

PSC CIRCULAR

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PSC Circular No. 23/2006

To : Chief Executive Officers
and Heads of Departments

File: 29/74/45

Subject: The 2006 Partnership Framework
Agreement between Government
and the Public Service Unions covering
the Years 2005-2007

Date: 27/06/06

1.0 INTRODUCTION

- 1.1 A Partnership Framework Agreement (hereinafter referred to as the “Agreement”) was signed by the Government, the Public Service Commission, and the Public Service Unions. The Agreement is attached as Appendix A1 and A2. This Circular briefly explains the background, objectives, principles and the components of the Agreement.
- 1.2 The Agreement is implemented through individual Memorandum of Agreement (hereinafter referred to as the “MOA”) signed between the Public Service Commission and each of the six (6) Public Service Unions, namely, the Fiji Public Service Association (FPSA), Fiji Nursing Association (FNA), Fiji Teachers Union (FTU), Fijian Teachers Association (FTA), Public Employees Union (PEU) and Viti National Union of Taukei Workers (VNUTW).
- 1.3 To ensure sustainability, the implementation of the Agreement including the payments for the Cost of Living Adjustments (COLA) and Merit Pay (MP) are to be staggered over the years from 2006 to 2008, as agreed by the partners. However, the schedule of staggered payments is yet to be finalized by the parties and confirmed by the Ministry of Finance and National Planning. The proposed schedule is at section 6.0 below .

2.0 THE PARTNERSHIP – OBJECTIVES AND PRINCIPLES

(A) Objectives

- 2.1 This Partnership Agreement launches a new era of cooperation between the Government of the Republic of the Fiji Islands representing the people of Fiji, the Public Service Commission under section 142 of the 1997 Constitution as the employer, and the Public Service Unions representing the employees, over matters of

common interests affecting working conditions and continued improvement in performance and productivity in the Public Service. The Agreement sets out important areas for future cooperation with the strategic objective of ensuring industrial harmony and the transformation of Fiji's Public Service into:

- a professional organization which recognizes that its most important assets are the men and women who make up its ranks, and which is committed to developing the ability and talents of its employees through continuous learning;
- a professional organization that is dedicated to serving the Government and the country with commitment and competency, with responsibility and accountability, with a higher focus on performance and achieving results, and with strict adherence to the rule of law and other principles of good governance;
- a service organization that is dedicated to serving the people with diligence, reliability, fairness and honesty, and with respect for their rights, needs and aspirations; and
- a work environment free from discrimination, where there is adequate and equal opportunity for all, irrespective of ethnicity, culture, gender or socio-economic background, and which places a high value on performance, competency, and continuous self-development and improvement through life-long education and training.

(B) Principles

2.2 Mutually agreed Principles and Guidelines for policies and standards in the Public Service

1. *Employment practices are based on the following principles:*

- a. Appointments are made on merit after an open competitive selection process;
- b. Appointments are made without patronage, favouritism or political influence;
- c. Appointments are based on merit made without discrimination on the grounds of ethnicity, religion, gender or socio-economic backgrounds; and
- d. Composition of the Public Service reflects as closely as possible the ethnic composition of the population, taking account, where appropriate, of occupational preferences.

2. *A reward and remuneration and recognition system based on the following principles:*

- a. In order to attract people with talent and commitment, and to eradicate corruption and dishonesty, the Public Service has to offer salaries and wages that are fair and realistic for the value of the work to be undertaken;
- b. Salaries and wages are to reward individual effort and performance, and annual review is to be under a system to be agreed to by the parties for application from 01/01/08;
- c. In close coordination with Ministries/Departments, the Public Service Commission will adopt a pro-active stand on in-service training and other human resources development programmes to encourage continuous professional self-development, with recognition for higher relevant qualifications and job related skills and knowledge. In this, men and women equally, and all members of all ethnic groups, are to be given adequate and equal opportunities; and
- d. Outstanding service to the community and to the nation will be recognized in the annual Civil Service Excellence Awards Scheme and in national honours under the Order of Fiji.

3. *Responsibility to the Government:*

- a. The Public Service is fully accountable within the framework of the Constitution, the Public Service Act 1999, the Finance Management Act 2004 and other relevant laws, to the Government, the Parliament and the people of the Fiji Islands;
- b. The Public Service is responsible to the Government in providing frank honest comprehensive accurate and timely advice, and in implementing Government policies and programmes;
- c. Government policies and programmes are to be carried out effectively and efficiently, and with due economy; and
- d. The Public Service is to serve the government and the people with the highest ethical standards, for integrity and honesty, commitment to the rule of law, and professionalism and accountability.

4. *Services to the people:*

- a. All public officers are to avail themselves to serve the public in the most efficient and helpful manner, and always with respect, courtesy and decorum;
- b. In all their dealings with the public, all Public Officers are to be open, honest and fair, without regard for a person's ethnicity, cultural or socio-economic background;

- c. All Public Officers are at all times, under obligation to respect the rights of the people, to be sensitive to their needs and aspirations, and to be considerate and helpful in advising and directing them;
- d. Public Servants are to be ever conscious of the importance of giving citizens the best possible value for money.

3.0 BACKGROUND

- 3.1 The Partnership Agreement was borne out of the concern by Government over the continuing escalation in the cost of public service salaries and wages with little or no substantive gains by way of tangible results and improved performance and productivity.
- 3.2 Government had initiated and negotiated the Partnership Agreement with the Public Service Unions to resolve pending industrial relations issues, reintroducing an Industrial Relations Framework (2005-2007) and establishing a platform for a long term cooperative relationship amongst the partners for the betterment of the public service.

