

2.2 Senator B.E. Shenton of the Minister for Treasury and Resources regarding the total cost of paying staff in cash each week:

Can the Minister estimate the total cost including insurance, staff, premises, security and so on, of continuing to pay approximately 140 staff in cash each week and will he be taking steps to phase out this practice?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

The average number of employees paid in cash between January and October 2009 was in fact 80, down from 150 in 2006. The annual cost of paying employees in cash is approximately directly £16,000 a year, this is the cost of providing the administration to put the pay packets together, the security, the insurance of dealing with what I think is in the region of £1-£1.5 million a year in cash. The employees concerned have individual contract rights to be paid in cash. Numerous attempts have been made in the past to persuade both the employees to be paid by B.A.C.S. (Banker Automated Clearance System) transfer, which would of course be much cheaper, both through personal direct contract and through the auspices of the Manual Workers Joint Council and the union, but I am afraid with limited success.

2.2.1 Senator B.E. Shenton:

Does the Minister believe that the taxpayer should be picking up the cost of paying these people in cash or should it be passed on to them directly?

Senator P.F.C. Ozouf:

I think that every Member of this Assembly would say that the world in which individuals are paid by cash is a bygone era. The difficulty is, is that there is a contractual right for the employee to be paid in cash and I have to say that the union maintains their individual employee's rights. We do not seem to be able to do anything about it. If the Senator can bring pressure to bear to bring some modernisation to this, then I would welcome it. It is £16,000 which is being wasted, in my view.

2.2.2 Deputy P.V.F. Le Claire of St. Helier:

Given that there is 80, I believe, people that receive this cash payment, and it is £16,000, what about giving them a £100 bonus to transfer over and that would save us £8,000 a year?

Senator P.F.C. Ozouf:

I am advised that numerous attempts have been made to deal with this arrangement, and nothing has succeeded. I cannot see personally the reasons why any employee of any company should not be paid in the modern way of a bank transfer into their bank account. That is the way and, frankly, I am not sure why there is a benefit and why the employees concerned regard this as a benefit. I would think that this is a standard modernisation for a good employer/employee relationship which should end.

2.2.3 Deputy P.V.F. Le Claire:

Could I press the Minister and ask him to find out whether or not a cash bonus has been offered because I think that if a cash bonus was offered we could possibly cut down the £16,000 a year that it is costing the taxpayers to move these people on to a more modern system.

Senator P.F.C. Ozouf:

I am advised that there has been numerous attempts to negotiate this. I will provide the Deputy with a detail of exactly what was offered but I think it highlights a good example whereby I think that there needs to be common sense in both the relationship between employees and employer. I do not think it is unreasonable to ask these employees to take a B.A.C.S. payment into their bank accounts without any form of bonus. It is just modernisation.

2.2.4 Deputy D.J. De Sousa of St. Helier:

I have been approached by a few members that are paid in this way and a lot of them say; (a) it is their right to choose how they are paid; (b) some of them do not have bank accounts; (c) some of them work long hours and cannot get to the bank and draw the money out because they do not have bank cards. Would the Minister not accept that it is a right to choose how you are paid, even in this day and age?

Senator P.F.C. Ozouf:

I agree it is a right but there has to be a proportionality to this. This is costing taxpayers money in terms of the processing of bringing together wage packets, the clerical time that is spent, 5 hours a week from 2 individuals who are responsible to it, the appropriate security arrangements to ensure that cash is not lost. I am sad to hear the Deputy say that the individuals concerned do not seem to be able to get banking services. If the States can assist through the union to set up an arrangement whereby, through the States bankers, bank accounts can be set with cash cards. I know that I have employed individuals myself and assisted them in opening bank accounts and getting bank cash cards so that they can withdraw their money anytime of the day or night. I think we should make that service available to our employees. I do not think anybody will stand here and say the payment in cash is safe or a modern way to conduct one's affairs.

2.2.5 Deputy D.J. De Sousa:

I accept what the Minister says but some of these people do not want to have bank cards. It is very easy to get into debt these days. They like to manage their funds day by day, week by week and surely the Minister can understand that.

Senator P.F.C. Ozouf:

I do understand that, and that is why I am supportive of the Community Savings and Credit Organisation, which is attempting to assist people to manage their funds. I only had a report yesterday from the Citizens Advice Bureau following up on the fiscal stimulus money giving a grant to the Citizens Advice Bureau helping people in debt. I recognise what the Deputy is saying, but we still do need to modernise practices and cash is not a sensible or safe way for people to be using their money these days.

