

Minister Howlin, TD
Minister for Public Expenditure and Reform
Department of Public Expenditure and Reform
Government Buildings
Upper Merrion Street
Dublin 2

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## PUBLIC SERVICE AGREEMENT (PSA) NEGOTIATIONS - HIGHER PAID PUBLIC SERVANTS

Dear Minister

At the continuation of the PSA negotiations over last weekend Government tabled amendments to the treatment of public servants falling into the €65K to €100K pay bracket. While the IMO has argued that there are other more effective and sustainable actions that could be taken to reduce the public sector pay bill, the proposed changes are welcome and provide a level of certainty for those employees in this pay range.

However, it was disappointing that no changes were proposed for those employees earning above €100K. This results in employees facing a tiered percentage pay reduction and a step back on their pay scale as a result in the increment freeze. A twofold reduction which will not be restored.

The Irish Medical Organisation (IMO) therefore request that further consideration is given to the treatment of senior medical doctors on earnings above €100K.

IMO members in the €100K + pay bracket have already endured significant reductions in their salary, with medical consultants now earning considerably less than their gross contractual entitlement. Additionally the imposed 30% reduction in salary for 'new entrant' consultants from 1 October 2012 will be subjected to an additional permanent reduction as a consequence of the current proposal. A new consultant, before the impact of the proposed pay reduction, will be earning less than 50% of the salary set out in their contract. The IMO would argue that this represents more than any other group in public life.

The adverse effect of the 30% reduction is already apparent in the health service with only 2 of the 46 consultant posts advertised since 1 October 2012 being filled. NCHDs are leaving the country for work overseas, many never to return which results in numerous of the brightest Irish trained doctors being lost to the health service. The IMO predict a shortage of NCHDs this year with a number of hospitals being unable to attract doctors with the consequent negative impact on patient care and the potential cutting back — or withdrawing — of services.



The IMO will continue to engage with the Department of Health and the HSE in an effort to mitigate against the potential disaster that a shortage of doctors will bring about; this is not confined to the hospital setting but also to Public Health and Community Medicine.

In the meantime the IMO believe that a restoration of pay for those earning above €100K would be a starting point to send a positive message; I cannot overstate the feedback to the IMO from members who see their profession being a target for misinformed media comment and attack by certain sections of society. Their goodwill – a key feature supporting the health service – is severely being tested.

The amended proposal for the €65K to €100K pay bracket effectively mirrored the below €65K group by way of increment freezes but with a guarantee of pay restoration. Extending this to the above €100 group would be a positive step or, as an alternative, introducing the previous conditions which applied to the €65K to €100K pay bracket to the over €100K group.

The IMO believe that failure to address the disproportionate impact on this group will be detrimental for the health service and only exasperate the shortage of senior doctors and assist North America, Australia and New Zealand health systems in attracting Irish trained doctors.

With the deadline for an agreement fast approaching your urgent attention to this matter would be appreciated.

Yours sincerely

Steve Tweed
Director, Industrial Relations