

## EASY READ (SHORT) VERSION

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# Consultation on Proposal to revoke the Agricultural Wages (Regulation) (Northern Ireland) Order 1977 (Abolition of the Agricultural Wages Board)

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May 2021

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- **Telephone:** 028 9052 4613 and talk to Ciara Hassard.

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PLEASE NOTE: This is an 'Easy Read' short version of the consultation which contains a lot less detail than the full consultation document and impact assessments. If you would like more detail you may find the full version better suited to your needs. This can be accessed at the following link:

<http://www.daera-ni.gov.uk/consultations/revoke-agricultural-wages-regulation-northern-ireland-order-1977>

## About us

We are the Department of Agriculture, Environment and Rural Affairs (DAERA).

## What do we do?

Here are some of the things we do.



- We look after the development of farming (agriculture), forests and fishing in Northern Ireland.
- We provide a service to look after the health and welfare of animals, fish and plants.
- We look after the environment and rural development in Northern Ireland.
- We provide research, expert advice and education.
- We look after some parts of public health in how food is made.

## **What is this about?**

The Minister of Agriculture, Environment and Rural Affairs wants to make a change to how the pay, terms and conditions are set for workers in agriculture and horticulture (farming and growing of crops) sector.

The Minister will need to ask for the agreement of other Northern Ireland Executive Ministers (Government) and the Members of the Northern Ireland Assembly to make this change in legislation (law).

This consultation seeks views from people about the Minister's plans and how it might affect them, in particular people who work in agriculture.

## **What is the legislation (law) and what does it do?**

The legislation is called the Agricultural Wages (Regulation) (Northern Ireland) Order 1977<sup>1</sup>. It is the founding legislation which set up the Agricultural Wages Board (AWB). The AWB has 15 people who make decisions on and set the rules for people who work in agriculture on:

- the minimum rate of pay (how much a worker is paid per hour);
- the type and value of deductions (for example for accommodation that is provided with the job) that an employer may make from a worker's gross (total before taxes etc) pay;

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<sup>1</sup> The Agricultural Wages (Regulation) (Northern Ireland) Order 1977 is available at this link: [www.legislation.gov.uk/nisi/1977/2151/contents](http://www.legislation.gov.uk/nisi/1977/2151/contents)

- the amount of holidays and holiday pay for workers; and
- the amount of sick leave and pay for workers.

This legislation also states the enforcement action that can be taken to make sure that employers are following the rules.

### **What is the planned change?**

The change would make the legislation (law) the same for people who work in agriculture as the law for all other workers. There would still be rules on:

- how much a worker is paid (the minimum wage);
- overtime (but not overtime pay rates);
- deductions for the cost of accommodation provided with a job;
- how many holidays a worker should be given;
- how many paid sick days a worker can have; and
- enforcement action that can be taken to make sure the rules are followed by employers.

The change would mean that the legislation would be different. The Agricultural Wages Board would no longer exist and the new rules could change the amount of pay and other terms for agricultural workers and employers.

### **Why is the change being suggested?**

There have been lots of changes in agriculture and employment since the legislation (laws) for agricultural workers was made. Other laws have been made for all other workers

since the AWB was first set up, which means there may be less need to have separate rules for agriculture.

## **What would change?**

The minimum rate of pay would no longer be set by the AWB for agricultural workers and would be replaced by National Minimum Wage legislation<sup>2</sup>.

This means there could be different rates of minimum hourly pay which are based on age and not by grade (the type and level of job that you do).

The AWB minimum pay rates are set for six grades. The pay rates from 1 April 2021 are below. This is the amount an agriculture worker will be paid per hour, depending on the job they do.

|   |               |
|---|---------------|
| <b>Grade 1</b> (first 40 weeks of continuous working) | <b>£6.95</b>  |
| <b>Grade 2 standard worker</b>                        | <b>£7.49</b>  |
| <b>Grade 3</b> lead worker                            | <b>£8.91</b>  |
| <b>Grade 4</b> craft grade                            | <b>£9.58</b>  |
| <b>Grade 5</b> supervisory grade                      | <b>£10.09</b> |
| <b>Grade 6</b> agricultural management grade          | <b>£10.95</b> |

## **UK National Minimum Wage (NMW) and National Living Wage (NLW)**

The National Minimum Wage was introduced by the UK Government in 1998. This sets the minimum hourly rate that all other workers must be paid based on their age. The National

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<sup>2</sup> L <https://www.gov.uk/government/collections/national-minimum-wage>

Living Wage was introduced in 2016, which sets a higher rate for those now aged 23 and over. The NMW and NLW rates from 1 April 2021 are below.

|                    |                 |                 |                 |                   |
|--------------------|-----------------|-----------------|-----------------|-------------------|
| <b>23 and over</b> | <b>21 to 22</b> | <b>18 to 20</b> | <b>Under 18</b> | <b>Apprentice</b> |
| £8.91              | £8.36           | £6.56           | £4.62           | £4.30             |

The AWB minimum wage rates sets out the least amount of pay that workers in agriculture must be paid. The NMW sets out the least amount pay that other workers (not in agriculture) must be paid.

If the NMW is higher than the amount you would be paid under the AWB, you must be paid the higher rate.

Some workers may be paid more than the minimum.

How much a worker is paid in future would depend on any agreement with their employer, and their age.

