

STATES OF JERSEY

OFFICIAL REPORT

WEDNESDAY, 24th FEBRUARY 2010

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The Roll was called and the Dean led the Assembly in Prayer.

[9:30]

PUBLIC BUSINESS – resumption

1. Committee of Inquiry: suspension of the Chief Officer of the States of Jersey Police (P.9/2010)

The Bailiff:

Very well. We come now to Committee of Inquiry: suspension of the Chief Officer of the States of Jersey Police (P.9/2010) lodged by the Deputy of St. Martin. I will ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion - (a) to agree that a Committee of Inquiry should be established in accordance with Standing Order 146 to inquire into a definite matter of public importance, namely the manner in which the Chief Officer of the States of Jersey Police was suspended from his duties on 12th November 2008 with particular regard to the procedures and documentation used in the suspension, the grounds relied on by the then Minister in taking his decision and his role and the role of other parties who were involved; (b) to appoint the following persons as members of the Committee of Inquiry - (i) Mr. Derek J.C. Bernard, Chairman; (ii) Mr. Gerard C.L. Baudains; (iii) Mrs. Elizabeth Jane Allan; (iv) Advocate Timothy Hanson; (v) Mrs. Margaret Holland Prior, J.P. (c) to agree, in accordance with Standing Order 146(5)(b) and (c) - (i) that Advocate Timothy Hanson shall, if required, preside in the absence of the Chairman, and (ii) that the quorum of the Committee shall be 3.

The Bailiff:

As Members are aware the law requires that a debate on this matter be in camera and it is not a matter where there is any discretion.

Deputy F.J. Hill of St. Martin:

I wonder if I could speak on the matter before we do go into camera. I would ask you if you could look at P.9 and page 9, sub-paragraph 4. I know you are going to say I am skating on thin ice, but I think I do at least need to try. It says: "Any discussion with the States regarding the appointment, suspension or dismissal of Chief Officer ..."

The Bailiff:

Where are you reading from?

The Deputy of St. Martin:

At page 9, on P.9. It is to do with the Police Force (Jersey) Law, article 9, page 9 and paragraph 4. I would say that this is not talking about whether we are going to appoint or we are going to dismiss a Chief Officer. It is not even going to be whether we are going to suspend a Chief Officer. What I maintain we are going to be speaking about is whether we should have a Committee of Inquiry to discuss the circumstances surrounding the suspension of the Chief Officer and I would maintain with my limited experience that I would have thought that what I am requesting should not be in camera but of course it would be a matter for you. I would maintain that it is about a suspension issue but maybe not suspending him, or to suspend or not to suspend. But I will wait for your ruling, Sir.

The Bailiff:

I understand your point, Deputy, and clearly it is always desirable for all of the proceedings of this Assembly to be in public wherever that is possible [**Approbation**] but the law is there. You yourself have elected to circulate and place in the public domain matters which go right to the heart

of the suspension and that having been done it is clear that you consider those are matters which fall for consideration in the debate, and therefore it is a discussion of the suspension of the Chief Officer. I cannot rule in any other way I am afraid. Very well, so it has to take place in camera. So I ask the usher to clear the gallery, please. Very well, I think the gallery is now clear. Deputy?

[Debate proceeded in camera]

The Greffier of the States (in the Chair):

Very well, the appel is called for. If there are no points that need to be raised, I will ask the usher to summon those who I understand are waiting outside because the vote is taken in public. Very well, the galleries are open. For the benefit of the public, I will state that the debate is concluded. The Assembly is sitting again in public session. The Deputy of St. Martin has requested that the vote be taken initially on paragraph (a), which is to establish the Committee of Inquiry. I note that all Members are in their seats and therefore the Greffier will open the voting.

POUR: 21		CONTRE: 26		ABSTAIN: 0
Connétable of St. Helier		Senator T.A. Le Sueur		
Connétable of Grouville		Senator P.F. Routier		
Connétable of St. Martin		Senator P.F.C. Ozouf		
Connétable of St. Clement		Senator T.J. Le Main		
Connétable of St. Lawrence		Senator B.E. Shenton		
Deputy R.C. Duhamel (S)		Senator F.E. Cohen		
Deputy of St. Martin		Senator A. Breckon		
Deputy R.G. Le Hérisssier (S)		Senator S.C. Ferguson		
Deputy J.A. Martin (H)		Senator A.J.D. Maclean		
Deputy G.P. Southern (H)		Senator B.I. Le Marquand		
Deputy of Grouville		Connétable of St. Ouen		
Deputy of St. Peter		Connétable of Trinity		
Deputy P.V.F. Le Claire (H)		Connétable of St. Brelade		
Deputy D. De Sousa (H)		Connétable of St. John		
Deputy K.C. Lewis (S)		Connétable of St. Saviour		
Deputy M. Tadier (B)		Connétable of St. Peter		
Deputy of St. Mary		Connétable of St. Mary		
Deputy T.M. Pitman (H)		Deputy J.B. Fox (H)		
Deputy T.A. Vallois (S)		Deputy of St. Ouen		
Deputy M.R. Higgins (H)		Deputy J.A. Hilton (H)		
Deputy J.M. Maçon (S)		Deputy I.J. Gorst (C)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

The Greffier of the States (in the Chair):

[Aside] Now, Deputy, clearly paragraphs (b) and (c) fall away.

2. Minimum Wage: Revised Hourly Rate from 1st April 2010 (P.14/2010)

The Greffier of the States (in the Chair):

Very well, the Assembly comes now to the proposition in the name of Deputy Southern which it was agreed yesterday would be taken today, Minimum Wage. I will ask the Greffier to read the proposition.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion to request the Minister for Social Security, having sought the views of the Employment Forum as required by Article 18(1) of the Employment (Jersey) Law 2003, to make an Order fixing the minimum wage at £6.28 per hour and, as this figure is different from the £6.20 rate recommended by the Forum, to report to the States as required by Article 18(4) of the Employment (Jersey) Law 2003.

2.1 Deputy G.P. Southern of St. Helier:

The first thing I want to say is that I sincerely hope that come 5.30 p.m. we will have established a minimum wage for next year and we will not be hanging on any longer to decide what it should be. We have got basically 3 propositions before us now. The first thing I want to point out is that if Members turn to P.211 of 2009, the Draft Employment Minimum Wages (Amendment No. 6) (Jersey) Regulations 200- lodged by the Minister for Social Security, they will find that while the minimum wage is there in the report and recommendations from the Employment Forum, the Regulation only is concerned with the offsets. It is very difficult to amend the minimum wage because it is contained in an Order which appears some time later and you can only reject an Order, you cannot amend it. One of the things I think the House must have a look at is whether, in fact, the minimum wage should be by Regulation, rather than Order. Looking longer term, I believe it should. Why do I believe it should? Because I believe that setting of the minimum wage is not only a matter of straight economics, it is a political decision as well. It does concern the balance of the arguments and the balance of social good. Where do we want to impact our economy? It is important, I think, that the minimum wage, as an issue, comes before this House as a matter of routine so that it gets the widest possible debate. So that is the reason for the rather convoluted proposition that you find in P.14 today. I have also just mentioned the balance of the arguments. Now you will notice that the political aspect is emphasised in the report, and in the extracts that I have put in, and, indeed, the Minister for Social Security himself has put in, from the Employment Forum. There is a wide range of options in front of us and if Members turn to page 3 of my proposition they can see all sorts of possible solutions for how to calculate the minimum wage and the list of 10 variants, either following the R.P.I. (Retail Price Index) in one of its variants, comparisons with the U.K. (United Kingdom) or the Isle of Man, or this 40 percentage terms of the average earnings rise. The Forum, itself, in 2008, settled on the way in which they wished to calculate the minimum wage. They decided that messing around with variants on the average earnings, or R.P.I., was unsatisfactory. What they wanted to do was establish a benchmark for the minimum wage and the benchmark they established was 40 per cent of average earnings. They did that. If Members turn to page 4 of my proposition, they will see they did that by comparing what other people did and, low and behold, they found that, for example, in a selection of countries across the world, we have got an average of 41.14 per cent of the average wage as being an average among countries and that seems to be an established reasonable position at which to put your minimum wage. Now that was established for 2007. Come 2008, they recognised that it was possible to go beyond this 40 per cent mark that they set, and they set out; as it says in this report, to, over time, raise that level towards 45 per cent. The expression they used was: "The Forum emphasised that if the States of Jersey wished to raise the bottom end of earnings, the minimum wage must equate to more than 40 per cent of the average wage in future." They said: "Ideally, the Forum would aim to gradually increase the percentage of the average wage used in the formula towards 45 per cent in the future." Last year, for the 2009 rise, they said: "For example, 40.5 per cent, just a tweak up of the average wage, would give a minimum wage of £5.47, *et cetera*." That is what they established last year. So the Employment Forum, after extensive consultation, have decided 2006/7, that this was the formula they wished to use, rather than chase R.P.I. or chase average earnings, and that further, for 2009, they would start the process of moving up, very gradually, from 40 per cent towards 45 per cent. Here we are, a year later, and they have abandoned that principle. They have been publishing the level and consulting on the level of the minimum wage for 6 years. I think, they are starting to know what they doing, and this is the

