



## **Proposed Public Service Agreement 2024 – 2026 Letter from the General Secretary**

14<sup>th</sup> February 2024

Dear Member,

Negotiations on a new public service agreement provide an opportunity to address issues of concern to members.

In doing so it is important to maintain focus on key objectives as a long list of demands on the union side allows the government side to deflect attention away from core issues.

On 27<sup>th</sup> September 2023 the Fórsa National Executive Committee (NEC) agreed four priorities for the upcoming pay talks.

- An adequate pay increase, with a particular focus on low to middle income earners, in response to the cost-of-living crisis.
- Normalisation of public service industrial relations through the repeal of relevant emergency legislation thereby restoring the position prior to the financial emergency.
- Stabilisation of any new agreement through the inclusion of a local bargaining mechanism that would allow issues affecting individual grades, groups or categories to be addressed.
- Futureproofing public services by including specific measures to address challenges to the delivery of public services over the longer term.

Later that day the Public Services Committee of ICTU, which I chair, also endorsed these priorities. On 6 November 2023 the strategy was outlined at a Fórsa Consultative Council meeting of branch representatives.

Following a preliminary phase of discussions with officials of the Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPDR), an invitation from the Minister was received inviting the sides to commence talks at the Workplace Relations Commission. This process began on 27<sup>th</sup> November 2023 and, following two periods of adjournment, proposals for a draft agreement were finalised on the morning of 26<sup>th</sup> January 2024. The Fórsa NEC met on 30<sup>th</sup> January 2024 and unanimously decided to recommend the proposed agreement to members in a ballot. This decision took into account the following considerations.



## Pay and the Cost of Living

Last April over 20,000 Fórsa members participated in a survey conducted by Ámarach. Huge numbers identified the cost of living as their top concern. Fórsa used the data in media statements and appearances. Fórsa also supplied relevant data from the survey to representatives of political parties, both government and opposition, to underline the mood of union members on the subject.

In the talks the union side focused on protecting and improving living standards after the period of high inflation. This involved looking back at the last agreement *Building Momentum*, which applied for the three years 2021-23, as well as looking ahead at the projections for inflation over the duration of any new agreement.

The Nevin Economic Research Institute (NERI) was established by trade unions to provide more balance to the discussion of economic issues. They have prepared two documents of relevance to members as they reflect on the agreement. The first is a paper '*Inflation Trends and Prospects*' which was prepared by its co-director Dr Tom McDonnell. [You can read it here.](#)

While there are different measures of inflation you can see that the two most commonly used, the Consumer Price Index (CPI) and the Harmonised Index of Consumer Prices (HICP), measured inflation at 17.3% and 16.4% respectively for the three-year period spanned by *Building Momentum*.

During 2022 the original terms of *Building Momentum* were revised meaning that most people received non-cumulative increases totalling 9.5%. Some received 8.5% if the 1% sectoral bargaining fund was used to address other issues and those on lower incomes received more. The second document shows how certain salary figures will have changed from the commencement of *Building Momentum* until the conclusion of the proposed agreement if it is ratified. [You can read it here.](#)

It is clear that members have also been mindful of government statements and measures aimed at lessening the effect of the cost-of-living crisis. Changes in relation to personal taxation announced in Budget 2023 and in Budget 2024 are estimated to have improved take home pay in the region of 2% to 4% with those on lower incomes faring less well.

The introduction of energy credits was a significant support to households. These totalled three credits of €200 each for the winter of 2022 - 23, and three credits of €150 each for the winter of 2023 - 24. However, it seems likely that these credits will not apply for future years.



While not part of *Building Momentum*, the payment of the final phase of 2% under the PSSA 2018 - 20 on the 1st of October 2020, in a year when inflation was negative, largely protected incomes against inflation during 2021.

The flat rate increases that were part of *Building Momentum* and that feature more extensively in the proposed agreement, mean that the percentage increases are greater for those on lower incomes and significantly so for those on very low pay.

It is impossible to be certain about future inflation. Few predicted the increases in prices that commenced in the middle of 2021. However, there is a large level of consensus among institutional forecasters, including our own advisors in the NERI, that price inflation will be in the range of 6.0% to 6.5% over the course of the 30 months of the proposed agreement. If this turns out to be the case the pay increases will make good losses incurred during 2022 and 2023.

