

2.8 Deputy G.P. Southern of the Chief Minister regarding public sector pay claims:

Following the Chief Minister's statement that he is seeking a better way of dealing with public sector pay claims what proposals, if any, does he have for resolving issues this year and next year, in 2007 and in 2008, and will he assure Members that he will not seek to limit the right to free collective bargaining during his tenure as Chairman of the States Employment Board?

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

My statement referred to the delays in reaching pay agreements with States' employees. It is quite unacceptable that public sector staff have to wait 8 months or more after the due date to receive annual pay awards. In agreement with staff representatives I want to find a better and fairer way of handling negotiations so that pay awards can be made on time. I can assure Members that I will not seek to limit the right to free collective bargaining until and unless an agreed alternative mechanism is put in its place.

2.8.1 Deputy G.P. Southern:

For the purposes of clarification, can the Minister confirm that that answer does not amount to a no?

Senator F.H. Walker:

I do so confirm. I think the answer is very clear.

2.8.2 Deputy G.P. Southern:

Does the Minister propose to limit the right to free collective bargaining during his tenure as Chairman of the States Employment Board, yes or no?

Senator F.H. Walker:

I have said I will not do that until and unless an agreed - and by agreed I mean with the bargaining groups - alternative mechanism is put in its place. If there is an agreed new mechanism which the bargaining groups themselves sign up to which can ensure that members receive their pay increase on the date they are due to receive it, rather than 8, 9 or 10 months later or whatever it may be, I would have thought the Deputy and this House would welcome it. The emphasis has to be on the word "agreed". There is no question of imposing any change to current procedures what so ever.

2.8.3 Deputy G.P. Southern:

That is what I wanted to hear on that particular point. He referred to unacceptable delays. Does he not also accept that a mechanism whereby the States' negotiators hands are tied by a policy of this House - whereby effectively the negotiation becomes accept 2.5 per cent or accept job cuts or service cuts - is not really proper negotiation and that practice is the one that is unacceptable?

Senator F.H. Walker:

I do not know to whom it is unacceptable. As I said in a written answer to another question to the Deputy, there is currently no dispute and constructive negotiations are underway today. I think the point the Deputy has to realise - and what I think he is leaning towards, perhaps he could correct me if I am wrong - is that he feels we should be offering our pay groups way above what is currently being offered and with an inevitable - certainly if there are no job reductions attached to it - increase in the overall States' pay bill. What that does to our ability to maintain States' overall expenditure which, of course, has been one of the main pressure points on all States' Members from the public in recent years, I am not at all sure. Perhaps the Deputy might explain what lies behind his question.

2.8.4 Deputy G.P. Southern:

As you fully realise, I cannot answer questions myself but if I may proceed with a consequent question. Is the Minister content that over the period 2006/2007/2008 he will be reducing the living standards of the States' workforce over whom he has control?

Senator F.H. Walker:

That, of course, would depend on the outcome of the overall negotiations and there are alternative ways forward without reducing the living standards of States' workers. I would remind the House that by comparison with workers in the private sector - by comparison with their colleagues elsewhere - public sector employees, particularly those at the bottom end of the pay scale and, even more particularly, manual workers, are extremely well rewarded. I applaud that. I have no problem with that but realism is essential if we are to maintain any sort of control over States' expenditure. Our pay bill is more than half of our total expenditure so any attempt to control States' expenditure, which is the policy of this House, has to include pressure on our overall pay bill.

2.8.5 Deputy G.P. Southern:

Is the Minister prepared to inform the House what alternative means are available to him to avoid reducing the standard of living of States' workers?

Senator F.H. Walker:

I am not going to enter into what, in effect... **[Interruption]** I think the Deputy is almost seeking guarantees from me about how we are going to approach, or how we are approaching, negotiations. I am simply not prepared to go there.

2.8.6 Deputy R.G. Le Hérissier:

As part of the Minister's very worthwhile campaign to keep the pressure on wage costs, would he tell the House what he intends to do about this quite remarkable anomaly where people can be suspended for long periods of time but at the same time attract overtime and bonus rates on top of salaries simply being paid for non-attendance?

Senator F.H. Walker:

That is something that is being looked at and has to be improved upon. The problem though is that when criminal charges may or may not be involved there has to be a full and complete investigation which, of course, includes the police and includes the Law Officers' Department. Those investigations take time. I think it is unfair, of course, if not impossible, to suspend a member of staff who has not at that stage been found guilty of anything; there is merely a suspicion. There has to be a better way to ensure that we can bring these issues to a speedier conclusion at less cost to the public.

2.8.7 Deputy R.G. Le Hérissier:

The Chief Minister missed the point of my question. I have no problem with people remaining innocent until proved guilty and the system reflecting that. What I think concerned the public was the payment of additions to salary which they thought came only from doing the work.

Senator F.H. Walker:

The Deputy is referring to bonus payments or whatever. I am afraid there are contractual, or there were contractual, obligations. That is one of the things that is being most urgently looked at. I agree with the thrust behind the Deputy's question entirely. Whether there is a good, simple, quick answer remains to be seen but the matter is under urgent investigation.

2.8.8 Deputy P.V.F. Le Claire:

On that theme, would it not be possible perhaps to investigate whether or not when an individual is suspended that extraordinary payments are also terminated because they are not committing any work?

Senator F.H. Walker:

That is one of things that are being looked at but contractual obligations are contractual obligations. What can be done, it is too early for me to say. I think I have said all I can say, that the matter is under urgent investigation.