

STATES OF JERSEY

OFFICIAL REPORT

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[9:30]

The Roll was called and the Dean led the Assembly in Prayer.

PUBLIC BUSINESS - resumption

1. Draft Act annulling the Employment (Qualifying Period) (Jersey) Order 2014 (P.169/2014) (continued)

The Bailiff:

Very well, we return to the debate upon Projet 169, lodged by Deputy Southern, the Draft Act Annulling the Employment (Qualifying Period) (Jersey) Order 2014. Does any other Member wish to speak?

1.1 Deputy J.M. Maçon of St. Saviour:

There are just a couple of points I wanted to add into this debate. I really have to congratulate Deputy Southern for providing some fact and figures into this debate. It was quite interesting yesterday when he analysed the Minister's statistics and took that to the Assembly and saying that 70 per cent of the 28 businesses at the survey came back and said that this was move they would support. As Deputy Southern said, not a really representative sample at all. It is one of those things where we heard Senator Routier yesterday talk to us and say: "We must help businesses. We must help business by extending the period whereby they have the ability to unfairly sack someone. This is what we must do." I had to think about this a little bit and get it straight in my head, so I had to say it to myself again. We are being asked to help businesses by extending the period whereby we help businesses in dismissing people unfairly. That is what we are being asked to do. Something which only a States Member could come up with clearly. No wonder the public feel completely out of touch. It was very interesting to hear the Minister for Social Security say: "Oh, yes, but we are backed by the Chamber of Commerce." Yes, that well known body standing up for workers' rights and workers' protections who are fully behind the legislation, who are fully behind the discrimination legislation. A really good representative sample and body which stand up for workers' rights. So that struck me. But the point I really wanted to make is whenever I have had a job in the past, and I spoke to my family about this as well and they have a similar experience to me, our probationary period has been 3 months. That is always the experience that we have held, which tends to suggest that it does not take employers 6 months to figure out whether someone is worthwhile to employ or not, the trend - and from our experience is only anecdotal - is 3 months. There is always the possibility if some is unsure to extend that. What I do think is if we do not support Deputy Southern today is those businesses which responded, and we do not know whether they were good employers or perhaps more dubious employers, that information has not been provided to us, but all I can see is by supporting this what will happen is instead of employing people for 5 month contracts, we will see a lot of contracts for 11 months instead. Therefore I have to ask, who are we benefiting here? I also want to say something about the unfair dismissal process. A lot of people do not like taking on a company and taking them through the unfair dismissal process. It is incredibly stressful, emotionally draining and really tough. I know a lot of people who have said: "I am not going to bother with this because I found a job quickly and there is no point me going through this process because of all the time and all the stress that I would have to go through." Now, on the other side, yes, of course it is not easy for business, it takes a lot of their time, it is not a good experience for them too so I think on both sides there is reluctance - I would hope that there was reluctance - to go through that process. So I do see it through both sides of the telescope. So I think given the fact that Deputy Southern has come back with some figures and that the Council of Ministers arguments are flimsy at best ... what I would like to see from the Council of Ministers is them lobbying the Minister for Business to say: "Right, what are you doing to support small businesses by waiving fees or giving tax incentives to small businesses?" Thing that

would help. Maybe the Council of Ministers could say to the Minister for Social Security: “Right you started on Social Security credits for small businesses, why are we not extending that scheme? Why are we not working on that?” Things that would help support jobs and support things that we know work instead of something where even the Minister for Social Security says: “Well, with this move we cannot say it can work, we cannot say it cannot work” which is again why I think the argument is very flimsy at best. There are other moves that we could be doing, which the Assembly would probably more happily support, which we know would have a much greater effect in supporting small businesses and therefore job generation, which is what we all want to achieve. Therefore, on balance, given what we have heard on both sides, I find myself having to support Deputy Southern on this matter and I have explained my reasoning why.

1.2 Connétable C.H. Taylor of St. John:

I would like to congratulate Deputy Norton. He spoke with first-hand experience. I do not think the last speaker did. When you set up a business you need capital and very often that means taking a mortgage on your house - sorry, not your house, your home. If that business does not succeed your wife, your children are on the street because you have lost your home. This action by the Minister does not affect anybody currently in employment, this is for the future. Those employed from 1st January this year onwards. It is to encourage those people who stick their neck out and say: “I have got an idea. I would like to pursue it.” I hope it would work because otherwise he would not take the risk. What the Minister is saying is: “We support you and we are going to help reduce that risk.” There is one thing every employee has in common, whether you work for a multinational bank that employs 100,000 people, whether you work for the States of Jersey or whether you are the part-time gardener for Hedley Le Maistre out at Grosnez, the one thing you have in common is an employer, and without employers there are no employees. We wish to send a signal to those people who stick their neck out, who want to try and reduce the unemployment list and to give the unemployed a chance, and say: “We are on your side.” If you vote in favour of the motion, you are effectively saying: “We are quite happy with the unemployed, we are not going to try and reduce the number of people unemployed because we are happy with the risks that people take.” We must try and look after all members of society, including those without a job. I would ask that Members reject this proposition. **[Approbation]**

1.3 Deputy S.Y. Mézec of St. Helier:

I very much enjoyed listening to that speech by Deputy Macon, I thought was really good. A measure which has already been taken by the Minister for Social Security with the support of the Council of Ministers without any meaningful consultation with the wider public or States Members I think is nothing short of a scandalous and unjustifiable attack on workers’ rights. It seems to me that it is nothing more than a government that is more interested in appearing pro-business for the sake of it rather than doing what matters which is creating an economic environment which works for both employers and employees.

[9:45]

To create jobs and opportunities without predicating that on decimating the conditions of ordinary people and creating insecurity in work. I think this is exemplified by the fact that Minister for Social Security, by her own admission before taking this move, has, aside from the Employment Forum, only spoken to stakeholders from the employers’ side and not spoken at all with workers’ representatives, such as the trade unions who are resolutely opposed to this change and who the Minister has made no effort whatsoever to reassure. If you ask employers if they would like the qualification period increased, of course they are going to say yes. Why on earth would they say no if it is being offered and put on the table, you will take it, sure. Why not? It is the wrong question though, the question should be: “What would help businesses?” When that question is asked in a non-leading way I highly doubt that many businesses will stand up and say: “Oh, you know the real

thing that is holding me back from succeeding is my right to sack people unfairly.” I just think it is an absolutely ridiculous concept. In every answer to a question, for every document that has been issued by the Minister on this, there has been not a single credible justification for this change. Not a single piece of evidence that backs the change. She simply repeats the mantra: “This will create jobs” over and over again as if inanely repeating it will somehow make it true. As the Employment Forum’s report on this shows, there is not a single piece of evidence to show that there is a tangible link between rates of employment and the qualifying period for unfair dismissal. It just does not exist. This: “But you cannot prove it does not exist” is quite frankly the poorest argument I have heard used in this States Assembly. The report states that changes to the qualifying period in other jurisdictions are generally politically motivated and not evidence based, and I would say that is exactly what this has been too. So I listened to the Minister’s speech yesterday afternoon to see if she could provide any extra evidence to say that something has changed since the Employment Forum’s report and the answer to that was a very clear no. But she offered 3 reasons, I seem to recall of why she thought the move is not a big deal so let us take them in return. The first one she said was that one year was, and I think she used the phrase “common sense” and maybe she is right. If you are plucking a number out of thin air there is no reason why one year may not be that number, it may sound fair if it is coming for the first time ever but it is no more or less sound than 6 months surely? Or why not 8 months? Why not 9 months, 6 days and 7 and half hours? There is no evidence that says one year makes more common sense than 6 months. Since we already have 6 months, surely if you are going to change it you need some reason to and there has been none presented to us whatsoever. The second was that this only affects the rights of minority of workers and we have heard that argument repeated this morning as well because the changes simply come in for workers who take on jobs after 1st January. I have to say I think that point is pretty pedantic to be honest when the change theoretically affects any single worker who may take on a new job now. Some may choose to leave the jobs they have now and go into a new one. That leads into the third point she made, which I think is the main one, which was that the change is a small change. I fail to see how changing something from 6 months to 12 months, a change of 100 per cent, could possibly be described as small. But she specifically made the point, she said that it was raised to one year rather than the 2 years that is in the U.K. (United Kingdom) because she wanted to balance it with the needs of those people who may already be in work but want to seek a higher role somewhere else or a promotion, or something like that. But were put off by the potential insecurity it would cause if that did not work out when they went into it. I think that is a legitimate concern. I have a friend in the U.K. who had a decent job, recently wanted to move somewhere else to take a new opportunity, potentially work her way up, and really had to think long and hard about whether was willing to take on that risk of moving somewhere new where if it did not work out the boss could sack her unfairly and she would end up without a job, no recourse for compensation and therefore unable to pay the mortgage. But I fail to see how that argument does not apply to people in Jersey already raising it from 6 months to one year. It is exactly the same things that those people will have to be thinking of. I spoke to someone in Jersey yesterday who has just been offered a job somewhere else that they would like to take but they are worried because they have been with their current employer for so long, they are there, they are comfortable, they have a good relationship with the boss but do not know that it would necessarily work out well when they move, if they move, to this other place. They too could end up, now that the change has come into force, without a job, having been sacked unfairly, and not be able to claim unfair dismissal, cannot feed the family, cannot pay the mortgage. So why is this Government seemingly so indignant over the idea of businesses taking risks when taking new people on, wanting to help them, but it completely disregards the risks which ordinary workers take when they take on a new job, have to arrange their life affairs, the affairs of their families around it when they could be sacked unfairly with no recourse to compensation whatsoever. It is a pure injustice and it shows exactly where this Government’s priorities are. But I want to move now in a more constructive direction, we have

already had praise today for the speech that was given by Deputy Norton, who I think made some good points even if he did arrive at the wrong conclusion, in my view of course. He spoke of how difficult it is and how no decent employer wants to just sack their workers left, right and centre, unless there is nothing that can be done about it, no other option. I do not have any doubt that for the vast majority of employers that will be the case. Having good employer/employee relationships is fundamental to the success of any business and you do not get that by treating your workers as disposal. If those businesses are run by decent people who care about their employees, they are the businesses that are least likely to benefit from this change because they are already treating their employees properly and they are already not sacking them for no reason and would want to go through the appropriate process if it came to it. The businesses which will benefit from this are the bad businesses, the ones out there who are just waiting for a green light to sack people for no reason. Those are the people who will benefit from this, not the good employers, not the good businesses because they are already playing by the rules fairly and squarely. It is sending out a message to these business people, if you want to sack people with no reason, go right ahead. In fact, we will make it easier for you. How can that possibly be right? Deputy Norton spoke of how Deputy Southern was not a businessman and therefore did not know what it was like, which I think is a sort of personalisation that these debates could do without, I think the Constable of St. John's comments about Deputy Maçon not having experience, I think, was a bit patronising to be honest.

Deputy J.M. Maçon:

If the speaker would give way? Of course having been involved in my own family businesses I do have some experience of business which the Assembly may not be aware of.

Deputy S.Y. Mézec:

Quite right, which is why I think comments like that should have no place in this debate and I think it shows why the public believe this Assembly is out of touch when people can make those personalisations in debates that should be about the issues and should be about the evidence. But then, of course, those on that side do not have evidence to fall back on in this debate. Now, I am not going to stand here and claim to have a huge amount of business experience myself, like other States Members do, I have had a very small interest in one enterprise I have taken on, alongside a close friend of mine which, had it failed, would have seen us both thousands of pounds short, which given the age we were at the time was certainly something that was risky for us. So I have a vague understanding of what it is like to hit crunch time in that situation and have the phone call from someone to let you know they are about to let you down. I know that it is not pleasant, I know that when you have put your livelihood on the line that that is absolutely what you do not want to end up in and I cannot imagine the sleep that some people must lose when they are in that situation. So that is why I come from a position of having a degree of sympathy for these people who want to take risks, who want to employ people, who want to succeed, which is why I want the Government to put forward measures that help them and not these vacuous gestures like this. So there are a few ideas that I think we could look at because as the Employment Forum report says when it comes to unfair dismissal there is no evidence there is an actual problem only a perception of a problem. It is clear to see where that perception comes from. You cannot blame any business which is worried about taking someone on, having to get rid of them for legitimate reasons and then finding themselves subject to some sort of vexatious claim having to go through all the legal proceedings and rack up all the costs from expensive lawyers and time in court. So you can understand why businesses will not want to go through that. So what I want to see is a government focusing on putting things in place that will mitigate those problems and reduce the opportunities for vexatious claims. One that has not been mentioned in this debate has been about the J.A.C.S. (Jersey Advisory Conciliation Service) outreach service. I have spoken to some business people who when they have sought advice on employment matters they have just been told: "Sounds like you need to see a lawyer" which is not particularly of much help to them seeing as they want to do the right

thing without having to fork out for expensive legal advice. So one thing the Government should be doing is helping to improve that service where businesses can get legal advice so that they can play by the rules, do things fairly and do not have to run the risk of ending up in court fighting a vexatious claim. Another idea I have had is perhaps introduce some sort of temporary state backed insurance scheme specifically for small business and start-ups to cover any potential payouts at the employment tribunal. That is just an idea, perhaps there are other ones that could be looked into too. Another thing that could be done, making it easier for the self-employed to get on their feet so they can take risks which is by introducing more classes of Social Security contribution rates, because it is absurd that a self-employed person, who does not earn that much, and may even be taking a significant drop in income to start their business in the first place can find themselves paying twice the rates of Social Security they would otherwise be paying regardless of their income. So I believe we should introduce progressive bands for those people to help them. The point there is that that is actually already Council of Ministers policy and by a bizarre and quite worrying coincidence it is also Reform Jersey policy as well. So what I want to know is why is that not higher up on the agenda? Because I think there is evidence that would help businesses and help self-employed and people who want to take on people into jobs. What we get from this government here is platitudes and empty gestures. Here their actions are at the expense of ordinary working people in this Island. So I hope Members will support Deputy Southern and consign this to the scrapheap and send a message to this government that what we want is actions, not words, things that genuinely matter to get our economy back on track instead of this P.R. (public relations) nonsense.

1.4 Senator A.K.F. Green:

I am pleased to follow Deputy Mézec. I have been slightly disappointed about the direction this debate has taken. For that reason I feel compelled to speak. I have had an enormous amount of experience in managing, directing and supporting large numbers of staff. Over 40 years of experience and my last post gave me responsibility for 400. Of course, in any respects I was really lucky: I had an H.R. (human resources) department, I had a management accounts department and I had access to I.T. (information technology) support. Unlike Deputy Norton, it was not my money that was on the line either, it was the public sector's money, and yet I had all that support. Yesterday - and a little bit this morning - we heard some very negative comments from Members and I would just like to look at some of those and try and not to repeat what other people have said. We heard yesterday that changing this Order will take away the rights of employees. But as has already been pointed out, it takes away no rights for existing employees and new employees will understand that they have a 12 month option. What we will see, though, I believe, is not a change in the position of the existing employees but a change in the position where we might be able to fulfil the right of individuals to get back to work. Give somebody a chance to get back to work. I know many small businesses and I have spoken to many of them, and many of them are one-man bands, men or women; they are tradesmen, tradeswomen; they are good at their job; they are busy; they have no admin support and they certainly do not have the benefit of a H.R. department to make sure every box is ticked on the way. Deputy Southern and Deputy Martin both made comments that employers will have 12 months to make up their minds. Deputy Martin: you can spot a bad employee within 6 months. I have to say, that is an old-fashioned view that belongs in the 60s, and it should stay there. Unfortunately over the years, I have had to dismiss a number of staff and I regarded every one of those dismissals as my failure.

[10:00]

My failure to get an individual's skills, be it soft skills or technical skills, to a level that was useful for the business. When you spot an employee that, for whatever reason, is not performing good employers advise him or her, set targets for improvement and, if necessary, put in place training. In a 6 month period without admin support, trying to run your single-handed business, no

management accountants, no I.T. support is impossible and so what happens? Jobs are not offered. The person decides to stay as a one-man band. So from an employer's point of view they do not offer jobs, they do not take a chance of employing somebody who need support and help to develop their skills. The Minister is right here, she is being brave, taking a chance on getting more people back to work. As I have already said, no one in employment on 31st December last year has lost anything. I urge Members to have the foresight and the same courage as the Minister and reject Deputy Southern's proposition.

1.5 Senator Z.A. Cameron:

One of the strong themes that emerged during the election was the call to reduce bureaucracy that was stifling small businesses on the Island and I heard several accounts of the difficulties that this particular process is causing small businesses. My own experience in running a business lies in general practice and in recent years many small practices have had to merge and have disappeared despite the evidence that better outcomes for health and safety are achieved by practices of 3 doctors or less, because of the growing bureaucracy and need for human resource process, et cetera. The process involved in trying to prove justifiable dismissal is bureaucratic, time-consuming and expensive. In my manifesto I favoured changing the qualifying time to 2 years so that Jersey could be seen as an attractive place where small businesses can thrive.

1.6 Senator P.M. Bailhache:

I think that Senator Green said most of what I was intending to say and I will not repeat what he said, except to say that I entirely agree that some of the negative comments that we have heard from some Members of the Assembly are uncalled for and entirely inappropriate. If it were the intention of this legislation to treat workers as disposal objects it would indeed be despicable legislation and the Government would have no association with it. But the difficulty is that there is no objective evidence as to what is the appropriate term before provisions for unfair dismissal kick in. We know that in the United Kingdom with a period of 24 months, not 12 months, the figures for unemployment have in fact dramatically declined contemporaneously with the change in the rules in that country. I wanted to share with Members that just before the elections I had visits from 2 separate people who were asking me to help them to find employment. They were desperate to work. They had been to the Social Security Department, they had been through the different schemes that are available for unemployed people but for men in their 40s and 50s the schemes are not as helpful as they are for younger people. But these men were desperate to find employment. I believe that the change in the legislation which the Minister for Social Security has brought about will make it possible for employers to have greater confidence and if they wish to take a risk to expand their business they are much more likely to take that risk with the innovation that Minister has brought into effect. So I deplore some of the comments that have been made by Members this morning and I will certainly vote against the proposition.

1.7 Deputy G.J. Truscott of St. Brelade:

First of all, I would just like to clarify something Deputy Maçon pick up on this morning and it regarding Deputy Southern's comments yesterday in the Chamber regarding the newsletter and it based on the views of 28 employers in a survey and that the story does not mention the survey of 70 per cent of members that occurred later on. The Chamber had done a survey in which 71 per cent of the 151 employers who responded supported a longer qualifying period of between one and 2 years. That was not picked up in the debate yesterday so I thought I would just clarify that for this debate. I would not expect anything less from Deputy Southern and the Reform Party regarding workers' rights. If I thought that this motion was anything to do with regard to running roughshod over workers' rights then I would be jumping ship and joining you. But it is not about workers' rights, it is about a perceived blockage, an inhibitor in the employment process that is preventing employers from taking people on. I do not know if you have noticed, we have been in a recession

since 2008, we have got record numbers of unemployed. There is another wave of school leavers coming our way this summer. Highlands College is burgeoning with students that once they have completed their course they are going to be looking for work locally. There is a perceived blockage, a perceived restriction and we want to encourage employers and that is what this particular move is all about. Now, it is essential that we grow our economy so that we can provide jobs for residents enabling us to fund essential services. Business confidence is important when recruiting and it was considered that the 22 week qualifying period was a significant factor in discouraging employers from taking on more staff. Lifting this 26 week restriction is expected to boost employers' confidence and by doing so I believe it will make the whole process of employing staff more equitable. Social security will continue with the back to work scheme initiative and the J.A.C.S. outreach service providing targeted support to small businesses. These measures combined should have a very positive impact in the current climate and by supporting employers in this way we will also be supporting workers. The move also unifies our employment obligations with Guernsey, the Isle of Man and Northern Ireland and brings us closer to the U.K.'s 2 year qualifying period. Unification is, I believe, a good thing. In the December issue of *Chamber on-line* we had a positive reaction from the President, James Filleul, he said, and I quote: "There is clearly a balance to be struck which does beg the question as to why some politicians want Jersey staff to be twice as protected as those in Guernsey and 4 times as protected as those in the U.K. I am hopeful that the new States Assembly will recognise the fact and assist the Minister for Social Security in her efforts to restore confidence to employers." I have personally consulted with a number of local employers who between them employ over 500 staff. All were supportive of the Minister's decision to extend the qualifying period and the overwhelming response was that the extra 6 months would give them more time, more breathing space and flexibility to fully evaluate a new member of staff. The Minister for Social Security used her legitimate ministerial power to prescribe a different qualifying period by Order. The Minister considered the Forum's previous recommendation made in 2013, which included that it was difficult to ascertain the impact of the qualifying period on business confidence and hiring behaviours. These conclusions, however, did not stop the U.K. increasing the qualifying period from one year to 2 years in 2012. The new qualifying period of 52 weeks will only affect new jobs that started on 1st January this year. The Minister has taken swift action with the full backing of the Council of Ministers, sending an important signal to businesses that they are being supported by government to grow and create job opportunities. In conclusion, the Order to extend the qualifying period demonstrates sufficient and effective government decision making. I cannot support Deputy Southern's annulment.

1.8 Deputy A.D. Lewis of St. Helier:

I just wanted to pick up on something that Deputy Mézec said about no consultation. I have been in business virtually all my working life, self-employed, ironically because I got made redundant. The only way I could get a job was to set my own business up and at that time there was no employment law at all so I had no compensation, so I got up and set my own thing up. I have done that ever since. I am not saying that was right and it was not easy but if I was doing it today I just might not have done it because the fear of complying with the amount of bureaucracy that now exists and some for very good reason would perhaps have put me off. Something that Deputy Mézec said was that there had been on consultation. Well, I was involved in consultation on this going right back to 2003 when I was chairman of the Institute of Directors. At that time the I.O.D. (Institute of Directors), the Chamber of Commerce, employment agencies, employment lawyers, they all said at that time: "Why is Jersey having a 6 month qualifying period when most other people have 12?" They very clearly stated their reasons why they were concerned about that. Now, perhaps the chickens have come home to roost, we are now in hopefully the end of recession but as a result of this particular piece of legislation, this article, I think it has definitely inhibited small businesses in particular from employing. Not just this element of the employment law but

others as well. It is not because the employment law is wrong, it is because we have over 4,000 small businesses as Senator Green said. They do not have H.R. departments, they do not have as much knowledge about this area as they should. It is not for want of trying sometimes but they are running small businesses and they simply do not have time to get themselves completely up to speed and become mini employment lawyers, and they fear the cost of hiring contract employment lawyers as well because they simply cannot do it. So the more complicated and the more restrictions imposed by employment law, the more restrictive it is and the more difficult it is for particularly small businesses to employ. I would use France as an example. France has currently some of the highest unemployment in Europe but it has some of the largest numbers of small businesses. Most of them are family-owned businesses. They choose only to employ family. Some people may feel that is a bad idea entirely, those of you who may have employed family in the past, but in France it is common place and the reason for it is that when it comes to disputes of this nature the family sticks together and they sort it out among themselves and bureaucracy does not get involved. Jersey has a history of family businesses too, and perhaps this will encourage even more to occur because the fear that people have when it comes to complying with employment law. No one sacks people for no reason, as I think a Deputy behind me suggested earlier. The financial and emotional cost of recruitment and dismissal is significant. So nobody does this lightly. I think what we are proposing or what is being ordered already by ministerial order is exactly the right thing for Jersey's economy at this point in time. It brings it in line with other jurisdictions, particularly our near neighbours, and if you look at the models in the U.S. (United States), which perhaps they go far too far with not having enough employment protection, but that economy and the economy in the U.K. is at its fastest growth rate in terms of creating new jobs than it has been in the last 5 years. We need that too, and this will only go to help.

1.9 Senator L.J. Farnham:

My speech is now thankfully short due to what previous Members have said but I just wanted to correct or help Members by clarifying that employees still do have significant rights during this qualifying period.

[10:15]

A picture has been painted that employees may have no rights during the 12 months but that is not true, because from a legal perspective while they may not have the rights to claim unfair dismissal for areas such as conduct or capability, they still do have other rights, for example, the right not to be discriminated against, the right to holiday pay, the right to a proper notice period and if employers do not follow that then they will still find themselves in front of the tribunal potentially. That is a significant barrier, especially for small businesses as Senator Green said, a huge concern. It is not so much a concern for large companies with big H.R. departments. The fact that if an employee does not work out an employer will have to follow a procedure to prove poor conduct or to prove lack of capability is intimidating at best, frightening, potentially expensive and the downside in many cases a significant impact and sometimes a loss of the business. So Members should remember that of course employees still have the auto unfair dismissal rights during the qualifying period, which is important. I also just wanted to correct some figures in relation to the Chamber of Commerce questionnaire. There were, in fact, 153 employers respond, of which 73 per cent said that it would give them more confidence in employing new people to have a longer qualifying period. I think that is a statistic we cannot ignore at this crucial stage of economic development.

The Bailiff:

Does any other Member wish to speak?

1.10 The Very Reverend R.F. Key, B.A., The Dean of Jersey:

If has been fascinating listening to this debate. I cannot help slightly regretting that we keep on talking about sides: the employers' side or the employees' side. It is right to think about risk because everybody takes a risk if you are an employer and you take somebody on you are taking a risk, if you are an employee, as Deputy Mézec very helpfully said, and you move from one firm where you may have been for years to another firm to take the next step up the ladder, you are also taking a risk because in many places, of course, if trouble hits it is last in, first out. Of course, in any society there are bound to be unscrupulous employers, there are also going to be unscrupulous employees. Years ago in Oxfordshire a small builder was putting in a high level church heating system, the scaffold towers were erected, all the goods were on site, he only employed one other person whom he had known for years and who had the right skills. They had got about 2 weeks into the job and one Monday morning, the employer, the builder, went back into the church to continue the work and noticed that his colleague's tool bag was missing. So he rang him up, using the jargon of the employment industry in Oxford in those days, and his employee simply said: "Oh, Pete, I have jacked" which being translated means: "I have got another job, I am not coming back and you are on your own up the scaffold tower." It simply is the case that you take risks in the world of employment, if you are an employer there is the risk that actually the person who you think of as vital to your business, small or large, may simply decide that their future lies elsewhere. That is fine, but I wished we talked more about responsibilities than we did about rights. I believe passionately in workers' rights. My father was a trade unionist in the Post Office and I think that we must make sure we always have the right things for workers. Of course we do. We also want to make sure we do not stifle entrepreneurial risk taking. When I was studying economics, as far as I remember, you needed 4 things. You needed land, labour, capital and enterprise. If we do not have the enterprise then of course the rest will simply vegetate. I am reminded that in history there have been significant moments when employers have worked out that treating your employees in a counter-cultural, very caring, holistic kind of way was good not only for the culture of the place but exceedingly good for business. I am thinking of those Quaker driven businesses like Cadburys, who built Bourneville and made sure there was green space and everything else that was needed, or Terry's or Rowntree's in York - I am sorry they are all in the chocolate industry but that is how it was. Similarly examples in Lancashire mill towns and so on. In other words, there were some employers who said: "We are going to be concerned about responsibilities, not rights" and that has been matched in our industrial history by some workers groups having exactly the same ideas. It does seem to me that whatever view is taken of Deputy Southern's proposition, on which I make absolutely no comment, I would love to think that in our Island where we do the honorary system, where we do cultural care for each other, we might hear more and more in the future from employers about their responsibilities to their workers and from workers about their responsibilities to their employers. Thank you.

The Bailiff:

Does any other Member wish to speak? Deputy Higgins.

