



Economic and International Affairs Scrutiny Panel

Family Friendly Employment Rights

Witness: The Minister for Economic Development, Tourism, Sport and Culture

Monday, 25th March 2019

Panel:

Deputy K.F. Morel of St. Lawrence (Chairman)

Deputy D. Johnson of St. Mary (Vice-Chairman)

Deputy S.M. Wickenden of St. Helier

Senator K.L. Moore

Witnesses:

Senator L.J. Farnham, The Minister for Economic Development, Tourism, Sport and Culture

Mr. I. Clarkson, Interim Private Secretary

Mr. D. Scott, Director, Growth, Housing and Environment

[04:02]

Deputy K.F. Morel of St. Lawrence (Chairman):

Thank you, Minister, for coming in to see us, Darren and Ian as well for joining us. We are here to talk through your views essentially on P.17, which is Amendment 11 to the employment legislation, otherwise known as and for the purposes of this hearing we will call it family-friendly legislation. That is how we will refer to it, just for the sake of ease. Before we start, I invite you to read the Scrutiny notice there, if you have not already, and we will just go around the table to introduce ourselves for the record.

Deputy S.M. Wickenden of St. Helier:

Deputy Scott Wickenden. I am a panel member and I am Deputy of St. Helier District 1.

Deputy K.F. Morel:

Deputy Kirsten Morel, Chair of the panel and Deputy for St. Lawrence.

Deputy D. Johnson of St. Mary (Vice-Chairman):

David Johnson, Vice-Chair of the panel and Deputy of St. Mary.

Senator K.L. Moore:

Senator Kristina Moore. I am a member of the panel.

Interim Private Secretary:

Ian Clarkson, Interim Private Secretary.

The Minister for Economic Development, Tourism, Sport and Culture:

Lyndon Farnham, Minister for the economy.

Director, Growth, Housing and Environment:

Darren Scott, Director of Growth, Housing and Environment.

Deputy K.F. Morel:

Brilliant, thank you very much and thank you for coming in. We have scheduled this for an hour and a half, but it may well come in under that. We will see how we go. We will just get straight on, Minister. As the Minister with responsibility for the economy and for economic development, what is your overall reaction to this legislation, the second stage of family-friendly legislation?

The Minister for Economic Development, Tourism, Sport and Culture:

It is no surprise really, because this is part 2 of what was started by the previous Assembly. I was trying to remember why we brought it in 2 phases. I think the interruption of the election and various other things ...

Deputy K.F. Morel:

I think the Employment Forum may have recommended it. I think they recommended it to make it easier for businesses.

The Minister for Economic Development, Tourism, Sport and Culture:

So not surprising. It is what I think everybody expected it to be, following the introduction of let us call it part 1 of this in September 2018.

Deputy K.F. Morel:

But do you have any views on it yourself? You said you expected it, but that is it. Is there anything more? Just what was your overall reaction to it?

The Minister for Economic Development, Tourism, Sport and Culture:

I think the progress in our society with this sort of legislation now is inevitable. It is the way society is moving and this is a step in that direction. I am possibly slightly surprised that it is coming back. I would have thought perhaps that we could have given the change a full year and then evaluated it and then brought this back, but on the other side of the coin, if something is to be done, sometimes it is best that it is done quickly. I think this legislation is coming, so it might be better that we get on and do it.

Senator K.L. Moore:

Do you see this as a priority for businesses in terms of becoming employers of choice and encouraging productivity in the workplace?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, I do, but having said that, I also spare a thought for the small businesses and the businesses that will struggle, the businesses that this will put additional burden on and additional expense on, but when I was addressing the Retail Summit on Friday, I was asked my view on this. Prior to that we had been talking about the difficulties that small businesses in particular were having in getting staff, especially tradesmen and women in construction, for example. There seems to be - I am sure you are aware - a shortage of those sort of people, and in retail as well and hospitality. Of course while this can be seen as a burden by some small businesses, I did bring up the point that while we could look at delaying this for very small businesses, I do not think I could support that, but that idea was raised. I said: "Could that not just disadvantage smaller businesses because they are not going to be offering the same terms as some of the bigger businesses?" So trying to delay it could do more harm to small businesses than good. I think we will have to work together to embrace this and work with business to get it up and running.

Senator K.L. Moore:

With that in mind, what consultation has happened between yourself and your department and the current and former Ministers for Social Security and their department in order to ensure that the interests of businesses were reflected in the development of the legislation?

The Minister for Economic Development, Tourism, Sport and Culture:

The new Minister for Social Security and myself have not spoken very closely about this at all. This has primarily been a matter for the Minister for Social Security and the previous Minister. They have

been driving this legislation. As a member of the Council of Ministers, I have been aware that it has been coming, as it has been communicated to C.o.M. (Council of Ministers) at various stages of its development.

Deputy K.F. Morel:

Just for clarity's sake, you said you had not spoken to the present Minister. Had you spoken to the previous Minister for Social Security about this?

The Minister for Economic Development, Tourism, Sport and Culture:

Not directly.

Deputy K.F. Morel:

Not directly?

The Minister for Economic Development, Tourism, Sport and Culture:

But as part of the C.o.M. team the matter was discussed.

The Deputy of St. Mary:

You referred to small businesses and I will come on to that later, if I may, but just generally speaking, it follows on from what Kristina was saying. Have you, as the Minister with responsibility for economic development, personally corresponded with employers on this very issue?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, but mainly through the trade bodies and mainly through the Chamber of Commerce and Jersey Business and I have received correspondence from businesses on the matter.

The Deputy of St. Mary:

The Chamber of Commerce, that is a public document that ...

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, that I am referring to on this particular piece of legislation. I have received a Chamber of Commerce letter and another letter from a group of small businesses from Mr. Beddoe.

The Deputy of St. Mary:

Yes, there is clearly about 50 businesses there. Have there been any others? Have you been personally involved in any other dialogue?

The Minister for Economic Development, Tourism, Sport and Culture:

No, and I have received no other representations from any other business at this stage.

Deputy K.F. Morel:

How about employees as well? Out of interest, have you spoken to any employees?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, but not in formal meetings, just when you bump into family and friends and bumping into people. I do not think I have received any resistance from employees. Most of the people I have spoken to think it is a good thing.

Deputy S.M. Wickenden:

I am going to change this slightly, based on what we have already heard. Really in the first couple of questions there, you are saying this is Social Security mainly around legislation, but you have had letters from businesses. What process have you followed then to either return to the Ministers or get their views put across to the Social Security Department, so they are aware of what the businesses were saying?

