

Opening Statement



I would like to thank the Committee for your invitation to be here today. Together with my colleagues I am happy to assist you in your examination of public sector allowances in so far as they relate to the education sector.

As requested by the Committee, the Department has supplied detailed information in relation to allowances in the education sector. It might be helpful if I present an overview of this material and put a context around allowances as paid in the sector.

In its analysis, the Department of Public Expenditure and Reform took a cross-sectoral approach to allowances payable in Government Departments and state agencies. Leaving those aside, in broad terms the sector can be divided into:

- the school sector
- the institute of technology sector
- the university sector, and
- the VEC sector.

The overall pay bill inclusive of allowances for these four areas is €5.116 billion. Of this overall figure, allowances, however defined, account in aggregate for some €639 million or 12.5% of the overall pay allocation.

Allowances paid to teachers account for some €616 million or 96% of the overall amount paid as allowances in the education sector. This equates to 16% of the overall teacher pay bill of €3.83 billion. These allowances are paid in various combinations to virtually all of the nearly 58,000 teachers in the system.

Within the range of allowances paid to teachers, four are dominant in terms both of scale and amount. It might be of assistance, therefore, if I give Committee some insight into these. The four allowances in question are those payable for

- qualifications,
- substitution and supervision
- posts of responsibility, and
- 35 year service allowance.

Teachers have been in receipt of qualifications allowances since the Ryan Report on Teacher Pay in the late 1960s. In large measure, this Report used the qualification allowance as a mechanism for making recommendations in relation to teacher pay

which would avoid public service wide repercussions. Up until the introduction of a cap on the overall amount payable in December 2011 the amount of this allowance was linked to the nature of the qualification held by the teacher and ranged from €5,539 for a teacher with an honours degree and Higher Diploma in Education to €6,638 for a teacher with a Higher Diploma in Education and a doctorate. Following the introduction of the cap, the overall qualification allowance payment for new beneficiaries was restricted to €4,426. More recently and following the review of allowances, qualification allowances for new entrant teachers were abolished. As part of this measure a new pay scale is being put in place for these new entrants with a starting point equivalent to the fourth point of the existing teacher pay scale.

The origin of the allowance for substitution and supervision was the protracted industrial dispute over the period 2000 to 2002. The ultimate negotiated settlement to this dispute involved the putting in place of a new regime for the delivery of substitution and supervision with an associated allowance, which in current terms is €1,592 per annum.

Allowances paid for posts of responsibility are broadly analogous to promotion posts in other areas of the public service. Such allowances relate to four types of post namely Principal, Deputy Principal, Assistant Principal and Special Duties Post. Indeed it is very debatable if these are allowances in the commonly understood meaning of that term. That said, we will be reviewing this post structure and looking at issues such as the feasibility of a grade based structure as opposed to the current arrangement. There is no doubt that this raises issues such as the fact that a principals allowance reflects school size and that principals assume that role at different stages in their career as a teacher.

The fourth largest allowance payable to teachers is the 35 Year allowance. This becomes payable to Teachers 10 years after reaching the maximum point of the pay scale and is comparable to a long service increment, paid in many areas of the public service.

Within teaching there are a range of other allowances and the details have been provided to the Committee. Outside the teaching area there is a very wide spectrum of allowances principally in the university and institute of technology areas. These are payable across a wide spectrum and at €22 million, they account for 1.7% of the €1.29 billion total pay bill for those sectors.

The Committee will have in its possession the various business cases advanced by the Department as part of the review of allowances conducted by the Department of Expenditure and Reform. In addition the material provided by the Department provides further detail in relation to the categories of allowances grouped by business

case as requested by the Committee. These categories are, in turn, disaggregated in a more detailed spread sheet provided for the assistance of the Committee.

Following the review of allowances, the Government has approved a number of measures relating to public service allowances for new beneficiaries. In terms of the teaching profession, the impact of the Government decision will apply to new entrant teachers only. The Department will shortly issue Circulars giving effect to the Government decision.

Allowances already paid to currently employed teachers are not directly affected by the Government decision. However, the Department of Public Expenditure and Reform has recently directed that line Departments should open negotiations with individual union groups in relation to the removal of certain allowances from current beneficiaries. The process, which is one of negotiation, has commenced. This process will involve the examination of over 80 allowances currently paid in the education sector. There are in excess of 12,000 beneficiaries of these allowances in the education sector, with an approximate annual cost of €16 million.

As I mentioned we will be happy to assist the Committee in answering to the best of our ability any questions you may wish to put to us or indeed in making available any supplementary information not currently provided.

Thank you