

2015.10.05

3.13 Deputy S.Y. Mézec of the Minister for Social Security regarding raising Jersey's minimum wage to ensure parity with the U.K:

Given that from 1st April 2016 the minimum wage in Jersey will be lower than the U.K.'s statutory "National Living Wage", what consideration, if any, has been given to raising Jersey's minimum wage to ensure that we do not fall behind the U.K.?

The Bailiff:

I am sorry, Deputy, we seem to be inquorate. Can I invite those Members who are listening to these questions and answers in the adjoining rooms to return? Just in time.

Deputy M. Tadier:

May I apologise to Members, I was so parched from my earlier verbosity that I forgot. I was just coming up.

The Bailiff:

We have actually moved on from your question.

Deputy M. Tadier:

Can I just apologise, Sir, and I will leave it to the Assembly whether they want to take the question at the end.

The Bailiff:

Thank you. Deputy Mézec, would you start again?

Deputy S.Y. Mézec:

Given that from 1st April 2016 the minimum wage in Jersey will be lower than the U.K.'s statutory "National Living Wage", what consideration, if any, has been given to raising Jersey's minimum wage to ensure that we do not fall behind the U.K.?

Deputy S.J. Pinel (The Minister for Social Security):

The Employment Forum's last minimum wage recommendation was presented to the States last week. As the report explains, the Forum consulted through a survey that was released in May. The U.K. made its announcement in July. This was only 2 weeks before the end of the Forum's public consultation period and so the survey could not seek comments on the U.K. proposal to introduce a premium minimum wage rate for workers aged over 25. The U.K. proposal does not apply to younger workers. The Forum has recommended a minimum wage of £6.97 for all employees in Jersey from age 16 upwards. This 2.8 per cent increase is 1 per cent higher than the latest average earnings increase and is 1.9 per cent higher than the increase in prices. £6.97 is the equivalent to 41 per cent of average earnings, which shows a commitment to move towards the States' 45 per cent target. The Low Pay Commission is currently taking evidence on the potential impact of the minimum wage for over 25s and will report to the U.K. Government in February 2016. The Forum will start work on its minimum wage review in April 2016 and so this will be a good time for us to reflect on the U.K. Position.

3.13 Deputy S.Y. Mézec:

Would the Minister be satisfied with a position where Jersey workers on minimum wage, the lowest paid workers in our economy, are earning less than what their counterparts in the U.K.

are earning given that the cost of living is high here? Would she consider that to be a satisfactory situation? Or would she like to see a situation where we, if not exceed the U.K.'s national living wage, at least match it?

Deputy S.J. Pinel:

I think I have said before in answer to questions that I would very much like to see the minimum wage increased and it has been, this time, by a considerably larger per cent than last time. It was 2.3 per cent last year, it is 2.8 per cent this time. What has to be recognised is our recommended rate of £6.97 for all employees over 16 is only 3.3 per cent lower than the U.K.'s proposed £7.20 rate. That is for employees over the age of 25. In Jersey, it is for everybody over age 16.

3.13.1 Deputy G.P. Southern:

Does the Minister accept that the cost of living in the U.K. and compared with the cost of living in Jersey, the cost of living in Jersey is something like 20 per cent higher than the majority of areas in the U.K., if one includes the cost of housing?

Deputy S.J. Pinel:

When the Forum are assessing any increase, or not, of the minimum wage, the cost of living is taken into account, along with the effect on businesses in establishing what is a feasible rate for the likes of hospitality and agriculture to accept for their employees, and a cost of living is taken into account.

3.13.2 Deputy G.P. Southern:

Does the Minister accept, equally, that there is risk that, for example, agricultural workers will no longer come to Jersey when they see that the minimum wage, which most of them are on, is lower than that which they could obtain in the U.K.?

Deputy S.J. Pinel:

I do not see any reason why agricultural workers will stop coming to Jersey, because the offsets, which are included in the minimum wage for agriculture and hospitality workers, are far superior to anything that they can get in the U.K. They also like - we have done the research on this - being in one place, whereas in the U.K. they tend to move from one farm to another to another and they much prefer being in Jersey.

3.13.3 Deputy A.D. Lewis:

The Minister will know this, I think: the U.K.'s target for minimum earnings is 60 per cent of median earnings within the next 5 years of the life of this Government or their Government, yet her target is 45 per cent within the next 11 years. Does she feel this is ambitious enough?

Deputy S.J. Pinel:

This was a target that was agreed by the States.

The Bailiff:

Final supplementary.

Deputy S.Y. Mézec:

No, Sir, I think I have everything that needs to be asked has been asked.

Commented [KS1]: Median?

Commented [m2R1]: