

# Public service unions claim offer of 8.5% “lacks credibility”

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**Public service trade unions have described a Government offer worth 8.5% over two and a half years - with rises of 12.5% for the lower paid - as lacking credibility.**

The public service unions said the proposal was “very disappointing”, noting it is worth 7.5% in terms of basic pay, plus 1% for local bargaining purposes in two phases.

The offer also includes a further 2% worth of local bargaining increases to be paid during the lifetime of “the next public service agreement”.

IRN understands that the union side is seeking pay rises closer to the 10% mark.

The lead negotiator on the union side, Kevin Callinan of Forsa said the Workplace Relations Commission had indicated that the Government side “wants time to reflect” and talks would pause for an “unknown duration”. This was after talks that went into the early hours of Thursday, January 11, failed to arrive at proposals that the unions could recommend to around 385,000 members.

Outline details of the Government’s pay proposals were initially revealed by Public Expenditure Minister, Paschal Donohoe, at an event in Grangegorman, just hours after the parties failed to reach agreement. “This morning the Government made a very fair and very significant pay offer to the public services,” the Minister said.

## **TEXT OF PAY PROPOSAL**

IRN has obtained a copy of the text of the proposed offer, which reads as follows:

‘In this offer, general round increases total 7.5% over two and a half years. On an annual basis, the total general round increases are 3.5% in 2024, 2.5% in 2025 and 1.5% in 2026.

‘The Local Bargaining element provided for here represents a portion of a total 3% to be provided for the overall, Local Bargaining mechanism, of which 1% is provided for in this agreement with the remaining 2% to be implemented in the next public service agreement.

## **PAY**

‘The following pay adjustments will apply over the lifetime of this agreement:

- A general round increase in annualised basic salaries for all public servants of 1.5% or €750, whichever is greater, on 1 March, 2024.
- A general round increase in annualised basic salaries for all public servants of 2% on 1 October 2024.
- A general round increase in annualised basic salaries for all public servants of 1% on 1 March 2025.
- A general round increase in annualised basic salaries for all public servants of 1.5% or €750, whichever is greater, on 1 August 2025.
- A general round increase in annualised basic salaries for all public servants of 1.5% on 1 February 2026.

### Local bargaining

The following provisions will be made in respect of the Local Bargaining mechanism:

- A Local Bargaining round equivalent to an increase of 0.5% of the public service pay bill on 1 October 2025.
- A Local Bargaining round equivalent to an increase of 0.5% of the public service pay bill on 1 June 2026.

### Excerpt of Local Bargaining Text

With this in mind the parties agree the following:

- Employers and trade unions may negotiate additional changes in rates of pay and or conditions of employment up to a maximum of 3% of the basic pay cost, inclusive of allowances in the nature of pay of the particular grade, group or category of employee, or bargaining unit. This may include proposals involving changes in structures, work practices or other conditions of service.
- Implementation of adjustments will be on a phased basis. The first instalments of 0.5% each will be implemented on 1 October 2025 and 1 June 2026 and the balance will fall to be addressed in any successor pay agreement.'

### **“SIGNIFICANT” - MINISTER**

Describing the pay proposal as “significant”, Minister Donohoe said it was the latest effort that he has made in a process “that was taken many months to find a way to reach agreement on public pay within our economy and within our country.”

“What I would ask now is that the representatives of the unions reflect on the magnitude of the proposal that was made.

“I've also given an indication that I'm willing to work on some of the smaller industrial relations issues that were raised”, he said.

He said the Government “had made a real effort to reach agreement, and I think it's really disappointing we weren't able to get an outcome last night”.

He asked the unions to “consider” and “reflect on this process” and said the government side is available to engage. “We want to find a way of reaching agreement.”

The Minister said the proposal “aims to make a big difference to living standards for civil servants in addition to all the changes the Government is making in taxation, and our cost of living supports at a time in which we accept prices are still rising.”

