

2016.04.26

3.1 Deputy R.J. Renouf of St. Ouen of the Minister for Social Security regarding the potential introduction of a differential rate for the minimum wage based on age:

With regard to the proposed Employment (Amendment No. 10) (Jersey) Law 201- (P.38/2016), what risk is there that, in asking Members to approve the potential introduction of a differential rate for the minimum wage based on age, the timing of that decision could pre-empt the outcome of any public consultation process by the Employment Forum?

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

Just to be clear for Members, the proposition P.38, does not ask Members to approve different minimum wage rates based on age. I am bringing this amendment now rather than after the Forum's recommendation in September because Privy Council must approve any primary law change. This takes time. It is vital that we debate the enabling power now so that if the Forum recommends a higher rate for older employees they will be entitled to their pay rise from 1st April next year. Without this enabling power it would be inappropriate for the Forum to consult on a higher minimum wage for older employees. The States decision will inform the scope of the Forum's consultation. It is essential that the Forum is clear on this now before the minimum wage review starts.

3.1.1 The Deputy of St. Ouen:

Why is it therefore that in the proposition the Minister states: "The debate of this draft law will provide an opportunity for States Members to demonstrate whether they support a move to a higher minimum wage rate for older employees in principle before the Forum releases its public consultation on the minimum wage? What is the difficulty or why does the Minister not wish this Assembly to have the benefit of the public consultation and the recommendations of the Forum before the Assembly is asked to make that decision? Why is there a rush to do these things before April next year?

Deputy S.J. Pinel:

I have given the timings and the reasons why we want to debate this amendment in a much fuller answer in the written question, which is similar, that Deputy Southern has put in. So there is that information for Members. When we debate the amendment I will ask Members to consider not the question of whether there should be a higher rate for older employees but whether this is an option that we should at least have the opportunity to explore and that we should ask the Forum to consult on.

3.1.2 Deputy S.W. Mézec of St. Helier:

Does the Minister for Social Security see the irony in lodging this proposition to pave the way for what is essentially discrimination against young people based on their age on the same day that she lodged the draft age discrimination legislation?

Deputy S.J. Pinel:

No, I do not see the irony. The other aspect of the timing of this is that we always... or businesses rely on us to give them 6 months' notice of any change of rates. So if we need to be able to put into force the Employment Forum's recommendations, which come forward in October, we will need this empowering employment law change in order to implement it within that 6 months that businesses require by 1st April 2017.

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

Can the Minister explain to Members in simple terms what consultation is for? My experience of consultation is that a body, like the Forum, goes and talks to interested stakeholders and then comes back to this body with a recommendation and this Minister has to accept or reject that recommendation. Why is she doing a different process this time?

[9:45]

Deputy S.J. Pinel:

It is not a different process; it is exactly the same as it always has been. The Forum starts consulting now with, as the Deputy said, interested stakeholders, to come back with a recommendation to the Minister for Social Security in September, which the Minister either rejects or accepts, and then brings it to the Assembly.

3.1.4 Deputy G.P. Southern:

Is it not appropriate then that the advice of the Forum, which is there to give advice to us and to the Minister, the arguments are not heard before we make our mind up blind on the principle of raising or lowering the minimum wage on the basis of age?

Deputy S.J. Pinel:

As the Deputy knows, and I have mentioned many times in the Assembly before, the Forum consists of a very independent, professional group of people who advise and consult on this matter every single year and come back to the Minister, as I have already said.

3.1.5 Deputy M. Tadier of St. Brelade:

Would the Minister explain why in the past and up until now - including now - the Forum has never come forward with the suggestion of a youth rate, indeed it has opposed it, but it has supported the trainee rate?

Deputy S.J. Pinel:

I can assure Members that I do not intend to use this as an opportunity to introduce a youth rate that is lower than the current minimum wage because we have 2 trainee rates: a first-year trainee rate and a second-year one.

3.1.6 Deputy M. Tadier:

Would the Minister not agree that the States only this year in January agreed that we should investigate a higher minimum wage or a living wage and that by introducing another element, which this Assembly has never debated, just purely off her own whim one could argue, is going against the spirit of what this Assembly has asked for and conflates the 2 issues?

Deputy S.J. Pinel:

The Assembly requested that the Employment Forum investigate the possibility of a premium wage, which is comparable to the national living wage of £7.20, and that is exactly what I have directed the Forum to look into and consult on. At the moment the national living wage applies to people only over 25 whereas the minimum wage in Jersey of £6.97 is for all people from compulsory school leaving age, 16 years and over.

3.1.7 The Deputy of St. Ouen:

In bringing forward the proposition the Minister is asking the Assembly to pass into law an act of discrimination on the grounds of age. Now apart from the 4 brief paragraphs in the proposition,

which are largely procedural, can the Minister tell the Assembly what material she intends to put before the Assembly in advance of the debate in order to inform our debate?

Deputy S.J. Pinel:

It hardly can be described as an act of discrimination. It is merely changing the regulations to allow the recommendations of the Forum should they suggest that there should be a premium rate wage for people aged 25 and over, that that can be passed into law in good time for businesses to accept it, as I have already explained, and the timing is very clearly written out in the written answer to Deputy Southern's question.

The Deputy of St. Ouen:

I do not believe that answered my question as to what further material the Minister could put before the Assembly to inform our debate.

The Deputy Bailiff:

The Minister has given the answer that she has given in the circumstances, Deputy. That was the final supplementary. She will be judged on her answer.