

Press release

Report No. 40 of the Review Body on Higher Remuneration in the Public Sector: recommendation of an interim increase

The Review Body on Higher Remuneration in the Public Sector, which is currently examining the remuneration of top public service posts at the request of the Government, has recommended an interim increase of 7.5% for the posts and grades within the scope of its terms of reference. The Government have decided to accept the Review Body's recommendation in regard to the groups concerned and that the increase should be implemented on a phased basis, one half from 1 July 2005 and the balance from 1 January 2006.

Background

The Government decided on 12 April 2005 that the Review Body on Higher remuneration in the Public Sector should be asked to carry out a general review of the remuneration of those covered by its terms of reference and to report thereon in the second half of 2007. This timing was intended to bring the date of finalisation of the review into line with the next report of the Public Service Benchmarking Body. In addition the terms of reference asked the Review Body "as a first step to examine, as a matter of urgency, whether the remuneration of the groups covered has fallen seriously out of line with the remuneration of comparable jobs in other employments since the Review Body last reported and, if satisfied that serious anomalies or inequities exist, to recommend an interim increase to rectify them". In both reports the Review Body was "to have regard to the state of the public finances and current Government pay policy".

Conclusions of the report

The Review Body report states that, by reference to comparison with the most representative level of job size in the private sector, movements in base salaries in the private sector between 2000 and mid 2005 have significantly exceeded those applicable to the groups covered by its terms of reference. This situation is exacerbated by the growth in performance-related pay in the private sector during the same period.

The Review Body are satisfied that, without taking account of the growth in performance-related pay in the private sector, the salaries of the higher public service groups covered by the terms of reference have fallen out of line with the base salaries of comparable posts in the private sector to the extent that a serious anomaly now exists. They consider that there is a compelling case for an interim review and they

recommend an increase of 7.5%. Pending an examination of individual posts in the general review, there should be a common interim increase for all the groups coming within the Review Body's remit.

The Review Body have commented in the report on issues which they feel will be of particular importance in the general review. Specifically, they feel that there will be a need to give special attention to the issues of performance-related awards and the value of public service superannuation arrangements relative to the arrangements applying in the private sector.

Implementation

The Government have accepted the Review Body's recommendation. The Government has also decided that the increase recommended should be implemented on a phased basis, one half from 1 July 2005 and the balance from 1 January 2006. In deciding on the appropriate phasing the Government took account of the consideration that the standing terms of reference of the Review Body had provided that the Review Body should carry out a general review of the pay of those within its remit every four years and that on that basis a full Review Body exercise would have been expected to have been completed in 2004. This will not now happen until 2007.

The rates recommended by the Review Body are set out in Appendix 1. The rates applying from 1 July 2005 are set out in Appendix 2.

Numbers affected

In all about 3,300 positions are covered by the Review Body's recommendations. These include about 1,900 hospital consultants, 40 political office holders, 130 judges, 315 civil servants, 215 local authority and 100 health service officials, 500 posts in the third level education sector, 65 chief executive officers of non-commercial state-sponsored bodies and 23 top Garda and Defence Forces posts.

Cost

The cost of the full increase is about €33m a year. The cost of the first phase in 2005 is about €8.5m.

Membership of the Review Body

The members of the Review Body are

Tony O'Brien, Chairperson of Review Body

Chairman of C&C Group plc. Non-Executive Director of CRH plc. Member of the Civil Service Committee for Performance Awards. Former Chairman of Anglo Irish Bank Corporation, plc and a Past President of IBEC.

John Doherty

Employers' member of the Labour Court.

Brian Hillery

Chairman of Independent News and Media plc, UniCredito Italiano Bank (Ireland) plc and Providence Resources plc. Commissioner, National Pensions Reserve Fund Commission. Former TD and Senator. Former Professor, Graduate School of Business, UCD.

Vivienne Jupp

Global managing partner for Accenture Service Lines. Member of the Broadcasting Commission of Ireland. Board member of the UCD Smurfit Graduate School of Business. Chaired the Information Society Commission from 1996 to 2000.

Peter Malone

Director and former CEO of Jurys Doyle Hotel Group plc. Chairman of National Roads Authority, Hibernian Insurance, Business Tourism Forum and Gunne Auctioneers. Director, Ulster Bank.

Noel O'Neill

Workers' member of the Labour Court.