method they have established to do it. Here, the first test of the minimum wage in times which are recessionary, the first test of where we want to put the minimum wage, they have backed away from what they said in principle, this is how we should be doing it. So, it is the first real test. We have had boom years, in which case it does not appear to be that much of a problem, come to a little bit of a recession, a big recession, and a test of what you really want to do for your least well paid members, the least well-off members in work. The answer is: "Ah, oop", they have backed-off. So, in this year's recommendation they have recommended £6.62 as the minimum wage, a rise of only 12 pence and that is at the 40 per cent, back to the 40 per cent mark, straight away after one year's trying to start to nudge it up. My amendment says: "Hang on, that principle established over the previous 5 years was the correct principle. Now that times have got tough, let us stick by it." It was the right decision, it remains the right decision, and hence my figure of £6.28, from £6.08, a rise of 20 pence per hour. So the question is, to what extent politically does this House wish to protect its least well paid members in society? Having established and accepted a principle, do we want to stick by it, at £6.28? The other argument that might be used is that: "Hang on, why are we arguing, in this Chamber, about these small amounts?"

[16:00]

A 12 pence increase, as recommended by the Employment Forum, amounts to £4.80 a week. It does not sound an awful lot. The rise I have recommended, 20 pence an hour, raises that to a total of £8.00 a week, extra. My colleague, Deputy Pitman, suggests that we should go further than that and continue the principle of going towards 45 per cent, by suggesting 41 per cent, and that would give a total of £11.20 a week extra to an employee. The question is why are we arguing over things like 12 pence or 20 pence? It was perfectly illustrated to me by one of my constituents that I met, only 2 days ago, with a problem over income support. She said: "I am dissatisfied with my award from Income Support, they say now I am only due to get 84 pence a week in total and that the system does not operate at less than £1 a week. It cannot generate cheques for less than £1 a week, so I am not even going to get that." Eventually she says she had an argument with them, and said: "But, hang on, 84 pence a week does not sound much to you, but over the year that is half my rates bill and that would be very handy when my rates, which they just have, have landed on my doorstep." So even 84 pence a week, sounds like nothing until you are living at that sort of level and all of a sudden it counts, it is half your rates bill and that is significant. So, 12 pence a week, 20 pence a week, it adds up, times 40 hours a week, times 52 weeks of the year, *et cetera*, it is significant. It does make a difference. So that is why it is important. Not only that, but if we are really committed to the political aim of supporting those at the bottom, in the lowest quintile, then now is the time to do it. Now is the time to stick by those low paid workers and show that we have some resolution and that we will support them and we will not let the minimum wage slip ever downwards to become worth less than it currently is. An examination of the figures will show that the Employment Forum's figures do exactly that. If, for example, you take the average earnings index over the past 5 years that we have had the minimum wage, it has risen by 22.3 per cent. If we were to accept the Employment Forum's assessment of only a 2 per cent rise this time, then over those 5 years the minimum wage will have risen by only 22 per cent. That 0.3 per cent, again, sounds like something insignificant but we are letting the minimum wage slip, relative to everybody else's earnings and that is what we set out to protect. If you were to examine Deputy Pitman's proposal in total compared to 22.3 per cent, he says: "Lift it a bit", and his rise would mean that over the 5 years it was around 25 per cent, so it has made a little bit of gain, and it is only a little bit of gain, towards raising the level of minimum wage. That is for the numbers. Now, what else have we got in there? We have got statements which are repeated, indeed, in the comments of the Minister for Social Security and are absolute apposite and, I think, should form the basis of this debate. It says, for example in the Employment Forum's report, the Forum noted that the respondents, those people who were surveyed, did not oppose a realistic or minimal increase in minimum wage but did oppose a significant increase in the minimum wage. Well, we are having

the argument today as to what constitutes a significant rise. I would suggest that 20 pence - my figure - is not that significant a rise, in fact what it does is maintain the relative value of the minimum wage, where it should be. The Employment Forum also said the following: "Most of the employers who responded reported a slight or significant decrease in profits and prices. In some hospitality and tourism businesses, employee's basic working hours appear to have been reduced. Overtime has been banned and there is some evidence that the end of season bonuses have been discontinued." So, one of the markets for the minimum wage, the user of the minimum wage, tourism, have already cut, effectively, wages in different ways causing, I would argue, hardship at the bottom end. The Forum notes that such changes in terms and conditions will have impacted already on lower-end earners, who may be more reliant on bonuses and overtime as a significant part of their overall employment package. An anonymous respondent noted the effects of the rising costs in terms of the effect on low paid employees: "The majority of employers I work with have frozen pay in 2008/9 and are not paying cost of living increases unless contractually obliged to do so. This is a double hit on many low income families who are coping with the burden of increased costs and no wage increase to offset them." That is the impact. Then they go on to say, a quote, and they have used it and the Minister, himself, uses it. I think it is entirely appropriate, and is an argument for voting for my amendment, or my proposition. J.A.C.S. (Jersey Advisory and Conciliation Services) stated that: "Bearing in mind the minimum wage is intended to be an underpinning wage, rather than what would be regarded in Jersey as a living wage, and the much publicised cost of essentials, food and utilities, *et cetera*, we believe an increase to at least maintain the purchasing power of the minimum wage is essential." That is strong words. An increase to, at least, maintain the purchasing power of the minimum wage is essential and that is J.A.C.S., not a partisan group of employers or employees, because that is who tend to respond, but nonetheless an independent voice saying: "Maintain the power of the minimum wage, it is essential." My proposal does only that. It says, the benchmark last year was 40.5 per cent; 40.5 per cent is appropriately exactly what we should do this year and it means the minimum wage should be £6.28. Coincidentally, that corresponds to a 3.3 per cent rise in the minimum wage and, low and behold, that is the average earnings index for last year for the private sector, average rises were 3.3 per cent. So it exactly mirrors what is happening in the market. That is what average earnings went up by and it also marks that 40.5 per cent mark set by the Employment Forum for this is where the minimum should be set. It is an increase of 20 pence per week. In real terms, in comparative terms, all it does is hold the position. It does not advance. It does not retreat. It holds the position we established last year and that is all I am asking for. Now, we will see an amendment that says we should do more than that and we will see another proposition that says we should do less than that. I believe my way forward is the proper way forward to maintain our political commitment to looking after our least well paid workers on the Island and I will finish, if I can find it, with a little quote from the fiscal stimulus plan which suggests that the most effective way of supporting the economy is to get money to our least well-off, and I cannot find the quote so I will not quote it literally. Nonetheless, I think Members will be aware that it does say the best way to inject money into the economy is at the low paid end, and that is what I am proposing. I maintain the proposition and I will stop speaking now and wait for the amendment.

The Deputy Bailiff:

The proposition is made, is it seconded? [**Seconded**]

2.2 Minimum Wage: revised hourly rate from 1st April 2010 (P.14/2010) – amendment (P.14/2010 Amd.)

The Deputy Bailiff:

Now there is an amendment in the name of Deputy Trevor Pitman and I ask the Greffier to read the amendment.

The Greffier of the States:

Page 2, for the figure £6.28, substitute the figure £6.36.

