: That is the intention.

SENATOR OZOUF: Well, it is the spirit of the Migration Policy to have a harmonised qualification period. It has to be wrong, in my opinion, for Js to qualify after ten and for non-Js to qualify after 15. I think it was very wrong when there wasn't any qualification period at all. It was better when it was 20 and it is better now it is 15, but it has to be right that there is a uniformed qualification period, and it seems sensible that that is ten years. More than that, I think that we have got to tackle over the next ten to 15 years this whole issue of the non-qualified market. In an ideal situation ----

DEPUTY SOUTHERN: Can I interrupt? You are talking generally.

SENATOR OZOUF: Yes.

DEPUTY SOUTHERN: Can I bring you back to the period that is covered by the survey, 2005 to 2009, and say how confident are you that into the future you will continue to deliver not only the right numbers but the right balance of housing to make sure that the whole thing doesn't seize up, because that is key?

SENATOR OZOUF: You are absolutely right, and that is why the Housing Committee has got to work very closely with the Planning Department in our decisions as to what we allow. In fact, the picture is good. The picture in terms of supply is good in terms of social rented, as I have

said; in terms of first time buyer; in terms of three bedroom accommodation; and, providing the States sticks to their policies, in terms of rezoning propositions.

You are right, we have got to a very close eye on the delivery of the different components. That has got to be a light touch approach. It can't be prescriptive always that we have to be ... the market actually responds quite well when there is a good supply of one and two bedroom flat accommodation at the moment. I think the market is responding to that by putting more levels of three bedroom accommodation. We are seeing that in housing applications. Sheltered accommodation is also very important. Disability accommodation is very important.

DEPUTY SOUTHERN: You are generalising again.

SENATOR OZOUF: Yes, I am very confident with the figures and I could confuse you with the numbers. I could confuse you with lots of data.

DEPUTY SOUTHERN: Yes. And has your Department had a chance to examine the Stats Unit's latest report and is it, too, confident that there isn't a mismatch between the figures that came out some time ago for the Strategic Report and the figures that are in the Statistics Department's report, because there needs to be a marrying up of those two to see if they still match?

SENATOR OZOUF: Yes, I mean, we are working very closely with Housing. We were part of this. We conducted our own review. We have looked at our own planning policies. It is that document that has actually reinforced our determination to make sure that the H2 sites are delivered. It has reinforced our determination to look at the H3 and H4 sites and bring forward some proposals which you will be seeing in the next few months. Yes, we are confident.

What we do need to do is we need to be extremely careful if the States do agree the proposition for the Migration Policy which has the overall objective of the ten year qualification period. We need to be, just as we have done before, very careful not to bring down that qualification period too quickly. It must be done absolutely with the knowledge that the appropriate supply of accommodation is there. But, very interestingly, in the context of this Migration Policy, we are going to have a change, I think. We are going to see property that is currently non-qualified merging into the qualified bracket and becoming qualified, and that is good, because it means that people can get a lease. I think it is an issue of social justice that

people are living in Jersey for long periods of time and cannot even have a home that they call their own with a front door key. If you are non-qualified, you can't have a lease. That is wrong.

DEPUTY SOUTHERN: I think you are in danger of repeating yourself. We started with that.

SENATOR LE CLAIRE: Can I just make a point?

DEPUTY SOUTHERN: Yes. Paul has got to go soon.

SENATOR LE CLAIRE: It seems ironic that, you know, we are looking to expand the opportunities for the J categories. I believe they have leases and they have the rights to purchase, so this overall social euphoria for giving people rights is not going to touch those people that are really the ones that are suffering. But I have to go, so I have to apologise.

SENATOR OZOUF: Sorry, but I must interject. The Js are fine. The Js have access to accommodation.

SENATOR LE CLAIRE: To leases as well.

SENATOR OZOUF: They can lease. They can have a front door to call their own. They don't have to have a key that is shared with the landlord and you have to be careful not to have a scheme or device around the Housing Law.

SENATOR LE CLAIRE: Absolutely.

SENATOR OZOUF: We are tackling and the issue of social justice is about those people with non-qualifications, of which there are 7,000 people living in this island.

SENATOR LE CLAIRE: And, of those 7,000 people, how many are going to become licensed when you introduce this policy and how many are going to have to stick out the 15 years? But my question to you, before I go is ----

SENATOR OZOUF: It depends how it is implemented, Paul.

