

2.7 Deputy G.P. Southern of the Chief Minister regarding preparations for possible industrial action:

What preparations has the Chief Minister made to deal with the consequences of the below-inflation pay offer now subject to a ballot for action by both the manual workers and the teaching unions?

Senator F.H. Walker (The Chief Minister):

First I should say that the pay offers made to the manual workers and teachers are not below inflation. The offer of 2.4 per cent from 1 June 2006 is equal to the R.P.I. (Retail Price Index) as at the end of March 2006. This is not only the R.P.I. figure immediately preceding the anniversary date of the pay awards, but is also the R.P.I. figure traditionally used by both the employer and unions concerned in pay negotiations in the public sector. Sometimes the figure later works in favour of the employer, sometimes it works in favour of the employee, but it is always accepted as the base figure for public negotiations. Second, while it is true that the T.G.W.U. (Transport and General Workers Union) is proposing to ballot its membership on whether or not to take industrial action in support of their pay claim, this is not the case with the Teachers' Union. There is a contingency plan for responding to industrial action held within my department, and individual departments are required to have their own plans for maintaining their services as best they can during any industrial action.

2.7.1 Deputy G.P. Southern:

Does the Chief Minister accept that the 3.4 per cent claim made by teachers has been arrived at because of previous years 2.5 per cent award when the inflation rate was 3.7 per cent, and 3.5 per cent when the inflation rate was 4.5 per cent, and it is a catch-up process? The contingency I was looking for was some reserve so that the Minister can go in and negotiate to come to a solution and have nothing in reserve to negotiate with, thereby causing confrontation?

Senator F.H. Walker:

The negotiators are working to the overall budgetary limit set by this House in the business plan. I am certainly not going to respond to the Deputy's points about how the teachers' pay claim has been arrived at, because the last thing I will do is enter into any form of discussion or negotiation in public. So, I also think the Deputy needs to be slightly careful here, because my understanding is that his wife is a teacher.

2.7.2 Deputy G.P. Southern:

I think that is a rather shameful implication, Sir, but nevertheless I shall continue because I believe I am doing my duty in examining this particular aspect. I will repeat my question, Sir, in a different form. Is the Minister prepared to release any of the £32 million in the contingency fund in order to fund a proper negotiation with workers on this Island?

Senator F.H. Walker:

No, Sir.

2.7.3 Deputy S. Pitman:

In line with the last question, it is well known, or at least well publicised, that the propaganda unit - sorry, the Communications Unit - shows that how committed the Council of Ministers apparently is to the process of consultation and negotiation. In

light of the up and coming ballot and unrealistic pay offer which led to it, does the Chief Minister agree this situation might have been avoided if we had an Employment Board not consisting only of right wing Ministers with little understanding or care for difficulties faced by ordinary manual workers? Indeed, could he clarify for the House why it is that no Back-Bencher may sit on the Board?

Senator F.H. Walker:

The board was established with the approval of the State. The Deputy referred to... I think she said poor manual workers, or something to that effect. I think it is relevant for the House to know, and for the House to hear the differences in pay and conditions between manual workers in States' employment and those in the private sector because they are enormous. Basic pay for manual workers ranges from £338.50 to £552.51 for a 38-hour working week. They have annual leave of 22 days rising to 28 days plus all public holidays; membership of a pension scheme where the employee pays a maximum of 6.25 per cent of pensionable pay, while the employer pays 15.6 per cent, additional payments for those who work shifts of 15 or 20 per cent on top of basic pay; paid sickness entitlement of 12 weeks at full pay, followed by 12 weeks at half pay; overtime rates of time and a half and double time; and not least excellent job security. No States' employed manual workers have been made compulsorily redundant in at least 30 years. And, Sir, if one looks at the comparison, the lowest grade manual worker is earning 30 per cent more than their colleagues in the private sector in Jersey; 48 per cent more than their colleagues in the U.K. It is at the higher end that the manual worker grades - indeed the higher end of public sector pay scales generally - where the differentials with the private sector fall away, and indeed come out at slightly less. But at the lowest grades States' employees are very well paid and enjoy unique terms and conditions of service within Jersey.

Deputy S. Pitman:

Sir, he has not answered my last question. Could he answer why no Back-Benchers are allowed to sit on the Employment Board?

Senator F.H. Walker:

Sir, it was a States' decision. I am quite happy to consider that position, but to suggest that the States' Employment Board is made up of right wing Ministers who, the inference being, are bearing down on the low paid manual workers, simply does not marry with the facts.

2.7.4 Deputy G.P. Southern:

The Chief Minister has been slightly misleading with his figures. Does he not accept that overall, in comparison with Jersey private sector, at the highest grades there is an 11.5 per cent gap to the detriment of States' workers, and that on average the betterment for States' workers in a mere 3 per cent on average overall, and those are the accurate figures given out by his own department?

Senator F.H. Walker:

Yes, Sir, I accept that, and I said that it is at the higher echelons of pay structures in the States where States' pay falls below that in the private sector. But the question I was asked was about manual workers and I repeat the point that manual workers at the lowest grade - which are those that I assume the Deputy and his colleagues would wish to protect - are on top of all the terms and conditions I have read out, paid an average of 30 per cent more than their colleagues in the private sector in Jersey.

The Bailiff:

Final supplementary, Deputy Martin.

2.7.5 Deputy J.A. Martin:

I thank the Chief Minister for reading out those figures. He did say, and it does seem that some of the States' workers have - I would not say a good deal - I would say a deal that is fair and just for any manual worker, who some, Sir, carry out some very unpleasant jobs and also some very needy jobs in the hospital and in the education service. So, my question is, in his statement, Sir, the Minister then went on to say: "There has been no forced redundancies", but would the Minister not acknowledge that the manual workers has at least halved in the last 10 years because when people are leaving they are not replaced. They are then forced into the private sector, which are not paying and not giving the same benefits as paid holidays, and then these people then fall back on to benefits, welfare, and then into low income. That is exactly what is happening, Sir, and the Minister must admit there are a lot less manual workers now in States' employment than there were even 5, and especially 10 years ago.

Senator F.H. Walker:

The manual workers pay structure you could easily describe as fair and just, and I would not want it any other way. It is interesting that the manual workers' representatives themselves describe their terms and conditions of service as "excellent", that is them talking, not me. I have absolute respect for the work that the manual workers do for various departments of the States. They do do some very difficult jobs indeed, and it is right that they are adequately and certainly - to use the Deputy's wording - fairly and justly rewarded. They are, as in the figures I read out. But there is a limit to how much further the States can afford to improve their pay levels and their terms and conditions of service, particularly when we are working under a States' imposed overall spending limit. Taking up the final point about the reduction in numbers of manual workers, there has been a reduction in numbers but then no one has been forced out of work; no one. So, if the numbers have gone down it is because vacancies when people have retired or left have not been filled, entirely in accord with the States wishes to reduce public expenditure by up to £20 million a year. Now, if we are going to achieve that target then a reduction in manpower is inevitable. I think though it reflects extremely well on the States when I repeat the figure; no manual worker has been made compulsorily redundant for over 30 years. How many other employers can match that record?