



Association of Electrical Contractors (Ireland)
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The Secretary
The Labour Court
Lansdowne House
Lansdowne Road
Dublin 4.

25th June 2021

REF: Labour Court Electrical SEO Submission

Dear Secretary,

On Behalf of the Association of Electrical Contractors Ireland (AECI), I wish to make a submission regarding a proposed Sectorial Employment order for the Electrical Contracting industry.

By way of background, I wish to confirm that AECI represents approximately 200 Electrical Contractors in Ireland who currently employ approximately 2300 Electricians and Apprentices.

In principle AECI supports the concept of an SEO for the Electrical Contracting industry.

The basis of this support is that such an agreed SEO would be the sole agreement for our industry and that the agreed SEO would set out the terms and conditions relating to all Electricians and Apprentices employed within the Electrical industry. Our support for an SEO is dependent on this point and we the AECI again point out that we are not party to any other "National Collective agreement" other than the previously agreed 2019 SEO which we were involved in agreeing.

To be clear AECI is not prepared to support or adhere to any other secondary agreements or National Collective Agreements other than an agreed SEO.

Please note that in general AECI would support the wording and content of the previously agreed (2019) SEO on the basis that no further conditions are attached to same and that due recognition is taken of the recent Supreme Court judgement regarding that agreement. It is also our position that in order to achieve an agreement that is acceptable to all employers and employees within the industry, due consultation and consideration should take place with all Employer representatives in the Electrical industry.

The caveat with our support for the SEO, lies within the definition of the Economic Sector, which must include all Electricians working for Electrical Contractors, Facility Companies, Agencies, out of State Companies and others to be determined.

The policing body must be in a position to monitor this SEO or the Sector will fall back to a free for all. The AECI would like to stress that under the SEO we are willing to agree a rate of pay that can be adjusted accordingly up or down depending on rate of inflation and the markets.

It is AECl's belief that an SEO is desirable in the electrical contracting sector for the following reasons:

- It is a normal and desirable practice to have terms and conditions relating to remuneration, pensions and sick pay in the electrical contracting sector. The two main employer bodies, i.e. the ECA and AECl, have traditionally entered into agreements with CONNECT Trade Union on rates of pay and terms and conditions of employment. These three organisations were parties to the previously agreed SEO for the electrical contracting sector. Since the Supreme Court Judgment in the McGowan case, the parties continued to meet under the auspices of the ENJIC / WRC to discuss issues relevant to the sector. The last agreement reached by ECA, AECl and CONNECT Trade Union on hourly rates of pay for electricians and apprentices was in 2019.
- The SEO in the electrical contracting sector which sets legally binding rates of pay and provides for pensions and sick pay will undoubtedly promote harmonious relations between employers and workers in the sector.
- The SEO will provide a means for the orderly resolution of disputes concerning remuneration and pensions/sick pay and other employment law issues. A means of resolving disputes in an orderly fashion is essential to ensure projects are completed on time and within budget.
- The SEO will provide certainty as it will establish rates of pay for a minimum of one year.
- The current tendering process whereby electrical contractors tender to the principal contractor for work has contributed to intensifying competition between contractors. The SEO would set legally binding rates which would eliminate the opportunity to erode employment conditions as a means of securing projects.
- Employment levels in the sector are determined by the level of work available. As the economy continues to recover there will be a greater need for new entrants. A sector that provides good quality employment, with reasonable and sustainable rates of pay and conditions of employment will entice new entrants into the apprenticeship system.
- It has been a feature of the industry that contractors from outside the State, with a lower cost base, enjoy a competitive advantage over Irish electrical contractors. The SEO will ensure that all electrical contractors, including those from outside the State, can tender for work on a level playing field.

The Terms which AECl would agree on are as follows:

- 1) Pensions
Employers to provide access to pensions in accordance with Government legislation
- 2) Rates of pay
AECl would agree to a 2% rate increase.
Any future proposal re: rates must be agreed by all.
New SEO to include pay rates for 3 grades of electricians, not based on time served.
- 3) Travel time
Under no circumstances will we agree to pay travel time

Notes:

AECl reserve the right to put any final agreement to their Membership to be ratified. Lead in time for implementation of any agreement must be a minimum of 6 months and not before January 2022.

In summary, an SEO that provides decent, sustainable and realistic remuneration, pensions and sick pay will benefit the electrical contracting sector insofar as:

- The SEO will promote harmonious relations between employers and their workers.
- The SEO will provide certainty in terms of labour costs for a minimum of one year.
- The SEO will provide stability in terms of dispute resolution procedures. This will entice investment as clients will have the confidence in the sector's ability to deliver a project without unnecessary delays due to industrial action.
- The SEO which establishes realistic and sustainable rates of pay will serve to attract bright, young people into a sector which is forecasted to grow.
- The SEO will ensure investment in new technologies, training, health and safety, etc., thereby raising the standard of electrical contracting in Ireland.
- The SEO will make the sector more attractive to investors, both nationally and internationally.

Conclusion

In principle, AECI supports the establishment of an SEO. The Association is supportive of realistic and sustainable rates of pay, pensions and sick pay for electricians and apprentices in the electrical contracting sector by encouraging further education progression routes to achieve further qualifications. The Association believes the SEO will contribute to raising standards in the sector, thereby enticing further investment. This in turn will not alone increase employment but ensure that quality employment is being provided.

Chris Lundy



Executive Secretary
AECI

