



Economic and International Affairs Scrutiny Panel

Quarterly Review Hearing

Witness: The Minister for Sustainable

Economic Development

Thursday, 12th February 2026

Panel:

Deputy M. Tadier of St. Brelade (Chair)

Deputy B.B. de S.V.M. Porée of St. Helier South

Deputy M.B. Andrews of St. Helier North

Witnesses:

Deputy K.F. Morel of St. John, St. Lawrence and Trinity - The Minister for Sustainable Economic Development

Mr. R. Corrigan - Chief Officer, Department for the Economy

Mr. T. Holvey - Chief Economic Adviser

Mr. H. Harvey - Head of Local Economy

[11:06]

Deputy M. Tadier of St. Brelade (Chair):

Minister and team, welcome to this quarterly hearing of the Economic and International Affairs Scrutiny Panel. As usual, I will just introduce the panel. So I am Deputy Montfort Tadier. I chair this panel.

Deputy M.B. Andrews of St. Helier North:

I am Deputy Max Andrews.

Deputy B.B. de S.V.M. Porée of St. Helier South:

Deputy Beatriz Porée, panel member.

Deputy M. Tadier:

Thank you. We have apologies from Deputy Wilson, who cannot be here today. Minister, would you just present your side of the table?

The Minister for Sustainable Economic Development:

Of course. Deputy Kirsten Morel, Minister for Sustainable Economic Development.

Chief Officer, Department for the Economy:

Richard Corrigan, Department for the Economy.

Chief Economic Adviser:

Tom Holvey, Chief Economic Adviser.

Head of Local Economy:

Heath Harvey, Head of Local Economy.

Deputy M. Tadier:

Thank you. We do know you, of course, but welcome back. It is nice to see you. This is, I think, our last hearing of the semester, so to speak, of the term, and so we hope it will be a good one. Minister, we have lots of questions for you. I think you have had the question areas. One thing which is topical, which I had not necessarily put on the agenda but which has happened in the last few days, was the incident of a fire on the Caesarea Trader, the DFDS boat. Could you just talk to us about what you understood happened there and if you have done any of your own initial enquiries as to what happened and what the consequences are?

The Minister for Sustainable Economic Development:

I do not know about the nature of the fire itself, but there was, as I understand it, a fire in the engine room when the Trader was off the Isle of Wight, so it had just left Portsmouth. That obviously, quite rightly, stopped it continuing. The most important thing was that the crew and the one passenger on board were all safe and uninjured, which is the most important thing. Obviously, the Trader was later taken back into port. That has had obviously implications on the supply chain. The Vinga on the day of the incident itself did a double rotation to try to ensure that there was as little disruption to the supply chain as possible, and the contingency vessel, the Arrow, was brought into service and came into service on Wednesday, yesterday morning. Unfortunately, we also have high winds which are disrupting the supply chain further, but nobody can account for that; that is what happens sometimes. So from my perspective the important things were no injuries, first of all, and maintaining the integrity of the supply chain, which looks like that is exactly what is happening. I would expect

that the Marine Accident Investigation Board in the U.K. (United Kingdom) will do their investigations and we look forward to finding out from them what their views are as to how it happened. Obviously, from my perspective as Minister for Sustainable Economic Development I often see marine investigations from Jersey's role as a registrar, a shipping registrar, and so I understand that process quite well. It is very much always a fact-finding process to understand what happened, try to make sure that for not just that vessel but all vessels if there are learning points that can be done to try to ensure that such things do not happen again. So I would expect that to happen but I do not have a timeline on that sort of investigation because the M.A.I.B. (Marine Accident Investigation Board) has to operate on its own. I do not know if Richard has any other information.

Chief Officer, Department for the Economy:

No, I do not know anything else at this stage, other than to say that the Trader was due to go into dry dock anyway from tomorrow for a scheduled dry-docking period so she would have been coming off the routes and the Arrow coming on in any event. So hopefully if there is repair work to be done that will be done contemporaneous with whatever else was planned during the dry dock window.

Deputy M. Tadier:

Was the dry dock scheduled ...

Chief Officer, Department for the Economy:

Scheduled work, yes.

The Minister for Sustainable Economic Development:

Yes, so the Arrow was coming in on service tomorrow regardless. That was the plan. She came in 2 days earlier than expected.

Deputy M. Tadier:

We will not use this hearing ... you will be aware that we are about to publish and finalise a report on the concession agreement. Is there a concern more generally in your minds about maybe the age of some of the vessels and whether they are fit for purpose or will you just wait and see what the result of the investigation is about this incident?

The Minister for Sustainable Economic Development:

Without any information about how the incident took place I cannot speculate on that. No, I am not particularly concerned about the age of the vessels and part of that reason is because I know there is investment in new vessels. So one way or another again, with whichever provider we were to have chosen, we would have had older vessels and that would always have been the case.

Deputy M. Tadier:

There is interim investment in maintenance, of course?

The Minister for Sustainable Economic Development:

There is, exactly, and that is absolutely what the dry docking is about. The Levante Jet is being refurbished. She will come back with more than a lick of paint. She will come back very renewed.

Deputy M. Tadier:

Thank you. Minister, to be even handed, we did have your colleague Deputy Gorst, the Minister for External Relations and Financial Services, in yesterday. I gave him the opportunity to talk in some general terms. I do not want you to expound for a very long time, but could you talk to us about some of the things that you are pleased that you have been able to achieve during this term? I will also ask about what you think are the areas that either you have not been able to get across the line or that is work that still needs to be done or any difficulties you have had.

The Minister for Sustainable Economic Development:

Yes, thank you. So I think a piece of work which started under my predecessor, Deputy Farnham, and I continued and we published in 2023 was the Future Economy programme. I think that is fundamentally probably the most important piece of work that the department has done in the last few years. It is to my knowledge the first time Jersey has had an overall economic policy and economic strategy, but the reason it is so important is because it not only brought to the Island's attention the challenges faced by demographic change, as we get older, as the population gets older overall, but it also has got people talking about this in a way that that they were not before. We see this in things like there is the "Island of Longevity" conference. Two or 3 years ago that was not being talked about; now it is. So I think the Future Economy programme sets the scene really well for whoever future Governments are, whatever their leanings politically, et cetera. The Future Economy programme enables any Government of any political persuasion to operate within that framework with their own policies but it helps focus on what we need to do in order to have an economy that thrives during a challenging period as the population gets older. So I think that is probably the real fundamental thing that I think is the most important thing. Beyond that, I am very proud of the fact that we now have over 100 farmers in farming whereas we had 40 when I came in. I am really pleased with the work that we have done in reinvigorating after I think quite a few years of not really engaging with the regions of Normandy and Brittany except on an annual basis when the summits came round. I am really proud of the fact that our department is now engaging with Normandy and Brittany on a constant and regular basis. I think that is really important and we are building those relations.

Deputy M. Tadier:

What form does that interaction take, what form of interactions?

The Minister for Sustainable Economic Development:

All sorts of forms. We have things like the Brittany and Normandy summits, which are very formal, very good and very useful, but they also take interactions all the way down to individual projects that we work together on. So obviously from the Manche Îles Express and those Norman sea connections that we have, I led and worked with the President of La Manche to engage and say that Jersey will help with the support on those vessels. Guernsey then followed, which I was really delighted with. That was really pleasing. I think you would appreciate, Chair, that relationships are not just the formal side, they are also the informal side. So it is things like I went to the President of La Manche being inducted into the Légion d'Honneur.

[11:15]

I went off my own bat to see that, to engage with that. I am in telephone and text message conversation with regional leaders in both Brittany and Normandy at that individual level. It highlights, and it is something I know I have said to you in the past, the thing I worry about is the continuity of that as the political cycles change. I think we need to find a mechanism in the States of Jersey and the Government of Jersey for ensuring that just because one person is no longer the Minister or is no longer in the States those relationships do not drift and drain away. I think you probably appreciate that that is an important thing.

Deputy M. Tadier:

Thank you. Minister, if we turn to maybe some of the challenges or work that you think is still to be done, if you do not mind me asking, the relationship with Ille-et-Vilaine and St. Malo, has that become slightly more difficult given that there is still potentially some unresolved issues or some questions around access to ramps for DFDS, et cetera?

