



Labour Relations Commission Annual Report 2013



Labour Relations Commission

Annual Report 2013

**Presented to the Minister for Jobs, Enterprise, and Innovation
Mr Richard Bruton, T.D.**

in accordance with Section 27(3)
of the Industrial Relations Act, 1990

including the Commission's audited accounts for 2012 and
the un-audited accounts for 2013



Abbreviations and Acronyms

ACAS	Advisory, Conciliation and Arbitration Service	ILO	International Labour Organization
ADR	Alternative dispute resolution	IMF	International Monetary Fund
AIB	Allied Irish Banks	IMO	Irish Medical Organisation
CIDT	Construction Industry Disputes Tribunal	IR	Industrial Relations
CIPD	Chartered Institute of Personnel Development	IRN	Industrial Relations News
CRO	Case Resolution Officer	ICT	Information and Communications Technology
CSO	Central Statistics Office	IVEA	Irish Vocational Education Association
C&V	Community and Voluntary organisation(s)	JIC	Joint Industrial Council(s)
CWU	Communications Workers union	JLC	Joint Labour Committee(s)
DAA	Dublin Airport Authority	LRC	Labour Relations Commission
DB	Defined benefit (pension scheme)	LETB	Local Education and Training Board
DJEI	Department of Jobs, Enterprise and Innovation	LRA	Labour Relations Agency
EAT	Employment Appeals Tribunal	NACE	Statistical Classification of Economic Activities in the European Community
ECB	European Central Bank	NCHD	Non-consultant Hospital Doctor
ECJ	European Court of Justice	NEET	Not in Employment, Education or Training
ERIR	Employment Rights and Industrial Relations	NEES	National Employment and Entitlements Service
ERO	Employment Regulation Order	NERA	National Employment Rights Authority
ERS	Early Resolution Service	NIS	National Internship Scheme
ESB	Electricity Supply Board	OPW	Office of Public Works
ESRI	Economic and Social Research Institute	PMDS	Performance Management Development System
ETB	Education and Training Board	PNA	Psychiatric Nurses Association
EU	European union	PSA	Public Service Agreement
FÁS	Foras Áiseanna Saothair (Irish Training and Employment Authority)	REA	Registered Employment Agreement
FDI	Foreign Direct Investment	RCS	Rights Commissioner Service
FRS	Financial Reporting Standard(s)	SEAI	Sustainable Energy Authority of Ireland
FEMPI	Financial Emergency Measures in the Public Interest	SI	Statutory Instrument
FMCS	Federal Mediation and Conciliation Service	SIPTU	Services, Industrial, Professional, and Technical union
GPS	Global Positioning System	SME	Small and Medium Enterprise(s)
HRA	Haddington Road Agreement	TD	Teachta Dála (Member of the Irish Parliament)
HSE	Health Service Executive	TEEU	Technical Engineering and Electrical union
ibec	Irish Business and Employers Confederation	VEC	Vocational Educational Committee
IBOA	Irish Bank Officials' Association	WRC	Workplace Relations Commission
ICT	Information and communications technology	WTO	World trade Organisation
ICTU	Irish Congress of Trade Unions		

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Mission Statement

“ To promote the development and improvement of Irish industrial relations policies, procedures and practices through the provision of appropriate, timely and effective services to employers, trade unions and employees.”



Function

The Commission carries out this mission by providing the following specific services:

- an industrial relations Conciliation Service
- an industrial relations Advisory Service
- a Workplace Mediation Service
- a Rights Commissioner Service
- assistance to Joint Labour Committees and Joint Industrial Councils in the exercise of their functions

The Commission undertakes other activities of a developmental nature relating to the improvement of industrial relations practices including:

- the review and monitoring of developments in the area of industrial relations
- the preparation, in consultation with the Social Partners, of codes of practice relevant to industrial relations
- industrial relations research and publications
- organisation of seminars and conferences on industrial relations and human resource management issues

Members and Officers of the Commission



Board and Chief Executive of the Labour Relations Commission 2013

Standing left to right:

- **Iarla Duffy*** nominated to the Board by the Minister, Member of Audit Committee
- **Peter McLoone** nominated by the Irish Congress of Trade Unions (ICTU)
- **Gerard Barry*** nominated to the Board by the Minister, Chairman of Audit Committee
- **John Hennessy** nominated to the Board by the Irish Business and Employers Confederation (IBEC)

Seated left to right:

- **Brendan McGinty** nominated to the Board by IBEC
- **Kieran Mulvey** Chief Executive, Labour Relations Commission
- **Breege O'Donoghue** nominated to the Board by the Government, Chairperson
- **Fergus Whelan** nominated to the Board by ICTU

**Term as Board Member ceased on 7 July 2013*

The Commission would like to take this opportunity to thank Iarla Duffy and Gerard Barry for their contribution and service to the work of the Commission during their terms of office.



Meetings of the Board/Senior Management Team

The Board was re-appointed by the Minister as follows (Breege O'Donoghue, Brendan McGinty, John Hennessy, Peter McLoone and Fergus Whelan) for a period of up to one year with effect from the 7 July 2013, or until the disestablishment of the Labour Relations Commission, whichever is the earlier.

The Board met on 10 occasions in 2013 to discuss and review the Commission's strategy, budget, operational activities, and its business plan and to decide upon areas of Commission policy and corporate governance. The Senior Management Team, consisting of the Chief Executive and the Heads of Divisions meet on a regular basis between meetings of the Board.

The Senior Management Team of the Commission consists of:

- **Mr Kieran Mulvey** (Chief Executive),
- **Ms Freda Nolan** (Director of Corporate Strategic and Advisory Services Division, Acting Head of Rights Commissioner Service and Secretary to the Board and Audit Committee).
- **Mr Kevin Foley** (Director Conciliation Services Division) and
- **Ms Anna Perry** (Deputy Director, Conciliation Services Division).

Board Meetings in 2013

- 25 January 2013
- 21 February 2013
- 28 March 2013
- 2 May 2013
- 27 June 2013
- 29 July 2013
- 20 September 2013
- 25 October 2013
- 21 November 2013
- 13 December 2013

Chairperson's Report



The Board of the Commission was primarily engaged throughout 2013 on reviewing and assessing developments in regard to the proposed new Workplace Relations Commission.

The Board has made specific representations to the Minister for Jobs, Enterprise and Innovation, Mr Richard Bruton T.D. in regard to specific aspects of the proposed draft legislation. These observations related especially to:

- The statutory independence of the new Workplace Relations Commission as opposed to it being an "Office of the Department". This independence would be in accordance with best international practice, particularly in English speaking jurisdictions (United States of America, United Kingdom, Canada, South Africa, Northern Ireland, and Australia) which have broadly similar industrial relations experiences. The role of the Commission and its independence, actual and perceived, is essential to its acceptability.
- Financial autonomy and retention of financial oversight and Accounting Officer functions as in the past under the Comptroller and Auditor General's Office. No adverse comment has ever been made on the Commission's Accounts or financial procedures. This independent budget ensures flexibility and strategic / business choices on the services which it provides.
- A Board which includes appropriate Social Partner representation and contributes to both expertise, knowledge, representation and experience, and
- Ensuring that appointments to the new Adjudication Officer Service reflects past human resource

management and trade union representation experience as evidenced in the success of the Rights Commissioner Service.

On behalf of the Board of the Commission I would wish to thank the Minister for the opportunity of conveying these views of the Board at a meeting with him in April 2014.

The Board reviewed all its relevant corporate governance requirements during the year and has approved and signed off on these and related documentation in accordance with our statutory and corporate governance obligations. A final review of our corporate requirements will be undertaken on the legal dissolution of the Commission when the planned legislation is enacted by the Oireachtas later in 2014.

