

Mechanical Engineering and Building Services Contractors Association



Submission in Respect of a Sectoral Employment Order in the Mechanical Engineering and Building Services Contracting Sector

September 2022

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INTRODUCTION

In April 2022, Connect Trade Union and Unite the Union jointly applied to the Labour Court under s.14 of the Industrial Relations (Amendment) Act 2015 to request the Court to examine the terms and conditions relating to the remuneration and pensions/sick pay scheme of craftworkers and apprentices in the Mechanical Engineering and Building Services Contracting Sector.

The Mechanical Engineering and Building Services Contractors Association (MEBSCA) is a trade Association affiliated to the Construction Industry Federation (CIF). While there may be differences between the unions and the Association as to the content of an SEO, the Association is supportive in principle of an SEO setting out terms and conditions of employment for mechanical workers.

In accordance with s16(7) of the Industrial Relations (Amendment) Act 2015, MEBSCA is seeking an amendment to the current SEO (Mechanical Engineering Building Services Contracting Sector) 2018 (SI No 59 of 2018).

MEBSCA comprises of approximately 65 contractors nationally, and the Association collectively employs approximately 3,500 craftworkers and apprentices in the sector. The Association has traditionally negotiated rates of pay and terms and conditions of employment with Connect Trade Union and Unite the Union. These two unions represent plumbers, pipefitters and welders employed by our members. Until 2013, these workers were covered by the previously Registered Employment Agreement and, since its introduction in March 2018, are now covered by the SEO in the Mechanical Engineering and Building Services Contracting Sector.

Together with providing good hourly rates of pay, pensions and sick pay for mechanical workers, the first SEO in the sector in 2018 provided certainty to contractors with regard to labour costs when tendering for projects. Labour costs account for approximately 40% of the cost of a project. Therefore, a mechanism to ensure that contractors can compete for work on a level playing field with regard to labour costs is essential in a sector where competition for work is intense.

The first SEO in the sector was introduced in March 2018. Labour costs have risen in the intervening period due to growth in the sector. An amended SEO is required to reflect current terms and conditions of employment to ensure the benefits of the system, for both employers and workers, can be maintained.

This submission can be read in three parts as follows:

- **Part 1**

Chapter 3 of the Industrial Relations (Amendment) Act 2015 places an onus on interested parties to address specific issues. These issues are addressed in Part 1.

- **Part 2**

This part of MEBSCA's submission sets out the views of the Association on:

- o the requirement for pensions, death-in-service and sick pay for mechanical workers.
- o The Association's opposition to the inclusion of travel allowances in an amended SEO. Additionally, the Association is opposed to any increase which the trade unions may seek in the allowance currently being paid.

- **Part 3**

This part of the MEBSCA's submission sets out the amendments MEBSCA is seeking to the current Order.

PART 1

INDUSTRIAL RELATIONS (AMENDMENT) ACT 2015

1. SECTION 15

s15(1) Where the Court receives a request under section 14 it shall not undertake an examination in accordance with this section unless it is satisfied that-

1.1 Section 15(c)

“it is normal and desirable practice, or that it is expedient, to have separate terms and conditions relating to remuneration sick pay schemes or pension schemes in respect of workers of the particular class, type or group in the economic sector in respect of which the request is expressed to apply”

MEBSCA Submission

An SEO in the Mechanical Engineering and Building Services Contracting Sector is desirable for the following reasons:

The SEO applies to the following workers in the sector:

- Plumbers
- Pipefitters
- Qualified plumbers and pipefitters who have acquired additional or advanced welding qualifications and who are required to operate as welders on a day-to-day basis
- Apprentice plumbers and pipefitters

It is normal and desirable practice to have terms and conditions relating to remuneration, pensions and sick pay applied to the above-mentioned workers working in the mechanical contracting sector. These workers are currently covered by the terms of the Sectoral Employment Order (Mechanical Engineering Building Services Contracting Sector) 2018.

