



MINISTERIAL STATEMENT

By:

The Honourable David G. Burt, JP, MP

Premier of Bermuda

Successful Negotiations with Government's Largest Union Partners

30th June, 2023

Mr. Speaker, I rise today to share the outcome of successful negotiations with our largest Union partners.

Mr. Speaker, Honourable Members will recall the Government of Bermuda has seven Collective Bargaining Agreements and/or instruments that set out conditions of employment with six Union partners or Associations representing around 4,400 or so public officers.

Mr. Speaker, most Agreements expired in 2020 and included a survival provision. Negotiations commenced in 2022 with all partners except the Bermuda Police Association.

Mr. Speaker, the Government modified its approach to these negotiations and moved away from a dedicated Public Sector Negotiating Team (PSNT) that consisted exclusively of private sector representatives to advance its interests and instead instituted a hybrid-approach. That is, the Government appointed private sector Chairs to represent its interests and teamed them with senior technical officers who were **not** members of the Unions they were required to negotiate with under the direction of the Chairs.

Mr. Speaker, the hybrid-approach addressed the issue of conflict of interest by vesting the leadership in the Government appointed private sector representatives and supported the position that public officers should not be charged with negotiating their own Agreements. This revised approach also addressed the Unions' concerns that the private sector partners were not suitably conversant with the nuances of the Service and were therefore were not sufficiently empowered to make operational decisions affecting the Agreements. It was the Unions' view that the old PSNT model frustrated the process and lengthened the time at the table.

Mr. Speaker, the Unions' views on this matter were particularly important as these views were the outcome of consultation on negotiations process following the 2017 round of negotiations. This form of consultation and the Government's commitment to enhance the process was pivotal in setting the initial tone for what proved to be a harmonious round of negotiations.

Mr. Speaker, negotiations concluded in May 2023 with Bermuda Industrial Union (BIU) and the Bermuda Public Services Union (BPSU) (for general staff), and in June 2023 with the Bermuda Union of Teachers (BUT).

Mr. Speaker, Honourable Members will already be aware of the Government's initial position on the thorny issue of pay. The Budget Statement recognized that "public officer had gone two years without pay increases and continue to provide services under difficult circumstances". Further, "that the increases that have been projected in fiscal years 2024/25 and 2025/26 will be able to provide an uplift in salaries for public officers."

Mr. Speaker, the Budget Statement further asserted "salary increases for the near term will have to be funded by efficiency savings that exceed budget targets, and we will request our public officers and our union partners to work with us to identify and implement those savings."

Mr. Speaker, as expected, our Union partners argued passionately against withholding a cost of living increase based on the rising cost of living. The partners acknowledged the payroll tax reductions for officers falling within the lower end of the forty eight thousand dollars to ninety six thousand dollars tax band would benefit their members resulting in an increase in their take home pay; and the Government accepted that those at the higher end of the band and in the other categories would not enjoy the same benefit.

Further, **Mr. Speaker**, the Government also accepted that successive years with no cost of living increase has meant government employee salaries have not kept pace with inflation.

Mr. Speaker, the Government committed to good faith bargaining and following a fulsome review and many exchanges the parties reached a wages and salaries agreement. First with the BIU followed by the BPSU and ultimately the BUT.

Mr. Speaker, while the conditions associated with each agreement may vary, I am pleased to report to this Honourable House, the principal wages and salaries agreement reached resulted in the following:

- a. 2020/21 – 0% increase
- b. 2021/22 – 0% increase
- c. 2022/23 – 2.25% increase plus \$700 ex gratia payment; and
- d. 2023/24 – 2.25% increase

Mr. Speaker, in an environment where the global trend during the period of these extended negotiations saw strikes and other forms of industrial action all around the world, this Government is pleased that we were able to remain at the table and reach a compromise position that was ultimately accepted by all parties void of any form of industrial action.

Mr. Speaker, this Government is proud of the strong bond we have established with our Union partners, one that sees us meet on a quarterly basis under the banner of the Bermuda Trade Union Congress to address common issues affecting government employment and wider economic issues. A relationship where we sometimes agree to disagree but work through matters in the best interest of Bermuda as evidenced with the latest round of negotiations.

Mr. Speaker, collective bargaining remains a work in progress with The Bermuda Public Service Unions for Principals and the Fire Services Association. I can report that negotiations between the Government of Bermuda and the Prison Officers Association has been referred to the Department of Labour for conciliation.

Mr. Speaker, during this month of June government employees have been awarded their negotiated uplift and a payment schedule has been set out that will see employees receive their back-pay prior to the end of July 2023. In fact, the Bermuda Industrial Union members have already received their emoluments.

Mr. Speaker, the total cost to the Government in back pay, ex-gratia payment, and increases for employees represented by the three Unions is estimated to be in the region of \$19.4M, that is \$4.4M for BIU member employees; \$13.1M for BPSU member employees and \$1.9M for BUT member employees. Identifying the funds to support the new agreement has been a challenge however the Government is determined to ensure its cost of living increase commitment falls within the existing budget allocation for fiscal 2023/24.

Mr. Speaker, I take this opportunity to thank our Public Sector Negotiating Team Chairs - Ms. Jocene Harmon, Mr. Stephen Todd, Mr. Richard James and latterly Mr. Andrew Parsons who recently replaced Mr. James to continue with those uniformed officer negotiations that remain in progress. Additionally, thanks is extended to those senior officers who accepted the challenge of adding the negotiations function to their already taxing workload. The countless hours of preparation and negotiations requires a significant commitment and so I would be remiss if I did not recognize their contributions.

Thank You Mr. Speaker.