The Minister for Economic Development, Tourism, Sport and Culture:

I have only received correspondence in the last few days, the last week or so, so I have not had time to do anything with it yet. Those are the sort of conversations we are going to be having during this process.

Deputy K.F. Morel:

Just out of interest, as Minister for Economic Development, while I appreciate this legislation is coming from the Social Security Department and the Minister for Social Security, in general, because it affects employers and therefore affects businesses, do you think it is something that you ordinarily would go and talk to businesses about and talk to employers about to get their sense of it?

The Minister for Economic Development, Tourism, Sport and Culture:

Employment legislation has always been driven by Social Security and I would have to look at ... I mean, if you look at the role of Economic Development, it is a very broad portfolio. Yes, this will have impacts on the economy, whether they will be more beneficial early or less or into the future, we do not know. That is one of the reasons I made the comment earlier, that perhaps we could have waited for a full year of part 1 of this law to be in place and then perhaps had an evaluation period of the first, which would give us some information to work with. But having said that, being realistic, I think the tide of change in this area is on the move. I am not sure I can see the point of holding this back or delaying it, because it is going to happen and it is going to continue, this sort of legislation is going to continue to evolve. I see the role of Economic Development and the

Government and the States is to look at ways moving forward to help businesses develop and grow their business, working within this new regime. I do not think by holding this back we would be doing anybody any good. As difficult as it might be for some of the smaller businesses initially, I think probably, as it is going to happen, we need to move on with it.

Deputy K.F. Morel:

As you said, you think there could be some difficulties for smaller businesses particularly. How do you envisage you and your department helping those businesses adapt to this legislation? You just said you see that as part of your role.

The Minister for Economic Development, Tourism, Sport and Culture:

It is too early to tell, because we do not really know what the problems will be. From the correspondence we have from small businesses, their concerns seem to be revolving around 2 issues, and that is the additional cost and the logistics of managing the 4 blocks over the 3 years. That seems to be the main concern. Of course it is almost a perfect storm because right now we have issues relating to population, which means policy is likely to bear down harder on the issuing of licences and the shortage generally in the U.K. (United Kingdom) and the E.U. (European Union) of certain skilled staff. If you put that all into a pot, you have got a real conundrum for some businesses.

Deputy K.F. Morel:

But you have no sense at the moment of how you may help them?

The Minister for Economic Development, Tourism, Sport and Culture:

As I said before, I think the way to help businesses in these areas is to ensure that our economic policy helps maintain a strong economy. It is not for my department to get involved with how Social Security might work in terms of the cost to businesses. That is a matter for the Minister for Social Security, of which we will need to work in a collegiate sort of fashion moving forward, because this sort of legislation is new ground for Jersey.

Senator K.L. Moore:

In the spirit of joined-up Government, it would seem perhaps sensible to have that consultation with your colleagues. The recommendations were made by the Employment Forum in December of 2017, so there has been ample time for preparation and consultation with the business community. I believe productivity is one of the priorities in the Common Strategic Policy and last week a local accountancy practice published an excellent report which showed that the G.D.P. (Gross Domestic Product) could increase I think by 6 per cent if more women were enabled to be active in the

workplace in Jersey alone, which would equate to £230 million annually, therefore assisting this process from your department's perspective seems to make perfect sense.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, absolutely, it does. The PwC (PricewaterhouseCoopers) report does present a compelling argument. If you counsel that down to the lowest common denominator, what it is saying is that the more we involve the whole community in the economy, the more productive we will be, and I fully endorse that.

Deputy K.F. Morel:

Just before we go on, just to let my panel members know, we have not come to question 5 yet.

[16:15]

You mentioned the perfect storm of kind of population pressures, therefore a reticence to offer licences to businesses, obviously a tight labour market as well at the moment.

The Minister for Economic Development, Tourism, Sport and Culture:

I did not mention the word "reticence" and I hope I did not imply it. I just said with population pressures. I think a new population policy is being discussed. I think it is likely that the States will want to endorse policies that bear down a little bit on population and therefore it is placing additional pressure on business to find the right types of staff.

Deputy K.F. Morel:

Yes, but given those conditions, do you think that perhaps there is a case for further delaying the introduction of legislation which will potentially increase those pressures? Do you think that is a role that Government should do, look at the timing of legislation sometimes and think: "Perhaps we have this perfect storm", which were your own words?

The Minister for Economic Development, Tourism, Sport and Culture:

I would hope in the course of Scrutiny's deliberation you will be able to come to a more concise conclusion that I could at this stage, but I am a little bit between the devil and the deep blue sea at the moment. As I have said, will delay just be delaying the inevitable or should we just get on and embrace it? Currently I am leaning towards I think we should just get on and do this, because while we might cause some difficulties that we may have to help business through, I think the potential advantages when we are talking about diversity and closing gender pay gaps and putting the family first and children first, I think the advantages in the fullness of time could outweigh the disadvantages. So at this moment in time, I am leaning towards we should get on and do it.

The Deputy of St. Mary:

You say “delay the inevitable.” Going back to your point about your department, whichever department it is that may be required to give licences for highly-qualified people to the Island, is there not a tension there between this proposed legislation and that, because there are some specialist businesses here who will only be able to manage their future obligations by recruiting someone from outside?

The Minister for Economic Development, Tourism, Sport and Culture:

The licences are issued by the Chief Minister’s Department and that is delegated to - just a reminder - the Assistant Minister, who is the Constable of St. John.

The Deputy of St. Mary:

There is still a tension between the 2, is there not?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes. He is advised by the Housing and Work Advisory Group and there always has been ...

Senator K.L. Moore:

Of which you are a member.

The Minister for Economic Development, Tourism, Sport and Culture:

No, I am not a member. It is delegated to Senator Pallett.

Senator K.L. Moore:

Right, but on behalf of your department.

The Deputy of St. Mary:

Your department, yes.

The Minister for Economic Development, Tourism, Sport and Culture:

On behalf of the department, so our department is involved in that, yes, and we are often fighting hard on behalf of business, to make sure businesses can get the licences they require, but there is a huge pressure on population moving forward. On top of that, there is a shortage in the U.K. and E.U. of certain skills, certain types of staff, especially in the construction industry and hospitality sector. That is difficult. That has been challenging for many years and it will be more challenging perhaps in the future. Of course we have the uncertainty of Brexit. The point I am making is that on some of the ... for example, the group of businesses, largely who are trades, who wrote the recent

letter, I think they have got some very valid points over some fairly significant challenges, mostly based around the logistics of up to 4 blocks over 3 years and how they might manage that. The point I was trying to make is if you combine that, even if we did have as many electricians and farmers and chefs as we needed, it is still quite challenging to manage around these conditions that this new law will put, but we have and there is a shortage. So the point I am trying to make is it is going to be more challenging.

