

2.2. Deputy S.C. Ferguson of St. Brelade of the Chief Minister regarding the annual report of States Employees' Remuneration for 2006:

Can the Chief Minister explain why the annual report of States Employees' Remuneration for 2006 did not contain comparisons between States pay rates and private sector rates (and also between States rates and U.K. mainland public sector rates) as had been provided in the equivalent report for 2005, and will he confirm that the 2006 comparisons will be published?

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

The report provided by my department on States Employees' Remuneration at the time of the publication of the States Annual Report and Accounts for 2005 was presented to the States in May 2006. At that time we had recently received the results of a pay comparability survey carried out by Hay Consultants comparing States of Jersey salaries with those in the U.K. public and private sectors of employment and also the Jersey private sector. The data was current as at 1st January 2006 and we wished to share it with States Members. When we presented in May 2007 a similar report to accompany the Annual Report and Accounts for 2006 no further salary comparability information was available. Such surveys are not done every year but normally (and this is established practice) about every 4 years. This is because salary comparisons tend to change slowly over time and also because surveys of this nature are expensive. When a further survey is conducted, the results will be shared with States Members. In the meantime I have received no evidence to suggest that the differentials have materially changed.

2.2.1 Deputy S.C. Ferguson:

Yes, but given that, for example, a police constable in the London Met with 2 years' experience and including London weighting of £6,219, receives £31,206 annually compared with the equivalent rate for a Jersey constable of £37,858, does the Chief Minister not think that a more detailed review of salary levels in the States is not absolutely essential?

Senator F.H. Walker:

The detailed review was, as I have indicated in my answer, undertaken. The differentials in pay between, for example, police officers in Jersey and those in the U.K. have been established now for many, many years, long before I think any of us were in the States. It is not something that you can go about dismantling. What is far more relevant is the comparison in pay between the public sector in Jersey and the private sector in Jersey and recent information has made it very clear that there is no great differential between public sector pay and private sector pay except at the lower end in the public sector where it is considerably higher and the higher end of the public sector where it is considerably lower.

2.2.2 Deputy G.P. Southern of St. Helier:

Is it the Chief Minister's intention to reduce differentials between States pay and private sector pay in the U.K. and locally by simply not accommodating any figures in the new pay rises, the new monies put aside for pay rises for 2008-2009 and having all States workers absorb the cost of 3 per cent G.S.T. (Goods and Services Tax)?

Senator F.H. Walker:

As I made it clear in an interview with the *Jersey Evening Post* it is not my practice to comment on how negotiations with any public sector pay group are going to be conducted, nor to make any observation whatsoever on the likely outcome.

2.2.3 Deputy G.P. Southern:

Does the Chief Minister accept that if he holds to the sums that he has set aside for the 2008-2009 pay awards there will be a reduction in differentials?

Senator F.H. Walker:

No, Sir, I do not accept that there will necessarily be a change in differentials.

2.2.4 Senator S. Syvret:

Does the Chief Minister accept that the production of a properly calculated purchasing power parity study would enable much more ready and accurate comparison of pay rates between here and various areas of the United Kingdom?

Senator F.H. Walker:

This is something that has been discussed on many occasions over the years and I will accept that a P.P.P (purchasing power parity) as it is called is a desirable instrument. However, the most recent advice from our highly regarded statistical unit is that with all the other information they are now providing to Members and to the public, a P.P.P. is something that is somewhat lower down the pecking order, not least because it is an extremely complex and expensive piece of information to evaluate.

2.2.5 Senator S. Syvret:

Does the Chief Minister accept that in all likelihood the P.P.P., were it ever to be undertaken, would show that the purchasing power of a pound in Jersey would in fact be substantially lower than the U.K. average?

Senator F.H. Walker:

It would be lower. I do not accept that it would be substantially lower. But I would also make the point that household earnings in Jersey are substantially higher than they are in the U.K.

2.2.6 Deputy G.P. Southern:

Does the Minister expect States workers to absorb the cost of G.S.T. in the 2008-2009 pay awards?

Senator F.H. Walker:

The Deputy is again asking me to comment on how negotiations are going to be conducted and their possible outcome. I am afraid I am simply not going to do that.

2.2.7 Deputy S.C. Ferguson:

Given that 50 per cent of States expenditure is in human resources, does the Chief Minister not consider that a 'root and branch' review is required to ensure that job descriptions match job abilities and that salaries and wages are fair for the work that is performed?

Senator F.H. Walker:

The salary levels and differentials are a constant source of review by the States Employment Board and by the Corporate Management Board. I think Members might also be surprised to learn how many public sector employees we have lost to the private sector in Jersey over the last year, particularly because of salary differentials which are higher in the private sector.