2.2.6 Deputy J.A. Martin of St. Helier:

Interesting that the Minister started off to say he cannot change this because it is in the terms and conditions under contractual rights, where we can just step over other contractual rights. Will the Minister - it is in the same vein as Deputy De Sousa - not concede that all new contracts do not have the right to be paid cash and the 140 down now to 80 people really do need to be walked through this step if they are going to have bank accounts? It is alien to a lot of them, they are turned down by many banks, so if the Minister really does want people... and I do understand that cash sometimes on a Friday afternoon is not always the best ... and the wife's waiting at home because

she could have the bankcard and go and get the groceries, and these are people who do live ...

The Bailiff:

You will come to your concise question, Deputy.

Deputy J.A. Martin:

... pay packet to pay packet. Well, the Minister says they have a problem putting it into a bank. They have a problem getting a bank account and I really hope that the people working with the Minister will see that this does happen and it happens very shortly.

Senator P.F.C. Ozouf:

The only thing I could pick up the Deputy on is in a modern world it could be a civil partner or husband waiting at home [Laughter] but leave that one pass. I do agree with the Deputy. Clearly, we are spending £16,000 of taxpayers' money in a way that perhaps could be spent better and more appropriately and of course I will take the comments made by the Deputy and Deputy De Sousa away to see whether or not we can find a solution and a more modern, safer solution for these individuals. If they need help we will give it to them.

2.2.7 Deputy M. Tadier of St. Brelade:

I am sure the Minister will agree that if somebody does not have a bank account they cannot spend their money online and out of the Island. But will the Minister, first of all, show his complete distaste for the disrespectful comments of Senator Shenton in suggesting that some of our lowest paid workers should be forced to receive their own pay packets? Does he also acknowledge, as has been mentioned, that there are people for legitimate reasons - and maybe often temporary ones - who cannot get a bank account, often through no fault of their own? I can give a very concise example of a constituent of mine who, because his partner, through no knowledge of his own, became involved with fraud he is also landed with her bad credit and cannot get a bank account for another couple of years. He is a States worker and he has been a States worker for more than 10 years.

Senator P.F.C. Ozouf:

I agree completely with the Deputy when he says that one needs to have good and respectful relationships between employees and employers. Senator Shenton is, however, making the point that £16,000 of taxpayers' money could be better spent, and perhaps for those individuals too. I have taken on board the comments that the Deputy and others have made in relation to bank accounts and the importance that the market and our banking industry provide banking services for all sorts of individuals irrespective of sometimes challenging circumstances they have found themselves in. I have taken away a number of comments and will deal with them in the appropriate way, hopefully to move on this issue which is a relationship of mutual respect and looking after our employees.

2.2.8 Connétable A.S. Crowcroft of St. Helier:

The Minister has referred to the Citizens Advice Bureau and the good work that they do; would he also agree that it would be worthwhile his talking to the Community Bank based in the Town Hall because they surely have a role in assisting people who do not currently have bank accounts and would like to have them, not just collect their

wages in a more efficient way but so that they can access all kinds of services, including book flights and so on, that are only available for people who have credit cards?

Senator P.F.C. Ozouf:

I was not correctly using the term. That is the organisation I referred to, the Community Savings Bank, it is the Community Bank based at the Town Hall in their offices, and yes I support that. I have recently been in correspondence with the Chief Minister about the future of this organisation and if we can assist in some form of assisting micro-finance to deal with people's individual requirements then we should do so. I thank the Constable for his generosity in looking after such organisations in the Town Hall.

2.2.9 Senator B.E. Shenton:

I asked this question after speaking to my father who converted the dockers to bank accounts about 20 years ago and stopped doing cash payments then. There was a lot of resistance at the time but after it was done it was almost unanimous that the people felt that they were better off because they could benefit from direct debit discounts and everything else. Will the Minister give an assurance to this House that he will seek to move towards cash payments in a manner that is a benefit to all?

Senator P.F.C. Ozouf:

The short answer is yes, but I would remind the Senator that his father may have been in a position to impose terms and conditions on his dock workers. I am afraid to say that the States is not, and the position is very clear. The States wish to do away with this cash payment and move on but we have had a position that the individuals have had individual problems and, I am afraid to say, I have at least had this reported to me, that the union has not been particularly amenable to change. Hopefully that will change and I thank the Senator for raising the question and hopefully we can move this thing on.

Senator B.E. Shenton:

I would point out the docks were heavily unionised, perhaps he was a better negotiator.