The Board wishes particularly to acknowledge the role of the Commission Officers under the leadership of the Chief Executive, Kieran Mulvey in completing successfully the second major public service agreement – the Haddington Road Agreement. This Agreement was the outcome of the initiative of the Commission – and replicated the intervention of the Commission in 2010 – in which the independent and professional role of the officers of the Commission was recognised and accepted by Government, public service employers and public service unions in brokering a collective settlement in difficult economic times.

Both Public Service Agreements have made an unparalleled contribution to bringing stability to the public finances and ensuring industrial peace in our public services in a period of considerable challenge. I wish to convey to my fellow Board members my particular thanks for their support and their

commitment to the work of the Commission and for their valuable contribution, analysis and advice on the operational and strategic issues which are discussed at each Board meeting.

I wish to pay a particular tribute to Gerard Barry and Iarla Duffy whose period of office ceased in July 2013. Over the last six years, both have made a major contribution to the Strategy and Business Plans of the Commission. I would like to thank Joan Carmichael for her unstinting work over many years as a Rights Commissioner and to wish her well in her retirement.

I wish to record also the deep appreciation of the Board to the continuous and dedicated work of the staff of the Commission, the Chief Executive and Directors of Services and to the Minister and Secretary General of the Department for their support for the Commission and the vital activity it undertakes on behalf of the State, its citizens and the Social Partners.



Breege O'Donoghue
Chairperson

June 2014

Chief Executive's Review 2013



As a country and as citizens of the State, we have now endured six years of austerity.

Significant changes in the composition of the Irish workforce have emerged in this period – from a position of almost full employment, to a peak unemployment level of 15.1% in 2012, though now down to 11.7% comprising 390,000 persons. This has been accompanied by reductions in the pay and pensions of public servants and similar effects upon employees in the private sector. Allied to this is the increased taxation burden arising from employment based taxes, increasing health and transport costs, mortgage repayment difficulties and the new property tax and water charge.

In December 2013, the Troika of the European Union, the European Central Bank and the International Monetary Fund completed its task, though continuing a “monitoring role” on the Irish economy and budgetary measures.

It has been and continues to be a challenging social and economic environment for families, the employed and the unemployed. It is hoped that this degree and level of national sacrifice has not been in vain and that the emerging indicators of recovery are not short lived and that the mistakes of the past that brought us to near economic collapse will not be repeated.

The Commission, strategically placed as it is, is conscious of the day-to-day effect of the above measures and their impacts upon those employed in both the private sector and their counterparts in the wider public sector. All of the above issues are central to the considerations which inform claims, and potential solutions and settlements.

For many employers, the continuing pressure to stay in business represents a daily challenge in both the domestic economy and in international trade. For many employees, it is the concerns regarding employment security and maintaining a decent standard of living.

Over the last 12 months, the Commission played a

central role in the negotiations, which led to the Haddington Road Agreement, and which eventually was accepted by all public sector unions involved through the respective ballots of their combined membership.

It represents a landmark achievement for the maintenance of voluntary collective bargaining in the Public Sector in a period of economic crisis and, not least, arising from the hardship it visited upon employees in that sector. The alternative was legislative imposition.

The contribution of that Agreement, and its predecessor – the Croke Park Agreement in 2010 - and the difference which they have made to the restoration of our public finances and the decrease in our external borrowing costs should not be underestimated. This is an important and pertinent fact that some external and media commentators sometimes fail to acknowledge or simply ignore in their commentaries on the crisis. At international level, positive comment in international comparative studies from the International Labour Organization (ILO) and the European Union (EU) has been made regarding our adherence to industrial peace and our ability to achieve new collective bargaining agreements by consensus.

The workforce in the public service has fallen by 32,000 at a time when our population has never been greater, when demands for public services are increasing exponentially and at a time when the public finances are diminishing.

In the private sector, by contrast, employment is increasing with over 50,000 new jobs created in 2013. Of further note is the increasing numbers of enterprises engaging in negotiations with the respective trade unions on moderate pay rises of between 2% to 4%. Unions such as SIPTU, Mandate, TEEU and CWU have all recorded such agreements in 2013 and further negotiations for increases covering 2015–16 are continuing. These Agreements are the normal mix between pay increases and productivity changes.

Employer bodies such as Ibec are noting also that a majority of employers expect to grant / negotiate pay rises in 2014 and beyond and the Economic and Social Research Institute (ESRI) have recorded an upward increase in hourly wage levels.

The National Minimum Wage rate has been retained at €8.65 per hour. The downside in this otherwise improving scenario in the private sector is the increasing instance of pension default, closure or reduction in pensionable benefits. In all, 60 cases emerged in 2013 in Conciliation at the Commission where adjustments to the pension scheme were a feature or part of restructuring negotiations. This trend is continuing into 2014 and involving some major national and international enterprises operating in the State.

Considerable time, organisation and effort has been provided by the Commission's Officers and staff towards the preparation for the proposed new Workplace Relations Commission scheduled for legislative and operational implementation in the latter part of 2014. This will be the most profound change in Irish industrial relations institutional reform since the 1946, 1969, 1977, and 1990 Industrial Relations Acts. It will also be accompanied by a full schedule of employment law adjustments.

The central core of these reforms is the legislative programme centred upon changing first instance employment law adjudicative functions, i.e., amalgamating the functions of the Rights Commissioner Service, the Employment Appeals Tribunal and the Equality Tribunal into a single person Adjudication Officer Service and the accompanying and necessary amendments to existing employment law provisions.

It is essential that in the movement to reform these services and place them on a more user friendly basis, the vital components of our Collective and Preventative Dispute Services, i.e. the Advisory and Conciliation Services and Workplace Mediation, retain their prominent and essential role in dispute resolution upon which Employers and Unions depend.

At the end of the day what exercises the public mind, trade unions and employers is to have readily available dispute prevention services on matters of collective interest, none more so when disputes are threatened in essential social and economic services and enterprises.

Industrial peace is a vital component of our economic recovery and has been a successful feature of our workplace employment relations over the last two decades. Evidence emerging would suggest that these vital services will increasingly be in demand as we progress to economic recovery, and prices and incomes take an increasing central role in that recovery.

Our national economic and social recovery is contingent on improvements in European, Eurozone and International economies. However, it is essential that national "own goals" are not conceded in this fragile recovery period and that more effort is focused upon developing our domestic economy and businesses.

As Chief Executive, I know that no organisation is successful without the dedication and commitment of its staff. I am deeply appreciative of all my colleagues both in administrative services and the frontline for their collective endeavours as staff of the Commission.

My thanks also to a very supportive and experienced Board and its Chairperson, Breege O'Donoghue and with whom as a Commission, we both co-operate and work together in the interests of those who require our services and in the public interest.



Kieran Mulvey
Chief Executive
June 2014

Chapter 1

Major Developments in 2013



IRELAND: ANNUAL REVIEW 2013

Introduction

In November, the Government decided to exit the European Union, the European Central Bank and the International Monetary Fund (EU-ECB-IMF) three-year “bailout programme”. The decision, made without seeking a precautionary credit line, was accepted and welcomed by Ireland’s European partners. Given the importance of the move in regard to the direct onus of responsibility which it placed on the State, the decision had broad implications for all citizens in Ireland, including the social partners.

Critically, on the industrial relations front, the Government and the public service trade unions concluded a new bipartite national public service agreement on pay reductions, working hours and change management, known as the “Haddington Road Agreement”. Covering 289,000 public servants, this was achieved with the direct assistance of a team from the Labour Relations Commission under its Chief Executive, Kieran Mulvey.