SENATOR LE CLAIRE: It depends how it is supplied, not implemented. But my question to you is we have heard in evidence from the President of Housing that he intends to bring, in the interim of stages of us doing this report, a reduction in the housing qualification periods of 15 to 14. Given that he is looking to reduce the housing qualification by one year and looking to do that within the next few weeks he has given us the indication, what consultations has he had with you on that matter?

SENATOR OZOUF: Um, I didn't know that, but I would think that ... I mean there has been, I know, some frustration from those of us that have been involved in the Migration Policy that we want to get that debate into the States. We want it to be determined one way or the other because, the sooner we can get that determined, the sooner the Housing President will be able to bring it forward and give it consideration, together with the other Committees of his decisions in order to reduce the qualification period. I think we all know ----

SENATOR LE CLAIRE: Do you think it is sensible that he is bringing something in the interim, whereby perhaps, just taking the focus or the concentration off, where he has openly stated in the States before that he would not bring this forward, even though I proposed to bring the qualifications down, until an overall strategy had been agreed? Do you not think that this is something that is being done in an ad hoc manner that may deflect people's attentions on the overall benefits that your Migration Policy brings?

SENATOR OZOUF: Senator, I think it is most important for us to get on with the migration debate. I think that the issue of immigration/population control mechanism has been rolling around the States for years. I think at last we have actually created some sensible set of definitions, a sensible mechanism, building on the successes of the past and taking what is good in both Reg of Unds and Housing, making sense of it and, I think, issuing and putting in place policies which we can truly say actually contribute towards social justice. At the moment they don't. Of course, I agree that the Migration Policy should be taken first and consideration given to reducing the qualification period after, but we do need to get on with the debate. It has been hanging around for quite some time and I understand your frustration.

DEPUTY SOUTHERN: And you have our total support in that and we are working.

SENATOR OZOUF: I know that, Chairman.

DEPUTY SOUTHERN: You may look serene on top, but our feet are paddling beneath the desk.

SENATOR OZOUF: I am sure that is right.

DEPUTY SOUTHERN: Julian, did you want to come in?

DEPUTY BERNSTEIN: Mine are certainly paddling. Senator, there is a large number of empty flats or flats that are going to be, that are in the process of being built at the moment, apartments

in the Island. Do you envisage that some of the J cats are going to want to move into those accommodations?

**(Senator Le Claire left the room)**

DEPUTY SOUTHERN: Or the new licensed.

DEPUTY BERNSTEIN: Or the new licensed.

SENATOR OZOUF: I read with interest the supposed statement by the President of EDC that he had said that there was going to be a quadrupling of the amount of Js.

DEPUTY SOUTHERN: No, double.

SENATOR OZOUF: Doubling, okay.

DEPUTY BERNSTEIN: Doubling.

SENATOR OZOUF: I have always held the view that the non-qualified sector grew as a lacuna within the Housing Law. It was never envisaged that we would have a proportion of people that are non-qualified within the island. I have read the thinkings behind those esteemed States Members in the forties and fifties and seventies that brought changes to the Housing Law. I don't believe we ever intended to create this two-tier housing market. I think the J category policy was good. I think it is a way of allowing people to come here, reside for a period of years, contribute to the economy and then leave or stay. The J cat policy is a good one. The difficulty has been that, over a period of years, the States and decision makers did not respond to the reasonable demands of the economy and basically clever lawyers found ways round it.

What we have now got is we have got a community of approximately 87,000 or 88,000 people, of which there are 7,000 or 8,000 people who are living in this non-qualified land. What does non-qualified mean? It means that you cannot have a lease. It means that you do not have exclusive possession to your accommodation. We know that, because of the supply and demand of that accommodation, it has become less of a premium, but it is more expensive. It is of a lower quality often in cases. So I think that there is a strategic objective of the States to move its immigrant population, which we need, which Jersey has always needed -- 50% of Jersey people are not born here and that has always been the case and in fact that is higher in the last census than it has been virtually in the last 50 years.

DEPUTY SOUTHERN: Again, we are generalising. In relation to the Migration Policy?

SENATOR OZOUF: The key is, yes, we ought to be looking to move people who are non-qualified into the J equivalent, the new J arrangement that we are doing, but we can only do that, Deputy, when there is a sufficient supply of accommodation and that we don't prejudice the interests of local people, who also have a legitimate expectation to be home owners at a reasonable price and at a reasonable quality.