The Minister for Sustainable Economic Development:

No, I have to admit it has not. I was worried that it would. This is why there has been some narrative somewhere that Jersey had a predetermined outcome to its tender process. It is absolute rubbish, that narrative. As someone who has worked personally incredibly hard on our relationships with Brittany particularly and Normandy, I did not want to harm them and I would not want to harm them. Therefore, the easy decision would have been to make the decision which would look like it would keep those relationships more easily intact. I am really pleased that my interaction with Brittany in particular since then has been very much business as usual. It has not been tainted in that way. I am in that informal way of communicating with my counterparts in the region and I have to admit there is in some areas, certainly around St. Malo, a view that they needed competition to come in

and they did not want to see a monopoly on all ferries in St. Malo as well. So there are definitely people who have an opinion that having that competitive element is really useful to the town. I think when I came into office there was not much in the way of relationships with Ille-et-Vilaine itself, the department, in the way that we have really strong relationships with La Manche. I think there is still some way to go on that. I would say that has been the slowest part of our French relations development. It is nothing to do with the ferries, it is just that is an area I would like to see concentrated on in the future.

Deputy M. Tadier:

Thank you. Minister, we are going to turn now to some specific questions initially around alcohol licensing. So just for the context, I suppose, for those listening in, we know that you brought the alcohol licensing to the States and it was adopted in the First Reading on 22nd January, and then it has been parked, so to speak. We noticed that there have been a number of amendments come forward, including one by yourself a couple of days ago or yesterday.

The Minister for Sustainable Economic Development:

That is right.

Deputy M. Tadier:

Which I have taken the time to read.

The Minister for Sustainable Economic Development:

Thank you.

Deputy M. Tadier:

Could we ask you about that initially? So I think it is fair to say that there is one quite big amendment, which is you have decided no longer to give the regulation to the Gambling Commission but you have decided effectively ... can we say in-house with the ...?

The Minister for Sustainable Economic Development:

Yes, in-house would be appropriate; in-house within government, yes.

Deputy M. Tadier:

Could you talk to us exactly about the responsibility that the Regulation Directorate will have? Tell us who they are, because I think we know but not everyone knows, and how you came to that decision.

The Minister for Sustainable Economic Development:

So the amendment, you are absolutely right, Chair, removes the (Alcohol and) Gambling Commission from the proposed law and replaces it with the Regulation Directorate. The Regulation Directorate is an existing department within government and it oversees regulation in a number of areas, everything from the planning system, so the Regulation Directorate runs that planning system, all the way through to the rules around tourism and regulating them, beach parking permits, et cetera. They do that as well, as well as Trading Standards, and much more. They do a wide range of regulatory work already for the Government. It was clear from speaking to States Members and also within the debate itself that there was significant resistance to using the (Alcohol and) Gambling Commission or creating the Alcohol and Gambling Commission. I am not convinced that all of that was appropriate criticism but it was criticism nonetheless and I think there were some very strong views on that. That is what I picked up. So the way I work is when I think there is significant resistance and maybe that will not work as far as the States Assembly is concerned, I think it is right to look for alternatives. You can see that an alternative view has been proposed by Deputy Bailhache as well, so he was looking for alternatives. But the Regulation Directorate, having spoken with a number of States Members, I think States Members are in the main more comfortable with that. The Regulation Directorate already does a large amount of the work on behalf of the Licensing Assembly, so they are doing a lot of that work already.

Deputy M. Tadier:

Remind us where the regulatory body sits?

The Minister for Sustainable Economic Development:

In the Infrastructure and Environment Department.

Deputy M. Tadier:

Is that going to be problematic in any way in terms of I suppose just the future oversight? I am thinking also for a future Scrutiny Panel it will not necessarily just be our Scrutiny Panel that looks at that. It may be the Environment Scrutiny Panel but, of course, the legislation does emit from your department. Is that ...?

The Minister for Sustainable Economic Development:

Yes, the policy function, which I think is the main bit for scrutiny, would still be sitting within the Economy Department and would obviously, as the proposal suggests, ultimately be overseen by this Ministerial group, which includes the police and others, the Connétables and others as well. So the policy bit still sits here on the economy side, which is appropriate because there would need to be a separation. This is what you do need is a separation from those creating the policies and those administering those policies. There should be a separation from that. So I think it should work. I do not think you would expect any Scrutiny Panel to be particularly sitting with a Minister, in this

case the Minister for the Environment, and saying: "Why did you not give a licence to so and so? Why did you give a licence to so and so?" That would not be appropriate in any situation, I do not think. So the scrutiny would still be with the Minister for Sustainable Economic Development and that would be very much around the policy setting.

Deputy M. Tadier:

I think we had asked you previously, and I cannot remember in what context, about why you proposed initially to put it with the Gambling Commission to extend their powers. I think you said that the industry was more content with it being with an arm's length body than with it being done in-house. Have you managed to speak to the Hospitality (Association)...?

The Minister for Sustainable Economic Development:

Not the Hospitality Association. I have let them know but I have not had a conversation. I have had a conversation with the Chamber of Commerce and the Chamber of Commerce are happy with this. I was speaking to the C.E.O. (Chief Executive Officer) of the Hospitality Association yesterday. This did not come up. I did not intend not to bring it up, it just did not happen in the conversation. That in itself suggests - I am happy to be corrected by the C.E.O. - to me that it was not top of his mind as a concern that it is the Regulation Directorate, but I have not had that conversation with him. The Chamber of Commerce were relaxed. They felt that the most important thing was they wanted to see the law get through and if that means moving to the Regulation Directorate and enable States Members to vote for it, then they are very much behind that.

Deputy M.B. Andrews:

One of the things that I think was mentioned in the report was about the Gambling Commission having the expertise and the background with alcohol, so is that one of the reasons originally why you decided that actually this may be the right body?

The Minister for Sustainable Economic Development:

I still think it would have been a good place to put it. I think that arm's length nature is helpful because people can be suspicious of government, rightly or wrongly, but people can have those suspicions. Because the Gambling Commission operates in an area where it already licenses businesses to undertake various activities, so it would be doing a similar thing there. But also the current personnel ... and I do not like making a decision based on current personnel because personnel change so you should always be looking at the system. But it is correct that the current personnel do have experience in areas like licensing. I know the current chair - but he would be leaving at the end of the year anyway - has been on the licensing assembly in the past. The current C.E.O. has been on the Police Authority. So good relationships with the police, et cetera, things like this, it felt like a very good fit. But I understand there are political realities that you have to deal with

and I think the Regulation Directorate is aimed at dealing with those political realities. I think they can do a good job.

Deputy M.B. Andrews:

Do you think with the Regulation Directorate they have enough resource to meet the demand as well?

The Minister for Sustainable Economic Development:

Yes, absolutely. In fact, you can argue that they would be pleased. I have had zero lobbying from the Environment and Planning Department, none whatsoever, but ultimately the fees which are currently paid to them would stay in that department. So their resources are improved because previously the department under the Alcohol and Gambling Commission proposal was going to lose £260,000 of fee income. That will remain there now. But I have to say that is absolutely nothing to do with the decision and I have not spoken to any officer or any Minister from that area about the fees staying there. It is just I know from their perspective I imagine they are pleased with that, is all I will say.

Deputy M.B. Andrews:

I imagine you have also probably spoken to the Minister for the Environment about the proposed change before it was then formally introduced?

The Minister for Sustainable Economic Development:

Yes, we had a brief conversation and he was very pleased with that outcome. But it was not a conversation in advance in the sense of: "I am losing money from my budget; can we change this?" None of that has ever happened. He was actually very supportive. I remember one Council of Ministers meeting where he was extremely supportive of the Alcohol and Gambling Commission. He wants the law to go to it.

Deputy M. Tadier:

Minister, do you think that as a result of your amendment will the Comité's amendment fall?

The Minister for Sustainable Economic Development:

I do not know that. I met the Comité on another matter earlier this week and we briefly discussed the alcohol licensing proposal. I do not know yet. I have had nothing from the Comité about them removing their ...

Deputy M. Tadier:

So it was not done as an agreement, this ...?

The Minister for Sustainable Economic Development:

No, absolutely not. No conversation like that has taken place.

Deputy M. Tadier:

I think the panel at the moment is neutral on what you are proposing. I think it is something we questioned about whether it could be done in-house. It is quite a fundamental shift from what you were originally proposing. It is not an inconsequential amendment.

The Minister for Sustainable Economic Development:

It is not inconsequential. I would not call it fundamental but I would not say it is inconsequential.

Deputy M. Tadier:

There is a lot in the law which I think we all agree is ... we probably all agree that needs to be done. I think in terms of who regulates it is quite significant and we are wondering if this is something that you feel that you have to have debated in 12 days' time or whether it is something that could wait until the March sitting, which would certainly give us time to do more formal questioning and to provide some more detailed scrutiny around. You do not have to answer that now, but that is something which you may want to have conversations with other States Members and decide.

The Minister for Sustainable Economic Development:

I think my main aim, Chair, is to get this debated this side of the elections. So as long as there are assurances about not dragging that out further, then I am relaxed ...