1.11 Deputy M.R. Higgins of St. Helier:

I have stated on many occasions in this Assembly that too many decisions are taken either by the Assembly itself or by the Council of Ministers without any evidence or insufficient evidence. This is just another example. There is absolutely no evidence that longer qualifying periods increase employment over the economic cycle. Dr. John Philpott, a former chief economic adviser of the Chartered Institute of Personnel and Development, which is basically the H.R. body, has made a number of comments in the past regarding extending the qualifying period. He said: "While watering down unfair dismissal rights is seen as a way of boosting recruitment and job prospects for young people and the long-term unemployed, the short run impact will be limited by the overall weak state of the labour market while in the long term any positive effect on hiring is likely to be offset by a corresponding increase in the rate of dismissals. The vast weight of evidence on the

effects of employment protection legislation suggests that while less job protection encourages increased hiring during economic recoveries, it also results in increased firing during downturns. The overall effect is just simply to make employment less stable over the economic cycle with little significant impact one way or the other on structural rates of employment or unemployment. There is no evidence that you U.K. employment suffered significantly in the 1970s as a result of the introduction in 1975 of a 6 month qualifying period for rights against unfair dismissal, or that there was any substantial benefit when the qualifying period was subsequently raised to 2 years in the 1980s before being lowered again to one year in 1990.” As we have heard it also went back up again in 2012. He said: “Increasing the qualifying period for obtaining unfair dismissal rights thus runs the risk of reinforcing a hire and fire culture in the U.K. workplace, which would be detrimental to fostering a culture of genuine engagement and trust between employers and their staff, and potentially harmful in the long run performance of the U.K. economy. Although such policy changes will undoubtedly be welcomed by the deregulation lobby, it is not the way to boost jobs or growth. I happen to believe that the Minister’s decision, backed by the Council of Ministers, is based simply on their political views or their political dogma rather than by any evidence. On that basis I cannot support this. If it was evidenced-based then I could certainly go along with the proposal. We know that there are some employers who want the longer qualifying period or a reduction ... a lot of this is they want less rights for workers because any rights that workers have could lead them into a hassle with their work force if they treat them unfairly. In fact many of the employers who are calling for changes in the law are people who have had bad experience, that is they have been taken to an industrial tribunal and the bad experience was the fact they lost and they did not like it. Others welcome longer qualifying periods because, remember, a lot of the jobs that we have in our economy are low wages, so they are working for low wages and if they have to work for one year before they bring an action against the employer if they have been badly treated then they get a year’s labour out of them rather than the 6 months that they had before. So I think Members have to look at this. I know businessmen in this Assembly, there is quite a number of them, do have strong views. They want to get rid of a lot of employment rights, they do not like the hassle, they do not like what they perceive as bureaucracy. If you look at reports from J.A.C.S. and so on, in many cases, in fact I think the vast majority of cases, they found against the employer because of bad practices. So I cannot support the Minister’s action. I also believe that the way it was done was totally wrong and I think with this particular Council of Ministers I fear we may see far more actions being taken by ministerial order to try and bypass the Assembly again. I know whatever I say will not influence some Members of this House because they have got very rigid views on it but I do hope that those who are undecided will say: “Where is the evidence? If the evidence is there I will support it, if it is not I cannot support it” and I hope they will use that policy going forward. Thank you.

1.12 Deputy L.M.C. Doublet of St. Saviour:

I wanted to ask the Attorney General something because I am reading the law on this and I am a bit unclear. Could you just clarify for me what rights, if any, do employees have within that 6 months at the moment. So can they be dismissed for being a member of trade union or for falling pregnant within the 6 month qualifying period? Also, not being a business owner myself, can you just tell exactly what process employers have to go through after the qualifying period, so if they need to dismiss someone, what steps do they have to take?

1.13 Mr. T.J. Le Cocq Q.C., H.M. Attorney General:

Within the qualifying period it is automatically unfair dismissal to dismiss an employee for a number of different reasons, including membership of a trade union. These are set out in individual provisions within the employment law. I will not go through all of them but there are a number of protections that remain whether you are within the qualifying period or not. Generally speak there is no set regime for what an employer has to go through after the qualifying period, they have to be

able to fit within the statutory provisions, they have to be able to show sufficient problems with conduct, with ability, with qualification, with behaviour, things of that nature to justify a dismissal. If they cannot demonstrate those things then they can be taken to the tribunal under the unfair dismissal regime. It is difficult to be prescriptive about what that actually means in practice because, of course, it will depend very much upon the circumstances of each individual business as well as the circumstances of each individual employer.

The Bailiff:

Does any other Member wish to speak? Deputy McLinton. Can I just say, Deputy, you are a new Member and I look forward to your contribution but we have had quite a long debate and I remind everyone of the Standing Order that you must not unduly repeat arguments already mentioned.

1.14 Deputy P.D. McLinton of St. Saviour:

Thank you, Sir, I shall endeavour not to repeat. One of my great concerns here is that some Members are sending a message out into the Island that employers are some sort of pantomime villain twirling their waxed moustaches, like some sort of Bond villain in fact with a chair where they pull a lever and they drop through the floor after 5 months and 3 weeks of employment, just looking to employ someone to sack them. This surely is about say that the employee simply has to be good enough, the employer simply has to be good enough and giving the employer enough time to figure out if the employee is good enough, say: "We have faith in you as an employer, please take this person on board" they will prove their worth to you, you will prove your worth to them as an employer. It is not about cut and thrust your way through people's lives trying to ruin them. We have also heard in here certain people telling other people that they are wrong in their opinion. They are saying: "You are an employer but you do not know what you are talking about." A prime example from Deputy Martin to Deputy Norton is: "You do not know what you are talking about." It is about us sending out a signal to say we have the faith in employers to do the right by their employees. Surely this is not about they are all villains.

[10:30]

This is not Robin Hood, we are not rescuing the poor from the rich in any way, shape or form. If we treat everybody as equal, if we say: "Everybody you have rights, you need as much wiggle room to make this economy work as is possible, we show faith in you" there will be bad employees, there will be bad employers, it is as simple as that, but if we just show the employers a bit more faith and say: "Here is a year for you to make up your mind" then surely that could be a good thing. So I say I reject this proposition.

The Bailiff:

Does any other Member wish to speak? Chief Minister.

1.15 Senator I.J. Gorst:

I will try to bear in mind your comments a moment ago. I want to start where the Dean finished his speech, and that is that employers ought to respect their employees and employees ought to respect their employers. It is a contract. Yes, there is a sharing of risk but I believe that it is important. I think that good employers recognise that their business and therefore themselves are only successful when they have got great staff, when they are supporting their staff, when they are training their staff, when they are allowing their staff flexibility and when they are paying their staff appropriately. That is absolutely as it should be. The success of any business, I believe, stands or falls on the way that it deals with its staff. In fact the staff can be the defining success factor. In a firm that I used to work for, the then senior partner used to say: "If you look after your staff and all that that means, everything else will look after itself because if you look after the staff, the staff will look after the clients and you will be successful." That, I believe is the basis from which I, and I

believe the Minister, approaches this debate. Over the last 3 years we make no apology for the amount of money that we have put into trying to get people back into work. It has been 10s of millions of pounds. We have trained individuals, we have mentored individuals, we have created specific training schemes for various sectors of the economy. We have paid salaries for up to 6 months directly to employers to take on those people who were struggling to find work. We have worked with employers to create work placement so that they could try potential employees prior to signing them up. We have created the J.A.C.S. outreach worker and I was disappointed to hear Deputy Mézec to suggest that it was incorrect for the J.A.C.S. outreach worker to advise employers that they should seek legal advice. There are cases we know that the employment law is complex and there comes an appropriate time when employers and employees must seek legal advice to make sure that they either properly represented or they are acting accordingly. That is a great scheme that was funded by the Social Security Department and I think it is one that we can be proud of. The Deputy also mentioned vexatious claims. We looked at how we could deal with the potential issue of vexatious claims when I was Minister for Social Security and we consulted widely. We felt then that on balance what we did not want to do was to stop legitimate cases using the tribunal and if we tried to put in any barrier that would indeed be interfering with workers' rights to prove their claim. Out of that arose the J.A.C.S. outreach worker to try and deal with those issues in a different way. The Deputy also said that we should be getting on with dealing with self-employed Social Security contribution rates for newly self-employed. We have obviously changed them over a number of years or more recently to encourage people to become self-employed but there is still also an issue of those self-employed people who do not earn very much money. That is being dealt with. But on the one hand the Minister has been accused of not advancing that change quickly enough and on the other hand she is being accused of using an order in this case to advance it quickly. The Minister cannot win. Where there is an order making ability in legislation she uses it to effect change, where there is not she has to go through what is sometimes a long and painful process and that is the situation that she finds herself in with the Social Security law. It used to be in primary legislation and I believe it is probably now in regulation but it still takes time. Were there order making abilities to make that change she could be bringing forward that change today as well, or it could have been brought forward for the start of January. But she has to use the legislative abilities that she has, that is why that particular change is taking slightly longer. I think the other suggestion that the Deputy suggested was far better than this one was something to do with a government backed bonds scheme whereby any penalties being awarded to employees by the tribunal should be delivered from that scheme. I cannot initially see what the merit of that is because it is supposed to be a penalty to the employer when they get things wrong and not just the simple insurance based scheme. When employers get it wrong they should rightly pay the penalty and they should rightly give financial compensation to the employee. Other Members have corrected Deputy Southern when he, in his opening comments, suggested something other than the result of the Chamber of Commerce consultation, which was 73 per cent saying it would give confidence to employ. That is the important issue that we are having to grapple with today. Does the 6 month period give enough confidence for employers to take on new employees and help us get more people back into work? The evidence from the business community is that no it does not, if it were extended that would give them greater confidence. So this is not just one measure out with lots of other measures, we spent 3 years introducing many, many measures to get people into work, this is another step, another measure that employers tell me and have told many other Members of this Assembly that it would give them confidence. Employers do not want to dismiss people unfairly, the problem is the process they have to go through to prove that the dismissal was not unfair. We heard the Attorney General, and I am grateful for his intervention, that there are some things which are automatically unfair but there is no prescribed process and therefore employers have to go through extremely lengthy and timely processes and many employers tell me that if they have to produce and provide to the tribunal what appears to be a fair

process, giving time for improvement, doing suitable review, doing suitable on the job monitoring, coming back, doing a second time for improvement, doing on the job monitoring, coming back, doing a third time for improvement, doing on the job monitoring and still not being certain that they have done enough to ensure that the tribunal would think it has not been an unfair dismissal and the employer has done everything they possibly can to ensure that they have dealt with the employee fairly. Because there is not a prescribed regime to some extent it makes it more difficult for employers to know whether they have dealt fairly with an employee that is just not working out for any number of reasons. Employers tell me time and time again that it is the bureaucracy of the issue which is the problem. They never want to employ somebody unfairly, why would they, because getting good employees in Jersey is not as easy as some in this Assembly appear to think it is. There are employers coming to the Ministers who have to deal with licences week in, week out struggling to find suitable employees to make their businesses a success. That is one of the reasons why we are concentrating also on education, and will be over the next 3 years, so that we can work with each individual to make sure that they leave school or leave their education fit and able to take up the work in our community. It is about the process. What this Order does is say we recognise the difficulty that employers are facing, we want to remove all barriers, as many as we possibly can, to getting those 1,400 people who still remain unemployed into the world of work because we know that is the best thing for them and we know it is the best thing for our community. I just want to finish off and make one point, it was Deputy Higgins who made great play of a comment from John Philpott from the C.I.P.D. (Chartered Institute of Personnel and Development), those comments arose from the U.K. changing from 12 months to 2 years not from 6 to 12 months. That is not we are proposing today. It is not what the Minister did when she signed the Order. We recognise it is about balance, we recognise it about employers respecting employees and the employees respecting employers. But if this measure can help get one person off that list of unemployed then it has my full support and it is why I gave the Minister my full support, it is why I talked about over the previous number of months. That has to be our priority, not theory, not theoretical understandings but practically getting people into work and working with employers in a myriad of ways as we are, and this is just one more way that we want to work with employers to get people into work. Thank you.

The Bailiff:

Does any other Member wish to speak? No? I call upon Deputy Southern to reply.

1.16 Deputy G.P. Southern of St. Helier:

I would like to thank all Members who have spoken either yesterday or today, it has been an extensive and, I believe, excellent debate. I believe it is justified to bring to the House and not do this on a ministerial order because, as we have seen, this is a controversial issue and should have been brought to the House in the first place. I make no bones about bringing it to the House because what I sought was the thing that is missing from this debate which was the evidence. We have had a lengthy debate and what we have had is evidence of perceptions, understandings, myths actually, not the Minister nor anyone speaking on behalf of the Council of Ministers has brought forward any hard evidence that this move will succeed in the laudable aim of getting more people into work. Deputy Higgins was absolutely correct when he pointed out the C.I.P.D. analysis of raising the period for unfair dismissal, said from the weight of evidence the overall effect is to make unemployment unstable. It is not the way to boost jobs or growth. Now, that is evidence. That is studied considered evidence about what the effect of this move is and yet we are still in the pious hope that this will create more jobs, this is what we are doing in the teeth of any evidence whatsoever. It is not just the C.I.P.D. on this particular move in the U.K., it is our own body, the Employment Forum, that we set up to give us advice on employment issues, on this issue, that said: "We can find absolutely no evidence that this will do what it says."

[10:45]

The Forum has found no evidence that a longer qualifying period would have a positive impact on employment and job opportunities. We have heard from a number of employers as to what they see as the perceived difficulties. In my report I have addressed that. Where it says: "The research found that employer perceptions did not reflect the real impact that regulation has on business." The report states that evidence of a perception reality gap was most apparent among small and micro employers that did not have any formal H.R. policies in place. When describing their practices for managing staff, they indicated that the effect of regulation was limited - so it has limited effect - and yet they describe the regulation as burdensome because they would be anxious about litigation. Other research has showed that the perception of the regulation being burdensome was influenced by anxiety and the belief that regulation was overly complex, rather than the actual legal obligations the employers had to meet. Let us take it at its most straightforward. You can, of course, fairly dismiss and I have been through the first 3 on capability, conduct or redundancy; I will just name 3. It is perfectly acceptable to sack on that basis. What you are asked to do to dismiss fairly is to give the employee a chance to improve, i.e., can you help them in some way to improve and if you are to warn them about: "You are in danger of losing your job, mate. You will have to pull your socks up" that you do it in front of a witness so it is evidenced; so that your behaviour is evidenced. Those are the burdensome things you have to do. You have the J.A.C.S. Outreach Service there if you are a small employer who readily can give you advice and training. It is an hour of your time, perhaps the morning, going through: "I am in this situation, what do I have to do?" It is not hard to do and that is where we should be putting in extra assistance. If we really want to give small employers the confidence to take on people, then let us train them up. Let us help them to do so. That is the way to improve employment, not by this what is gesture politics. This is a political decision; we want to be seen to be attempting to help people and to be seen to be helping people into work even though there is absolutely no evidence that what we are proposing will work. Anywhere. I remember too back in 2003 when we first brought in extensive consultation. That was the consultation, lengthy consultation, at the end of which it was decided that we would plump for 6 months as the appropriate considered consulted period for unfair dismissal. That is what happened. The most recent consultation, lengthy consultation, in 2013 said: "No evidence that extending this will make one iota of difference." So we have consulted on it twice extensively. Have we consulted on this extension? Not at all. No consultation in 2015 to change it overnight. That cannot be the right way of proceeding. Usefully Deputy Mézec said, I will try and be more positive and not just say: "This is not the right move" but examine what might be. Now if we had a plea from the Chief Minister to say: "The poor Minister has done things correctly and is now hauled before this Assembly to justify her decision" and she has acted on this first because it was convenient; it was controversial. She should have brought it to the States. She did not have to but she should have done. But we are working on different classes of contribution to ease people into self-employment. We share that common aim and in fact if she had brought that to the House there would not have been a great big, long debate because that would not be controversial. We could both, and I will use the word "sides", on both sides of this argument we could both look at that and say: "This makes sense." If we want to encourage people into self-employment, it is a way of increasing employment, then this makes sense and there would not have been an argument. There would have been a series of back-patting: "Well done. That is the way to do it" because that can be demonstrated to be useful and would increase employment. This has no evidence. Not one speaker has come up with any evidence that this will be made to work. The evidence is there that where it has been tried it has not been made to work. We have statements like: "Why have we got 4 times the protection than they do in the U.K.?" I will tell you why we have got 4 times the length of protection on this particular issue than they have in the U.K. because in the U.K. the Government has in place for the past 25, 30 years, discrimination law which says you cannot discriminate against your employee on the following grounds. So you cannot dismiss

somebody because of their gender, because they are pregnant, because of their race, because of disability, because of their sexual preference or orientation, et cetera, et cetera. They have had that embedded, those protections are there and they are automatic rights. You have got automatic protection for that. So as well as the unfair dismissal legislation, you have got this mass of employment legislation that says you cannot dismiss for these reasons. What have we got? We have got the start of a discrimination law. What is automatically unfair dismissal? The question was asked by Deputy Doublet and I can just take people through it briefly to illustrate the difference between us and the U.K. For us automatically unfair dismissal arises in the following circumstances: being a member of a trade union or proposing to be a member of a trade union; selection for redundancy on grounds related to union activity or membership; bringing proceedings against your employer over your absence of contract or that you are not paid the minimum wage (you cannot sack them for that because those are your rights); being selected for redundancy unfairly (not going through the criteria); being dismissed for representing or proposing to represent another member. Those are automatically unfair dismissal. Also, quite recently, item (g): "Being dismissed for a reason which would constitute an act of discrimination under the Discrimination (Jersey) Law 2013." That is the latest one. What does that cover? So far, race. It does not even cover sacking because you become pregnant. That is yet to be put in regulation and yet to arrive on the doorstep. It will arrive this year but that is race and pregnancy will be protected automatically; no qualification period. Automatically you have those rights. We are waiting to see all the rest on the chain: age, disability, et cetera, et cetera. Those are yet to come. That is why the 6 months' period for unfair dismissal is important and more important here than it is in the U.K. because in the U.K. that automatic protection is built in through another mechanism which we have not got around to yet because we are 30 years behind the times. When we have got discrimination in place with all the varieties of discrimination that we wish to protect people against discrimination from then that is the time to say: "Now we can relax our unfair dismissal period" but not yet. So not now. If I may, we had both the Chief Minister and Deputy Pinel saying we have the right balance but providing no evidence that this is the balance that is appropriate. I think the argument, the comparison, between us and the U.K. and its discrimination law says that we have not got the balance right yet and this certainly is not the right balance. The Minister said: "It is my job to encourage business." Surely it is her job to encourage business and surely to protect workers from poor employers. We are not saying everybody is a poor employer. We are saying some are still and workers do need the correct protection. To weaken it, to water it down at this stage is not the right balance. To do that without consultation she says: "Things have changed since 2013" but provided again no consultation, no evidence to back up that things have changed so far that we should be moving. These were indeed hard-earned rights and we should not be watering them down. With that, I thank everyone for their contribution and reminding people that the appropriate way forward is something that is already in place and due for expansion in this year which is the J.A.C.S. Outreach Service. If you have problems with what you need to do as an employer and, let us face it, in taking employment on that is surely something you should train yourself up in whether you are a small business or a large business. You should make sure you know what you are doing; that is common sense. Know what you are doing before you take somebody on. That service is there and that service has been funded to expand in the coming year. Now, as I said before, when we have got discrimination law in place then come back and say: "Let us change this. It might make sense." If not until then, then hang on, we have set up the J.A.C.S. Outreach Service. It is available to give people advice; it is expanding in the coming year. If you were to come back with this proposition in a year's time, it might well be different and you might well be able to give the evidence to say: "What we should be doing is moving this particular protection" but not now. It is inappropriate without the evidence and without the consultation. I would urge Members to support this proposition.

The Bailiff:

Do you ask for the appel, Deputy?

Deputy G.P. Southern:

I do ask for the appel, Sir.

The Bailiff:

So the appel has been called for then in relation to Projet 169. I invite Members to return to their seats. Now before the vote is taken, Deputy Bree, can I raise with you, I am informed by the Greffier that your voting button is on the blink.

Deputy S.M. Bree of St. Clement:

That is correct, Sir, yes.

The Bailiff:

It apparently shows contre no matter which button you press. **[Laughter]** What we will do is we are going to take the vote and you must press your button but then before I announce the verdict I am going to ask you which way you voted and we will see whether it is recorded or not but we will take your word for the way you intend to vote. Very well, the Greffier will now open the voting.

POUR: 8		CONTRE: 36		ABSTAIN: 0
Connétable of Grouville		Senator P.F. Routier		
Deputy J.A. Martin (H)		Senator P.F.C. Ozouf		
Deputy G.P. Southern (H)		Senator A.J.H. Maclean		
Deputy M. Tadier (B)		Senator I.J. Gorst		
Deputy M.R. Higgins (H)		Senator L.J. Farnham		
Deputy J.M. Maçon (S)		Senator P.M. Bailhache		
Deputy S.Y. Mézec (H)		Senator A.K.F. Green		
Deputy S.M. Brée (C)		Senator Z.A. Cameron		
		Connétable of St. Helier		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Connétable of St. Ouen		
		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of St. Saviour		
		Connétable of St. John		
		Connétable of Trinity		
		Deputy of Grouville		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy E.J. Noel (L)		
		Deputy of St. John		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy R.G. Bryans (H)		
		Deputy of St. Peter		
		Deputy R.J. Rondel (H)		
		Deputy of St. Ouen		
		Deputy L.M.C. Doublet (S)		
		Deputy S.M. Wickenden (H)		
		Deputy M.J. Norton (B)		
		Deputy T.A. McDonald (S)		

		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy P.D. McLinton (S)		

The Bailiff:

Now before announcing the result, Deputy Bree, can I ask you which way you voted?

[11:00]

Deputy S.M. Bree:

I voted pour.

The Bailiff:

You voted pour. It is working again.

The Bailiff:

Very well, I can now announce the result then. The proposition is rejected: 8 votes pour and 36 votes contre.

The Bailiff:

Very well, now before we come to the next matter, the next 2 matters on the Order Paper are P.170/2014: Jersey Financial Services Commission: appointment of Commissioner and P.172/2014: Jersey Financial Services Commission: appointment of Commissioner. Now as Members will be aware these have to be held in camera. If we take one after the other we will be going into camera, out of camera, into camera and out of camera. I would like to raise for Members' consideration the fact that we ask the Greffier to read them together, for us to then go into camera, debate one after the other, and then come back out of camera and then we will take separate votes on each one. Would Members agree that is a sensible way of proceeding? Very well, so I will ask the Greffier to read both propositions starting with Projet 170.

2. Jersey Financial Services Commission: appointment of Commissioner (P.170/2014)

The Greffier of the States:

The States are asked to decide whether they are of opinion in pursuance of Article 3 of the Financial Services Commission (Jersey) Law 1998 to appoint Mr. Simon Morris as a Commissioner of the Jersey Financial Services Commission with immediate effect for a period of 5 years.

3. Jersey Financial Services Commission: appointment of Commissioner (P.172/2014)

The Greffier of the States:

The States are asked to decide whether they are of opinion in pursuance of Article 3 of the Financial Services Commission (Jersey) Law 1998 to appoint Mr. Peter Pichler as a Commissioner of the Jersey Financial Services Commission with immediate effect for a period of 5 years.

The Bailiff:

Very well, the propositions have now been read. We now have to go into camera under the provisions of the law so I would ask the usher to make sure that the gallery is cleared.

[Debate proceeded in camera]

The Bailiff:

We are now back in open session. So the matter before the Assembly is, first of all, the vote on Projet 170, that is the appointment of Mr. Simon Morris. All those in favour, please show. Those against? The proposition is adopted. We then move to the vote on Projet 172, that is the appointment of Mr. Peter Pichler to the commission. All those in favour, kindly show. Those against? The proposition is adopted.

4. Draft Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 201-(P.171/2014)

The Bailiff:

The next matter is P.171: Draft Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 201- lodged by the Minister for Economic Development. I will ask the Greffier to read the citation.

The Greffier of the States:

Draft Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 201-. The States, in pursuance of Articles 6 and 26 of, and paragraphs 3 and 4 of Schedule 2 to, the Financial Services Ombudsman (Jersey) Law 2014, have made the following Regulations.

4.1 Senator L.J. Farnham (The Minister for Economic Development):

Members will recall that in November they agreed P.152 which brought into force Article 9 together with the Schedules relating to the levies and charges that the Ombudsman can levy. This proposition simply seeks to introduce the Regulations which prescribe for that option. The Regulations are clearly outlined so I can run through them individually. There are 11 in total. I will take them as read and take any questions. Thank you.

The Bailiff:

Very well, are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles? Very well, all those in favour of adopting the principles, kindly show. Those against? The principles are adopted. The Connétable of Grouville, do you wish this matter referred to your Scrutiny Panel?

Connétable J.E. Le Maistre of Grouville (Chairman, Economic Affairs Scrutiny Panel):

No, Sir.

The Bailiff:

Then, Minister, do you wish to propose the Regulations together and take questions?

Senator L.J. Farnham:

Yes, Sir.

The Bailiff:

So you propose Regulations 1 to 11? Are they seconded? **[Seconded]** Does any Member wish to speak on any of the individual Regulations? No? Well then, all those in favour of adopting Regulations 1 to 11, please show. Those against? They are adopted. Do you propose the Regulations in Third Reading, Minister?

Senator L.J. Farnham:

I do, Sir.

The Bailiff:

Seconded? [**Seconded**] Does any Member wish to speak in Third Reading? The appel is called for in relation to the adoption of the Regulations in Third Reading. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 36	CONTRE: 0	ABSTAIN: 0
Senator P.F. Routier		
Senator P.F.C. Ozouf		
Senator A.J.H. Maclean		
Senator I.J. Gorst		
Senator L.J. Farnham		
Senator A.K.F. Green		
Connétable of St. Helier		
Connétable of St. Clement		
Connétable of St. Peter		
Connétable of St. Lawrence		
Connétable of St. Ouen		
Connétable of St. Martin		
Connétable of St. Saviour		
Connétable of Grouville		
Connétable of St. John		
Connétable of Trinity		
Deputy J.A. Martin (H)		
Deputy of Grouville		
Deputy J.A.N. Le Fondré (L)		
Deputy K.C. Lewis (S)		
Deputy M. Tadier (B)		
Deputy M.R. Higgins (H)		
Deputy J.M. Maçon (S)		
Deputy R.G. Bryans (H)		
Deputy of St. Peter		
Deputy R.J. Rondel (H)		
Deputy S.Y. Mézec (H)		
Deputy of St. Ouen		
Deputy L.M.C. Doublet (S)		
Deputy S.M. Wickenden (H)		
Deputy S.M. Brée (C)		
Deputy M.J. Norton (B)		
Deputy T.A. McDonald (S)		
Deputy of St. Mary		
Deputy G.J. Truscott (B)		
Deputy P.D. McLinton (S)		

The Bailiff:

Greffier, are we content with Deputy Bree's machine now?

5. Draft Loi (201-) (Amendement) au sujet des assemblées paroissiales (P.173/2014)

The Bailiff:

We come next to the Draft *Loi (201-) (Amendement) au sujet des assemblées paroissiales* P.173/2014 lodged by the Comité des Connétables. I will ask the Greffier to read the citation.