2.2.1 Deputy T.M. Pitman of St. Helier:

I guess it was always going to be a case of mentally putting a line through all the paragraphs that Deputy Southern has already touched upon in his opening speech so it is no surprise to inform the Assembly that he has not disappointed me. Indeed, possibly, this now offers me the option of adopting the response. I saw from a very, very nervous election candidate at St. Helier hustings, back in 2005, and Deputy Southern will remember this, i.e. simply blurting out: "What he said", and sitting down as happened but I will not do that, of course. I do believe there are a few points to make. Although I have to be quite clear, I do agree - 8 pence aside - with almost everything Deputy Southern has said. I am more than willing to go over the same figures and statistics, but I am sure Members do not want me to do that, and I am happy not to do that, Deputy Le Hérisier, as long as I am not taken to task for not doing so and that does mean I can probably say what I want to in the next 10-12 minutes. So I would like to take a slightly different approach and to begin with I thought I might quote the owner of a long established local St. Helier business. Indeed, the first person I met, as chance would have it, having been interviewed on the BBC last week, for far from what I have to describe as a somewhat scratched record of the Chamber of Commerce, his first words: "I guess you are right at the end of the day and I agree with you, it is all about treating people with respect for the job they do by giving them a reasonable decent wage." That, in essence, I suggest is the real key to the amendment, a reasonable decent wage. A place that I would suggest to the Assembly that we would be edging slowly towards, i.e. 41 per cent of Jersey's average weekly earnings £6.36 an hour. If only the Employment Forum had not retreated from their recognised course of the need to work our way, incrementally, as Deputy Southern has said, towards the ultimate objective of 45per cent. Now, I ultimately think we should be working towards 50 per cent, but that is a debate for another day. In 2010, 41 per cent, in my view, is the right figure if we are to protect those at the bottom end of the job market. For once, shock horror, and I am getting worried because I am going to have to use the term again, Deputy Southern is being a bit too conservative. The Minister has proposed £6.20 and there is no way of getting away from this, however nicely one dresses up the words, it is a backward step from progressing to what, must surely - surely - be our goal of having a society where work is adequately attractive and where people are ultimately enabled to stand on their own 2 feet. £6.28 is an improvement, in my view; not enough of an improvement. What I am proposing would be no more than a small, but important step, I suggest, towards that goal. A goal that ultimately, I would suggest should be already a lot nearer £6.70 but again a debate for another time.

[16:15]

Rather than a society where it continues, year after year, that other taxpayers have to, effectively, prop such low earners up, rather than a society where due to the wage that is, in reality - and we have to be honest - an existence wage as opposed to a living one. We store up problems, social and cost-wise for ourselves by forcing parents to take the cheap unhealthy option of feeding the kids on stodgy unnutritional £19.90 pizza junk food. Those foods, that we all know, they should not be eating for their long term health; nutritious someone said. A reasonable, decent wage and let us hang on to those words. Interesting thoughts in themselves, but particularly so when considering the shop owner's other thoughts and I know we do not do names, I know we do not do names in this Chamber, some do not from the earlier debate, but I am happy to tell any Member later who the individual who I spoke to was. The Chief Minister might know him, I think, because I am told he even nips in and asks for a little bit of discount. There we go. There is no harm in asking as my mum always used to tell me. But the real problems, the proprietor said, before people get up to argue, and I know they will, and that is what we are here for. They are not staff costs. A fact interestingly echoed with the information from the Employment Forum, and selectively used within the comments from the Minister for Social Security, they are not the real problem at all. For many

employers recognise the value and resulting incentive, not to mention loyalty, in paying staff a little bit more, do not use the minimum wage, even though they could. No, this proprietor said. It was really the fact that in his view the Island had been mismanaged financially by governments - by us - for the last decade or 2. I guess we have all got to take some responsibility here, even those of us who are fairly new. He highlighted the fact that he said small businesses were hit, again and again, not just with the likes of G.S.T. (Goods and Services Tax) and what he described as a Zero/Ten fiasco, regulatory problems and the failure, in his view, to adequately invest, to hold on to, and build upon what we once had to make the Island, and its shops, *et cetera*, attractive to people. But, again, wider issues for future debate, I accept that. Just like the issue of supplementation, which I have to say I would love to stray on to here, but we will not. But the Minister for Treasury and Resources has assured us that he will be looking at this one in the very near future. He is not here now but I am happy to take him at his word. The reality of the minimum wage is not the be all and end all, as some would make it for businesses. It is time we really started considering the workers who were paid that low wage, was echoed by both a nightclub owner, I think that is what they are still called - I do not get out much since I have become a politician - a nightclub, a disco owner. He did not pay minimum wages, he said; I have no reason to question him. A further small business owner who was an old acquaintance of mine, they have had to cut their cloth in these difficult times as most have but he still could see the importance of paying people that reasonable decent wage. Yet we read the open letter from the Farmers Union, that we all received, and we are asked to believe that we should be sticking at just £6.08 per hour because, we are told, our high finance sector wages skewer the necessary basic minimum wage falsely. Then when I read the documents I could not believe my eyes, because we were asked to swallow that upping the minimum wage will put at risk, wait for it; a law firm. A law firm, an industry where the norm is almost to make bigger profits than many developing countries. I really find that incredulous. It is impossible to swallow and I have to say, I know there is the saying that we have lies, damned lies and statistics. I do not use that reference here with intended defence but you do have to ask who is kidding who? Whose interests are we protecting? It smacks of, who else? Indeed, in that same vein I flag up the question, when you hear such comment passed off as fact it is also really surprising that some of us, increasingly, take some of the views expressed by the Chamber of Commerce, Institute of Directors, *et cetera*, with a pinch of salt, because people will, after all, all too often look after their own interests first. What about, and I am not sure if Deputy Southern touched on this, our responsibility as Government, the political responsibility to look after those at the bottom. But, if I am asking too much, possibly to bring my scales to find favour of the bottom end of the market, an employee, in what is a very expensive island, then the Assembly must surely equally conclude that some of our business leaders are again attempting to tip the scales too far in favour of themselves at the painful expense of employees. That is the reality. The result of that, if that is the way the Assembly thinks, is clearly to go with my conservative colleague, Deputy Southern, but I can say it is I who have the balance right, a decent reasonable wage in an expensive island. It is, surely, time that Government took that political responsibility to look after those at the bottom. Am I being extreme in this view? It may be that some think I am. I do not. Why? I even received an email from one of the Island's leading free-marketers, hard core capitalist, who usually opposes my every utterance as being Hugo Chavez in disguise. A gentleman, I can probably give his initials, everyone will know who I mean, because I would wager we have all had emails from him, as politicians. He is wishing me luck in today's debate, supporting this view that we must move forward in the way I propose. In the way the Employment Forum had recognised was necessary and I will just quote, very briefly from it: "As a believer in free markets I was against the minimum wage until I realised that in the age of social security what the employer does not provide in adequate [remember that word] wages, the taxpayer has to pick up in the form of low income support social housing. If we wish to reduce social security costs then the employer should provide a wage that takes employees out of low income support. That is where we should be striving, not taking backward steps." So, there we are. From that perspective... a perspective I accept is completely different to mine in many ways. A hand-up, not a handout, he was echoing my views. I

repeat again, it is not the time to listen to the siren call of impending apocalypse of those who would put self-interest... A minimum wage proposal, in reality, would do no more than keep us treading water along the way to a minimum wage that can begin to make a difference. In the long term continue saving us money, enhancing quality of life, as I have said, by people buying the right food. Be brave, go with this amendment, this is about a step towards living, set against mere existence. It is about incentive against apathy. It is about enabling against excuses borne of self-interest. The Employment Forum's original target of 41 per cent is where we should be, in my view, nothing more, nothing less, 16 shiny pennies more than what the Minister wants to set the rate at. Indeed, as one anonymous member of the public wrote sarcastically on one of the media online facilities, "yippeekayay", I am not sure what that means. I think it is a western term. Those at the bottom of the employment ladder will really be dancing in the streets if this goes through, an opinion echoed by another who wrote: "I earn twice this amount per hour and I can barely live", that is the reality of what I am proposing. But to close, I did think that I would look for inspiration from some of the great political speeches and politicians in history to hammer home this point. Many might have gone for Mrs. Thatcher - my good friend - her deeply moving: "Where there is despair may we bring hope." I consider a bit of Obama, perhaps in a call for a "can do" government. I even considered Castro's: "History will absolve me", but I thought that might give the wrong impression. Instead I want to make my point about why we should go for this amendment with a perhaps less known but equally great political speech, and I am talking of course, of Deputy J.A.N. Le Fondré's G.S.T. speech about his biscuits and his marshmallows. I have got my props. I do not know if I can do a commercial now, can I?

The Deputy Bailiff:

No, you may not.

Deputy T.M. Pitman:

Here is the inspiration in physical form of what that 16 pence per hour would actually buy that worker, at the very bottom of the employment ladder, for his or her child. Not even Deputy Le Fondré's luxuries, perhaps, of biscuits and marshmallows that might bring our financially stretched law firms to collapse, no, just a bottle a day of good quality fresh juice, a bag of apples. That is it. That is reality, Armageddon is about to descend on us. This is what I am talking of, what we can do for just 16 pence more than what the Minister is proposing. Deputy Southern has made a good point, he had made a good speech, however I would argue that the extra 8 pence I am asking for would make all the difference and with that I thank everyone for listening and make the amendment.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]** I call on the Minister for Social Security.

