



Corporate Services Scrutiny Panel

Population and Migration

Witness: The Chief Minister

Tuesday, 25th June 2019

Panel:

Deputy J.H. Perchard of St. Saviour
Senator K.L. Moore (Chairman)
Deputy S.M. Ahier of St. Helier (Vice-Chairman)
Connétable K. Shenton-Stone of St. Martin
Connétable R. Vibert of St. Peter

Witnesses:

Senator J.A.N. Le Fondré, The Chief Minister
Connétable C.H. Taylor of St. John, Assistant Chief Minister
Mr. N. Stocks, Immigration/Migration Policy Principal

[16:35]

Deputy J.H. Perchard of St. Saviour:

Thank you very much for staying for your second public hearing for the afternoon, Chief Minister. Given we have just come from one briefing to another, can I assume that you have seen the witness notice and you are happy to proceed?

The Chief Minister:

Would you like me to re-read it? Yes, that is absolutely fine.

Deputy J.H. Perchard:

For the sake of record if we all just introduce ourselves. Chairman, if you would like to go first.

Senator K.L. Moore (Chairman):

I am Senator Kristina Moore. I am the chair of the panel.

Connétable K. Shenton-Stone of St. Martin:

I am Constable Karen Shenton-Stone, a member of the panel.

Deputy J.H. Perchard:

Deputy Jess Perchard, member of the Corporate Services Panel, and leading on this particular review.

Deputy S.M. Ahier of St. Helier (Vice-Chairman):

Deputy Steve Ahier, vice-chair.

Connétable R. Vibert of St. Peter :

Constable Richard Vibert, member of the Corporate Services Scrutiny Panel.

The Chief Minister:

Senator John Le Fondré, Chief Minister.

Assistant Chief Minister:

Constable Chris Taylor, Assistant Chief Minister.

Immigration/Migration Policy Principal:

Neil Stokes, the immigration/migration policy principal and executive support to the Migration Policy Development Board.

Deputy J.H. Perchard:

Thank you. According to statistics published in the C.S.S.P. (Corporate Services Scrutiny Panel) report from last year, when you were chair, Chief Minister, if the population in Jersey increases by 1,000 people per year, we will have a population of 166,000 by 2065 and a population of over 200,000 by 2092. Given that inward migration has been on average 1,000 people or more per year for the last few years, do you think that this kind of increase is sustainable for the future?

The Chief Minister:

I think in the longer term we have some very difficult decisions to make. That is why essentially I am putting this board together. It is very important that we do the work properly and then come back with an understanding of what the consequences are because there are consequences at each end

of that scale. So the kind of keeping to 1,000 are the type of figures that you have just illustrated, whereas obviously if you shut the doors tomorrow there are fairly significant economic consequences. That is a dilemma and a discussion that this Assembly will have to consider once, and it has obviously gone through that whole process, which is why I set the board up and why it is going through the work it is doing.

Deputy J.H. Perchard:

I suppose what I am really asking is: are you willing to see the population grow to these figures, 166,000, or eventually 200,000 in what would be my lifetime?

The Chief Minister:

I think the point being is that we all accept that there are some major pressures on population if it keeps going as it is. Yes, on those time periods, for Islanders today, I think it would be very difficult to contemplate the numbers that you are talking about.

Deputy J.H. Perchard:

Double, would it not?

The Chief Minister:

Exactly. In my lifetime I can always remember when it was 76,000. In my political life I think it was around 93,000-ish and then very quietly we went through the 100,000 mark and we are now at 106,000. I think there are some challenges ahead. Obviously the big caveat that we do not know enough about is what the impact of technology will be. What that means is in terms of - and there are consequences to that as well - is will we see effectively productivity changing and therefore the economic side of things or rather how we produce that sort of economic output, how that changes?

Senator K.L. Moore:

We have been told that we can expect a population policy presentation by the autumn, are we still on track?

The Chief Minister:

End of September, October, somewhere around there. I mean Chris is more focused on the time at the moment. That is effectively the interim position and obviously then with a view to getting it finalised next year.

Senator K.L. Moore:

At what point next year?

Assistant Chief Minister:

We are looking to lodge something by Easter.

Senator K.L. Moore:

You will present a document to the Assembly in the autumn, and what will happen between then and Easter?

Assistant Chief Minister:

What we will do is present our findings in the autumn. There will not be any policy in it. It is a case of what the findings are and therefore we will go out to consultation at that stage with industry, with various public bodies, in order to develop the necessary policies.

Deputy J.H. Perchard:

Your scoping document for your board says that you will produce a draft policy in September/October this year followed by review consultation findings and then draft a report in February/March. Is this still accurate, the draft policy for September/October, draft report February/March?