The Greffier of the States:

Draft Loi (201-) (Amendement) au sujet des assemblées paroissiales. Loi pour modifier la Loi (1804) au sujet des assemblées paroissiales. Le Etats, moyennant la sanction de Sa Très Excellent Majesté en Conseil, ont adopté la Loi suivante.

The Bailiff:

Yes, Chairman of the Comité.

5.1 Connétable L. Norman of St. Clement (Chairman, Comité des Connétables):

Members will have noted from the answer to the question I gave to Deputy Mézec yesterday, requests from parishioners to call Parish Assemblies do occur and as Members will have seen from the answer most of those requests have been reasonable and appropriate. However, because of these requests in recent years we have found that on many, if not all, occasions it has been impossible to comply with the law and call the Assembly within 8 days of the request being made. This can be for a number of reasons, including the deadline for advertising in the *Gazette* which Parish Assemblies have to advertise in and the availability of the Parish Hall and agreeing the final and proper wording of the proposition to go to the Assembly. Therefore, we propose that the Assembly be convened within a fortnight rather than the current 8 days to ensure that we are able to comply with the law. While we were looking at this we noted that a request for an Assembly required only 4 signatures and on reflection we do feel this is somewhat low. I believe that before putting parishioners to the expense and sometimes inconvenience of a Parish Assembly, there should be evidence of a basic level of support for the proposition other than that from perhaps just a single household. I think it is worth recalling that when this law was first introduced some 211 years ago, the number who could vote at a Parish Assembly were considerably less than are able to vote today. Certainly, in those days women were not allowed to vote; I believe that has since changed. **[Laughter]** Certainly, at Parish Assemblies tenants and occupiers were not allowed to vote. It was only principals, people who owned property of a certain value who were. So the numbers who were able to vote or call a Parish Assembly were a lot less than they are today. Ten is the number that the Constables are recommending. This is clearly still a very small number. It is the same number as that to propose a States Member, for example, except for a certain incident in St. Helier where it is only 9 in a certain district. **[Laughter]** But at least with 10 there is some evidence to parishioners of some level of support for the proposition to go to the Assembly. I propose the principles.

The Bailiff:

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles? Yes, Deputy Tadier.

5.1.1 Deputy M. Tadier of St. Brelade:

This may seem like a matter of housekeeping this amendment that is being brought forward by the Comité des Connétables.

[11:15]

But one has to wonder why among a body which is sometimes reluctant for change, although it is probably not necessarily a fair comment in the light of some of the changes that have been brought recently, that this should be brought. Of course, when the former speaker talks about the past and the fact that things have to change and now the women have the vote, they did not always have the vote, it seems to dress this up as if it is something both desirable and progressive when the opposite

is true. It will be interesting to see if the Comité des Connétables are unanimous in this, whether they are acting as a party, whether there is an informal party whip going on with that or whether there might be some Connétables who, during the deliberations, have thought that maybe this is not a good idea. Because in fact that certainly is the case with a former Constable, the Constable of my Parish, who I think was respected, who was both a Minister and a Connétable for a couple of terms. He has written to the representatives of our Parish with concerns about the changes and I have just taken the opportunity not long ago to forward that correspondence to Members, so if they do have the means to look at it they can read that. This is what the former Constable said, who was also at one point a member of P.P.C. (Privileges and Procedures Committee) so it is somebody who understands the issues who is not generally, I think, considered to be radical, who I would consider somebody of generally a conservative approach but somebody who considers things well. It is a very short letter so I am happy to just quote from it. It says: "I refer as a casual observer to the proposed amendment to the Parish Assembly Law." Of course he is being modest; he is not just a casual observer, he is a very informed observer: "There are 2 elements to the proposition." He goes on to say he does not really have a problem about the time period: "I have no issue with that but I consider the adoption of a requirement for increased numbers to be totally unnecessary and almost demonstrating a degree of arrogance on the part of the Comité as a body. I can understand the motive for bringing such an amendment in that it is an inconvenience to the administration of the Parish to have to deal with a *requête*. Doubtless, the Constable of the day will be in a disagreement situation if matters have to go to that stage." This is the important part: "However, it is the little person's opportunity to get their proposition considered and in view of the numbers that generally attend Parish Assemblies, the requirement before signatory seems reasonable but 10 unnecessarily onerous." As the Constable has alluded to it is quite difficult even for some to get 10 signatures when they are standing for a position in this Assembly. I am not referring to anyone here but you have had people turning up on the day in different Parishes with 9 signatures asking for a tenth signature only to be told that they cannot. So, if we think about the numbers that go to Parish Assemblies, sometimes there may not even be 10 that go to a Parish Assembly in the first place, but we are asking a member of the public to get 10 signatures. It is a big jump; it is a 2 and a half times increase. I continue to quote the letter: "The report attached to the proposition outlines all sorts of justifications for change but gives no evidence of it having caused any problems in the past. The simple expedient of 4 parishioners to be able to invoke a Parish Assembly is usually sufficient to cajole a recalcitrant Connétable into action, either by dealing with the issue in question, or simply adding it on to the agenda of a subsequent meeting. The other point of consideration is that I do not believe the matter has been put to any Parish Assemblies, the body that represents all those who will be affected. Given that there is little to be gained by this proposition, please review your support for it as I do not believe it does the office of Connétable any favours at all." He did not say "at all", he just says "any favours" with an exclamation mark: "Best regards, Mike." I will just repeat that last penultimate paragraph. Not the penultimate one. Sorry, just give me one moment. I think I can leave the debate there. I think the points have been made for my part but I would ask Members to reconsider. I will just finish with this idea: it is that there was a quote that says that the gentlemen of England, when they start to lose the game they change the rules. It seems to me that we have heard the explanation for this change coming in, is that we have had a spate of Parish Assemblies being called and that it is an inconvenience for the Parish but what is the purpose of a Parish Assembly if it is not to listen to the parishioners? Why are we making it more difficult because this is ultimately what it is? We are making it more difficult for parishioners, especially if we consider some of the smaller Parishes where there may be an issue that affects a small area of the Parish, whether it is St. Mary or St. John. It may be something to do with an individual street, a cul de sac on which only a few people live and a few are politicised and at short notice it could be something that is coming to the States, for example. That is why I personally am not going to support either part. I think that the reduction in time is unnecessary. I think if the arguments,

which I can understand the practical arguments about, having to advertise in the *Gazette*, of course that takes time, having to give sufficient days' notice. Of course that takes time. It would probably be more appropriate to consider whether in the 21st century we still need to put an advertisement in the *Gazette* of a paper which is decreasingly read by Islanders when online is read. In fact, some of the smaller Parishes, I am sure, could probably be more effective in sending a letter out to all parishioners telling them that there is an Assembly coming up and that they can cast their votes, possibly even by post, but let us not go there because that is perhaps something we are not considering today. It might be more effective to do that rather than give an independent organisation such as the *J.E.P. (Jersey Evening Post)*, the Island's only newspaper, revenue which could be better spent elsewhere for taxpayers. So I think there are definitely changes that need to be considered, no doubt are being considered already by the Comité. But I think this is regressive and it will not affect the powerful lobby groups of course. If Reform Jersey wanted to have a Parish meeting in certain Parishes, they could easily get 10 signatures and we could do it if we wanted to for various things on various issues if it was deemed appropriate. If the unions wanted to get a Parish meeting, 10 signatures, that can be done very easily, I would suspect, in most Parishes. If the Chamber of Commerce want to lobby for a Parish Assembly in some of the big Parishes, they can do that but if Joe and Josephine Ecobichon or Bloggs, depending what their provenance is into the Island, want to get that meeting done quickly ... and we have seen Parish Assemblies that have been convened on important Island issues to do with Plémont or important local issues which may or may not be coming to this Assembly. I think the point that I forgot before that I wanted to reiterate from the former Constable is that it is a paradox that we are dealing with local government which has got the potential and continues to be the potential for great expression of democracy at a grassroots level locally where decisions can be made locally, not centralised, by the people who are affected by that decision. They have no say in this decision today whatsoever. We are making this decision in the Assembly but those who will be affected by it will not have that decision. In fact, these decisions should have come ahead via a network of Parish Assemblies where people could have submitted their views to their Parish Assembly. In fact, why does it need to be across the board? Why can one Parish which is smaller decide that a quorum for our Assembly, a quorum for calling an Assembly but perhaps a quorum for a general Assembly, why should it be the same in St. Helier as it is in St. Mary, the smallest Parish? Why should the task of getting 10 signatures in St. Mary which is clearly going to be much more difficult than getting 10 signatures in St. Helier? Why the one size fits all? It does not seem to make sense. If there were a mechanism I would ask that this be referred back because I do not think that this has been thought through. No doubt this stream of thought is replicated throughout other Parishes, throughout other administrations and those involved in it. I do not think it is something which does any favours or, to again paraphrase the former Constable, it does not bring any honour on the role of a Connétable.

5.1.2 Deputy S.Y. Mézec:

Just very briefly to add to some of the comments that Deputy Tadier has made that I fully endorse. When I saw that this had been lodged I was quite curious as to the reasoning of it. I could not quite imagine what the problem was simply from my own recollection of what Parish Assemblies had been called by parishioners over the years. So that is why I asked my written question on this which, if Members have the pack, it is the second question on it which shows that in the past 5 years - I wish I had asked for 10 years given how few it is - there have only been 6 Parish Assemblies called using this law and I do not think any of them could be described as being vexatious at all. They all seemed to be on legitimate subjects for discussion. Even in St. Helier which has I think over 20,000 people who could potentially sign a request for a *requête*, there has only been 2 Parish Assemblies in fact. So I think that this shows that there is not a problem in terms of the number of Parish Assemblies that are happening and the inconvenience that holding one has caused. As the former Constable of St. Brelade has said in his letter, there may be a

legitimate argument for saying that the length of time that it needs to put the Assembly on could be increased. I am sort of open to that myself. We know that there are times in the year where Parish Halls can be very busy because of hosting lots of events. December in particular I would imagine would be a time where it would be a real pain if somebody wanted a Parish Assembly at short notice. So perhaps that is something that could be looked at separately. Because it is in French and I do not have a clue what it says, I do not know if it is possible to ask for those 2 bits to be taken separately. Is it not? The Greffier is shaking his head so it is not, so perhaps maybe it is possible to ask for it to be withdrawn and maybe put forward as 2 separate things so that we can decide. We have seen that getting 10 signatures, if you are somebody who may not be overly politically-active, maybe you are just somebody who has never particularly taken part in Parish or States democracy, just has a problem on your road with something that you were not getting much progress with and wanted to call a meeting to sort it out, for that person may be difficult. Firstly, you have to know if that person is eligible to sign in the first place. There, as we know, have been problems with that. I believe that we should not need 10 signatures to get a candidate to stand for the States. In Guernsey you only need 2 people to do that. When we are not getting as many candidates for elections as we need to have a proper choice among the public, then that should be reduced too so I do not think raising this helps. I think they should all be brought down and maybe 4 is the number that works. So the point I just want to end on is that we do not have a problem here in terms of vexatious *requêtes* so it seems to me to be a backward step to make it more difficult for Parishioners to call them especially when, as Deputy Tadier said, large stakeholder groups will not have a problem with getting those 10 signatures. The people that will have a problem are people who maybe have a small but important problem to them that they want to get solved. Because I think that only one element of this proposition has merit, I would ask that it would be withdrawn and perhaps re-lodged at some point with them separately so that we could take them separately.

5.1.3 Connétable J.M. Refault of St. Peter:

I stand just to try and hopefully clear up some issues on the first 2 speakers. There is a vast difference between a Parish meeting and a Parish Assembly. A Parish Assembly is an order-making body where a proposition has to be put to the Assembly which has to be voted on and that decision is then enacted upon by a Constable. Those propositions can only be on matters of which the Parish itself can opine upon. For example, you cannot bring a proposition to tell the Constable of St. Peter that he has got to vote against this proposition in the States today. That cannot be done through a Parish Assembly. The parishioners have no right to tell Constables how to vote in the Chamber. We are representatives of the wider Parish. Moving now to a Parish meeting, a Parish meeting is an entirely different Assembly. It still happens at the Parish Hall, parishioners can ask for a Parish meeting on any topic. They could ask for a meeting today to discuss the proposition before the Assembly today to understand why it is being done. At the end of it, the Constable may take a vote just to gauge the opinion but he is not bound in any way, legally or morally, to act upon that vote. It is merely to gauge it. So they are 2 entirely different things. A Parish Assembly is a decision-making one on only matters of the Parish.

[11:30]

A Parish meeting is about any item that the parishioners might want to talk about, for example, why is St. Peter's bell still ringing in the early hours of the morning? Those are things that are of interest to the Parish which are not binding to the wider Assembly. Coming back, Deputy Mézec is right, there are no issues about the number of Parish Assemblies that we have had. It is not the reason for bringing this proposition today. It is not because there are problems, it is merely looking: is it still appropriate today when the number of parishioners who can now speak at a Parish Assembly is exponentially larger than they were when this was first brought in back in the early 19th century? At that time when you only allowed principals, and those were the owners of the large properties, so tenants and occupiers who only paid a small amount of rates could not be

represented at a Parish Assembly and neither could women. Now women can and everybody who is on an electoral roll can be represented, speak and vote in a Parish Assembly. This modest change reflects the exponential change in the number of people who now can have a voice in the Parish Assembly. It is as simple as that. So really the main point of me standing is to make Members aware there are 2 types of Parish meetings. A meeting which is just to discuss items of interest to the Parish and a Parish Assembly where they can make an order. For example, if we have one road in the Parish where 4 people live in it who do not like people using it as a rat run, they could today come to Parish Assembly to demand that that Parish road is closed, and if nobody else turned up at that Parish Assembly that would be carried and it may well affect a vast number of people. Let me think of one for example, very widely used by people from the north of the Island, Rue du Craslin, it runs from Sandybrook through to Beaumont Cannon. Four people in that road today could ask for that road to be closed by a Parish Assembly and the Constable would be required to act upon that decision of the assembly. It would affect not only the parishioners but the wider public. This is the reason why we are looking to try and enlarge the engagement of a larger number of people to ensure that minorities, very small minorities, cannot come forward with major propositions which would have a significant impact far outweighing the number of people bringing the proposition. Thank you.

5.1.4 Deputy L.M.C. Doublet:

As someone who is very new to politics, I did not know that this facility existed until quite recently and, you know, it is really exciting that parishioners can do this and I am really confused as to why we are trying to change it or, you know, make it less because I think it is a real strength of our system. We have got so much apathy at the moment; I really do not think we should be changing this. I do not really have a big problem with the 2 week thing but changing the requirements from 4 people to 10 people, I do not think it is necessary. My parishioners, I think they should retain these rights so I am going to be voting against this.

5.1.5 Deputy J.A. Martin of St. Helier:

I fully understand that Deputy Doublet may not have realised this law and I do hope the Deputy of Grouville will speak because I know she has researched it and researched it and researched it. I absolutely cannot believe that you want to allow the Constables to make it more difficult to do the job they have insisted that they are here for, and that is to consult [**Approbation**] with their parishioners overall and it is literally here, it was a law, and it is very old, yes, 1771, nearly as old as me. [**Laughter**] But it has not changed. You look, we have had 5 Parish Assemblies discussing some outlying ... in St. Ouen of course it was Plémont, in St. Helier they did discuss A, B and C options. But where the Constable of St. Peter is sitting today, where the Constable of St. Mary used to sit, and has done that speech so eloquently to retain the Constables' right in this House is because they are ... they might not be delegates, they are representative but what they represent is, they tell me, they have told me for years since reform was debated whether they should stay or they should go, that that is what they want to do. They want to, on big issues ... why make it more difficult? Why is then the Constable not calling these meetings? Why go to 2 weeks and 4 signatures? I am not supporting any of this. I want to see much more Parish involvement. What the Constables want to do to redefine their role, not under a 1771 law but under a 2015 law because they now know that is what they have been voted here for. They have an automatic right to sit in the States Assembly. They were told, they went round, the yes campaign said they must retain that right because they are the only people who are not muddled up in Deputies' constituencies, they can take the overall Parish view. Whether it is 4 or 10, as Deputy Tadier says, if we want Parish Assemblies we could call them. I think the Constables should turn this on the head. The first thing they have done since ... and it was lodged in December. Probably the first time they met as a new comité they have brought this in; make it harder to meet your parishioners. I think it is absolutely shameful I

am not supporting it. It might be minor housekeeping to them, I think it is an absolute retrograde step for democracy and what their job ... and what they see their job is. It is disgusting. Thank you.

5.1.6 Senator P.F.C. Ozouf:

Yesterday there was a celebration of Democracy Day. There was apparently the 750th anniversary of the first elected English Parliament in 1265. So I suggested on *New Media* that we might have beaten that in Jersey by at least 50 years because I thought the Legislative Assembly which consisted of elected Jurats was in place probably at least 40 to 50 years earlier. So democracy evolves and we have been democratic, I argued on a blog yesterday, earlier than our English cousins, and I stand to be corrected on that. Now Parish Assemblies have been an important part of the democratic tradition of Jersey for centuries. They are an important part, as we have heard from previous speakers, of people being able to convene, being able to discuss issues. I personally do not think what the Committee of Constables is asking for is unreasonable and in order to persuade Members of the modernising, reforming zeal of the Constables that now have their position confirmed in this Assembly, maybe the Chairman could say something in his summing up about how he is going to go further with widening and deepening the involvement of people in Parish Assemblies. The reality is Parish Assemblies are not relevant to many people's lives. Parents putting their children to bed, not a problem that I have, are not able to attend the Parish Assembly; it is inaccessible. Putting an advert in the *Gazette* is horrendously expensive. *J.E.P. (Jersey Evening Post)* even get the date wrong sometimes on the cover of the *J.E.P.* and you have got to pay 65 pence to know whether or not there is a Parish Assembly if you have not been a good churchgoer and go in to see the notice in the cemetery as the law sets out. It is crazy. I want to hear from the Constable in summing up the fact that, yes, they are putting this reasonable control in place but what the Parishes are going to do is they are going to open up their Parish Assemblies. They are going to do online streaming of vigorous debates in Parish Assemblies to people that are sitting at home. That they are going to invite all their parishioners by email of the existence of the Parish Assembly because they can collect everything and we have got one of the most digitally connected communities in the world. Some Constables are looking at me with shock **[Laughter]** about what digital inclusion is about but there is a whole new world of including people. Democracy evolves; we have been at it longer than most. This is a reasonable proposition but the Constables need to be going further, wider, deeper; using technology and opening up their Parish Assemblies to the people so that they can hear their vigorous debates and the important issues that they are discussing. The Constable can save this proposition by effectively saying, yes, this is one of a number of reforming, modernising, inclusive, democratic, reforming items that the Constable and his committee is considering.

5.1.7 Senator P.M. Bailhache:

I very much agree with all that exuberant stuff that we have heard **[Laughter]** from Senator Ozouf and I very much hope that the Constables are moving in that direction and I am sure that they are. But coming back to this proposition. It seems to me that the opponents are making very heavy weather of it. In 99.9 per cent of the occasions, if a parishioner wishes to have a debate about a particular issue he will go to the Constable and say: "Constable, will you please put this on the agenda for the next meeting of the Parish Assembly?" In 99 per cent of the instances, if it is a sensible proposal, the Constable will put it on the agenda. So we are talking about the very rare circumstances where the Constable refuses to put the request on the agenda, and Constables are reasonable people. I would be very surprised if an unreasonable decision were taken to refuse to put something on the agenda of the Parish Assembly for debate. But the safeguard against an unreasonable decision by a Constable is that a number of parishioners can require the Constable to convene a Parish Assembly. The question is how many, and in 1804 when this law was passed, just a little later than Deputy Martin supposed, the number of principals who could attend a Parish Assembly was miniscule by comparison, as the Constable of St. Peter has rightly said, and

proportionately now it probably is possible to find 4 parishioners to propose a resolution which is barking mad; in some Parishes probably easier than in others. **[Laughter]** But the purpose of this proposition is to require that a reasonable number of people get together to say the Constable is wrong, there should be a Parish Assembly to discuss this matter. One could argue about the number. The number on which the Constables have fixed seems to me to be entirely reasonable.

5.1.8 Deputy G.P. Southern:

I look forward to the day when Senator Ozouf is a Constable himself and leading the charge for reform. Wonderful, that was, lovely speech. Makes me glad to be here. What I am worried about here, and it is a cliché, but it is a thin end of the wedge argument. If from 4 to 10 now, then we are talking about 40,000-odd people who live in St. Helier who can have 10 people or thereabouts do things in their name and that may be in some way dangerous. We have just heard that all Constables are reasonable and apparently most projects brought to the Parish are far from it, they are barking. The argument is one about something that is not broke. If it ain't broke, why are you trying to fix it? If it is part of some sort of progressive change, as Senator Ozouf is trying to make us believe, then why do you not bring all that package, online streaming, *et cetera*, and say: "Look, we are really modernising and part of this is we are dealing with this little tiny small bit of this law" which is apparently older than my grandparents. So I think I am saying at this stage, if it ain't broke, and I do not believe it is broke, you cannot have it both ways. You have established the Constables we have had a referendum on it. This is the way you have established them as the representatives of the Parish. That is what was sold to the public; the Jersey way of life, and we take tremendous pride in the accessibility of politicians especially the Constables. I do not know how many Constables will say: "I know what the feeling is in my Parish. I am absolutely confident and when I come to this Chamber I know what the feeling is, I tell you now." Well, why are we making it harder to access and talk to the Constable in this way? It makes no sense to me and I do not believe it is broke and I do not believe I can vote to fix it.

5.1.9 Deputy C.F. Labey of Grouville:

I am glad I am following the previous speaker because he was asking about what is broke; it ain't broke. The only thing that is broke is the attendance at the Parish Assemblies, and **[Approbation]** the few people that attend because more often than not the agenda, and I attend virtually every single one, the agenda is not inspiring people to come along, to turn out at 8.00 p.m. in the evening to engage in their community, which is unfortunately a sad thing. Perhaps if there were other issues on the agenda, issues that could inspire people to come along and play a part in grass roots democracy, I can only see this as a good thing. I still do not really understand what it is the Constables are trying to solve here and for the benefit of people on radio, Deputy Mézec asked a question, as he told us just before, about the amount of Parish Assemblies that had been called in the last 5 years, and in St. Clement there was one, St. Helier 2, St. Ouen 2 and St. Saviour one.

[11:45]

So hardly an abuse of the system, I would suggest. In actual fact the meetings that were called, I would go as far as to say that they probably were very, very well attended because the subjects were of interest, they were of our constitution, *et cetera*. I have always advocated that the Constables, in order to maintain their role, they should be calling assemblies, maybe not more frequently but maybe the items on the agenda could be extended to perhaps some of the issues that we are discussing here **[Approbation]** so that not only the Constables but we could inform our parishioners about issues that are going on, that we are discussing here, to gauge their views, to listen to them. I believe that is a better way of encouraging people to engage in their community. I think it is a bit ironic that there are a number of Constables, well a couple of them that have already spoken, that have said ... and indeed Senator Bailhache, he was quoting the 1804 law and that there were far less people in the Parishes then than there are now. However, ironically, I will bet that the

Parish Assemblies are less well attended now than then. So that should surely be saying something and I think it is ironic indeed that the very proposition that we are discussing here about Parish Assemblies has not been tabled at any one Parish Assembly and that is ... surely it would be the ideal thing to put on the agenda and discuss with parishioners because they might have a view on something that is being proposed to thwart their democratic rights. Thank you.

The Bailiff:

Does any other Member wish to speak? Yes, the Connétable of St. John.

5.1.10 The Connétable of St. John:

I was not going to speak but there are just one or 2 points. It ain't broke so why fix it? It is an interesting phrase, that. If you see a vase precariously dangling on the edge of a shelf about to fall on to the fireplace and smash, it is an instinctive reaction to just ensure the vase is safe before it breaks, and that is what we are attempting to do. I was delighted by Senator Ozouf's enthusiasm and as a new boy this is something that I wish to embrace. Digital technology, I think, is the modern version of Morse code and I believe strongly that we should be communicating with our parishioners in this manner and it is something that I am already embarking on so that the minutes of every Parish Assembly will be online and notification of minutes will also be online. But we need to also inform the parishioners that it is available online, and that is one of the difficulties I am facing. But this is, I think, showing that the Constables do not just sit back. We are constantly monitoring the situation and we are looking at ways of safeguarding and ensuring progress and we stay aligned with progress. Thank you.

The Bailiff:

Does any other Member wish to speak? Then I call upon the Chairman to reply.

5.1.11 The Connétable of St. Clement:

Deputy Tadier was wrong. There has not been a spate of Parish Assemblies requested by parishioners over the last 5 years. If he read the answer I gave to Deputy Mézec yesterday, there have been 6 in the past 5 years, more previous to that. I brought one myself and I will talk about that in a moment but that was more than 5 years ago, and there have been none which are vexatious. Of course there have been none which are vexatious because they would have been refused. That is the requirement, that is the law, that is the advice that we have. But, you know, Parish Assemblies are extremely valuable; one of the most democratic of our institutions. I mean not only at Parish Assemblies do we elect all the parochial officers but we elect our own police officers and, perhaps most democratic of all, we tax our own rate. The parishioners themselves decide on what their local taxes are going to be. How more democratic can you get? Of course, the situation is slightly broken because I explained in my opening remarks that we cannot comply with the law by having a Parish Assembly called within a week because of the practice that we have to go through including placing the notice in the *Jersey Gazette* and I agree with those Members who are saying, you know, perhaps we should think of different ways, and the Chief Minister and I are already in correspondence about how we can remove the *Gazette* from being the essential that we have to do for Parish Assemblies and indeed other matters. But of course most Parishes now have either developed or are developing greater communication with their parishioners over Parish Assemblies, and indeed many other matters that go on in the Parishes. Some of us already have got or are developing email systems. So parishioners who wish to have notification of Parish events including Parish Assemblies can get an email notice from us and many hundreds of parishioners in St. Clement certainly do that. All of us now have a webpage on which we not only notify parishioners of the assemblies, and again other events, but include, I think as one of my colleagues said, the minutes and other items of interest for parishioners. Indeed, the Comité des Connétables, and Members will be getting a notice of a press release which will be going out in the next day or 2,

now also have their own webpage included in the gov.je system where our minutes are now also available online, and that went live a few days ago and the minutes from November/December are already available now to the public. No Constable, however awkward he might be, would decline a reasonable request for an item to be included which can legally be included in a Parish Assembly. If he were to do so, the parishioner who was aggrieved by that decision, depending on what the issue is that he wishes to have debated at a Parish Assembly, has access to the Chef de Police, the Road Inspectors, the Roads Committee, the Assessment Committee, the Procurers and the Constable himself. So there will always be pressure, if it is a reasonable decision, on the Constable to bring that on a Parish Assembly. Now, Deputy Tadier, I think, referred to representation from a former Constable of St. Brelade. I have had no direct contact with the Constable of St. Brelade although I do see I have an email now from ... or the former Constable of St. Brelade, I do have an email from Deputy Tadier which has probably got it on there. I can also confirm to him that the Constables, certainly under my chairmanship, do not have a party whip. I just want to emphasise that we are talking about increasing the number of signatories to call a Parish Assembly from 4 to 10. Four was introduced, as I said, over 200 years ago when only principals of the Parish could vote. So you probably had 100 or 200 potential voters in most Parishes. Today, you have thousands. In my Parish alone it is over 6,000 and we are suggesting that 10 is not an unreasonable number. Of course the other thing that we have done, we have reduced the voting age to 16. So now to have a Parish Assembly, and they are not cheap things to call, and I am not suggesting that some might be barking mad because we have had no evidence of that. But now you can have a single family; mum, dad and 2 children, calling ... a 16 year-old in one house calling a Parish Assembly perhaps about he has got a line outside the house or speeding outside the house. What we are suggesting is that the number be 10 so there is some evidence to the parishioners that there is some reasonable - and it is not a very high bar, is it, not a very high barrier - level of support for the proposition that is to be brought. I will leave it at that and maintain the principles.

