

2017.03.28

**1 Deputy S.Y. Mézec of St. Helier of the Minister for Social Security regarding the publication of a report on the potential impact of a significant rise in the minimum wage: [1(201)]**

Following the adoption of paragraph (b) of P.150/2015 which requested the Minister to produce a report by December 2016 on the potential impact of a significant rise in the minimum wage, when will the report be published and why has there been a delay?

**Deputy S.J. Pinel of St. Clement (The Minister for Social Security):**

The Chief Minister explained in his response to a written question from Deputy Southern on 17th January 2017 that this work is underway. Oxera have been commissioned to undertake this complex piece of work and it is being overseen by the Economics Unit, among another of other priorities that are impacting upon that team. The December deadline was arbitrary; the short delay will have no impact on the minimum wage timetable because the report is now on course to be completed in time to feed into the forum's minimum wage review.

**3.1.1 Deputy S.Y. Mézec:**

The first supplementary then is: do we have a date for when the report will, therefore, be published?

**The Deputy Bailiff:**

Deputy, you will get your supplementary at the end. I have to invite other Members to ask questions.

**Deputy S.Y. Mézec:**

No, the process is I ask my first question and then I get a supplementary.

**The Deputy Bailiff:**

I beg your pardon. Yes, I am sorry. Thank you.

**Deputy S.Y. Mézec:**

May I, therefore, then ask is when will this report come out, so that we can read it and interpret whether or not it gives a good guideline as to what progress can be made soon? Would the Minister like to comment on the fact that since this was agreed that we would have this report, not only are we in a situation where the U.K.'s (United Kingdom's) minimum wage is now higher than Jersey's, not only is Guernsey's now higher than Jersey's but, as of a few days ago, the Isle of Man have now voted to increase their minimum wage to be higher than Jersey's? Does the Minister consider that this is an incredibly pressing issue that the Island is embarrassing itself by falling behind on and should be taken much quicker than it looks like it has been taken previously?

**Deputy S.J. Pinel:**

Gosh, a plethora of questions. Starting from the back going forward, I do not think the Island is embarrassed at all. The Assembly agreed the last minimum wage, which will come into effect on 1st April. In answer to the Deputy's question, the report should be ready by the end of April, which will then feed into the Employment Forum's minimum wage review that will start at the beginning of May with a survey which will take 8 weeks.

**3.1.2 Deputy A.D. Lewis of St. Helier:**

I wonder if the Minister could advise as to what consultation she has been having with the Minister for Economic Development, Tourism, Sport and Culture because clearly a rise in the minimum wage will have an impact on the economy, both in a positive way and she may attain a negative way. Can she advise the Assembly as to what discussions have occurred with the Minister for Economic Development, Tourism, Sport and Culture and E.D.D. (Economic Development Department) because this is such an important matter, both socially and economically, and it is taking far too long to establish what I would consider a much higher minimum wage more akin with the living wage?

**Deputy S.J. Pinel:**

Yes, I agree with the Deputy that it has taken a very long time but it is also very important and not something that can be rushed. The impact on commerce, on business, on hospitality, agriculture is huge, which is why it is taking this amount of time. The Employment Forum are directed by the Minister for Social Security in April as to what they independently will review in conjunction with the report that is coming out, in answer to Deputy Mézec's question.

**3.1.3 Deputy M. Tadier:**

It had previously been stated by the department that the minimum wage plus benefits equals the living wage. Does the Minister accept this definition and, if so, does she accept that it does not help people who, for whatever reason, cannot claim benefits?

**Deputy S.J. Pinel:**

The living wage, to which the Deputy refers, is a moveable feast. The living wage in the U.K., we do not have one here, it is not statutory. There is a national living wage in the U.K. that is statutory, which is £7.20, which is only available to people over 25 and this Assembly directly said there would be no age discrimination in minimum wage.

**3.1.4 Deputy G.P. Southern of St. Helier:**

Could the Minister explain to Members why she calls the timescale adopted by this House to be arbitrary and of no importance?

**Deputy S.J. Pinel:**

I certainly did not say it was of no importance. It was not a fixed deadline for December. As I have said before, the Economics Unit have huge amounts of work to undertake, including the distribution analysis of the personal tax contribution, which was published on Monday, with various other units, Statistics Unit's Business Tendency Survey. They have not been able to devote their time entirely to this and we are very grateful for the information that they have given and they will complete their report by the end of April, as I said.

**3.1.5 Deputy G.P. Southern:**

Could I ask her to explain why she chose the word "arbitrary"?

**Deputy S.J. Pinel:**

Purely because it was not a fixed definition of December.

**3.1.6 Deputy A.D. Lewis:**

Does the Minister not feel that, given the importance of this issue, there perhaps should be a fixed deadline to come forward with this information because it is of huge importance and it should have a fixed deadline? Does she not agree?

**Deputy S.J. Pinel:**

At the risk of repetition, I have just said that the report will be produced by the end of April which will inform the Employment Forum, which is an independent body set up to review the minimum wage, and they will use that report to help them do their survey and come up with their consultation results.

**3.1.7 Deputy G.P. Southern:**

Perhaps the Minister is looking for praise for bringing a report to the House 4 months late.

**Deputy S.J. Pinel:**

No.

**3.1.8 Deputy S.Y. Mézec:**

But 2 corrections, first is that part (b) you did specify for the report to come out in December and the Minister said that there is no living wage in Jersey; that, of course, is not true. There is a branch of the Living Wage Foundation that has been set up in Jersey and says that the living wage is £9.75 an hour. I would like to ask the Minister then, given the developments that have been happening in the U.K. and the fact that the U.K. Government has set a deadline of 2020 to have their minimum wage reach £9 an hour, does the Minister not now consider that inaction is simply not an option and that Jersey should be looking to reassess its own timeline for increasing the minimum wage and readjust it, given the developments in the U.K., so that we can be looking to have a minimum wage perhaps even of around £10 an hour by 2022, that sort of figure? Is that the sort of thing she would be prepared to consider?

**Deputy S.J. Pinel:**

I did not say there was no living wage in Jersey; I said it was not statutory. As regards direction to the Forum, then the Assembly agreed that we would attempt to reach a mean wage of 45 per cent by 2026. The instructions to the Forum will probably include, depending on what the report says, to bring that forward, in answer to the Deputy's question. I hope that it will because it has been a very long time in the coming and I agree.