Deputy M. Tadier:

I think for our part this is a public hearing and obviously I think we are ... this cannot be necessarily called in at this point, but I think we would like to do a job of scrutiny now that there is greater clarity about what the options are. We would envisage that that could be done, I would have thought, certainly for a March sitting.

The Minister for Sustainable Economic Development:

Obviously my preference would be the earlier of the 2 March sittings if possible, but I ...

Deputy M. Tadier:

We will leave that to be discussed, I think.

The Minister for Sustainable Economic Development:

My initial instinct - I caveat that with I am happy to change my instincts - is I do not have a problem with that.

Deputy M. Tadier:

One final question around this. We note that the draft law still requires that every application should go to the Constable of the parish concerned for a Parish Assembly to decide whether or not to recommend the commission ... or it will not be the commission anymore but that the licence should be granted. Are you still minded to keep that?

The Minister for Sustainable Economic Development:

I am very relaxed on that part. I set out to say at the beginning that we do not want to change the role of the parishes because I think it is important that those impacted at a local level are able to have their say. I still think the better option was the original drafting, which was that the Connétable could choose to waive a parish assembly if they felt that that was there because I felt it gives them an option which they previously did not have. So if you were to look at the legislation I would encourage you to look at that part and have your own thoughts on that as well. Because I would be happy to change it back to an option but ...

Deputy M. Tadier:

We have had some feedback from ... I think we as States Members have had feedback from those in the industry saying that they want it streamlined and they want to cut red tape. It seems that having to automatically to go to a parish assembly for something that might be uncontroversial, and that may span different parishes, could arguably be seen as unnecessary.

The Minister for Sustainable Economic Development:

That is why I think it would be good to potentially examine that question.

Deputy M. Tadier:

Okay. Anyone else got questions on alcohol at the moment?

Deputy B.B. de S.V.M. Porée:

No.

Deputy M.B. Andrews:

No.

[11:30]

Deputy M. Tadier:

Thank you. We will move on. So the next section I would like us to go to would be section 33 for us or question 33, which Deputy Porée will lead on. So just to give context before Deputy Porée starts, this relates to the repeal of the Draft Shops (Regulation of Opening and Deliveries), P.40. Again, this has recently been lodged so we have not had a chance to look at it in depth, but we would welcome you talking to that, Minister.

The Minister for Sustainable Economic Development:

Of course.

Deputy B.B. de S.V.M. Porée:

Thank you, Minister. Could you just start by giving us an overview of this particular draft law?

The Minister for Sustainable Economic Development:

Yes. So this was the subject of my conversation with the Comité on Monday. Yes, in short it is a repeal of the Shops (Regulation of Opening and Deliveries) (Jersey) Law. It is aimed squarely at the removing red tape element of my portfolio and the work that I have been trying to do. It literally in simple terms just takes away that shop opening law. So only retail is covered by that law. I know there have been, for instance, delivery issues at St. Peters Technical Park. There has been some neighbours who are unhappy with the noise that is created at different times of day and night. This law has never covered an area like St. Peters Technical Park, so the repeal of this law would not in any way impact that sort of dispute and concern. This is solely about retail areas. I think it is a law which in itself requires currently a shop to go to the parish, the Connétable, to get a permit to open on a Sunday, and in giving that permit the Connétable is able to set restrictions around the times of deliveries. In my view, it is the deliveries in today's world are probably the most contentious area: should they be regulated or not? We have worked with the Chamber of Commerce because I think this is a good example of where, as I said in the speech at the Chamber of Commerce, we can replace regulation at Government level, so law, by working with industry to regulate themselves. So the Chamber of Commerce have drawn up a code of conduct, not just for their members but for all people wanting to open on a Sunday, have deliveries at certain times on a Sunday, and they would be seeking for people to sign up to work to that code of conduct. If this was to go through, I think it is a really good way of seeing can we work in this self-regulatory manner. There are some realities around deliveries. The boat arrives at 6.00 a.m. on a Sunday so you are not going to get deliveries before 7.00 a.m. on any Sunday anyway. Even today, if the boat due to weather is delayed and so it arrives mid-afternoon, let us say, the deliveries even now would on those individual occasions happen in the afternoon and things like that. So I think it is a way that we can give Islanders comfort that they will not have their Sundays disturbed and, at the same time, engage industry through in this case the Chamber of Commerce to show to the Island that they can regulate themselves and

make sure that they are operating in a cohesive manner with the society in Jersey. So, in short, that is it. I think it is worth trying. It would be up for debate. It could be contentious. I do not think so. I got good feedback from the Comité. Not 100 per cent of the Constables were in agreement but I got a majority feedback, I would say, from the Comité that they will support it.

Deputy B.B. de S.V.M. Porée:

Sorry, just in terms of clarity, when you do say that this particular draft law will only affect retail shops, we know the majority of shops are in St. Helier. Are you actually meaning, say, places such as St. Brelade, the Precinct, St. John, again the shopping precinct?

The Minister for Sustainable Economic Development:

All retail shops.

Deputy B.B. de S.V.M. Porée:

Would it cover all the shops in Jersey?

The Minister for Sustainable Economic Development:

Yes.

Deputy B.B. de S.V.M. Porée:

Again, just for clarity, in your idea that will be a privilege of the shop owner to choose to open on Sundays or not?

The Minister for Sustainable Economic Development:

Yes.

Deputy B.B. de S.V.M. Porée:

To choose that would mean applying for the licence?

The Minister for Sustainable Economic Development:

So they would not need to apply for a licence anymore. It would be up to the shop owner themselves to decide whether or not to open on a Sunday and what hours to open on that Sunday. So there would be no licence anymore. At the moment they have to apply for a permit. They would no longer have to apply for a permit.

Deputy B.B. de S.V.M. Porée:

Thank you for that clarity. So what evidence or informed analysis have you got of the existing Sunday opening permit system? Did you do a study? Have you been looking at the businesses

who are asking you for more flexibility on those type of opening hours? Where is your evidence coming from in relaxing this particular law?

The Minister for Sustainable Economic Development:

There are a couple of things. So I think one political driver in my mind for this law ... there is obviously just trying to remove what you could say is unnecessary regulation. Obviously the world has changed a lot and so people are much more comfortable with shopping on a Sunday. In fact, surveys have shown that people, particularly young people, in Jersey do feel they should be able to go shopping on a Sunday more easily. When we engaged with the parishes ... and obviously, Deputy, you are absolutely correct, the majority of retail outlets are in St. Helier. When we engaged with parishes, and I believe this is in St. Helier particularly, parishes acknowledged that permits are routinely granted. So that is that sense of why are we forcing shop owners to go to get a permit when that permit will basically be handed out regardless?

Deputy M. Tadier:

There is a cost to that as well, presumably.

The Minister for Sustainable Economic Development:

There is a cost.

Deputy M. Tadier:

What is the cost to apply?

The Minister for Sustainable Economic Development:

Off the top of my head I could not tell you, to be honest. So there is a cost to business to apply for that permit, and again our engagement with the parishes has suggested that actually the parish believes they make a net loss. So the money they take in through administrative fees for the permit is less than the money they spend on administering the system. So from that perspective, in fact, the parish should gain because they should no longer lose money on a system which apparently loses them money.

Deputy M.B. Andrews:

Minister, you mentioned that there was a bit of opposition with some of the Connétables. I just wanted to know why would they be opposed to you bringing forward this repeal?

The Minister for Sustainable Economic Development:

I think the biggest concerns are around deliveries because I think deliveries are where, if there is going to be a noise issue, deliveries are the ones most likely to create noise. Obviously, deliveries,

as I said, the boat arrives at 6.00, deliveries are happening at 7.00 or 8.00 a.m. Cages rattle, reversing lorries beep. Some of our big retail outlets, our supermarkets, are surrounded by residential and so I think that is where the main concern lies and I fully understand that. That is why we are working with the Chamber of Commerce to see if this something that you guys can regulate yourselves. Interestingly as well, there are technological breakthroughs, something I am pleased to have learnt, and some supermarkets in Jersey are already adopting this. You can now get those cages which you put all your boxes in and they rattle and make a big noise, they have now been designed in a way where they are vastly quieter. So the wheels do not make the noise and it does not rattle and shake. I know that some shops, particularly supermarkets, are adopting that in Jersey, which in itself will make the whole delivery process quieter. The Chamber of Commerce code of conduct as currently drafted - and I suggested some changes so there will be a new draft which I think will be published - says no deliveries before 7.00 a.m. That is currently the regime we live under already. The other side of it - I cannot remember if I said this - is I have gone to St. Malo, like all of us have, many times and seen how on a Sunday, particularly in the summer, the town is alive. The shops are all open. I have said it to scrutiny before. I have often been in St. Helier on a Sunday and seen that the vast majority of shops are shut and that when people come here for a daytrip, particularly for the daytrip, they have one day to enjoy St. Helier but actually the shops are shut on a Sunday. So I am really keen to see St. Helier be more open on Sundays, and I think in the summer ahead we are going to see some of the big department stores open on select Sundays during the summer. I think that is going to be a great help to encouraging more Sunday shopping, more Sunday opening, I should say, in town. I think that is something we do lack at the moment.