The Deputy of St. Mary:

The point I am trying to make is does the introduction of this law not make it more challenging for population, in the sense that you are going to have to bring ... certain jobs which cannot be fulfilled locally, they have to be brought in from outside and therefore that will increase population?

The Minister for Economic Development, Tourism, Sport and Culture:

No, I do not think it will directly in relation to this law, because in this law there are no conditions around the staff that you would need to bring in for replacement. For example, as I understand it - perhaps the officers can correct me if I am wrong - if an electrician needed to find another electrician to cover maternity or paternity leave, then they could bring somebody in from the U.K. and would not need a licence to do it, but they could only use that person to cover the times that the other person is off, so there is some flexibility on that within this law.

The Deputy of St. Mary:

Is that the case in the law?

The Minister for Economic Development, Tourism, Sport and Culture:

I believe so, yes. That is my understanding.

Deputy S.M. Wickenden:

It is more policy at the moment still, so ...

The Minister for Economic Development, Tourism, Sport and Culture:

That is what I was informed by the officers in Social Security this morning, that ...

Deputy S.M. Wickenden:

It is a policy matter for licences rather than a legal issue.

Deputy K.F. Morel:

I was going to say, I had not spotted it in the law myself.

Interim Private Secretary:

No, as I understand it, that is not specifically outlined in the legislation. The legislation just gives the policy flexibility underneath and the position the Minister has described, as I understand it, is correct, as a consequence of the policy.

Deputy K.F. Morel:

To just check, which department is in charge of that particular policy? Are we talking about the Assistant Chief Minister, the Chief Minister's Department?

The Minister for Economic Development, Tourism, Sport and Culture:

The issuing of licences, yes.

Deputy K.F. Morel:

We could ask the Chief Minister's Department for clarity on that.

The Deputy of St. Mary:

Just to finish off, if that is a policy matter, then it does mean therefore that we are going to be under greater pressure in population terms because we are going to be able to bring people in to cover these temporary vacancies without permits.

The Minister for Economic Development, Tourism, Sport and Culture:

I am not trying to mix the 2. I was making a general point that it is hard enough at the moment for business to get staff. It is a huge problem for businesses to get staff at the moment. Now, we have population issues. We have seen our population rise exponentially in the last 15 years, largely due to changes in the law, which allow complete free movement among the E.U. That led to changes in laws, which changed the way we control population through housing into initially regulations of undertakings, a reduction to the housing qualification period to 10 years and then after 5-year residency, the rights of all Islanders to work in any sector of the economy they want. That has led to an exponential growth in our population, which is unsustainable, and I think we all accept that. So the challenge is ... Senator Moore is shaking her head.

Senator K.L. Moore:

It is true, if you read the actuarial report of last week.

The Minister for Economic Development, Tourism, Sport and Culture:

So the challenges we have - I see we have - with the economy, while we need to become more productive, it is ensuring we can find the right staff to fill the jobs.

The Deputy of St. Mary:

Yes, I know that.

The Minister for Economic Development, Tourism, Sport and Culture:

That is one challenge. Now, in addition to that, when this comes in there is going to be another challenge for some employers because this will place greater challenges on not only finding the right staff, but then finding cover for them in up to 4 blocks over 3 years during maternity and paternity leave.

The Deputy of St. Mary:

Yes, I accept that. Also the point I am trying to make is it will also increase pressure on population, because we do not have these people locally, so it is necessary, we are going to have to bring them as well.

The Minister for Economic Development, Tourism, Sport and Culture:

Potentially it could, yes.

The Deputy of St. Mary:

That is all I am trying to establish.

Deputy K.F. Morel:

In 2017, Minister, when undertaking consultation for this legislation, the Employment Forum received submissions from 27 businesses. We do not know what size or type of business those 27 businesses were, but do you think that is a sufficient number of businesses for the forum to base its recommendations on? Those recommendations ended up forming this legislation.

The Minister for Economic Development, Tourism, Sport and Culture:

Let me just remind myself of the list of organisations. I do not think it was just businesses, there was a number of ... so employers, trade unions and other trade associations, 27. I have not seen it, so it is hard to say.

Deputy K.F. Morel:

That is one of the things we are trying to understand, is whether the consultation was of a sufficient scale and size to obviously base these recommendations upon it. Minister, what are your views? Twenty-seven businesses, what do you think? Would you say that is a reasonable cross-section - likely to be a cross-section - of Jersey's business community?

The Minister for Economic Development, Tourism, Sport and Culture:

That is impossible to say without seeing the types and sizes of the business. It is impossible to say.

Deputy K.F. Morel:

I have asked the Minister for Social Security exactly that question in the States of Jersey, but they do not record that.

The Minister for Economic Development, Tourism, Sport and Culture:

I think though that is probably confidential.

Deputy K.F. Morel:

So it is impossible for us to know.

The Minister for Economic Development, Tourism, Sport and Culture:

If 5 of the employers were very large ... I do not know. It is impossible to say.

Deputy K.F. Morel:

Yes, you do not know.

The Minister for Economic Development, Tourism, Sport and Culture:

It could be; it might not be. I could not say that.

Deputy K.F. Morel:

Minister, we do not know either because it has been impossible ...

The Minister for Economic Development, Tourism, Sport and Culture:

We are all in the same boat on that.

Deputy K.F. Morel:

Yes, exactly.

The Deputy of St. Mary:

You mentioned the Chamber of Commerce ...

The Minister for Economic Development, Tourism, Sport and Culture:

Have I got a bit of paper? Is there an agenda here that I should have?

The Deputy of St. Mary:

No.

The Minister for Economic Development, Tourism, Sport and Culture:

Okay, fine.

The Deputy of St. Mary:

It is just our questions, which we check ourselves.

The Minister for Economic Development, Tourism, Sport and Culture:

Okay, keep going.

The Deputy of St. Mary:

Yes, going back to the Chamber of Commerce letter, they say: "We feel the financial burdens you put our business is too great." I know you have touched on it already, but how justified do you think their comments are?

