



MEDIA RELEASE

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Public sector performance pay a recipe for disaster

Premier Mike Baird is reported as telling a Sydney conference that he has earmarked performance pay for the public sector should he be re-elected in March 2015, in a move the Public Service Association of NSW (PSA) believes will create inequity and nepotism while further undermining the independence of the public service¹.

“On the back of the restrictive Senior Officer contracts that are currently being rolled out, whereby employees can be sacked for no stated reason, the move towards performance pay will further undermine the public service,” said Acting PSA General Secretary, Steve Turner.

“Only those who provide advice that is acceptable to their employer will be rewarded with better pay. The frank and fearless advice provided by public servants and the vital role they play as community watchdogs which was highlighted in the recent ICAC hearings will die.

“Performance pay will destroy equity with people doing the same job receiving differing rates of pay. Jeff Kennett introduced performance pay in Victoria as did John Howard and it resulted in the higher paid receiving more and the lower paid getting nothing.

“Premier Baird further indicated that he wants to elevate the public sector in NSW as an employer of choice. As far as the PSA is concerned, if the public sector is not currently seen in that light the Government only has itself to blame.

“The only reason for the public sector not to be seen as an employer of choice is due to the treatment by the NSW Government, with cuts to pay, jobs and conditions. This on-going attack could not have gone unnoticed by the broader community.

“The PSA has been arguing since the Government introduced its 2.5% public sector pay cap which restricts wage increases to below the inflation rate, that it will be impossible to attract quality people to the sector with productivity and increased performance going unrewarded.

“In fact, the NSW Government has spent an enormous amount of money over the past twelve months fighting for a reduction in that wage cap.

“Now the Premier says that he wants to invest more in the people who work in the public service but do so under the existing restrictive 2.5% policy.

“NSW had an industrial relations system that was not only fair but the envy of every state in the country. It was underpinned by an independent umpire, the Industrial Relations Commission.

“This Government came to power and set about dismantling that system and stripping away the ability of the Commission to hear matters that related to productivity.

“The PSA calls on the NSW Government to restore evidence driven pay rises based on productivity not favouritism,” Mr Turner said.

¹ *Sydney Morning Herald*, 17 July 2014. Page 15