Deputy M. Tadier:

Could I just quickly ask a technical question? So the law is repealing to a law and regulations. So you have the Shops (Regulation of Opening and Deliveries) (Jersey) Law and then you have the regulations. Those 2 are tied together, presumably, are they?

The Minister for Sustainable Economic Development:

Yes.

Deputy M. Tadier:

Is it the regulations that inform the law?

The Minister for Sustainable Economic Development:

That is correct, yes. So all of that would fall away. It is not a big law.

Deputy M. Tadier:

Another question is: does this apply currently to the big shops, as we might say, that open on a Sunday and can only open between 10.00 and 4.00? Will they now have carte blanche to open whenever they want on a Sunday?

The Minister for Sustainable Economic Development:

They would be able to open when they want.

Deputy M. Tadier:

Without a permit?

The Minister for Sustainable Economic Development:

Without a permit, that is correct. They would. Because for retail premises only, it would take away all legislation restricting their opening on a Sunday. I think there are hard realities around opening on a Sunday in the sense that businesses will not open at times when they are not going to get customers. So you are not going to see a big supermarket opening at 6.00 a.m. on a Sunday because they know they are not going to get customers. They would be having to pay their staff a lot more as well. So I think this is the other part of it. There are natural restrictions in business operations which mean that they are not going to be opening at 11 o'clock at night and things like this.

Deputy M. Tadier:

What it does mean, I presume, is say if Waitrose or the big Co-op as we might call it are opening, say, from 8.00 until 8.00 on a Sunday, that means more alcohol can be sold later on into the day on a Sunday or earlier in the morning. Has any consultation been done around that with the Comité or with even the off-licences who might potentially see less trade?

The Minister for Sustainable Economic Development:

No, it has not been raised at any point. That specific point has not been discussed to the best of my knowledge.

Deputy B.B. de S.V.M. Porée:

Yes, that was part of one of the questions we intended to ask you was about the wider impact assessment, if that has taken place at all. For instance, things like economic impact, workforce impact, you have spoken on a few occasions about the community impact may be mostly in terms of noise making and how not to disturb people during their Sunday. So has there been any wider impact assessment done on this particular repeal law that you could or you would like to comment on?

The Minister for Sustainable Economic Development:

We have not done an economic impact. I will happily have Tom talk to that in a second, but I think it is something that would be extremely difficult to do an economic impact on. We know that today many shops, including certain supermarkets, do open on Sundays, so in terms of displacement from the on-licence trade, pubs and hotels, et cetera, my personal view is I do not think you would see very much impact. If I want to buy some wine on a Sunday in an off-licence in a retail premise, I can very easily buy wine on a Sunday today. I do not have to go to a pub or a hotel to get a bottle of wine on a Sunday. So I think it was in my first term of office we did liberalise the Sunday trading laws and it became much easier to do a 10.00 until 4.00 permit. You can go shopping today for your alcohol, et cetera. I can buy it from my local garage on a Sunday today, so I do not think you are going to see any displacement. But as far as the ability to create these analogies, my view is that that would be an enormous amount of work and a cost without very much outcome because I think it would be very hard to get that information. Tom might speak to that.

Chief Economic Adviser:

I would expect the impact to be very low as well, just thinking it through in terms of what would happen. You have a very short period of time extension from 4.00 to whatever a supermarket decides to open to, let us say 7.00. You would be talking about a small amount of displacement in alcohol or any other type of grocery from a select few. Those shops are generally open for convenience purposes. That convenience does not disappear just because something else is open. Opening times are part of convenience but locality is much more important for convenience. So that displacement would be very low, I would expect, between 4.00 and 7.00, let us just say as the example. So any economic impact would probably be highly limited and probably less than the time taken for me to actually go through the entire issue. So I do not think it would be proportionate to do one, but I would be happy to give a very quick piece of advice, which I suppose I just have, that I would expect there to be very limited impact.

Deputy B.B. de S.V.M. Porée:

In a way, we could say that our shopping habits have changed with the introduction of online shopping. Some of us shop at whatever time of the day. But obviously we are looking specifically at how it affects other people. Thank you for that. Another question is: has the Government assessed whether the repeal may impact working patterns, staff welfare or employment rights within the retail sector?

The Minister for Sustainable Economic Development:

It does not affect employment rights. This has no impact on Employment Law. So employment rights are fully maintained. Shops ...

Deputy B.B. de S.V.M. Porée:

That has been checked?

The Minister for Sustainable Economic Development:

I do not think we have had to check. I know it does not impact Employment Law, and from the perspective of opening, one of the reasons many shops do not open at the moment is because it is difficult for them to get staff, et cetera. We do not have lots of staff in Jersey and so that will still ...

Deputy B.B. de S.V.M. Porée:

That would be an impact ...

[11:45]

The Minister for Sustainable Economic Development:

... that would still be a restriction. So if I own a shop and I cannot find the staff to open it on a Sunday, then I will not be able to open on a Sunday. That does not change. Again, I do not know if there is any particular ...

Chief Officer, Department for the Economy:

No, that is accurate. It does not cut across employment rights. Employers would still have to enter into appropriate contracts with staff to have them working either extended hours on a Sunday because they are extending their trading hours or to start trading on a Sunday from maybe a 6 day a week pattern previously.

The Minister for Sustainable Economic Development:

They would have to define their working hours in the way that they have to define their working hours under the Employment Law.

Deputy B.B. de S.V.M. Porée:

The agreement will take place between employer and employee?

Chief Officer, Department for the Economy:

Yes.

Deputy M. Tadier:

Has any consultation been done with the trade unions on this?

Chief Economic Adviser:

No, it has not.

The Minister for Sustainable Economic Development:

It is a small law. We have not done lots of consultation. From my perspective, it is one of those things. I think this will help Jersey's economy. I think it will help town particularly in the summer. I think it is a piece of law which does not do very much today. As I said, if I as a shop in St. Helier want to get a Sunday trading permit, it will be issued to me no questions asked.

Deputy M. Tadier:

If you thought that there was a pushback on a certain area, so, for example, I could possibly envisage some pushback - certainly in the past we have seen it - about the big shops, les grandes surfaces, as they say in France. I know it varies from region but certainly in Brittany and Normandy they tend to be open from 8.00 until 12.00 on a Sunday only. I do not know if that is to do with regional laws or if it is just the commercial practice, but if the aim is to keep the town centre vibrant then would that be something you would consider differentiating?

The Minister for Sustainable Economic Development:

We could do. That would mean keeping the law in place. Or we could differentiate through the code of conduct with the Chamber of Commerce. That would be another way.

Deputy M. Tadier:

The other question was then: did you ever consider amending the law rather than repealing it?

The Minister for Sustainable Economic Development:

We did have discussions about it. I felt that a repeal would be the easiest way. I am also interested in seeing what the States do think about it. Jersey's economy will not be saved in any way by this, if you know what I mean. I think it is a piece of law which is not serving much purpose today and, therefore, my view is let us get rid of it. We could find that there are benefits to getting rid of it. I am interested in seeing what the States think. If the States felt otherwise, then so be it. That is the way it is.

Deputy B.B. de S.V.M. Porée:

So if the law is adopted, Minister, what is the expected timeline for it to be commencing?

The Minister for Sustainable Economic Development:

Well, the law is not being adopted; it is taking away a law. So I believe it would be ...

Deputy B.B. de S.V.M. Porée:

Replaced, sorry.

The Minister for Sustainable Economic Development:

... relatively fast.

Deputy B.B. de S.V.M. Porée:

Sorry, that is a better word.

The Minister for Sustainable Economic Development:

I do not know the exact timeline. I am not sure whether there is a week or whether it has to go in some way to Privy Council. The law would have to be rescinded from the court registers, but I think we are talking weeks rather than anything else. It would be fast because it is not putting in a law, it is taking away a law.

Deputy B.B. de S.V.M. Porée:

Thank you, Minister.

Deputy M. Tadier:

Thank you. I think we are going to move on to Deputy Andrews, who will ask about the economic outlook and growth if that is okay. We will find ourselves on page 44.