From the late 1960s up until 2013, the terms and conditions of employment for workers in this sector were covered by the REA for the general construction industry, with a higher rate payable to mechanical workers in recognition of additional skills attained. In 2013, the Supreme Court declared that Part 3 of the Industrial Relations Act 1946 was unconstitutional, with the effect that all REAs in existence at that time were struck out. However, MEBSCA continued to negotiate with Connect and Unite on rates of pay and terms and conditions of employment for mechanical workers to provide certainty and stability for both contractors and workers in the sector. The first SEO in the sector was introduced in 2018.

1.2 Section 15(d)

“any recommendation is likely to promote harmonious relations between workers of the particular class, type or group and their employers in the economic sector in respect of which the request is expressed to apply.”

MEBSCA Submission

An SEO in the mechanical sector which sets legally binding rates of pay, pension and sick pay contributions, will contribute substantially towards ensuring harmonious relations between employers and workers in the sector. Workers in the sector move from employer-to-employer as work dictates. An SEO will ensure that all workers, regardless of employer, will be entitled to the same terms and conditions of employment.

- An SEO provides a mechanism for resolving disputes in an orderly manner without recourse to industrial action. A legally binding disputes resolution procedure is essential in a sector that employs substantial numbers of workers.
- MEBSCA members carry out work on the majority, if not all, of the sites associated with the large multi-national firms investing in Ireland. These sites employ large numbers of mechanical workers. A means of resolving disputes in an orderly manner is essential to ensure that firms who are considering investing in Ireland can do so in the knowledge of good industrial relations practices. Clients in the sector are reassured that a disputes resolution procedure is in place to deal with any issues that may arise.

2. SECTION 16

2.1 Section 16(2) (a)

“the potential impact on levels of employment and unemployment in the identified economic sector concerned”

MEBSCA Submission

Employment levels in the sector are determined by the level of work available. As the economy grows, there will be a greater need for new entrants. A sector that provides good quality employment, with decent and sustainable rates of pay and conditions of employment will entice new entrants into the apprenticeship system.

New workers will be required to meet the targets set out in the National Development Plan, the Housing for All scheme and the Climate Action Plan.

The absence of legally binding rates of pay and conditions of employment will provide those contractors from outside the State with a lower cost base with a competitive advantage over Irish mechanical contractors. An SEO will ensure that all mechanical contractors, including those from outside the State, can tender for work on a level playing field. This is particularly important for contractors operating in the border counties who face competition from Northern Irish firms.

An SEO that sets legally binding rates of pay and conditions of employment will ensure that the current high levels of employment in the sector can be maintained.

2.2 Section 16(2)(b)

“the terms of any relevant national agreement relating to pay and conditions for the time being in existence”

MEBSCA Submission

The mechanical sector operates within the wider construction industry. Two SEOs were signed into law towards the end of 2021 – one in the general construction/civil sector, and the second one in the electrical sector. These SEOs provide for increases in pay to relevant workers as follows:

1 February 2022	2.8%
1 February 2023	2.8%

Due to the collapse of a Labour Court hearing on an application by Connect Trade Union and Unite the Union to amend the current mechanical Order in February 2022, the trade unions and MEBSCA reached agreement at the WRC on increases in pay as follows:

29 April 2022	2.8%
1 January 2023	2.8%

(see Appendix 1).

The agreement reached at the WRC reflects the increases in pay which craftworkers in other sub-sectors of the construction industry are entitled to under the respective SEOs that apply.

2.3 Section 16(2)(c)

“the potential impact on competitiveness in the economic sector concerned”

MEBSCA Submission

The tendering process, whereby mechanical contractors tender to the principal contractor for work, contributes to intensifying competition between contractors. The absence of legally binding terms and conditions for mechanical workers employed by mechanical contractors would undoubtedly lead to an erosion of the quality of employment conditions in the sector as competition between contractors to win work intensifies. Where intense competition for work exists, the cost of investing in training is critically examined by employers. An SEO that sets legally binding rates eliminates the opportunity to erode employment conditions as a means of securing projects.