### **Other changes**

The table on the next page shows where the rules for agricultural workers are different to those for other workers.

| <b>Rules on:</b>  | <b>For Agricultural Workers</b>  | <b>For Other Workers</b>   |
|---|--|--|
| <b>Minimum rate of pay</b>  | Agricultural workers must be paid at least the minimum AWB rates (as above) or NMW if this is higher   | All other workers must be paid at least the NMW rates (as above)                                 |
| <b>Minimum rate of overtime</b>                                     | One and a half times the normal hourly rate of pay (for any hours worked over 39 hours per week)   | No minimum rate of overtime is set   |
| <b>Maximum amount that can be taken for providing accommodation</b> | £45.00 per week  | £58.52 per week  |
| <b>Amount of holidays due</b>                                       | 5.6 weeks every year (28 days for a worker working 5 days a week) plus one extra day for workers who have worked in the same job for over a year   | 5.6 weeks every year (28 days for a worker working 5 days a week)                                |
| <b>Amount of paid sick leave</b>                                    | After one year's in the same job and paid after being off sick for 4 or more days, a maximum of 60 days sick pay in a rolling 12 month period or 120 days sick pay in a rolling 48 month period. | Paid after being off sick for 4 or more days, Statutory Sick Pay (SSP) for a maximum of 28 weeks |

| Rules on:                | For Agricultural Workers   | For Other Workers                     |
|--------------------------|--|---------------------------------------|
| <b>Level of sick pay</b> | One tenth of the weekly minimum AWB rate of pay for each day sick, plus Statutory Sick Pay | Statutory Sick Pay is £95.85 per week |

## Who would be affected?

The change would mainly affect people who work in agriculture and horticulture (farming and growing of crops) and the people they work for. There are around 6,738 paid agricultural workers and 3,333<sup>3</sup> people who employ them.

The people who are members of the Agricultural Wages Board would also be affected if the Board is abolished.

As the amount you are paid under the NMW depends on your age, younger people and new workers will be most affected. Temporary and casual workers (including seasonal migrant workers from other countries) are also more likely to be affected by the change, but this will also depend on age.

## How will people be affected?

The agriculture wages legislation would be removed and the AWB would not exist anymore. This means that annual pay rates and terms would not be set specifically for agriculture workers in future years. Agriculture workers and employers would be treated the same as all other workers and employers in Northern Ireland.

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<sup>3</sup> [Agricultural Labour Statistics in Northern Ireland from 1981 to 2019](http://www.daera-ni.gov.uk/publications/agricultural-labour-statistics-northern-ireland) : www.daera-ni.gov.uk/publications/agricultural-labour-statistics-northern-ireland

Other legislation (laws) would take the place of the rules for agriculture. This will include the National Minimum Wage legislation and pay rates. Some people might be paid less, some might be paid more and others will stay the same depending on the agreement they have with their employer and their age. This also means that people who employ others to work for them may have to pay less or more.

The change would not mean that everyone would receive the same minimum amount. Workers who have a contract (agreement) with their employer should stay the same. People who are new to their job and those who work on a casual or short term basis are expected to move to the new rules.

We do not know exactly how each worker or employer will be affected. This will depend on each set of circumstances and what employers decide to do in future.

Employers could decide to pay less as long as it is above the NMW rates, but it is also likely that employers will still consider things like the type of work, the level of skill or experience needed and what other employers might pay to attract or keep staff when setting wages.

National Minimum Wage rates for people under 20 are lower than the AWB minimum rate and these people may be paid less.

For workers over the age of 21 at the AWB standard grades (Grades 1 and 2) the NMW is higher and these people will be paid more. Workers over the age of 23 will be paid at least £8.91 per hour.

The legal minimum holiday allowance for agricultural workers could be less by one day for workers who have worked in the same job for one year. Temporary, casual or new workers would not be affected.

The amount of sick pay may be less for workers who have worked in the same job for one year and do not have a contract (agreement). Temporary, casual or new workers would not be affected.

The rate of overtime pay may be lower unless a worker and employer have an agreement to continue to pay a higher rate.

## **Assessment of Impact**

The Department is required to think about how certain groups of people might be affected by the change. We have looked at how the change might affect people based on disability; race; sexual orientation; gender; religion; age; whether or not they are married or in a civil partnership; and whether or not they have dependents (children or are a carer). This is called an Equality Impact Assessment.

DAERA has also looked at how the legislation might affect costs and benefits to workers, employers and public money (money spent by government) in a Regulatory Impact Assessment and at how the change might affect people who live in rural areas (called a Rural Needs Impact Assessment).

These documents can be found at: <http://www.daera-ni.gov.uk/consultations/revoke-agricultural-wages-regulation-northern-ireland-order-1977>.

## Tell us what you think

DAERA would like to hear the views of people who may be affected on how you think you might be affected by the change.

### The main questions we would like to ask you are:

1. Do you agree with the plan to change the legislation (laws) and abolish the AWB? YES OR NO
2. What do you think about this plan; is there anything else you would like to tell us?

We would like to hear what you think by **8 July 2021**.

Any comments on the assessment of equality issues are welcome until **5 August 2021**.

To find out more or tell us what you think you can:



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**You can also respond to the full consultation survey online (from 14 May 2021 to 8 July 2021) through the Citizen Space website at: <https://consultations.nidirect.gov.uk/daera-central-services-contingency-planning/agricultural-wages-order-ni-1977>.**

### **How and when would the changes take place?**

The Department will listen to the views and comments made about the change before a final decision is made by the Minister.

If the Minister decides to go ahead with the changes, he will ask the NI Executive (Ministers of other government departments) to agree that the Northern Ireland Assembly Members should consider whether to change the legislation (laws).

The change would take a number of months to complete before it came into law, if it is agreed.

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**The Department wishes to thank everyone for their interest in and responses to this document.**