

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY, 10th OCTOBER 2006

Question

- (a) Has the Minister been consulted over the inclusion of question 25 in the Employment Forum's consultation paper on the minimum wage rate, namely 'Do you think that there should be a youth rate as well as a trainee rate?' and would the Minister inform members whether he considers that it is appropriate for this issue to be reconsidered when a clear decision not to include a youth rate was made by the States on 22nd July 2004?
- (b) Would the Minister outline for members the proposed timetable for the production of the Employment Forum's report and for the consultation and lodging of his recommendations on the minimum wage, and would he assure members that adequate time will be allowed for a full debate prior to the setting of rates in the industries most affected?
- (c) Would the Minister inform members whether he will take account of the figures relating to the appropriateness of the current level of the minimum wage as set out in my letter dated 24th February 2006 (circulated to all members on 28th February 2006) when he brings forward recommendations for 2007 minimum wage rates?

Answer

- (a) The Employment Forum is an independent, non-political consultative body, established under the Employment (Jersey) Law 2003, to make recommendations in respect of employment legislation and in particular the minimum wage. It is made up of three employer, three employee and three independent members.

I have faith in the Forum to prepare a consultation paper that will appropriately collect the views and concerns of the public. I have not been consulted on the inclusion of question 25 of the review and, as an independent body, I think it is quite right that the Employment Forum does not consult me on the questions that it intends to ask in its consultation papers, provided they are within the bounds of the consultation topic. This avoids political influence.

When the first minimum wage Order was presented to the States in 2004, the proposal for a youth rate was opposed and accordingly removed from the Order before being made by the former Committee. However, I do not see that as justification for objecting to a reference to a youth rate in the review. It was recognised at that time that there might be a need for such a rate in future if young people increasingly experience difficulty entering the labour market. If the Forum wishes to reconsider the issue in view of current economic circumstances and prepare a recommendation on the matter then I do not see that as inappropriate.

The Employment Law requires me to refer four specific minimum wage issues to the Forum for their consideration before any Order is made and before the States makes Regulations. One of those issues is the minimum wage rates to be prescribed under Article 16(3) of the Law. The Employment (Minimum Wage) (Jersey) Regulations 2004, provide that an Order may be made for the purposes of that Article, prescribing minimum wages for employees who may be treated as qualifying for the minimum wage at different hourly rates than other employees; specifically, trainees and employees who have not reached the age of 18.

I therefore regard question 25, and all of the other questions within the consultation document, as appropriate to the Forum's review of the minimum wage.

- (b) The very purpose of the independent Forum is to ensure adequate consultation regarding the minimum wage involving all sectors of society and industry.

I encourage all interested parties to engage with and contribute to the consultation, which continues until 10th November. Following a full consideration of the consultation responses, the Forum intends to present its recommendations to me before the end of this year.

I will consider those recommendations and make my proposals to the States as soon as possible after that. Time is of the essence in order to allow businesses a fair amount of notice of any new rates that are to apply in 2007, especially if we are to meet the April target date.

- (c) At the States sitting of 28th February 2006, Deputy Southern asked me to use the powers under Articles 19 and 20 of the Employment (Jersey) Law 2003 to require the Employment Forum to take into consideration the matters contained in his letter when making its recommendation for the 2007 minimum wage rate.

I explained at the time that I considered that to be excessive and unnecessary as the Employment Forum has always considered all representations and submissions made to it. I pointed out that anyone can write to the Forum on matters under discussion, including politicians, and I encouraged the Deputy to do so when the rate is next discussed.

I also suggested to the Forum that the Deputy might be contacted and invited to submit his views for consideration during the next minimum wage review. I am advised that the Forum did so and received a copy of Deputy Southern's letter.

I can assure the Deputy that his letter has been circulated to all current Forum members and will be considered along with all other responses and economic advice received during the consultation period.