

STATES OF JERSEY



MINIMUM WAGE INCREASE (P.11/2021): AMENDMENT

Lodged au Greffe on 15th April 2021
by Deputy G.P. Southern of St. Helier
Earliest date for debate: 11th May 2021

STATES GREFFE

MINIMUM WAGE INCREASE (P.11/2021): AMENDMENT

1 PAGE 2, PARAGRAPH (a) –

For paragraph (a) substitute the following –

- “(a) to request the Minister for Social Security to bring forward the necessary legislative amendments to allow for the minimum wage to be prescribed for 2021 and 2022 without a referral to the Employment Forum and to request the Minister to ensure that any prescription of the minimum wage takes into account the view of the Assembly that –
- (i) the minimum wage should be set with regard to the median wage;
 - (ii) from October 2021, the minimum wage should be set at the level of the low-threshold, that is 60% of the median wage; and
 - (iii) by October 2022, the level of the minimum wage should be lifted to the hourly rate of £10.”.

DEPUTY G.P. SOUTHERN OF ST. HELIER

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

- “(a) to request the Minister for Social Security to bring forward the necessary legislative amendments to allow for the minimum wage to be prescribed for 2021 and 2022 without a referral to the Employment Forum and to request the Minister to ensure that any prescription of the minimum wage takes into account the view of the Assembly that –
- (i) the minimum wage should be set with regard to the median wage;
 - (ii) from October 2021, the minimum wage should be set at the level of the low-threshold, that is 60% of the median wage; and
 - (iii) by October 2022, the level of the minimum wage should be lifted to the hourly rate of £10.
- (b) to request the Minister for Social Security, when appointing members to the Employment Forum under Paragraph (1) of Schedule 2 of the

Employment (Jersey) Law 2003, to appoint at least 2 members who are representatives of third sector organisations with an interest in the alleviation of poverty, and

- (c) to request the Minister for Social Security, in accordance with Article 19(1) of the Employment (Jersey) Law 2003, to refer for examination to the Employment Forum the potential for the minimum wage be set at the level of the Jersey Living Wage, and if this were considered feasible, when the minimum wage could be set at that level.

REPORT

If adopted, the revised Paragraph (a) would see the Minister for Social Security instructed to bring back changes to the [Employment \(Jersey\) Law 2003](#) and, if need be, any underlying Regulations and Orders. In essence, the change required to the Employment Law would be in essence the removal of Article 18 (relating to the role of the Employment Forum).

The need to bring my proposal, and indeed this amendment, to the Assembly is a direct result of the Covid pandemic with its associated distancing and prevention rules at a critical time in the usual period set aside for consultation on the level of the minimum wage. Put simply, the Employment Forum, whose responsibility it is, was unable to meet safely, and there was therefore no recommendation.

The Minister has made it abundantly clear that there will be no increase on the 2020 rate of £8.32 in April 2021. No increase in the minimum wage will see those workers who are on the lowest wages worse off than they were pre-Covid. This runs directly opposite to our aim to reduce income inequality, and I consider it a matter requiring urgent consideration.

Partly in response to concerns expressed by the Solicitor-General in September 2020, the minister had stated a wish to review the way the minimum wage in Jersey is set. In response to my proposition, the Minister has decided to hold a consultation. She proposes to hold the consultation rapidly, over 10 weeks, starting on 19 April, to cover what rate in the long and short- term should be set and how.

Following two meetings with the Minister, and much discussion of the early drafts, I am left with the impression that the consultation is put together in a hurry, poorly constructed and not well focussed, in that it is so open ended it could encompass every opinion under the sun and fail to differentiate properly.

The problem it seems to me is attempting to deal with two different objectives, one short-term to deal with the rate for 2021 /22 and one for the long term. The method used to get useful advice on how to decide may last us for 15 or 20 years. It is worth attempting to ensure that we are getting it right.

This amendment tries to ensure that these issues are dealt with separately and in the right order. If we can legislate to cut the Employment Forum out of the process this gives us plenty of scope and the time to replace it with the appropriate expertise and mechanism.

Financial and manpower implications

There are no financial and manpower implications to this amendment , if adopted.