2.2.2 Deputy I.J. Gorst of St. Clement:

The original report to the States on minimum wage legislation was P.227 in 1998. It was debated by the States and approved in March 1999. It was based on research carried out during 1997 and it provided for the introduction of a minimum wage and a trainee wage and the establishing of an independent body which we now know as the Employment Forum, which would act as a consultative body to monitor the economic impact of the minimum wage and to make recommendations to the then Employment and Social Security Committee. Those recommendations are now made to me, as Minister for Social Security. That independent's body's work, upon which their recommendations is based this year, involved 6 months of public consultation, together with a public workshop and 3 different types of questionnaires. What did they find? Well, on the economic front, the Forum has noted the following facts; that growth in 2009 was slower than in previous years and slower than anticipated. Total employment in the Island had decreased and there were and are an increasing number of redundancies and

insolvencies. They also noted that there was no evidence of a rapid recovery during 2010. They found that the need for caution was strongly reflected in the employer responses during consultation. There was, in fact, a significant increase in appeals from employers, and employer associations, to freeze the minimum wage. They received evidence that employers have reduced employee's basic working hours, as well as banning overtime and discontinuing end of season bonuses, as Deputy Southern pointed to in his earlier speech. We have also, in the recent week, seen similar results from the United Kingdom where there has been an increase in under-employment, a state where people are not employed to the level to which they would like to be. Strong facts, strong evidence that these industries are already hanging on by a shoestring. The Forum received very strong concerns from employers, much more so than in any previous review about the risk of damaging business to the point where further redundancies must be made in retail, hospitality, agriculture and other industries. The majority of employers across all industries, represented in the consultation, stated that they were in favour of either freezing the minimum wage or applying only a minimal increase. For the first time the Forum was obliged to consider whether there should be an increase at all. This option appeared justifiable to the Forum, given that during the period of the Forum's review, the Isle of Man had decided not to increase their minimum wage in October, as in previous years.

[16:30]

With evidence of pay freezes in businesses across all sectors, any increase in minimum wage, could have a knock-on effect on other areas of the business where people are not receiving pay increases. Having said all that the Forum did, and has, recommended a 2 per cent increase having balanced the concerns of employers against the need for an increase in wages in view of the rises in the cost of food and other services. I was surprised that the Forum had decided to recommend an increase based on 40 per cent of average weekly earnings until I appreciated the facts behind their decision. I have subsequently met with Employment Forum members and am convinced that we as an Assembly should not disregard the work that they have undertaken on our behalf. Finally, I would add a comment about timing; I approved the Forum's recommendation on 3rd November 2009. The timing of the consultation and the recommendation are planned to allow sufficient time for employers to prepare for new minimum wage rates. This period of notice continues to be essential for financial forecasting and business planning purposes, particularly in the hospitality industry; 5 weeks is simply not enough notice to enable employers to plan for this proposed minimum wage increase. I am afraid that today we are faced with 2 choices: we can accept the proposition, amended or not, these are based upon theoretical aspirations for which no evidence has been presented and which risk increasing unemployment in this difficult economic time; or we accept the Forum's recommendations which have been provided by an independent employee and employer body who have consulted and gathered evidence for 6 months. I will, therefore, finish with a direct quote from their recommendation: "The Forum believes that unless an increase is applied with great caution, on this occasion the Forum would risk damaging jobs in retail, hospitality, agriculture and possibly other industries. The Forum, therefore, recommends a 2 per cent increase, giving a minimum wage rate of £6.20. The Forum is aware that this is less than the increase in R.P.I.X. (Retail Price Index excluding mortgage repayments), however, considers that this caution is essential to protect jobs at this time. In the Forum's view the greatest concern in this year's review is to avoid triggering redundancies." I, therefore, ask that Members reject this amendment and, of course, in due time I shall ask them to reject the proposition as well.

2.2.3 Deputy J.M. Maçon of St. Saviour:

There are a few points that I wish to raise, the first being that in Jersey to live reasonably the minimum wage is not enough. However, at the moment businesses are struggling to cover basic costs. I fear that if we increase the minimum wage we will only make it more difficult; we will only make more Islanders redundant and force them on to the State. Raising the minimum wage

will not help businesses who are slowly being unable to pay the extortionate rents, which is a huge problem that many businesses are facing, rising costs of fuel, and everything else. If we were in better economic times then perhaps I could easily support Deputies Southern or Pitman; at the moment I am even struggling to support the Minister. Businesses will never want to increase base costs, of course, we all recognise that but we as a government have a duty to do what we can to increase the quality of life for Islanders. I have met many people who are desperately looking for work. If we increase the minimum wage at too fast a rate we risk keeping people unemployed. I do note the hard work that Deputy Pitman and Deputy Southern have put into their amendments to the minimum wage but at the moment we have to keep businesses ticking over. I agree that the minimum wage does need to be increased because it is not enough to live in Jersey reasonably; however, I find it difficult to do in a recession. I did have a further point but I think I will wait for when we have the proposition by the Minister.

2.2.4 Deputy A.K.F. Green of St. Helier:

I intend to speak only once and what I am going to say will cover P.211, P.14 and the amendment. "A matter of social good" says Deputy Southern. If we accept P.14 or this amendment it will result in loss of employment opportunities, of that there is no doubt; a loss of employment opportunities for the less skilled, the less well off, the less capable. Once these people become unemployed - and the Minister for Social Security could probably tell you far better than me - they will remain unemployed. It will be very difficult in a market where there are people fighting for jobs for them to get back into work. I just ask where the social good is in that. Many small companies are struggling and I mean struggling to make ends meet. Many employers, many businessmen are not drawing salaries themselves, they are putting capital back into the small businesses to keep them afloat and if we significantly increase the wages bill then jobs will be lost. If we take the amendment, a business with 10 employees on the minimum wage will see an increase of about £5,000 a year and that could well be the straw that breaks the camel's back. I am not anti-minimum wage at all, in fact, I think we need, when the time is right - as Deputy Maçon has said - to look at increasing it. When the minimum wage was first introduced - and this is a true story - to keep within the employer's budget my son's employers reduced all the staff's - because they were all on minimum wage - working week by one day. Okay, people might pat themselves on the back and say: "Well, he took home the same money." He did, he took home the same money for 4 days a week as 5. They also reduced the number of employees that they were going to offer employment to. How did that really help him? How did that help his carers, because he is a boy with special needs and there are many like him, and how did that help others whose youngsters could not find employment? It did not. In reality, when margins are tight jobs go. Deputies Southern and Pitman have to ask themselves why has overtime been cut and why have bonuses been dropped? To protect jobs, that is why. As much as I would like to see the minimum wage increase, I will not be a part in reducing employment opportunities, particularly reducing employment opportunities for the most vulnerable on the Island.

2.2.5 Senator P.F. Routier:

Members may recall that in my time as President of Social Security and Minister the minimum wage legislation was brought forward, and at that time it was felt that it was vitally important that we had a body to advise us, which is the Employment Forum, just so that the issue of minimum wage did not become a political football, which it could very easily become. To remind Members about the makeup of the Employment Forum, they are a cross-section of the community and you will see their names in the proposition of the Minister on page 5 of P.211. There are union members, there are employees, there are employers and there are independent people there and they have considered all the aspects with regard to their recommendation in setting the minimum wage. I know from experience that they take this job very, very seriously and they do it in a very thorough way and they start out this process 6 months before they make their recommendation. They talk to people and then they make the recommendation. It is vitally important that that process does take

place and in order to enable the community to be ready to adjust to their recommendation. I have to say that the prospect of the proposition of Deputy Southern and the amendment of Deputy Trevor Pitman being agreed today and expected to be implemented by 1st April is a farce. It would be totally impractical because the employers - for instance, the people in the tourism industry who set the hotel rates for this coming season - published those months ago on the basis that the minimum wage was going to be accepted as what the Employment Forum has put forward. It is a matter of fact the reason the Employment Forum were established and to go through all their process and to make a very early indication to the business community is so that they are able to plan for the future in an orderly manner. I would suggest to those people who would wish to alter the recommendation and to influence the level of the minimum wage, they should become involved in the consultation in the year prior to the minimum wage coming into place. To my mind, it is too late now for them trying to affect the minimum wage for this year. It would be totally unreasonable for the business community. It was Deputy Green who made the point very ably about the way that employers react to the minimum wage and how they have to deal with their overall wage bill. If we go ahead and put up the minimum wage to a level which they find difficult to control their overall wage bill they will adjust the working hours of the employees quite easily. They can just take an hour off the working week and their wage bill remains the same and the person who is the employee financially is not going to be any better off. So, it is not really something to take into consideration. I would suggest to Members that if they have any desire to support either this proposition or the amendment that they consider what the proposition is and that is to request the Minister for Social Security, having sought the views of the Employment Forum as required, to make an Order to raise it to these new levels. Well, that process is going to take some time and, as I said in my earlier remarks, I would expect that the Minister would give good notice to the employees that a new rate was going to be set over and above that that has already been announced. I do not think we would do the employees any favours if we were to agree to either this proposition or amendment because I would expect the Minister to give a good period of notice to the employees so they would not receive the benefit of the higher rate immediately on 1st April. So I implore Members to reject this amendment and also the proposition of Deputy Southern as well.