The Bailiff:

Very well. The appel is called for then in relation to the principles of P.173/2014. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 35		CONTRE: 9		ABSTAIN: 0
Senator P.F. Routier		Senator Z.A. Cameron		
Senator P.F.C. Ozouf		Deputy J.A. Martin (H)		
Senator I.J. Gorst		Deputy G.P. Southern (H)		
Senator L.J. Farnham		Deputy of Grouville		
Senator P.M. Bailhache		Deputy M. Tadier (B)		
Senator A.K.F. Green		Deputy M.R. Higgins (H)		
Connétable of St. Helier		Deputy J.M. Maçon (S)		
Connétable of St. Clement		Deputy S.Y. Mézec (H)		
Connétable of St. Peter		Deputy L.M.C. Doublet (S)		
Connétable of St. Lawrence				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Hilton (H)				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				

Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy A.D. Lewis (H)				
Deputy of St. Ouen				
Deputy S.M. Wickenden (H)				
Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Bailiff:

Now, this is a matter which comes under the Corporate Services Scrutiny Panel. Deputy Le Fondré is the Chairman but he is not here. Is there any other member of the Corporate Services Scrutiny Panel? Deputy Bree, I think you are. Do you wish it referred to your panel?

Deputy S.M. Bree of St. Clement:

No, Sir.

The Bailiff:

Very well. So then, Chairman, do you wish to propose Articles 1 and 2?

5.2 The Connétable of St. Clement:

Yes. I propose Articles 1 and 2, they do exactly what I said during my speech on the principles.

The Bailiff:

Are they seconded? **[Seconded]** Does any Member wish to speak on the individual Articles? Deputy Southern.

5.2.1 Deputy G.P. Southern:

I hesitated to rise to my feet, but to ask a simple question, if it is appropriate. We heard from the Constable of St. Peter that this was not about preventative measures in a sense of risk. Then we heard from the Constable of St. John that it was about the risk that the vase was going to drop off the edge of the table. So, where is the risk? I need to understand, what is the risk that this is trying to prevent? Why is this a problem?

The Bailiff:

Does any other Member wish to speak on the individual Articles? Then I invite the Chairman to reply.

5.2.2 The Connétable of St. Clement:

As I explained in my opening speech and in my summing up on the principles, the problem is that in almost all the cases that have been brought we have been unable to comply with the law of bringing it to the Assembly within 8 days. That has been the problem. Why we are doing that, with all that it will bring, is to recognise that the cost and the inconvenience to parishioners, that there just should be shown a reasonable level of support for any proposition that is brought to a Parish Assembly. It is as simple as that. I maintain the Articles.

The Bailiff:

Very well. All those in favour of adopting the Articles ... the appel is called for in relation to the Articles, Articles 1 and 2. I invite Members to return to their seats and the Greffier will open the voting. Articles 1 and 2 are adopted.

POUR: 35		CONTRE: 8		ABSTAIN: 0
Senator P.F. Routier		Deputy J.A. Martin (H)		
Senator P.F.C. Ozouf		Deputy G.P. Southern (H)		
Senator I.J. Gorst		Deputy of Grouville		
Senator L.J. Farnham		Deputy M. Tadier (B)		
Senator P.M. Bailhache		Deputy M.R. Higgins (H)		
Senator A.K.F. Green		Deputy J.M. Maçon (S)		
Senator Z.A. Cameron		Deputy S.Y. Mézec (H)		
Connétable of St. Helier		Deputy L.M.C. Doublet (S)		
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Hilton (H)				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy of St. Ouen				
Deputy S.M. Wickenden (H)				
Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Bailiff:

Do you propose the Bill in Third Reading, Chairman? Seconded? **[Seconded]** Does any Member wish to speak on Third Reading? The appel is called for in Third Reading. Yes, the appel is called for. Very well. The Greffier will open the voting. The Bill is adopted in the Third Reading.

POUR: 35

Senator P.F. Routier
 Senator P.F.C. Ozouf
 Senator I.J. Gorst

CONTRE: 8

Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy of Grouville

ABSTAIN: 0

Senator L.J. Farnham
Senator P.M. Bailhache
Senator A.K.F. Green
Senator Z.A. Cameron
Connétable of St. Helier
Connétable of St. Clement
Connétable of St. Peter
Connétable of St. Lawrence
Connétable of St. Ouen
Connétable of St. Breilade
Connétable of St. Martin
Connétable of St. Saviour
Connétable of Grouville
Connétable of St. John
Connétable of Trinity
Deputy J.A. Hilton (H)
Deputy K.C. Lewis (S)
Deputy E.J. Noel (L)
Deputy of St. John
Deputy S.J. Pinel (C)
Deputy of St. Martin
Deputy R.G. Bryans (H)
Deputy of St. Peter
Deputy R.J. Rondel (H)
Deputy of St. Ouen
Deputy S.M. Wickenden (H)
Deputy S.M. Brée (C)
Deputy M.J. Norton (B)
Deputy T.A. McDonald (S)
Deputy of St. Mary
Deputy G.J. Truscott (B)
Deputy P.D. McLinton (S)

Deputy M. Tadier (B)
Deputy M.R. Higgins (H)
Deputy J.M. Maçon (S)
Deputy S.Y. Mézec (H)
Deputy L.M.C. Doublet (S)

6. Minimum Wage: Revised Hourly Rate From 1st April 2015 (P.175/2014)

The Bailiff:

We come next to P.175 Minimum Wage: Revised Hourly Rate From 1st April 2015 lodged by Deputy Southern. I will ask the Greffier to read the proposition.

[12:00]

The Greffier of the States:

The States are asked if they are of opinion to request the Minister for Social Security, (a) to revoke the Employment (Minimum Wage) (Amendment No. 8) (Jersey) Order 2014 scheduled to come into force on 1st April 2015 and, having sought the further views of the Employment Forum as required by Article 18.1 of the Employment (Jersey) Law 2003, to make a new Order fixing the minimum wage at £6.88 per hour from 1st April 2015 and as this figure is different from the £6.78 rate originally recommended by the Forum, to report to the States as required by Article 18.4 of the Employment (Jersey) Law 2003; and (b) to investigate the impact of a significant rise in the minimum wage sufficient to lift recipients out of relatively low income on the tax and benefits system and to assist the impact of any changes arising from the review of the U.K. minimum wage,

to be conducted by Sir George Bain in association with the Resolution Foundation, might have on the structure and level of the Jersey minimum wage and to report to the States by September 2015.

6.1 Deputy G.P. Southern:

As the Members have just heard, this is a proposition in 2 parts, one of which talks about a specific change to the minimum wage for the coming year and one of which goes further and requests an examination of the minimum wage in relation to poverty levels. This proposition, although it was lodged in December, 15th December, before we heard a great deal from the Chief Minister about addressing the issue of poverty, this proposition is intended to do exactly that. It is one mechanism for addressing the issue of relative poverty and income distribution in this Island. Both parts, in principle, have been before the States or have been presented to the Minister for action. Part (a) seeks to put in place an adjustment to the minimum wage recommendation for 2015 in line with the policy contained in P.26/2010 previously supported by the States to move from 40 per cent of the average wage over time to 45 per cent of the average wage in order to alleviate relative poverty, the bottom end of the earnings ladder. Part (b) - and no one can accuse me of not having patience - follows a recommendation made to the Scrutiny Review of benefit levels back in 2011, namely Recommendation 14 which said: "The Minister for Social Security in his own review of income support must examine the interaction between the level of the minimum wage and the overall cost of income support." I believe that was accepted by the Minister, however, I have not seen any evidence that that has been carried through, and what this proposition intends to do is to ensure that that happens. If we examine what the minimum wage is supposed to do and we look to the U.K. Low Pay Commission back in 1998 when they decided to go for a minimum wage, well before we did, the prime aims, the top 2 aims were reducing in-work poverty, and at the time initial results of the Income Distribution Survey indicated that 10 per cent of working households fell below the low income threshold, and also reducing inequalities of income in the working population. So the fairness argument is part of why we have a minimum wage today. For those who were not around at the time, can I just examine what happened over the years when we decided to set up a minimum wage? Initially we decided to do a quite substantial piece of research which dealt with the decent living standard and we had a body called C.R.S.P. (Centre for Research in Social Policy) from Loughborough University who did all sorts of calculations as to say what is the minimum living standard that would apply to the costs of living in Jersey for an ordinary family. That research went on for some years, but towards the end as we got closer to examining the minimum wage ... sorry, the income support system, what we did was we abandoned that research and we went for a level ... because it was going to be more expensive than the alternative. The alternative was, we established a level of benefit for income support which was the welfare rates of the time plus 10 per cent. It was an arbitrary thing but what it did was save substantially on the start-up costs of income support, and that is where we have been since. It has been 6 years of income support and while it has been adjusted to the cost of living some years and some parts of it have been adjusted, not all have and there, as far as I know, has not been an examination of what that does in terms of poverty levels, and that is what I am seeking to do here. Our advisers at the time, Oxera, asserted that the reason for introducing a minimum wage was to achieve greater income equality and to alleviate poverty. However, the end result of what we brought in was, instead of alleviating poverty through wages, we decided to alleviate poverty through benefits, and we set up this principle that we would support, in many ways, a low wage and high rent economy through taxpayer funding. That is how we were going to deliver our relief, as it were, to the issue of poverty. Now, over the years that figure has become increasingly, I would argue, burdensome and since we hit the recession in 2009, increasingly a larger proportion of our spend goes on a benefit spend. It is income support hitting in the order of £90 million annually, and if Members will examine my report they will see there is an issue there of the in-work poverty, and I will quote it later. But the fact is that some of that poverty is in-work and that is a significant proportion of that £90 million. In addition, we have the

issue of supplementation whereby Social Security contributions are made up to a certain level for those earning below an income threshold of around, at the moment, £47,000. So anybody earning below £47,000 gets their Social Security contribution topped up by a certain amount, and again, that is an expenditure that comes from the taxpayer and it hovers overall at around £60 million. So we are talking about £150 million worth of taxpayer expenditure which goes on the system that we have set up to alleviate poverty on the Island. Now, that sum overall is increasingly under pressure. We have just got a budget that we have got a, not a deficit, a shortfall of tax in that budget, 2015. We do not know, but probably made worse, made as big as it is because of the prevalence of low waged jobs in our economy that are not producing significant income tax returns and therefore not contributing overall to our budget. So, the context of what I am suggesting is, within that large sum of money coming from the taxpayer to support our economy in a way which, I believe, is no longer sustainable and yet people are still in in-work poverty despite the hours that they work within the context of a general thrust to increase the level of the minimum wage to 45 per cent of average, in the short and indeed in the long-term. If we look at the definition of in-work poverty, you can see clearly that it is possible to work in Jersey, from the figures I have given, for example on page 4, the definition of in-work poverty ... before I go on to that, the choice for £6.88, which is the figure I have set, which is a rise for those on a minimum wage of £10 a week, is not just there because it is a round figure; £6.88 is there because that starts to meet the criteria that I set, that we set, this House set previously of moving towards 45 per cent of the average wage because that is the mark that says from 40 per cent up to 41 per cent. So it is that significant 1 per cent movement towards the overall goal that we have of 45 per cent. The definition of in-work poverty relates though not to average earnings, which is £680 a week in Jersey, which is an annual salary of around £35,000, but to a median wage which is significantly lower than that, median wage being the halfway point. Half earn more, half earn less than the median wage. I apologise for the numbers but that is what we have to deal with. A median wage of £550 a week, or annually £28,500 a year. The definition for relative income poverty, relative low income, is 60 per cent of that median wage. If you do the calculation what we get is that we are currently ... the minimum wage is currently at 49 per cent of the median wage and not 60 per cent. It is significantly, 10 per cent plus, under what constitutes the marker for relative low income or relative poverty. If we were to attempt to get those on a minimum wage above what we call the poverty line, relative poverty line, then we would need to set the minimum wage at £8.25 and that would just get a single person just above the threshold. So we are operating at £6 something, and what we are saying is that to deal with in-work poverty through the minimum wage, we would need a figure of £8.25. I am not suggesting that now. I am suggesting that we move to my figure of £6.88 as a starting point to get to a marker, 40.1 per cent, instead of ... sorry, 41 per cent instead of 45 per cent of the average wage. I am suggesting that that is, in the short term, a reasonable target to do.

[12:15]

There is a link between the minimum wage and the amount that we spend on supplementation and on income support; a significant link. If Members would turn to page 6 of my report they will see that examining the low wage areas, hotels, bars and restaurants, wholesale and retail, retail in particular, agriculture and fishing, what we have got is some 12,000 workers in those areas who are entitled to work, i.e. 12,000 workers who have been here 5 years and therefore are in a position to claim income support. I am arguing that that is a significant element of the people who are on the minimum wage or around the minimum wage because we know what happens is that many workers are on just above the minimum wage, a few 10s of pence above the minimum wage, but that is what they earn. To increase the level at which they earn, each penny that you add to the minimum wage for those workers, the likelihood is the majority of cases were taking a penny off the income support bill, that is the way it works. I suggest that if people were to follow my short-term solution, which is to increase the minimum wage for this coming year, that immediately - although it is a

relatively small amount - is an extra additional 25 pence in total an hour; that would save something like £2 million from the income support bill in and of itself. That is not significant unless you look at some of the extension of that, which I have argued in the longer term we should be moving towards. Remember I am talking about a £90 million income support bill and a £60 million supplementation bill that we really ought to be doing our best to get down because it is taxpayers' money and we have not got it now. We used to have it in plenty. We have not got it. If - for example, that one takes up the argument of the figure that I suggested to get people out of poverty, it is £8.25 - if you were to do that over time, what you would end up with is a saving of a large proportion of £13.5 million. You start to make significant inroads into the supplementation and the income support bill that we are currently using. These figures are just the figures that I have been able to obtain and my best estimates, they are not written in stone. There is no point in arguing over the numbers but the trend and the amounts will be there or thereabouts, not set in stone. But at the bottom of page 6 you will see that I have done the assumption: "If only one third of low-paid employees" i.e. those on the minimum wage and a little above: "Were claiming income support to help with their living costs, the costs to the taxpayer are significant" in that we are talking about something like £24 million a year in income support or a good proportion of that and £8 million in supplementation, total support £32 million. If we were to set about attempting to make those sort of savings on the tax bill we would be going some significant way towards reducing that shortfall in tax that we are talking about, the net balance between spend and tax. What we are saying, to put it a different way, is that each minimum wage job costs something like £6,000 in income support to support that low-wage job, that low-wage family, and £2,000 in supplementation, £8,000, there or thereabouts or more, to support low-wage work, that is what we are doing. My argument has long been, and I maintain it, is that that is an unsustainable approach to our economy, that sooner or later that that is going to grind to a halt, we cannot afford it. We have already noticed that in the 2015 Budget our revenues are down and it seems to me that already we are hitting the point where we are saying: "We cannot sustain this, we have to do things differently." To move from my first part (a) that says, effectively, an extra £4 a week on the minimum wage, I believe we can handle it. It sets a principle of moving towards 45 per cent of the average wage. To move to part (b), looking longer term, then what I am looking at is the fact that in the U.K. the originator of the minimum wage, George Bain, has said: "It is time to relook at what the minimum wage in the U.K. is doing." There is a report that finds that one in 10 jobs, that is 2.4 million jobs in the U.K., now pays within 50p of their minimum wage, and that 10 per cent figure rises to 12 per cent among women; 22 per cent among part-time workers; 18 per cent in the retail sector, and 42 per cent in the hospitality sector. We are talking about significant numbers of low-wage jobs. He says: "We created the minimum wage to stop extreme exploitation, yet some employers now see it as the going rate for entry-level staff. That is not what it is supposed to do." What he is suggesting is the minimum wage, rather than providing the safety level and lifting people, over the years has become the accepted mark for many jobs that possibly should be better remunerated than that. It is acting as a drag and we need a complete review of what its impact is, root and branch, and see where we go from that. One of the things that has happened is that the British Labour Party has pledged over the term of the next government, the next 5 years, to raise their minimum wage to £8 plus. The Conservative Party has said that they too will raise the minimum wage to the order of £7 in the near future, if they are re-elected in the first early part of their government. We are looking at the potential that there will be significant moves in the U.K. on the minimum wage. What I am saying in the second half of my document here is that we too should be examining what our minimum wage is set at and what it is doing in our economy. That is significantly in the context of, and I keep saying it, the demand from income support and from supplementation of the low-wage economy. Members may say that we should not be going there and Ministers might say this is near duplication of work. One of the main arguments that I have seen in response to this is that, hang on, we are already doing significant research, initiated by Reform Jersey, to investigate the living wage, it is the voluntary way of

establishing significantly improved levels of income. If we were to investigate the possibility of raising the minimum wage that that would be duplication of that work, to which I say, no, it will not. If you have not done the calculation on the living wage set at a certain range of levels and with a certain penetration, so, I do not know, 50 per cent of employers or 10 per cent of employers adopting the living wage or whatever the figure is if you have done that range, times the level at which it is, then you have got a cost. You can examine the impact on (a) the economy, your economic model; (b) your tax returns; (c) your spend in terms of income support and supplementation, so the overall picture. If you are doing that for the living wage, then it is not very much more work to put in an extra chapter saying if we started at the minimum-wage level, which is 12,000 workers or there or thereabouts and do similar sorts of moves, then we have got the model, then this will be the impact starting that way. But it is not complete duplication because the numbers will be the same, the penetrations will be fairly obvious or not. It is a little bit extra on to the chapter to say - and if we start there, it is not duplication - it is a small amount of extra work to examine the whole picture and the whole possibilities, the whole range of options in front of us in the coming few years as we examine what we are doing in terms of our economic model. It is an opportunity that we have, I think, and we should prepare to do so because at last, if we are to believe some of the signals, we may be coming out of the recession. That is the time at which we should be saying, hang on, what is to happen to wages? What happens to income support? What happens to supplementation? What happens to our economic model? What do we do? What sort of society do we try and move towards - and I will sit down shortly when I come back to this particular position - in particular, given our commitment over the next 4 years to alleviate, deal with poverty because we are committed, via the Chief Minister and the Council of Ministers, to doing something. This is one way of doing something about poverty in the short and the long-term. It is an option that we must not dismiss lightly and I encourage people to support it. I am prepared to answer questions.

The Bailiff:

Is the proposition seconded? [**Seconded**]

Connétable J.E. Le Maistre of Grouville:

Sir, could I ask for a point of clarification? The Deputy mentioned a figure of 12,000 people on the minimum wage, I just wondered where he got that figure from.

Deputy G.P. Southern:

Certainly, it comes from: "More recently the Population Office has produced the table that follows" that is where I was reading from, 12,000 entitled to work across those sectors: "The table that follows in its report on the Interim Population Policy: 2014 - 2015, P.10/2014."

Senator I.J. Gorst:

Sir, could I just clarify? I think the Deputy has clarified it might be the Connétable's misunderstanding, that was the number of particular people holding a particular licence, not necessarily those who are on the minimum wage.

Deputy G.P. Southern:

It is the number of people licensed to work in the low-pay areas, the majority of which will be there or thereabouts. When I said a significant proportion of these 12,000 that is where the low-wage earners are placed.

[12:30]

The Connétable of Grouville:

I think the Deputy has clarified it. He does not know how many people are on the minimum wage.

Deputy G.P. Southern:

We do not have the stats.

The Bailiff:

Okay. People can make this point during their speeches, rather than by questioning the proposer. Very well. Does any Member wish to speak? Yes, Deputy Pinel.

6.1.1 Deputy S.J. Pinel of St. Clement:

Members will not be surprised that I cannot accept the higher minimum wage that is proposed in part (a) of the proposition. The associated regulations were approved by Members just 6 weeks ago with only one vote against and I have no intention of undoing that work. Deputy Southern usually brings his proposition for a higher minimum wage on the same date that the regulations are debated by the States. I think he must have forgotten to lodge his proposition in time last year. Members will be aware that this is the fifth time since 2010 that the States has been asked to debate a proposition for a higher minimum wage. As in previous years the Deputy's report does not consider the impact on competitiveness, the economy, or the possible job losses if employers cannot tolerate the additional wage costs. Unfortunately, this rescindment motion has brought a further 6 weeks of delay and uncertainty for employers. The Employment Forum tells us every year that employers continue to be concerned about the lack of certainty that these debates bring. Many employers, particularly in agriculture and hospitality, will have already set their prices, based on the law that we have made. There is no reason why the Deputy could not have lodged this proposition earlier. The former Minister presented a report to the States on 23rd September 2014 that included the full unanimous recommendation from the forum. The report stated that the law would be prepared immediately to give some assurance to employers. The report noted that: "If we are to be successful in encouraging employers to employ more local staff and also to grow the tourism and agricultural industries, we must enable them to feel confident in making business decisions such as setting prices and tariffs, based on advance notice of the minimum-wage rate." The Deputy mentions the cost of supplementation and income support. He omitted the equation of no jobs equals more income support. There is no reason for Members to be concerned that we cannot reach 45 per cent of the mean weekly earnings by 2026, particularly given the improved optimism in the economy. In the Deputy's proposition, P.26/2010, the States aspiration of establishing a minimum wage over a period of 5 to 15 years, that is equivalent to 45 per cent of average earnings. The proposition contained the crucial amendment: "Subject to consideration of economic conditions and the impact on competitiveness and employment of the low-paid in Jersey." I can assure Members that I support the States' aspiration and I will ask the forum to consider again this year whether and in what circumstances it might be able to recommend bigger minimum wage increases in the future. Moving on to part (b) of the proposition, some Members may feel that if they cannot support (a) there is nothing to stop them voting for part (b), after all the Deputy is only asking for some research to be undertaken. However, I cannot agree to undertake this investigation. There is significant overlap with existing work and it will be counterproductive to divert the department's resources away from the other work that we have planned for 2015. Members may well be aware of the existing work that is planned or already underway. The annual investigation by the Employment Forum for setting the next minimum wage will run from April to September. The department is currently preparing a report on the impact of a living wage for Jersey. The States asked us to do this, based on the proposition from Deputy Southern in 2013 and that report is due at the end of March. The Deputy is aware that the remit includes the impact of increasing low wages on taxes and benefits, and it also considers the overall economic impact of such a move. We are also collating information on the use of zero hours contracts in Jersey. In addition to this, the Statistics Unit will be issuing the results of a major survey of household incomes and household spending towards the end of 2015. An additional investigation into the

impact of a significant rise in the minimum wage to be completed by September would be a poor use of public money. My department is already committed to major projects to support local workers, such as getting people back into work, introducing protection against discrimination and ensuring that our pension scheme is sustainable. If Members support part (b) I feel that this will delay progress on these other projects. All departments are subject to budget cuts in 2015 and we do not have the budget or resources to complete the Deputy's proposed investigation over the next 8 months. I was disappointed that the Deputy had, yet again, lodged a proposition without discussing the feasibility with the department and so I contacted the Deputy to ask if he might reasonably agree to consider the outcomes of work that is already being undertaken before asking the States to agree to commit to a separate investigation, but he declined to delay part (b). The Council of Ministers has already made a commitment to tackling poverty within its term of office and, once the income distribution survey is published, I will work with ministerial colleagues to agree the next steps to address this important topic in the most effective way. If Deputy Southern wishes Social Security or any other department to undertake additional work he can lodge a proposition at that time. I ask Members to reject both parts of this proposition and to support the decisions that have already been made in making the minimum wage order and regulations.

[Approbation]

6.1.2 Deputy G.J. Truscott:

I have nothing to add to my Minister's report there. I think we must be sharing the same scriptwriter. I think she has covered most things that I want to. I have just got a point of clarification, there are not 12,000 minimum-wage workers, as Deputy Southern has suggested. The Stats Unit figures from the average earnings survey say there are 3,000, just to clarify.

The Bailiff:

Does any other Member wish to speak? Yes, Deputy Tadier.

6.1.3 Deputy M. Tadier:

Whatever the result from this debate today, I think that the message that has gone out about poverty reduction is the correct one and one that needs to be taken seriously. But it is not one that I have seen the Executive, for all of their recent words, taking action on or being proactive in. We need to get to a point and I would hope, as a relatively young Member, that we can look back on 2015 and say: "Do you remember the days when people would have to work for less than it cost them to live?" We will find that a remarkable situation, as remarkable as perhaps things that have been outmoded or banned in recent years, decades and centuries even. We have talked about the women's vote; we have not talked about slavery but we are constantly talking about discrimination. Things that are norms one day do not become norms the next day and they become anathema to the society in which we live. Those from the farming community in the Assembly will perhaps sympathise with the fact that if you have to produce milk that costs more to produce than what you sell it for, that is not a sustainable model for business. Similarly, it cannot be sustainable for an individual to work for less than it costs him or her to live in our society because what is work and what is labour and remuneration for that labour if it is not you selling your time and your labour to the employer for the sum that it is worth? That sum must at least be the sum that you can afford to live, if not save up some money and better yourself in our society. But in the 21st century, unfortunately, it is not unique to Jersey, it is a widespread and increasing problem that people are becoming not simply wage slaves but they are turning up to work, working 40 hours a week and at the end of the month they have still got nothing to live off. That is reality; that is not fiction and it is something that this Assembly must get to grips with in reality, not simply with words at election time. I do not see why we cannot support part (b), despite what the previous speaker, the Minister, has said because I think ultimately we do want to get to a point where the living wage and the minimum wage are one and the same but at the moment that is not the case. Deputy Southern's

investigation into a living wage, which will probably, initially I would imagine, be voluntary if it is brought forward at all at a future date, preferably to be made compulsorily across the board. That is something that is quite different at the moment to looking at what the minimum wage should be, whether we have got the right formula; whether that formula needs to be revised and whether it needs to be upped significantly. I am not going to quote extensively from the letter, but we have the usual letter we get from the Jersey Farmers Union and, of course, they are concerned about the impact that an extra 10 pence will have on increasing the minimum wage. Let us put that in context: somebody who works for the minimum wage at the moment on a 40-hour week will be taking home net - and that is before their Social Security contributions, they probably will not be paying tax on that, of course - in the region of £1,160 a month, that is what they are taking home. That figure, incidentally, will barely cover your rent in Jersey if you are renting in the open market. It may well cost you £700 or 800, probably more than that, to rent a one-bedroom flat of any kind of adequate nature, but it will probably be substandard anyway and then you have probably got £300 to play with for your heating, et cetera. That is what we are talking about, somebody living on the minimum wage in Jersey. Again, that is before the Social Security has gone out. Of course, we are told sometimes that it does not really matter because those 3,000 people and - of course, the figure that Deputy Southern quoted was not simply people on the minimum wage, it was people on the minimum wage or slightly above and, of course, we can only go on the statistics that we have been given because the accurate statistics are not necessarily readily available - we are told that those living on the minimum wage in the industries that require that kind of labour are brought in anyway. We are told in this letter that they are Polish workers and that we do not need to pay them what is towards a living wage because they send their money home. They are quite happy working for these figures anyway because back home they would probably get 400 euros a month, *et cetera* and not the figures that they are getting here. But the difference is, they are not living in Poland though, are they, when they are in Jersey? They are living and working in Jersey with the subsequent and related expenses that exist in Jersey. The argument needs to be flipped on its head because if we are saying that these individuals ... because they have not been here for 5 years they cannot claim income support anyway, as if that is some kind of good thing, we do not have to worry about paying a minimum wage to cheap, foreign, imported labour that can undercut, otherwise local labour that would be working in the industry. We do not have to worry about that because they cannot claim income support anyway. That is even more of a reason, is it not, to pay a decent minimum wage because these individuals cannot go to income support to claim their money back? A local who is having to work for the minimum wage or thereabouts can go to Social Security and say: "I cannot afford my rent for my poorly insulated property, so can you give me the money so I can pay my landlord that money, so that he or she can have the rent money? Also, can you pay me some money so I can afford to heat my place and feed my children?" Absolutely. But the immigrant workers who come to Jersey do not have that luxury, and the only way to secure their place in Jersey and affordability is to pay them a decent wage in the first place. That is why we need both (a) and (b) because part (a) puts £17 a month in people's pockets who will be working on the minimum wage. That is not to say we should not be concerned about the impacts on industries like agriculture but, quite rightly, they say that they cannot compete in an environment, a level playing field, with other industries, which is quite correct. These are the contradictions, of course, of having very high net-worth industries in the Island where locals, by and large, would be happy to work. Who is going to work in the fields in Jersey? That is the point that is made in the letter, they are saying that local unemployed people are not prepared to work within the industry.

