

The Secretary,
The Labour Court,
Lansdowne House,
Lansdowne Road,
Dublin 4

6 February 2019

RE: Notice of Intention to Conduct an Examination into Terms and Conditions in the Construction Sector pursuant to section 15 of the Industrial Relations (Amendment) Act 2015 and Notice of Intention to Conduct an Examination into Terms and Conditions in the Electrical Contracting Industry pursuant to section 15 of the Industrial Relations (Amendment) Act 2015

Dear Secretary,

On behalf of our member companies, the Small Firms Association (SFA) would like to thank the Labour Court for this opportunity to formally submit our response on the examination of the terms and conditions relating to remuneration and any sick pay scheme or pension scheme applying to workers in the Electrical and Construction Contracting sector.

The SFA proudly represents a diverse membership of businesses with less than 50 employees, homegrown and spanning every sector of our economy. Our members are found in every town and every city in Ireland. Its mission is to deliver business-focused advice and insights to member companies, influence government policy to the benefit of small businesses and connect its members in a thriving community. As a number of our members work in the Construction and Electrical sector it is in that capacity that we make this submission.

Service Providers

Many service providers employ tradesmen to undertake work on a standalone basis or as sub-contractors for larger contractors in differing locations at any time, and such organisations fall under this examination. Due to the high demand for tradesmen on building sites across the country, service providers are finding it difficult to compete against these labour rates, and to retain and attract tradesmen. It should be acknowledged that, service providers also offer permanent stable employment to retain their staff and ensure they can upskill further.

The SFA calls on the Labour Court to be conscious of the different types of construction and electrical businesses who will be affected by the proposed changes to the terms and conditions relating to remuneration and any sick pay scheme or pension scheme applying to workers in the Electrical or Construction Contracting sector.

Rates of numeration including basic pay and travel time

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Directors: Paraic Curtis, Pat McCann, Larry Murrin, Alastair Blair, Edel Creely, Gerry Collins, Frank Gleeson, Cathriona Hallahan, Anne Heraty, Brian MacCraith, Patrick Manley, Eugene McCague, Danny McCoy, Francesca McDonagh, Liam O'Donoghue, Tony Smurfit, Siobhan Talbot, Kevin Toland

The SFA acknowledges that the Irish economy is doing well on the back of growing employment, wages and incomes. Nevertheless, many of our members have reported that many sectors are facing more difficult periods in the months ahead due to Brexit uncertainty and a weak Sterling. It is vital that pay is appropriate, competitive and affordable whilst also considering the cost of living. Inflation was only 0.5% last year and the overall cost of living is the same as it was in 2008. There are however, two differing trends underlying this. The price of services continues to rise while the price of goods continues to fall. However, as some prices are rising while others are falling, the cost of living for some people may have increased more than others if they consume more of the items that are experiencing inflation.

Wage pressures arising from rising employee's personal costs including housing, health and childcare are a result of failures of public policy over many years, it is entirely unreasonable to expect individual employers including small firms, to bear the cost of these.

At the time of writing this submission it is still unclear what agreement on Brexit will be reached. If there is a no-deal outcome, there should be no increase in pay.

The SFA does not recommend the inclusion of a travel allowance in a Sectoral Employment Order at this time and supports the Labour Courts recommendation as outlined in the previous SEO based on the following:


"The Court finds that differences in pay and conditions of employment for workers in similar circumstances based simply on geography is not a proper basis for inclusion in a Sectoral Employment Order"

Pension Contributions

The SFA recognises the importance of the Government's ambition to build a sustainable pensions system for the future, and the work being undertaken by the Department of Employment Affairs and Social Protection to introduce a mandatory universal retirement savings scheme by 2023. Therefore, the SFA does not recommend any changes to the current pension contributions at this time.

For further information please contact Elizabeth Bowen on 01-6051626 or email elizabeth.bowen@sfa.ie.

Best regards,



Sven Spollen-Behrens

SFA Director