



JERSEY
Chamber of Commerce

Chamber House, 25 Pier Road, St. Helier, Jersey, Channel Islands, JE2 4XW.

Tel: 01534 724536

E-mail: admin@jerseychamber.com

Website: www.jerseychamber.com

Wednesday 6th March 2019

Draft Employment (Amendment No. 11) (Jersey) Law 201- (P.17/2019)

Jersey Chamber of Commerce – Official Response.

Cc: All States Members; Media

Dear Deputy Martin,

As the largest employer representation body on the island, it is crucial that the Jersey Chamber of Commerce (Chamber) raises concerns regarding the likely consequences of the well-intended proposition P.17/2019.

To be clear, Chamber wholeheartedly supports the desired principles contained within Proposition P.17, as we fully support the provision of good and fair employment for our member's employees. A workforce that feels supported, fairly paid and empowered is far more likely to provide their employers with loyal and valuable service. Commercial pressure and a drive for many to be good employers has led to a policy for many of our members, to go beyond what the law says they must do as a minimum and provide a workplace which attracts and retains the talent in the marketplace. We are currently experiencing an extended period of the lowest unemployment figures in Jersey's recent history, so employee retention is a key driver for many employers.

The newly introduced family friendly laws from September 2018 saw some key changes for the workplace, with added further changes contained in this proposition, P.17, including:

- Maternity Leave from the existing 2 weeks paid and up to 16 weeks unpaid leave moving to 6 weeks paid and a further 46 weeks unpaid leave that can be taken in up to 4 blocks, over a 3-year period
- Parental leave from 2 weeks unpaid to 2 weeks paid and then to 6 weeks paid and an additional 46 weeks unpaid from 2019 that can be taken in up to 4 blocks, over a 3-year period

- The same rights as above for surrogate and adoptive parents
- The extension of the right to request flexible working to all employees and not just those with caring responsibilities, as well as the remove of the qualifying period of 15 months service
- The removal of the current qualifying period of 15 months service
- Unlimited attendance at antenatal appointments for parents with up to 10 hours paid
- Rights to breastfeeding mothers
- Paid absence on health and safety grounds

Chamber accepts that the above would all provide significant benefit to employees and the wellbeing of parents and children and therefore to Jersey as a whole. Unfortunately, the proposition passes the burden of providing this benefit largely onto employers, which is something that the Jersey Chamber of Commerce identifies as having significant unintended consequences to businesses in Jersey and therefore the island, as a whole.

Key Challenges – Direct and indirect cost to implement

A key challenge that employers are now facing is the cost of funding the longer paid period. The impact of this cannot yet be known in the short period of time since September 2018. The costs that will be incurred in recruiting for cover of parents over a three-year period, in short blocks will challenge business further. The current employment market is extremely buoyant, so to find the right person to cover business activities for a short period is an expensive, time-consuming and near impossible task. For some smaller businesses it will truly be a deciding factor for whether to trade at all, for others it will be something that will erode small margins or could even tip a business into a loss-making position. In addition to this, the fact that the proposition provides both parents the right to take up to 52 weeks of leave in up to four blocks over a three-year period will make it even more difficult for the employer to fill what could be sporadic but significant gaps in their workforce.

In the UK, employers supporting their employees in taking advantage of their rights under the UK Maternity Legislation are able to seek funding from the government, for up to 103% of these costs for small businesses. If Jersey is seeking parity with the UK in terms of the rights it is providing to employees, then some consideration must be made to funding those proposals from the public purse.

The Benefit to Jersey

The benefits that accrue to Jersey will be tangible to the whole island, so therefore Chamber feels that the island should fully assist with their funding. This proposition shifts the burden of funding within this legislation onto business, and whilst the aims of these family-friendly laws are both admirable and desired, the consequences for many employers would be disastrous without meaningful funding support from Government.

We support the underlying aims of the family friendly proposition but feel that there should be some support offered to our businesses who already provide significant funding to the States through employing taxpayers, paying social security contributions, collecting GST and providing tax income from company dividend payments and 0/10 and 20% tax contributions.

Government needs to align social security benefits with the move to creating equality with the Proposition P.17. Currently only the woman giving birth can claim maternity benefits, for which the employer can claim from her for the first 6 weeks of Parental leave. This benefit does not extend to partners, surrogate or adoptive parents taking Parental leave, meaning that employers do not have the ability to claim a proportion of the 6 weeks paid leave for this group.

Employment Forum Recommendations on the Proposed Family Friendly Employment Rights, which P.17 is based upon, were made in 2017, and notwithstanding that it only took comment from twenty seven businesses in Jersey, it took place in an economic environment very different to that faced by businesses in 2019. Given that the newly introduced family friendly laws from September 2018 saw key changes for the workplace, we feel it would be reasonable to closer analyse the workings and effects of such changes to business practice before making further changes.

Again, Chamber would request that further relevant and up to date analysis of the effects, affordability of the current and any further laws will have, alongside the economic impacts to business to extend these laws further.

The Jersey Chamber of Commerce Recommendation

Given the uncertainty of labour markets available outside of Jersey, not least brought into sharper focus by the unknowns of Brexit, foreign exchange rates that deter travelling to Jersey to work and lack of viable accommodation to house replacement employees, even if they can be sourced, we would urge consideration of delaying this proposition until the impacts of these issues have been assessed and we have time to develop required solutions.

We request that analysis be undertaken following the significant changes implemented in September 2018; that at least 12 months be allowed to pass following the changes made last year to fully assess the impact on employers, employees, job seekers, parents and the commercial impact on local businesses both large and small in supporting their employees in this way.

Given the burden on our businesses and the unknown economic impact to our island, we would urge that further time is sought to provide clear analysis and data before bringing Proposition P.17 to the States Assembly.

Yours sincerely,



Eliot Lincoln.

President, Jersey Chamber of Commerce.