Meanwhile, unemployment declined over the course of 2013 from 13.9% to 12.1%, raising hopes that Ireland was gradually emerging from the deep socio-economic crisis that commenced in 2008.

Haddington Road Agreement

The Haddington Road Agreement (HRA) replaced the “Croke Park” Agreement that had been in place since 2010, thereby ensuring that a public service wage freeze which originally commenced in 2009 would continue to at least July, 2016. In March/April 2013, an initial set of proposals (dubbed the “Croke Park Two” agreement) were decisively rejected by a majority of unions that make up the public services committee of ICTU. However, resumed negotiations were immediately overseen by Labour Relations Commission Chief Executive Kieran Mulvey, resulting in agreement on a union-by-union basis on the HRA.

This agreement includes graduated wage reductions and a broad commitment to change. It was based on different agreements for each sector within the public service, albeit within an overarching national-level framework.

The HRA contains core measures common to all, such as: a pay freeze to end 2016; a tiered set of wage cuts above certain thresholds, including a specific timetable for the restoration of many of the wage reductions; additional unpaid working hours; new overtime arrangements; and a general commitment to change. It also continues the “no compulsory redundancy” commitment of the Croke Park Agreement and the same commitments in regard to redeployment.

The HRA contains specific sections dealing with key sectors, such as education, health, civil service, prison service, defence forces, etc. It commenced for each signatory union from the date they registered the agreement with the Labour Relations Commission.

In the lead up to agreement on the HRA, public service unions were advised individually by the Government that if any of them rejected the proposed agreement, then the members of that union would be subject to existing Financial Emergency Measures in the Public Interest (FEMPI) legislation. The result would be that wage cuts and mandatory changes, some of them more draconian than those contained in the proposals, would be directly imposed on them. All unions involved eventually signed up to the HRA in a ballot undertaken by each union.

The post-2008 Irish economy has, in effect, been regarded as being “in crisis”, a position which is necessary in order for a government to impose measures under the FEMPI Act. However, given that the HRA was agreed and registered, a collectively bargained outcome was the outcome for all unions, rather than an imposed one.

It was also agreed that an industrial relations oversight body, chaired by the LRC Director of Conciliation, Kevin Foley, would examine any disputes which arise in relation to implementation of the agreement. Such disputes are resolved by recourse to a voluntarily agreed binding mechanism, for example, by way of a LRC or Labour Court recommendation, or through an agreed third party adjudicator.

The social partners: strategic shifts

The Fine Gael-Labour Coalition Government continued its policy of “social dialogue”, based on bipartite rather than tripartite relations between the social partners. This means that bilateral contacts between Government, and government departments, and the main social partner bodies, have replaced all previous “social partnership” tripartite arrangements.

Proposals to initiate a new federal trade union structure were passed by all affiliated unions at the biennial conference of Irish Congress of Trade Unions (ICTU) in July, while the Irish Business and Employers Confederation (IBEC) changed its name to Ibec, in order to reflect a new business model adopted by the organisation.

The ICTU federal trade union project cannot progress further until Congress holds a special “rule change” conference, which is expected to happen in 2014. If the project gets formal approval, the goal is to allow the existing 40 plus unions to form into 6 or 7 separate groups, based on shared interests, type of worker, sector and size. Proponents of the project suggest it would take at least five years to complete; sceptics suggest it will take longer and could possibly be compromised by “local” issues.

The Ibec re-branding, meanwhile, encompassed the most significant change in the strategic direction of the organisation since IBEC was formed out of the merger of the Federation of Irish Employers (FIE) and the Confederation of Irish Industry (CII) twenty years ago. A “new pricing model” based on “membership propositions and service benefits” was planned. Ibec would, however, formally retain its trade union status. Director General, Danny McCoy, said that the organisation had listened to members and “other key stakeholders” and that ultimately they needed to “look, act and deliver more like you, the business which we represent”.

Industrial action

The level of strike activity generally in 2013 rose marginally compared to the incidence of industrial action recorded in 2012, with one day strikes occurring in a wide variety of organisations.

Strikes at Bus Éireann and at Dublin Bus over proposed changes in premium payments and work practices highlighted the continuation of critical cost containment problems and losses in the State-owned public transport sector. While the two bus strikes of 2013, both of which necessitated LRC involvement, accounted for two-thirds of all days lost due to industrial action, annual figures from the CSO show a new trend of increasing industrial unrest.

The other significant strikes in 2013, in terms of days lost, were a Non-Consultant hospital (NCHD)/junior doctors strike over working hours, and a one-day strike at Marks and Spencer, over the closure of its defined benefit pension scheme and other issues on staff terms and conditions. There were 12 strikes in total for 2013, involving 11,924 workers. The longest continuous strike was at Wallis (part of the Arcadia Group), where 11 workers being made redundant went on strike for 31 days, over severance terms.

Other strikes included a one-day work stoppage at Liebherr over a disputed pay increase, and ten days of industrial action by 13 workers at Bord na Móna over re-organisation of work practices.

The total days lost figure for 2013 was 14,965, which represented an increase from the 8,486 days lost in 2012, and the record low of 3,695 days lost in 2011.

The level and extent of large-scale collective industrial action decreased dramatically in recent decades, but the number of disputes referred to the various State dispute resolution bodies has continued to mount, a reflection of the fact that conflict at work has not disappeared – more that it has become increasingly absorbed by institutions and procedures, as well as becoming more individualised.

Pension developments

At the end of 2013, the Chief Executive, responding to concern about the growing number of pension disputes, suggested a “national pension summit” in 2014. Problems mounted for pension schemes generally in the context of wider economic problems. When added to new accounting rules and a desire on the part of many firms to switch from defined benefit to defined contribution schemes, this resulted in what might be described as a “perfect storm” for pension schemes across the country.

The majority of “final salary” or defined-benefit (DB) occupational pension schemes in the private sector were in “deficit”, which meant that their liabilities were higher than their assets. Some were unable to secure funding from the employer or employees to continue, and decided to wind up or reduce benefits.

Since the legal protection for pensioners in the windup of a DB scheme is much stronger than for non-retired members, many of the latter group has seen major reductions in pension benefit. In response to this, the Government reduced the protection for pensioners, to leave more assets to other scheme members, in the ***Social Welfare and Pensions (No. 2) Act, 2013***, which came into effect on 25 December 2013. This had the effect of spreading the pain rather than resolving the fundamental issues in underfunded schemes or the role of trustees of these schemes.

Ballots for industrial action were threatened at the State-owned Dublin Airport Authority and at the former national airline, Aer Lingus (in which the State retains a minority share) in an effort by trade unions to force management to increase an offer made to subvert the ailing DB scheme of which both companies are part. The dispute, with which both the LRC and the Labour Court were engaged in a bid to push the parties toward a settlement, was expected to continue into 2014.

In December 2013, a threatened strike at the State-owned electricity utility, ESB (Electricity Supply Board) was averted when the company accepted a Labour Relations Commission proposal to account for a potential deficit in the defined benefit (DB) pension scheme in its annual accounts.

Meanwhile, the European Court of Justice (ECJ) found in favour of ex-Waterford Crystal workers who had taken legal action against the State for the loss of their pensions. The company had become insolvent in 2009. The ECJ found that under EU law, the State has an obligation to protect the pension entitlements of workers in the event of a company becoming insolvent. The ECJ rejected the Government's argument that the State's contributory pension should be taken into account in assessing how much of the lost pensions should be made up following the insolvency of the company. The employees had been told they would receive only between 18% and 28% of their full pension entitlements.