The Interim Report is available at www.finance.gov.ie and at www.reviewbody.gov.ie

14 July 2005.

Appendix 1

Current and Recommended rates of salary for groups covered by the standing terms of reference of the Review Body (in the case of posts in local authorities and state-sponsored bodies the rates shown are net of an employee's superannuation contribution, where applicable)

Chief Executives of state- sponsored bodies examined as part of Report No. 38 of the Review Body ¹

Chief Executives of Group A State-Sponsored Bodies

Post	Current rate	Revised Rate
	€	€
Enterprise Ireland	163,064	175,294
IDA Ireland	163,064	175,294
Forfás	163,064	175,294
FÁS	163,064	175,294
Fáilte Ireland	130,451	140,235
SFADCO	122,297	131,469
Údarás na Gaeltachta	122,297	131,469
Bord Bia	122,297	131,469
Dublin Docklands Development Authority	122,297	131,469
Bord Iascaigh Mhara	97,837	105,175

Chief Executives of Group B State-Sponsored Bodies

Post	Current rate	Revised Rate
	€	€
Irish Prison Service	138,604	148,999
Courts Service ²	138,604	148,999
Teagasc	122,297	131,469
Food Safety Authority	115,775	124,458
Health and Safety Authority	115,775	124,458
Legal Aid Board	115,775	124,458
Local Government Management Services Board	115,775	124,458
Pensions Board	115,775	124,458
Broadcasting Commission of Ireland	101,099	108,681

Civil Service

Post	Current Rate	Revised Rate
	€	€
Secretary General		
Level I	220,136	236,646
Level II	195,676	210,352
Level III	171,216	184,057
Deputy Secretary	136,972	147,245
Assistant Secretary	101,099-105,990-110,883-115,775	108,681-113,939-119,199-124,458

Comptroller and Auditor General

Current Rate	Revised Rate
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¹ Posts shown are those where a benchmarking increase did not apply.

² The current rate shown is the rate recommended in Report No. 38, increased by subsequent general increases. A higher rate is being paid on a personal basis.

€ 195,676	€ 210,352
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Local Authorities

Post	Current Rate	Revised Rate
	€	€
Managers		
Level I	148,386	159,515
Level II	125,558	134,975
Level III	115,775	124,458
Level IV	107,624	115,696
Level V	99,469	106,929
Assistant Managers	71,747-75,009-78,270- 81,531-84,792	77,128-80,635-84,140-87,646- 91,151

Garda Commissioner Ranks

Post	Current Rate	Revised Rate
	€	€
Commissioner	179,370	192,823
Deputy Commissioner	128,821	138,483
Assistant Commissioner	110,883	119,199

Defence Forces General Ranks

Post	Current Rate	Revised Rate
	€	€
Chief of Staff	163,064	175,294
Major General	110,883	119,199
Brigadier General/Commodore	101,099	108,681

Political Office Holders

Post	Current Rate	Revised Rate
	€	€
Taoiseach*	150,178	161,441
Tánaiste*	117,566	126,383
Minister and Ceann Comhairle*	101,260	108,855
Minister of State and Leas-Cheann Comhairle*	44,188	47,502
Cathaoirleach of the Seanad**	39,900	42,893
Leas-Chathaoirleach of the Seanad**	21,963	23,610

* rates shown exclude TD's salary of €87,247

** rates shown exclude Senator's salary of €61,073

Judiciary

Post	Current Rate	Revised Rate
	€	€
Chief Justice	228,291	245,413

President, High Court	211,985	227,884
Supreme Court Judge	198,942	213,863
President, Circuit Court	192,419	206,851
High Court Judge	187,529	201,594
President, District Court	141,868	152,509
Circuit Court Judge	136,978	147,252
District Court Judge	114,147	122,709

Hospital Consultants

Category I Posts	Current Rate	Revised Rate
	€	€
Psychiatrists, Geriatricians, Consultants in Palliative Care, Consultants in Midland, North Western and Western regions	154,893	166,510
Consultants in Southern, Mid-Western, North Eastern and South Eastern regions	147,099	158,131
Consultants in the Eastern region	139,729	150,209

Category II Posts	Current Rate	Revised Rate
	€	€
Psychiatrists, Geriatricians, Consultants in Palliative Care, Consultants in Midland, North Western and Western regions	138,260	148,630
Consultants in Southern, Mid-Western, North Eastern and South Eastern regions	131,300	141,148
Consultants in the Eastern region	124,777	134,135

Health Service Executive

The rates for groups within the Health Service Executive are not shown in the Review Body report since, as indicated in the report, new structures are being put in place in that organisation. However, as recommended by the Review Body the interim increase will be applied to the grades in the Health Service Executive which come within the Review Body's remit and whose salaries are determined by public service norms.