Deputy G.P. Southern:

May I ask a point of clarification of the ex Minister? You are talking about it is too late to amend anything now. Was it not the case that one particular year - I do not know if it was last year or the year before - the minimum wage legislation was lodged late, I believe it was January, and was not debated until the middle of February, or the end of February, as we are now? Was that not the case in one particular year and yet we managed?

[16:45]

Senator P.F. Routier:

The passing of the legislation through the House was just to deal with the offsets because, as you know, that was nothing to do with the minimum wage level that we are debating, what the Minister brings forward, but it had been announced by the Employment Forum well in advance of that.

Deputy G.P. Southern:

But, nonetheless, we agreed it late, as late as I think we are now.

The Deputy Bailiff:

We are getting past the point of clarification.

Deputy I.J. Gorst:

These are points that I will be intending to answer when we get to the main proposition because they were raised by the proposer of this proposition. I mean, I can answer them now if that is helpful but it does not seem appropriate to me.

2.2.6 Deputy J.B. Fox of St. Helier:

When the establishment of the Employment Forum was first mooted I was highly delighted because at least when you have a forum that is independent, that is multi-representative of both employers, employees and, in a broader sense, of the Island's industry and business, you get the best opportunity of finding out what is the minimum that is being asked for and what is being representative. Everybody, I think, would agree with both the proposition and amendment that it would be nice to have it on a higher level. But the thing that concerns me, in particular, is I do not just hear or see things - as a district Deputy or someone who lives in St. Helier - of people who are on a minimum wage and people who are on income support, I am hearing all the time of other people who are losing their jobs as well. We have heard about them in the States in the last 12 months from Woolworths to the Water Company to Telecom to *et cetera*. Now these people might be on minimum wage but when they suddenly lose their jobs they are on minimum wage or no wage at all and it affects not only their lives but everybody else's lives. Today I have heard, I will not name the financial institution, but 36 people are losing their jobs, 200 of them have been on notice that they could lose their jobs. You cannot say that they are going to be on minimum wage but 36 people today could be on no wage, minimum wage, or very little opportunities. This week States Members have heard of a person who was made redundant recently who is setting up his own little enterprise, which we all welcome. I think that the Minister for Economic Development referred to several hundred new enterprises that have been started up this year. In these recessionary times that is fantastic. But what we must not do is make these initiatives into failures by putting up a requirement that makes a thing no longer viable so people close down again. I think at this particular time that we should stick to that which is proposed in which a lot of consultation is gone through. I would urge the 2 Deputies that have been putting up the amendments to continue to be involved for future years when things are improving where we might be able to hopefully improve the minimum wage to a level that will support them. I concur that it might take some people off the welfare state which nobody wants to be on anyway. But I think this is not a good year to do things at this moment in time.

2.2.7 Senator B.E. Shenton:

This is more of an observation. We only have one political party in the Chamber and one of the main advantages of political parties is that they can be quite clear on their policies when they come forward to the public. Here we have 2 minimum wage policies by the same party. I would just like to ask either Deputy Southern or Deputy Pitman which is, in fact, the official J.D.A. (Jersey Democratic Alliance) policy on the minimum wage or do they have an official policy on the minimum wage and is this how they envisage party politics to be run?

2.2.8 Senator A. Breckon:

Just a few words, when you break this down to the numbers what this amendment proposes comes down to about £6 more than what the Minister is proposing. Again, if you break it down on a 40-hour week and take away social security, if this amendment was proposed you are talking about somebody taking home just over £241. The difference between Deputy Southern's and this is about £3.20. Deputy Pitman has demonstrated with a few groceries in a bag how little you get for that money. You know, if you think of a litre of milk, a loaf of bread you probably will not earn enough to put the butter to put on it for £3.20, that is the sad fact, I am afraid. With probably buses, diets, push bikes and, dare I say, minimum pay, it is maybe a good thing for other people to be on but certainly not us. I think there is a view outside the House that says that. The reality is that people have to live on this and Members should maybe be asked this question, if you had just over £240 on a Friday night and you were going home to a family as the breadwinner - and it would be basic breadwinning - what do you do with it? What could you do? When you come to pay rent if you look at the rent for a 3-bedroom house you probably would not have enough out of that to pay the rent. The reason I say that is that low pay and no pay is subsidised by us, that is who subsidises it. Perhaps we are doing a little bit and we are doing it very late, yes, because when you look

factually at what this involves it is virtually impossible for anybody to live on this money, what we are talking about. If you then start factoring-in basic living thresholds, what people need to exist, whether as individuals or as a family, then, okay, we support that through an income support system but then if this does get moved up that little bit more then we are getting some equilibrium. I have looked and I cannot see the figures, I am not sure how many workers get the minimum wage. In here is mentioned tourism and agriculture but again that is perhaps not the factor it was and I would suggest that these figures do not apply to the significant majority of the workforce at all. We are talking about a small percentage and I again would suggest that that percentage are vulnerable, generally non-unionised, not represented and not in a position to negotiate. So then there is the question, who negotiates on their behalf, and I would like to think that the Minister for Social Security and the Employment Forum take due notice of this. Okay, they can receive representations but then that could be, well, a vested interest. If we look where we started from on some of this and some of the issues of labour coming to the Island there is a history of bringing cheap labour to the Island, to work in agriculture and to work in tourism - there is a history of that - in an unregulated way. Some of it was good and some of it was not so good. Either way, for those reasons I can support that because what we are talking about in Deputy Pitman's amendment is just over £6.40 a week before deductions, giving the take home pay of £241. Senator Shenton yesterday in an answer to a written question on the minimum rates that we pay... and the question was: "What is the lowest wage paid on a per hour basis in the Jersey public sector? What other benefits, if any, does this role include and what is the estimate value of these benefits?" The hourly rate given by the Chief Minister in response to that was £8.56, which gives a wage of ... it is not 40 hours but if we use the same comparison it is about £80 more than Deputy Pitman's figure and with that in the public sector is a package of benefits that I would say are not there in many areas of agriculture and tourism. Some of this is seasonal, it is short term, if we think of the potato season and things like that for digging and planting and things, these people would not qualify, I would suggest, for that package of benefits. So, again, we are talking about a significant difference and I think really if we do not do this today then sometime in the future we have to get real about this because low pay and no pay ... if people have problems where they cannot work then I do not have a problem supporting that but if people are on very low pay then perhaps we could do a little bit more. I think both the proposal and the amendment do that and I would ask Members to bear that in mind when they vote on whichever.

2.2.9 Deputy D.J. De Sousa of St. Helier:

I am happy to follow the last speaker. We seem to be here blaming the wage amount on everything but it is the recession that has caused job losses, it is the recession that has caused problems with pay freezes and the rest of it, it is not the set minimum wage. The minimum wage was set last year and that is that. I said to my colleague on the phone on the weekend I would go so far as to say neither of you have set it high enough. It is still not enough to live in Jersey. So there you go, 3 J.D.A. all different. But, being honest, it is not a fit wage to live in Jersey. Accommodation is extremely high. There is a small criterion that fits into social housing; most people have to rent privately or buy. We all know the situation with buying - prices are too high, people cannot afford it. Landlords because of the supply and demand can charge what they like. On an ordinary wage farm worker, shop worker, if they are on the very minimum - which most of them are not - it is very difficult to live on. As the last speaker pointed out, we are talking about a small minority that are on this minimum wage, most people do get above that anyway. I think there is a lot of scaremongering going on here and I would have brought an amendment myself but I will not waste the House's time bringing something I know damn well would not get through. So, I am backing my ...

The Deputy Bailiff:

I think "damn well" is not a parliamentary term ...

Deputy D.J. De Sousa:

I apologise, I am getting a bit passionate here - "blooming". So I will back my colleagues in whichever of the amendments get through. I will be voting for this one and if it does not get through I will be voting for Deputy Southern's and if that does not get through I will back the Minister because we do need a minimum wage to protect these workers.

2.2.10 Deputy G.P. Southern:

Just a point of clarification to Senator Shenton, there is no dispute among the J.D.A., the policy might be summed by: "maintain and improve the minimum wage at all costs." He may notice that last year I made no attempt to amend the minimum wage, not only because it is damned difficult because it is an Order ...

The Deputy Bailiff:

Deputy, if I may say so ...

Deputy G.P. Southern:

I cannot say that ... not because it is very difficult because it is on an Order, which we will get to at another time, but I did not oppose the minimum wage as proposed by the Employment Forum and then backed up by the Minister at that time. Why? Because they had settled on a formula and that formula, they told me, was going to slowly and gradually raise from 40 per cent to 45 per cent over a number of years to establish at last a valid and valuable minimum wage which set a standard and that year they put the first tweak on it of half of 1 per cent, one-tenth of the way of what the plan was, which was backed by this House to do that because of our political will to help those on a minimum wage and to establish a viable minimum wage. So I did not oppose that because at last they had a plan.