Activity in the sector will increase to meet the targets set out in the National Development Plan, Housing for All and the National Climate Action Plan. Investment in new technologies, training and health and safety will be required to ensure the sector can continue to deliver a high-quality product. Where labour is taken out of competition, investment in new technologies and training provides contractors with a competitive advantage when tendering for work.

2.4 Section 16(2)(d)

“the general level of remuneration in other sectors in which workers of the same class, type or group are employed”

Rates of pay for craftworkers employed by Local Authorities are based on a scale of 13 points (see below). These rates are subject to increases based on a revision of *Building Momentum* which is currently being voted on by union members:

	Start	Mid-Point	Top
Local Authorities (as at 1 October 2021)			
Craftworker	€17.00	€19.23	€19.89

2.5 Section 16(4)

“The Court shall not make a recommendation under this section unless it is satisfied that to do so-

(a) Would promote harmonious relations between workers and employers and assist in the avoidance of industrial unrest in the economic sector concerned, and

(b) Is reasonably necessary to-

- (i) promote and preserve high standards of training and qualification, and*
- (ii) ensure fair and sustainable rates of remuneration*

MEBSCA Submission

There are substantial numbers of workers employed in the mechanical engineering sector. These workers are employed by large, medium and small contractors in the industrial, commercial and residential sectors. National and international clients will continue to invest in a sector where they have confidence that a mechanism exists that assists in the resolution of any disputes that may arise.

An SEO sets legally binding rates of pay, pensions and sick pay for workers in a particular economic sector. Ensuring that all mechanical workers are entitled to the same rates of pay, and terms and conditions of employment will promote harmonious relations between the workers and their employers.

The setting of legally binding rates of pay creates a level playing field, and in turn eliminates the opportunity to erode employment conditions as a means of undercutting a competitor and securing a project.

Where minimum labour costs are set for every contractor in the sector, contractors must look to gain a competitive advantage elsewhere when tendering for projects. This will lead to investment in new technologies, training and health and safety.

PART 2

SUBMISSION ON (A) PENSIONS, DEATH-IN-SERVICE AND SICK PAY, AND (B) TRAVEL ALLOWANCES

1. PENSIONS, DEATH-IN-SERVICE AND SICK PAY

Prior to the striking down of the REAs in 2013, it was a statutory requirement for workers in the mechanical sector, aged between 20 and 65, to be registered in a pension and sick pay scheme. Since the introduction of the current SEO in the sector in March 2018, the mandatory provision of pensions and sick pay has been restored for mechanical workers. MEBSA is supportive of the inclusion of these schemes in an SEO, as an income upon retirement, as well as payment for absence due to illness, is undoubtedly beneficial to the workers concerned. Due to the transient nature of the industry where workers move from site-to-site and employer-to-employer on a regular basis, it is essential that pension and sick pay schemes are transferable.

We have set out on pages 13 and 14 of this submission, the amendments the Association is seeking on pensions and sick pay in the current SEO (Mechanical Engineering Building Services Contracting Sector) 2018.

2. TRAVEL ALLOWANCES

MEBSA is strongly opposed to travelling allowances being included in an SEO for the following reasons:

Background

- Mechanical workers were covered under the previously Registered Employment Agreement for the Construction Industry. That agreement provided for travel allowances in the urban areas of Dublin, Cork, Limerick, Waterford and Galway. Outside of the Dublin City area all other travel agreements were conditional. There was no provision for travel allowances outside the urban areas.
- In 2011, when the industry was in the midst of a very severe recession, agreement was reached between MEBSA, Connect Trade Union and Unite the Union to incorporate the first hour of travel into the hourly rate.
- MEBSA members continued to pay travelling allowances after the REAs were struck out by the Supreme Court in 2013.

