

2.10 Deputy G.P. Southern of the Chief Minister regarding the total annual cost of a typical redundancy in the private and the public sector to the revenues of the States:

My apologies for leaving the Chamber earlier. Does the Chief Minister have an estimate of the total annual cost of a typical redundancy in the private and the public sector to the revenues of the States in terms of income tax lost, income support, supplementation, social security contributions lost, *et cetera* and, if so, would he give details of the cost to Members?

[11:15]

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

Yes, redundancies of any sort, whether in the private sector or the public sector, may impact States revenues, but as I am sure the Deputy is well aware the answer would depend on each individual's personal circumstances; for instance, the level of income tax paid before or after any redundancy, whether that individual became eligible for income support payments or supplementation and whether the individual is looking for and finds another job or perhaps decides to become self-employed. An estimate is just not possible as the cost is not quantifiable, although a downturn in tax receipts or an increase in claims for income support may indeed be attributable to a number of individuals becoming unemployed or seeking employment. The objective of the States - and my objective as well - remains to provide worthwhile employment opportunities for all.

2.10.1 Deputy G.P. Southern:

Can he as a rough approximation state whether the pressure on income support in particular, which was estimated in the Fiscal Stimulus Plan as between £6,000 per year and £13,500 per year... where within that spectrum does he think the additional load on income support comes between £6,000 and £13,500 a year?

Senator T.A. Le Sueur:

I have tried to make it quite clear, I have absolutely no idea. It will depend on whether that person who has been made redundant finds another job in the short term or not. It may well be that that person in conjunction with any redundancy payments they may have received may be no better off and may be no burden on the States whatsoever and may indeed even increase States revenues. So, the whole question is not capable of any mathematical definitive answer.

Deputy G.P. Southern:

I thank the Minister for his partial answer and will attempt to put into under 200 words a more complicated question that he can answer and will give us a figure or several figures.