[17:00]

I could see where they were going and I agreed wholeheartedly with it. Now, both the amendment and my proposition are following that plan. It is not inconsistent, it is totally consistent and, I believe, a valid thing to do even in the light of a recession. It is interesting to note that in those terms the Minister, in speaking on this particular amendment, said that it is interesting to note the Isle of Man have frozen their minimum wage. So I had a quick look in the Employment Forum's document, page 8. Well, that is no great deal because they are already at 42 per cent of their average wage. So, they have hit this mark that everybody seems to be trying to do, they have hit 3 notches up from where we are and we are taking a rung down on the ladder of what represents a decent relative minimum wage. Then I looked upwards on that page and looked at a comparison with the U.K. and lo and behold it says the U.K.'s minimum wage has increased over the past 10 years by 61 per cent compared to 52 per cent growth in average earnings and 35 per cent increase in R.P.I. over that same period. So they are doing the business in making sure that their minimum wage is slowly ratcheted-up to establish a decent minimum wage and that is what we need to do. They are at the point of 48 per cent of the median or average wage in the U.K. So that is the way forward and that is why we are united in coming forward with "let us stick to the plan". Even in times of recession, that is what it is about. Is there anything I want to say particularly on this one? No, I will sit and hold my fire until we get round to mine.

2.2.11 Deputy M. Tadier of St. Brelade:

Obviously, just to clarify in my own mind, here we are not talking about whether or not a minimum wage is desirable, I think we all have to start from the perspective that a minimum wage is necessary. So, what we are debating here is whether it should be £6.08 which would be 8 pence higher than that, or another 8 pence higher, yes? I think that is where we are coming from. The reason I say that is because, of course, there will be some employers - if not States Members - who would favour no minimum wage at all just to let purely the market dictate. But that is not where we

are; we start from a different starting point to that. What I would like to examine is this whole concept of well, “trickle-down” is what we have been taught in the past that in good times it is good for capitalists to make money, or anyone to make money through being enterprising at work and the money will eventually drip down, even though that has largely been discredited in other places which are not Jersey. But I would like to talk about this whole concept of “trickle-up”. I would say that simply because we are in a recession is not a reason not to propose a higher minimum wage as the 2 Deputies are doing. In fact, that is a very good reason to propose a bigger increase in the minimum wage because during a recession we know that it is the best time to try and close the gap between the very poor in society and the medium and the wealthier. We do know that the Employment Forum have set themselves a task of reaching 45 per cent of the median wage, I think it is within a 5-year period. I know last year they made the first step towards that and it seems that progress has been either stilted or gone back. So, in fact, we are not really making any progress towards this 45 per cent. What I would be arguing that we should be doing at the moment is making as much progress towards that 45 per cent as we can now because this is when it will have the least impact and it will close the gap while inflation is relatively low. Senator Routier earlier - I was listening outside the Chamber - mentioned the fact that it might affect jobs, there will be job cuts, potentially, through this. I think that is a red herring and I will pick up on one of his points in particular when he said that simply businesses can cut hours down. So, if the minimum wage is by 8 pence or 16 pence, presumably that is going to break the camel’s back, so to speak. It might do but I think it is unlikely they will be forced to cut the hours, I think this is simply another red herring. A shop which is open from 9.00 a.m. to 5.00 p.m. needs staff to be working from 9.00 a.m. to 5.00 p.m. They cannot simply cut hours; they still need staff to maintain the shop. They could shut the shop for an hour but then they will be losing business. Most businesses, I would contend, have a finite but also a defined opening-hours window and they need the staff to fill it. So, I think that is completely a red herring. But there is also the other idea that, in fact, if businesses ... and I will interject here with an anecdote. I have been in correspondence with the Chamber of Commerce, it may not surprise you, and I am sure that there are some of them listening today and I am probably endearing myself to them even more, not just with Liberation Date propositions. Nonetheless, I sent an email because I genuinely wanted to find out what their opinion was on the minimum wage. I got one response back but no responses, interestingly, to my question as to who actually pays the minimum wage. Now, the Chamber of Commerce, as you know, represents a whole variety of the business sector, not just shops in town, it also represents people in tourism and people who are involved in hospitality and farming. I did not get one single response back from anyone. The reason I say this is because during the time of the minimum wage debate traditionally businesses are always up in arms saying: “If you do this we are going to have to lay-off people.” But if you want to find out who employs people at the minimum wage, who are the people that are going to be affected and have to lay people off, nobody comes forward. There is a stony silence, which means to me that either nobody wants to admit that they pay the minimum wage, which is probably true because there would be a stigma attached to that, or also it could be interpreted that in fact not many people in Jersey do pay the minimum wage, at which point if that is correct then why do we not increase it anyway? I think they were deafening by their silence. I think this whole idea that suddenly Jersey is going to collapse if we do increase it by 8 pence or 16 pence and this is what we are debating here really. I mean, States Members, I am sure... we are not too badly off; we will go out for lunches, we will go out for coffee and quite happily pay £1.50 for our frappuccinos or our cappuccinos or whatever our particular tipple happens to be. Mine is probably ... I am partial to a little bit of Earl Grey not being a coffee drinker, although I try not to mix it with Ceylon or any other types of tea. But back to the point, we can put out these bits of money, you know, a couple of quid here, £5, £10, £20 for lunch here and there, but we are debating about withholding 8 pence and 16 pence. Now, I remember at the time of the elections and also the time when we had the Strategic Plan, we were talking about hand-ups, not handouts. So what are we doing here? We need to have, I think, a minimum wage which is also a living wage. There is no point in having a minimum wage if it does not, at least, aspire towards a living wage and I think

that is what we need to be doing here, aiming for the 45 per cent. We need to be making progress now. We certainly should not be holding off during a recession, this is exactly the time to do it and 45 per cent, let us face it, is a fairly modest target; 45 per cent of the median wage. In other countries it may be 50 per cent or 60 per cent but Jersey, we are going for 45 per cent, it is fairly modest but let us at least try and get there. I really think that is all I have to say. I would offer up questions about who does work for the minimum wage and is it mainly imported labour, therefore, that is a consideration. If it is only people from inside Europe but outside Jersey who are being affected that is still important that we pay them a decent wage to live on but these people are not likely to be claiming income support themselves if they have not been here for 5 years. So that is a consideration. I just throw that into the mix; I am not sure what the conclusion is of that particular scenario. But what I do know is that there is a swathe of people in Jersey - Jersey-born workers - who cannot find employment and it is very difficult for them to get into the market whether there is a minimum wage or not. I would encourage Members what we do need to be doing here let us vote for the additional 16 pence, let us help people to get on their own feet. Deputy Maçon said earlier that he was not happy with the possibility of facing losses but what we cannot be doing is subsidising people on L.T.I.A. (Long Term Incapacity Allowance) or on income support simply because they are not earning enough because that is a false economy. We need to be paying people a decent amount to give them dignity and self-respect and for the sake of 16 pence I am sure that we can stretch to that and reach our target of 45 per cent within the next few years.

2.2.12 Deputy T.A. Vallois of St. Saviour:

I am not looking forward to voting for this amendment in particular but with regards to Deputy Southern's amendment as well, I would like to make the point that he has made a very good case for the fact that the States have not set out a plan for the way we want it to go forward. I would state that I understand the current situation with regards to the recession and the problems that business face. However, I think we need to put the whole situation into reverse and ask the Minister for Economic Development to start reducing the red tape for businesses. I think we all play a role in that and then businesses will be able to reduce their costs in that way and help the lower paid and help us to improve the lives of the lower paid. I believe we all agreed last year on a strategic policy, on a strategic plan going forward and how government has a key role to play by intervening early to break the cycle of disadvantage. I just would just like people to bear that in mind when they are voting on the propositions.