SEOs

- The SEO provides a mechanism for setting remuneration, pensions and sick pay for all workers in a sector on a national basis. The REA provided for travel allowances in the urban areas only. To include travel allowances in an SEO would place an undue financial burden, and in many cases an unsustainable burden, on contractors located outside the urban areas, where travel was never paid in the past.

- Travel allowances were not provided for in any SEO introduced since 2017, namely:
 - o The first SEO in the construction sector, introduced in 2017
 - o The current SEO in the mechanical sector, introduced in 2018
 - o The second SEO in the construction sector, introduced in 2019
 - o The SEO in the electrical sector, introduced in 2019
 - o The SEO in the construction sector in 2021
 - o The SEO in the electrical sector in 2021
- The mechanical and electrical sectors are closely linked, and many mechanical contractors also operate in the electrical sector. To include travel allowances in an amended SEO in the mechanical sector would undoubtedly lead to knock-on claims in the electrical sector.
- The provision of a travel allowance in an amended SEO would also lead to knock-on claims in the general construction sector.
- To include travel allowance in an amended SEO in the mechanical sector would lead to industrial unrest in the wider construction industry.
- To introduce sector-wide travelling allowances now would result in significant costs and place an undue financial burden on mechanical firms. This is particularly the case for firms who are not members of MEBSCA.
- The current practice in the industry is that many contractors pay a subsistence allowance/country money, tax free, to workers who are transferred to sites which are over 20 miles from the contractor's base. This payment is €182 approx. (tax free) per week and is made in accordance with Revenue Commissioner Guidelines.

2.1 INCREASE IN TRAVEL ALLOWANCE

- MEBSCA members are firmly opposed to any increase in what is already being paid.
- In 2019 the unions served a claim on MEBSCA members for an additional hour's travel. One hour's travel equates to a pay claim of approximately 13%. This claim was simply unsustainable and was rejected by MEBSCA.

The claim was referred to the Labour Court and a Labour Court hearing took place on 13 August 2019. At that hearing, the unions confirmed that they were also seeking the inclusion of travel allowances, including an additional hour's travel, in an amended SEO in the mechanical sector. A hearing into the unions' SEO application was scheduled to take place on 11 November 2019.

At the hearing on 13 August 2019 the unions advised the Court of their intention to also pursue their claim for an additional hour's travel through the SEO legislative process. The hearing was adjourned pending the outcome of that process.

For a number of reasons, the application for an amended SEO in the mechanical sector was withdrawn by the unions in February 2022.

- The same circumstances exist today as in 2019 i.e. the unions are simultaneously pursuing a claim for travel/increases in travel through the SEO legislative process and the Industrial Relations Acts. In accordance with the SEO legislative process, the Court will shortly set a date for a hearing into the unions' current application on the mechanical SEO. A Labour Court hearing into the unions' claim for the "Introduction of Travel Time Payment" – reference C-166495-22 / CD/22/148 – is listed for hearing on 28 September 2022.

It appears that the unions are again attempting to "ride two horses at once". MEBSCA respectfully submits that the position adopted by the Labour Court in 2019 in similar circumstances is also adopted at this juncture.

- Since the travel allowance clause was first introduced in the previously registered employment agreement, the urban areas have become much more accessible with improved infrastructure and transport links.
- Since the current mechanical SEO was introduced in 2018, hourly rates of pay have increased as follows:
 - o 2.7% in September 2019
 - o 2.7% in September 2020
 - o 2.8% in April 2022
- Travel allowances are based on hourly rates and, therefore, an increase in hourly rates automatically results in an increase in travel allowances.
- The rate of pay for newly qualified mechanical workers is 20% higher than the craft rate set out in the Construction Sector SEO, with the top rate being approximately 25% higher. MEBSCA members simply cannot afford further increases on top of what has already been agreed on pay. To recommend a further increase in labour costs in the form of travel would put mechanical companies significantly out of line with other workers in the industry.
- To increase what is already being paid by MEBSCA, and include this allowance in the SEO, would result in unsustainable costs for mechanical contractors, particularly those who are not members of MEBSCA.

