

STATEMENT TO PARLIAMENT BY THE HONOURABLE HORACE W. DALLEY, MP
MINISTER WITHOUT PORTFOLIO, MINISTRY OF FINANCE AND PLANNING
UPDATE ON THE STATUS OF PUBLIC SECTOR HEADS OF AGREEMENT FOR CONTRACT PERIOD 2012-2015

Mr. Speaker,

- In keeping with the commitment made in my sectoral presentation on July 2, 2013, to keep this Honourable House and the country informed, I now provide an update on the implementation of the Heads of Agreement.
- This Honourable House will recall that as a prior action in order to secure the Extended Fund Facility from the International Monetary Fund, the Government of Jamaica (GOJ) and several Public Sector Bargaining Units represented by the Jamaica Confederation of Trade Unions (JCTU) and other staff associations signed a 3-year Heads of Agreement on March 6, 2013 for the 2012-2015 contract period.
- To date we have had approximately 85% of Public Sector Bargaining Units including the Jamaica Teacher's Association (JTA) also signing similar agreement. It cannot be stated often enough the Government's

wholehearted appreciation for the tremendous sacrifices being made by our Public Sector Workers towards putting Jamaica on a path of economic growth and prosperity.

- In those agreements, the GOJ made certain commitments to Public Sector Workers and through the Ministry of Finance and Planning as well as the Public Sector Monitoring Committee (PSMC), we have been honouring those obligations. Let me emphasize that whatever we do, we must keep at the fore front of our decisions, the economic environment in which we operate in and will ensure that any action taken will not derail the Economic Reform process.
- Since the beginning of the Financial Year, payments amounting to approximately **\$9.9B** have been made to Public Sector Workers as follows:
 - West Indies Group of University Teachers (WIGUT) 5% arrears outstanding totaling **\$144.185M** has been paid;

- The Public Sector Workers 7% arrears totaling **\$3.78B** (May 2013 tranche). There are two tranches remaining - October 2013 and May 2014 at approximately **\$7.6B**;
- **\$1.9B** for teachers reclassification arrears. This final tranche was paid in July 2013;
- Outstanding sums for teachers books, software and technology allowance **\$135M**;
- Education Officers (realignment) **\$73.7M** paid as scheduled ;
- Health Sector Reclassification payment of **\$1.023B** which represents new rates effective April 1, 2013 and arrears for the four months up to implementation in August 2013;
- One-off payment to all Public Sector Workers totaling **\$2.163B was made** in August. It was recognized that some workers in Bursar paid schools did not receive their payments in August. However, this was due to the Ministry of Education not receiving the requisite information on a timely basis to facilitate payment. The Ministry of Finance remains ready to disburse the funds as soon as the Ministry of Education and the Unions representing the workers have completed the verification process;

- Travelling Officers - as agreed mileage rates payable to Government of Jamaica Traveling officers moved from \$30 to \$35 per Km in April 1, 2013 and to \$40 per Km August 1, 2013 a total of approx. **\$480.3M**; and
- NAJ Scholarship programme – Two (2) Masters scholarships issued at a cost of **\$2.594M** to nurses ;

INCREMENTS

- Mr. Speaker, as agreed Public Sector Workers who are working in temporary positions for more than 2 years and who would not normally qualify for the payment of increments as agreed under the agreement are now receiving such payments
- Workers in entities without incremental compensation scales will qualify for the payment of increment for the period of the agreement. This is being done in consultation with the Ministry of Finance and Planning.

TRAINING AND DEVELOPMENT

- The revolving Tertiary Loan Fund continues to provide Public Sector Workers with financial support for their tertiary education
- Under the agreement, there is a commitment for the provision of Entrepreneurial and skills training for Public Sector Workers. This is being implemented.
- To date, the following courses have been offered:
 - Basic Computer Training, Computer Repairs,
 - Computer Graphics, Web Page Design,
 - Events Planning and Entrepreneurship
 - Cake Baking and Decorating as well as Food Preparation
 - Drapery Making, Floral Arrangement,
 - Food and Beverage, Landscaping, and Garment Construction.

- Most of these courses are being offered in conjunction with HEART/NTA as we seek to provide NCTVET accreditation thereby empowering the workers for the modern labour market.

STAFF LOANS

The interest rates on staff loans has been reduced to 3% per annum as agreed and discussions continue on a restructuring of the staff loan portfolio across the Public Sector.

LAND & HOUSING

- Government lands are being identified to be utilized for the provision of housing solutions for Public Sector Workers. An inter-agency Committee to oversee the implementation.
- Additionally, through the National Housing Trust by way of a Special Benefits Order ten (10) solutions have been reserved in the Perth Housing Development in Manchester and Creighton Housing Development in St. Tomas for Public Sector Workers.

DISCOUNT FACILITIES

- Mr. Speaker, to date a number of private sector partners have provided discounts on goods and services for Public Sector Workers during the period. I want to thank MegaMart for its "Mega Mart Billion Dollar Thank You to Public Sector Workers" initiative and the DIGICEL Group that offered Public Sector Workers a special deal to the successful 20/20 CPL Cricket tournament. Fontana Pharmacy and Tools Hardware and Supplies must also be commended for coming on board. We have also received other expressions of interest from other Private Sector Entities and with whom we are in discussions. I want encourage other Private Sector Entities to join us in this effort for a most deserving group in our society.
- Mr. Speaker, while the GOJ continues on a path of economic reform and while we remain committed to staying within the tight fiscal boundaries, we will continue to update the House and the Country on the implementation of the Heads of Agreement with our workers.

I Thank You!