

Dear Panel,

I am concerned that the proposed legislation will have a detrimental affect on small businesses and thus on the Island.

As the Chamber of Commerce stated:

"The first challenge employers will face is an increase in costs: of funding the longer paid period of the recommendation as well as those incurred in seeking parental cover for parents. The current market is extremely buoyant, so to find the right person to cover business activities for a short period is an expensive and time-consuming process.

For some smaller businesses it will truly be a deciding factor for whether to trade at all, for others it will be something that will erode small margins or could even tip a business into a loss-making position. In addition to this, the fact that the recommendation provides both parents the right to take up to 52 weeks leave, it will make it even more difficult for the employer to fill what could be sporadic but significant gaps in their workforce."

So what is so important about small businesses?

Well, small businesses are vital to the success of the economy. Not only as they provide the success stories of the future, but also because they meet local needs (e.g. hairdresser, financial consultant, emergency plumber). They serve the requirements of larger businesses e.g. for photography services, printed stationery, catering and routine maintenance.

Jersey's last labour market report stated there were 6,150 undertakings that had 5 staff or less and these are the ones that are going to be most impacted by these changes. That is 81% of Jersey businesses that will be significantly and negatively impacted by this legislation.

And it's not just about money. Even if the Jersey Government paid the maternity leave that the proposed legislation sets out should be paid by the business (and that is not going to happen as there is no funding), these small businesses simply will be unable to find the temporary replacement staff (for up to a year of parental leave). Their businesses would wither and die. Look at your small business and picture one of your staff gone and how you would replace them for a year.

So what is to be done? Well, one solution would be to exempt businesses with 10 or less employees. This will avert the possible impact on small businesses, but still leaves approximately 70% of private sector employees covered by the new rules as well as all Government employees. So that's about 16,000 covered by the existing legislation and about 46,000 covered by the new rules. Employees can choose for themselves when they are job hunting whether the new extra benefits are important to them, but at least small businesses won't be threatened by these new rules.

Links:

<http://bit.ly/jerseystats> for the employment figures

Thank you

**Andrew Barette**

Director

Quadra