The ECJ also criticised the Government for not fulfilling obligations that arose out of a United Kingdom case in 2007, before Ireland transposed the Insolvency Directive in 2008. The Court also ruled that the economic crisis did not constitute an “exceptional situation capable of justifying a lower level of protection” for employees. The High Court in Ireland has yet to decide by how much the State will be liable for the lost pensions of the ex-Waterford Crystal workers.

Separately, An Post, (the State-owned postal company), reached agreement with its unions on a

restructuring of the company-based second-tier pension scheme, which increases the normal retirement date in line with planned increases in the first-tier State pension. At the end of 2013, the proposed agreement had yet to secure formal Government sanction.

Retirement age: From 1 January 2014, the effective State retirement age, i.e. the date from which the first-tier State pension is payable, was increased from 65 to 66, part of a phased increase which will culminate with retirement at 68 from 2028. While 12,500 people were set to reach 65 in 2014, just 1,500 of these were still in employment, according to the Government. Some of this 1,500 may be forced to leave employment if their employer has a mandatory retirement age of 65, but if they have to go on jobseekers' (unemployment) benefit, they will not be subject to the same labour activation measures as those under the age of 62.

The Social Welfare and Pensions (No. 2) Act, 2013 allowed for cuts to pensions paid from defined-benefit (final-salary) schemes, to free up assets in the schemes in order to reduce deeper cuts faced by non-retired pension scheme members.

The Act covers three scenarios:

- (a) double insolvencies where both the pension scheme and employer are insolvent, such as Waterford Crystal above, where all scheme members will receive at least 50% of their benefits, with existing pensioners getting a minimum of €12,000 per annum, with the State making up any shortfall, funded by a levy on all pension funds;
- (b) single insolvencies, where the scheme winds up and the employer remains solvent, whereby pensioners receiving over €12,000 per year can have their pension reduced by 10%, or those receiving over €60,000 can have pension reduced by 20%, to free up resources in order to limit the often larger cuts to future pensions for non-retired members;
- (c) neither company nor scheme is insolvent, but benefits are being reduced to eliminate a deficit in the scheme, in which case reductions for pensioners of up to 10% for those over €12,000 and up to 20% for those over €60,000, can also be applied.

Collective Bargaining – private sector

In the private sector, ICTU private sector trade unions and Ibec maintained their jointly agreed protocols on the management of wage claims. These voluntary codes informally commit member companies and trade unions to observe certain disputes procedures,

which include recourse to the LRC or the Labour Court in cases where disputes cannot be settled locally.

There is no collectively bargained national agreement for the private sector. Local bargaining has been the norm since 2009, regulated informally by the aforementioned voluntary protocols.

In early 2014, the Minister for Jobs, Enterprise and Innovation, Richard Bruton, T.D. reiterated his position on private sector wages, stating he did not believe that a national wage agreement was either “feasible or desirable”, suggesting this will likely remain the case in the private sector for 18–24 months. The Minister noted the employer body Ibec’s view that local bargaining “based on company-level realities is the appropriate manner in which to deal with wage pressures at this stage”.

In 2013, the country’s largest trade union, SIPTU, focused its pay strategy on export-oriented manufacturing industry, as well as securing some wage rises in retail and the food and drink sector along with the Mandate union. The SIPTU “2011–2013” strategy was based on “security of employment and income” and was linked generally to seeking rises of 2% per annum.

By the end of 2013, there was evidence that among exporting multinational companies, wage rises of between 2%–3% were becoming more common, with emerging pay movements in the retail sector. There was general agreement among the social partners that wage rises were fairly modest, and that the prospect for 2014 was that if economic recovery could be maintained, a continuation and gradual extension of this trend was likely.

Some significant IR agreements

AIB staff, members of IBOA, the bank officials’ union, accepted novel and linked set of Labour Relations Commission/Labour Court recommendations on new pension arrangements, future terms and conditions, job security and relationships for AIB staff, including a 4% once-off “lead in” payment for most union members. The weekly Industrial Relations News (IRN) reported that the twin recommendations “represent a dovetailing approach by the State’s two main dispute resolution agencies”. The LRC dealt with issues around core principles and the conduct of industrial relations and human resources issues, while the Court handled practical day-to-day industrial relations matters.

As instructed by the Minister for Finance, Michael Noonan, T.D., the cost reductions involved in the

agreement were part of a commitment by AIB to trim costs by €350 million on foot of a report by Mercer into remuneration in all State-dependent banks to reduce payroll costs by between 6% and 10%.

At Pfizer, a significant reduction in the number of compulsory redundancies among operatives was agreed between management and SIPTU trade union, through negotiations on alternative productivity measures at the firm's flagship plant at Ringaskiddy in Cork. The plant has traditionally been one of the highest payers in Irish manufacturing.

A preamble to the LRC productivity proposals in this case said that the Ringaskiddy site was facing "the reality of a site product portfolio dominated by highly price sensitive off-patent products, a catastrophic drop in volumes and the small volume profile of new products", which "has necessitated not only unavoidable job losses but also a fundamental change in cost structures and ways of working". The Pfizer/SIPTU agreement would leave the plant in a more competitive position to attract bulk pharmaceutical work within the Pfizer group globally, than would have been the case prior to the successful negotiation.

An agreement between the major retailer, Penneys, and the Mandate union, resulted in a 3% pay rise as well as the implementation of a new banded-hours system for part-time staff. The new hours system was constructed through negotiations between management and the union following a Labour Court recommendation in June 2013. Additional elements included the standardisation of a sick pay scheme for new starts and a new rate of Sunday/public holiday premium for new starts.

Non-Consultant hospital doctors (NCHD) accepted an agreement to resolve a dispute over working hours. The Irish Medical Organisation (IMO) claimed its members were working "dangerously long" hours. Following a one-day strike in October, the Health Service Executive (HSE) and the IMO concluded an agreement that committed the parties to jointly ensuring that the working patterns of NCHDs would comply with the European Working Time Directive by January 2014.

Employment Law – some key developments

In May, the Supreme Court in the "McGowan" ruling declared Registered Employment Agreements (REAs) made under the 1946 Industrial Relations Act to be unconstitutional. The decision had major implications for employers operating in sectors where terms and conditions of employment have been regulated by Registered Employment Agreements.

A long-awaited review of sectoral Joint Labour Committees (JLCs) recommended that most REAs be retained, albeit with changes to the workers and type of work covered. A report – which was commissioned by the Labour Court from consultant Janet Hughes on foot of a stipulation under the Industrial Relations Act, 2012 – that the JLC system be reviewed – recommended the abolition of just two of the ten JLCs currently in existence.

(Note: In January 2014, an important step was taken in re-establishing sectoral minimum wages for certain low-paid sectors, when establishment orders for new Joint Labour Committees (JLCs) were signed covering hospitality, catering, retail, contract cleaning, security and agriculture.)

The ***Protection of Employees (Temporary Agency Work) Act 2012***, which include provisions that can have retrospective effect, was also felt in relation to the scale of awards. In a Labour Court decision, ***Team Obair v Robert Costello (AWD134)***, a forklift driver employed by an agency, contended that he received less basic pay than he would have if he had been employed directly. The Labour Court accepted this argument. A similar ruling was made in May on foot of proceedings brought by Geraldine Mahon against the "Nurse on Call" agency. In this case, the Court ruled that a particular allowance should be treated as basic pay and the individual concerned should benefit from national pay increases (AWD131, cf. IRN 32/13).

In July, the European Court of Justice produced a judgment which has ramifications for companies and workforces involved in transfers of undertakings. In ***Mark Alemo-Herron v Parkwood Leisure Ltd (Case C-426/11)***, the Court said a transferee company must not be forced to accept the terms of a collective agreement reached after completion of the transfer to which it was not party. The Court pointed out that it is settled law that the Directive on the Transfer of Undertakings must be interpreted in a manner consistent with the Charter of Fundamental Rights. Article 16 of the Charter lays down the freedom to conduct a business, which implies that a transferee firm must be able to assert its interests effectively in a contractual process to which it is party.