PART 3

SUBMISSION ON AMENDMENTS TO SECTORAL EMPLOYMENT ORDER (MECHANICAL ENGINEERING BUILDING SERVICES CONTRACTING SECTOR) 2018 S.I No 59 of 2018

MEBSCA sets out below the amendments the Association is seeking to the current Order.

1. PAY AND PAY CATEGORIES

MEBSCA requests that the current Order be amended so as to delete the following:

Category 1	€22.73
Category 2	€23.33
Category 3	€23.60
The following rates of pay shall apply to apprentices employed in the sector: -	
Apprentice Year 1	33.3% of Category 1 hourly rate of pay
Apprentice Year 2	50% of Category 1 hourly rate of pay
Apprentice Year 3	75% of Category 1 hourly rate of pay
Apprentice Year 4	90% of Category 1 hourly rate of pay

MEBSCA requests that the current Order be amended so as to substitute the above deleted rates with the following rates:

a) Rates of pay applicable from date of amended SEO:

Category 1	€24.64
Category 2	€25.17
Category 3	€25.59
The following rates of pay shall apply to apprentices employed in the sector:	
Apprentice Year 1	40% of Category 1 hourly rate of pay
Apprentice Year 2	50% of Category 1 hourly rate of pay
Apprentice Year 3	70% of Category 1 hourly rate of pay
Apprentice Year 4	85% of Category 1 hourly rate of pay

b) Rates of pay applicable from 1 January 2023:

Category 1	€25.33
Category 2	€25.87
Category 3	€26.31
The following rates of pay shall apply to apprentices employed in the sector:	
Apprentice Year 1	40% of Category 1 hourly rate of pay
Apprentice Year 2	50% of Category 1 hourly rate of pay
Apprentice Year 3	70% of Category 1 hourly rate of pay
Apprentice Year 4	85% of Category 1 hourly rate of pay

Notes on above

- a) MEBSCA is requesting the Court to delete the hourly rates in the current Order and substitute these rates with the agreement recently reached with the unions on pay (Appendix 1).
- b) With regard to MEBSCA's request to amend the apprentice relativities, MEBSCA is firmly of the view that a re-balancing of apprentice rates is required for the following reasons:
- i. Increasing the 1st year hourly rate from €8.21 to €9.86 will help to entice apprentices into the sector, together with increasing weekly pay for current first years.
 - ii. 3rd and 4th year apprentices currently earn €18.48 and €22.18 per hour respectively. These rates are close to the craft rate with the result that there is little incentive for 3rd and 4th year apprentices to complete exams in a timely manner. MEBSCA proposes a reduction in the percentage relativity between 3rd and 4th year apprentices.

The above rates to apply to new 3rd and 4th year apprentices. These rates will continue to provide good wages while at the same time incentivising these apprentices to complete their apprenticeship.

2. NORMAL WORKING TIME AND UNSOCIAL HOURS PAYMENTS

- a) MEBSCA requests that the current Order be amended so as to delete the heading (and only the heading) titled "**Other Hours Worked**" and replace it with **Overtime Payments**. The heading "overtime payments" more accurately explains the payments set out.

- b) MEBSCA requests the current Order be amended so as to include the following:

Special Late Starts / Shift Allowance

Where for specific projects, hours are required to differ from those set out at "Normal Daily Working Hours" above, the following rates should apply:

Where starting time is before 1pm	8 hours at time plus a quarter
Where starting time is after 1pm	8 hours at time plus a third

3. PENSIONS

- a) MEBSCA requests that the current Order be amended so as to delete the following text and tables in the section headed "**Pensions**" as follows:

"A worker to whom this Sectoral Employment Order relates shall be entered by his or her employer into a pensions scheme the terms of which, including both employer and employee contribution rates, shall be no less favourable than those set out in the Construction Workers Pensions Scheme.