Deputy M.B. Andrews:

Minister, obviously you have been in post in the department twice essentially this term. I just wanted to know, obviously with you coming to the end of your term, what is the outlook looking like for Jersey's economy?

The Minister for Sustainable Economic Development:

It is interesting because I know we had the very limited I.O.D. (Institute of Directors) survey recently, which said business leaders are concerned about the outlook for the economy, but at the same time individually they said they were happy with the outlook for their individual businesses. So it is interesting. Because of the global turbulence I think there is a general sense that things are out of control globally and I think that feeds into a negative outlook on the economy. I was just saying earlier we tend to favour the things that we can control. If I am a business owner, I can control my business; I cannot control the economy or the global geopolitics. So I think it would be natural to say the bit I control I feel confident about; all the rest of it which I do not control I do not feel confident about. That is my analysis of that perspective. I think where we are today we are in a stronger position than we were 4 years ago. I think we are coming out the back of COVID. I think it is really interesting that it feels like we have forgotten about COVID and its impacts quite quickly, but the

challenges we have had in tourism I think in large part have been COVID's long tail, if you know what I mean, as part of that. We have had enormous issues with supply chains around the world and that feeds into that difficulty and that price rising which we see going on. So I think where we are economically we are in a better position than where we were before. I think we still have a fundamentally strong financial services sector. I think we are seeing the hospitality economy growing. I think we are seeing new businesses opening up in that area, and in the year ahead I think we are going to see more tourists than we had last year. In fact, it is quite possible we might see the most tourists we have had since 2019. So I think we are going to have strong ... in that area. The area of the economy which I think is of most concern to Islanders and myself is around cost of living. I think that is something which the Government in Jersey does not have many tools around but it is something that we need to constantly be looking at where we can and how can we help this element. At the same time, I was very pleased to see that the inflation rate has somewhat stabilised. It was 2.8 per cent just last month when those figures came out. A lot of that is in housing, so the cost of housing, both renting and buying, has reduced significantly. Government policy has helped with that. The stamp duty, which was a manifesto commitment on my part, I am pleased to say, the stamp duty levy on second purchases absolutely has had an impact on the cost of housing. I am of the view that that was always there to be a proxy for interest rates. So 0 per cent interest rates were terrible for Jersey because they created a housing bubble. The extra stamp duty was there as a proxy for interest rates and, therefore, was always meant to be temporary. We brought it down by 1 per cent this year. I think that was appropriate. I think we need to continue bearing down on that because one of the unintended but expected consequences of that is that by having fewer people buying a house for investment, it is harder to get projects off the ground because they want to sell 25 per cent or 50 per cent before they start building a project. So it has that impact on the construction sector, which then brings me to the construction sector. That is still an area that I am concerned about. There is a downturn in activity in the construction sector. I think Government does have a large part to play in that. We do need to get projects. The Investing in Jersey programme that the Chief Minister has announced I think is a good answer to that. With the hospital coming on, Fort Regent being done, South Hill being done and various other projects, I think that will drive a lot of work into the construction sector and stop the downturn that we have seen there coming up. I can go on for a long time. I wonder if the Chief Economic Adviser might have a view as to where we are.

Deputy M.B. Andrews:

In terms of, say, the feedback that you have received yourself as Minister for Sustainable Economic Development, what do you think has to be prioritised going into next term for whoever is going to be responsible for being the new - it could be yourself, in fact - Minister for Sustainable Economic Development to try and enable businesses and also to try and increase growth within the economy as well?

The Minister for Sustainable Economic Development:

I think what we need to prioritise is to maintain our investment in infrastructure. I am very critical of the last 30 years of failing to invest in infrastructure and maintaining infrastructure. I think that is absolutely vital. I think we need to continue to make it very clear that Jersey has an open and competitive business environment. I do worry when I hear some political views around the idea of restricting, even taking things back to monopolies and things like this, when you already have ... take telecoms, for instance. You already have a really good competitive marketplace. Leave it as a very competitive marketplace. It needs to stay in that way.

Deputy M. Tadier:

Who is suggesting that?

The Minister for Sustainable Economic Development:

I would never divulge anything like that. I am just saying ...

Deputy M. Tadier:

No, are there voices saying that there should be ...

The Minister for Sustainable Economic Development:

This is people talking, if you know what I mean. So I think we have to remain open and we also I think need to have a greater focus on inward investment. I think that is somewhere where I have been pushing since day one. Inward investment in my mind is not about someone just coming to Jersey to open a shop. That is just someone coming to Jersey to open a shop. Inward investment is about businesses moving to Jersey, engaging and investing in the Island either to build premises or hire several staff, bring plant and equipment to the Island and building up that way. So, again hotels is a really good way for us to engage inward investment; ports coming, hopefully they will be announcing, in the coming months. Hopefully they will get a successful tender out on La Folie and you will potentially see a hotel at La Folie. That would likely have an international business investing in Jersey to do that and we will see that elsewhere. But I still think there are areas that we can be faster on. I think medtech is an area where we have seen real excitement, some really committed people, but on the regulatory side we are still moving too slowly. We have medtech businesses in Jersey but we need the regulatory side to be in place in order for them to be able to work. That needs to happen fast. It is not happening fast enough.

Deputy M.B. Andrews:

You obviously mentioned about inward investment and I just really want to probe and ask a further question. Do you believe there is maybe a shortfall of investment locally and, therefore, there is a need to try and then focus on getting more inward investment to make up that shortfall?

The Minister for Sustainable Economic Development:

This goes back to Ministerial achievements, actually. Jersey - and I was informed of this by the Chief Economic Adviser in the past - has a low rate of business reinvestment. That is something which is a big problem for the Island and it is one of the things that we can see in non-public, infrastructure which is not public infrastructure, private infrastructure, but it is not being invested in and maintained. We can see that as well.

Deputy M.B. Andrews:

Why do you think that is?

The Minister for Sustainable Economic Development:

I do not know is the answer, but that is where that Ministerial achievement the better business support scheme was designed to absolutely drive impact in that area. So we have triggered investment through that scheme. I think that has been a huge success. I was speaking to someone this morning who was really pleased with that scheme and how they have used it to invest in their business. So I do think that we need to find ways to maintain something to stimulate investment. It could be the same scheme or it could be a different scheme, but I think the next Minister should be looking to maintain stimulus. It might not even be financial stimulus, it could be something else that I have not thought of, but maintain a way of stimulating Jersey business to reinvest in themselves. That is vital for the future.

Deputy M. Tadier:

Minister, with that, could we push you on whether the better business package will continue under the rest of your term? Are you going to take steps to ...?

The Minister for Sustainable Economic Development:

Certainly for the rest of my term now, yes. If I was to be re-elected as Minister for Sustainable Economic Development I would seek to continue it in some form or seek other ways of stimulating business reinvestment.

Deputy M. Tadier:

Would you amend it in any way? Is the skills section maybe something that needs to be rethought?

The Minister for Sustainable Economic Development:

I think it probably does. Yes, I am always open to changing, amending. You learn from experience and you adjust accordingly. That is something that I would, across the board, including the productivity grants, be happy to look at all parts.

Deputy M. Tadier:

Feel free to let your officers join in if it is appropriate, but is there a case that this ... was the better business package seen as being a temporary solution to stimulate or if it is something that is going to be more permanent at what point does it become a crutch to industry potentially?

The Minister for Sustainable Economic Development:

That is always the problem with providing public money to help businesses because it can become a crutch. So in that sense it could also be something that happens intermittently to avoid that precise thing happening. Sometimes you need the crutch to be there permanently. So the rural and marine support scheme, that is a permanent crutch. I fundamentally believe Jersey farms and marine businesses cannot operate without that subsidy when they are competing against subsidised businesses, but business reinvestment you might want to be intermittent.

Deputy M. Tadier:

I think people are glad when they see results but there is an argument that some might say that Jersey businesses generally do not pay tax for a start; therefore, they should have more money in the first place to reinvest in their own businesses. Is it a question of getting the message out saying if you do put some of your profits back into your business, if they exist, then ultimately that is better for you and how do we do that?

The Minister for Sustainable Economic Development:

I think there is an education ... it is always worth saying it. Tom might ...?

Chief Economic Adviser:

I think part of it is actually increasing the culture of investment in businesses themselves, which is why it is 50:50 match funded as well. In terms of it being a crutch, it is not a subsidy, it is an investment in capital and in skills. It was designed to be a short-term thing to deal with the transition to the living wage as well and take advantage of the increase in labour costs to ensure that businesses can try and be more efficient and productive by a shift into capital and upskilling their labour at the same time. So it was purposely designed in that way to be a short-term package. However, if we are seeing good results from it, it might be something we want to evaluate looking to the future to try and shift that culture, which is what you are talking about, of investment in businesses. Our investment levels are very low. I think it is one of the big things that we need to be talking about in the next Assembly period. We have, I think, landed the message of the ageing

population and requirement for productivity very well over the last 3 or 4 years. I think we now need to do a lot more about what that means. Investment is a big part of that.

