

**Department of Public Expenditure and Reform Public Consultation on the Role and
Methodology of the Public Service Pay Commission**

Department of Jobs, Enterprise and Innovation Response:

Below are our initial observations on the concept. We trust that more observations will be sought when the terms of reference and other operational details are being formalised.

Preliminary Observations

The principal function of the Public Sector Pay Commission should be to examine and make recommendations to the Minister on the appropriate level of Public Sector Pay. The Commission should make such recommendations to the Minister that are designed to set Public Sector Pay levels that are fair and sustainable, and when appropriate, are adjusted incrementally over time without creating significant adverse consequences for Government finances or the competitiveness of the economy as a whole as well as reflecting the realities of the labour market within which we recruit to the civil and public service. A three-yearly review might be appropriate but with Government's ability to accelerate or defer in light of economic circumstances. The Government should also be empowered to ask the Commission to review the terms and conditions of any public sector group(s), at its discretion, outside of the periodic public sector wide review process.

To this end, in making a recommendation regarding the appropriate level of Public Sector Pay, the Commission should be required to have regard to:

- (a) Whether the public service is attracting the skills it needs;
- (b) Any recruitment and retention difficulties for specific posts or grades;
- (c) Whether during that period:—
 - (i) Employment in the public service has been increasing or decreasing; and
 - (ii) Productivity in the public service has been increasing or decreasing.
- (d) Earnings in the private sector for appropriate comparator groups;
- (e) Performance of the economy;
- (f) Taxation, cost of living increases/decreases in Ireland and forecast inflation;
- (g) Relevant international comparisons with public sector pay

The Commission in its deliberations could consult with the Low Pay Commission about using and developing common data sets.

The Public Service Pay Commission should be an independent body which does not engage in any form of negotiations regarding the setting of public sector pay but rather offers recommendations based on facts, analysis of data and becoming informed of stakeholders' views and opinions from the submissions it will receive from interested parties. The Commission's role should not overlap or impinge on the role of the WRC or Labour Court.