[12:45]

Many growers have offered jobs and tried, without success, as local people are not suited to work. Who would work in those back-breaking industries for £6.78 an hour? Would you send your

children out to work on the cõtils now for £6.78 an hour? It probably would not even necessarily cover a day pass on the bus, that hourly wage. I do not think we would and we do have to have a serious discussion if we are serious about tackling poverty, about how we are going to introduce a living wage into the Island. It needs to be done sooner rather than later, and that living wage should be something that would be snapped up by all sides of the Assembly. I think all of us are concerned about the vulnerable and nobody wants to be pushing people into dependency. That is what we get if the minimum wage is significantly set below the living wage. That calculation, of course, will be done. That calculation needs to be realistic and it needs to be implemented. When that living wage comes out - and it will be in the region, I am sure, of £10 an hour - we have to have a serious dialogue with the industries, in particular the farming industry and perhaps the hospitality industry, about how we can manage those industries. If there is a subsidy that needs to be given, should it be given in the form of income support or should it be given in the form of a completely different subsidy whereby workers can be paid the living wage for those industries' future successes, which are much more than simply economic but also cultural in our Island and environmental that can be secured? I would ask Members to absolutely support part (b), to investigate the impact of a significant rise in the minimum wage. It is a different piece of work. It is entirely reasonable. It is not duplication because it can work in parallel with the living wage work that is going on already and feed into that, not the other way round. Of course, part (a) is slightly different and that will be for Members to consider on its merits. But, for my part, I will certainly be supporting part (a). It is a way of supporting low-paid workers, whether they are locally born or not. Part (b) is a way of consistently working with the strategic aims of the Council of Ministers in poverty reduction and the ongoing work already. Sir, I probably should ask for the adjournment, as I have finished my speech.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

Very well, the adjournment is proposed. The Assembly will reconvene at 2.15 p.m.

LUNCHEON ADJOURNMENT

[14:15]

The Bailiff:

Yes. We continue the debate on Projet 175 lodged by Deputy Southern and I had seen Deputy McLinton next.

6.1.4 Deputy P.D. McLinton:

What I would like to do now I think is humanise this debate a little further. But, firstly, I would like to take you to Denmark, I trust you have your passports with you. Denmark has a personal income tax rate that averaged between 1995 and 2014 61.4 per cent, it is a shocker, is it not? That was its average, it went up as high as 66 per cent and down as low as 55 per cent over that period. Why do I mention Denmark? Because, despite that income tax rate, they are regularly in the top 5 happiest countries on this planet. This is due in great measure to the amount of tax they pay. They feel safe, secure, have a well-functioning health system, excellent education system but the most important reason, and the reason I mention them here is they have a very equal society. The country is, in essence, one great big healthy happy middle class. They have a share-the-wealth mentality where, for example, the people who clean the hospital make almost as much as the doctors and the Danish population respect both equally. They can, in essence, due to the job that they most want to do in life, based on what it is that they want to achieve with their life and not on what they need to do just to be able to afford to live. If we go to Panama, a not very wealthy country at all but its citizens are also among the happiest in the world. Why are they so happy?

Because they are equally poor and, like the Danish, they look out for each other with mutual respect. The way to have a happy population is to have an equal population, a population that feels it matters as much as the next man or woman. We do not live in a society like that. It sort of answers the riddle that has bothered me for some years. We live in an astoundingly beautiful island, the infrastructure works in the main, we have access to excellent education, good health, great facilities, so why are there so many people who whinge relentlessly over here? I think it may be because many people in Jersey do not feel as valued as others, as equal. Deputy Lewis of St. Helier alluded to it yesterday, that a higher minimum wage has been found to fuel an economy into greater growth, sort of trickle up, as it were. To Deputy Southern's proposition, as it stands on 1st April the minimum wage goes up from £6.63 per hour to £6.78; that is 15p per hour. Today we are debating it rising to £6.88 per hour, so we do the maths. We have had some maths already but I want to humanise it even more. As it stands right now, before any deductions at all, £265.20 per week. From 1st April, if Deputy Southern's proposition fails, £271.20 per week, a massive £6 extra a week. If we vote for Deputy Southern's proposition it will rise to a stunning total of £275.20 a week, a stunning total wage in 1971, that is a heart-stopping £10 extra per week. Right now there is somebody standing in a field, and you have been out there, who can barely feel their extremities and we are having the debate as to whether or not we give them enough for a cup of coffee today, £2 extra, to put it into perspective, to humanise this. Have you been to the shop recently for your few bits on the way back home? You got a text from your other half and you bung some stuff in the basket. It has happened to me recently, I got to the checkout and the first time in a long time I had to say, can you check that again because it does not seem right? It was right. How much money? £10 is not a lot all that? It will not go very far. It is no fortune. Back to societies, such as Denmark and Panama, they are happy because they have a sense of equality, a sense of being in it together. So, £10 extra a week for a 40-hour week, often doing the job that most people would shudder at the idea of, may not close the massive gulf between the wealthiest and the poorest on this Island by that much but it will, at a very subtle level, send a signal that we, as a government, as an Island, care and value. I, like many in this Assembly, got into this game because I care, because I truly believe that we are all equal under this sun; that nobody should matter more than anybody else. You will have to make many tough decisions in this Chamber during your political career. I would suggest that this is not one of them. This is, however, one of those judgment calls that you, yourself, will be judged on by your employers, the people of the Island of Jersey. I would love it if you would vote not with your political head but with your human heart. The maths, one more time: 40-hour week, £275.20, £10 more than now. **[Approbation]**

The Bailiff:

Does any other Member wish to speak? Yes, Deputy Andrew Lewis.

6.1.5 Deputy A.D. Lewis:

I have been pondering this subject ever since the elections and it did come up quite a lot. It may be a surprise to some of you that I am minded to support this but I am going to explain why because it is complicated. In the U.K. at the moment there is a campaign going on in support of the living wage. We are supportive of the concept of a living wage as well but, apparently, we are going to take until 2026 to get there. I do not think that is very good. The more people earn the more they will spend in the economy. Poor people or poorer people spend more on retail, hospitality and so on. They do not save it; they do not put it under the bed; they do not invest in financial services and products; they need it to live. The money, whatever extra they earn, goes straight back into our economy. Britain's minimum wage has risen faster than inflation and average earnings without harming employment significantly: "The Low Pay Commission, comprising of economists and representatives from commerce and the unions, has taken a cautious route but seeking to raise the rate as fast as they possibly can without causing collateral damage"; that is a statement from the Low Pay Commission. Evidence suggests that a rise in the minimum rate has not impeded growth

of low-wage jobs, either in the long-term or, more recently, with jobs in the low-paying sectors. In fact those jobs have risen twice the rate of the overall job growth. A living wage is an hourly rate considered to be the minimum level to provide the basic essentials in modern living. In the U.K. that is currently £7.85. Some of you may have read that Boris Johnson would like to see a living wage in London go to £9 an hour. I think, although we are debating today minimum wage, there needs to be a much bigger debate, which has already occurred to a certain extent, about the living wage. The Minister for Social Security has said that she would like to get there but in 2026. This proposition by Deputy Southern, which comes each time minimum wages are proposed and discussed - admittedly a bit later this time - because he and many others of us do believe minimum wages are too low. But there is plenty of evidence around the world that suggests that: "Higher pay can help increase labour productivity, motivation, reduce labour turnover" that is the quote from KPMG in a report that they did recently: "We have found that paying the living wage has benefits on both sides and increasing wages have reduced staff turnover, absenteeism, while productivity and professionalism have subsequently increased"; that is from KPMG. Low pay costs taxpayers money, as has already been indicated by a number of other speakers, in supplementation and income support. Unless wages rise, a significant sector of our community will see themselves caught between the desire to contribute to society and the inability to afford to do so, catch-22. There are many people like that that are working 2 and 3 jobs - and I met them during the recent election - just to make ends meet. They are missing out on valuable time with their family, losing the chance to read a bedtime story with a child, choosing between lunch and dinner and having no chance to socialise. Is that the society we want to live in? There are a lot more people in Jersey like this than you might realise. A healthy, active, civil society is reliant on people volunteering their time and enthusiasm for the good of others. We risk losing that great Jersey tradition if our families are too troubled with tacking household expenditure. Hardworking people should have enough time to live and not simply survive. Now I have used this analogy a couple of times in the States today and this bit of research I did really surprised me, and I mentioned it when I questioned Senator Farnham yesterday. In the U.S.A. (United States of America) support for a higher minimum wage now comes from some very unlikely sources; the owners of America's small businesses and the C.E.O.s (Chief Operating Officers) of some of the nation's largest and most respected brands. Recently published research shows that wage hikes at a modest level does not kill job growth. In fact, the states in the United States that have raised their minimums have enjoyed above average economic growth. A surprising fact; 13 states in the U.S. have adopted that recently. Last year, the American Sustainable Business Council and the Business for a Fair Minimum Wage released a short report on a scientific, national poll of small business owners. The poll involved a live telephone survey of 555 small businesses. It might not sound like a large sum for such a big country, but it was scientific. This was a sample of businesses between 2 and 99 people, so not dissimilar to most businesses in Jersey. The respondents spanned the political spectrum; all regions of the country and a broad section of industries. 3 out of 5 businesses, about 61 per cent, favoured raising the minimum wage, albeit gradually, to get to what they call "a living wage" and they are adjusting it annually to keep up with inflation and so on; this despite poll data claiming that a rise in the minimum wage will kill profits, eliminate jobs and cut growth. Apparently, the people doing the hiring in the U.S. disagree, which I thought was interesting. While too high an increase would damage economic growth here - as indeed it would in any other country - the range of increases currently being enacted in the U.S. are helping rather than hurting the economies involved. In a recent study that compared what happened to total payrolls in the States that raised the minimum wages versus the states that did not, of the 13 states that raised wages, they enjoyed nearly 50 per cent faster employment growth than the ones that did not. This is one of the most industrialised nations in the world, probably one of the most right-wing democracies in the world, yet they think that the minimum wage is important enough to raise it significantly in 13 states. To get the economy back on track, spending power has to be in the hands

of those who spend in the real economy. That means regular people and not the super wealthy who, let us face it, are more inclined to invest in financial products and save their wealth. These are people that spend it. I would like to get in a position in Jersey where we get to a living wage much quicker than is planned. I almost think this is outrageous that we are planning to do this over more than a decade when evidence around the world suggests that if you do it from the bottom up rather than the top down, as the Deputy of St. Saviour suggested, it works. It is proven to work in a number of other countries. We run a campaign, or the Economic Development Department did, about buying local. It is a successful campaign and well done to E.D.D. (Economic Development Department). I am an employer and I only employ people on a living wage and if you go on to livingwage.org.uk, you will find a campaign there.

[14:30]

In the short period that that organisation has been going, 1,000 companies in the U.K. have signed up to it. They have got their sticker in their window; in the butchers in the High Street or in the employment agency, wherever it might be, saying: "We signed up to paying our staff a living wage." A badge of honour saying: "We are a good employer." I want to see every company in Jersey doing that as a good employer. We are talking about a fairly small number of employers that pay the minimum wage. I have run a business now for over 25 years. I have never paid someone a minimum wage. I would not get the staff if I did. Will any of you go and pick daffodils in a field in the freezing cold today on £6.70 an hour? In fact, you probably would not even be paid that. It would probably be piecework and perhaps somebody in the industry may correct me. It is not a nice job. So what do we do? We import labour. We always have done. Our economy has sort of thrived on it for 50 years or more. I read a letter from the J.F.U. (Jersey Farmers Union). This is well-written. Understandable, their point of view, but the bit that really stuck out to me was on the second page where it said: "Unemployed local people are not prepared to work within the industry. Many growers have offered jobs and tried, without success, as local people are not suited to the work." Not suited to the work? I am sorry; they are not prepared to accept £6 an hour, in fact, less because some of that will be made up by accommodation and food and so on. If we get to the point of a living wage faster than has been suggested, local people will work in restaurants; they will work on farms again because, let us face it, our economy is not where it used to be. These jobs are necessary for hiring local people. For a Polish person, however hard they work, however nice they are and however good employers they are ... where does that money go because they can only earn 400 euros a month in their own country? Where does it go? It leaves the Island. Most of it goes back, as it has done for decades in Jersey with Portuguese, with Italians and with the French before. That is how we have run our economy in the past. Let us wake up to the modern world, shall we? That money is straight out of our economy. Those people are not earning enough to pay much tax; they are not earning enough to pay Social Security, so we are supplementing them. So for everybody that are saying they want more money, there is less supplementation and less tax breaks because they are obviously not earning enough to pay any income tax. They are also spending in the shops, paying G.S.T. (Goods and Services Tax), contributing to society, feeling better people and making more of a contribution so that we, those that are paying perhaps more tax, are not paying for them to be there. If we want to help the economic industry, that should be done by a subsidies regime, and not by subsidising farmers and caterers and so on to employ staff by us supplementing their income with supplementation, with Income Support and so on. It is being directed in the wrong way. I was very impressed with Deputy McLinton's speech talking about Denmark. Yes, a very high rated tax and, yes, the economists among you, those that live and breathe what the Treasury tell you, of course we have a low tax regime here so it is a more difficult thing to achieve, but it is not impossible and we should be striving to do it. Like I say, I want a campaign. I would like to see it start. I am an employer that wants to pay people a living wage. We should be doing that and we should be encouraging that so that it is voluntary rather than

compulsory to pay a minimum wage, but in order to demonstrate that we are prepared to get there and get there quicker, 10 pence extra an hour or £2 and £4 a week has been thrown around as the real cost. Is that really going to have a massive impact? It has to be done slowly. Businesses will be affected by it if you do not, but this is too slow; it is embarrassingly slow. So Deputy Southern's proposition I would support because it sends a signal out there that we are taking seriously the minimum wage as other countries, far larger economies than ours, far more successful in many other respects, are doing. Why do we not do the same? This sends a signal out saying: "Yes, we will, yes, we can and, yes, we should." So I will support Deputy Southern's proposition, and I would strongly urge those of you that really want to get to an economy a little bit like Denmark's but without the tax as high as it is (because it does not need to be as high as that) do not be fearful of that; you can get there. But the thing that really, really concerns me too is the Minister was asked - not this Minister but the department - in 2013 to model this. They extrapolate the information from the Treasury and from Social Security to get the information so that they can then model the economy against the possibility of an increase to the minimum wage and, in this case, Deputy Southern made a request for an investigation to be made as to what the effect would be on a living wage. That work was asked for in May 2013, I believe. Is that right, Deputy Southern? We still have not got it. How long does it take to extrapolate information from a computer system at the Treasury and Social Security? Not long, I do not think. The economic modelling of it, yes, that would take longer but by the time we have got this information, it is going to be 2 years since we asked for it. Two years. I am sorry, that is not acceptable. So we cannot even have a proper informed debate today because we do not have the economic model that says: "If you put the minimum wage up this level, this will be the effect on the economy." We do not have that and we should. It was asked for nearly 2 years ago and I have heard excuses today from the Minister, with the greatest of respect. She has inherited this, she has not got this information and her department has got loads of other work to do that is just as important, as she said earlier, and I have some sympathy with that but 2 years to get this information. Not good enough. We need to have a proper, informed debate about the living wage and I hope it is going to happen soon and this is just one way of stepping towards that. That is all I have to say but I hope you find that interesting and I hope that you find it among yourselves to support this proposition for all the reasons that I have outlined. **[Approval]**

6.1.6 Senator Z.A. Cameron:

As a G.P. (General Practitioner) I am all too aware of the rising levels of poverty in Jersey and the impact that that has on mental and physical health, but the problem with increasing the minimum wage which is not accompanied by the equivalent growth in the economy, is that it does directly impact industries such as farming and hospitality that exist in such a competitive global marketplace where profit margins are minimal. I would like to suggest that one of the main causes of poverty in Jersey and the U.K. is the increasing proportion of wages needed to put a roof over your head. We used to ensure that Islanders had access to affordable housing, and some industries do in fact provide accommodation with a job. The danger of tackling poverty and rising benefit costs by increasing the minimum wage, I would suggest, does not address the very real issue which, I believe, is trying to provide housing and rents that both employees and our Social Security system can afford.

6.1.7 Deputy M.J. Norton of St. Brelade:

It is a difficult position that one finds oneself in, when talking as eloquently as Deputy McLinton did, about people being treated equally. It is a difficult position because I agree with what Deputy McLinton was saying. It is not a lot of money and, when you go to the supermarket, £10 does not go very far, does it? I was also interested in what Deputy Lewis in front of me had to say in terms of America, in the most consumer-driven country in the world, and their support indeed from businesses themselves to increase the minimum wage and support an increase in their minimum

wage. Perhaps we should be asking businesses here whether they support that because I have seen very little so far of businesses coming forward and saying yes they would like to. Perhaps if they had the information, then maybe they would support it as well. From an employer's perspective, to raise the minimum wage, let us be clear, will not just have an impact on those who are on the minimum wage, so they go up. It will have an impact on the entire business and the reason for that, quite simply and practically, is employers talk to each other. They discuss how much they get and they will always do so and particularly within the hospitality and the agricultural industries; some of those that we are talking about here. So when you put - as would be proposed - 25 pence on a minimum wage, you do not always put it just on the minimum wage but those who were just above the minimum wage or even further up the ladder than that, will also be incrementally increased as well. Otherwise, you get a band of people with different skills all on the same wage. They all move up. Take the example of an employer that I know that has 20 staff. Only 2 of them are on the minimum wage. The others are above the minimum wage right up to and past what has already been talked about, a living wage over £10, £11 or £12 an hour. Once you put that increase on the minimum wage, it puts a stress on the rest of the business costs. In reality, all wages will go up within that business, if not straightaway, pretty soon afterwards, or you will have staff leaving. From this, the stress on these figures are stretched even further when you add in the 6.5 per cent contribution to Social Security on that gross wage paid for by the employer. Now I agree that the minimum wage should go up, and I agree we need to work harder on getting it towards a living wage, but I think you need to ask the employers - or at least be searching to make sure that you are confident - that all the employers that you know can cope with that right now just as they are coming out of the worst recession we have seen. Is now the time to do that? In reality, what will happen is that wages will go up right the way around. Let me give you that example to humanise it, 25 pence to be increased on 20 employees, the impact cost wise is £9,600 a year on to the wage bill which is off the bottom line. Add in the contributions so that pushes it to £10,176 off the bottom line. It might not seem like a lot but to a lot of businesses which are on the border of either making a profit or a loss, it means a huge amount. When we talk about "just an extra £10 a week", it is very easy to see it is just a small sum and, rightly, it is but when you see it from an employer's perspective, perhaps it is just a little bit more than that. It is a little bit more difficult. That is where I have the problem. Can we be completely and utterly confident that all employers, were we to support this, can pay this or would the impact be that employers look at the bottom line and just decide: "Do you know what, someone is going to have to go because, otherwise, we might not make any profit whatsoever. There might not be any point in us opening our doors. We might have to cut back on the hours. Heaven forbid, we might even have to have some zero-hour contracts in order that we can cope with it"? We have got to think very carefully about it. It is very easy to be emotionally attached, as I am indeed, to helping those on the minimum wage but unless you have got employers in sustainable businesses, there will not be any jobs anyway. It is a very difficult position. We need to increase the minimum wage, but we need to do it in increments which are not only benefiting those on the minimum wage, but are acceptable and digestible to businesses in order that they can survive. There, I think, is another problem. Thank you.

The Bailiff:

Does any other Member wish to speak? Yes, the Constable of Grouville.

6.1.8 Connétable J.E. Le Maistre of Grouville:

Before I speak, I would like to make it clear to anyone who does not already know that I have a background in agriculture and was formerly President of the Farmers Union so I was a representative of the industry. I still have an interest in a dairy farming business, but I do not employ anybody - and neither does my dairy farm - on the minimum wage. The States have an Employment Forum which is charged with, among other things, to consult widely and recommend

to the States the level at which the minimum wage should be set. I consider that they do this job well.

[14:45]

I have been involved in that process in the past. They do listen, they are reasonable and I think they come up with reasonable recommendations. Deputy Southern, as far as I know, has consulted with no one. He certainly has not consulted with the Farmers Union to ask what effect his proposition would have on them. I do not think he has consulted with the tourism industry either. We have an Employment Forum that do a good job and we should listen to them. I would like to point out that the figure that they recommended was agreed by the States back in December, and nothing has changed since then. Yes, we are hoping that the economy has turned a corner but we cannot be sure that that is the case and we should do nothing that would risk that recovery. The timing of this proposition is also quite inappropriate. It cannot be fair for this Assembly to agree to a minimum wage last December by a handsome majority and then change it a mere 10 weeks before it comes into operation. Businesses will have made budgetary assumptions based on the recommendations of the Employment Forum and confirmed by the States when setting their price for holidays, in the case of tourism, or indeed whether or not to grow a crop, in the case of agriculture. With a background in agriculture, I should say something about that. The minimum wage, at what level that is set, is critical. The growing sector, as others have mentioned, competes in a global market and we already have one of the highest minimum wages in Europe. It is now higher than the U.K.'s minimum wage when, originally, it was on a par. Those on the minimum wage in Jersey in the agricultural industry are seasonal employees. They come from all parts of Europe but mainly Poland. These are not permanent jobs. That is one of the reasons locals do not go for the jobs, but it has already been pointed out that it is not very attractive on a day like today if you are out in the fields planting. So we are unlikely to get locals to do this work even if we put up the wages to the living wage as suggested, which is £8.25. If we did put the wages up to that level, those jobs simply would not exist. You cannot afford to harvest vegetables at that sort of level of labour input or labour cost. You simply will not be competitive. So the jobs will not be there. Farm staff are not being exploited. They can work anywhere in Europe, and it is interesting that Deputy McLinton mentioned Denmark because I have been to Europe. I have been to Poland, Portugal, Hungary and France recruiting labour, and the last time it was indeed in Hungary and there was an advert for strawberry-pickers in Denmark. Now I do not know how many staff go to Denmark from Hungary to pick strawberries, but I do know our staff come back to Jersey year on year so they must be happy with their wages and conditions. They are not being exploited. Typically, originally when they first come, they bus here. It is a pretty horrendous journey, I should imagine, coming from Poland. I think it takes 48 hours. They come to St. Malo and then they come across on a boat journey which can be pretty rough, as we all know. Within 2 or 3 years, those same people are coming back with cars. They drive all the way. It is not a particularly cheap way of getting here but they have obviously done very well for themselves. The relationship between our farming community and people from Poland and other places is mutually beneficial and I do not think this government should get in the way of that. I would like to say a little bit about the formula, moving on from agriculture. It is seriously flawed, in my view. I would ask Members to consider, if they were on a minimum wage, whether they would prefer to be here in Jersey on a minimum wage that was set at 40 per cent of the level of the average wage with all the safeguards of our benefit system, or to be in a third world or developing country on 45 per cent of the average wage with very little support. I think I know which I would prefer. I think Deputy Norton referred to how this can cause wage spirals. He is absolutely right. If you are a supervisor on a living wage of £8.25, which is a guess at what it is going to be, and you are supervising people on the minimum wage, if the Employment Forum - and it does not matter how long they take - raise that minimum wage up to the living wage, then the supervisor is going to want his wage to go up as well. So if

the Employment Forum, quite irresponsibly, suddenly went within the next 5 years and we got up to a minimum wage that was a living wage, all wages will go up and the cost of living will go up. So any service you require will be more expensive so the higher wage you earn will not go as far as you might think it will and we will still need benefits. Deputy Southern has put forward a rather seductive argument that if we increase the minimum wage, it will alleviate the income support burden, and it is a very simplistic view. If the minimum wage rises too high, then as I said, the cost of living will rise and so extra support will be needed but if it is raised too high, we will certainly be uncompetitive as a tourism destination and as an agricultural industry, we simply will not compete and we will have to give up. There are a lot of permanent jobs in agriculture. Those are not on the minimum wage. Those jobs are at risk of having too high a minimum wage. Do not think that the finance industry is immune from these effects because the tourism industry and agricultural industry help support our air and sea links. Without a tourism industry, our air and sea links would suffer and that would mean that the finance industry would suffer because we would not have the links to bring business people backwards and forwards, so it has a knock-on effect throughout our economy. Finally, there is no need for part (b) of this proposition. We are already looking into the effects of a living wage on the economy and it is exactly the same subject. The living wage and the 45 per cent formula are virtually one and the same. It is somewhere above £8. So we already have a report into that on its way and let us wait and see what that is before commissioning another report which will merely be another expense that is not necessary. So the Employment Forum do a good job and we should listen to them. Just 10 weeks before the introduction date of this new minimum wage is not the time to change it, and we have already agreed on an investigation into the effects of a higher minimum wage so there is no need for part (b) either. So even if a Member has some sympathy with this proposition, this is not the time to be bringing this forward and I urge everybody to reject it. **[Approval]**

The Bailiff:

Does any other Member wish to speak? Deputy Higgins.