In March, the European Union, under the ***(Parental Leave) Regulations 2013***, increased the amount of parental leave available to each parent per child from 14 weeks to 18 weeks and extended the age limit for a child with a long-term illness to 16 years. The Regulations also provided that a parent returning from parental leave may request a change in working hours. The Regulations apply to all children who currently qualify for parental leave.

The redundancy rebate was abolished from 1 January 2013. In the case of redundancies up to 1 January 2012, employers were entitled to a 60% rebate, with just 15% provided during 2012. This measure, aimed at curbing subsidies to large, often profitable, employers engaged in redundancies appeared to have the effect of reducing the size of ex-gratia packages.

Collective bargaining legislation: In June, the Minister for Jobs, Enterprise and Innovation, Richard Bruton, T.D. recorded that it was the “consistent policy of successive Irish governments” to promote collective bargaining through the development of an institutional framework supportive of a “voluntary system of industrial relations”. He said that “satisfactory arrangements” could be put in place in respect of collective bargaining “that will reconcile Ireland’s constitutional, social and economic traditions, and international obligations, whilst at the same time ensuring continued success in building Ireland’s domestic jobs-base and in attracting overseas investment”. The Department subsequently conducted a review of collective bargaining against the backdrop of current industrial relations legislation, receiving submissions from interested parties.

The Fine Gael and Labour Government, in its 2011 joint programme for government, stated it would reform the current law on employees’ right to engage in collective bargaining, under the **Industrial Relations (Amendment) Act 2011**, “so as to ensure compliance by the State with recent judgements of the European Court of Human Rights”.

Workplace Relations Commission

In October 2013, the Minister announced a number of further initiatives as part of the continued implementation of his overall plans to reform the workplace relations institutions and structures and the merger of five bodies into two:

- A new website – (www.workplacerelements.ie) – which replaces the interim website and the websites of the five Workplace Relations Bodies.
- The Single Complaint E-Form for 130 complaint types. All first instance complaints to the Rights Commissioner Service, the Employment Appeals Tribunal, National Employment Rights Authority, the Equality Tribunal and the Labour Court can be made using this form.
- The Determinations Database will provide a single, website-hosted and fully-searchable resource for users, practitioners and stakeholders for over 30,000 determinations/decisions issued to date by the Labour Court, Equality Tribunal and EAT and will replace three separate databases currently in use.

- The evaluation of the Pilot Early Resolution Service (ERS) for workplace relations complaints, which concluded that the ERS “has demonstrated the potential for a speedy and cost effective alternative to formal adjudication insofar as complaints resolution is concerned”.

Measures already delivered under the Reform Programme are:

- A single contact portal for workplace relations referrals and information;
- Complaints acknowledged, on average, within 10 working days of receipt;
- The employer is notified, on average, within 10 working days of the complaint being lodged;
- No backlogs for Rights Commissioners hearings;
- A workplace relations interim website www.workplacerelements.ie is launched;
- A Pilot Early Resolution Service delivered.

Employment measures

A new JobsPlus scheme was introduced to incentivise businesses to hire additional employees from the Live Register, operated by the Department of Social Protection. It is focused on long-term unemployed, with the State covering approximately €1 in every €4 of the “typical cost of hiring someone who has been on the Live Register for 12 months or more”. The scheme was regarded as a key element of both the Government’s “Action Plan for Jobs” and “Pathways to Work”. The scheme is open to all employers in the private (including commercial semi-State), community, not-for-profit and voluntary sectors.

New Intreo Centres were established to provide income support and employment service to jobseekers and help employers to recruit staff. The system replaced three previously separate services from FÁS, the Department of Social Protection and the HSE’s Community Welfare Service. In the first eleven months of 2013, 122,300 people had attended group engagements, 148,500 people had attended initial one-to-one interviews and all jobseekers were to have been profiled by the end of 2013.

A report by independent researcher, Brian Harvey, found that Community and Voluntary (C & V) organisations suffered a 35% contraction, which he predicted would result in an estimated 11,000 job losses by the end of 2013. Workers from the sector protested in November 2013, in an assembly organised by the ICTU Community Sector Committee. It was attended by workers from a range of services, including drug rehabilitation, community development, employment services, family support, youth projects, childcare, training and education.

Health and safety

Safety, Health and Welfare at Work (Construction Regulations) 2013 (SI 291/2013), aimed at consolidating existing construction regulations and to bring domestic dwellings within the scope of the regulations. Previous regulations were confined to “projects in the course of or furtherance of a trade or business”.

The Courts and Civil Law (Miscellaneous Provisions) Act 2013 (No. 32 of 2013) will increase the jurisdiction limits of two of the lower law courts when awarding damages in personal injuries cases, including occupational injuries. The system of compensation for occupational injuries is based on common law liability, in which injured employees are able to take legal claims for compensation in the civil courts.

This statutory instrument increases the maximum compensation for personal injuries that can be awarded in two of the lower courts, bringing the District Courts up to a limit of €15,000 (previously €6,384) and the Circuit Courts up to €60,000 (previously €38,092). The effect is that claims for compensation in more serious injuries can now be taken in lower courts, with lower legal costs involved in each individual claim.

Concluding remarks

The year 2013 may come to be remembered as one during which the Irish economy began to emerge from the financial, social and economic crisis that commenced in 2007/2008. Developments in the industrial relations area would tend to bear out that cautious assessment. A gradual re-emergence of wage movement in the private sector has been in evidence in certain sectors, such as pharmaceuticals and health care, spreading into services and retail in a manner which appears manageable. This return to “local wage bargaining” has, by and large, been an entirely peaceful transition from the previous system of national wage agreements under social partnership.

In contrast, the pensions crisis, for that is an apt description, has manifested itself in more conflicting forms as companies seek to extricate themselves from the cost burden associated with defined benefit plans, and as employees within schemes generally seek solace from their representatives and the State dispute resolution agencies that their retirement expectations can be protected to the greatest extent possible.

More generally, there has been an increase in the level of disputes activity, but from a very low base. Compared to fellow EU countries, Ireland’s strike record remained impressive. This has been an important national “selling point”, which when allied with political stability, ensures Ireland remains an attractive location for inward investment.

The negotiation of the Haddington Road Agreement and the commitment to cost reduction, industrial peace and change which it contains is a critical element in the unfolding story of national recovery. Without this agreement, which the Commission played a vital role in securing, Ireland may have experienced damaging industrial conflict, given that the Government had little choice but to meet the demands imposed by the Troika. The HRA was a major achievement that should be credited to the entire industrial relations system. Trade unions, employers, the Government, and the new Workplace Relations Commission can, therefore, look forward with some confidence regarding their ability to tackle the quite different challenges that economic recovery will pose.

Industrial Disputes involving Stoppages of Work (Disputes in Progress during the year)

SOURCE: Central Statistics Office, Ireland.