[12:00]

Our investment levels are very low, and also productivity means in terms of labour rather than profits as well and it is ensuring that we optimise labour. We have always talked about this in-house. Maybe we have not got those next 2 messages to land quite as well as what we would like to do. So I think that forward look ...

The Minister for Sustainable Economic Development:

There is another thing, if I may, Chair, very quickly. I think there is another concern, which is public investment in the economy. If you take away the COVID period, where obviously Government through the payroll support scheme invested hundreds of millions of pounds in the economy to keep people employed, outside of that Jersey as a Government has a very low economic investment rate. So I think the C.O.F.O.G. (Classification of Functions of Government) - our colleague Deputy Ward brought this proposition about the classification of functions of Government - when you look at those reports you see that Jersey ... in fact, I think more recently Jersey's C.O.F.O.G., economic investment was about 1 per cent of either G.D.P. (gross domestic product) or Government taxation, Government income. The U.K. is something like 4 per cent. Luxembourg is 7 per cent. Jersey is down at one point something per cent. I do worry that, speaking to Deputy Andrews' what would the next Minister be focusing on, we have to keep focusing on the productivity increases and growing our economy. The next Minister must focus on that. Part of that is the Government itself finding ways to invest in the economy. I worry that we are being drawn into just funding services, whether it is health or education, and obviously we do need to fund those things, but you provide the money to fund those things by having a larger economy. If the economy is not growing, you will have less money to go into health and education. I do worry that there is sometimes a narrative against the economy, almost as though the economy will sort itself out.

Deputy M. Tadier:

There is a windfall coming, if we can call it that, with the Pillar 2 tax receipts projected at £50 million.

The Minister for Sustainable Economic Development:

Yes, it is still uncertain.

Deputy M. Tadier:

But I presume they have been spent many times over?

Chief Economic Adviser:

No, we have taken quite a prudent approach to it to date in terms of the hierarchy of how that Pillar 2 would be used and in terms of forecasting what would be expected for Pillar 2 as well using a very prudent approach in terms of companies that we know are on the Island rather than companies that might not be paying tax here. So I think the approach that has been taken has been prudent. There is a hierarchy of spend and I think at the moment that puts us in a good place rather than building it into our base budgets, which we have not done because we do not know how this will play out over 2 or 3 years, particularly with the turbulence that there is at the moment. So we would not want to do that until year 3, 4, where you do know that that is part of your tax base now.

Deputy M. Tadier:

It is a problem, is it not? We are still a low tax place and corporate tax is only selective on certain companies. I think that companies also want investment in public services, so good education systems, good roads presumably, good connectivity. So I suppose there is a wider context about how investment can come. Deputy Andrews, shall I take over now?

Deputy M.B. Andrews:

Yes, absolutely. That is fine.

Deputy M. Tadier:

The last part of this as we move to maybe talk about the Future Economy programme more generally, yesterday we had the Minister for External Relations in and he somewhat unexpectedly ... we asked a question and we received an answer about remote working and whether consideration was being given to people living in one place but being able to work in another. So it could be people working in the north of England or in Ille-et-Vilaine or in Normandy but doing work ... so living there and working in Jersey either remotely or physically and whether there would be questions about taxation, social security payments, which are being looked at. We were told that there is work going on in that area. I do not know if you are aware of that or whether you think that is potentially an interesting area for both helping with the employment situation but also not necessarily increasing the population.

The Minister for Sustainable Economic Development:

I think remote working provides so many things, challenges and opportunities. So the challenge is you can be working for Jersey or a Jersey company but living the other side of the world and, therefore, not paying tax, as you said. But equally the opportunity is if I am a Jersey business I can now more easily get clients from the other side of the world in a way that I could not do before. So I think it provides the opportunity for Jersey businesses to do more work because they are not so restricted to just Jersey, they can now more easily work around the world, but it does potentially

have a tax implication, especially if we see employees not working here but working somewhere else. I think there is a piece of work. I was aware of that piece of work. I do not know how it is progressing. Again, Tom might ... I think it is a Treasury piece of work rather than ...

Chief Officer, Department for the Economy:

Yes, I think from a corporate perspective many of our financial professional services firms already outsource work within their broader networks because there are some cheaper locations for certain activities to be performed than in Jersey, or whether they may have a group level centre of excellence for certain activities as well. But provided the tax base remains back here so the work is ultimately billed from here and the profits accrued here, we still have taxing rights on that at a business level. I think when you get into things like digital nomads and so on, so people working more on a freelance basis from, say, the U.K. or France for a Jersey business, that becomes much more difficult because at that personal level taxation is very much based around where you are resident ordinarily rather than who you are working for. So we would not necessarily have those personal taxing rights. I think it is something that the way the global economy is changing tax authorities generally are going to have to get to grips with this, but there is also an opportunity for Jersey to draw people here to be working and living in Jersey but perhaps performing functions for businesses elsewhere, because we do have a very attractive living environment and business environment for people to come and do that. But that does need to be very carefully targeted to ensure that there is a real discernible benefit for Jersey in hosting those individuals.

Deputy M. Tadier:

Which of those do you think is the most likely scenario, having people living abroad working in Jersey either remotely or coming here periodically, or the other way round, what you have just described?

Chief Officer, Department for the Economy:

Certainly, the way it sits today with the current contract of global tax systems is to have the individuals resident here because we then have the personal taxing rights here on those individuals. Because of the nature of Jersey's taxes, and we have very few double taxation avoidance agreements globally, the opportunity to offset tax by having people based somewhere else and working for Jersey is quite limited. Having people here performing roles and being paid well to do that because of the nature of their work, provided that is accretive to Jersey overall because it adds pressure to housing and it adds demand elsewhere in economy, you have to be convinced of the economic case for that to work. That is the kind of analysis that we would do.

The Minister for Sustainable Economic Development:

Very quickly, for Islanders who either have their own businesses or are setting up their own business, I think it does create opportunity and also because Jersey is primarily a service economy. It is easier

to provide services from Jersey to a company somewhere else in the world. If you are working as a waiter, you cannot serve dinner the other side of the world. Jersey is primarily a service economy, so we do have those opportunities. Before I became a States Member, I was working for myself. I had clients outside of Jersey. I met someone just this week - a young gentleman who has set up a consulting firm in the last few months - and he was telling me that of his new clients, he has got 3 of them who are outside of the Island. There is genuine opportunity and I think that will happen. It may be more difficult to attract more people to live in Jersey; it may not. Only time will tell. Also, obviously, housing supply issues may put people off, or price of housing, but for people who are already here, I think they will continue. If they are offering services in that way, I think they will continue to get clients outside of Jersey.

Deputy M. Tadier:

To remind us, this is purely from a hardnosed economic point of view, what does somebody need to earn to make it worthwhile for Jersey's Government for them to be here?

Chief Economic Adviser:

The calculation was done a number of years ago and I think it said around about £40,000 to £50,000 at that point.

Deputy M. Tadier:

Is that a single person?

Chief Economic Adviser:

That is a single person, yes.

Deputy M. Tadier:

That pays the tax they need to ...

Chief Officer, Department for the Economy:

Yes, I think there was some published work during the term of Chief Minister Le Fondré that looked at different family personal circumstances, single, couples, couples with families and so on. It broke it down in terms of what a breakeven point would be. I am sure that is in the public domain.

Deputy M. Tadier:

Is that reflected in what has come forward from the Control of Housing and Work ... the revised ...

Chief Economic Adviser:

It was. Yes, that was built into all the work that was done. We have not redone that piece of work, but that basis was built into everything that has been coming out recently and the piece of work about whether or not you would transfer labour away from the Island or bring it in.

Deputy M. Tadier:

Yes, thank you. Specifically now on the Future Economy programme, Minister, can you give us an update on the progress of the programme?

