

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

9th April, 2025

Proposition No. P.2025/38

Committee for Employment & Social Security

Amendments to Statutory Minimum Wage arrangements to come into force on 1st
October 2025

AMENDMENT

Proposed by: Deputy S Kazantseva-Miller

Seconded by: Deputy S Vermeulen

To insert an additional proposition as follows:

- “2. To direct the Committee *for* Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, to consider the following:
- i. That the Young People’s Minimum Wage should be kept at 80% of the Adult Minimum Wage; and
 - ii. That the Young People’s Minimum Wage should not increase unless that 20% differential has been achieved.”.

Rule 4 information

- a) The Propositions contribute to the Housing, Infrastructure and the Economy portfolio agreed as part of the Government Work Plan.
- b) Consultation has taken place in the preparation of this Proposition with the Committee *for* Employment and Social Security, the GBTEA and the Guernsey Retail Group.
- c) The Propositions have been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications.
- d) There are no financial implications to the States of carrying the proposal into effect.
- e) Drafting advice has been sought from the States’ Greffier and no advice has been sought from the Officers of the Committee *for* Employment & Social Security.

Explanatory Note

The amendment would change the current policy of the Young People's Minimum Wage set at 90% of the Adult Minimum Wage to 80% of the Adult Minimum Wage.

This amendment addresses the ongoing views expressed by industry bodies such as the Guernsey Building Traders Employers Association (the GBTEA) and the Guernsey Retail Group (the GRG) over the past several years that the current wage differential between the Adult and Young Person minimum wage is too narrow. The same concern has been relayed by the Committee for Economic Development to the Committee for Employment and Social Security over multiple years with recommendation for the differential to increase to 80%.

The reason is that it disincentivises businesses from employing young people and creates pressure on the overall wage structure because more experienced workers expect a higher differential with Young People's wages.

The GBTEA is **strongly supportive** on this amendment:

"We strongly support this proposal. GBTEA has been saying for several years that the differential between adult minimum wage and young people's minimum wage is too small. We believe 80% is more appropriate, as we have stated in our previous responses to minimum wage consultations to CfESS e.g. GBTEA - Committee for Employment & Social Security - Minimum Wage & Associated Rates 2025 - 2030 - GBTEA. Feedback from our members is that 90% differential does not sufficiently reflect the additional cost of supervision, lower productivity, and training (whether or not the employee is an apprentice) which discourages the employment of young people. We believe the young people's minimum wage should be frozen until it becomes 80% of the adult minimum wage."

The GBTEA consultation responses to this amendment and the CfESS consultation can be found in Appendix 1.

Construction and Retail are the key industries where young people are most likely to be employed, therefore we believe that the consistent concerns expressed by the two industry bodies are important to listen to.

A lack of incentives to employ young people can have very negative consequences on enabling young people to gain skills and experiences undertaking jobs, including summer and holiday jobs, which are critical to ensure they are more work-ready when leaving formal education. The lack of work-ready skills has been highlighted as one of the areas for improvement in the research work undertaken by the Committees for Economic Development and Education Sport and Culture this term on skills gaps.

Appendix 1:

GBTEA response to consultation on this amendment and Amendment 1

<https://gbtea.gg/noticeboard/view/gbtea-feedback-on-two-amendments-to-the-minimum-wage-proposals-71435>



GBTEA



GBTEA - Feedback on two amendments to the minimum wage proposals

15th April 2025

Committee for Employment & Social Security

- Amendment 1: seeks to move the min wage setting date to January 1st to coincide with the Guernsey Tax year and the Budget setting process
- Amendment 2: seeks to approve a new policy that there should be a 20% differential so that the Young People's wage is set at 80% of the Adult min wage.

GBTEA

Amendment 1: We support this proposal. We agree it is sensible for minimum wage to be in sync with the budget setting process.

Amendment 2: We strongly support this proposal. GBTEA has been saying for several years that the differential between adult minimum wage and young people's minimum wage is too small. We believe 80% is more appropriate, as we have stated in our previous responses to minimum wage consultations to CfESS e.g. GBTEA - Committee for Employment & Social Security - Minimum Wage & Associated Rates 2025 - 2030 - GBTEA. Feedback from our members is that 90% differential does not sufficiently reflect the additional cost of supervision, lower productivity, and training (whether or not the employee is an apprentice) which discourages the employment of young people. We believe the young people's minimum wage should be frozen until it becomes 80% of the adult minimum wage.

GBTEA response to the CfESS on the consultation on the minimum wage and associated rates 2025-2030 in 2024

<https://www.gbtea.gg/noticeboard/view/gbtea-committee-for-employment-social-security-minimum-wage-associate-23345>



GBTEA



GBTEA - Committee for Employment & Social Security - Minimum Wage & Associated Rates 2025 - 2030

13th March 2024

Deputy Peter Roffey,
President, Committee for Employment & Social Security

Your ref: Consultation regarding the medium-term plan for the Minimum Wage & Associated Rates, 2025 - 2030

Dear Deputy Roffey,

We thank you and your committee for seeking consultation with us on your medium-term plan for the Minimum Wage & Associated Rates, 2025 - 2030

Subsequently the GBTEA council have consulted with our members who must disagree with an element of the basic principle being followed by ESS in setting the minimum wage as a percentage of the median wage for the following reasons.

Attached is an extract copy of the States own data on earnings taken from their website, which splits earnings by sector and highlights some of the differences.

This highlights the significant difference in median earnings between sectors, highlighted in yellow are Finance, Professional Services and Public Services compared to hospitality etc in green.

We will not get onto how the States pays its staff, as that is a separate issue, but whilst there is a shortage of qualified staff in say the finance sector, clearly those firms are going to have to pay potentially inflationary wages to attract the right staff.

However, we do not see why that should automatically be passed onto hospitality and social care sectors where different economics are at play.

As you can see construction as a sector falls just below the island median, however increases in the minimum wage will inevitably feed through to average wages, that then pushes up the median wage and we will end up in an inflationary wage spiral.

We think the minimum wage should be based solely on an evaluation of cost of living.

We also think that setting the U18 minimum wage at 90% of the adult wage is too small a differential, 80% would be more realistic, U18's requires significant investment in training by the employer, whether they are in an apprenticeship or not and a 10% differential comes nowhere close to covering the cost of training/lower productivity.

A greater differential of 20% is more likely to encourage employers to take on and train U18's who wish to work rather than continuing in full time education.

However, a minimum wage does not prevent employers from paying more if they wish to.

GBTEA