Assistant Chief Minister:

Yes, effectively.

Senator K.L. Moore:

I think you just said you would be producing your findings not policy.

Assistant Chief Minister:

There will be some policies in it because obviously that is what we need to ...

Senator K.L. Moore:

But you just said there would not be any policies in it.

Assistant Chief Minister:

No, I said there would be our findings.

Senator K.L. Moore:

Yes.

Assistant Chief Minister:

We will be putting some policies or ideas of policies together. You cannot discuss something unless you have the ideas to discuss so we need to put those ideas forward to discuss them.

Deputy J.H. Perchard:

You are currently in your research and policy development phase to August and then produce draft policies September/October, draft report, February/March, final report April 2020, debate on proposals autumn 2020. Is that all still on track?

Assistant Chief Minister:

That is all on track. I am hoping that we may, but it depends on law drafting facilities, to get it debated before the summer.

Senator K.L. Moore:

Without wanting to labour the point, when you go out to consultation you will be going out to consultation for your findings; are there any policies involved in those? What will you be asking the public to comment on?

Assistant Chief Minister:

We will be asking them to comment on the ideas and the findings that we have from the research that we are doing.

Senator K.L. Moore:

So no proposed policies?

Assistant Chief Minister:

There will be tentative proposals and suggested policies, if you want to call it that, because you have to have something to discuss. If you do not have any ideas you cannot discuss anything.

Deputy J.H. Perchard:

I would like to just turn to some of the documents I know that you have seen, Chief Minister, because you were the chair of the Corporate Services Panel last year, but from that report there are a couple of things that came out of the report that you rightly critiqued, which I now want to ask how you are addressing. Page 9, paragraph 28 ...

The Chief Minister:

I do not have a copy of the Scrutiny Reports from last year.

Deputy J.H. Perchard:

The questions are very straightforward. On paragraph 28, the report criticises the migration policy as was drafted for not containing any proposals of how to tackle the skills gap in Jersey. How do you intend to tackle it in your policy?

The Chief Minister:

Skills is being directly addressed by the Minister for Education, as far as I am aware, and I think in conjunction with Senator Farnham. So I do know there is some work happening on there. I am not sighted on the detail but there is certainly a full appreciation that skills and productivity is one of the components. There are a variety of components in this whole debate; that is one of the components that will assist.

Deputy J.H. Perchard:

Within the migration policy?

The Chief Minister:

Within the overall contribution to mitigating population increase.

Deputy J.H. Perchard:

In paragraph 33 of the same document, the I.o.D. (Institute of Directors) talked in some detail - I am quoting from your report here - about: "... the absence of detailed data within the migration policy, for example, the mean salary for someone to pay for themselves as a Jersey resident, the average income of a pensioner, ratio between working age, population and pensioners and the cost of taxpayers based on different migration scenarios." Will these specific examples from the I.o.D.'s evidence and from your previous report be included in your migration policy?

The Chief Minister:

I think some of that work has effectively been done because you will recall, in fact I think your exact words are this is an excellent piece of work, was the report that we issued, I would say, February/March time which was obviously done through ... when I say "we issued", that was issued by the Statistics Department which essentially I set going which was the ...

Deputy J.H. Perchard:

The expenditure report?

The Chief Minister:

Yes. So some of that is around the ... it was purely tax and finance impact of various categories of households under certain circumstances. I have asked them to do a further piece of work on that just to develop a couple of areas. Again, I do not know what the timeframe is for them to come back

on it. But in terms of data, I think Chris and Neil need to perhaps add more to the work they have been doing.

[16:45]

I was very clear that there were some pieces of work that needed to be done really in advance of trying to have a full and proper discussion around population policy. So you will recall that was one of the very early pieces of work I set going in, I think, August of last year. I think we had the first cuts ... I will say just before Christmas, I cannot recall now. It was sort of finalised in January/February time-ish but that gives an indication as to how long it took to get that piece of work together. Then obviously the Policy Development Board for migration effectively has taken over.

Deputy J.H. Perchard:

So you will be carrying over the evidence you received when you were chairing this review into policy development now?

The Chief Minister:

I think you are right.

Deputy J.H. Perchard:

Paragraph 36 it states that: "We are aware that some stakeholders feel there has been a lack of consultation in relation to migration policy, a lack of detail in the proposals themselves" just to reiterate, the draft proposal that was then withdrawn, how are you going to address this in your own proposals to avoid this mistake?

The Chief Minister:

Directly there is a representative from the I.o.D. and representatives from Chamber on the Policy Development Board directly involved in how the work is coming together. Obviously, as it goes out to consultation you will need to widen that because it cannot just be business orientated but at least it should mitigate some of the initial concerns.