Industrial Disputes in Progress (number) by Economic Sector NACE Rev 2 and Year						
	2008	2009	2010	2011	2012	2013
Agriculture, forestry and fishing (A)	0	..	..	..	..	..
Industry (B to E)	3	5	4	1	2	5
Construction (F)	1	1	..	1	..	..
Wholesale and retail trade, repair of motor vehicles and motorcycles (G)	1	4	3	..	1	2
Transportation and storage (H)	3	2	2	1	2	2
Accommodation and food service activities (I)	0	..	..	1	..	..
Information and communication (J)	0	..	..	..	..	..
Financial, insurance and real estate activities (K,L)	0	2	..	1	..	1
Professional, scientific and technical activities (M)	0	..	..	..	..	..
Administrative and support service activities (N)	0	1	4	..	..	..
Public administration and defence, compulsory social security (O)	1	4	..	1	..	..
Education (P)	0	1	..	..	..	..
Human health and social work activities (Q)	1	4	1	..	..	2
Other NACE activities (R to U)	2	1	..	2	..	..
All NACE economic sectors	12	23	14	8	5	12

The quarterly totals will not always add to the annual total since an industrial dispute can be in progress for more than one quarter.

Chapter 2

Labour Relations Commission Services



OUTTURN OF THE SERVICES IN 2013

- **Corporate Services and Board**
- **Conciliation Service**
- **Advisory Service**
- **Rights Commissioner Service**

Summary of Costs of Providing the Services

The following table provides a summarised approximate breakdown of the un-audited expenditure per Division during 2013. The figures are reflective of actual spend and do not incorporate adjustments, such as depreciation, which might be applicable and subsequently agreed in the course of formal audit and final presentation of the accounts for the period. The process of examination of the accounts by the Office of the Comptroller and Auditor General (C & AG) has commenced at the time of writing. The audited accounts will be published when the Comptroller and Auditor General has completed the annual review and issued the relevant certification.

Breakdown of Summary Costs across Divisions 2013						
	Administration	Board	Conciliation Service	Advisory Service	Rights Commissioner Service	Total
Salaries	€212,300	€0	€1,250,207	€259,477	€636,897	€2,358,881
Fees	€0	€80,370	€0	€0	€858,644	€939,014
Travel & Subsistence	€19,378	€2,010	€66,831	€9,612	€122,163	€219,994
Rental of Meeting Rooms	€0	€0	€0	€0	€73,371	€73,371
Stationery, Supplies, Communications	€17,106	€0	€69,723	€14,112	€70,116	€171,057
Utilities, Operations and Maintenance	€18,762	€0	€78,798	€15,009	€75,046	€187,615
Consultancy and Professional Fees	€36,525	€0	€0	€0	€7,942	€44,467
Printing, Training	€214	€0	€6,502	€3,838	€107	€10,661
Total	€304,285	€82,380	€1,472,061	€302,048	€1,844,286	€4,005,060
% of Total (rounded figures)	8%	2%	37%	8%	46%	

Advisory Services Division 2013



Mission Statement

“To work closely with employers, trade unions and employees to promote, develop and implement best industrial relations policies, practices and procedures, in order to enhance the economic well-being of the enterprise and assist in employment creation and retention.”

Advisory Service Overview

The Advisory Service is focussed on working with employers, employees and trade unions to develop positive industrial relations practices, structures and procedures. Its primary objective is to help build and maintain positive working relationships and effective prevention and dispute resolution mechanisms in the workplace. The Service can advise and assist on any aspect of industrial relations in Irish workplaces. The Service operates from the premise that all disputes, be they collective or individual, are best resolved within the workplace, and the assistance it offers is very much focussed around enhancing the capacity of organisations and their employees to manage their industrial relations “in house” and effectively.

The Service was delivered by three Advisory Officers.

Services Delivery

While assistance is customised to the particular needs of each workplace, the type of assistance offered can be categorised as follows:

Training

The delivery of training on a variety of aspects of the employment relationship is a key element of the Service’s remit to enhance industrial relations capacity building, in Irish workplaces, by delivering proactive dispute preventative programmes. The Service has developed and continues to deliver a variety of programmes around workplace procedures – Grievance, Disciplinary and Dignity, Communications and Consultation, the Negotiation Process and support in the management of workplace change generally. Programmes are tailored to suit the requirements of individual organisations, both large and small, in the private and public sectors.

The focus of the training programmes provided by the Commission, which is delivered on-site by our team of experienced practitioners, from both Advisory and Conciliation Divisions, is to enhance the capability of workplaces and their employees to develop and operate effective industrial relations processes and procedures.

Industrial Relations Reviews

Reviews of industrial relations involve an in-depth assessment of industrial relations in workplaces with a view to identifying problem areas, making recommendations around improved practices and procedures, and working with all concerned to implement improvements. A typical review could involve a number of information gathering processes including individual interviews/questionnaires, email surveys and focus groups. The key object in a typical review is to accurately identify problem areas and to work with all concerned to develop effective remedies.

Joint Working Parties

A Joint Working Party is a joint management/employee process facilitated by the Service to implement recommendations arising from a review of industrial relations. The process is designed to give all concerned direct involvement in developing mutually acceptable solutions to their difficulties.

Facilitation

The Service provides a facilitation service focussed around a variety of workplace issues including the implementation of work practice changes and the development of improved workplace procedures. The focus of the facilitation service is to assist the parties to reach mutually acceptable solutions.

Voluntary Dispute Resolution

The Service facilitates the procedure prescribed in the Code of Practice on Voluntary Dispute Resolution (SI 76 of 2004) which provides a framework for the processing of disputes arising in situations where collective bargaining is not in place.

Workplace Mediation

Workplace mediation is delivered by a joint Advisory and Conciliation Service team. Overview and details are outlined under Conciliation Service activity.

Research

The Service is responsible for the Commission’s remit to conduct research into matters relevant to industrial relations and to review and monitor relevant developments in industrial relations generally. In this regard the following activity took place during the period:

Joint LRC/ACAS Research Programme on Innovations in Conflict Management

The Commission and ACAS (the main public dispute resolution body in the UK) are supporting a research project that aims to produce 10 case studies (5 in the UK and 5 in Ireland) of innovative workplace conflict management practice inside organisations in the UK and Ireland. The case studies will highlight why organisations (union and non-union and located in the private and public sectors) introduce workplace conflict innovations, how new practices are embedded inside organisations, and the outcomes with which they are associated. The project will be completed in 2014.

2012 Activity Breakdown/Resources

Project Type	Project Numbers
SI 76	Nil
Facilitation/Joint Working Parties	28
Mediation	27
IR reviews	18
Training	21

Note: the project number figure relates to the actual projects and not to the number of meetings.

Conciliation, Workplace Mediation and Early Resolution Services Division



Mission Statement

“The Division will provide an impartial, timely and effective suite of Conciliation, Mediation and Facilitation Services operating to a continually high standard in both the public and private sectors”

Activity Summary 2013

Category	Total to end of December 2012	Total to end of December 2013
Conciliation		
Referrals	1,054	1,029
Conferences	1,350	1,646
Other Meetings (Facilitation, oversight, JLCs, Chair of Negotiating Fora)	218	225
Total number of meetings	1,681	1,871
Labour Court Referrals	147	159
Mediation		
Referrals	54	57
Meetings (inc. Advisory Staff)	105	136

The Division focused in 2013 on providing a timely delivery of a flexible, responsive service designed to meet the needs of parties in dispute or with issues to resolve in Irish workplaces. The primary value and function of the service is that it is available to provide a high quality resource at the appropriate moment in any given dispute situation. The delivery of that high quality service was the challenge met in 2013 by the Division's team of ten Conciliator/Mediators, five Case Resolution Officers and seven support staff.

Conciliation Services Activity

The Conciliation Service referred 159 disputes to the Labour Court in 2013 and achieved a settlement rate at conciliation in the year of 85% of all disputes referred to it (1,029), which compared with 86% in 2012 and was at a level consistent with that which the Service expects to achieve.