The proposed agreement contains the same clause and wording in relation to a review as was the case with *Building Momentum*.

*The NEC noted that the agreement has the potential to restore living standards for workers after a period of high inflation even before the benefits arising from personal taxation changes are taken into account. For lower paid workers the agreement should mean significant gains in 'real wages'.*

### **Normalisation of Industrial Relations**

Progress at the Workplace Relations Commission was hampered by this issue. A breakthrough came when the Minister indicated that he would commit to the repeal of part of the Financial Emergency Measures in the Public Interest (No 2) Act 2009 (FEMPI), in the context of the agreement and ratification of a multi-annual pay agreement. At various times subsequently he represented this as a significant concession on his part.

The government side has committed to giving expeditious effect to this commitment. We would need to see the actual legislative measures to satisfy ourselves that the stated objective of returning industrial relations to the pre-crisis norms has been achieved. Although this won't reverse measures introduced under FEMPI it will level the playing pitch moving forward.

The proposed agreement contains a simplified dispute resolution process compared to *Building Momentum* with clearer roles for the Workplace Relations Commission and the Labour Court (or Conciliation and Arbitration schemes where appropriate).



*Overall, the NEC were of the view that there are good grounds to believe that our objectives have been met.*

### **Stabilisation**

The proposed agreement contains a local bargaining clause that provides for claims or proposals up to 3% of the payroll cost of a bargaining unit. That could be a grade, group or category.

While other cost increasing claims are precluded, this represents a significant improvement on the blanket exclusion of cost increasing claims that has been a feature of public service agreements for several years.

It is different to sectoral bargaining as defined in *Building Momentum*. There is no fund as such. It will be possible to address structural issues and work practices. Accordingly, it is the first opportunity in many years to negotiate on these issues.

Although only the first phase of any outcomes, equivalent to 1% of payroll cost, will be implemented during the lifetime of the proposed agreement, the 3% amount provides reasonable scope to make progress.

*The NEC were of the view that there is a good basis to believe that this clause can help to stabilise the agreement.*

### **Futureproofing Public Services**

The union side sought agreement on processes to address issues like accommodation pressures affecting the recruitment of key workers, international experience of re-municipalisation and insourcing, public sector involvement in four-day week trialling, and greater flexibility to assist with childcare to allow women, in particular, to participate more fully in the workforce. These ideas were rebuffed by the DPENDPDR officials who argued that they were outside the scope of the pay process. We will need to pursue them in other fora including the Labour Employer Economic Forum.

The government side approach to public service transformation was largely based on the three themes of the DPENDPDR strategy document '*Better Public Services*'.



These are :

- Digital and innovation at scale
- Workforce and organisation of the future
- Evidence-informed policies and services designed for and with our public

Many of the original positions put forward by the DPENDPDR officials were amended to include an emphasis on consultation and agreement. Nonetheless, members should take the time to consider the commitments in the proposed agreement before deciding on an attitude to it.

It is clear that in the next few years digitisation in all its forms could transform how work is carried out across the economy. This is true too in the case of the public sector. Early involvement in planning will be essential to protect the interests of the workforce. This is also the case with service delivery options where a potentially useful emphasis on union involvement in the development of a service delivery plan has been included in the proposed agreement.

Arrangements in relation to action plans and progress reports, and their linkage with compliance with the industrial peace provisions of the agreement and the pay increases within it, are akin to those in previous public service agreements.

*The NEC was of the view that members should make themselves aware of the obligations contained within the proposed agreement as they are significant. Ultimately, it felt that the provisions in relation to consultation and, in some cases, agreement, provide a structure to deal with change and reform that members would face anyway, even if there was no public service agreement in place. In such a scenario it would be necessary to employ industrial action, or the threat of it, at every stage on a case-by-case basis.*

Thank you for taking the time to read this. It is now over to you. Please exercise your right to vote. It's a simple and quick process. By participating, whatever you decide, you send a message that you care about pay and the other matters covered by the agreement. This is heard by government and other observers, and it will help our bargaining power in the future.

Yours sincerely,

Kevin Callinan  
General Secretary