

## **DRAFT Briefing Material for Secretary General's Appearance at the Public Accounts Committee**

### **Third Annual Progress Report of the Implementation Body for the Public Service Agreement**

- In its final report, the Implementation Body found that pay savings of almost €1 billion were achieved since the commencement of the Agreement and that the Agreement has delivered almost €1.8bn in pay and non-pay savings since the Agreement commenced.
- As well as savings, the Body also point out that the Agreement continues to deliver industrial peace.
- The Body concluded that the Agreement continued to support the delivery of reform and the implementation of changed work practises across the sectors of the public service, and that the overwhelming majority of commitments around cost extraction, reform and changed work practises have been delivered.

### **Overall assessment and conclusions of the final report of the Implementation Body**

The Agreement continued to support the delivery of reform and the implementation of changed work practices across the sectors of the public service and ample evidence of this is provided in section 3 of this Report

- The Body noted that the Agreement was in its final stage of its implementation under the existing framework. A review of the original sectoral proposals under the Agreement shows that the overwhelming majority of commitments around cost extraction, reform and changed work practices had been substantially delivered.
- Given that Action Plans have been revised on a number of occasions since the Agreement commenced, it was clear to the Body that a more substantial agenda of reform has been implemented in each sector beyond that originally envisaged at the time the Agreement was negotiated. The Body was of the view that it is important to acknowledge the co-operation shown by the parties to date in delivering these agendas and also the role played by the Department of Public Expenditure and Reform.

### **Pay and non-pay savings**

- The gross Exchequer pay bill reduced from a peak of €17.5bn in 2009 to €14.4bn (net of the Pension Related Deduction) in 2012, a reduction of almost 17.7%
- Paybill savings totalling €161m during the final 9 month review period (April–December 2012) were achieved. This equates to €214m on an annual basis. This brings the total pay savings, since the commencement of the Agreement, to almost €1 billion
- Significant non-pay or efficiency savings were also achieved. For the final review period, non-pay savings of approximately €169m have been reported to the Body, bringing the total non-pay savings reported, since the commencement of the Agreement, to approximately €847m
- Total pay and non-pay savings since the commencement of the Agreement and documented in the Implementation Body’s three annual reports amounted to €1.8 billion

### **Numbers Reduction**

- Total staff numbers in the public service have been reduced by over 29,500 whole-time equivalent posts or by 9.2% since their peak in 2008, from 320,000 to 290,500 at the conclusion of the Agreement.
- During the final review period, staff numbers were reduced by 1,500, bringing the total cumulative reduction in staff numbers since the commencement of the Agreement to over 18,700
- The pace of the reduction in staff numbers during the final review period understandably slowed significantly. This was expected given that the previous review period reflected the full impact of the departure of 8,000 staff from the public service at the end of the “grace period” for retirements (end February 2012) and the fact that the review period in question covers a shorter time period of 9 months

**[Key reforms by Sector under the Agreement are available if required]**