A considerable amount of the activity delivered by the Service in 2013 related to the facilitation of discussions between the Government and the Public Service Trade Unions and Associations on the review of the *Public*

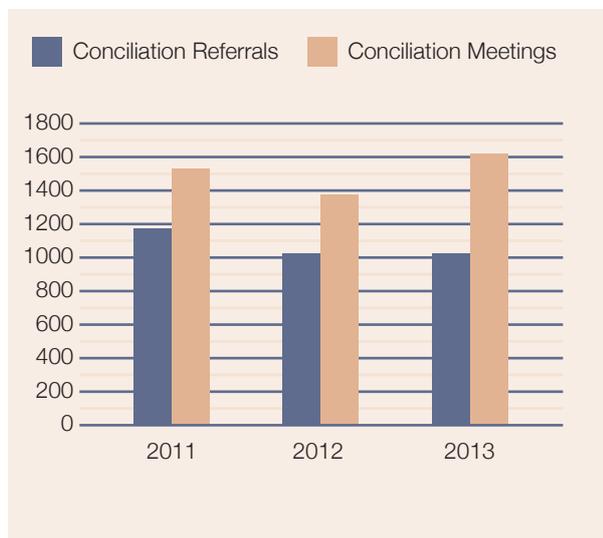
Service Agreement 2010-2014 – the Croke Park Agreement – and on the introduction of its successor, the new *Public Service Stability Agreement 2013-2014* – the Haddington Road Agreement. The Service also assisted in dispute resolution in a very broad range of industries throughout the economy with many cases involving cost-cutting rationalisation proposals, pension scheme re-structuring and pay adjustments.

The number of referrals to conciliation in 2013 was 1,029. This was a marginal fall from 1,054 in 2012, probably reflecting the on-going difficult economic environment. The number of actual meetings convened by the Service in 2013 was 1,871, an increase on the figure of 1,682 for 2012. The proportion of conferences to referrals is a function of a number of factors, including the complexity and difficulty of cases and the high level conciliation input required in rationalisation/cost reduction disputes.

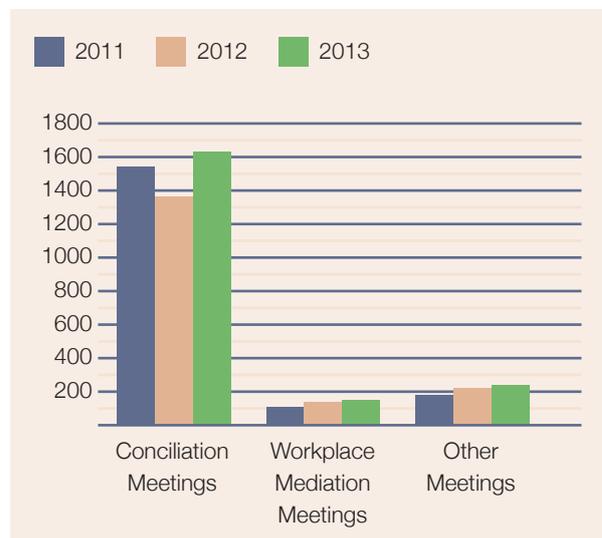
Haddington Road Agreement.

Following an invitation by Government to the Public Services committee of ICTU to review the Public Service Agreement 2010–2014, the Commission

Number of Cases referred to the Conciliation Service 2011-2013



Number of Meetings facilitated by the Conciliation Service 2011-2013



was asked to facilitate discussions between the Government as employer and the Public Service Trade Unions together with the Psychiatric Nurses Association (PNA) and associations representing Gardaí and Army personnel of most ranks. Those discussions commenced in early 2013 and resulted in a proposal which was rejected in an aggregate ballot of the Unions making up the Public Services Committee of the ICTU.

Following the rejection of the proposed agreement the Commission commenced a round of consultation with all Trade Unions and Associations and the Government as employer. The Commission ultimately invited all Trade Unions, Associations and Government as employer to engage at conciliation in an effort to find agreement. The Conciliation Service, through the direct involvement of all officers and the Chief Executive, delivered a series of more than 150 separate conciliation conferences over long days, nights and weekends. Ultimately the Commission issued proposals for settlement to all Trade Unions, Associations and the Government as employer for an agreement covering the period 2013 to 2016.

Those proposals were accepted by all Trade Unions and Associations involved in the process and were also accepted by Government. The proposals became the Public Service Stability Agreement 2013 – 2016, otherwise known as the Haddington Road Agreement.

A number of High Level Oversight Groups have been established to provide a forum for discussion within the different Sectors, for the resolution of any implementation difficulties arising from the Haddington Road Agreement. These Oversight Groups are chaired by officers of the Conciliation Service.

The Workplace Mediation Service

The Workplace Mediation Service provides a tailored response to particular types of issues and disputes emerging in workplaces. It is particularly suitable to address disputes involving individual or small groups who are experiencing interpersonal differences, conflicts and difficulties working together.

This service is delivered by a team of mediators drawn from the Conciliation and Advisory Services and is managed by the Conciliation Service. During 2013 a total of 57 referrals were received, up from 54 referrals in 2012. Some 21 referrals were received from the private sector and 36 from the public sector. There was a mixture of cases concerning individual employees, with a small number involving small groups of employees. Typical issues arising in cases referred for mediation include matters involving interpersonal workplace relationships, and grievance and disciplinary procedures generally.

Chairing of Negotiating Fora

As well as chairing meetings of the Oversight Groups, the Division also provides Chairpersons to a range of negotiating fora. During 2013 the Division chaired the Health Service National Joint Council, the Teacher's Conciliation Council, the Local Authority National Council, the Civil Service Implementation Group, the Prison Service Conciliation and Monitoring Forum, the Institutes of Technology Negotiating Forum and the Construction, Electrical Contracting, Printing, State Industrial Joint Industrial Councils.

Education and Training Board (ETB) Appeals Procedure – Stage 3 Appeals under Bullying, Harassment, Sexual Harassment Codes

In 2010, the Commission agreed to appoint one of its officers to act as Independent Appeals Officer under the provisions of the Codes of Practice for Dealing with Complaints of Bullying, Harassment, Sexual Harassment in VEC Workplaces. On 1 July 2013, the 33 Vocational Education Committees (VECs) were dissolved and replaced by 16 Education and Training Boards (ETBs). Additionally, a revised policy for dealing with complaints of bullying, harassment and sexual harassment was implemented from 1 September 2013. The Commission continues to provide an Independent Appeals Officer under the revised procedures.

In 2013, the Commission received five appeals under the Code. There were no appeals received under the revised procedures.

ETB Appeals Procedures – Grievance Stage 4 Appeals

In 2010, the Commission agreed to a joint request from the unions and management in the VEC Sector to appoint one of its officers to act as Independent Appeals Officer for Stage 4 grievances for staff not covered under the Industrial Relations Act. As in the case of Stage 3 appeals the Commission continues to provide an Independent Appeals Officer under the ETB Appeals Procedures. No appeals under the Grievance Procedure were heard in 2013.

ETB Appeals Procedures – Disciplinary Stage 4 Appeals

In 2011 the Commission agreed to a joint request from the unions and management in the VEC sector to appoint one of its officers to act as Independent Appeals officer for Stage 4 appeals under the nationally agreed disciplinary procedures for the sector. As in the case of Stage 3 appeals, the Commission continues to provide an Independent Appeals Officer under the ETB Appeals Procedures. No appeals under this Stage were heard in 2013.

Construction Industry Disputes Tribunal

The parties to the construction industry's Registered Employment Agreement developed a disputes tribunal – the Construction Industry Disputes Tribunal (CIDT) – to cater for the particular needs of the sector. The Tribunal is chaired by officers of the Conciliation Services Division. The administration of the service is also undertaken by the service and this input continued in 2013, during which a total of six cases were referred to the CIDT, of which one case was assigned for a full Tribunal hearing. Of the other five cases, three were resolved locally in advance of a Tribunal hearing. For the remaining referrals it was not possible to acquire the agreement of all parties to attend the CIDT.