The Minister for Sustainable Economic Development:

Yes, the programme informs pretty much everything that we do in our department and continues to do that. It informs a great deal happening outside our department as well. There is still a long way to go on the productivity side. At the end of the day, we have to ... I still remember Tom telling me some years ago: "We are talking levels of productivity increases that we have not seen since the Industrial Revolution", that sort of level. We have a long way to go to meet the productivity levels we need to sustain the ageing population that we have. That is where technology does play an enormous part. I do think we need to accelerate the adoption of technology by businesses in Jersey. I am less fearful of it taking jobs. I think, in the main, artificial intelligence type technologies help you work in your job more efficiently and do free you up, particularly within a service economy, to focus on the creative part while letting the machine do the mundane process work. But I do feel like Jersey has still got a relatively low technological adoption rate within the economy. Some businesses are absolutely at the top and they are flying as far as technology is concerned, but there are still several which have not got to where they need to go. In the face of a world which is becoming very nativist around the world - we see this in Europe, in America, et cetera, very prohibitive to the outside world - I think we have maintained the narrative which is vital for Jersey that Jersey has an international economy and we have to be an international facing Island and that we do need immigration to Jersey. That does cause cultural and social issues. We need to manage those, but I think there is still an understanding in Jersey, or there is, perhaps, an even greater understanding in Jersey, that if we are to succeed as the rest of the world closes down, Jersey needs to open up in order to maintain its competitive advantage.

Deputy M. Tadier:

I do not know if you are aware of the J.O.L.S. (Jersey Opinions and Lifestyle Survey). It shows that when households were asked about affordability of living in Jersey, the real shift has come from 2017 to the last 2 years. There has been very little change between 2023 and 2025; some change, not necessarily for the better, but largely it is the same. The big jump is that people are finding it much more difficult to afford things, cost of living, since 2017. How does that factor into your considerations around the Future Economy programme?

The Minister for Sustainable Economic Development:

Hugely. Again, I am happy for Tom to step in at some point. It is one of the huge difficulties in economic policy in that - especially as we have moved to a service-based economy - services tend to pay higher in the main, certainly financial services pay very well. That means that we have had a wage base which has increased significantly, particularly since 2017. That drives inflation in the Island. It is really simple. Of course, one of the ways we have helped mitigate one industry driving wages and other industries finding it tough to keep up with that is we have done things like moved to a living wage and things like this, but there are impacts to doing that and they are inflationary impacts. That is within the Island. It is difficult for us to mitigate the impact of higher wages on inflation. We have become a high wage environment. That is a reality.

Deputy M. Tadier:

We are talking about high low wages, though, are we not? That is what we are really talking about.

The Minister for Sustainable Economic Development:

Well, across the board, no. In some areas, you are talking high high wages and some areas you are talking high low wages. I agree; when we talk about the living wage, we are talking about high low wages, as I understand you, but that has impacts. We obviously have a tax system which does not tax people huge amounts and we have used the tax system to help people cope with the cost of living by pushing up the tax thresholds. But again, that does have inflationary impacts. This is always a juggle for Jersey and also for the majority, I believe, of inflationary pressures in terms of everyday goods are from outside. The price of food across Europe and the U.K. has shot up since 2020. It has absolutely shot up because we import those prices; there is no question. I think housing, as I said earlier, we have turned a corner. The latest ... and this comes because Tom told me because I have not read it yet so I cannot admit, but today the House Price Index came out. You said 15 per cent.

[12:15]

Chief Economic Adviser:

So, 15 per cent since its peak. It has fallen another one per cent year on year both in terms of house prices to buy and one per cent on private rental sector.

The Minister for Sustainable Economic Development:

It has gone down by one per cent.

Chief Economic Adviser:

Yes.

The Minister for Sustainable Economic Development:

We are turning the corner on housing. It has long been said - in fact, for the past 4 years while I have been in Government - that the cost of housing is driving people out of the Island. Wages are catching up with that, particularly as the price of housing does come down. There are other impacts, as I said. For every action there is an equal and opposite reaction. The other impact is the policy choices we made have made it harder for the construction sector to put spades in the ground to start projects. Now we need to rebalance that, I would suggest, but the focus ... I have a funny feeling in the election and going into the next Government there is going to be a really strong focus on the cost of living because I think that is something that people find challenging.

Deputy M. Tadier:

Is it also not to do with just the way wealth is distributed? What we are seeing in the survey is that, for example, people who have to do without a car because they cannot afford it, not just out of choice, it went from 5 per cent to over - I am looking - about 12 per cent in this last year. Similar things for not going on holiday, that has shot up. Not even being able to buy fresh fruits. Not eating chicken, fish every second day, et cetera. Those are all ...

The Minister for Sustainable Economic Development:

They are the basics.

Deputy M. Tadier:

Those are basics. Is there a wider economic problem here which is not just captured by, I do not know, housing or productivity growth?

The Minister for Sustainable Economic Development:

If I could look across the pond to the U.S.A. (United States of America) briefly, just to try to put it in context, one of the things that I found fascinating about the U.S. President's drive to bring back manufacturing to America was that manufacturing in large part left America because America had become a highly developed economy. Therefore, its wages had moved up, and they could move manufacturing bases elsewhere. I think there is an analogy there with Jersey and, as I said earlier, we have a particularly strong financial services industry which does pay significantly higher wages than pretty much all other industries in Jersey. That does cause inflationary impacts both on wages and then goods, which are difficult for us to control. In that sense I do get concerns about Jersey having different levels in its economy. I am speaking from a non-economist perspective, but I do not know if Tom would agree with that.

Deputy M. Tadier:

Could this be called distortion?

Chief Economic Adviser:

There are a number of different reasons, and it can get very complex in terms of we could probably do with 2 or 3 sessions just on this. Globally, we have come through a significant inflationary period for a number of reasons. Largely, a perfect storm of significant assets by increases through quantitative easing and, at the same time, a pent-up demand from COVID. They hit together at effectively the same time. We are also in an inflationary period now where we have been in a deflationary period for 20 years caused by high levels of economic migration, optimisation of supply chains through globalisation, increased growth in China as the world's factory almost, and quite significant stability to invest in primary goods as well. All those things have come to an end now. Those deflationary pressures have been removed which means we are entering a period of inflationary pressure. Housing is still the crux of the issue on the Island. It is very good that this has started to correct. I know there are some negative consequences as well, but it is very good that that has started to correct. But at the same time, that correction has been because of interest rates going up effectively and that is costing households more than they were paying 3 or 4 years ago. That is another whammy that our Islands have been hit. Undoubtedly, this has been a problem for a number of years. It has been growing. It is good and the J.O.L.S. does say that the issue is stabilising somewhat and inflation is now stabilising on the Island. I think what has happened in the last few years is we have woken up to the dangers and evil of inflation once again. I think we had forgotten how bad that is from the 1970s and 1980s. Making sure that we have that as part of our ongoing economic strategy of doing what we can on the Island to keep inflation as limited as possible, even though those tools are somewhat limited, is something that we do need to do. Increasing productivity is one of those things that increases inflation. Decreasing and removing regulation, as we have talked about 3 or 4 items ago, is one of those things that can keep a lid on inflation. Reducing the size of the Government is really important in terms of those elements as well. These are things that are being worked on and being discussed. In the next term, whatever happens, hopefully the foundations have been put in place through the thinking to enable that lid on inflation being kept in which means that the cost of living will at least stabilise, if not necessarily come down.

Deputy M. Tadier:

Okay. Thank you. Any questions?

Deputy M.B. Andrews:

Not from me, no.

Deputy M. Tadier:

Minister, we are probably moving into the last 10 minutes of our hearing with you. Could you talk to us, I suppose, about the areas outside of financial services which you would like to see growth in in the economy? The 2 sections, I suppose, are really about agriculture and fishery. Let us start with that and then if we have time maybe you can also talk to us about retail and hospitality. We may not get through all of them so let us ...

The Minister for Sustainable Economic Development:

Maybe briefly ask culture and heritage as well, just because I think arts is ... I can state it; I think I have revision ...

Deputy M. Tadier:

Okay. Talk to us generally for a few minutes.

The Minister for Sustainable Economic Development:

Arts and culture become a sector in the economy, if you know what I mean.

Deputy M. Tadier:

Do you want to talk to us generally about what you think the areas are for growth or investment?

The Minister for Sustainable Economic Development:

Yes. I spoke earlier about medtech. This is a high-value industry which we can capture, that businesses have not just indicated, they have moved here, because they see Jersey having a role to play here, but we need to close that loop by getting the regulation in place to enable them.

Deputy M. Tadier:

What competitive advantage has Jersey got in this area that they could offer?

The Minister for Sustainable Economic Development:

I think it is a geographic advantage, both Europe and the U.K. connectivity. I am sure there are taxation advantages as well but the biggest advantage that I have heard when speaking to these businesses is the regulatory advantage, the nimbleness around regulation. My concern is that we are not being nimble enough around that regulation and we need to act faster on that. That is one area. If we talk to tourism, I think we have come through challenging years in tourism, not just 2025, but 2024. I will wrap retail into that as well. I am really optimistic about not just the year ahead but going forward. I think we need to maintain levels. Again, another thing I would say to a new Minister is we need to try to make sure that Visit Jersey's budget does stay at the new level. The £2 million from the better business support scheme I think needs to become part of that level. Visit Jersey has

changed its approach this year and I think it is a much better approach which will be more effective. It is very much about converting ...