2.2.13 Deputy D.J.A. Wimberley of St. Mary:

I shall be brief, people will be glad to know. The first point is about the Employment Forum and the former Minister praised them, in fact, the former Minister set it up and I am extremely glad that he did. I remember noticing that, when it was done, and thinking that was a good job. In fact, they have shown themselves a very worthy organisation; their preparatory work is extremely valuable and we have all benefited from it in preparing for this debate. The reason I start by praising their work is that I then want to point out that they did set a goal. Others have mentioned it but it does bear repeating; they set a progression which this House accepted and I think it was the right progression, from 40 to 40.5 to 41 and these amendments are in the spirit of that progression which has been set out by the Employment Forum on the basis of their extensive consultations. So I do not think we should forget that. The reason that that step-wise progression is accepted by us and by all and sundry is that it accords with 2 strategic goals of this Assembly. One is the goal of equality, increasing equality - which is part of our Strategic Plan - and the other is our international personality, which is also mentioned in P.211, the need not to be out of step on issues like this, the need to show ourselves to be a responsible jurisdiction. So that is the overall context. Now, the very important argument against these various increases is the one that it would damage jobs and that really is the crux of the argument. Deputy Maçon mentioned rents and rates and I would add fuel costs. Those items as part of a business' overheads might be considered to have an impact as well as adding £166 to somebody's annual wage bill. But leaving that aside, the matter of other

aspects of business' costs, and I remember asking the Minister for Economic Development about rents in St. Helier and not getting a very satisfactory answer, but that is by the bye. It is a strange proposition, a strange notion that increasing the wage of a worker in a business by £166 in a year would destroy the business' viability. I remember reading a paper that was produced around the introduction of the minimum wage in the U.K. The research showed that it would not damage jobs and, indeed, that was the case when the minimum wage came in and it is, indeed, hard to understand how it would.

[17:15]

In fact, you could argue the reverse, that the reason that jobs go is the demand reduction. Jobs go because there is no one who wants the service or nobody who wants to buy the goods in question. What happens when there is less money circulating in the economy? You get demand reduction. What are these measures to increase the minimum wage? They are measures to increase demand. So, there is logic to say that to put a tiny bit more money in people's pockets, especially the low paid, will immediately generate more demand. It is strange in this context to remember that the Minister for Treasury and Resources, who is not here, has a £44 million pot called the fiscal stimulus package to stimulate the economy. How? By injecting demand into the economy. What are these proposals in front of us? All 3 - 1, 2, 3 - they are all about increasing the amount of money in circulation in the economy by the mechanism of increasing the minimum wage. **[Interruption]** Well, hopefully 41 per cent and then 41.5 per cent in line with the strategic goals to which the Senator is signed-up as a Member of the Council of Ministers. Now, the point that has not perhaps been stressed enough is - of course, one or 2 people have mentioned it - that the States pick up the tab for missing wages, and the sum of £166 per year you have to multiply that by the number of people who are on income support who would miss this sum and then reckon that we, the States, the taxpayer, will pick up that tab. So there is an element of subsidy here. I do not know how great it is but there is an element of subsidy from the taxpayer to the business community. So, we have to bear that in mind as well because we are always being enjoined to control expenditure, to make sure that every penny counts. Now, productivity: one of the mantras of the Minister for Economic Development is productivity, productivity, productivity. It is in every document that he signs, as far as I can see. One of the effects of slightly increasing the amount you pay people is that it puts pressure on you to increase productivity to, in effect, get the money back. I do not believe that increasing the minimum wage by a tiny bit more than is already being suggested by the Minister would destroy jobs but it would have an effect on productivity and that is a good thing and I thought it was part of the Minister for Economic Development's policy. Finally, the R.P.I. The R.P.I.X. figure is 2.8 per cent so I believe that Deputy Southern's proposition is round about that, correct me if I am wrong. But the reason that I will be supporting the higher figure is that food is much more than 2.8 per cent. On the eighth page of the annex to P.211, it is really page 12, we have the Statistics Unit reports - and I am leaving some gaps just to get to the key data - that food prices rose on an annual basis by 13 per cent in both June and September 2008, by 14 per cent in December 2008 and by 9 per cent in March 2009. So it is not 1 per cent, it is not minus 0.4 per cent, it is not 2.8 per cent, 9 per cent is the most recent figure for the increase in the cost of living. Food - food that we all need - the people on these sorts of wages will first think of when they are looking at their budgets and that is all I am going to say and I hope Members support these tiny increases in the wages for our lowest paid.

Deputy J.M. Maçon:

On a point of clarification, I did not want to interrupt the speaker, the last speaker did mention about when the minimum wage was introduced into the U.K. and how it did not affect the amount of jobs that were ... was that in the background whereby they were in an economic boom or in an economic bust because I believe that would make the difference?

The Deputy of St. Mary:

Pass. I am sure it does make a difference. It is a distant memory. I can remember where the pamphlet was in my bedroom at the time but I cannot remember the title, cannot remember the date and it was some time ago, but I do remember the fact.

The Deputy Bailiff:

If you cannot clarify then I think we will move on. I call on Senator Ferguson.

2.2.14 Senator S.C. Ferguson:

I could perhaps help on that. Certainly, as far as Jersey was concerned, the level of the minimum wage - and no doubt I will be corrected if I am incorrect - as I understood it at the time, it was pitched at a level that would not unnecessarily detract from businesses. There was a lot of discussion, consultation, about what the level should be. The Deputy of St. Mary also mentioned demand. Well, I think he perhaps has got the cart before the horse. I mean, businesses are founded to satisfy demand and the businessman takes the risk. His profit is the reward for taking that risk and if the profit is excessive - "excessive" being a strictly subjective term - then other businessmen will also enter the market and the level of profit will be reduced over all the competitors. Deputy Southern - I am sorry he is not here - has used the U.K. as a model. Has he looked at their economy and their unemployment figures recently? I wonder. I do agree with the concept of a minimum wage but, you know, if you push it up too far then you will find wages going up all the way above, if the base level is increased so will every layer above it. I think we have got to remember - and we seem to forget on occasions in this House - that businesses provide jobs and not *vice versa*. It is absolutely no good having a high minimum wage if there are no jobs. It would certainly achieve equality if nobody has a job but I do not think that is quite what we are working on. So, I think we should take the figures given by the Employment Forum, which have been consulted and discussed for the last 6 months and reject these 2 propositions.

2.2.15 Connétable J.M. Refault of St. Peter:

I was just working out the figures from one of the previous speakers, he was putting it forward as £166 per year and that presumed, of course, that this amendment goes through to the proposition. If that does happen it works out at £332 per year, per employee, per business. I just wanted Members to be aware of that.

The Deputy Bailiff:

Does any other Member wish to speak? Then I call upon Deputy Trevor Pitman to reply.

2.2.16 Deputy T.M. Pitman:

I will try and do it in half an hour. I thank everybody for speaking, I mean that most sincerely. If I miss anyone out please do accept my apologies, it has been a long day as we all know. Senator Routier, I think, gave us an answer as to whether or not such things had happened before and agreed that we have had them brought forward in January and probably finalised in similar times that we have got now. So, I would say that perhaps that it is not quite the big stumbling block that it has to be, but I appreciate his point. Deputy Green seemed wholly oblivious to the reality of people still receiving large bonuses - bonuses, indeed, have been discussed in this House such as Telecom - to seeing the figures, wholly supported by so many in this Chamber at a time when other people faced redundancies. It is funny how things slip our minds. Deputy Fox said it would be nice-to-have and he certainly, I think, felt that this is the way he would like to go, although he did not feel we could at present. He did talk about Woolworths which, I have to say, was not an issue brought about by a reasonable minimum wage. He also mentioned, I believe, a gentleman who had recently been made redundant and now trying to set himself up in business. I know that gentleman. He, of course, was made redundant from a company making a £4 million profit so that his job has probably been given to imported labour, quite possibly. Senator Shenton asked about the differing strands of J.D.A. policy. As you heard, it could be 3. I guess that is the difference when you are

