



**ONE THING I HAVE NOT HEARD LIAM DORAN TALK ABOUT
(And the private hospitals like to keep quiet too)**

In recent weeks Liam Doran the head of the Irish Nurses Organisation (INO) has been in the news almost on a daily basis. Not only has he been speaking for the nurses but he has also become the main spokesperson for the 24/7 frontline services alliance, a group of public sector unions that has come together to fight against pay cuts in the public sector. Here is what he said in a recent Irish Times Opinion piece:

The Government should not reduce the pay of gardaí, firemen or nurses, extraordinary public servants who are already contributing to our recovery,

Liam is fighting the view expressed by many commentators that public sector workers need to have their remuneration reduced as part of the need to tackle the budget deficit.

The Government itself led the charge as Minister after Minister came out and constantly affirmed that the country was not getting value for money from its public services. They are supported by private sector employer bodies and some economists, who condemn every public servant and promote the myth that all are on huge salaries and contributing very little to Irish society.

Liam believes that public sector workers have already done their part in tackling the budget deficit by accepting the pension levy.

last April the Government introduced the pension levy, in effect an average 7.5 per cent pay cut for public servants. This had the effect, for example, of leaving a public servant on €31,000 per year, almost €200 a month worse off while their more experienced colleague, on €45,000 per year, is almost €350 per month worse off

In the article these quotes have been taken from he does not explain what he thinks should be done to tackle the financial problems of the country but I presume that he agrees with the Irish Congress of Trade Unions (ICTU) view that there should be further tax increases that would be concentrated on high earners. ICTU appears frustrated by the possibility that as things stand there is unlikely to be any additional significant tax increases in the coming budget.

I do not intend to get into a major debate as to whether existing tax rates are fair. This is a very difficult discussion because it is not black or white. All I know is that we need a dynamic private sector and I know that tax influences potential entrepreneurs but I am going to leave the debate as to whether the public sector unions' tax policies would hurt the private sector to another day.

What I do want to talk about and what is black and white is something that in at least the last ten years of observing Liam Doran I have never heard him talk about. The

thing I am referring to, the thing that I think he should highlight is the difference in remuneration between nurses in public and private hospitals.

Nurses in Irish private hospitals receive total remuneration that is lower than public sector hospitals and the main source of that difference comes down to pension arrangements.

Nurses in public sector hospitals are part of defined benefit pension plans but nurses in private hospitals are part of defined contribution plans.

It is only fair to point out that a defined contribution plan could be as good as a defined benefit plan if enough money is put into the plan but the one thing that I know for sure is that private sector hospitals are not putting in anything near to what is required to make the plans equivalent. In one private hospital as part of recent cutbacks they have gone to a 0% contribution rate. Yes you read that right my wife works in a private hospital where they currently make absolutely no contribution to her pension. If only she could pay 13% of her salary to get the guaranteed pension that her public sector equivalents are receiving.

A large number of nurses in private hospitals are members of the INO but I have never heard Liam making this a major issue.

The INO have made a major issue out of defending existing pension arrangements in the public sector. They have argued that the current arrangements are affordable (again that is a contentious debate that I will leave to another day) but they have not fought for defined benefit pensions in private hospitals or tried to make private hospitals make contributions that would attempt to make the two more equal.

I do not know why Liam has chosen to stay quiet on this issue. I hope that at a minimum he knows and understands the issue because if he doesn't it suggests a degree of incompetence that is quite scary.

I guess that a more likely explanation concerns an unwillingness to acknowledge that public sector workers do receive remuneration that is greater than in the private sector. Public sector unions have contradicted the ESRI reports that have made this case. They have tried to confuse the debate by questioning the methodology and by using specific examples of low paid workers in the public sector that in an absolute sense are not well remunerated.

If Liam Doran acknowledged that private sector nurses are worse off than if they were in the public sector well then it would undermine a central part of the wider union argument.

Luckily for Liam private sector nurses are fewer in number and do not seem to understand the extent to which they are losing out on their pensions. In fact the private sector hospitals do their best to keep this issue quiet as well. The last thing these private sector hospitals want is to have to pay more into staff pensions so they play the game of saying that they pay rates that are equivalent to the public sector and because basic pay is generally similar they are not telling lies, they are just being economical with the truth!

Nurses are no different to many people I know, they hate the confusing terminology that has made pensions a far too complicated area. By the time they realise what has happened it will be too late and they will end up having to live off not much more than the state contributory pension or whatever pension their spouses may have.

If Liam acknowledged this reality for many of his own members in the private sector he would find it harder to write the following:

The alliance recognises the severity of the problems facing this country. It is made up of very ordinary people, doing extraordinary jobs. Our members have families they want to care for and provide future opportunities for happy and prosperous lives in this country. So the alliance will continue to play its part in the country's recovery.

He would have to admit that the evidence suggests that the public sector will have to do a little bit more to play its part in the country's recovery.

In conclusion I want to say that I hope some journalist or television presenter will highlight this issue because I believe that the prudent thing to do at the moment is to cut the budget deficit and I believe that public sector remuneration cuts should be part of the way we achieve it.



Liam Doran