The Minister for Economic Development, Tourism, Sport and Culture:

I think they raise a valid point. They talk about ... I think they make direct reference to the U.K. and small businesses can claim 2 per cent or per cent of ... I am trying to remember, off the top of my head. Businesses in the U.K. can claim what they pay out, a proportion of that back. But then if you look at the U.K., our employer Social Security contribution is 6.5 per cent. It is 13.8 per cent National Insurance in the U.K. and 12 per cent by the employee. Here is 6.5 per cent and 6 per cent, so National Insurance is double what it is here. In addition, the law in the U.K. currently states that business has to pay up to 28 weeks' sick pay, where there is no provision for that here. I think that is a fair point they raise. If some businesses are going to need some support, then they may well have to accept that there will have to be a small increase in the employer contribution to cover that. So I think it is a reasonable point to make, but we have to keep things in perspective.

Deputy S.M. Wickenden:

Do you think this law, as proposed, gives sufficient support and powers to the employers?

The Minister for Economic Development, Tourism, Sport and Culture:

I am not quite sure I understand the question, Scott.

Deputy S.M. Wickenden:

Within the law there are 2 sides to it, obviously you have got your employer and your employee. This gives more rights to employees for paternity leave, for breastfeeding rights and having all that, but there are parts of it that talk about what the employer's requirements are and what they can and

cannot do. Do you think that this law gives enough strength to them to be able to challenge sometimes or to be able to make sure that it is appropriate?

The Minister for Economic Development, Tourism, Sport and Culture:

Most of the law I think is fairly pragmatic and the onus is on employees to give significant notice periods for the time off, so unless there is something I have missed in the detail, I think it is reasonably well-balanced. For example, I think that employees have to give 15 weeks' notice of their blocks or their unpaid maternity or paternity leave and so on and so forth.

Deputy S.M. Wickenden:

They can request terms and conditions changes in certain aspects to make sure that that fits in with the requirements and the like, so there it is there, and it can be challenged by employers as well.

The Minister for Economic Development, Tourism, Sport and Culture:

So it appears well-balanced, although the purpose of the law is to give more rights to the employee.

Deputy S.M. Wickenden:

Yes, but you are the Minister for Economic Development, so I want to ask you from the other side too.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, I think it is balanced. I am trying to take a balanced approach here. I think it is fair to say that many businesses go beyond this now anyway, so ...

Deputy S.M. Wickenden:

Everyone has got a mother.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes.

Deputy K.F. Morel:

It is interesting you say that, because I think one thing that came across in the letter from the Chamber of Commerce and also from that group of businesses was the focus on small businesses and, as you said, many businesses go over and above, but they do tend to be the larger businesses. When thinking about businesses in general, it can sometimes be easy to think of businesses as all big. Do you think that is something that may have happened in the case of this legislation, that in thinking about what a business is, the people behind this legislation may well have been thinking about larger businesses and not so much smaller businesses?

The Minister for Economic Development, Tourism, Sport and Culture:

No, I do not think so. This legislation is all formulated around business in Jersey and 70 per cent to 80 per cent of business in Jersey is small business. I would argue that this good employment legislation protects small businesses. It is a lot better for small businesses than not having any legislation.

[16:30]

It was not so many years ago that there was very little employment legislation and I would argue that our small business sector is stronger now than it ever has been. Having said that, there will be examples of small businesses that just will not be able to cope with the financial burden or certain circumstances. For example, if a small business has a couple working who have a baby, then it is a double-whammy for them, for example.

Deputy K.F. Morel:

What would you say to that small business?

The Minister for Economic Development, Tourism, Sport and Culture:

I am not sure. What was the question, what do I say to them?

Deputy K.F. Morel:

Yes. If there is a small business which is potentially ...

The Minister for Economic Development, Tourism, Sport and Culture:

What would you say to them? What would you say to them?

Deputy K.F. Morel:

It is not my ... I am not guiding them as Minister for Economic Development.

The Minister for Economic Development, Tourism, Sport and Culture:

I cannot answer that question.

Deputy S.M. Wickenden:

I would say: "Congratulations."

The Minister for Economic Development, Tourism, Sport and Culture:

"Congratulations", yes, that is what I would say to them.

The Deputy of St. Mary:

For what it is worth, it is worth pointing out that the letter we all got from the 50 small businesses was done of their own volition. It was not this panel going out and seeking it, they did not even know there was a Scrutiny review. Is there a pent-up feeling and concern out there? I do not wish to underestimate it.

The Minister for Economic Development, Tourism, Sport and Culture:

No, and I do not underestimate it. It was a decision for the States. It is not a decision for me. This is a decision for the whole States. The States will have to decide in a debate whether they want to introduce this kind of legislation or not. It is what it is.

Senator K.L. Moore:

I was just going to say, as a member of the C.o.M., it is part of your role to drive the legislation in a way that (a) reflects your brief; and (b) enables your colleagues' pieces of legislation to be adopted by the Assembly in a manner that you, as Minister for Economic Development, feel will be good for your business community and the benefit of our business community as a whole.

The Minister for Economic Development, Tourism, Sport and Culture:

Where on earth did you get that speech from?

Senator K.L. Moore:

But one would expect that that is one of the ways that the C.o.M. could or should operate.

The Minister for Economic Development, Tourism, Sport and Culture:

You were on it for long enough. You would know exactly how it should operate. The C.o.M., I can say I think it operates far better than the last one. But having said that, in terms of legislation - as you know - when it is brought, it is in the jurisdiction of each Minister. You have brought enough legislation in the past to know that, and you have brought legislation to the Assembly without any consultation with previous Ministers in the past, so it does not always happen that way. Now, this, the forum has consulted, and the previous Ministers for Social Security have brought this to C.o.M. for updates - I cannot remember how many - so there has been quite considerable joined-up thinking on this. The discussions we have, we do not always agree. Sometimes we agree, sometimes we agree to disagree. Now, I am in a particularly difficult position with this, because I am trying to find the right sort of balance here. We could all jump up and get terribly excited about this and say it is going to be very damaging for some businesses or we could be realistic and be honest about where society is going with this sort of legislation. The new States Assembly I think is a lot more socially-minded than previous Assemblies. There are a lot of new Members and society and the community

is changing, so we are heading in that direction. Now, I think we could end up ... if my department or my political team, Economic Development, decided for some reason that we were going to go against this legislation, then that could be, as I said before, more damaging for the economy than if we accepted it. I will give way.

Senator K.L. Moore:

I was just going to ask whether you will be asking Members to support the legislation or not, in that case.

The Minister for Economic Development, Tourism, Sport and Culture:

I am currently minded to support it, perhaps with some caveats. I am particularly interested to see what your work does, because you will be speaking to many people and you will be putting together a report that I think will be very informative.

