

AGRICULTURAL WAGES BOARD – BRIEFING NOTE

1. On 22nd July Caroline Spelman, Environment Secretary, announced the Government's intention to abolish the Agricultural Wages Board for England and Wales. There had been no prior notification of the announcement to Unite, even though we lead the workers' side of the AWB.
2. The Public Bodies Bill is due to get its second reading on 9th November. The AWB and its associated committees are listed under Schedule 1, which are those due for abolition. As well as abolishing the AWB, the Government is abolishing the regional Agricultural Wages Committees and the Agricultural Dwelling House Advisory Councils (ADHACs). The ADHACs regulate tied housing, which 30% of agricultural workers live in and guarantee security of tenure. The ADHACs hear 50-60 cases a year where farmers are seeking to evict workers.
3. The AWB is a statutory body, established under the Agricultural Wages Act 1948, which has legal powers to set wages and terms and conditions for 154,000 workers. As well as setting pay rates, the AWB covers overtime; skills and qualifications; call-out payments; holidays; sick pay; parental, bereavement and other leave; allowances and much more besides.
4. The NFU have been campaigning for abolition and this was in the Tory manifesto. It was not in the Lib Dem manifesto or the coalition agreement.
5. Unite is concerned that there has been no consultation over this measure, other than a 1 week consultation with the Welsh Assembly Government over future provision for Wales post-abolition. The Welsh Assembly Government have said that the consultation was totally inadequate.
6. There has been no equality impact assessment or test for fairness applied to the measures, even though the government promised that this would be done for all legislation.
7. Opponents of the AWB argue that there is no need for it now that there is a National Minimum Wage (NMW). Whilst Grade 1, which mainly covers temporary or seasonal unskilled workers, is only 2p an hour more than the NMW, Grades 2-6, which range from a Standard Worker at Grade 2 with vocational qualifications on £6.58 an hour, through to Farm Managers on Grade 6 on £8.88 an hour. Only 20% of workers are on Grade 1, so 80% of workers would lose substantial protection with abolition.
8. Not all farmers want abolition. The Farmers Union of Wales has said that the AWB is essential for small farmers with few staff as it lifts the burden of direct negotiation for them. They also argue that the AWB is necessary to maintain recruitment and retention of skilled labour.
9. The NFU have been silent on what would replace the AWB and have made no proposals about how wages and terms and conditions would be negotiated or set.
10. The AWB has existed continuously in one form or another since 1924. The last major agricultural strike was in 1923. We believe that this is no coincidence – the AWB has provided harmonious industrial relations and therefore it has improved food security by guaranteeing uninterrupted supply. Unite have argued that in the absence of protection, wages and terms and conditions will be squeezed as farmers pass on price pressure from the supermarkets and food processors to workers. If wages freeze or fall, or if terms and conditions are attacked, industrial action would be inevitable.