### **“LACKS CREDIBILITY” - UNIONS**

The Public Services Committee of ICTU, led by Kevin Callinan, subsequently met with affiliate and non-affiliated unions and associations to provide them with an update on the talks.

Their statement expressed concern that the Government’s initial pay offering “illustrated its lack of preparedness to complete a sustainable and robust multi-year pay deal, and further undermined perceptions of the Government’s approach to the process of securing a new agreement”.

Speaking after the meeting, Kevin Callinan said, “in failing to meet the basic test of dealing with the cumulative gap between wages and inflation – amounting to almost 19% over the last three years – the initial pay offer of seven per cent, with 1.5% payable in March this year, would equally fail any test of credibility in a ballot of union members”.

The lead negotiator claimed that the Government has effectively undermined its own approach to negotiating a multi-year public service pay agreement in a number of ways.

“In contrast to its recent measures to address the cost-of-living challenge on the National Minimum Wage and social protection payments, where it has demonstrated a real pragmatism, its approach to completing a public service pay agreement lacks credibility,” he said.

John King of SIPTU added: “The initial offering - which would have put little more (before deductions) than an average of just €5 per week in the wages of low-income public service workers, and €10 per week in the wages of those on middle-incomes in the first year - failed the basic test of creating a robust agreement in the face of a continuing cost-of-living crisis.”

Phil Ní Sheaghda of the INMO said that as talks adjourned , “a significant gap on pay measures between both sides remains”, while John Boyle of the INTO said they remain focused on returning to the negotiations “to ensure we can complete a deal that is robust enough to endure the 30-month period envisaged”.

The PSC unions also finalised the wording of a ballot for industrial action, with affiliates poised to commence a ballot “should it become necessary in the coming days”.

## **THE EARLY HOURS**

These developments came after negotiators from Public Expenditure and Reform (DPER) and the PSC had failed to conclude agreement early on Thursday morning (January 11) at the WRC. The pay offer from the Government was immediately described by unions as “extremely disappointing”. But at that stage, no details were available to the media, the PSC negotiators deciding to keep the detail of the pay offer for when they met with officials of affiliates and non-affiliates.

In his own initial comments, before he revealed details of the offer later the same morning at Grangegorman, Minister Donohoe encouraged the unions and staff associations “to take a period to reflect”, adding that the Government “remains available to enter into further discussions with public service unions and associations at the appropriate time”.

But he later told RTE radio that while the government side would re-engage, any change beyond what was offered “runs the risk” of being inflationary.

IRN understands that late on Wednesday evening, after an initial first pay offer was put to the union side, the talks were close to breakdown. That first offer had “shocked” the PSC officers, Kevin Callinan later told RTE radio.

At the meeting of the PSC and affiliates on Thursday, the issue of preparing for industrial action ballots was already planned to be on the agenda. If, as expected, the talks do resume and a fresh offer emerges, the same unions are likely to be back again for further information meetings from its PSC.

They will surely be hoping that ballots, when they eventually do happen, will be on the terms of a proposed agreement that they can recommend to 385,000 public servants, rather than the commencement of a campaign of industrial action.

## **“GOOD FAITH”**

Minister Donohoe recalled on RTE’s News at One on Thursday (January 11) that at the outset of the discussions, he gave “an early commitment, in good faith, to repeal remaining FEMPI legislation in an effort to generate goodwill and remove any barriers to achieving a multi-annual agreement.”

The Government wished to reach an agreement “that strikes the correct balance between continued investment in the delivery of our public services and an approach to public service pay that is fair and affordable”, he said.

Meanwhile, IRN understands that progress has been made on dispute resolution and the thorny issue of outsourcing. A more simplified set of disputes procedures ahead of referrals the WRC and/or the Labour Court is expected to refine the complicated process that pertained under the now expired Building Momentum agreement.

Bridging the gap between the two sides will require both parties to re-examine their bottom lines to secure the required degree of compromise, if they are to realise their mutually expressed desire for a multi-annual agreement.

Neither party would relish entering a more conflictual industrial relations landscape. They only have to look to the UK to imagine what that might look like.