Deputy K.F. Morel:

I just wanted to pick up, you mentioned that in the C.o.M. you obviously discuss and speak about different pieces of legislation. The thing that struck me the very first time that I was briefed on this legislation was to ask about the size of the consultation because it seemed clear that there was going to be strong burdens on business. Was that a question you ever asked in the C.o.M., how many businesses were consulted about this?

The Minister for Economic Development, Tourism, Sport and Culture:

I cannot remember. No, I cannot remember.

Deputy K.F. Morel:

What kind of questions did you ask the C.o.M. with regard to this?

The Minister for Economic Development, Tourism, Sport and Culture:

I cannot remember, sorry. I attend so many meetings, I cannot remember.

Deputy K.F. Morel:

Do you think you asked any questions about this particular legislation in the C.o.M.?

The Minister for Economic Development, Tourism, Sport and Culture:

Of course I would have done. This is of significant interest to the economy, but like I said, this new piece of work, the first phase went through. I cannot remember what ... I think it went through very comfortably. Was it unanimous? I cannot remember, but this is ... so there we are. Okay, it went through quite comfortably, but this now is the final piece of that work, and from what I have seen of

it, I think it is relatively balanced. Although it is challenging for some businesses, it is relatively balanced. I am not quite sure what else I can add to that.

Deputy K.F. Morel:

No, I was just trying to find out what you had discussed in the C.o.M., what, from your perspective as Minister for Economic Development, your concerns were in looking at this legislation in the C.o.M., what you would have raised, what issues, what questions.

The Minister for Economic Development, Tourism, Sport and Culture:

Do you know, I have always been ...

Deputy K.F. Morel:

Because when I was first briefed on it, a whole number of things jumped out, doubling the amount of unpaid leave, giving parental leave. I just thought immediately: "That is a very large burden. I wonder how many businesses they spoke to?" Those are the questions that jumped to me and I asked immediately in that first hour session, so I was just wondering what kind of questions and what issues you raised within the C.o.M. on this issue, on this legislation.

The Minister for Economic Development, Tourism, Sport and Culture:

Initially, I have always been sort of a reluctant passenger, both in my business career and political career, on modernisation of employment legislation, but as time has gone by, I have felt I have matured a little in understanding the necessity of this sort of thing, so yes, while I do have concerns about smaller businesses and how they might manage with it, what my department would do is working with other ministerial departments on how we can continue to develop the economy and create a framework and a backdrop of strong economic platforms so business can continue to thrive. I feel it would be very challenging to ask the Assembly not to proceed with any more employment legislation because of the impact on a small number of businesses. I just think that would ...

Deputy K.F. Morel:

A small number of businesses that is the largest proportion of businesses in the Island, as you said yourself, 75 per cent to 80 per cent.

The Minister for Economic Development, Tourism, Sport and Culture:

You say that, but we do not know - I do not know and you do not know - how many businesses this is going to ... I hope your work will inform us more on that, yes.

Deputy K.F. Morel:

We are trying to find out.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes. That is why I say there is a caveat. The work being done here prior to the debate and the work being done by my department with the Chamber of Commerce and other industry bodies to inform ourselves better, if we do come up with any major concerns that none of us have previously foreseen or understood, then I would be prepared to change my mind very quickly.

Senator K.L. Moore:

Here is one comment from a local business that was included in one of the submissions. It stated that: "There is a danger that some firms could be put off hiring any young people because of the demands of the proposed legislation and what it may place on them." Do you think that is likely?

The Minister for Economic Development, Tourism, Sport and Culture:

I think that given all the amount of new regulation ... in fact, I know this, because I liaise with Jersey Business on a regular basis. I think a lot of people are put off from going into business. I think there is a strong filter process now. People come with an idea and as they begin to understand the responsibilities placed on a new business, many of them decide not to proceed. It is not just with employment legislation, but G.S.T. (Goods and Services Tax), Social Security and other such responsibilities that businesses and the employers have.

Deputy K.F. Morel:

It was interesting, that letter that we all received, and it suggested that there will be an incentive against hiring young people. While discrimination law should make that impossible to do, there is anecdotal evidence that says that some businesses are less likely to hire young women because of the rights that they gain under parental leave, so unfortunately, do you see a possibility that this legislation could compound that and make that situation worse? We have businesses who have written to all of us saying that that is a possible consequence.

The Minister for Economic Development, Tourism, Sport and Culture:

I cannot see that myself, I cannot, but I think if you have a person with the right skills, then an employer will want to employ them.

Deputy K.F. Morel:

Absolutely.

The Deputy of St. Mary:

Moving on to the mechanics of the law, the proposed law gives the employees the right to decide when they will take their unpaid leave over the 3-year period. There is no legal requirement to

negotiate that with the employer and the question arises, is that an appropriate balance between the employer and employee?

The Minister for Economic Development, Tourism, Sport and Culture:

I have said I feel it is, because of the 15-week notice period ...

The Deputy of St. Mary:

Before birth, yes.

The Minister for Economic Development, Tourism, Sport and Culture:

... that is required, yes, for the leave. I think there is one element in there. I understand that that can be changed, the employee can seek to change that with a 2-week notice period. So that might be something that needs to be looked at. That might need to be ... there are some details like that that I think need to be further discussed.

The Deputy of St. Mary:

It is more the detail. We will leave the possible change or variation until later, but the initial approach, the employee can say when they would like their blocks over the next 3 years without any reference to the employer's requirements to run the business. Is that fair?

The Minister for Economic Development, Tourism, Sport and Culture:

It all depends on the circumstances, does it not?

The Deputy of St. Mary:

Should the law not therefore cater for those circumstances?

The Minister for Economic Development, Tourism, Sport and Culture:

I have already said I think it is balanced, so that is what my position is at the moment. I think it is balanced.

The Deputy of St. Mary:

You think it is balanced even though the employer ...

The Minister for Economic Development, Tourism, Sport and Culture:

You are not going to draw me. I am not going to make it sort of: "Yes, is this fair or not fair?" I am not going to cast a comment about whether I think the law is fair or not. I think it is balanced. I think it is balanced, I think it is relatively fair. There are some further details I think we need to look at a

bit more, but I think it is generally fair and balanced at the moment. It might be difficult, given the current labour market, for some of the small businesses to cover. I accept that.

The Deputy of St. Mary:

I will leave it there then, yes.

Deputy K.F. Morel:

Obviously it is quite a big change, and nobody is going to say it is not, because it does change it so that both parents now get the ability to get 52 weeks' unpaid leave. Have you got any plans within your department working with the Social Security Department on how you are going to review the effects of the change if it was to be passed?