Appendix 2

Existing and Revised 1 July 2005 rates of salary for groups covered by the standing terms of reference of the Review Body (in the case of posts in local authorities and state-sponsored bodies the rates shown are net of an employee's superannuation contribution, where applicable)

Chief Executives of state-sponsored bodies examined as part of Report No. 38 of the Review Body ³

Chief Executives of Group A State-Sponsored Bodies

Post	Existing rate	1 July 2005 Rate
	€	€
Enterprise Ireland	163,064	169,179
IDA Ireland	163,064	169,179
Forfás	163,064	169,179
FÁS	163,064	169,179
Fáilte Ireland	130,451	135,343
SFADCO	122,297	126,883
Údarás na Gaeltachta	122,297	126,883
Bord Bia	122,297	126,883
Dublin Docklands Development Authority	122,297	126,883
Bord Iascaigh Mhara	97,837	101,506

Chief Executives of Group B State-Sponsored Bodies

Post	Existing rate	1 July 2005 Rate
	€	€
Irish Prison Service	138,604	143,802
Courts Service ⁴	138,604	143,802
Teagasc	122,297	126,883
Food Safety Authority	115,775	120,117
Health and Safety Authority	115,775	120,117
Legal Aid Board	115,775	120,117
Local Government Management Services Board	115,775	120,117
Pensions Board	115,775	120,117
Broadcasting Commission of Ireland	101,099	104,890

Civil Service

Post	Existing rate	1 July 2005 Rate
	€	€
Secretary General		
Level I	220,136	228,391
Level II	195,676	203,014
Level III	171,216	177,637
Deputy Secretary	136,972	142,108
Assistant Secretary	101,099-105,990-110,883-115,775	104,890-109,965-115,041-120,117

Comptroller and Auditor General

Existing rate	1 July 2005 Rate
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³ Posts shown are those where a benchmarking increase did not apply.

⁴ The current rate shown is the rate recommended in Report No. 38, increased by subsequent general increases. A higher rate is being paid on a personal basis.

€ 195,676	€ 203,014
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Local Authorities

Post	Existing rate €	1 July 2005 Rate €
Managers		
Level I	148,386	153,950
Level II	125,558	130,266
Level III	115,775	120,117
Level IV	107,624	111,660
Level V	99,469	103,199
Assistant Managers	71,747-75,009-78,270- 81,531-84,792	74,437-77,822-81,205-84,588- 87,972

Garda Commissioner Ranks

Post	Existing rate €	1 July 2005 Rate €
Commissioner	179,370	186,096
Deputy Commissioner	128,821	133,652
Assistant Commissioner	110,883	115,041

Defence Forces General Ranks

Post	Existing rate €	1 July 2005 Rate €
Chief of Staff	163,064	169,179
Major General	110,883	115,041
Brigadier General/Commodore	101,099	104,890

Political Office Holders

Post	Existing rate €	1 July 2005 Rate €
Taoiseach*	150,178	155,810
Tánaiste*	117,566	121,975
Minister and Ceann Comhairle*	101,260	105,057
Minister of State and Leas-Cheann Comhairle*	44,188	45,845
Cathaoirleach of the Seanad**	39,900	41,396
Leas-Chathaoirleach of the Seanad**	21,963	22,787

* rates shown exclude TD's salary of €87,247

** rates shown exclude Senator's salary of €61,073

Judiciary

Post	Existing rate €	1 July 2005 Rate €
Chief Justice	228,291	236,852

President, High Court	211,985	219,935
Supreme Court Judge	198,942	206,403
President, Circuit Court	192,419	199,635
High Court Judge	187,529	194,562
President, District Court	141,868	147,189
Circuit Court Judge	136,978	142,115
District Court Judge	114,147	118,428

Hospital Consultants

Category I Posts	Existing rate	1 July 2005 Rate
	€	€
Psychiatrists, Geriatricians, Consultants in Palliative Care, Consultants in Midland, North Western and Western regions	154,893	160,701
Consultants in Southern, Mid-Western, North Eastern and South Eastern regions	147,099	152,615
Consultants in the Eastern region	139,729	144,969

Category II Posts	Existing rate	1 July 2005 Rate
	€	€
Psychiatrists, Geriatricians, Consultants in Palliative Care, Consultants in Midland, North Western and Western regions	138,260	143,445
Consultants in Southern, Mid-Western, North Eastern and South Eastern regions	131,300	136,224
Consultants in the Eastern region	124,777	129,456

Health Service Executive

The rates for groups within the Health Service Executive are not shown in the Review Body report since, as indicated in the report, new structures are being put in place in that organisation. However, as recommended by the Review Body the interim increase will be applied to the grades in the Health Service Executive which come within the Review Body's remit and whose salaries are determined by public service norms.