

## **2. Oral Questions**

### **2.1 Deputy G.P. Southern of St. Helier of the Minister for Social Security regarding breaches of the minimum wage legislation:**

What explanation can the Minister offer for the finding on page 10 of the *Jersey Annual Social Survey* that around 600 workers reported that they earned less than the minimum wage and what steps, if any, will the Minister take to investigate this finding and to ensure that any breach on this scale of the minimum wage legislation is dealt with and eliminated?

#### **Senator P.F. Routier (The Minister for Social Security):**

The Deputy appears to be reaching conclusions which really shows that his understanding of the survey results are a bit lacking. The survey results do not state that 600 workers reported that they earned less than the minimum wage. A very small number, less than 20, of the employed people who responded to the survey reported that they earned less than the minimum wage. Among those 20 there are self-employed people who are not subject to the minimum wage regulations, there are individuals with disabilities who are engaged in therapeutic work schemes, there are trainees and apprentices who have a lower minimum wage. There are also workers in the tourism and agricultural industries who receive board and lodging allowances as part of their wage. It may also include some individuals who have reported their net wages instead of their gross wages. In saying all that, there are no doubt some people who should be being paid the minimum wage and who are not. The department regularly surveys business for infractions of both social security and employment legislation, including any new businesses within 6 months of them setting up. The department also targets those industries where employees are commonly lower paid. This proactive work is ongoing.

#### **2.1.1 Deputy G.P. Southern:**

I thank the Minister for his answer. However, it does show that he does not understand the nature of numbers because scaling-up 20 in the survey does produce a number of 600. Nonetheless, his explanation contains some of the areas where people might report receiving less than the minimum wage. Is the Minister prepared to take any steps to investigate in any specific way how many of the population of employees are in fact receiving less than the minimum wage?

#### **Senator P.F. Routier:**

With regard to the scaling-up of the numbers, the Statistics Unit have verified to me that it is very unreliable to scale up 20 to the number of 600. They have made it very clear to me it is a very risky thing to try and do that. Saying all that, the department does have a compliance unit which does check that minimum wages are being paid. In fact, last year 51 businesses in the hospitality industry were surveyed and 22 minimum wage infractions were identified and those people are now being paid the minimum wage.

#### **2.1.2 Deputy G.P. Southern:**

Is the Minister not somewhat surprised, and indeed should be shocked, by the fact that 20-something out of 50 inspections revealed infractions of the minimum wage regulations? That is a very high proportion. What is he going to do to make sure that breaches of minimum wage legislation are not ongoing?

#### **Senator P.F. Routier:**

There were 51 businesses which have large numbers of employees, the hospitality industry which has large numbers of employees, and from that there were 22 individuals who were receiving lower than minimum wage. It goes to show that we are making sure that our compliance team does follow-up on things and are making sure that people are being paid the minimum wage. I would ask anybody who feels that they are not being paid the minimum wage to use the services of J.A.C.S. (Jersey Advisory and Conciliation Service). They have in many circumstances assisted

people to ensure that they do receive the minimum wage. That is the correct way of ensuring that people do receive the minimum wage.

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

It has been reported to me by a number of people that over the Christmas period when they were hired on a temporary basis that they did not receive any form of contract as required by law from their employers. Would the Minister not agree that it is important that employers issue employees with contracts and would it not be perhaps advantageous to take an opportunity to ensure that employers are aware of this and that in those contracts the minimum wage stipulation is laid out and the reason for their pay is clearly set so that anybody who is receiving less than what they believe they should be would be able to complain under those circumstances?

**Senator P.F. Routier:**

I agree entirely with the Deputy and the employment legislation provides for all those circumstances he made.

**2.1.4 Deputy G.P. Southern:**

The Minister informed us that 22 persons working in 51 companies were found to be paid less than the minimum wage. Will he inform the House how many companies this involved and whether any of those companies were prosecuted?

**Senator P.F. Routier:**

I do not have the details of how many companies were involved. What I can say is that only 5 cases went to the tribunal and they were resolved at the tribunal stage.