Assistant Chief Minister:

We are making sure that that research is being done. We have a board. The previous policy was written really on the side of a desk. This is now a full board with industry representation and we intend to consult fully. We have quite a consultation period, basically September to Christmas, where we hope to consult with as wide a number of organisations as possible.

Senator K.L. Moore:

How do you propose to carry out that consultation? How do you propose to encourage as many people as possible? Generally on average, government consultation receives about 250 to 300 responses.

Assistant Chief Minister:

These are purely my ideas at the present moment. We have not discussed how we are going to consult and who we are going to consult but I would imagine it will be along the lines of a website for the members of the public, personal invitations by letter to various organisations.

The Chief Minister:

I suspect part of that will also involve the Comms Department in terms of ...

Assistant Chief Minister:

Yes.

The Chief Minister:

That will be one of the public engagement exercises that we do.

Deputy J.H. Perchard:

How will you seek to obtain a proportional response, so certain demographics or industries are weighted a certain way in our society, how will you make sure that a proportional response is obtained? That no one voice is given more weight than another in a disproportionate ...

The Chief Minister:

In other words, how do we avoid the he who shouts louder or she who shouts louder?

Deputy J.H. Perchard:

Yes.

The Chief Minister:

That would be a matter of the board and whatever the consultation is put in place. I would have thought, looking at the officer side, that would be something you would take into account when you design it.

Assistant Chief Minister:

Also, this is part of what we are doing at the moment is looking at the figures, looking at the past history, so that when we start getting the evidence coming in we can see how that matches with

what historically has been happening. We can then balance that according to the evidence we have with the presentations that we receive.

Senator K.L. Moore:

This topic often generates divisive comment from many people in the population. We have heard that particularly, I think, in an interview that you conducted on Radio Jersey, Connétable, so how do you propose to avoid the divisive nature of this topic and focus people's minds on the future and constructive policy making?

Assistant Chief Minister:

Sorry, which radio interview and what divisive comment did I make?

Senator K.L. Moore:

I am not saying you, personally. I am saying that there have been comments invited following your Radio Jersey interview earlier this week and how do you propose to avoid making it a divisive discussion and creating a constructive discussion?

Assistant Chief Minister:

We will be looking at the skills of the individuals and migration is a matter of bringing in skills that the Island needs. I think that that is what we will be looking at. We are not looking at other issues but I think we need to protect the population that is on the Island and so we will be looking at the possibility of criminal records checks. There are other checks which ...

Senator K.L. Moore:

That was in the last policy too.

Assistant Chief Minister:

It was in the last policy, yes. To some extent, if people are coming in from - and it depends entirely on what happens with Brexit - but if people are coming in from outside the E.U. (European Union) currently they need a permit, a visa, which comes through the U.K. (United Kingdom) and we are tied to some extent as to what the U.K. goes through. That is the policy that we more than likely will be adopting.

Senator K.L. Moore:

So more of a self-determination rather than the existing Immigration Act?

Assistant Chief Minister:

No, it will not be self-determination. We will need to have, if we go down the line of criminal records checks, and they will need to provide those when they come to the Island.

Senator K.L. Moore:

I am just trying to understand how this is going to be different, this policy, to the policy that was withdrawn last year.

Assistant Chief Minister:

That particular part probably is not different. I cannot remember fully offhand what that policy was because it aligns with the permit system in the U.K.

The Chief Minister:

I think, if it helps, not everything in that proposition would have been automatically rejected but, as I have said previously, I always remember a point which it said was to request the States to direct the Council of Ministers to go away and do a piece of work, and so we have gone away and done the piece of work without having to wait for the debate. By making sure then you have a reasonable consultation. I think Deputy Perchard made the point about some of the reservations that have previously been referred to. Hopefully by having the engagement of 2 key stakeholders from an industry point of view very early on, we are demonstrating we are doing things differently.

Immigration/Migration Policy Principal:

We are also publishing all of the work that we are doing on the gov.je website in order that those people that might not be engaged, as you say, are able to go and see not just what we are doing but also the background to why we will come to some of the decisions that we will come to eventually.

Deputy J.H. Perchard:

Thank you. Moving now to the project scope document you kindly provided and looking at paragraph 1.2 on page 1. Paragraph 1.1 specifies that we are talking about net migration, 1.2 it states: "This economic activity is important because it generates job opportunities locally and the taxes that pay for public services." While that is obviously a fact, what has not been mentioned here is the subsequent cost of each individual who uses the public services. What is that net cost once you have factored in the draw they have on public services as well as their contribution and if you do not know it, will you be calculating it?

