

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 29th MARCH 2011**

Question

Further to his response to Question 6120 on 15th March in which he stated that “although company profits have fallen, absolute levels of wages and salaries have not been reduced by the effect of the downturn...” does the Minister accept that the imposition of a wage freeze on public sector workers in 2009 was not reflected in private sector salaries and had a negative impact on the local retail economy and on public sector morale?

Does the Minister accept that the payment of over £58m in bonuses in the finance sector in 2009 renders the option of a 2-year wage freeze in 2012 and 2013 as proposed in the Tribal Report on public sector terms and conditions totally unacceptable?

Will the Minister rule out the possibility of a public sector wage freeze in 2012/13?

Answer

No it is not accepted that a wage freeze was not reflected in private sector salaries in 2009. The Chamber of Commerce surveys for that period show that 60% of their members intended to freeze or reduce wages. The retail sector did go through a difficult period in 2009 but to attribute that solely to public sector pay policy is ignoring the many factors that contributed to the fall in retail sales, not least the general impact of the global recession on the local economy. The Stabilisation Fund was used to support the economy in general, including retail, during the downturn in a timely, targeted and temporary manner as advised by the FPP – public sector pay policy is neither temporary nor targeted and is not an effective way to try and support the economy.

The Minister can see no reason why trends in private sector pay in 2009, should be a consideration for future pay trends in the public sector in 2012 and 2013.

The Minister will not rule out the possibility of a public sector wage freeze in 2012/13. Detailed proposals to deliver the £14 million savings target on terms and conditions are currently being developed for discussions with staff and unions later this year..