

4.18 Deputy G.P. Southern of the Chief Minister regarding an investigation into the use of zero hours contracts across the Island:

Will the Chief Minister agree to instigate an investigation into the use of zero hours contracts across the Island in order to assess whether the use of such contracts by employers is appropriate, and if not, why not?

Senator I.J. Gorst (The Chief Minister):

The Minister for Social Security has committed to keep the issue of zero hours contracts under review, which seems to be appropriate, including an investigation of the extent to which these contracts are used. However, as the Minister has also said, zero hours contract correctly used form a useful part of modern business practice and provide flexibility to both the businesses requiring the support and the individual supplying the labour. Furthermore, the Employment Tribunal has indicated that presence of a zero hours contract does not diminish an employee's rights under the employment law if an employer/employee relationship has been established. It is therefore not possible for employers to avoid their legal obligations. This has been highlighted by the Director for the Jersey Advisory and Conciliatory Services recently.

4.18.1 Deputy G.P. Southern:

Figures from the U.K. suggest that the use of the zero hours contracts is going up markedly. If that is the case in Jersey as well, is it not appropriate that we should know the extent to which zero hours contracts are being used on the Island?

Senator I.J. Gorst:

As I said in my very opening response, I understand that the Minister for Social Security has already committed to investigate the extent to which these contracts are used.

4.18.2 Deputy M.R. Higgins:

Is the Chief Minister aware of the damage that zero hours contracts are doing, not only to individuals who are on these contracts, but also to the economy of Jersey, as the people who are on these contracts cannot get bank loans, cannot get mortgages. This is because they do not have a regular income. Therefore, they cannot spend or invest in our economy. Therefore, the increased number of zero hours contracts are having a detrimental effect on our economy. Is the Chief Minister aware of that and the damage to the people concerned?

Senator I.J. Gorst:

As I said, the Minister for Social Security has undertaken to investigate the extent to which these contracts are used to ascertain if there has been an increase? I am aware of the difficulties that zero hours contracts can place upon individuals with regard to the issues that the Deputy has mentioned. There are legitimate reasons for using zero hours contract, as I have outlined, as Jersey Advisory and Conciliatory Service accept. It is where they are being used in a way which is not appropriate that we must try and encourage the use of normal contracts.

4.18.3 Deputy M.R. Higgins:

Supplementary, Sir? Does the Minister not think though that the more these contracts are adopted the more damage it will do to the economy, because it provides so much uncertainty for not only the people concerned, but also for the economy itself?

Senator I.J. Gorst:

I am not sure how it damages the economy. It does, however, place constraints on the individuals who are employed with zero hours contracts and thereby their families.

4.18.4 Deputy T.M. Pitman:

Really I was coming from the same place as Deputy Higgins. However, if I can perhaps put a slightly different angle on it. In my experience, while it is true that zero hours contracts can benefit both, I would say it is probably 9:1 that it benefits the employer. Not only does it have the impacts that Deputy Higgins pointed out, it also leaves people in limbo, unable to shape their lives, plan ahead. But the key to this, I think, is what the Minister said when he said there is no problem if an employer/employee relationship has been established. Could he just explain for Members who may not be aware what that “if” means? Because it is a big “if”, is it not?

Senator I.J. Gorst:

The difficulty is that the “if” would be determined by the Employment Tribunal and therefore for me to try and second guess exactly what it would mean this morning is not appropriate, but my layman’s understanding is it would be with regard to whether regular hours have been worked, whether it has been continuous or not. The Tribunal would take into account those types of issues.

4.18.5 Deputy T.A. Vallois:

Could the Chief Minister advise how zero hours contracts meet with his Strategic Plan objectives?

Senator I.J. Gorst:

If they are helping to create jobs albeit on a very temporary basis, we know that it has been easier to get work from work. Therefore, I do not think we should say that they cannot be appropriate in certain circumstances. If they are doing that then it is very much in line with the Strategic Plan priorities. If they are being used in appropriately then no they are not. The Deputy is right is that is what she is intimating.

4.18.6 Deputy G.P. Southern:

Will the Minister encourage his Minister for Social Security to examine his own practices and to see whether his use within his department of zero hours contracts is appropriate. Also, to engage with the Minister for Economic Development to see whether a simple addition of one further question to the Manpower Survey which takes place twice yearly would solve the problem of assessing how extensive this practice is?

Senator I.J. Gorst:

I do not know how the Minister is intending to undertake his investigation nor if it has started. But the Deputy makes a very good suggestion and the Social Survey is a very good way of gathering information right across the community and helps to inform government policy.

Deputy G.P. Southern:

Point of correction: not the Social Survey, but the Manpower Survey.

Senator I.J. Gorst:

The same principles apply.

The Bailiff:

Very well. That brings questions to an end.