DEPUTY SOUTHERN: Can I take you on again and back to some of the details of the Migration Policy? One of the issues, certainly in my thinking, is that, whereas in the past it has been government that issues a J cat and it is a limited J cat, in order specifically that that person doesn't get qualifications, now there is no motivation on an employer to do the same. If they have got a person doing the job, then there is absolutely no reason that they should roll on a three year J cat with the same person and not go down the path of changing that person, yes? It is in its interests. Is there a danger that actually what we are going to see is that more and more people will actually stick in a J cat (or it will be a licensed job now) because it goes with the job and not the person, that they will stay there, they will get their ten years and there will be increasing numbers of qualified and thereby there will be an increase in the population?

SENATOR OZOUF: I think, well, no, the overall population is influenced by the total number of jobs.

DEPUTY SOUTHERN: Well, eventually they will retire.

SENATOR OZOUF: Yes, but the way reality is at the moment is that if somebody can't get their J extended, then what they do is they move into the non-qualified market and they just have to stay, if they are at their eight or nine year period. We know lots of people. There are even people in the public sector that haven't had their J replaced and they have basically gone into the non-qualified market. So we have created a bit of a nonsense, in that there are lots of people -- I mean, I haven't got the statistics before me -- but, I mean, there are at least a proportion of those 8,000 non-qualified people who were Js. So we have created a situation whereby you can get round the rules if you want. So I would say that firstly.

Secondly, I do understand the point that you have made, and I have seen the questions

that you have asked to other witnesses, about this issue of the employer being the decision maker, and it is an important point. The reality is at the moment that the employer is the decision maker now. It is not an individual who is going along to the Housing Committee to ask for a J, it is the employer. It is not the individual who is going along to the Reg of Unds to say: "Can I have that non-qualified job", it is the employer. It is the employer who is the one that is the one that has the post. At the moment we have created this ... one of the big benefits of the Migration Policy that I see is using the established system of three year licences. That gives stability. It gives certainty in terms of employers and their decision making.

To conclude, I mean, you are not wrong to observe that it will be, if you are a J, less bureaucratic to stay here for the period of time up to the ten years. It will be, but the reality at the moment is that if you want to stay there are ways around the rules, and I don't think that government should be erecting rules which you can effectively get around if you have a big enough pocket or you have an ability to get around them.

DEPUTY SOUTHERN: Right.

MR OGLE: There is also a technical issue though, of course, that, under a three year licence scheme where the licence can be reviewed up or down, there is an incentive to people not to block posts if it is possible that they will lose them. That is a reality, and it comes back to what tests are applied, and that is why the tests in the Strategic Plan were important about tax generation or generation of local employment. Those are the two tests about when somebody comes forward do they get a licence or not, do they fulfil that, which is why the 500 is a ceiling and not a forecast and those two tests are applied. If, therefore, you have got somebody who isn't effectively a significant taxpayer or who is merely looking to bring in people and those people will themselves not create another range of local jobs, then that employer is not fulfilling those tests and they have to recognise that their licence can be reviewed down as well as up.

DEPUTY SOUTHERN: Okay, can I take us on? I am aware, acutely aware, of the time.

SENATOR OZOUF: That is all right.

DEPUTY SOUTHERN: I think this may be one of the last two issues. Judy, do you want to come in on anything in particular?

DEPUTY MARTIN: No, I don't think so.

DEPUTY SOUTHERN: Okay. Let us take that scenario further and let us attach it to the ability of a J cat, a licensed person, to invest in property through a scheme, yes, so they have actually ... they are here. They have rolled the contract on to eight years, so they are nearly at qualification. They have a substantial investment in a property because they have been allowed to buy through share transfer or whatever. (a) Doesn't that give the employer tremendous power because he is coming to the end of another contract and, oh, that negotiation is going to be a very tough one because not only if you lose your job you lose your ability to live in your house, which you have been there for eight years. You know, you might be wife and two kids, whatever it is, so there is a tremendous amount of power given to that employer. But there is also (b) isn't there an issue with rights to home and family life that you lose that job and then you lose your right to live in that house? Now, that could be a substantial infringement on rights to family life.

SENATOR OZOUF: I mean, there are important Human Rights tests which we have had to consider in doing this policy, and there are important Human Rights tests within the Housing Law. That is an important question. The world is different now because the States has adopted the Employment Law and that is going to provide, promulgated and brought into force hopefully soon, but that world is a world in which employees, rightly in my opinion, have better rights, improved rights. So that is a dimension. It is not a panacea, but it is a dimension which is worth remembering when one is considering these things.