6.1.9 Deputy M.R. Higgins:

I apologise, first of all, to Members. This might be a little bit rambling because I had not done any prepared work for it. I am going to start off by saying that I did not hear all of what Deputy Lewis said. I came in as he was speaking and I could not find fault with what he said. In fact, I do not always agree with him and we have had our differences but on this one, I stand side by side with him with not even discussing it but what he said was correct. I need to put this in context. I am probably the only Member of the States who has got a Degree in Economics and taught monetary economics and other things at degree level for over 12 years, and I think I know what I am talking about when it comes to economics. I do not often talk on economic issues primarily because I have been dealing, for the last 6 years, with more social issues and dealing with failures of the system elsewhere. I think I will spend more time this term really having a go at economics because there is a lot we need to understand here and I think one of the things I am going to have to do is almost have some economic classes for you. I am going to have to do some papers to give you the background and show you the evidence. I keep going on about the importance of making decisions based on evidence. What Deputy Lewis was saying is the overwhelming body of evidence shows that higher minimum wages or even moving towards a living wage is beneficial to the economy. One of my problems with those people who come out with the contrary argument is most of them are looking at it from a very narrow perspective; their own business interests or their own particular situation rather than looking at the benefit to the economy as a whole. Now I see Deputy Norton is disagreeing with me. I will show the evidence and the thing is it is overwhelming. I spend a great deal of my time - when I get time - going through economic journals, seeing what the academics are saying, seeing what the various think tanks are coming up with, the I.M.F. (International Monetary Fund) and so on. I am not just saying this. I can produce the evidence to prove that it is

correct. Now one of the problems I have with the Council of Ministers is, to be honest, I think they take a terribly narrow view of most things to do with economics and the economy of this Island. I also think they are too influenced by a vested interest in this Island. We are going to be faced very, very shortly with some major decisions. Now for those of you who are new to the House, we had a spell over the last 6 years where we had a deficit of I think £60-odd million which was supposed to be filled; we had a Comprehensive Spending Review to try and reduce government spending and so on and taxes were raised. If you think of G.S.T., for example, that went from 3 to 5 per cent, we are going to be faced, probably within about 3 months, with papers coming from the Council of Ministers telling you that we have a problem and we have a big problem. An £18 million deficit forecast over 2 years. That is a big sum. Now at the moment, they are looking for 2 per cent reductions in each department. That is just sort of slicing a little bit off here. If you have got a deficit like that, unfortunately, we are faced with a number of choices. The deficit, by the way, is not just a short-term one that we can just ride out for a while. I am quite convinced, and I think the evidence will come up when the Fiscal Policy Panel come and produce their report in the Island - this month or next month they are bringing their report - they will be telling us that we have a structural deficit. It is inbuilt, it is long-term. We have a problem. Income is less than expenditure and you cannot go on like that. The problem is how do you deal with it? Any economist will tell you, you have 3 choices. One, you can reduce the expenditure. Okay, you can do that in isolation; not a good decision. You can increase income. You can raise taxes. Or you can do a combination of the other 2. We are going to be faced with that decision within about 3 months or so. We have been told by the Council of Ministers ... in fact we will be told. They will be coming with these things. I am sure they are discussing it in the Council of Ministers. Are they going to slash? Are we going to have some big cuts in services? That is not very popular and besides that we need a lot of the services we have got. Do we raise taxes? I think it is inevitable. What are they going to go for? Is it G.S.T.; 1 per cent to G.S.T. is worth £15 million to the Exchequer. If you look at property taxes, we had all the big hype before the election about property taxes. I do not think they have dropped it. They may have disowned it during the pre-election thing because they realised it was very unpopular, but the elections are over and the next one is 3 and a half years' time, so they will forget about that. We will get it in quick. Anyway, we are going to see whatever measures they come up with; major sort of problems. As I say, my criticism with them is they do not look at the big picture. They look at things too narrowly. They have come in opposed to Deputy Southern on this particular proposition because it is going to cause costs to certain industries: agriculture, tourism or whatever to be going up. What they do not understand is: in any economy do you know what the biggest driver is of economic growth? Spending by the public. 60 per cent approximately of all economic growth is caused by people spending. In Britain, since 2008 and the financial meltdown, we have had the longest decline in living standards for at least a century. Jersey has followed as well. If you think - since 2008, how many people have had a pay rise? How many people have either been kept at the same level they are? Inflation has been higher so their living standards have been reduced. We wonder, for example, over Christmas I was watching ... everyone is saying how all the people are going into town and taking advantage of all these bargains so retailers are really happy. They may have a one-off splurge but they are paying for it this month because they have got to pay the bills they have lashed out on. If it was not for the heavy discount they probably would not have been there anyway. The fact that people were in town does not necessarily mean they were spending. It will be interesting to see all the detailed breakdown of the figures. What I am trying to say is we can influence our own economy and improve things. We still do not even know that we are out of recession. The last set of figures showed we are still in recession 5 years later. I suspect we are probably going to come out of it, maybe. It is not our major industry that is driving that ... getting us out of recession. They are still in the doldrums. They still had a decline in the last set of figures. We had improvements in tourism. We had improvements in some other areas, marginal areas, so we moved up closer to sort of breaking even,

in a sense. We can improve things in this Island by giving some people some additional money, and we are not asking for much for a start, that money they will go out and spend. Because they have not got it they are going to spend it either on food or they are going to go out and buy some of the goods that they want and that will inject money within our economy. This measure can help us get out of the rut we are in and the recession we are in. Where I criticise them for their failure, Deputy Southern has come up with a possible solution to our black hole. He has mentioned, for example, the amount of money that we are spending on income support and that we are spending subsidising low pay in this Island. Many people are working but still having to go to Social Security and get money. Absolutely insane. Some of the other things we are doing, the policies we are pursuing, are counterproductive. I was watching Channel Television last night and I caught a snippet they had about Guernsey. You had private sector landlords complaining in Guernsey that they cannot compete with the States who have built too many houses and are offering good quality homes at a price lower than they want to charge. Why have we not produced a house that has brought down the cost that Senator Cameron was talking about, the high cost of living in this Island?

[15:00]

We are not pursuing policies that are for the benefit of the Island as a whole, looking at the big picture, they are looking at a narrow picture. In fact, I mention one other thing too. Our problem is our tax threshold. People immediately say: "Oh, he wants higher taxes." I do not. I just want fairer taxes. I keep on going on about the fact that there are many people in this Island who are not paying tax. How many companies are paying tax? Nobody. Not even local companies are paying tax because of the Zero/Ten policies that were pursued by the Council of Ministers. Because the most that they had, where they were going to get taxes from local firms, the deemed distribution rules, they had to abandon because Europe would have declared them discriminatory and they would not have got away with it. So we are getting no taxes from companies. Okay, we will get some from the owners of the companies when they pay their own tax, with what they take out of the company in terms of a salary, but there is no corporation tax. I must correct that. Obviously banks are paying 10 per cent. They do not pay the full G.S.T. because they have a deal on that. Utilities pay 20 per cent. But I wonder about that, to be honest. I think we have to look at J.T. (Jersey Telecom) and the proportion of the money they are earning overseas and how much of that comes to the Exchequer. I am not sure it does. Anyway, the point I am trying to make is: unless we look at our tax policy as a whole and deal with this problem that we have got with the fact that no companies are paying taxes. In fact we are supposed to be grateful, by the way, that the employees of the company are paying taxes. That is the latest mantra that is coming from the multinationals. "Do not ask us for money. Do not try and claw back money from us. We are providing the employment, which is giving you your income. We are giving jobs and they are paying the taxes." You tell the ordinary man in the street how they feel about paying the taxes and the fact that companies do not and others are not paying their share. It is like some of these agreements we have negotiated in the past with 1(1)(k)s. They say: "We cannot renegotiate them because it would mean going back on my word." We have to face annual budgets and changes to the tax rates, whether it be on alcohol or anything else. What we need in this Island are some proper discussions with full information. I am going to challenge the Council of Ministers. Let us have a total review of the tax policy. Let us invite the Institute of Physical Studies **[Interruption]** ... no, I will not give a way.

The Bailiff:

One moment, Senator.

Deputy M.R. Higgins:

I am coming back to it.

The Bailiff:

I would like to say, Deputy, you are wandering off the point rather.

Deputy M.R. Higgins:

I know. I will bring it back ...

The Bailiff:

Can you come back to this, which is to do with the minimum wage and part (b)?

Deputy M.R. Higgins:

If I can just say the last statement and I will go straight back to it. That is: I challenge them to bring the Institute of Fiscal Studies in, who no party in the U.K. likes: Conservative, Labour, Liberal Democrats or anyone else, because they tell the truth. They base it on fact. I would like to get them in to review our tax policy and then we can make some decisions including whether we can afford this and whether we can afford everything else.

Senator P.M. Bailhache:

Point of order. This is all extremely interesting but I would like to respond to it. I have no doubt you will rule me out of order if I were to do this. May the speaker please be drawn back to the proposition?

Deputy M.R. Higgins:

Okay, I shall.

The Bailiff:

He tells me he is coming back so please come back to it.

Deputy M.R. Higgins:

Yes, I will. I will just say in my defence that obviously the truth hurts. What I will say then is, in terms of the minimum wage, the overwhelming evidence shows that a higher minimum wage will put money into the pockets of those who are at the lower end of the spectrum within the economy. The most poorly paid, the ones who are suffering the most, and there is a concept known as the marginal propensity to spend. For every additional pound you get if you are down there you are going to spend the whole pound. You are not going to be spending a fraction of it and saving it. You cannot afford to save. You have so many demands on your income. By putting that money into those people we are going to see increased expenditure in our economy, which will benefit the economy. We will get a higher growth rate than we have got at the present time. It will benefit those people and it will benefit the economy. All I can say is I know we have got so many closed minds in this Assembly; people who either they do not know the facts; they are not interested in the facts or they have a vested interest or whatever, but what I am saying is the truth. Over the next 3 years I intend to be publishing more information and speaking more on economics and trying to tell you what the reality is. I would urge you to support this. What Deputy Southern is saying is correct. That is one way; this idea of the minimum wage reducing the income support bill and the support we have to give low paid workers is helping to reduce that deficit. I would urge you to support it.

6.1.10 Deputy S.G. Luce of St. Martin:

I did not intend to rise but, following the Deputy, I feel I do have to say something. I am concerned that too many Members are standing up and writing off the agricultural industry and not paying enough attention. I do speak from experience and I back up the Constable of Grouville, especially when he says - and there was some muttering that went around when he said - that farmers need to

decide whether they grow a crop next year. It is true. It is as close as that. The cost of agriculture and working the land these days is so fine that the odd 10 pence here and there makes an enormous difference. It is over 5 years since I owned any commercial companies. It is certainly over 10 years since I grew any vegetable crops. What I would say to Members is this: I distinctly remember it. About 12 years ago I was considering going into growing some lettuce and I went to see the largest lettuce grower in Jersey who told me if you ... sorry, I will give way.

Deputy M. Tadier:

I was just asking is that on St. Aubin's Bay or is it somewhere else: the largest lettuce grower in the Island? The sea lettuce.

The Deputy of St. Martin:

I hope you will not mind if I ignore that, Sir. This lettuce grower told me: "If you cannot grow a dozen lettuces for 50 pence do not even bother to try." A dozen lettuces for 50 pence, if you cannot grow them for less than that do not bother to try. The point I am making - and I share with Deputy Higgins an unprepared speech so I hope Members will forgive me - is that the extra 10 pence will make enormous differences to some parts of the agricultural industry, an industry which is extremely concerned about the minimum wage rising and rising and rising. Why is that? Because their freight costs continue to rise and the market place refuses year after year to pay them any additional money. That is not a good business plan; quite a terrifying business plan. I will return to Deputy Higgins, because he spoke a lot about public spending and the amount of money that the public spend. I think back to some years ago when the potato industry was in decline for a short period, and the price of rents on the Island dropped by over £100 a vergée. That move took millions and millions of pounds out of the local economy. People who spend money on rent pay it to people who live in Jersey. Those people use that money to spend in the local economy. When you take millions of pounds out of the local economy, people's disposable income drops; they stop employing gardeners or pool attendants. Or they sell their house and downsize. But it is money that does not go into the local economy. So we are all worse off. The point I am trying to make is that I share the Deputy of St. Saviour's point about 10 pence might appear neither here nor there and it is in a way, but there are vast consequences if you extrapolate it through the ability for a farmer not to be able to grow a crop, the demise of the agricultural industry, the reduction in the value of land in Jersey and then, on top of that, the quality of the countryside, which attracts not only our tourists but also our wealthy individuals who come here to help bolster our local finance industry. The effects are quite large and I would ask Members to dwell on that before they agree to support either part of Deputy Southern's proposition.

6.1.11 Senator L.J. Farnham:

I am pleased to follow my ministerial colleague, Deputy Luce, because I refer to the speech of the Constable of Grouville who very eloquently pointed out the ramifications of ... and a lot of Members do not realise what they are. The Deputy of St. Martin hit the nail on the head when he reminded Members that to some businesses, a lot of small businesses, 10p an hour is a considerable amount of money. Members should remember that if we look particularly at the tourism sector where members at the lower end of the pay scale will enjoy a number of other benefits. For example, meals and accommodation, which are subsidised by the employer, and there will come a stage where if the wages are forced up it is just a redistribution of the money that the employer has put aside for remunerating the staff. It will be distributed in a different way. The benefits will have to reduce or be paid for. Tourism, agriculture, retail: we are working extremely hard to return confidence to these sectors so the businessmen and women, small and large, will start investing and creating jobs once again. Of course a higher minimum wage can cause a price inflation. How are businesses going to finance the rise? It is relative. As the cost goes up quite often the cost of the service to the consumer has to go up to pay for it. It is counterproductive. I fully understand why

some Members want to promote the increase of a minimum wage but there are ramifications, which we have to think about. Company tax: Deputy Higgins mentioned ...

The Bailiff:

We do not need to go into company tax.

Senator L.J. Farnham:

It has a direct correlation on employment insofar as, had we not devised a tax structure that we have now, a lot of companies would have left the Island and, instead of being 1,100 or 1,200 people unemployed there would be thousands of people.

The Bailiff:

In my last sitting I was overgenerous to Deputy Higgins. I am not going to repeat the error. [Laughter]

Deputy M.R. Higgins:

Can I thank you, Sir, for that?

Senator L.J. Farnham:

I wondered if your last words to me as Bailiff might be more generous. [Laughter] I will leave it at that, thank you.

6.1.11 Senator A.J.H. Maclean:

Just very briefly, if I may. It is just getting back to the proposition because Members have spoken in some detail about other areas. Deputy Lewis made some remarks about the living wage. Indeed that was a subject that came up a lot in the recent elections. I think every Member of this Assembly would support the principle of a living wage. A lot of work has been going on in the United Kingdom in that regard. I think Deputy Lewis referred to some of the practice that is undertaken by businesses that are proud to be able to state that they pay the living wage. Where an economy is recovering and is reasonably strong, businesses do tend to pay as much as they possibly can to employees because they recognise that, by paying good wages and good incentives and bonuses they create loyalty, they increase productivity, they increase sales and consequently they are more profitable themselves. So it is an all-round win-win. The work of course has been undertaken locally to assess the opportunities for a living wage in Jersey. What I should point out, and just clarify, is that a living wage elsewhere is a voluntary passage that businesses choose to sign up to, and indeed that is something from an aspirational point of view that I would hope Jersey would follow. That having been said, work has to be undertaken to assess exactly where that lies. My understanding is that it has largely been completed and is in the final stages of completion, and that in March or April we should have the results of the work undertaken by Social Security with regard to a living wage. So that is another matter. Reverting back to the proposition where Deputy Southern is seeking to get a change, an increase in the minimum wage. I do ask Members to consider that of course we do have the Employment Forum. I am sure there are many reasons why this is coming so late. It is due to come into effect from 1st April this year, if this proposition were to be approved by Members today. That gives very little time for businesses to be able to adjust on the budgetary cycle of a business. They would already have set their spending plans and indeed the Connétable of Grouville made that point very clearly. But industries such as tourism have to plan well in advance with their budgets for advertising purposes and other things and, consequently, they will have already factored in the plans for minimum wage as were presented by the Employment Forum. We do need to operate independently, and that is why the Forum was set up. We do need to operate under a basis of evidence and indeed I have heard evidence mentioned. Deputy Lewis mentioned it; Deputy Higgins made a big play on the need for evidence when

making decisions. We have to be fair: the Employment Forum was set up to gather that evidence and to make a recommendation, which they have done. Here we are. Deputy Southern, I am sure for very good reasons, has brought this proposition to change the advice that we have received from the Employment Forum. This, I may suggest to Members, is not the way forward.

[15:15]

We have to set up these bodies; we allow them to gather the evidence and we should respond accordingly, not at the eleventh hour seek to make changes. The only other point I would raise is: where the impact lies with regard to an increase in the minimum wage. Of course Jersey has a very significant makeup of small businesses, S.M.E.s (Small and Medium Enterprises). About 80 per cent of businesses in this Island employ 5 or less people. The impact on those businesses to be able to absorb increases in minimum wage - and we have heard particular sectors mentioned, but frankly it is not sector specific; we know about agriculture; we know about hospitality, but there are many other businesses in other sectors which are small - and they have very little opportunity in terms of absorbing the cost, other than have an increased employee cost. That is, for Members' information, I am sure Members are aware, the largest single cost for most small businesses. So the only option they would have would be around downsizing or certainly not growing at a time when we want to increase employment and ensure that more job opportunities are presented. I think the impact on the small business sector is one that we need to be particularly focusing on when any changes are made to the minimum wage. I would leave it at that, other than to say to Members: I hope that, despite the well-meaning nature of this proposition, that it is rejected and we support the Employment Forum that was set up for this exact purpose. Thank you.

The Bailiff:

Senator Routier, I saw your light. Do you want to speak?

Senator P.F. Routier:

The previous speaker has said what I was ...

6.1.12 Deputy J.A. Martin:

Just quickly, and I was sort of brought to rise by the speeches of Deputy Luce, the Constable of Grouville and Deputy Norton, who would have you believe on the one hand, without a lot of research, that 10p an hour is going to send wages spiralling out of control; inflation, then rents will rise. But, on the other hand, do not worry about it because the Council of Ministers are looking into a living wage; that will not be another 10p an hour; but wait for that, and I am sure you will get all the support - and in 12 years' time. Then I listened to the speech of Deputy Lewis of St. Helier. He had done his research. Why does it work in, as you say, the United States of America in the 13 states? Why is it working? The research is there. I saw Deputy Lewis vehemently shaking his head. As locals will not work in these industries, go out in this weather. But there are block layers; there are scaffolders; there are roofers; builders out there today; they are not on the minimum wage, though. The attraction is: they are on a good wage. They are on a living wage and a wage where they can support their family and probably pay their rent, and not rely on income support. We have been reminded that, in December when this was brought, only one person voted against. What did we have to vote against? It was either raise it to what it was then or have no rise at all. So do not hang your hat on that one. Normally Deputy Southern is spot on and we have the debate on the same day but, like everyone else or most people, he faced a challenging election and it was a very busy time and he missed it. Unfortunately, or fortunately for the Minister for Social Security, she still had a lot of staff doing the work in the background and it was there ready to present at the time, backed up by the Employment Forum. I think we make such a lot of this bottom line. The research has not been done. How many very, very successful, be it small, medium or large businesses, have very high profits but they pay their staff the minimum wage? Then the circle goes around. They

are not paying tax. They are going to Social Security. They are being supplemented in pensions. The circle, we have never really looked at it. That is what (b) is asking. I am not so sure about ... they saying they are doing (b). Deputy Southern just says: "add in looking at the minimum wage". But as all the arguments I have weighed up today, I really was not going to speak because every time someone stands up and speaks and says: "Oh no, we have got it about right and think of the farmers not going to sow the seed. The stall employer is going to go out. The employment rate is going to zooming up for a matter of a few pounds a week." I do not believe it. I absolutely do not believe it. It has never been proven. Deputy Luce said it might stop the pool attendant being paid or the gardener. O, wishes me, those people on the minimum wage, who are not the pool attendant, and they are not even the gardener. They are nowhere near those wages. We live in different worlds. We look at things differently. But I literally listened to this debate. I listened to the research Deputy Southern had done; I have listened to Deputy Lewis, and the Employment Forum always errs on the side of caution, but they have never done the root and branch about how much the minimum wage is actually costing me and you, and every other person paying the tax that circles around back into income support. They need to do that. Small businesses for who 10p an hour it is their bottom line, I do not believe ... they are going to go out of business. They are going to go out of business; does 10p an hour make that difference? It does not. 10p an hour will not make the difference. You can sit there and nod because people ... it is not a matter that 10p an hour and the spiralling up of wages are going to put a business out because it never has. The minimum wage was not introduced so many years ago and then it has gone on and on and on and nobody ... we do need to support the farmers. But is anybody doing anything else about supporting them? No. So keep bringing in the exported labour. Bring the labour in until they have been here 5 years. Then they are down at the Social Security Department asking: "Hang on, I have worked here. I have done my 3 jobs all on minimum wage. I was not entitled to anything off you. Now I would like my money please. I am earning £270 a week, my rent is £350. I have now got 2 children. So I am living in a 3-bedroom house. So where is my money back? Thank you." It is very short sighted. It is wrong. We need to increase this minimum wage. We need this living wage. I cannot live with the promises of: "Oh, the world will end tomorrow/today if we vote for an extra 10p an hour, but trust me because I am a Minister, and trust me because I am a Minister, and we are bringing in a living wage. It might take a few extra years but we will do it. We will eradicate poverty." I have been here too long to listen to eradicating poverty when you are listening to the same old spiel that you cannot pay somebody a decent wage for 40 hours a week, where they cannot even match their rent. I have inspired Senator Ozouf to talk, so it is definitely time I sat down. Thank you.

6.1.13 Senator P.F.C. Ozouf:

I am inspired to speak because I feel that a number of Members whose observations that I have picked up on, I think may need some reminding of some of the underlying economic fundamentals of what the linkage is. I do not know whether or not Deputy Southern was laughing at me then ... [Aside] I just heard a ... never mind, he just put me off my speech.

The Bailiff:

Carry on, Senator.

Senator P.F.C. Ozouf:

There is an important body of evidence around the linkage between minimum wage and unemployment level. I have been a Member who - despite political leanings to the right apparently, according to some - has strongly supported the introduction of the minimum wage when there were many siren voices against it. I believe that the minimum wage has an important role to play in eradication of poverty. The previous speaker spoke about this government's commitment to eradicating poverty. Let there be no doubt, it is not the left or the right that own the agenda to

eradicate poverty. We all do. We all must learn from the experiences of the past of what works in eradicating poverty and what does not, and what the timing of government interventions can be in effectively growing the economy and, most importantly, getting people into work. I understand that Deputy Lewis said that there was evidence in the United States that raising the minimum wage, which had been strongly fought against for many years, was good for the economy. I would agree when you have an economy which is clearly creating jobs and when there is not that much excess labour capacity, then that is the right intervention. We have seen in the United Kingdom the moves and the statements, even by some right of centre political commentators, now moving to the stage where they are saying: yes, the economy can afford the raising of the minimum wage. Unfortunately, Members seem to forget where we are in the economic cycle. We are at least 12 months behind the United Kingdom, and we have seen an unleashing of some severe job problems in our economy because of L.V.C.R. (Low Value Consignment Relief) and the loss of L.V.C.R., because of the contagion that various industries in Jersey have suffered; we have seen this prospect of people ... and who could have imagined seeing unemployment above 1,000? I always thought that 1,000 was the real, difficult pain threshold. When we are above 1,000 we need to act. We saw unemployment rising to 1,700 and, while the progress is good, I am afraid that there is still a lot more to do. We are not at the stage where job creation is at the level that we can intervene and that we think that we can make decisions because we think we know better than our advisers, either the Employment Panel, our economic advisers, *et cetera*. Unemployment has been coming down. It has come down from its peak of almost 1,800; we feared that it would be 2,000. If it would not have been for the Chief Minister and Minister for Social Security and the excellent work of the Minister for Social Security's Department, it would have hit well over 2,000, and if we would have raised the minimum wage earlier, boldly, as some siren voices would have said, I fear that unemployment would have gone massively above 2,000. I see some Members of Reform shaking their heads, but that is the reality. There is a link between the cost of employment and the hiring of new workers, and the competitiveness of the economy. Now, we are 12 months behind the economic recovery that we are seeing in the U.K. We are seeing strong economic recovery in the United Kingdom and we are seeing an unemployment rate that was well above 8 per cent, 9 per cent, come down now to about 7 per cent, and now hitting about 6 per cent. In the United States it is 5.8 per cent, and they are at that point. The surplus, excess capacity of the Jersey economy, I am afraid, is ... the statistics are difficult, but with more than 1,400 people unemployed still, I am not going to do anything at this stage, do one single action which will prevent people from hiring workers and getting a job for those low wage people. A low paid job at a minimum wage is better than no job, and I am sorry if that is a bold thing to say, but I am quite clear about that. There will be a time - and I hope that this Assembly will enjoy a period of renewed economic confidence - where we will see that unemployment rate coming well down below that 1,000 mark. Then I think it is possible to consider a bolder statement on the living wage, bolder statements by the Employment Forum. So this is not the United Kingdom economic recovery and economic resurgence. This is not the United States, where the president yesterday gave a forthright and positive outlook, declaring that the economic crisis is over. Unfortunately, we were a year later into the economic crisis, and we are a year, certainly, behind that recovery. We need to do everything we can to ensure that this recovery takes hold, that there is confidence in employers and there is confidence in investors in creating jobs across the economy. We are going to be losing jobs as a result of ... my portfolio is dedicated towards the digital area. There is going to be a contagion of digital technology which is going to evaporate and move jobs into the ether. This is not easy; this is not easy. The policy options for us as policy makers are difficult, and they are going to be challenging, but there are important principles that we must adhere to.

[15:30]

I would ask Deputy Lewis whether or not he really believes that the economic recovery in Jersey is the same as the United States, of which of course we are a microcosm; that now is the time to say: “No, we, as policy makers in this Assembly know better than the Employment Forum, our economic advisers or anybody else.” We want to do nice things, so we would like to raise the minimum wage. This is an issue of economic analysis, of taking advice, and one of principle. We have got the Employment Forum; they are supposed to advise us; they are of a mind and a blend of individuals, union representatives, employers; they represent a broad church. They have made a recommendation, and to send a signal that we know better and that we somehow need to set aside that advice, I think, will damage a long-term stability reputation for advice of forums that this Assembly has set up. We do not have to blindly follow advice, but we should be alert to it. Ten pence does not sound a lot, but it does mean a lot for key industries, particularly ... fine, if Members do not like low value industries and think we should just do away with them and see these jobs go, then fine, but they will deal with people who will not be able to work. There will be a time when we will be able to raise the minimum wage, when we will be advised to do so. There will be a time when we will be able to advise people that they should be paying the living wage, which is certainly higher than that, but now is not the time. Now is also not the time to vote in favour of part (b) of the proposition, which calls on the Social Security Department, who are engaged - as the Minister eloquently said in her opening remarks after the speaker - in a whole programme designed to get people back to work, to have better decisions, more information about the living wage, and dealing with all the other important issues. I am not prepared to vote in favour of setting the Minister off in another direction when that direction - with a proven track record of this department - this department has proven that they have been doing good, productive, job-creating work. Let us not allow them to be deviated from that course, and let us not set aside the advice of the independent forum which is supposed to advise us. I urge Members to put aside their emotion, look at the facts, and vote against this proposition for the good of job creation, and the jobs and growth agenda in Jersey.

The Bailiff:

Does any other Member wish to speak? I call upon Deputy Southern to reply. Deputy Mézec, just.

