

Review of Apprenticeships and skills

Introduction:

My name is Andrew Smith and I am the Deputy General Secretary of (BATU) The Building and Allied Trades Union.

BATU represent Bricklayers, Tilers, Stonemasons, Carpenters, Wood machinists, and Allied Trades.

We have been in existence since 1670 in one form or another and have looked after Apprentices since the days of indenture.

I started my own apprenticeship in 1978 in ANCO Tallaght, and my family have been in the trade as far back as we can go.

I have worked as a bricklayer, taught part time in Bolton Street DIT, and as a contractor for a number of years before I was asked to consider being a Union organiser.

I started with BATU full time in 2004 and sit on the Construction Industrial Committee of the ICTU,

I am a trustee of the Construction Workers Benevolent Fund and Health Trust; I sit of the Health and Safety Committee of the ICTU and was an adviser on the Solas Tiling Apprenticeship Review Board.

Information on Apprenticeships and Trades

As the committee are aware Ireland has begun to recover from one of the worst economic periods in the State's history.

The construction industry has felt the full force of this and as a result tens of thousands of jobs were lost, many of these jobs were skilled trade's people who will never return to the industry. This is borne out in the figures released in a report carried out by (Behan, Burke, Condon, Mc Naboe & Shally, 2016). The number of unemployed trade's people for the various trades is as follows,

Carpentry, there are currently 3100 registered as unemployed, many more have left their preferred trade or immigrated.

Bricklaying, there are currently 1600 registered as unemployed, again, many more have left their preferred trade or immigrated.

Painting and Decorators, once again over 2100 currently registered as unemployed.

During the so called Celtic Tigers years the number of Apprentices were at an all-time high, in 2005 the number of bricklaying new apprentices was 599 (FAS annual report 2005) but by 2015 only 26 young people became apprentices bricklayers. (SOLAS, 2015)

Plastering, in 2005, there were 278 new apprentices (FAS, annual report 2005), but over the 3 year period of 2010-2013 only there were only 13 new plastering apprentices (FAS, 2013), and in 2015 only 7 new plastering apprentices (McMahon and O'Brien, 2016).

As with most construction trades, young people WILL NOT take up an apprenticeship.

Why being an apprentice is a mugs game.

The construction industry in Ireland today is not a place any young person should work in, not because of the hard work, or the casual nature of the work or any of the other traditional reasons but because the industry today has become an unregulated industry and yes the Government are fully aware and complicit in this.

Today, many main contractors who traditionally employed workers directly on their sites no longer do, they use agency workers and sub-contractors, they have in fact become management companies who are micro managed by accountants.

Sub-contracting is nothing new, but the way it is carried out today is, a sub-contractor tenders for the bricklaying contract on a site, during the Celtic Tigers years he would employ bricklayers directly on a PAYE basis, this meant the bricklayer would be paid, holiday pay, travel pay, sick pay, pension and redundancy.

They would get all the Terms and Conditions of Employment under Irish law.

Today the sub-contractor forces the bricklayer to be self-employed and work on an ERCT, this means the bricklayer is stopped 20% of his wages as tax, but because he is not classed as an employee, he does not get any rights or protections, he will not get any notice regardless of the duration of his employment, he will not get social welfare payments, and when he retires from this industry he will not get a pension from the State without been means tested, as he has been classed by the subbie as self-employed (in 2012 Revenue went online and allowed the employer to classify the workers tax status, the only safe guard was that Revenue would write to the worker informing them of their Tax class, most workers never received these letters as the subbies making mistakes with their addresses were common, and any who complained were sacked.)

I mentioned earlier that the Government were complicit in this practice so now let me back up that statement.

The Nevin Economic Research Institutes paper on Bogus self-employment shows a loss to the exchequer of over €80 million a year from Bogus self-employment, the Trade Union movement has brought this to the attention of the Government, but they have failed to act.

SCOPE

The Department of Social Protection has a section called SCOPE,

Appendix A:

Code of Practice for Determining Employment or Self-Employment status of Individuals.

1.1 Functions of Scope Section

The functions of Scope Section are to give decisions and information on the insurability of employment in accordance with the law.

Scope Section deals with employers and employees, or their representatives, who may apply to have an employment investigated to make sure that the correct class of PRSI is applied. Social Welfare Inspectors (SWIs) may also identify cases during the course of their inspection work which warrant investigation by Scope Section. Insurability cases may also arise during the course of claims processing. The Department of Enterprise, Trade and Employment, whose Redundancy and Insolvency legislation is tied into insurability under the Social Welfare Acts, may also request confirmation of insurability. Where there is a doubt, the case will be formally decided by a Deciding Officer (DO) in Scope Section.

SCOPE are not in a position to do their work as the Irish Government has relocated most of their inspectors or removed them, a number of cases put to the SCOPE section have still not been heard after 18 months and as you are well aware if you are on a building site the job is finished by then or the subbie well gone.

I myself and colleagues from other unions have contacted SCOPE to investigate sites where we witnessed forced bogus self-employment, SCOPE told us they had not the inspectors to investigate these sites and in fact were back logged by more than nine months.

Registered Employment Agreement (REA)

In 2013, the REA for the construction industry was found to be unlawful, as a result the rates of pay, travel time, overtime, pension, etc. are gone. We are currently trying to put together an SEO Sectoral Employment Order for the industry but that is not yet in place. This leaves the industry even more open to abuse, most of the subbies I mentioned earlier are coming from the North of Ireland, there the wages are very low, but so is the cost of living, this makes it very attractive for the workers to work on sites in the Republic where they can undercut the local workers who could not afford to work on the below minimum rates.

As you are aware Irish workers have high mortgages and the cost of living is relative to our wages, many of our workers are working abroad while the few jobs available are going to the North.

This also has a negative effect on our economy as a lot of the money put into state projects leaves our economy and the taxes and spending power are lost.

In the short term this looks like a good deal to the state as they get their schools etc built way under budget, but in the long term it means our people do not have jobs, debts they can't pay, and money leaving the State never to return.

Recommendations

If we are to get the Construction Industry to return to be an attractive place for young people to work and to become apprentices we need to do the following without delay.

1. Give SCOPE the inspectors to do their job.
2. Guarantee PAYE employment for all apprentices.
3. Get an SEO and an REA for the industry that all sides can live with.
4. Put in place large fines for any sub-contractors who force an employee into Bogus self-employment and limit sites to one subcontractor for each trade.
5. Insure workers coming from outside the State pay their taxes here and are employed on a PAYE basis. (Level the playing field.)
6. Let apprentices get further education as an option while doing their apprenticeship, level 6, 7 and where possible give them access to the Higher Education Access Route (HEAR) for third level places.
7. Finally, locate the DIT's where they are needed to serve the apprentice population.

If you are serious about getting Apprentices, end treating construction workers as Second Class Citizens, then and only then will you see young people returning, as I said it can be a mugs game and Irish young people are not mugs.

I wish you well with your endeavours on behalf of current and future apprentices.