The minimum pension and death in service scheme contribution rates for employers and workers shall be set out at the following levels:-

Pension Contribution

<i>Employer Contribution</i>	<i>Worker Contribution</i>	<i>Total Combined Employer and Worker Contributions</i>
<i>€5.32 per day to a maximum of €26.63 per week</i>	<i>€3.52 per day to a maximum of €17.76 per week</i>	<i>€8.84 per day to a maximum of €44.39 per week.</i>

Death In Service Contribution

<i>Employer Contribution</i>	<i>Worker Contribution</i>	<i>Total Combined Contribution</i>
<i>€1.11 per day to a maximum of €1.11 per week</i>	<i>€1.11 per day to a maximum of €1.11 per week</i>	<i>€2.22 per day to a maximum of €2.22 per week</i>

- c) MEBSCA requests that the above deleted text be substituted with the following text:

Pensions

Every employer employing workers to whom the Order applies must have in place a pension scheme that provides pension benefits for each employee covered in the Order.

The minimum pension and death in service scheme contributions rates for employers and workers shall be set at the following levels:

Pension Contribution

<i>Employer Contribution</i>	<i>Worker Contribution</i>	<i>Total Combined Employer and Worker Contributions</i>
€5.73 per day to a maximum of €28.65 per week	€3.82 per day to a maximum of €19.10 per week	€9.55 per day to a maximum of €47.75 per week

Death in Service Contribution

<i>Employer Contribution</i>	<i>Worker Contribution</i>	<i>Total Combined Contribution</i>
€1.17 per day to a maximum of €1.17 per week	€1.17 per day to a maximum of €1.17 per week	€2.34 per day to a maximum of €2.34 per week

Pension Contribution rates to increase on 1 January 2023:

<i>Employer Contribution</i>	<i>Worker Contribution</i>	<i>Total Combined Employer and Worker Contributions</i>
€5.84 per day to a maximum of €29.22 per week	€3.90 per day to a maximum of €19.48 per week	€9.74 per day to a maximum of €48.71 per week

4. SICK PAY

- a) MEBSCA requests that the current Order be amended so as to delete the following text:

“A worker to whom this Sectoral Employment Order relates shall be entered by his or her employer in a sick pay scheme the terms of which, including both employer and employee contribution rates into the scheme shall be no less favourable than those set out in the Construction Workers Sick Pay Scheme.”

- a) MEBSCA requests that the current Order be amended so as to substitute the above deleted text with the following text:

Every employer employing workers to whom the Order applies must have in place a sick pay scheme for each employee covered in the Order.

Notes on Above

- MEBSCA is not seeking to amend the contribution sick pay contribution rates set out in the 2018 SEO.

5. APPENDIX 1 OF CURRENT ORDER

- a) MEBSA requests that the current Order be amended so as to delete the following text in clause 6 of Appendix 1:

“Bodies that are representative of both employers and unions involved in the Sector must appoint the members of the SEO pension scheme trustee. The constitution of the Trustee Board should also include representatives of both employers and employees in the Sector.”

- b) MEBSA requests that clause 10.2 “Relevant Pension Contributions” in the current Order be amended so as to delete the following:

“Employers and their employees working in the construction sector and related industries (the Sector) must contribute to an SEO pension scheme.”

- c) The above deleted text to be replaced under clause 10.2 with the following:

Employers and their employees working in the mechanical engineering sector must contribute to an SEO pension scheme.

