## WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY BY DEPUTY M.R. SCOTT OF ST. BRELADE QUESTION SUBMITTED ON MONDAY 3rd JULY 2023 ANSWER TO BE TABLED ON MONDAY 10th JULY 2023

## **Question**

"Given the potential impact that increasing the minimum wage paid by larger employers operating on low margins, and by employers in the agricultural industry, could have on the cost of living for Islanders, will the Minister advise whether consideration has been given (or will be given) to legislative changes to make the minimum wage sector specific; and, if not, why not?"

## Answer

Article 16 of the Employment Law provides that employees must be paid at least the minimum wage. The Law prohibits the payment of different rates of minimum wage to different sectors of employment. The Law also prohibits the application of different "offset" rates – amounts that may be deducted from wages for accommodation and meals – in different sectors of employment. The use of offsets is tied directly in the Employment Law to the provisions relating to the minimum wage.

In its 2022 report on the level of the minimum wage in Jersey, the Employment Forum commented on the fact that the number of employees in receipt of the minimum wage in the agriculture sector had fallen significantly in the previous six years. Based on surveys conducted by Statistics Jersey as part of the periodic reports on the Index of Average Earnings, in 2016 minimum wage jobs in the agriculture and fishing sector accounted for 38% of the total headcount in that sector. By 2019, minimum wage jobs accounted for 24% of the total headcount in the sector. At June 2022 that figure stood at 14%.

The Forum's review of the minimum wage for 2023/24 is imminent and Statistics Jersey will publish its annual report on the Average Earnings Index in August. These will give up to date assessments of the current position in relation to the extent of the use of the minimum wage in Jersey.

Neither I nor the Minister for Social Security consider it appropriate or desirable for different, sector-specific minimum wage rates to be introduced. A single minimum wage rate and offset rates are important; they are clear indicators to both employees and employers. Any attempt to introduce variations would have significant practical implications for employers and enforcement implications in ensuring that the correct wages are being paid to employees and the correct amounts for offsets are being deducted by employers. Such action would also suggest that certain industries, and their employees, are considered as less important than others. Neither I nor the Minister for Social Security have any plans to alter the present legislative arrangements.