4.0 THE PARTNERSHIP AGREEMENT

- 4.1 The Partnership Agreement addresses those immediate pending individual issues, reintroduces a multi-year industrial relations framework and puts in place a mechanism for constructive consultations in dealing with medium to long term issues affecting the public service.

- 4.2 Specifically, the Agreement provides for the following:

- (i) **to resolve all pending industrial relations issues of an immediate nature namely:**

- a. *the future of the Performance Management System (PMS);*
- b. *the Arbitration Awards Nos: 52-57 of 2005;*
- c. *Union's 2003 Log of Claim; and*
- d. *Job Evaluation Exercise – Negotiation and implementation.*

- (ii) **To conclude a longer-term Industrial Relations Framework for 2006 to 2008 covering the period 2005-2007 on the following issues:**

- a. *System of annual pay review appropriate for Fiji's Public Service; and*
- b. *Improving and promoting higher productivity through incentives such as scholarships, in-service training, work attachments, etc. for continuous learning and skills development and appropriate pay for higher professional qualifications and professional scarce skills.*

- (iii) **To foster a long-term and continuous cooperation among the three stakeholders in the following specific areas:**

- a. *to improve the standards and quality of services to the people, and restoring public trust and confidence in the Public Service;*
- b. *to eradicate corruption and uphold civil service values and code of conduct, as set out in the Constitution and the Public Service Act 1999;*
- c. *to review and reach an agreement on a simplified and more relevant and objective performance based appraisal and more relevant and objective performance based appraisal system;*
- d.(i) *to control and stabilize the overall cost of the Public Service, so as to release more resources to improve the service to the people and for stimulating increased private sector investment; [for the PSU] or*
- d(ii) *to contribute to the reform programs being undertaken in the Public Service; [for the CPSU]; and*
- e. *develop long term cooperative arrangements in other areas or aspects of the Public Service.*

5.0 THE INDIVIDUAL MEMORANDUM OF AGREEMENT (MOA) AND INDUSTRIAL RELATIONS FRAMEWORK (IRF) (2005 -2007)

- 5.1 Job specific industrial relations issues are covered under the individual Memorandum of Agreement or MOA signed between the Public Service Commission and each of the six Public Service Unions.
- 5.2 The MOA basically operationalizes the Partnership Agreement. The main component of the MOA is the Industrial Relations Framework (IRF) which settles in full the Unions' Log of Claims for 2005 and also covers the years 2006 and 2007.
- 5.3 The IRF (2005-2007) consist of the following items :
 - a 2% across-the-board payment from 1st January 2006 to all Public Officers and Government Wage Employees in the Public Service as full and final settlement of the 2003 Log of Claims;
 - full implementation of Arbitration Awards No.s 52-57 of 2005;
 - no recoveries made for those officers on salaries of \$17,501 and above who were paid the 2% one-off payment in 2004 and the 3% COLA payment in 2005, in excess of the rates of payments stipulated in Award Nos: 52-57 of 2005;
 - a 2% payment to all public officers and government wage earners in lieu of PMS/Merit payment for PSU and CPSU members; and
 - a 4% across-the-board payment be effected to all Public Officers and Government Wage Earners as the sole basis for the annual pay review for each

of the three years of the Industrial Relations Framework (IRF) from 2005-2007.

6.0 STAGGERED PAYMENTS

6.1 Due to the substantial cost of the Partnership Agreement, the parties or partners agreed that the implementation of the Agreement should be undertaken in phases and payments staggered over three years from 2006 to 2008.

6.2 Schedule of Payments

	Industrial Relations Issues	Payment Date
1	The full implementation of Awards Nos: 52-57 of 2005 paid to all eligible Civil Servants and Government Wage Earners. The 2% one-off payment made in 2004 and the 3% COLA payment made in 2005 is to be taken as part payment of the Awards.	1 st June 2006
2.	A 2% across-the-board PMS/Merit payment be built into base salary and paid w.e.f. 01/01/05	24 th August 2006
3	Implementation of the revised work-related and reimbursable allowances, w.e.f: 01/01/05	August 2006
4.	A 4% 2005 IRF across-the-board payment be built into base salary and paid w.e.f. 01/01/05	December 2006 or January 2007
5.	A 2% across-the-board payment to all Civil Servants and Government Wage Earners in the Public Service as full and final settlement of the 2003 Log of Claims w.e.f. 01/01/06	2007
6.	A 4% 2006 IRF across-the-board payment be built into base salary and paid w.e.f: 01/01/06	2007
7.	Full implementation of the Job Evaluation Exercise (as agreed after current negotiations).	2007
8.	A 4% 2007 IRF across-the-board payment be built into base salary and paid w.e.f. 01/01/07	2008

7.0 MODALITIES OF IMPLEMENTATION

7.1 The parties agreed to establish a Joint Committee to be chaired by the Public Service Commission with other members consisting of the Chief Executive Officer, Ministry of Finance and National Planning and Chief Executive Officer Ministry of Public Enterprises and Public Sector Reforms and the Solicitor General, together with two representatives (General Secretaries) from each of the relevant Public Service Unions. The Joint Committee shall be the responsible for the following: -

1. To undertake a comprehensive study of the current pay review system and to implement this effective from 01/01/08; and
2. To consider any issues that would arise from the Agreement and MOAs.

8.0 CLARIFICATION

- 8.1 Any clarification may be obtained from Mrs. Losana Ravuso Principal Employee Relations Advisor, Employee Relations Division, on telephone number 3314-588, extension 246 or email address: lravuso@govnet.gov.fj



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