

### **3.1 Deputy G.P. Southern of St. Helier of the Chief Minister regarding evidence of a pay freeze in the private sector**

Will the Chief Minister inform Members what hard evidence he has of a widespread pay freeze in the private sector?

#### **Senator T.A. Le Sueur (The Chief Minister):**

A survey carried out by the Chamber of Commerce showed that, in June 2009, over 50 per cent of the respondents said then that their wage bill would remain unchanged or reduced this year. That survey has now been updated and the most recent published figures reveal that this figure has increased to 60 per cent in September. I also have good anecdotal and media evidence plus informed professional feedback of private sector employees facing the prospect of pay freezes, redundancies, job cuts, reduced pension provisions and so on and the States Employment Board has taken the view that it is unrealistic for public employees to expect to be immune from all these pressures.

#### **3.1.1 Deputy G.P. Southern:**

Can the Minister explain then why the Average Earnings Index has risen by 3 per cent across the board in Jersey in June 2009 and why, in particular, the financial services industries and related industries have risen by greater than that at 3.3 per cent while the public sector fall behind with only 1 per cent?

#### **Senator T.A. Le Sueur:**

Yes, because the Average Earnings Index compares average earnings - which is not the same as pay anyway - over a period of 12 months and it may well be that, given the reasonable economic climate that existed for part of 2008, that average earnings figure reflected that situation. I cannot say. All I know is that the Average Earnings Index is compiled statistically on a realistic basis.

#### **3.1.2 Deputy G.P. Southern:**

Yes, I am glad that the Minister says that the Average Earnings Index is realistic. Can he also explain why he has allowed Jersey employees to fall 1.7 per cent further behind their equivalents in the U.K. (United Kingdom)?

#### **Senator T.A. Le Sueur:**

One-year comparisons can easily be misleading and I have no reason to believe that average wages over a period of years in Jersey have not been significantly in excess of those in the U.K. I do not think comparisons like that have any particular relevance.

#### **3.1.3 Deputy P.J. Rondel of St. John:**

Given the Minister and his colleagues' approach to a pay freeze for public sector workers, can the Minister please explain why, in response to a written question here from a fellow Senator, his forecast that an increase of approximately £140,000 is to go to staff at W.E.B. (Waterfront Enterprise Board), given that the remainder of our staff will not be getting a pay rise and, yet, he has given, in a response to Senator Perchard, nearly £140,000 increase for a quango?

#### **Senator T.A. Le Sueur:**

The response given is a factual response, although the 2009 figure is, as it says, a forecast including an extra post. The Waterfront Enterprise Board is an independent

company which has its own remuneration body and takes professional advice. I have no idea of what level of staff increases there may have been. This is simply a factual answer and does not alter the general position.

**3.1.4 The Deputy of St. John:**

May I come back on a supplementary, Sir? The Minister says that the Waterfront Enterprise Board is an independent company. Given it is wholly owned by the States of Jersey, does he really think [**Approbation**] that is the kind of answer to give Members of this House at this time?

**Senator T.A. Le Sueur:**

Yes, I do. It was a conscious decision of the States that we should encourage these sorts of operations to be carried out at arm's length by independent companies run by professional people in the interests of the Island. Having done that, it is up to us to get behind those Boards and ensure that they deliver services to the benefit of the people of the Island.

**3.1.5 Deputy G.P. Southern:**

Will the Chief Minister accept that, in many sectors, especially financial services, bonuses continue to be paid and cost of living rises granted in that sector?

**Senator T.A. Le Sueur:**

Yes, I am sure that bonuses will continue to be paid in certain situations where they have been earned by higher productivity or some other good reason. Efficient working should be rewarded, where appropriate, and I will accept that bonuses may well form part of those rewards.