just the only member of the Populist Party, you can make up whatever policy and no one disagrees with you. **[Laughter]** Possibly my colleague is a J.D.A. wet but I do not really want to call him that, it could be dangerous. Senator Breckon: he pointed out in fact how little this meant that you could get for your money and it was really good that he clarified for us you are talking about just under £240 a week in Jersey take-home. Which one of us could live on that? I wonder if anyone has. He also pointed out - and I was really grateful for this - that low pay, no pay, as he said, is still subsidised by us and, importantly, this minimum wage and these amendments, proposition, do not even apply to the majority of employees, only what I would suggest we might call "the exploited". Deputy De Sousa said that at the present what was being asked for was not a fit rate and how right she is. She pointed out that she felt there was a lot of scaremongering and when I read the comments, as I have done from the Employment Forum and law firms, squealing, there is no other term to use, I think "scaremongering" is not a term that is out of place. Deputy Southern reminded us that both his proposition and my amendment arose from the retreat by the Employment Forum from their agreed position and it was really useful that he pointed out the U.K.'s figure of 48 per cent and the Isle of Man, I think, of 42 per cent, and slowly incrementally increasing the minimum wage. The position we had agreed to follow but, of course, we stepped back and, as he says, that is why we were here now. Deputy Tadier pointed out how now was the time to take this step while inflation was low. He also talked about the red herring of what he felt had been mentioned about reduced hours. It is particularly useful that the Deputy told how he had contacted the Chamber of Commerce and I know he had done this because I was present when he was doing it. He asked the Chamber of Commerce the question who among them paid their staff minimum wage? A deafening silence is what he received and that comes back to my points that I made in the speech, whose interests are being protected here? Whose interests are being protected? A deafening silence that, you would have to conclude, may be due to a vested interest. Deputy Vallois pointed out rightly, I think, that business needed help by the removal of red tape and I am sure the Deputy will now be tackling rigorously the Employment Law, probably within the next week if she can find an hour from her many groups. The Deputy of St. Mary highlighted how the amendment was within the spirit of the Employment Forum agreed process and he is quite right, of course. He also reminded us how improving and enhancing the quality was something that we have committed to within our Strategic Plan. Well, are we going to fall down at the first test, I wonder? Putting a little more in people's pockets, as he said, would stimulate demand. Senator Ferguson talked of the profit being the businessman's reward for taking the risk and, of course, she is right. I would only question the issue of how big that profit is and I would have to disagree with the Senator that what we are proposing, whether mine falls or Deputy Southern's is accepted, is not a high minimum wage. I have lost one sheet of notes that I had, it has been a long day. What I really, I think, just need to finish on is the fact that there is absolutely no evidence since the advent of the minimum wage there has been any damage to employment, indeed, there has been no real progress made. The A.E.I. (average earnings index) has stayed, I think, 22 per cent, minimum wage 22 per cent. Surely now is that time to take that step forward and bring us to the place where I believe we should be, where the Employment Forum had believed we should be, and yet they have retreated from it.

[17:30]

I come back to my point; we are talking about a decent reasonable wage, not a high wage, a take home of £240 or £239.60 something in your pocket. If I pause it is because I still cannot quite accept that people have such a big problem with that or even to question that. It is a ridiculously low figure in an Island as expensive as ours. We should be progressing towards that 45 per cent figure. I believe we should be going further, however, this is what we have got in front of us, £6.36, an increase of 16 pence per hour on what the Minister is asking. I think it is time we took that initiative as politicians, as Government, and put those at the bottom first. I think we have ducked our role enough, quite frankly. It is always of value to listen to what people have said. I

have asked quite a few people, it is always of value to listen to the Chamber of Commerce, *et cetera*, but you do have to come down to the fact that it us who make the decision. We should not be led by people with such possible vested interests. It is time we thought about making the hand-up, not a handout, a reality and not just in a manifesto pledge. With that, given it is 5.30 p.m., I will call for the appel and I ask the people to not just support me but support people at the bottom end of the ladder, those people who are a small minority and need our support, they need our protection. This does not affect a huge majority of people, let us bear that in mind, it is not going to bring about Armageddon, please support it. I call for the appel.

The Deputy Bailiff:

The appel has been called for. I invite Members who are outside the Chamber to return to the Chamber. The vote is on the amendment of Deputy Trevor Pitman to substitute the figure of £6.36 for the figure £6.28 in Deputy Southern’s proposition. I will ask the Greffier to open the voting.

POUR: 9	CONTRE: 36	ABSTAIN: 0
Senator A. Breckon	Senator T.A. Le Sueur	
Deputy J.A. Martin (H)	Senator P.F. Routier	
Deputy G.P. Southern (H)	Senator P.F.C. Ozouf	
Deputy P.V.F. Le Claire (H)	Senator T.J. Le Main	
Deputy M. Tadier (B)	Senator B.E. Shenton	
Deputy of St. Mary	Senator S.C. Ferguson	
Deputy T.M. Pitman (H)	Senator A.J.D. Maclean	
Deputy M.R. Higgins (H)	Senator B.I. Le Marquand	
Deputy D. De Sousa (H)	Connétable of St. Ouen	
	Connétable of St. Helier	
	Connétable of Trinity	
	Connétable of Grouville	
	Connétable of St. Brelade	
	Connétable of St. Martin	
	Connétable of St. John	
	Connétable of St. Saviour	
	Connétable of St. Peter	
	Connétable of St. Lawrence	
	Connétable of St. Mary	
	Deputy R.C. Duhamel (S)	
	Deputy of St. Martin	
	Deputy R.G. Le Hérisssier (S)	
	Deputy J.B. Fox (H)	
	Deputy of St. Ouen	
	Deputy of Grouville	
	Deputy of St. Peter	
	Deputy J.A. Hilton (H)	
	Deputy K.C. Lewis (S)	
	Deputy I.J. Gorst (C)	
	Deputy of St. John	
	Deputy A.E. Jeune (B)	
	Deputy A.T. Dupré (C)	
	Deputy E.J. Noel (L)	
	Deputy T.A. Vallois (S)	
	Deputy A.K.F. Green (H)	
	Deputy J.M. Maçon (S)	

Senator P.F. Routier:

Can I propose that we continue to finish the remainder of the proposition?

The Deputy Bailiff:

I was going to ask Members whether they wished to continue as I have deliberately allowed the debate over the amendment/proposition to range widely, including the debate over Deputy Southern’s proposition in the first place. But, of course, it is entirely a proposal for you to make that we continue. Is that seconded?

Senator P.F. Routier:

Could I again make the point that ...

The Deputy Bailiff:

Is that seconded? **[Seconded]**

Deputy P.V.F. Le Claire of St. Helier:

I would like to oppose that suggestion on the grounds that Members with families and obligations... it is a proposal, I would like to say something, if I could, through the Chair, please, Sir. While I am up for working late into the evening, without any notice to make childcare arrangements for those Members that have children to attend upon, this puts undue and ill-considered pressure upon the Members of this Assembly. I am more than happy to stay late if I am given an opportunity to make suitable arrangements. I think this is just occurring too often. I have asked P.P.C. (Privileges and Procedures Committee) to look into this and speak to Members and I am sorry, but on this occasion again this is putting me in an impossible position.

Deputy G.P. Southern:

If I may, I believe that this is an abuse of Back-Benchers’ position, this happens time and time again. We have had a long day and here we are tired at the end of the day. We know we have a day allocated tomorrow, we are going to be back tomorrow for the very substantial motion. We can deal with it in the morning when we are fresh again and give it the due respect it requires. I feel that dealing with it now I will get short ...

Deputy I.J. Gorst:

I was going to be somewhat unhelpful and say that if we were going to stay and carry on with this I would obviously propose that we could take my proposition as well, but that would leave Deputy Tadier somewhere in a lonely position having to consider whether we took his or not. Having said that, should we come back tomorrow there is no doubt that I, for one, will feel the need to make a full speech again to remind Members of my salient points. It is heads or tails, I suppose.

The Deputy Bailiff:

Very well, it is a matter for Members. The proposition is to continue until we have finished the proposition of Deputy Southern. Will all Members in favour kindly show? The appel is called for. For form’s sake I would like those who are outside the Chamber to return. The Greffier will open the voting.

POUR: 8		CONTRE: 36		ABSTAIN: 0
Senator P.F. Routier		Senator T.A. Le Sueur		
Senator A. Breckon		Senator P.F.C. Ozouf		
Connétable of St. John		Senator T.J. Le Main		
Connétable of St. Saviour		Senator B.E. Shenton		
Deputy J.A. Martin (H)		Senator S.C. Ferguson		
Deputy I.J. Gorst (C)		Senator A.J.D. Maclean		
Deputy of St. John		Senator B.I. Le Marquand		
Deputy E.J. Noel (L)		Connétable of St. Ouen		
		Connétable of St. Helier		
		Connétable of Trinity		

	Connétable of Grouville		
	Connétable of St. Brelade		
	Connétable of St. Martin		
	Connétable of St. Peter		
	Connétable of St. Lawrence		
	Connétable of St. Mary		
	Deputy R.C. Duhamel (S)		
	Deputy of St. Martin		
	Deputy R.G. Le Hérisier (S)		
	Deputy G.P. Southern (H)		
	Deputy of St. Ouen		
	Deputy of Grouville		
	Deputy of St. Peter		
	Deputy J.A. Hilton (H)		
	Deputy P.V.F. Le Claire (H)		
	Deputy K.C. Lewis (S)		
	Deputy M. Tadier (B)		
	Deputy A.E. Jeune (B)		
	Deputy of St. Mary		
	Deputy T.M. Pitman (H)		
	Deputy A.T. Dupré (C)		
	Deputy T.A. Vallois (S)		
	Deputy M.R. Higgins (H)		
	Deputy A.K.F. Green (H)		
	Deputy D. De Sousa (H)		
	Deputy J.M. Maçon (S)		

The Deputy Bailiff:

Very well, the States will continue to debate Deputy Southern's proposition, P.14, tomorrow morning. The States now stand adjourned until 9.30 a.m.

ADJOURNMENT

[17:36]