

New public service deal terms represent 'significant improvement'

ANDY PRENDERGAST

The proposed extension to the Building Momentum public service agreement will add another 6.5% in pay increases to the existing deal, bringing a new total of 8.5% pay increases, between February 2022 and December 2023.

For lower-paid public servants – more likely to be hit harder by the cost-of-living pressures – the new proposal is worth more. Broadly speaking, public servants on salaries below €50,000 get more than the headline percentage figures; for those on salaries below €30,000 the total deal is worth over 12% in pay increases, during the lifetime of the extended deal, 2021 to 2023.

Lead negotiators from public service unions and the Department of Public Expenditure & Reform (DPER) arrived at new pay proposals this week, following intensive talks at the Workplace Relations Commission on Monday and Tuesday last.

The 3% increase backdated to February 2nd, is a key move

The WRC produced the revised Building Momentum (BM) proposal at 10am on Tuesday, “on the basis that it is being recommended by all parties for acceptance.”

The proposed revision to BM would mean a total of at least 9.5% in basic pay increases for public and civil servants, for the 2021 to 2023 period. This is an average per annum basic pay increase of just above 3%, roughly in line with current private sector pay trajectory.

If the deal is viewed for the period where pay terms were changed, 2022-2023, it represents an 8.5% total increase, 2% of which applies under the original terms of BM: the 1% 'sectoral bargaining' fund, (paid from February 1, 2022), and the 1% increase, or €500 – whichever is greater – due on October 1, 2022.

IMPORTANT TWEAK

IRN understands that the proposed new 3% increase payable in 2022, being backdated to February 2, is a key move, as the original, rejected proposal for an extra payment in 2022 was due to be from August 2022. This is applied after the 1% increase already applied from February 1, 2022.

The cost of the new terms adds €1.6bn to the paybill, bringing the total cost of BM, 2021-2023, to €2.7bn.

Ballots for industrial action by public service unions are expected to be suspended during the consultation period unions are now entering with their membership.

ICTU public service committee (PSC) chairperson Kevin Callinan said that while “neither side has achieved all it sought”, the package “is a significant improvement on the pay terms of Building Momentum, and it is worth more to those who need it most.”

NEW PAY TERMS

The pay terms of the proposed review agreement are:

- An increase in annualised basic salaries for public servants of 3% on February 2, 2022
- An increase in annualised basic salaries for public servants of 2% on March 1, 2023.
- An increase in annualised basic salaries for public servants of 1.5% or €750, whichever is greater, on October 1, 2023.

This increases the original Government offer of 5% for the 2022-2023 period (rejected by the PSC last June) to 6.5%.

The PSC said that individual unions “should now consult members, through ballots and other means, on the package in advance of a collective decision on whether to accept or reject the package.”

The decision on the deal will take place at a further PSC meeting on Friday, October 7, “where voting will be weighted to reflect the number of public servants that each union represents.”

LEEF AND BUDGET MEASURES

Mr Callinan said he believed the outcome of this long process was the best that could currently be achieved through negotiations.

He also pointed to two other areas, Budget 2023 and the Labour Employer Economic Forum (LEEF), which might assist in getting acceptance of the new BM deal.

“Over the past weeks, Minister McGrath and his Government colleagues have repeatedly promised to supplement pay measures with other cost-of-living supports through the Labour-Employer Economic Forum (LEEF) process and the forthcoming Budget. Workers will now expect delivery on that promise. A Government failure to deliver will certainly impact the ballots that will shortly get underway,” he said.

Minister McGrath said that if the proposed agreement is ratified, “it enables the government to move quickly to alleviate some of the impact of inflation on our public service workers, as well as securing industrial peace. Under the proposed agreement, the benefits for those on lower levels of pay will again be higher than the headline percentage increases.”

“Given that the public sector pay bill accounts for one third of total current expenditure, the proposed agreement represents a vital piece of the jigsaw for Budget 2023. It also serves to protect public services at a time of significant global uncertainty”, he added.