The Minister for Economic Development, Tourism, Sport and Culture:

Not at the moment, no.

Deputy K.F. Morel:

You will?

The Minister for Economic Development, Tourism, Sport and Culture:

We would need to do that. Again, I refer to my previous comment. I thought it could have been beneficial to maybe give this a full year and then do some evaluation and I am trying to remember the figures. I am not sure what percentage of people affected by the first part took maximum leave. We do not know those sorts of figures. I would think that a lot of employees cannot afford to take a year off over 3 years. Much as they would like to, many of them just will not be able to afford to do it.

Deputy S.M. Wickenden:

I think we are looking at what the qualifying relationship is. In some ways, that could cause some concerns in the ability for leave.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes.

Deputy K.F. Morel:

I was just going to ask as well, earlier we mentioned the rising costs or kind of burden that is placed on businesses. You talked about policy will allow people to bring staff over from the U.K. without the need for a licence and things like that. Obviously if you bring someone over from the U.K., as an employer, you are going to have to pay for their board and lodging during that period of time.

They are probably not going to be the cheapest employee you have ever had during that 10-week, 13-week - however long it may be - period. Could you see then the cost of employment rising as a result of that or as a result of this legislation? Do you think it has an upward pressure on the costs of employment?

The Minister for Economic Development, Tourism, Sport and Culture:

I am not sure I necessarily agree with what you just said, because if you bring someone over ... you are not paying somebody and you bring somebody over, you are going to have to pay them, so you lose one wage and you pick up another. Generally speaking, I think ...

Deputy K.F. Morel:

But by bringing someone from the U.K., it is quite a bit more expensive.

The Minister for Economic Development, Tourism, Sport and Culture:

Not necessarily. You might be able to get somebody ... if you have had somebody working for you for 10 years and they go on leave, you might be able to get somebody to cover at a lesser cost.

[16:45]

Deputy K.F. Morel:

Possibly.

The Minister for Economic Development, Tourism, Sport and Culture:

So the cost could be different, but they will not always necessarily be higher. Some might be lower. It depends on the circumstances.

Deputy K.F. Morel:

So you are satisfied that this, as a piece of legislation, will not place any upward costs on employment in Jersey?

The Minister for Economic Development, Tourism, Sport and Culture:

Just in relation to ...

Deputy K.F. Morel:

As a whole ...

The Minister for Economic Development, Tourism, Sport and Culture:

As a whole, okay.

Deputy K.F. Morel:

... this amendment to the employment law, do you think it places upwards costs on ...

The Minister for Economic Development, Tourism, Sport and Culture:

This will place additional financial burden on employers, yes. It will, yes.

Deputy K.F. Morel:

Yes, exactly. You chair the cost of living panel that has been created. How do you think that is going to play into the cost of living in Jersey?

The Minister for Economic Development, Tourism, Sport and Culture:

I am not too sure, because we do not know the scale, we do not know how many this could ... out of 63,000 people in work, I am not sure what impact. So it could have a marginal impact on the cost of living, but it might weigh to the benefits to the family and the benefits to the employee. I am not sure.

Deputy S.M. Wickenden:

This is unpaid leave, and nobody has to take it. I do not think it is by law in that way too, so this probably would not ...

The Minister for Economic Development, Tourism, Sport and Culture:

My view is that a proportion - I am not sure what percentage - will not take it simply because they do not want to, it does not work for them or they cannot afford to.

Deputy K.F. Morel:

It is interesting. You said you are not sure, and I appreciate that, but there are a lot of "not sures" that have gone through the answers here, not being sure how many businesses have been consulted, not sure how the effects will play out.

The Minister for Economic Development, Tourism, Sport and Culture:

No, I knew all about the consultation. You asked me if I thought 27 businesses were enough and I said I did not know the size and what percentage of the market those 27 businesses represented.

Deputy K.F. Morel:

When I asked you what the questions were you had asked the C.o.M. you could not remember or were not sure. The point I am trying to get to is to try to understand ...

The Minister for Economic Development, Tourism, Sport and Culture:

If you had given me some notice I could have come with the answers to that.

Deputy K.F. Morel:

... from the perspective of economic impact what analysis or what appraisal of the effects of this law you have done on the business economy.

The Minister for Economic Development, Tourism, Sport and Culture:

I have not done any. You know I have not done any. I have told you that. This is being led by the Minister for Social Security and we are all part of this process now. During this process prior to the debate we will work to understand as best we can what sort of impact this will have on the economy.

Deputy K.F. Morel:

Would that not be better prior to lodging the debate, so that we can all read such analyses? Would you expect the Minister for Social Security to have undertaken that analysis themselves?

The Minister for Economic Development, Tourism, Sport and Culture:

We have a lodging period and we have a Scrutiny system, so all of these sorts of issues can be dealt with. Those are questions I think you need to direct to the Minister for Social Security.

Deputy K.F. Morel:

Would you expect the Minister for Social Security to have undertaken such analyses?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, I would expect the Minister for Social Security to have an understanding of the impact from working closely with the Employment Forum and expect them to have some basic facts and figures on that, but I understand that it would be difficult to produce accurate facts and figures. Again I refer to my previous comment about it may well have been worth waiting a year for this first part of the legislation so that you could have a full year to get some information from.

Deputy K.F. Morel:

Do you agree that at the moment we have no sense of how the new legislation that came in on 1st September 2018 is affecting business at all?

The Minister for Economic Development, Tourism, Sport and Culture:

There will be some figures available from September to date, but because those figures will have been taken over a short period of time I am not sure ...

Deputy K.F. Morel:

When you discuss figures, which figures do you mean? Which figures will be available?

The Minister for Economic Development, Tourism, Sport and Culture:

I would imagine that Social Security will be able to understand how many people have taken advantage of the new legislation so they would be able to work out what percentage of parents have availed to part of the leave or full leave, but because you are entitled to leave over a year I think you need a year to get some accurate figures, if that makes sense.

Deputy K.F. Morel:

Yes, I see. Would you expect the Social Security Department to also speak to employers to find out how they felt the rollout of the new 2018 legislation had impacted them?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, I would expect them and the Employment Forum to be offering the opportunity to speak with and listen to employers.

Senator K.L. Moore:

Minister, can I ask whether you signed the Minister for Children and Housing's pledge to children?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, I did.

Senator K.L. Moore:

You did? Good. So do you consider that the implementation of this legislation is in the most part driven by a values approach to providing children with the best start in life?