The Chief Minister:

That is the second piece of work that I have set going through the Statistics Department very recently.

Deputy J.H. Perchard:

A solid yes then. On paragraph 2.3 on page 5, you talk about the dependency ratio and you shared a graph, which I think we have seen before somewhere, regarding the dependency ratio and showing that if there is net nil migration the dependency ratio goes up to 81 per cent by 2065 and if there is plus 2000 a year it is down to 59 per cent. My question is more about your view on how to tackle a dependency ratio because this graph implies ... the fact that you have included it but no other alternative ways of dealing with the dependency ratio implies to me that you are arguing that allowing migration is desirable to tackle the dependency ratio specifically. Is that the case?

Assistant Chief Minister:

Not necessarily. We need to look at G.V.A. (gross value added) as well and this also links into additional work which would be any tax increases that could result. It is a very complex matrix.

The Chief Minister:

I also comment I think, but bear in mind the detailed work is very much with these guys, is that I would assume ... when I say historic graph I presume this one, there have been all sorts of graphs that we see with all sorts of variations on it, but I think is also demonstrating the kind of range of voices one might have. It is not saying that is where it is going to go but that is the consequences. I do know, for example, that on the actuarial valuations that were received relatively recently on things like the main Social Security Reserve Pension Funds, they have got certain population numbers included in those figures. Obviously if you are higher the figures look better. If you are lower the figures look worse. We have to take those type of things in the round, which is where there are consequences to whichever decision we make.

Deputy J.H. Perchard:

What other alternative methods are you looking into to deal with the dependency ratio that does not depend on increasing the population?

Assistant Chief Minister:

I cannot reverse nature. People keep getting older and therefore you will have more ... the demographics of the Island is quite simple. We have an ageing population and they are more and more elderly people and therefore the dependency ratio is going to increase. An idea that has been floated, but very little research is done on it at the moment, is whether we age restrict immigration. We would not want somebody coming in at the age of 57, for argument's sake, paying only a few years in and then being retired for 40 years. Those are issues that need to be looked into.

Deputy J.H. Perchard:

You are right, it is an absolute fact that we have an ageing demographic, and it is possibly getting heavier, but it is also the case that there are alternative measures to tackling a dependency ratio in a population that has an ageing population. I was just wondering beyond increasing the number of people of working age, what other policy initiatives have been considered as part of your development of a migration policy?

Assistant Chief Minister:

I am struggling to understand quite what you are asking?

Deputy J.H. Perchard:

Sorry, shall I rephrase my question?

The Chief Minister:

Are you talking about things like productivity and skills and all that type of territory?

Deputy J.H. Perchard:

I just want to know, apart from increase in the population size, what else is the board looking at in order to tackle the problem of the dependency ratio which, as you say, is a fact?

Assistant Chief Minister:

As you say, the dependency ratio is a fact. The only way we can alter that is by increasing the younger working age within the Island.

Deputy J.H. Perchard:

Can I perhaps point the board to expand their view on that and point them towards some research that might help to develop policy that does not depend solely on increasing the number of working age people to develop policies to solve the dependency ratio problem? My understanding of the purpose of the board is to develop migration policy that seeks to reduce inward net migration. But the point is, that there are alternative policy perspectives around the globe and I can point you in particular to the population research and policy review, which is an academic journal. I think also the journal called *Population Studies*, which contains many articles about social policy initiatives that work to deal with the dependency ratio that do not require an increase in working age, the number of working age people. In one paper I have read, it suggests looking at the responsibility ratio, which is an inversion of the dependency ratio, so you are looking at it from the other point of view, you are flipping it, in order to identify which specific industries are weighted in terms of the ratio. So some industries will be much more greatly impacted than others when it comes to the dependency ratios and therefore ... but you have to look at it as a responsibility ratio. But may I suggest that the panel goes away and does that work because there is a lot more out there to help prepare these policies?

Assistant Chief Minister:

There are 2 ways of looking at that. One is that if you have a permit system where younger, more manual-type jobs are done, take agriculture for example, they can be done on a permit system. They will not gain their residential qualifications. So that does not add to the future problems that can arise from residents on the Island. The other issue is to increase the G.V.A. of the Island, and this is where Skills Jersey, also Digital, and those organisations play into creating higher wage jobs on the Island, increasing G.V.A.

[17:00]

Senator K.L. Moore:

Is the board looking at other jurisdictions where they have tried some of those policies in the past, for example the Virgin Islands where I think they tried the time limited work permit scheme?

