

Environment and Sustainability Committee

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Inquiry into the proposed abolition of the Agricultural Wages Board – Evidence from the Tenant Farmers Association Cymru

Introduction

The Tenant Farmers Association Cymru (TFA) is pleased to have been invited to give evidence to the Environment and Sustainability Committee of The National Assembly for Wales in relation to its investigation of the future of the Agricultural Wages Board.

The TFA has long advocated the abolition of the Agricultural Wages Board and the Annual Agricultural Wages Order for England and Wales.

The TFA's opposition to the continuation of the Agricultural Wages Order does not imply that agricultural workers should not have terms and conditions which properly reflect their vital contribution to farm businesses. Indeed in recruiting farm staff it is essential to ensure that packages offered by employers attract the best, skilled individuals needed for the roles being filled. However, far from simply setting minimum rates of pay the Agricultural Wages Board and its annual Order has established a complex web of constantly changing regulations against which it is easy for farm businesses to find themselves in breach.

History

The Agricultural Wages Board can trace its history back to the early years of the 20th Century and was one of a number of institutional mechanisms used for setting minimum rates of pay and conditions. However by the end of the 1980s the Agricultural Wages Board found itself as the last of those arrangements with all other similar institutions having been abolished through the post 1979 Conservative administrations.

In more recent times we have seen the rapid development of employment legislation in the wider economy for the protection of employee rights including the development of the National Minimum Wage, the implementation of the Working Time Directive, employment rights for disabled workers, equality legislation, health and safety at work, maternity and paternity rights, flexible working and statutory rules on holiday pay. With all of this development the Agricultural Wages Board has become something of an anachronism.

Impact

In view of the complex nature of the regulations surrounding agricultural wages many potential employers are put off from employing individuals and make do with working more hours themselves or using family members. The number of employed workers in agriculture has been steadily declining for many years. Those employers who wish to use salary packages have difficulty in meeting the letter of the Agricultural Wages Order as do those who employ individuals both for farm and non-farm activities.

The TFA is also aware of a reluctance amongst some in the farming community to provide placements for work experience, therapeutic opportunities, rehabilitation of offenders or drug addicts and alcoholics for fear of falling foul of the complex regulations. The TFA believes that there would be many more opportunities for this type of activity on farm in the absence of the overbearing provisions of the Agricultural Wages Order.

It is not so much the rates of pay that are the problem, evidenced by the fact that average earnings for farm workers are, year-on-year, significantly above the minimum rates set out by the Board, but the large number of additional requirements relating to sick pay, night work, dog allowances, accommodation allowances, travelling time and overtime rates. A simpler, flexible system based on the rules which apply in the wider economy will be a benefit to all.

Conclusion

Significant advances have been made in employment legislation more generally outpacing the Agricultural Wages Board which has failed to modernise. The time is right for its abolition. If the decision is made to bring the statutory arrangements to an end the TFA would not see any benefit in Wales establishing its own provisions.

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