The Minister for Economic Development, Tourism, Sport and Culture:

That is certainly a part of this, yes. Hence the terminology "family-friendly legislation."

Senator K.L. Moore:

Yes. You have said that you have a balanced view on it, and I guess I am trying to understand whether your perspective, and I am sure you are balancing that desire to ...

The Minister for Economic Development, Tourism, Sport and Culture:

I have a juxtaposition, yes.

Senator K.L. Moore:

Yes, so which is more important? When the balance falls or a decision has to be made, which is most important?

The Minister for Economic Development, Tourism, Sport and Culture:

What are the choices I have, business or family? Is that what you are asking, which is more important, business or family? That depends on the circumstances.

Senator K.L. Moore:

Then in the long-term vision do you see that the wellbeing of families and parents can have a positive impact on business also?

The Minister for Economic Development, Tourism, Sport and Culture:

I will try to be as clear as I possibly can. For the benefit of our community in the future I believe this sort of legislation is very important and will probably trump the impact on some businesses. On the other hand I believe that a strong economy is as important for the wellbeing of our community. I think economy and wellbeing are things that we need to work more closely on. We have been too focused on growing the economy in the past and not focused enough on what wellbeing that is generating for the community. I hope that makes sense.

Senator K.L. Moore:

Yes, absolutely, but you will recall and you referred yourself to the PwC report, *Women in Work Index*, and I am trying not to quote myself from the recommendations, but essentially one of the important points behind the implementation of this law is to enable or to remove some of the stress that returning to workplaces on new mothers particularly, but on new families as well, in terms of integrating the needs of their child with the needs of employment and achieving that. Sometimes, for those who fail to achieve that balance in their life, they become under stress, which ultimately leads them to being signed off work for sick reasons because they feel that they are unable to achieve that, or they are unhappy in work or will take the view that they are not going to work at all, which is what PwC is saying in that report, that we do not have enough women who are economically active and we can enhance our productivity and G.D.P. to encourage them to do so. As Minister for Economic Development, Tourism, Sport and Culture, with a C.o.M. who have signed up to improving productivity in our economy, how do you bridge this gap between having a value that you wish to deliver in the community and enabling businesspeople to do it? You know it is good for the long-term view of the Island.

The Minister for Economic Development, Tourism, Sport and Culture:

I think legislation is a really important part of bridging that gap and having sensible and balanced legislation introduced in a timely fashion. That is absolutely key. That legislation is going to

undoubtedly impose difficulties on some businesses in some parts of the economy for whatever reason that may be, which is very regrettable, but possibly unavoidable. I see the role of my department and other departments in the States to try to help businesses through those difficult times, not by trying to alleviate or lessen the burden - if that is the right word - of such legislation, which I am sure we all agree is the right concept and we can do that by assistance through bodies like Jersey Business and working to grow policies that grow the economy. I cannot be more detailed than that. While I am sure the States Assembly will continue to put legislative burden on business moving forward for the benefit of the whole community we also have to work to ensure that businesses can thrive.

The Deputy of St. Mary:

Can I follow up on that? You acknowledge that it is going to be challenging for small businesses and a lot of our questions have been focused on that aspect. Do you think there is not merit in addressing that contingent in isolation by granting some form of exemption or relief, to such a small number or however it is formulated?

The Minister for Economic Development, Tourism, Sport and Culture:

I think there could be some financial relief or clawback, but I fear, knowing what I know about the Social Security funds, that there would have to be a small increase in the employers' or Social Security contributions to pay for that. I refer you to the reference I made with our Social Security to National Insurance. That might be something that we have to consider in short order.

Deputy K.F. Morel:

Specifically on the point that the Deputy of St. Mary asked about exemptions as well, do you think it is reasonable to exempt small businesses from this piece of legislation?

The Minister for Economic Development, Tourism, Sport and Culture:

I have thought about that and I am wondering how we would class businesses, how we would exempt them. Businesses of less than 5 people? What about a legal firm with 4 lawyers? Do we do it purely on financial? Do we say businesses earning a profit of under £50,000? I am not sure how you would do it. It is a good idea in principle, but I think in practice it might be difficult to achieve for accountants.

The Deputy of St. Mary:

Lawyers, not accountants.

The Minister for Economic Development, Tourism, Sport and Culture:

Sorry, one or the other.

The Deputy of St. Mary:

I am not sure that I agree. You mentioned them both.

The Minister for Economic Development, Tourism, Sport and Culture:

I meant to say accountants, not lawyers, sorry.

The Deputy of St. Mary:

We talked earlier about these small businesses tend to be tradesmen.

The Minister for Economic Development, Tourism, Sport and Culture:

We used that as an example.

The Deputy of St. Mary:

A lot of them are, but equally there are a lot of niche professionals out there and by definition if they have to find replacements, again they will not be local. We are going back to the overall point about having to bring them in from outside, which creates sector problems. It is a bigger problem.

The Minister for Economic Development, Tourism, Sport and Culture:

It is a big issue and it goes back to the point that Senator Moore raised, and this is a matter for the Assembly. Are we ultimately going to put the wellbeing of the family before the wellbeing of some business? I think that is at the heart of the decisions we have to make moving forward.

Deputy K.F. Morel:

Would you say the wellbeing of family first is the need for a salary and for work?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, we have to create an economy that provides jobs.

Deputy K.F. Morel:

I was wondering also, you mentioned that legislation should be brought in in a timely fashion. Do you think, given that we have only had 4 or 5 months since the previous piece of legislation was brought in, that this particular piece of legislation could perhaps be brought in more gradually or with a greater gap between?

The Minister for Economic Development, Tourism, Sport and Culture:

Again, I think it probably would have been more sensible to give the last piece of legislation a full year and then we can analyse some of the facts and figures.

[17:00]

Ultimately I do not think that would have led to questioning this legislation. It might have just delayed it and I am not sure what we would achieve by delaying it. Part of me thinks that if it is going to be done we should get on and do it, and while some businesses might like an extra year we could be helping them by just getting on and doing it and providing the solutions to some of the challenges they face.

Deputy K.F. Morel:

It is interesting, you use the word “challenges” a lot and you talk about solutions, but you say that you do not have any particular solutions.

The Minister for Economic Development, Tourism, Sport and Culture:

I have not quite said that, because what my main interest is is ensuring we have a strong and vibrant economy and improving our productivity. That is important and is at the heart of what we do at Economic Development, or what we try to do. We are working now on a new economic framework and a 20-year economic plan that will look at the future economy and that will be based around making sure that Jersey does remain a good and vibrant place for small business.