Assistant Chief Minister:

Yes, we are looking at other jurisdictions that have various types of permits. For example, Australia has a particular qualification to gain entry in the first place. That is not something that I think we will be taking forward but again everything is in the melting pot. But, yes, we are looking at others. Guernsey have also brought in a permit system with a one and a 4-year permit. Again, we are looking at that.

Immigration/Migration Policy Principal:

We have published a paper on the website that looks at the work permit regimes that are in place in other areas around the world. Off the top of my head ...

The Chief Minister:

16th May was the meeting.

Immigration/Migration Policy Principal:

Where we looked at Australia, Canada, New Zealand, I think Barbados, and Guernsey, so we absolutely are looking at other areas around the world. Going back to your point, Deputy Perchard, we are looking. We are not alone in Jersey in tackling the issue of ... I will not say it is a problem because it is a good thing people are living longer and growing older but it is an issue around the world in all different jurisdictions. I have looked at some work in Australia and in Singapore. It is whether those are relevant to the situation that we have in Jersey. We are still at that evidence gathering at the moment. We are just not at the stage where we are making decisions on exactly what the option might be to tackle that issue.

Deputy S.M. Ahier:

I have a quick question about R.21, births, marriages and deaths; the decline in the birth rate in 2012 there were 1,123 births. In 2018, there 933, a decline of 190 births locally. What are you doing to address the decline in the birth rate?

The Chief Minister:

I am not entirely sure how I want to answer that question because at the end of the day the issue ultimately is about people. We have to stay focused but the overall point is, is what the overall population is doing or the impact is, and there are economic and financial and social consequences as a result. That is the job that Chris and Neil and the rest of the board are charged with.

Senator K.L. Moore:

Will the Policy Development Board be considering, for example, a policy that encourages every family unit or every household to have a minimum number of children, for example? Say, 3, so that we ensure that the population growth continues rather than decreases.

Assistant Chief Minister:

I think what is important is that the population is the right size for the economy and for the population at any given time. In other words, we need a working population that is going to pay the taxes to sustain the social activities of the Island. So at any given time that will vary. To start, when you look at natural growth rates, yes, the birth rate is higher. It varies enormously between 90 and 360. That is a 4 times difference so there is quite a variation. I think what is important is we have the right skills to fill the right jobs, to pay the right taxes, to provide the right social benefits that we need; education, health, physical road structure, the right type of housing, the right type of environment for people to enjoy.

Senator K.L. Moore:

What is the view of Policy Development Board members as to the figure about population that was released this week of 106,800? Do you feel that that is the right size population for our Island and our economy at the moment?

Assistant Chief Minister:

We have not met since these figures were produced, so I can only speak for myself. I know from working on H.A.W.A.G. (Housing and Work Advisory Group) and chairing H.A.W.A.G. that there is a desperate shortage of employees on the Island and the number of businesses who are seeking additional workers is substantial. So there is a shortage of employees on the Island and, at the

same time, there is the public perception that we do not want any more people on the Island. I am left to try and balance that equation.

The Chief Minister:

We did make the point in a Brexit year we would not introduce any significant changes because it was about giving certainty. Essentially, the increase is 100 less than I think the previous year.

Assistant Chief Minister:

200 less.

The Chief Minister:

But the point being, as we were saying, we did not want to put any significant changes in place in the potential year of Brexit.

Deputy J.H. Perchard:

I think one of the primary concerns about this is, as you say, you have competing demands but I think those competing demands have been what has resulted in no comprehensive migration policy in the past.

The Chief Minister:

For a very long time.

Deputy J.H. Perchard:

I would like to read something from a submission that we have had as part of this review, which captures what I was trying to get at before, which is: "The ageing demographic will not be helped by a high net migration. It will just mean there will be more old people to care for in the future."

The Chief Minister:

I think you are right.

Deputy J.H. Perchard:

That is a problem. If you increase the number of working age people you are not sorting the problem you are just kicking it down the road for the next generation to deal with.

The Chief Minister:

This is exactly the problem, that is why it is no simple one answer and that is why it is important that you get the detail of the work done because, yes, you are absolutely right - and if you have not been speaking to the head of Statistics I suggest you do - because that is I think precisely the issue. Your

other issue within all that lot is that, if we use the Guernsey example, there is the lovely expression of a thing called stickability, is what I have heard use, so people come in and stay, ultimately they get older. If they come in, contribute to the Island and then go, they do not get older in terms of the liabilities that arise out of it from pensions. But please note, it is difficult for the exact reason that Senator Moore referred to around divisiveness and things because you are dealing with people all the way down the line. There is a social impact on that and there is a monetary impact. That is what we have to balance.

Deputy J.H. Perchard:

No more questions? Thank you very much. I close the meeting.

[17:07]