

2024.07.16

## **2.11 Deputy M.B. Andrews of the Chief Minister regarding non-public entities' gender pay gap data and income ratio reporting (OQ.135/2024)**

Will the Chief Minister advise what plans, if any, he has to engage with non-public entities regarding the need for gender pay gap data and income ratio reporting?

[11:15]

### **Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter (The Chief Minister):**

I understand from the Diversity Network's latest event on gender pay gap that there is a sizeable group of individuals and companies who are already introducing their own annual pay gap analysis and encouraging others to do the same. Deputy Alves hopes to attend the Diversity Network workshop in the autumn to engage with existing plans for analysis and publication of the gender pay gap. In particular, we are keen to ensure consistency in reporting by promoting the adoption of a shared methodology across all companies and sectors. We think that is essential for the policy or any policy to be effective. I believe this is the best approach, given the considerable complexity and cost of introducing a formal or legislative requirement and the diversion of resources away from other core agreed priorities that will result in the Government dictating requirements to employees. We would much prefer to use guidance.

#### **2.11.1 Deputy M.B. Andrews:**

I understand that the Council of Ministers has been in contact with a group that has been making a lobbying effort to ensure that gender pay and income ratio reporting is potentially mandatory in Jersey. Does the Chief Minister not agree with me that it might be better to hold a consultation to engage more stakeholders who may not have even taken part in the conversation about gender pay and income ratio reporting, and for that to commence before January 2026?

#### **Deputy L.J. Farnham:**

I certainly do not disagree with the Deputy. We could well extend our activities to doing that. But, in the short term, we will work closely with the Diversity Network, as they seem to have a comprehensive group of Islanders involved in the process. That could lead to further action on Government's part but I want to reiterate that it is our preferred position not to introduce legislation that would result in dictating requirements.

#### **2.11.2 Deputy H.L. Jeune:**

I thank the Chief Minister for acknowledging the Diversity Network's campaign group called Mind the Gap. A number of States Assembly Members are also supportive of and part of that group. I would like to just correct the Minister; he said there are many companies that do this, I think at the moment there is only 3 or 4, including obviously the Government of Jersey. Though this group is consulting widely with employees there is still a lot of education needed to be done in Jersey. Could the Minister advise if he is concerned that the lack of reporting in Jersey makes us fall behind our competitors in Europe and the O.E.C.D. (Organisation for Economic Co-operation and Development), especially in light of the impending E.U. (European Union) pay transparency directive that is being developed that will include gender pay gap reporting?

#### **Deputy L.J. Farnham:**

The Government is not overly concerned at this stage but, of course, that is on the premise that we are making progress and will continue to make progress. We understand there are economic reasons for gender pay gap equality and we want to ensure we help and provide as much encouragement and guidance for companies to do this as possible. That is our stance that we will continue to take. We will monitor closely the progress, because it is important that we make forward steps in this area. If we feel that we are getting behind, we will ramp up efforts.

### **2.11.3 Deputy H.L. Jeune:**

We have heard a number of times from the Chief Minister and other Ministers explaining their concern of the burden on businesses around the gender pay gap reporting and why it should not be mandatory. Could the Chief Minister advise if he believes that the Government could set a methodology for Jersey companies to help in their comparison and to help the companies in how to do reporting rather than companies going their own way and picking up on methodologies, whether that is the U.K. or, for example, when the E.U. Pay Transparency Directive comes in, and whether that is something that the Government could do, is working on methodology?

### **Deputy L.J. Farnham:**

Yes, I do. I said in the original answer that it is imperative, the Government thinks, that we adopt a shared methodology across all companies and sectors. If we do not get that we are going to get inconsistency in reporting. I would fully support that approach and the Government will do all it can to make sure there is a shared methodology.

### **2.11.4 Deputy L.M.C. Doublet:**

I am pleased to hear that the Chief Minister has moved on in his thinking and I reiterate what others have said about this campaign group helping to move his thinking on. Would the Chief Minister reflect on part (a) of my proposition, which has now timed out, whereby I have requested him to ask that businesses voluntarily publish a pay gap report? Has his thinking now moved on and does he now want to send that message to businesses with 50 or more employees to ask them today in the Assembly to voluntarily publish their gender pay gap data and accompanying narrative and action plan?

### **Deputy L.J. Farnham:**

I thank the Deputy. I think her proposition, while we could not support it while there is no shared methodology across sectors, it certainly did help to focus thinking and we are grateful for that. We will certainly do all we can to encourage good practice and publication of gender pay gaps reporting, not just in the public sector but with our arm's-length organisations and States-owned entities. We do not have a problem with that and will work closely with interested bodies to achieve that in the months ahead.

### **2.11.5 Deputy L.M.C. Doublet:**

I will be working on something to relodge in this area. Would the Chief Minister agree to meet with me and potentially some representatives from that campaign group so that we can reach something mutually agreeable that business leaders in the Island are also agreeing with?

### **Deputy L.J. Farnham:**

As always, very happy to meet and I will include the relevant Ministers in that meeting, if I may.

### **The Deputy Bailiff:**

Deputy Andrews, final supplementary?

### **Deputy M.B. Andrews:**

No, thank you.