Deputy M. Tadier:

Are there any target markets with Visit Jersey?

The Minister for Sustainable Economic Development:

Yes, Visit Jersey's principal target markets are the U.K., of course, France ...

Deputy M. Tadier:

Are there any new ones?

The Minister for Sustainable Economic Development:

The U.S.A. does appear now. We are seeing the potential for that but the principal target markets will remain the U.K., France, central Europe and northern Europe. They are markets which we know like Jersey, and they will remain the principal markets but there is a small ...

Deputy M. Tadier:

What is the tagline for advertising in the U.S.A.?

The Minister for Sustainable Economic Development:

I do not know.

Deputy M. Tadier:

"Come to Jersey. You will not be arrested", or something like that. **[Laughter]**

The Minister for Sustainable Economic Development:

I do not know.

Deputy M. Tadier:

There has to be some possibilities there.

The Minister for Sustainable Economic Development:

"We have the same name as you, so it feels familiar." I think we need to maintain that focus. Hospitality and retail, they make life in Jersey interesting for Islanders and that is really important. The ability to have a vibrant high street where you have shops that you want to go to serves Islanders as much as it serves tourists, but it is the tourist part of it which enables Islanders to have that choice. If we did not have the tourists, the retailers would not be able to operate in the same way. The

connectivity that comes from that is absolutely vital. I would like to see Jersey continue to increase our connectivity. I am really pleased that we are going to have the KLM flights to Schiphol starting in April and I believe that about half of those seats have already been sold to holiday companies, which I think is really good. That is a great start for the potential sustainability of that. I think we are going to have announcements coming up soon about other European connectivity which I think will be really good, but I cannot pre-empt those announcements. I do believe that regional connectivity - La Manche and inter-island, et cetera, but particularly the regional connectivity to France and La Manche - needs public funding. I personally would never shy away from public funding that because the connectivity benefits are much greater.

Deputy M. Tadier:

Do we need to publicly fund links to Guernsey then?

The Minister for Sustainable Economic Development:

It could be something that we need to do because the volumes on there are not big, the historical volumes, so not just last year whatever, but going back before COVID. They are not high volumes and so that is something that we quite possibly should be looking at, if you know what I mean, to make sure that we have that sustainable thing there.

Deputy M. Tadier:

Would that be funding a new vessel or a new company or funding ...

The Minister for Sustainable Economic Development:

Well, at the moment we have Islands Unlimited as a new company on there. They were funded last year by Guernsey. DFDS, hopefully Guernsey will accept their proposal so we would have that, and we have the Aurigny connectivity which ultimately is underwritten by the Guernsey Government as well. You could argue that a large part of that inter-island is already publicly supported. But when it comes to Granville, all those others, Carteret, et cetera, I just think we have to fund those. It would be wrong for Jersey to lose those connections.

Deputy M. Tadier:

Co-fund.

The Minister for Sustainable Economic Development:

Co-fund, yes, and we are. I just think we are going to have to invest in new ferries. The Manche Îles Express ferry at the moment does need replacing. There is a conversation for Jersey to have with its counterparts, Guernsey and La Manche, about funding development of new ferries in that area. Again, we can increase numbers, but I think the numbers last year or the year before were

about 16,000 passengers so you are not talking enormous amounts, which makes it difficult to run a full ferry service without public support. In fact, the La Manche have been publicly supporting that service since the year 2000.

Deputy M. Tadier:

Minister, can I just move us quickly on to the Agricultural Loans Law, P.37? In your letter to us, you said that you will be looking to extend the eligibility for the agricultural loans scheme to the fishing businesses. Can you give us some detail on that?

The Minister for Sustainable Economic Development:

Yes, so the proposed law change does extend it to the marine economy as well as the rural economy. Like the rural economy, the marine economy, so fishing ... I will say fishing and farming, it is easier. Fishing is capital intensive. You need a vessel at the end of the day. They cost. It is difficult. Like farming did have, we have succession problems. The high capital cost of a new vessel, equipping it to the right standards, et cetera, is putting people off coming into the industry, there is no question. Obviously, there are then challenges in the industry itself about catches and so on. I think it is right. I would like Jersey to maintain a fishing economy. Therefore, because of that capital cost of getting into fishing - the private sector will not fund that sort of lending - I think it is right that we wrap them into the agricultural loan scheme to enable them to get low-cost capital to enable them to start up or maintain their vessels.

Deputy M. Tadier:

Are fishers at the moment able to also apply for the better business support package?

The Minister for Sustainable Economic Development:

Yes.

Deputy M. Tadier:

They are. Only if it suits them.

The Minister for Sustainable Economic Development:

Yes. I would also say, sorry, it is not just the vessels. Another important part around agriculture loans is capital cost on the land element of fishing, storage, blast freezing for octopuses, and things like this. There is a capital cost there and it is important when the industry has so many challenges that Government does provide that cheaper cost of capital.

Deputy M. Tadier:

Is a processing plant for fishing still on the cards? That has been called for by some.

The Minister for Sustainable Economic Development:

It is still something we need to explore. I think this is somewhere where we could talk to France about co-investment possibly as well which might then enable us to work more easily at the ports, if you know what I mean. I think there is a conversation that can be done there. I do believe there is some investment going into ... I just mentioned blast freezers. That is, in a sense, part of that processing. It is not for processing; it is for maintaining the catch, in this case octopus, in order to be able to get it to market. There is work being done there where capital is being helped by Government to enable that to take place.

Deputy M. Tadier:

Are we seeing an emerging market in octopuses? Is it increasing?

The Minister for Sustainable Economic Development:

Certainly, the number of octopuses is increasing. I do not know so much about the market. I know we have seen stories about the U.K. market going very well. There is definitely a European market but at the moment we have a lack of facilities to enable us to access that market. We have enough octopus to make it worthwhile doing that.

Deputy M. Tadier:

Are we seeing more octopus being caught, do you know?

The Minister for Sustainable Economic Development:

I believe so, yes.

Deputy M. Tadier:

How do you feel about that?

The Minister for Sustainable Economic Development:

Tough, as in I like octopus, it is an amazing creature, but I do know as well that they are eating the other catches. They are really creating challenges in other areas, whether it is lobster, crab, scallops, et cetera. They are having an impact there as well.

Deputy M. Tadier:

Will you be supporting the changes that are coming forward on Atlantic bluefin tuna? Is that something that is potentially good for the economy?

The Minister for Sustainable Economic Development:

It certainly would be good for the economy. I think it always needs to be monitored. I, like others - I am sure you guys as well - love the marine environment. I am a scuba diver. I love the marine environment, but I do know that it is also very difficult when you know that fishermen from France are catching tuna that our fishermen sit there watching this economic potential go past, literally. I think it is right to open up that fishery, but it needs to be very limited, and it needs to be monitored extremely closely.

[12:30]

Deputy M. Tadier:

Any questions?

Deputy M.B. Andrews:

No, not from me.

Deputy M. Tadier:

Minister, have you got any final remarks? We have a couple of minutes, if you want to.

The Minister for Sustainable Economic Development:

I would like to thank you for the scrutiny over the past couple of years. Thank you very much. I would like to think that over the past 4 years we have helped Jersey look into the future about the economy and start to take a longer-term view of the economy. I think that is vital and I would ask any future Ministers to maintain that long-term view of the economy, but there is clearly a friction between long-term success and short-term wants, needs and impacts. For any economic developments, I think one of the toughest things that is going to be for them will be maintaining that. You have to keep looking long because that is where the real challenges lie, but every change you make for the long term can have that short-term impact which creates today's headlines, which makes today very difficult to live even though you know you are doing the right thing for the long term.

Deputy M. Tadier:

Thank you. Look, from our part ...

The Minister for Sustainable Economic Development:

Sorry ...

Deputy M. Tadier:

Were you not finished? Yes.

The Minister for Sustainable Economic Development:

Apologies. I would really like to thank all my team, both here today but also in the office. For 4 years I have worked with an amazing team. We are not a big department but the amount of work we have got through I think is possibly the largest amount of work - COVID aside - that any Minister for Sustainable Economic Development has got through in their 4 years and I really thank all of them for that.

Deputy M. Tadier:

This is not the last, necessarily, time we will see each other. We have still got 2 months of scrutiny to do but it is the last quarterly hearing. Thank you for attending on us so often when you have been asked to do that, and your panel. We have certainly enjoyed scrutinising what has been a very varied portfolio with lots of legislation coming through. If you are happy with that, we will call an end to this hearing.

[12:32]