

CONSTRUCTION INDUSTRY FEDERATION

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By Email - pspc.consultation@per.gov.ie

Mr David Denny
Principal Officer
Remuneration, Industrial Relations and Pensions Division
Department of Public Expenditure and Reform
Government Buildings
Upper Merrion Street
Dublin 2

Re : **Public Service Pay Commission**

Dear Mr Denny

Thank you for your letter of 28 July last in connection with the above.

We welcome the establishment of the Public Service Pay Commission and believe it is being set up at an appropriate time when the economy is continuing to show signs of improvement and the outlook is optimistic. One of the consequences of an improving economy is an increase in workers' expectations and pay demands. This is understandable in terms of the impact the recession has had on workers' tax home pay. It is also essential that quality employment and decent wages and working conditions are provided to promote increased productivity and entice workers into the economy. However, it is essential that the recovery is managed closely and prudent policies are in place to ensure we do not erode our competitive position.

With regard to the Public Service Pay Commission we would like to make the following submission:

- It is essential that pay and conditions in the public sector are not out of kilter when compared with pay and conditions in the private sector. Some consideration must also be given to relevant comparators in the Eurozone area.
- Competitiveness must remain a priority of government and any impact on our competitive position in terms of labour costs must be carefully analysed.
- Any increases in public service pay/restoration of pay must be based upon improved public services and productivity gains. Ongoing reform is required to ensure a first class service is delivered.
- Accountability, transparency and openness are essential in the deliberations of the Public Service Pay Commission.

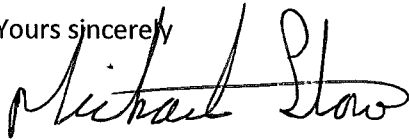


- While the full effects of Brexit have yet to be determined, we are concerned about the potential impact of Brexit on the Irish economy in terms of the exchange rate, exports, the UK going into recession, etc. This uncertainty may have a negative impact on Ireland's economy in terms of increased output and growth and this must be borne in mind when considering public sector pay.

We must aspire to improving the pay and working conditions of all Irish workers. This will have positive impacts on education, training, staff retention, productivity, etc. However, at a time when workers' expectations are rising, prudence must be exercised to ensure that public sector pay is not out of kilter with that in the private sector, any improvements in pay must be offset against ongoing reform of public services and productivity gains. Our competitive position must not be eroded, particularly when the effects of Brexit are not yet fully known.

We respectfully request that the Public Service Pay Commission take the above issues into account in their deliberations.

Yours sincerely



Michael Stone
President