The issue about the power of the employer, you know, Jersey is a small place. Employers who mistreat their employees or overburden, we live in a competitive world and if there is an accountant who has got a J, who is coming up to eight years and an employer is going to exercise a particular unfair burden on this individual, well, I live in a pluralistic world that hopes that that employee will be able to get redress in a court about an unfair terms dismissal or something, but also he has the freedom to move elsewhere. We have got an economy in which people do move jobs and we have got to create the economic circumstances which allow individuals to change employment if they want. These policies allow for that flexible approach in terms of that labour market.



You asked the President of Housing some really important questions about Gs, about when people do lose their jobs. Again, I can't stress too importantly the importance of those safeguards, of the G consent remaining, of the ability to give somebody who loses a spouse, who loses their job a period of time to find new employment, adjust and all the rest of it. That is absolutely vital. They underpin all of this.

DEPUTY SOUTHERN: Are you content, in moving from a committee system to a single individual, who has got a vested interest in the sense that he is part of the government, that the appeal system going through a single minister effectively is what it does through the chain is risks again the right of a fair trial? Should that appeal system on Gs not be an independent tribunal, for example?

SENATOR OZOUF: I saw those questions that you asked of the President of Housing and I was interested to read them. I would say that the appeal isn't to the minister, that he is going to be the decision maker. What you have got to do is you have got to put in place the appeal mechanism and, on Planning, I am very conscious of these things because, as the decision maker for Planning decisions, we have to put in place the appeal mechanism.

Now, I share, I think probably, a number of your views about the way in the past, not the current way that the President of Housing is operating the G system, but in the bad old days when I was on the Housing Committee, when we had 20 G cases every two weeks, you knew the name of them, you knew what their family circumstances were, it was a disgraceful state of affairs. Things have improved dramatically.

One of the ways you improve things dramatically is having set policies/criteria, which you automatically grant G in certain circumstances. It has got to be easy in certain circumstances to get them. The appeal mechanism is important, absolutely vital. I know that in my Planning work I have found a way of getting an appeal which isn't a mountain to climb. We have worked with the courts to get a much better and a much more accessible appeal system for planning, where there is a court in a room which isn't the Royal Court, but is more informal, perhaps without robes, accessible, fast and delivers an appeal system.

I don't know whether or not the Housing Committee need to work on their appeal

systems for Gs. I know they have improved dramatically from where they were previously and certainly I will be happy to share with the President of Housing my experience in dealing with the courts to set up a more accessible planning appeals system. Appeals are important. It is a safeguard to democracy. It is a safeguard to decision making.

DEPUTY SOUTHERN: It may well be that we will share that alternative with him on your behalf anyway. We will see.

SENATOR OZOUF: But the most important thing is the criteria are clear. Taking away ----

DEPUTY SOUTHERN: And actually accessible to people out there.

SENATOR OZOUF: Absolutely, and understandable.

DEPUTY SOUTHERN: I think that is a step which is not clearly published.

SENATOR OZOUF: And actually I would have to say a passing comment is that I think one of the criticisms of the way the States has issued Js and Gs and Reg of Unds is that we actually in the past didn't have policies which were clearly setting out what you would likely get.

DEPUTY SOUTHERN: Yes.

SENATOR OZOUF: And that is the whole debate that we have had about the 500 and those issues is what is going to come after this is a very clear statement of policy of how this mechanism will be used in the decision making process. The minister should be simply rubber stamping the decisions: what does the policy say, what is the decision, what is the decision based upon the policy? That takes away that individual case by case discretion. That is a thing of the past. Good policy, good decisions, consistency, with a strong appeal system, that is the only way that these things can operate.

DEPUTY SOUTHERN: At which point, with some relief and aware, as I always am, that probably three pages down that pile of questions is the one that I really wanted to ask -- but I can always come back to you in written form -- I would like to thank you indeed for giving your time again in a long sequence of Scrutiny to us today.

SENATOR OZOUF: Okay, fine. Very happy to help. If there are issues which do emerge, then I know that maybe I won't have the pleasure of attending upon you again as a witness, but if there are issues that come up in terms of detailed questions, then please let me have them,

because I am as keen as anybody to make sure that you are content that what is being proposed is good and sensible and can work.

DEPUTY SOUTHERN: It has been a pleasure.

MR OGLE: Thank you for inviting me twice, President.

DEPUTY SOUTHERN: We didn't realise we had.

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