

STATES OF JERSEY



LIVING WAGE FOR JERSEY: INVESTIGATION (P.37/2013) – COMMENTS

Presented to the States on 30th April 2013
by the Council of Ministers

STATES GREFFE

COMMENTS

The Chief Minister and the Council of Ministers are unable to accept this Proposition.

The Council is aware of the work being undertaken in other jurisdictions in relation to the living wage and to the benefits it can deliver for some individuals and the wider community. However, the potential positive and negative effects of the living wage on a small Island's labour market are not understood to any degree. This would require detailed, in-depth analysis that would cost significantly more than the £10,000 to £20,000 estimated by Deputy G.P. Southern of St. Helier and would also divert existing resources from our current social policy priorities as set out in the States Strategic Plan. Work that includes –

- Back to Work initiatives.
- Supporting work related to migrant controls, including access to States Services.
- Establishment of the Social Housing Unit and development of cohesive housing policy.
- Extension of ratification of UNCRC.
- Delivery of objectives in Children and Young people Strategic framework.
- Improvements to safeguarding for children and adults.
- Development of initiatives that help tackle disadvantage; such as community transport for people with a disability or special need.
- Work to improve the relationship between the States and Voluntary and Community sector.

In his proposition, Deputy Southern calculates that the living wage would potentially deliver £14 million in benefit payment savings and in tax revenue. His calculations in relation to income support savings do not however, allow for the fact that minimum wage employees are predominately people with less than 5 years residency and therefore not entitled to claim income support.

In addition the projected supplementation savings are also flawed based on the premise that it is highly unlikely in the current economic climate that low wage sectors, such as tourism and agriculture, would adopt the living wage and hence supplementation would continue at existing rates.

My Department is working on Sustainable Long-Term Planning and will be refreshing the existing Social Policy Strategic Framework during the course of this year, in addition to all the other social policy initiatives outlined above. To divert attention and resource from those initiatives and, to agree to do so, based on flawed initial calculations and within a wholly unrealistic timeframe would only result in this Assembly failing to deliver the positive changes it committed to in the current Strategic Planning and Medium Term Financial Planning cycle.

As such, I suggest to Members that this Proposition should not be accepted at this time.

The Chief Minister apologises for the delay in the distribution of these comments owing to a delayed return from an overseas business trip late last week.