SUMMARY

1. MEBSCA is supportive of maintaining an SEO in the sector and is requesting the Court to amend the current Order to reflect current pay and conditions in the sector.
2. An SEO that provides fair and sustainable remuneration, pensions and sick pay will benefit the mechanical sector insofar as:
 - i. An SEO will ensure contractors can tender on a level playing field with regard to labour costs.
 - ii. An SEO will promote harmonious relations between employers and workers in the sector.
 - iii. An SEO will provide certainty with regard to labour costs for a minimum of one year.
 - iv. An SEO will provide stability in terms of dispute resolution procedures. This will entice investment into the sector as clients will have the confidence in the sector's ability to deliver a project without unnecessary delays due to industrial action.
 - v. An SEO that establishes fair and sustainable rates of pay will serve to attract bright, young people into the sector.
 - vi. An SEO will encourage contractors to invest in new technologies, training, health, and safety etc., in order to gain a competitive advantage.
 - vii. An SEO will make the sector more attractive to investors, both nationally and internationally.
3. Contractors cannot afford any increase in labour costs above what has already been agreed with the unions. The hourly rates quoted in this submission reflect an increase in pay of 2.8%, effective from 29 April 2022 and a further increase of 2.8% on 1 January 2023. The agreement on pay between MEBSCA and the unions that was reached at the WRC in February 2022 states the following:

“the parties agree that the amended basic hourly rates will be reflected in a Sectoral Employment Order to be sought by the parties”.

(Appendix 1)
4. The above percentage increases set out in this submission are in line with increases awarded to workers covered by the general construction SEO and the electrical SEO.
5. The construction industry generally is experiencing huge uncertainty due to global economic factors. To include rates, and increases in rates, above what is set out in this submission, and in the agreement reached with the unions at the WRC, would place an unsustainable financial burden on employers in the current environment.

6. The Association requests the Court to amend the apprentice percentages to entice young people to consider a career in the mechanical sector and to incentivise those who have almost completed their apprenticeship to work towards passing their exams.
7. We request that the current Order be amended to provide for increases in pension contributions in line with increases in pay.
8. The dispute resolution procedure contained in the current SEO should remain unchanged.
9. Travel allowances should not be provided for in the SEO. The effect of a travel allowance in areas where it has never been paid would impose unsustainable costs on contractors that cannot be recovered. Additionally, it would lead to knock-on claims in other sectors in the industry.

CONCLUSION

In the intervening period between the striking down of the REAs in 2013, and the introduction of the first SEO in the mechanical sector in 2018, contractors from outside the State, with a lower cost base, enjoyed a competitive advantage over Irish mechanical contractors. The loss of a mechanism to set legally binding pay and conditions for mechanical workers also had a negative impact on employment levels, training, standards and fair rates of pay for workers in the sector.

The current SEO was introduced in 2018 and restored order to labour costs in the sector. It is over four years since this SEO was introduced and labour costs have increased in the intervening period. An amended SEO is required to reflect current terms and conditions of employment to ensure that all mechanical contractors, regardless of origin, can tender for work on a level playing field. An amended SEO will benefit those contractors operating in the border counties in particular.

END

APPENDIX 1

AGREEMENT REACHED AT WRC BETWEEN MEBSCA & UNITE & CONNECT IN FEBRUARY 2022



An Coimisiún um Chaidreamh san Áit Oibre
Workplace Relations Commission

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C- 166271-22

15 February 2022

Mechanical Engineering and Building Services Contractors Association / UNITE / CONNECT

Following conciliation under the auspices of the Workplace Relations Commission the following proposal was agreed for recommendation by the parties

PAY

- 2.8% increase to apply from 29th April 2022
- 2.8% increase to apply from 1st January 2023
- Pay Deal to conclude 31st December 2023

The parties agree that the amended basic hourly rates will be reflected in a new sectoral employment order to be sought by the parties. The unions commit to submit an application to the Labour Court for an SEO by 1st April 2022

PENSION

- The pension contribution rates of 1st October 2020 to be increased by 2% from 29th April 2022
- A further 2% increase in contribution rates to apply from 1st January 2023

TRAVEL TIME

The parties agree that the issue of travel time will be the subject of a section 26(1) referral to the Labour Court and will not, at this time, be part of the sectoral employment order process.

If any part of this proposal is rejected by either party, the offer, in its entirety is withdrawn and deemed not to have been tabled.

Yours Sincerely

Damien Cannon

Regional Manager

Conciliation Advisory and Mediation Service

workplacerelations.ie