Deputy K.F. Morel:

As a matter of principle, in order to have a successful economy you said you have taken the long-term and this piece of legislation is going to be really important to the strength of Jersey’s economy.

The Minister for Economic Development, Tourism, Sport and Culture:

Not this piece. I said this sort of legislation, strong employment legislation, I think is going to be important for the family in line with our strategic policy.

Deputy K.F. Morel:

With that in mind though, if there was some short-term harm to the economy as adjustments are made for the new legislation, do you think that is the price worth paying for a stronger economy in 10 or 20 years’ time?

The Minister for Economic Development, Tourism, Sport and Culture:

I do not believe this will cause any harm short term to the economy as a whole. I think it will be difficult for some smaller businesses to deal with and it will create additional staff challenges for some smaller businesses, but I do not think it will be damaging to the economy as a whole.

Deputy K.F. Morel:

Thank you very much. Any more questions?

Interim Private Secretary:

Chairman, I wonder if I could just clarify a point that I made earlier. In fact, it is going to be more of a correction of an oversight. When we were discussing the matter of law versus policy for the matter of licences for cover staff, one of the points that I should have flagged was in the Control of Housing and Work (Exemptions) (Jersey) Order 2013 there is already a provision in Article 4 of that Order. You might have come across this already. Article 4 is the one that makes provision for cover for a person working in or for an undertaking who is on leave. That already allows for 9 months of cover and the business licence effectively can be disregarded. My understanding is that the Chief Minister has already committed to look at reviewing that 2013 Order and bringing it into line with this legislation if this legislation is adopted, but I need to clarify exactly how that commitment has been fleshed out and I will undertake to go back to you through Kellie, if I may.

Deputy K.F. Morel:

You mentioned that the Chief Minister has already undertaken to. In what form has he undertaken to do it?

Interim Private Secretary:

That is what I need to clarify. I have a note from colleagues in Customer and Local Services that explains that, but I need to clarify exactly what form that undertaking has taken and how far the work has got.

The Deputy of St. Mary:

Could I ask a supplementary question? My understanding of this legislation is that it would apply equally to a person who is covering. Is that right? If the person who was covering an employee who was off is herself in a similar situation, then that person would be entitled to the same benefits?

Interim Private Secretary:

That part I would need to ...

The Deputy of St. Mary:

I wonder if the policy you are talking about changing would cover that too.

Interim Private Secretary:

I will check that also.

Director, Growth, Housing and Environment:

There were lots of questions earlier about the consultation done by the Employment Forum, so I was checking some facts and figures. Of the membership organisations that did respond, between them I think they accounted for 1,700 members.

Deputy K.F. Morel:

Can I just stop you there, Darren? That is absolutely something that is often trotted out. That does not mean that 1,700 members have fed into that. It does not mean that 1,700 members have been consulted on that.

Director, Growth, Housing and Environment:

No, it does not.

Deputy K.F. Morel:

That is definitely something that the Minister for Social Security has used to cover off the size and the scale of the Employment Forum's consultation.

Director, Growth, Housing and Environment:

I think it would be unfair for Government to criticise the Employment Forum when that is exactly what we do, so Government does take, for example, the J.H.A.'s (Jersey Hospitality Association) response as the view of the sector of its membership, not everybody in the sector. There is a level of legitimacy about that. It is the practice that Government uses, not just Social Security, not just our department.

Deputy K.F. Morel:

The question we are seeking to answer is was consultation sufficient for this legislation? It is interesting that one of the overarching bodies that was consulted during that consultation has written to say that they are not happy with the legislation. We can see how, when looking at the consultation using I.O.D. (Institute of Directors), Chamber of Commerce, J.H.A., using them as cover-offs really is, I have to say, just a cover-off.

Director, Growth, Housing and Environment:

That is where the meeting of Chamber, clearly the organisation you are referring to, because they are the one with the published letter, one of the questions that we have outstanding for Chamber is whether or not they are prepared, or they have published their response to the consultation. It will be interesting to see if their response mirrored their more recent letter and again that is an ongoing dialogue that we have got with Chamber.

Deputy K.F. Morel:

Yes, absolutely, and we are trying to find out ourselves.

Director, Growth, Housing and Environment:

If we find out, we will let you know.

The Deputy of St. Mary:

Sorry, on that, you have onward dialogue with the Chamber of Commerce?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes. I think because businesses are very busy getting on with their business we often find that decisions are made, and they gather momentum and it is only at the last minute when perhaps a lot of businesses realise what the ramifications are that you get a sudden surge of interest. I think that is starting to happen here. The consultation was carried out, lots of businesses and organisations were invited and a lot did not engage and now, as we are getting closer and closer, small businesses are beginning to think: "Hang on a second. This does have some quite significant ramifications for us."

Deputy K.F. Morel:

Do you think the method the consultative body uses to reach out to those businesses is important? Does the success rate go up?

The Minister for Economic Development, Tourism, Sport and Culture:

Of course I do.

Deputy K.F. Morel:

Because as we understand it, from what I have been told, it is by placing of advertisements on social media and newspapers, in this case, so it was not proactive, it was just place an advertisement and wait for people to come to you. We will get confirmation on that, but there is a suggestion there that perhaps more proactive reaching out to people more directly would be beneficial.

The Minister for Economic Development, Tourism, Sport and Culture:

I think there were different methods and different processes and some work better than others. It is difficult because businesses are so often too busy running their business to respond.

Deputy K.F. Morel:

Not every business has a human resources department to look at these all the time.

The Minister for Economic Development, Tourism, Sport and Culture:

Exactly. You are quite right.

Deputy K.F. Morel:

So again, when you say businesses come in at the end of this it is because they do not have a department dedicated to looking at what the States of Jersey is doing. They have to run their business on a daily basis.

The Minister for Economic Development, Tourism, Sport and Culture:

Or they have seen it and perhaps the concept has not been explained to them well enough. I have always said, and I am not going to be critical of the Employment Forum in this instance, but I can be critical of the States generally, I think, we need to find ways to consult far more significantly with society and with business. Another one, the retail tax consultation, I think was poorly handled. I think we have got a long way to go. All of this we have got to learn and try to get better engagement.

Deputy K.F. Morel:

It is an important aspect of this review and I think it is a telling aspect of this review that the state of the consultation is a key part of our terms of reference.

The Minister for Economic Development, Tourism, Sport and Culture:

I agree with you.

Deputy K.F. Morel:

Thank you very much, Minister.

The Minister for Economic Development, Tourism, Sport and Culture:

It is a pleasure. Thank you very much.

[17:09]