6.1.14 Deputy S.Y. Mézec:

I have really enjoyed this debate. I think there has been some really good contributions, and I would like to sort of reference and try and draw together towards making my points in support of this proposition from Deputy Southern. Since the beginning of the New Year, the *Jersey Evening Post* has published some stories which have really, really appalled me. There was one in particular that spoke about the rise of the use of food banks. In particular, that in the last 3 months of 2014, the use of food banks had tripled from what it was in the last 3 months of 2013. For an Island that is one of the most richest places per square foot on the planet, I think that situation is absolutely appalling, and it should be the first priority of any government, of any States Assembly, to make that the number one priority to try and tackle, which is why I was so delighted when the Chief Minister got his front page in the paper, claiming that that was going to be one of his priorities. But then, yesterday, in questioning, I asked 3 times for some specifics, specifically, an aim, objective, timescale, outcome, of something that could be done to help reduce poverty in the Island, and he had no answers whatsoever. I had to ask 3 times, and I still could not get an answer. So here we are today, talking about offering people an extra 10 pence an hour, to do something, just something, to help them at the end of each week, when they get their pay cheque, or the end of each month, depending on what job they are in. This is a perfect opportunity to do something. Deputy McLinton, in his absolutely excellent speech, told us that if somebody was working 8 hours a day, 5 days a week, that would be an extra £10. That does not sound like a lot of money to many people, but that is the family who can now have an extra hot meal because of that £10. That is the family who can keep their heating on just a bit longer because of that £10. For those people, it

matters and will make that difference. I was at the Brighter Futures conference on Friday morning last week, which the Chief Minister was at and spoke at. They were talking about the 1,001 days manifesto, which is about providing better conditions for people in the early stages of their life, so that they are set better for their future, so they develop properly, both physically and emotionally. One of the speakers there was Professor Brigid Featherstone, who I think gave one of the most important speeches that I have certainly ever witnessed in Jersey, talking about exactly how you match policy to this concept of the 1,001 days, and how you make life better for these people, so that they are put in that position. She quoted various economists, including Piketty, which was of course music to my ears. I really enjoyed that. But the central point that came across from that speech, and what other speakers today have said, is that inequality is ultimately bad for the economy and it is bad for society as well. I had a friend who for several years worked in a shop in the High Street in Jersey, a U.K. branch. He was paid the minimum wage. Every time the minimum wage went up, he would get that pay raise, but never a penny more. This despite the fact that the longer he was there, the better results his employers expected from him. Now, I think that is disgraceful. I think it is an undignified way to treat a worker, to expect more from them without giving them anything more in return, and it makes it harder for them to live their life and get on. Deputy Norton and the Constable of Grouville have spoken about spiralling wages. They have said: "You cannot raise the minimum wage in case others get pay rises too, which put those businesses in a bad position." To that I just hear a justification of paying poverty wages. "Well, we cannot help these people because there would be some other consequence somewhere along the line." That, to me, is a symbol of an economic model that is absolutely broken, and this links in with what Deputy Higgins said, our most qualified States Member when it comes to matters of economics. If your economy can only work if a significant proportion of your workforce are on poverty wages, your model is broken and it needs to be fixed, and it is as simple as that. Rather than excuses, rather than simply casting aside motions like this, the Government needs to get to grips with this very simple fact and come up with some bold solutions so that no Islander is having to resort to food banks, especially when they are in work. I mean, just how absurd is that in the 21st century? One example in the *J.E.P.* was of a family that had 2 people working, who were having to resort to food banks. I mean, I think that is absolutely shameful. My favourite argument that has been advanced here was from Senator Maclean, who was espousing the virtues of the Employment Forum and saying we could not ignore it. Hang on, what were we doing just a few hours ago? If you are going to ignore the Employment Forum, you should at least have evidence, and on this occasion we are getting evidence from all over the place, from various different economists, from examples set in the U.K., of the I.M.F., that is showing that inequality is bad and that low wages, people having to have their incomes supplemented by income support or benefits, is bad. So if you are going to ignore it, you should at least be doing it based on the evidence, which is not what we have seen today. Senator Ozouf said that the anti-poverty agenda was not owned by the left or the right, and I agree with that. I would not blame a government specifically for its leanings for their failings. The Conservative Government in the U.K. has obviously seen a rise in poverty, but it is true to say that there were also bad things that happened under the previous government, the Labour Government. So I would not blame those failings because of their leanings. I would blame those failings simply for them lacking the courage to try a bold solution. What we see now in the U.K. has been alluded to by other speakers, is all parties are coming out and saying that we need further rises in the minimum wage, and the reason they are doing that ... you know, we even have a Conservative mayor of London as one of the main proponents in Britain for a living wage, because the evidence stacks up. It is not about political dogma. It is about what works, and that is what we are missing from this government here. There have been claims that raising the minimum wage will create more and more, more and more, more and more unemployment. It is the same doomsday predictions that were first used when the minimum wage was suggested in the first place, and the sky has not tumbled down. Society has still gone on. It

just means that there are people out there who are not having to work, being paid ridiculously low amounts of money. Remember, this is a 2-part proposition. It is not just about the 10 pence rise that has been suggested. It is also about whether we have this review into the minimum wage, and some speakers have said that part (b) is superfluous because of the ongoing review into the living wage. Well, my understanding is that that the living wage review is meant to be coming out in March, so if we vote to have this review it will barely be off its feet by then, in the first place. So, if there is going to be any overlap, it will simply be in the form of a transfer of information, data and findings from the previous report, to kick-start this next one which, if you ask me, makes complete sense, to do it that way, especially so that we could get the results of this one sooner rather than later. But we have to remember that that review is into the living wage. This one is into the minimum wage. The 2 are different things. They are not the same thing. Minimum wage is compulsory by law. Living wage is voluntary although, hopefully, to be encouraged at the same time. What will we see in the U.K. with changes to the minimum wage? It is not just about it in principle, or what the Government can do to encourage it. It is about the actual structure of it, and whether it is doing what it is meant to be doing in the first place. So the reviews are of a completely different nature. I think it is completely false to say that the review proposed on the minimum wage is unnecessary because of one based on the living wage. They are 2 completely separate things. Just a final point I want to make: we have been told not to think about emotions but to look at evidence, which is a bizarre argument to be advancing today, given how other votes have gone. What we are simply talking about is an extra 10p an hour for people on the lowest wages in Jersey; 10p, that is nothing. There are many people in this Island who would not bend over to pick up 10p if they saw it on the floor. We have an opportunity to do something rather than nothing to help solve a small amount of poverty in the Island. As Deputy Higgins has said, it will help the economy by getting money going around, as the aim that Deputy Southern has suggested is that it could reduce the income support bill at a time when we know we have a deficit looming. Everything about this makes sense. We should put aside political dogma, do it based on the evidence, and put our money where our mouth is, both figuratively and literally in some Members' cases, to do something to help alleviate poverty in this Island, because we should be absolutely ashamed that there is a single person in Jersey living in poverty.

The Bailiff:

Does any other Member wish to speak? Chief Minister, you have something new to add?

6.1.15 Senator I.J. Gorst:

Most unlikely, Sir. Perhaps it is because I know from experience the strain and the difficulty of making farming add up in today's world, that I feel I have to stand up and speak this afternoon in what is becoming a long debate. I just want to pick up on something that the last speaker said. He seemed to sum up his speech by saying: "Something rather than nothing." So he was supporting 10 pence on the hourly minimum wage because it was something, rather than nothing. That of course is a point of view, but I just want to add a word of caution, because what I fear - and what I am told by agriculturalists, by those in the hospitality sector - is that that something will not benefit their employees. It will not benefit that industry.

[15:45]

Rather, it will leave them continually struggling, and it will leave them asking whether they can employ so many people this season, or this summer, in their industry. So it may indeed do something, but I would say, we must be very, very careful about what we wish for in those sectors, because Members stand in this place and say they support agriculture. It is part of our tradition; it is part of what makes Jersey loved; the way that it is. Farmers are custodians of the countryside, and they work hard to keep it beautiful in the way that we enjoy and, yet, productive. They say they support tourism, and we have created the new Visit Jersey. We want to encourage more

visitors to our Island and to stop the decline in that industry. They say they want to support the retail sector in the High Street. All laudable aims, but sometimes we have to listen to those industries, and when they tell us that they are under strain; when they tell us that this increase, that the proposal that we are being asked to accept, will cause them incredible difficulty; will mean that they may not be able to employ people; will mean that for some of them, it will be the final straw that breaks their back and they will have to leave that industry; is that the something that we want to vote for this afternoon? I do not believe it is, and I would ask those Members who are feeling that perhaps they would like to do something, that this is the wrong something. The Employment Forum was set up specifically to deal with this particular issue. How on earth were we going to be able to know what the right balance was between enabling people to have a minimum wage that would be meaningful, would encourage work and would mean that there was not this very low wage culture; to balance the need to grow the economy; to balance the need of employers? That is why it is split between employee and employer representatives. But their decision this year was unanimous, that the proposal that they put forward was the right one, taking into consideration all those facets. Why do I say that? I say that because timing, as Senator Ozouf said, is extremely important. It is not that many years ago that Deputy Southern brought the proposal to work overtime to increase the minimum wage, and I was then Minister for Social Security. I said it is not that many. I was then Minister for Social Security, and I supported that proposal because it was appropriate, it took time, it was able to balance those considerations and yet, at the same time, it dealt with the important issue of making sure that employees were paid appropriately. The Employment Forum takes that into consideration when they are reaching their decision, and their decision was unanimously to increase the minimum wage by the number that it is due to be increased in the beginning of April. But over time, it will increase, and it is right that it increases, but they are the body that we have asked to give this issue consideration. So I would simply say, let us not just do something because we do not want to do nothing, when we have quite clear evidence from those sectors that this something would damage them, would damage the industry, and would potentially lead to increasing numbers of unemployed. That is not a risk I am prepared to take this afternoon. I hear that some Members are, but I really call and ask them to consider whether it is a risk that they would be prepared to take. I just want to make one final comment, and that is that, to the best of my knowledge, Denmark does not have minimum wage.

The Bailiff:

Does any other Member wish to speak? Then I call upon Deputy Southern to reply.

6.1.16 Deputy G.P. Southern:

Here we are, 3.50 p.m. on a Wednesday and I am still smiling, just. Where shall we start with this? Can I deal with the issue that businesses will be going out of business left, right and centre, and the overall impression given by many speakers, the Deputy of St. Martin, the Constable of Grouville, talking particularly about farmers, as was the Chief Minister; Senator Farnham, talking about the tourism industry; all about to go out of business if we accept a £6, or 15p an hour rise. If we accept that, then they will not go out of business, because that is what is recommended by the Employment Forum, 15p or £6 a week, additional on the minimum wage. However, increasing that by a tweak, by a further 10p, and all of those businesses are going to go out of business. That is the argument. That is the argument we hear every year, whenever I bring this particular amendment; they will all go out of business. Completely fallacious, but if there was that risk, if that were the case, then what do you do? Rather than subsidise poverty wages, which is what we are doing, and saying it is acceptable to pay people less than they need to live on, house themselves and feed themselves on, that is okay. Then what you do is you address that issue. If we need to hang on to the agriculture industry, and I would argue we do, then we openly give them a subsidy. We do not subsidise the minimum wage, but we give them a direct subsidy so that they can compete with their competitors and keep their margins at the right level and their prices at the right level to make themselves

competitive. That used to happen. That could happen again. In the example of the tourism industry, what I would say was: "Okay, if you are going to say, 'Pay a decent wage', which we are increasing, "then you take some of the load off them. Perhaps you reduce G.S.T. on those particular bits of industry and thereby reduce their costs, while saying it should not come from people's poverty wages." So it is perfectly possible to deal with that in other ways. It does not have to be: we have to keep the wage depressed, or that wage down to minimum levels, in order that our industries survive. Let us do something different. That is what I am trying to do here, to encourage this particular mindset that the Council of Ministers have, encourage them to step out, to think a little wider, not this narrow view that they have, as mentioned by Deputy Higgins, our honourable economist here, so that they are not reliant on suppressing wages and ensuring that people have to - have to - take a subsidy in order to survive. I was struck by the quote of Henry Ford. When asked about the wages that he paid, he says: "Of course I have to pay my workers well. I have to pay them well so that they can spend and they can buy my product, which is my cars." So that is the argument we have been presented with, is that the way to get ... one of the ways - not the way, one of the ways - to get economic growth, as Deputy Higgins was saying, was that 60 per cent of the economy, there or thereabouts, is about consumers spending money in the local economy. The fact is that, if you increase the money at the bottom end, you do get a bottom end up increase in spending. That money stays in an economy. It gets spent. Whereas, give it to the wealthy and it gets saved. It gets saved, and it may go outside the Island. We also had this argument that in the agriculture sector, we cannot get locals to work, and that they are all Poles who come over here, and they are perfectly happy to work for X, so we can get away with that. But let us look longer-term. How do we encourage our locals to do agricultural work? As Deputy Martin pointed out, they are doing outside work, scaffolding, building, *et cetera*, in all sorts of weathers because, why? Why do we get people to do that? Because they are earning a proper wage. We are up at £11, £12, £13, £14 an hour, that sort of order; that becomes acceptable, you can live on it. You can hold your head up. You are not dependent on benefits. Whereas if you are working for the minimum wage you know you are. You just cannot get clear and keep your head up. It is always interesting to hear Senator Ozouf. He said it is not a matter of right, or left, or what colour of government you are; we have a shared aim of eradicating poverty. He goes further than me and says "eradicating poverty". I think the best we can do is alleviate poverty, in the best of worlds, unless or until we get to the state of Denmark or any of the other Scandinavian countries, who have similar levels. I am glad to see that one of my colleagues has been reading *The Spirit Level*. I presume that is where he got the information from - very good read indeed, which I must recommend to everybody - talking about how equality is not just good for the economy, for the rich and the poor, it is good for individuals. We are healthier, more educated and less criminal in all sorts of ways. Individuals benefit from more equal societies. That must mean not pulling down the rich. The starting point for me has to be lifting up the poor. That has to be those people on the minimum wage. That is the way we should be approaching it. Bottom up, not top down. We know about top down economics, trickledown economics. It does not work. Bottom up stands a chance of working. That is what I am recommending. We had, again, this mention from Senator Ozouf that what we need to do is grow the economy, that is the way forward. Again, I remind him, as well as you, that 60 per cent of the economy is consumer spending. Put it at the bottom, it gets spent, gets spent in the economy. For once we had Senator Ozouf being somewhat pessimistic. We are not out of things yet. Yet, I think, I am correct when I say that I heard him say on the last 3 budgets: "This is a good news budget; this is a good news budget, and this one is a good news budget. It is good news all the way and that we are in a far better position than our rivals in our economic position." Yet, all of a sudden, when it comes to doing something about the low paid, that becomes rather pessimistic. It is no longer the optimist that we hear, but the pessimist: "We cannot move yet." It was: "Do not do anything yet." How many times have I heard that? I wish I had 10 pence for each time I had. I would have the minimum wage by now or even a living wage.

Then the other reason we heard from the Minister herself, when she said: “Oh, and by the way, there is a new review coming down the line.” It will probably be here by, I think, July or September, probably the September publication, the Income Distribution and Household Expenditure Survey. The last 2 have revealed slight changes in those who are on low income, but only marginal changes. There will not be massive changes between the last survey in 2009/2010 and this one to suggest massive changes. They will be about the same mark. While the individual sums, the individual levels, you might want to play with slightly, the principle of what you do about relative low income remains the same. There is absolutely no reason why we should be delaying any action or moving in the right direction before September, waiting on these numbers, because these numbers are not going to be very different. They are going to reflect approximately similar numbers. There may be some slight changes, but there is no need to say: “Oh, we cannot do anything until we have the exact numbers.” That is not the case.

[16:00]

Also a delay and a denial that we need to do, to look at this in the long-term, which is my paragraph (b), is also very relevant. As I was saying earlier, the impact of the living wage and the level at which you set it and the penetration to which it goes to is entirely reflected in the minimum wage; the penetration it gets; how many people are on the minimum wage, and the level you set it; the arguments will be the same. The economic model has not changed. You are putting the same numbers into the equation to do your calculation. Again, it is not a big job to tag what I am asking on to a review. Let us examine the living wage properly. So, when that data comes it will be equally applicable, I think, to the minimum wage changes, should we adopt this proposition today. It was wonderful to hear Deputy McLinton’s speech and to recognise where he was coming from. But, what he said was that equally important was a simple thing at the end: “This is the opportunity to send a signal that we value our workers.” Low or high paid, we value them. Send this signal. If we do not vote for this proposition, in some way we are saying, I think: we do not care. Several speakers have referred to the pending change that is going to occur in the minimum wage in the U.K. Things are not going to stand still. Both major parties are talking about major changes to the minimum wage and the right level of finding that. Those are going to change. I believe that we should be prepared, and should be investigating potential change ourselves, to be in hand before we go. Oh yes, I have been criticised for bringing this late. So, I may as well deal with that briefly, if I could. I do apologise for bringing it late. It is later than I usually bring it. It has been the case that we have discussed the minimum wage in January before and, not because of me, because the Minister - I forget which Minister it was, but 2 of them are here - brought it late, in January. So, it is not impossible to push through. It went through before without a problem. The other factor is that the outgoing Minister had the minimum wage legislation prepared but did not lodge it until the last minute when he had to in order to get it discussed late on in the process, when he knew and I knew that many of us were busy running around trying to get elected. Hence, it did not come when it might have done. It was sitting on a shelf for 2 months before he lodged it. He could have lodged it earlier and dealt with it. I just put that reminder there. However, I do apologise that it is slightly late. It is not unheard of. I am told that my thinking is simplistic. What can I say about that? I am a simple lad. It may well be. Deputy Higgins then got on to the alternatives. One of the ways that we need to deal with the shortfall in tax is to increase the amount of tax that we produce. One of the ways is by raising the level of the minimum wage or adopting a living wage, so that there is more money in the economy and there is more tax to come from that economy. That is one solution. The other way is to grow the economy. Again, that relies on putting more money in at the bottom end, so that people spend it and the economy grows. We all benefit. The alternative - I have been suggesting that Ministers are going to have to address this - is to raise taxes. If we cannot deal with this taxation gap as we have it now, then raising taxes or substantially cutting back on services is the alternative. What are we going to get? Are we going to get a property tax? Are

we going to get some form of health tax, like the Irish? Are we going to simply raise G.S.T.? I do not know what the answer is. But, the alternative to not examining and not moving towards the model I am suggesting, I think, is that within the next 2, 3 months we will hear talk of: “We are going to have to raise taxes.” Despite the fact that that was not said for the elections. Of course, today we have heard from several speakers that they are in support and fully in agreement with the sentiments expressed by Deputy Lewis and Deputy McLinton: “We are perfectly in harmony with those.” But for the newcomers, this is the classic: “Of course, I sympathise with them and I agree with them, but I am not going to vote for it.” The key thing that we have is our vote. So, please, please. It is 2 parts. They are both separate. The short-term one says an extra 10 pence, total 25 pence, an extra £10 on the minimum wage, as of this year. The second - and I do believe there is absolutely no danger in voting for paragraph (b) - is something we can look at, meld in with the review that is already taking place. It does not need to cause a delay whatsoever and we would have those figures that we need to examine which way we are going in the coming year, and we can have that anyway if you vote for (b). So, I encourage you to vote for (a) and (b), but above all, above all, please rest assured that there is no danger in voting for (b) whatsoever. I call for the appel, please.

The Bailiff:

The appel is called for then, in relation to Deputy Southern’s proposition. We are going to take 2 votes. The first on paragraph (a) and the second on paragraph (b). I invite Members to return to their seats. The first vote is on paragraph (a). The Greffier will open the voting. Paragraph (a) is lost.

POUR: 12		CONTRE: 32		ABSTAIN: 0
Deputy J.A. Martin (H)		Senator P.F. Routier		
Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		
Deputy J.A. Hilton (H)		Senator A.J.H. Maclean		
Deputy K.C. Lewis (S)		Senator I.J. Gorst		
Deputy M. Tadier (B)		Senator L.J. Farnham		
Deputy M.R. Higgins (H)		Senator P.M. Bailhache		
Deputy J.M. Maçon (S)		Senator A.K.F. Green		
Deputy S.Y. Mézec (H)		Senator Z.A. Cameron		
Deputy A.D. Lewis (H)		Connétable of St. Helier		
Deputy L.M.C. Doublet (S)		Connétable of St. Clement		
Deputy S.M. Brée (C)		Connétable of St. Peter		
Deputy P.D. McLinton (S)		Connétable of St. Lawrence		
		Connétable of St. Ouen		
		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of Grouville		
		Connétable of St. John		
		Connétable of Trinity		
		Deputy of Grouville		
		Deputy J.A.N. Le Fondré (L)		
		Deputy E.J. Noel (L)		
		Deputy of St. John		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy of St. Peter		
		Deputy R.J. Rondel (H)		
		Deputy of St. Ouen		
		Deputy S.M. Wickenden (H)		

		Deputy M.J. Norton (B)		
		Deputy T.A. McDonald (S)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		

The Bailiff:

Very well. The Greffier will re-set the machine in order to move on to the vote on paragraph (b). The Greffier will open the voting. Paragraph (b) is lost.

POUR: 12		CONTRE: 32		ABSTAIN: 0
Deputy J.A. Martin (H)		Senator P.F. Routier		
Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		
Deputy of Grouville		Senator A.J.H. Maclean		
Deputy J.A. Hilton (H)		Senator I.J. Gorst		
Deputy K.C. Lewis (S)		Senator L.J. Farnham		
Deputy M. Tadier (B)		Senator P.M. Bailhache		
Deputy M.R. Higgins (H)		Senator A.K.F. Green		
Deputy J.M. Maçon (S)		Senator Z.A. Cameron		
Deputy S.Y. Mézec (H)		Connétable of St. Helier		
Deputy A.D. Lewis (H)		Connétable of St. Clement		
Deputy L.M.C. Doublet (S)		Connétable of St. Peter		
Deputy S.M. Brée (C)		Connétable of St. Lawrence		
		Connétable of St. Ouen		
		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of Grouville		
		Connétable of St. John		
		Connétable of Trinity		
		Deputy J.A.N. Le Fondré (L)		
		Deputy E.J. Noel (L)		
		Deputy of St. John		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy of St. Peter		
		Deputy R.J. Rondel (H)		
		Deputy of St. Ouen		
		Deputy S.M. Wickenden (H)		
		Deputy M.J. Norton (B)		
		Deputy T.A. McDonald (S)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy P.D. McLinton (S)		

7. Jersey Consumer Council: appointment of Chairman (P.176/2014)

The Bailiff:

Very well. The next matter on the Order Paper is P.176 Jersey Consumer Council: appointment of Chairman. I will ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to refer to their Act dated 2nd February 2011 in which they approved the future mandate for the Jersey Consumer Council and agreed, *inter alia*, that the appointment of the Chairman should be approved by the States on the recommendation of the Minister for Economic Development; and to approve the re-appointment of Rose Edith Colley as Chairman of the Jersey Consumer Council for a further term of 3 years commencing on 1st February 2015.

Senator L.J. Farnham (The Minister for Economic Development):

My Assistant Minister, Deputy Norton, has been delegated responsibility for this and will act as rapporteur.

The Bailiff:

Very well, Assistant Minister.

7.1 Deputy M.J. Norton (Assistant Minister for Economic Development - rapporteur):

It may be helpful for some new Members, like myself, to go back 3 years when Advocate Colley was appointed for her first term of office. There had been the fact that the new mandate for the Consumer Council was adopted by this Assembly in 2011. While a number of relatively minor changes were made, there were 2 important amendments included in the new constitution. The first was that the Council should be established as a distinct independent legal entity, able to rent accommodation and enter into employment and research and consultancy contracts within its own right. The Council is now an incorporated association, registered with the Royal Court. The second of those changes was the removal of the requirement that the Chairman of the Council had to be a Member of the States. For the first time the job was advertised, attracting some very high calibre applicants. With the assistance of the Jersey Appointments Commission, Advocate Rose Colley was selected. I believe that Advocate Colley has been a very effective Chairman and has raised the profile of the Council, which is now held in high regard by the Island's consumers, as well business and representative bodies. She has instigated a major change to the membership of the Council, which has seen the removal of the seats on the board awarded as a right to business organisations, such as the Jersey Hospitality Association and the Chamber of Commerce. This change, of course, will lead to the situation where the board is made up of only consumer volunteers from all walks of life and will undoubtedly strengthen the role of the Council as the champion of the consumers. This work will be, in fact, conducted by Advocate Colley if this House approves this recommendation. There is a brief C.V. (Curriculum Vitae) to Advocate Colley, which is in the proposition, so I do not propose to repeat it at this time. I would suspect that many Members here today have either met or know Advocate Colley in either her professional career or as Chairman of the Council. It just remains for me to say that I have great pleasure in recommending that Members approve the re-appointment of Advocate Rose Colley as the Chairman. I am certain that she will continue with a strong leadership over the 3 years, supporting the Jersey consumers in what have been extremely challenging times for everyone. I therefore commend the proposition.

The Bailiff:

Is the proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? The appel is called for in relation to the proposition, P.176. I invite Members to return to their seats and the Greffier will open the voting. The proposition is adopted.

POUR: 37

Senator P.F. Routier

Senator A.J.H. Maclean

CONTRE: 0

ABSTAIN: 0

Senator I.J. Gorst
Senator L.J. Farnham
Senator P.M. Bailhache
Connétable of St. Helier
Connétable of St. Clement
Connétable of St. Peter
Connétable of St. Lawrence
Connétable of St. Mary
Connétable of St. Ouen
Connétable of St. Brelade
Connétable of St. Martin
Connétable of Grouville
Connétable of St. John
Deputy J.A. Martin (H)
Deputy J.A. Hilton (H)
Deputy J.A.N. Le Fondré (L)
Deputy K.C. Lewis (S)
Deputy E.J. Noel (L)
Deputy of St. John
Deputy J.M. Maçon (S)
Deputy S.J. Pinel (C)
Deputy of St. Martin
Deputy of St. Peter
Deputy R.J. Rondel (H)
Deputy S.Y. Mézec (H)
Deputy A.D. Lewis (H)
Deputy of St. Ouen
Deputy L.M.C. Doublet (S)
Deputy S.M. Wickenden (H)
Deputy S.M. Brée (C)
Deputy M.J. Norton (B)
Deputy T.A. McDonald (S)
Deputy of St. Mary
Deputy G.J. Truscott (B)
Deputy P.D. McLinton (S)

8. States of Jersey Complaints Panel: appointment of members (P.180/2014)

The Bailiff:

Then the next matter is P.180, States of Jersey Complaints Panel: appointment of members, lodged by the Privileges and Procedures Committee. I ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion in accordance with Article 5(2) of the Administrative Decisions (Review) (Jersey) Law 1982, to appoint (a) Mr. Nigel Le Gresley as Chairman of the States of Jersey Complaints Panel until 17th July 2015; (b) Mr. Geoffrey George Crill as Chairman of the States of Jersey Complaints Panel for a period of 5 years commencing the 18th of July 2015; and (c) Mr. Stuart Catchpole, Q.C. (Queen's Counsel) as Deputy Chairman of the States of Jersey Complaints Panel for a period of 5 years with immediate effect.

8.1 The Connétable of St. Clement (Chairman of the Privileges and Procedures Committee):

The Appointments Commission has a Code of Practice, which recommends that a term of office of a member of a public body should not exceed 10 years. It occurred to me as I was noting that, it is a good thing it does not apply to States Members. The P.P.C. (Privileges and Procedures Committee) were aware that the Chairman and one of the Vice-Chairmen, because of this 10-year rule of the Complaints Board, were due to retire in the summer of 2015. We therefore put our succession planning hats on and made arrangements for their successors in the summer. However, the Chairman totally ruined these plans by becoming elected as Deputy of St. Ouen. **[Laughter]** So, I congratulate the Deputy on his election, but also thank him very much for his almost 10 years of service to the Complaints Board **[Approbation]** and indeed to his Vice-Chairman.

[16:15]

With his premature retirement as Chairman of the Complaints Board, we are pleased to propose one of the Senior Vice-Chairmen, Mr. Nigel Le Gresley, as Chairman, until he is due to retire in the summer, in July 2015, when he will be succeeded by the second current Vice-Chairman, Mr. Geoffrey Crill. If that is approved, the elevation of Mr. Le Gresley to Vice-Chairman, we would ask that Mr. Stuart Catchpole Q.C. be elected Vice-Chairman of the Complaints Board. I make the proposition, Sir.

