

Minister suggests review to examine top level public pay & appointments

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The Minister for Public Expenditure and Reform has indicated that he intends to establish an independent review group to look at the pay of top public servants and the process used to appoint them.

The suggested review, mentioned by Michael McGrath at the Oireachtas Finance Committee on Wednesday, February 2, comes in the wake of the controversy surrounding the political furore over salary of the secretary general of the Department of Health, Robert Watt.

Minister McGrath had already told the PAC ([IRN 04 - 27-01-2022](#)) that he expects to complete a review of the report on the 'Processes and Procedures Applying to the Appointment of Senior Executives in the Public Service'.

A new, separate review process, to examine pay as well, is a development that many observers would agree is long overdue. The secretary general in the Department of An Taoiseach, Martin Fraser, commented last year that he favoured the establishment of an independent body to oversee salaries of senior civil servants.

The decision to apply higher pay rates in a number of key appointments in recent years, without grounding such decisions in a thorough pay review process, was always going to cause a headache for the Government.

The Government was also warned by the Public Service Pay Commission almost three years ago that an independent review body exercise was needed.

RESTORATION DUE

Speculation was rife this week after a report in the *Irish Times* suggested that the review could have "implications" for pay restoration increases due to senior public servants under the current public service agreement.

Under the Public Service Pay and Pensions Act 2017, civil servants earning more than €150,000 are set to benefit from a final phase of pay restoration, on July 1, 2022. This would complete the process of pay restoration eight years on from the imposition of pay cuts in the last of the retrenchment agreements, the Haddington Road Agreement, in 2013.

Were the Minister to announce such a deferment, however, it is likely this move would require amending legislation. DPER didn't respond to queries on the Minister's plans at the time of writing.

POLITICAL PRESSURES

Given that the Exchequer can afford the pay commitments involved - they have been already accounted for - such a move could upset the agreement, even if it involved a small cohort of union members.

Such a move would also be seen as a reaction to populist political pressures. Furthermore, it would run counter to any moves to attract more private sector recruits to the higher ranks of the civil service, especially in a tight labour market.

A Frequently Asked Questions (FAQ) circular, published in December 2020 to accompany the new Building Momentum agreement, said the following about pay restoration:

'Under the PSSA, 2018 - 2020, by end 2020, the FEMPI Act pay reductions will have been reversed for all public servants earning up to €70,000, which equates to some 90% of public servants.

'Under the Public Service Pay and Pensions Act 2017, *pay restoration for public servants on salaries under €150k must be restored to pre-FEMPI levels by 1 July 2021 and for those earning above €150k, by 1 July 2022.*' (our emphasis)

The final restoration is by Ministerial order rather than legislation, but that only appears to give the Minister discretion on the timing within a range which ends 1/7/2022. Amending legislation, therefore, would be needed.

Section 20 of the Bill excludes certain political office holders from this final pay restoration: the Taoiseach, the Tánaiste, Government Ministers; Ministers of State; and the Attorney General.