The Bailiff:

Is the proposition seconded? **[Seconded]** Does any Member wish to speak? Yes, Deputy of St. Ouen.

8.1.1 Deputy R.J. Renouf of St. Ouen:

Can I briefly say that I would recommend these appointments to the Assembly? I have sat on the Complaints Board with Mr. Le Gresley and Mr. Catchpole. I have not sat with Mr. Crill, but I know his skills from my time in the legal profession. I am confident that they will carry out these roles with thoroughness and diligence. While I am on my feet, may I urge new Members in particular not to forget the option of a Complaints Board for constituents who believe something might have gone wrong procedurally with contacts and with States departments and they cannot seem to get those departments to act in a user friendly and focused way; the Complaints Board may help. Can I also urge Ministers to give careful consideration to any recommendations that a Complaints Board might make and not allow their departments to be wedded to procedures which might have been fixed years ago? It remains the decision of a Minister whether to accept any decision or recommendation, but please have regard to the fact that 3 persons have voluntarily given up their time to examine a problem at the coal face, where our States services are delivered to the public. They have no axe to grind. As independent persons they may tell you where the departments have acted in haste or made a mistake. They might put forward suggestions for improvement out of the wealth of their experience in the fields they come to this job from, after careful examination of a problem that has occurred. So, I do hope that the Complaints Board might receive a higher profile and careful consideration when they do make their reports. Thank you.

8.1.2 Deputy G.P. Southern:

As one of the few people to have won an appeal to a Complaints Board and had it ignored, there are improvements that need to be made, I think, with the system that we have. But, notwithstanding that, the advantage of the Complaints Board is that it has a clear set of criteria that you have to show or demonstrate in order to win a complaint, with 5 particular points on it so it is clear what you are trying to show or trying to prove. That is a great advantage on the other types of board, the appeal boards, particularly Social Security's Appeal Board, where you do not have that focus and, therefore, it is difficult to know what you need to do to prove your case. The advantage of the Complaints Board is that it has that focus and those 5 criteria, which make it far easier to know how

to approach the complaint. That is its singular strength, I think. It is far better than many of the other boards. Thank you.

The Bailiff:

Does any other Member wish to speak? Do you wish to reply, Chairman?

8.1.3 The Connétable of St. Clement:

Just to thank the Deputies who have spoken and to commend the Deputy of St. Ouen’s wise words to the Assembly. I maintain the proposition.

The Bailiff:

Very well. The appel is called for in relation to this proposition then. I invite Members to return to their seats. The Greffier will open the voting. The proposition is adopted.

POUR: 38		CONTRE: 0		ABSTAIN: 0
Senator P.F. Routier				
Senator A.J.H. Maclean				
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator P.M. Bailhache				
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy S.Y. Mézec (H)				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy S.M. Wickenden (H)				
Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

9. JT Group Limited: meeting concerning Gigabit project (P.181/2014)

The Bailiff:

We then come to the final matter on the Order Paper under Public Business, that is P.181, JT Group Limited: meeting concerning Gigabit project, lodged by Deputy Southern. I will ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to request the Minister for Treasury and Resources, as shareholder representative of the States, to organise as a matter of urgency a private meeting between the stakeholders in the delivery of the Gigabit Jersey project (JT Group, Gigabit Field Force (G.F.F.) and CH2M) and elected members of the States to discuss (a) the contractual relationship between Gigabit employees, their employers, G.F.F., and subcontractor CH2M which has resulted in a long-running unresolved dispute; (b) whether the contractual relationship between G.F.F. and CH2M is affecting the ability of the latter to deliver broadband connections within budget and within target timescales; (c) updated projections for the completion of the Gigabit Jersey project; and (d) the impact of the Budget 2015 decision to withdraw, for a 2 year period, the dividend reduction of £3 million per annum proposed in 2011 and require instead the payment to the States as shareholder of an additional £6 million of dividend.

9.1 Deputy G.P. Southern:

Those of you who were keen to get away will be pleased to know that I am not going to keep you here until 5.30 p.m. if I can possibly help it. Those of you who have urgent meetings, I would say after about 4.45 p.m., can safely use your mobiles and phone home to say: "I will be home early," or whatever it is. "Oh no, oh no" says he-who-should-know-better. There is another piece of business to do, which I had overlooked. **[Laughter]** Cannot win, can you? On the back of that, I am glad I am not going to pursue this particular proposition through to its end, because it sounds like I have already done enough to lose it. I will be withdrawing this, as is my right. I have a few remarks to make about it. I am withdrawing it because effectively it has served its purpose. There were 2 meetings, at which some 38 or 39 Members of the States examined the issue of J.T. and what had been happening with the workforce. My proposition says: "Hold a meeting with the States Members, so they can understand what is going on." I think most of us have some comprehension of what was going on and have attended a meeting anyway. I still, however, have some serious reservations about what has been going on with J.T. and particularly the Gigabit project, which I just want to address briefly before I withdraw this proposition. I warn people that I will be looking for other ways to deal with the issues that I see. It is not dealt with by this particular proposition. The request for a meeting came about because I thought it was a simple job to hold the Minister for Treasury and Resources to account over what has been going on and what he has been in charge of, in the sense that he is our shareholder representative on the J.T. board. My initial thought was: get the Minister to call an Extraordinary General Meeting and let us find out what is going on. However, I find out that, if he were to call an Extraordinary General Meeting he is the only person who could attend it. We cannot attend. So, already there is a big question mark for me about the accountability. We are the owning shareholder of this company and yet we, in this States, apparently have very little accountability, means to hold the Minister to account. In fact, when I asked for minutes of the quarterly meetings held between J.T. and the Minister, they were refused on the grounds that they were confidential. It seems to me that that is a very unsatisfactory state of affairs. We should be able to look at that. There should be a mechanism by which some of the directions taken by J.T. are accountable to this body. So, I will be coming back

with that. In particular what I am upset by, if you like, for want of a better word, is on page 3 of my report, towards the bottom of the page, you will see there is a memorandum of agreement between J.T. and the Minister for Treasury and Resources to be a good employer. I believe the evidence is that that has been singularly ill-treated and ignored by J.T. They have not been a good employer. The Minister for Treasury and Resources has not held them to account over good employment practice and has allowed some very bad employment practice. For example, we have, on page 4 of my report at the top: "The terms of engagement employed by Gigabit Field Force Limited, the wholly owned subsidiary of J.T.", the following statement, described as a "Contract between (a named) contractor and Gigabit Field Force Limited" contains the following paragraph: "Please note that this is a zero hours engagement." The first thing I have to say is: why is a zero hours contract appropriate for this particular project? "Work may be offered from time to time depending on the needs of the business but there is no guarantee of work. You are under no obligation to accept the work offered. This is not an employment contract." Here you have J.T. through Gigabit Field Force saying that despite the fact that we are your employer we are not giving you an employment contract, we have got you on a zero hours agreement, which is not an employment contract, and even though we are described as your employer we will treat you as a subcontractor. Now that sort of machinations around an employment contract by a body that is quite happy to connect up telephone wires otherwise seems to me a strange arrangement in the first place. Secondly, while they are the employer, a third party CH2M is employed or are used to deliver the workforce on site and arrange the work, and they - not G.F.F. or J.T. - employ and supervise. So you have a situation there where you employ or subcontract the workforce which is then organised by a third party, not yourself, using their supervisors and they, the third party, CH2M, organise the timesheets and the job sheets, job packs, and report back to G.F.F., send back, and authorise them or not. What we have had is that the terms under which these people delivering the job - doing the job - are employed, are subject to a number of sanctions effectively. So despite the fact that the terms of engagement state: "Normal working hours are between 7.00 a.m. and 19.00 p.m." - we have a 12-hour day involved in there - however, apart from 4 per cent rolled up holiday pay, there is no travel time to get to the job. So you trek across; here is your job; you get it in the morning; you turn up at 7.30; you get your job; it is the other side of town. You do not get any travel time, waiting time. So you turn up at the address; the landlord is not in; you hang around; you phone in; you have no contact number, but they will be there in about three-quarters of an hour; no pay; still no pay, even though you are there ready to do the job; hours worked on a connection when it is not completed. Now here we have this template used by CH2M, an international firm, for Jersey houses with all their quirks and foibles and difficulties - they are unlike, probably, most of the rest of the world where things are, I believe, much more standardised - a template which says that normally a job will take 4 hours times 2 men, so 8 man hours to do a connection.

[16:30]

If you turn up and you can see that it is going to take longer than those 4 hours, you can effectively fail that connection. If that happens then instead of getting paid for your 4 hours you get paid for half an hour. You could be at work 3 hours before you recognise: "Here is the failing; we are not going to be able to finish this." You work 3 hours; you get paid half an hour. Also there is no anti-social hours' payment. We have all seen the employees out on the street or out making connections up until all sorts of hours; 10.00 at night, *et cetera, et cetera*. We have driven past them. We have had roads held up while they get the connections in there. There is no anti-social hours' payment. What happened is, that from a workforce which started as something like 50 plus workers, we are down to, I think, 11 or 12 active workers with 11 other workers suspended because they were objecting to not being paid with all these sanctions for the hours that they had worked. There is a dispute effectively between those workers and their supervisors in CH2M which has gone on since

around August and continues to this day, where people have got into serious debt, have been unable to cope with their rents and their mortgages *et cetera*, have seen Christmas come and Christmas go with little wages which they believe have been withheld from them improperly to say the least, and probably illegally. So at its simplest what I would say is what took place over this Gigabit contract, which we are connected to because we are the shareholder, has been an appalling mess that no self-respecting good employer would let themselves get into. I would take it a stage further: in signing up with CH2M, albeit they have an international reputation for doing this type of work, what were J.T. management, what was G.F.F. management doing allowing it without checking properly that we were in the right ballpark, that this contract was deliverable? What we have now is that CH2M are making all sorts of accusations about the suspended workers. Some of the suspended workers cannot claim income support because they have been sacked and it constituted as deliberately leaving work, so we have a dire problem with a company that we are the shareholder of on a project that we helped to fund and it is not happening. Now as you might recognise that in item (c) of my original proposition, updated projections for the completion of the Gigabit Jersey project, updated predictions of when the job will be done, the provisional target was the end of 2016. Without resolving the workforce issues that has now become - could be - the end of 2019; so a 3-year delay. The extreme worry is that CH2M have been losing significant, not to say substantial, amounts of money on this contract. The danger is that somewhere along the way either they will pull out or J.T. will be put in a position that they do not want to be because quite frankly relations have broken down between G.F.F., CH2M and the workforce; and the reason for the extended delay, possibly until 2019, is that there is very few of the workforce left. There are only 11 people doing what 50 people used to do. As a consequence the rate of connection has gone down from 160 a week to 80 a week. So there are things that need to be done to sort out this particular contract and to make sure that we get this Gigabit project one way or another. I am awfully afraid that it might mean significant extra spend because we may end up ... we do not know. At one of the meetings the management of J.T. said that with an uptake in the building trade at the moment we are not necessarily guaranteed to be able to replace the missing workers because they are off doing building work elsewhere as the building trade is enjoying an improvement. So it may well be that J.T. are saying: "We may even have to recruit from outside the Island." Again that sort of - and I cannot think of a better word - debacle is what we have engineered by permitting this sort of abstruse, weird way of doing things which makes no sense to me and should have been checked on, authorised, thought about, okayed somewhere along the line by our representative. What I am concerned with, and I have received some assurances from the Minister for Treasury and Resources already, is that those workers that are in dispute with CH2M and/or G.F.F. and are being disciplined as it were, are suspended, that there should be some assistance from the Minister through G.F.F. and CH2M of resolving their individual problems because that is my concern, although that will not be an easy thing to do because legal actions have already been started in terms of who said what about what and what has happened. So it will be some time I think before that gets sorted. For those 11 staff who are suspended there ought to be some effort to solve the problems. There have been several meetings with officers from G.F.F. or J.T. and they felt they have resolved many of the issues, although J.T. say that in some cases they have already paid out and compensated some workers to the tune of £20,000. But we started with something that was inevitably going to be a mess. There was no check in there along the line saying: "Do we know what we are doing? Do we know what we are letting ourselves in for when we add whatever it was - £10 million, £12 million - to the funding of this particular project?" That is what we chose to do. So that is one issue that needs to be pursued and will be pursued; the second one is this issue of accountability. How - where we are the sole shareholder in a bigger company, where we are responsible, we are indirectly the employer - where is the accountability and to whom? I think what we have now I have discovered is woefully inadequate. There is not sufficient accountability. We must have a way. I do not know how you do it. Perhaps through A.C.A.S. (Advisory,

Conciliation and Arbitration Service), perhaps through P.A.C. (Public Accounts Committee) but somebody has to be in there having a look at what is going on and whether it makes sense economically, legally, morally, doing what we are doing so that we get things right on other occasions. Having said that and got that off my chest as it were, and with the final word to say that I understand that J.T. are going to the U.S., to talk to the parent company in the very near future to see if we can resolve things in that 3-way mess that we have, certainly between CH2M and J.T., as to how can we go forward without breaking up this set-up and not quite starting again, but starting afresh and accepting that it will be a long time before we get this Gigabit project completed. With those worries - that I will be going back to, so be warned I am going to be a pain in the backside about it - at some stage down the year, I do not have to seek permission, I wish to withdraw this particular proposition. That took 20 minutes. I apologise for wasting 20 minutes of your time.

The Bailiff:

Very well. So Project 181 is withdrawn. That concludes Public Business. Just before I ask the Chairman to speak to the arrangements for the future can I just say that my Chambers have received a request from the local media to film or photograph the opening session at the next session with the newly constituted Assembly with the new Bailiff. Do Members agree that they may as usual take photographs for their records? Very well, thank you. So then we come to arrangement of Public Business for future meetings.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

10. The Connétable of St. Clement (Chairman, Privileges and Procedures Committee):

I have not been notified of any additional business. Therefore the arrangement of Public Business will be as per the consolidated order sheet. I would suggest to Members that the sitting on 3rd February, if Members are reasonably disciplined, could be completed by lunchtime on that date.

[Approbation]

The Bailiff:

Very well. Does any Member wish to say anything about the future business?

10.1 Senator I.J. Gorst:

P.160/2014, there is an amendment to be lodged to that so it needs to be moved forward again. So it will not be taken on 3rd February.

The Bailiff:

Right. So you want to move that one to 24th February. The list has become even shorter. Any other observations from any Members? Then are Members content to take that business to the next sitting? Very well, thank you.

FAREWELL TO THE BAILIFF

11. The Connétable of St. Clement (Chairman, Privileges and Procedures Committee):

This being the final occasion on which you will preside over this Assembly it falls to me to say a few words to mark your retirement. I nearly said a few words to celebrate you retirement, but that might have been misconstrued. You are perfectly entitled to celebrate your own retirement as you may wish to do after a sitting such as today's. **[Laughter]** We might wish to celebrate, and I am sure we wish to celebrate with you, a job extremely well done. **[Approbation]** But my few words as I said are to mark your retirement. Accordingly I now bring out my proverbial and virtual red

book. Those who remember Eamonn Andrews and Michael Aspel will know exactly what I am talking about. Sir Michael Cameron St. John Birt, my big red book tells me that you were born on 17th January 1994. **[Laughter]** Now that might come as a surprise to some, but that was the date on which you joined the public service and was sworn in as Attorney General for Jersey. In fairness, some things did happen to you before that date, like obtaining a law degree from Magdalene College, Cambridge; you were called to the English bar in 1970 and practised as a barrister in London until 1975. But in 1976 you saw the light and joined the law firm Ogier and Le Cornu in Jersey, becoming a partner in 1978 and a Crown Advocate in 1987. But as I said, it was in January 1994 that your real public life began. During your time as Attorney General there were many high profile issues to be dealt with. But the one that I think was very significant was the role you played alongside Senator Pierre Horsfall and the then Sea Fisheries Adviser Dr. Simon Bossy to conclude negotiations with the French authorities on the Bay of Granville Agreement. This was eventually approved by the States in 1999 I think and then signed by the British and French Governments at a ceremony held in Jersey.

[16:45]

The agreement was a significant one as it set out the maritime boundary between the Bailiwick of Jersey and France and enabled the fishing rights to Jersey and French fishermen to be agreed within the respective territorial seas. That agreement took many, many years to come to fruition. It has so far stood the test of time. Your significant input as legal adviser was recognised when the matter was taken to the States for approval, and I think it is worth recalling that these negotiations took place over a time when it was still extremely unusual for Jersey to be representing itself on the international stage. These negotiations undoubtedly paved the way for Jersey to begin to play an ever-increasing international role in our own right. You were sworn in as Deputy Bailiff in February 2000 and presided in this Assembly for the first time on 4th April 2000. Well, maybe not much changes, but as you might recall that one matter dealt with at that very first sitting you presided over, was the statement made by the then president of Policy and Resources Committee explaining that the Planning and Environment Committee had decided to produce a design code for the remaining areas of the St. Helier waterfront to guide the Waterfront Enterprise Board in the development of the waterfront, something which we are still discussing today. Indeed, that has taken even longer than the Bay of Granville Agreement took. You were sworn in as Bailiff of Jersey on 9th July 2009. I can now tell you that since that date and up to the end of 2014 you have presided for a total of 783 hours and 8 minutes. I bet, Sir, it feels like a lot longer. I must thank the Greffier for that information because I have not kept that record. **[Laughter]** For completeness we need to add the time you have presided at this session and no doubt the Greffier will provide the updated figures just before we adjourn. I have been in this place for so long that I have served - now I just want, is the word “under” or is the word “with” 4 Bailiffs: Sir Frank, Sir Peter, Sir Philip and for the past 5 and a half years, Sir Michael. I have been advised that making comparisons on occasions like this is not appropriate, but I cannot resist saying **[Laughter]** that of all of the Bailiffs with whom I have served you are undoubtedly the tallest. **[Laughter]** **[Approbation]** I have to say that your talents go further than that. In your Christmas greetings in 2011 you said, and I quote: “As I have said on previous occasions, chairing the Assembly is not perhaps as straightforward as one might think. With 51, as it is now, strong-minded individuals it is inevitable that during a politician’s career he or she will face rulings from the Chair with which he disagrees, perhaps strongly.” I can vouch for that. “But I am always appreciative” you went on to say “of the spirit in which Members accept rulings and certainly so far as the Chair is concerned and all of those who sit here, our sole intention is to conduct proceedings fairly and impartially as best we can.” No one could doubt that you have throughout your time as Bailiff presided in a manner which is fair, decisive and, dare I say it, charming. We have all been cross with you at some time or another, but your courteous response to our challenges accompanied by an always

disarming smile I think has always won us over. Your impartiality has been beyond question or reproach and has been valued and appreciated by all who have sat in this place. **[Approbation]** One of your roles as presiding officer that has been little known is your participation in the Conference of Speakers and Presiding Officers of the Commonwealth. Unlike the Commonwealth Parliamentary Association which is open to State and Provincial legislatures of the Commonwealth this group is normally reserved for the presiding officers of the Sovereign States in the Commonwealth. But the Crown Dependencies seem to have wangled their way in. You attended the 2006 conference in Kenya in your capacity then as Deputy Bailiff and attended 3 conferences held since your elevation to Bailiff. Invariably you have been asked to be one of the lead presenters at the conference sessions, a singular honour as only some 4 to 6 speakers are asked to do this. In 2010 in India you made a presentation to the conference on the use of technology in the parliamentary context. I am significantly impressed because I and others who have seen you attempting to use a computer **[Laughter]** would not have recognised you as a technology expert you obviously must be. In 2012 you were a lead speaker at the conference in Trinidad and Tobago where you spoke on executive accountability, oversight role of parliament alongside Dr. Lockwood Smith, then speaker of the New Zealand Parliament and now as Sir Lockwood Smith New Zealand High Commissioner in London whom we had the pleasure of welcoming to Jersey just a few weeks ago. In New Zealand in January 2014 you were lead presenter for the topic “Small parliaments, big challenges”. These contributions have placed Jersey very firmly at the centre of C.S.P.O.C. (Conference of Speakers and Presiding Officers of the Commonwealth) meetings. Only last week you hosted here in Jersey the 2015 C.S.P.O.C. Steering Committee meeting bringing together speakers from some of the largest commonwealth countries, including the Speaker of the U.K. House of Commons, the House of Commons of Canada, the President of the Australian Senate and the Honourable Speaker of the Lok Sabha, the Lower House of the Indian Parliament. You were knighted in the Queen’s Birthday Honours’ List in June 2012 and that was a most deserved and worthy recognition which you received at that time. That award I believe recognised your commitment to public service by reflecting on the fact that in early 1994 at the age of 45 you left your position as a senior partner with the law firm Ogier and Le Cornu to take up the position of Attorney General. I suspect this might have been at no small financial sacrifice. The Island owes a huge debt of gratitude to those who are willing to enter Crown Office in this way. **[Approbation]** You have taken a very active part in the civic life of the Island throughout your term of office. You have continued to ensure that Liberation Day is celebrated appropriately and we have welcomed many distinguished guests to the commemorative events. In addition to the States meeting in ceremony in Liberation Square every 9th May you have also made sure that the afternoon ceremony at the Slave Workers’ Memorial on Westmount receives appropriate recognition. In 2010, the 65th anniversary of the liberation, you hosted a reception at the R.J.A. and H. S. (Royal Jersey Agricultural and Horticultural Society) for those who were here in the occupation, including deportees, those who left in order to fight in the armed forces and those who worked through it. In the spirit of reconciliation you and Lady Birt also visited Bad Wurzach with the then Chief Minister and the Constable of St. Helier. You have been active in marking many important civic occasions, but I shall highlight just 2 or 3. You oversaw a number of local events to mark the Diamond Jubilee of Her Majesty the Queen in 2012, culminating with a visit of the Prince of Wales and the Duchess of Cornwall who represented Her Majesty at the Island celebrations in the Royal Square where the States held a special meeting where His Royal Highness unveiled a commemorative marking in the granite paving. In your Christmas greetings in 2012 you referred to the Diamond Jubilee as the highlight of the year. You also mentioned the number of Parish-based events you and Lady Birt attended as well as the food fair, the Fort Regent concert and the magnificent firework display. You completed your remarks by saying: “But in many ways I think the highlight, certainly for us sitting here, was the sitting of the States in the Royal Square. It was marvellous, I think, so hundreds of people who could come and witness the occasion which we could never have

done if we were sitting in here. My own abiding memory of that is when, right at the beginning, I started my address in a very ordinary way, expressing a welcome to the Prince of Wales and also that we were very pleased to welcome the Duchess of Cornwall. This brought a spontaneous cheer from the audience and you could visibly see the Prince of Wales warming, how pleased he was that his wife was being received in this way.” All of us who were present on that occasion were equally pleased. In 2013 the 350th anniversary of the presentation to the Island of the mace was celebrated with another States sitting in the Royal Square in the presence this time of the Earl of Wessex and the event is now preserved for posterity in the magnificent painting by Jason Butler that hangs in the atrium of the Royal Court building. On 4th August last year the ceremony of light was a very moving commemoration in the Royal Square at the start of World War I. I have to confess that many of us worried about how appropriate such a commemoration was, but I have to say it would prove to be very appropriate as well as moving and respectful. It gave us all the opportunity to reflect on the events a century ago, the colossal loss of life which ensued and the hardship suffered by our community. The commemoration was a mix of music, religious service and readings from contemporary letters and left all who attended really moved. It was good that the Parishes were involved at the heart of this commemoration. We are grateful to you, Sir, for leading the team that organised it. During these few comments I have mentioned your wife, the lovely Lady Joan, on at least a couple of occasions. This has caused me to reflect that usually behind every successful man is a surprised woman. I doubt if Lady Birt is surprised at all at your success, but may I express our appreciation of the active role she has played throughout your time as Bailiff and the very genuine and wide interest she has personally taken in Island matters as well as accompanying you on so many events. **[Approbation]** Whatever we do in life, to do it well and to do it to the best of our ability we need the support of our partners, and it is clear that you have had that and had it in abundance. We are very grateful to Lady Birt for the support she has given you. Mr. Bailiff, we are going to miss you, but of course we wish you and Lady Birt well in your retirement and in whatever you wish to do. Your long dedicated and valuable service to this Assembly will be long remembered and all of us in this place wish you and Lady Birt a long, happy and healthy retirement. **[Approbation]**

The Bailiff:

Well, Mr. Chairman, Connétable, thank you so much for those kind words, particularly about my wife with which I entirely agree. I have to say I am really feeling quite emotional this week. I have been a Member of this Assembly as you have said for some 21 years, 6 as Attorney General and then 15 years during which I have had the honour of presiding either as Bailiff or as Deputy Bailiff. Indeed, it is only you, Connétable, Senator Routier and Senator Bailhache who remember when I joined back in 1994. It does not seem as if I have grey hair for nothing then. It will certainly seem very strange when I walk out for the last time in a few moments and not to be attending your sitting in February. One often hears or reads criticisms of the States just as there is criticism regularly of the Parliament at Westminster, and of course that is as it should be in a democracy. I have to admit there have been occasions when I have wondered if a Member is participating in the same debate over which I am presiding because there appears to have been little connection between the 2. There have also been some wonderful occasions of amusement; both when Members have deliberately been extremely witty, and also perhaps - as we are all capable of doing - when they have not intended to be. I am only going to mention one or 2 as I wish to save the rest for my speech at the retirement dinner tomorrow night. But I like the one of Deputy Duhamel, the former Deputy Duhamel, saying: “I ask for the support of this House and of the other members who will sit on me with this committee;” and of the former Deputy Fox speaking of the tourists for the new waterfront hotel saying: “They will be flying in, or using the airport.” I leave Members to guess which Deputy it was who said: “I have been trying to keep up with this debate, it has been quite difficult to keep up with at times, I know now how Members feel when I speak.” **[Laughter]** But

much more frequently I have heard speeches spoken from the heart and articulated with passion and with reason why a particular course of action would be the best for the Island. Because of the absence of party politics, which tends in other countries to mean that the outcome of the debate is known in advance, I have seen debates swing or turn on a particularly eloquent or persuasive speech, and that has been a most invigorating part of presiding. Having been a Member for this period of one thing I am certain: all Members seek election in order to try and improve the lot of their fellow citizens and while they are here, from whatever political perspective they come, they try to the best of their ability to do that.

[17:00]

I suspect most members of the public have no idea of the amount of reading Members have to do or of the amount of research and the hard work which goes into bringing a proposition or making a major contribution to a debate. So I would like to take this opportunity in my final moments as a Member of this Assembly to pay tribute to those of you here today and to those who have gone before you and to thank you and them for the service which Members give the Island. It has been my privilege to serve you by presiding in debates so as to facilitate your decision making. As I have said on other occasions, and as the Connétable has reminded you, presiding over 49 - it is now - individuals with strong views is not as easy as it might seem, and I am sure that on occasions as the Connétable has referred I have made rulings which have upset one or more of you. But I shall miss being told by the former Connétable of St. John that yet again I have cut him off at the knees, or being told by the former Deputy Le Claire that he is getting to the point if only I would give him a little more time. **[Laughter]** I thank you all for your courtesy, for your tolerance. I thank the Greffier and his hardworking team for the wonderful assistance they have given me over the years and I wish the States every continued success in the future as you chart the way forward for this wonderful Island of ours. It has been an honour and a privilege to serve as your Bailiff and I thank you all very much. **[Approbation]** Thank you all very, very much indeed. So for the last time I shall say the session is closed and we shall reconvene on 3rd February, but I will not be here.

ADJOURNMENT

[17:02]