Training inputs provided by the Conciliation Service 2013

In addition to the comprehensive training designed and provided by the Commission in 2013, the

Conciliation Service also provided over sixty additional separate training inputs to specific programmes identified by clients. These included presenting at sixteen Mandate shop stewards training courses organised for beginners, intermediate and advanced shop stewards as well as the full time officials. A two-day conciliation specific training programme has been designed and delivery to senior activists in IMPACT commenced in late 2013 with the programme continuing into 2014.

In addition training and information sessions on the services provided by the Commission were also provided to IMPACT, the Communication Workers Union, the Dublin Airport Authority (DAA) human resources, Nestlé Askeaton, Noonan Dublin and Cork, Cork City Council, AIB, 5th and 6th year Business students at St Michael's College, Aylesbury Road, the 5th and 6th year Business students at Dominican College, Griffith Avenue, the 2nd year Business students at the Dublin City University (DCU) Business School, Conduit Ireland, the IBOA National Executive, IBOA District Secretaries, IBOA Conference, Stewarts Hospital, Sodexo and the Association of Garda Sergeants and Inspectors (AGSI). The Commission also provided training to an ILO delegation of Mediators from Macedonia. In addition, the service held meetings with SIPTU Officials regarding training for shop stewards.

Early Resolution Service

The Early Resolution Service (ERS) is a mediation service operated by the Labour Relations Commission. Through the ERS, mediation is offered in cases which have been referred to the EAT and the Rights Commissioner Service seeking adjudication/recommendation. Mediation is offered in cases ranging from disputes referred to the Rights Commissioner Service under the Industrial Relations Acts to complaints made under Employment Rights legislation to both the Rights Commissioner Service and the Employment Appeals Tribunal. The Service was established in mid-2012 on a six-month pilot basis. 2013 was its first full year of operation.

The aim of the service is to provide parties to disputes with an early opportunity of resolving their issues with the help of mediation delivered over the phone by a “Case Resolution Officer”. The intention is to create the opportunity to avoid the potential costs of a formal hearing and decision by a Rights Commissioner or the Employment Appeals Tribunal (EAT), both to the parties themselves and to the State.

Service Format

The service is delivered by five Case Resolution Officers and fits within the proposed rationalisation of employment rights bodies into a two-tier structure consisting of a single point of first instance adjudication and a single point of appeal. Operationally, the service corresponds to similar types of telephone based mediation services provided by ACAS in the United Kingdom and the Labour Relations Agency in Northern Ireland.

An initial case selection process takes place in the Labour Relations Commission with a view to identifying those cases which, ostensibly, are amenable to resolution through mediation. Cases where the employer has entered liquidation for example are screened out. When a case has been selected, the parties are offered the service and it is then a matter for the parties to decide whether or not they wish to avail of it. Where the service is declined, by either or both parties, the case is referred onwards without delay for a formal hearing by a Rights Commissioner or Employment Appeals Tribunal in the normal way. In cases where both parties agree to participate in the process, a period of up to six weeks is allowed for exploration of a resolution by way of mediation conducted by a Case Resolution Officer. In cases where no settlement is reached, or the complaint is not withdrawn, the case is referred onwards for a formal hearing by a Rights Commissioner or the EAT.

Independent Evaluation

During the 2012 pilot phase, mediation was availed of in 776 cases. The Pilot was independently evaluated in

2013 by RSM McClure Watters, a firm of consultants selected by the Department of Jobs, Enterprise and Innovation, following a tendering process. The evaluation identified that the pilot service had been successful in 33% of the cases with which it dealt (in 37% of Rights Commissioner cases and 26% for Employment Appeals Tribunal cases). The consultants recommended that a resolution rate of 60% to 80% of cases participating in the service should be targeted. Progress towards the achievement of this success rate is contingent on a number of enabling conditions which were identified by the consultants as follows:

- (1) The availability of published, reasoned, first instance decisions to facilitate Case Resolution Officers (CRO) in assisting parties in making realistic assessments of potential outcomes through adjudication and to understand the law as it applies in their case.
- (2) The making of arrangements to ensure that mediation by the ERS is provided near to programmed adjudication hearing dates when parties are most likely to be focused on finding a resolution (and which in effect requires a shortening of current waiting times for some hearing types).
- (3) Making arrangements to afford agreements made with the assistance of the ERS the same legal status as recommendations / decisions of adjudicators.

Service delivery in 2013

During the year the Labour Relations Commission focused on developing the skills of its Case Resolution Officers through customised training and supports delivered externally and by colleague officers within the organisation. Support initiatives included attendance at conciliation conferences, use of an internal mentoring system, and access to Rights Commissioners as part of an ongoing structured dialogue focused on knowledge sharing. Case Resolution Officers undertook learning and development visits to the Labour Relations Agency in Belfast with a focus on

the operational aspects of service delivery as well as understanding the culture of the LRA service in terms of client interaction.

In 2013 the service offered mediation in 2,313 selected cases and both parties accepted the offer in 1,308 of those cases – a 56.5% take-up rate. 471 of these cases were resolved with ERS assistance and did not require to be forwarded for a hearing by a Rights Commissioner or the Employment Appeals Tribunal (EAT). This represented a resolution rate of 36%.

Future success of service

The future success of the service will depend on the achievement of the necessary enabling conditions and a significant cultural shift in terms of the engagement of the State with parties in dispute in employment, particularly as regards matters related to employment rights. Parties have in the past commonly relied on opportunities for settlement which might arise on the day of a Rights Commissioner or Employment Appeals Tribunal (EAT) hearing, to dispose of cases in a manner which did not require the adjudicative body making a finding. In a new environment where the State is actively offering mediation, the challenge will be to secure the co-operation of parties in availing of and maximising the benefits to themselves which the Early Resolution Service offers.

Rights Commissioner Services Division



Rights Commissioner Service Overview

The Rights Commissioner Service, an independent group of industrial relations experts within the Labour Relations Commission, was set up in 1970 to resolve disputes involving individuals and small groups of workers on day-to-day industrial relations issues. Over the past forty years, the focus has shifted to complaints being brought by more and more workers under a substantial and growing volume of labour law. The Commissioners are competent and experienced men and women drawn from trade union and business circles, with considerable knowledge of labour law and with experience of dispute resolution in the workplace. The approach of the Service, now as in 1970, is to seek to address problems in ways which are speedy, non-legalistic and solution-oriented.

There was an unprecedented level of referrals to the Service in the last decade (2003-2013). Some 10,252 referrals were received in 2013. This volume of referrals presented a major challenge, particularly, from data entry to the scheduling of meetings and to recommendation stage.

With the assistance of staff of the National Employment Rights Authority (NERA), the situation was eventually brought back to a satisfactory level. At the end of 2013, an offer of a first hearing (for referrals) was generally made in the region of about 8–12 weeks, inclusive of the statutory 3-week “holding” provided for in legislation.

While work progressed in dealing with the volume of

the caseload on hand, the staff of the Service were also required to participate in the various working groups, under the Workplace Relations Reform Programme, which had commenced tasks associated with the initiative to implement a streamlining of the work of the various Employment Rights bodies. These activities included, in particular, the introduction of a new composite electronic single complaint form, a restructuring of the initial management of referrals on receipt, the updating of the Commission’s website and involvement in the preparatory work relating to the design and commissioning of an ICT solution to replace the disparate customer relationship management systems deployed at present within the Workplace Relations Bodies.

Adjournments

The level of adjournment requests continues to be a matter for on-going attention.

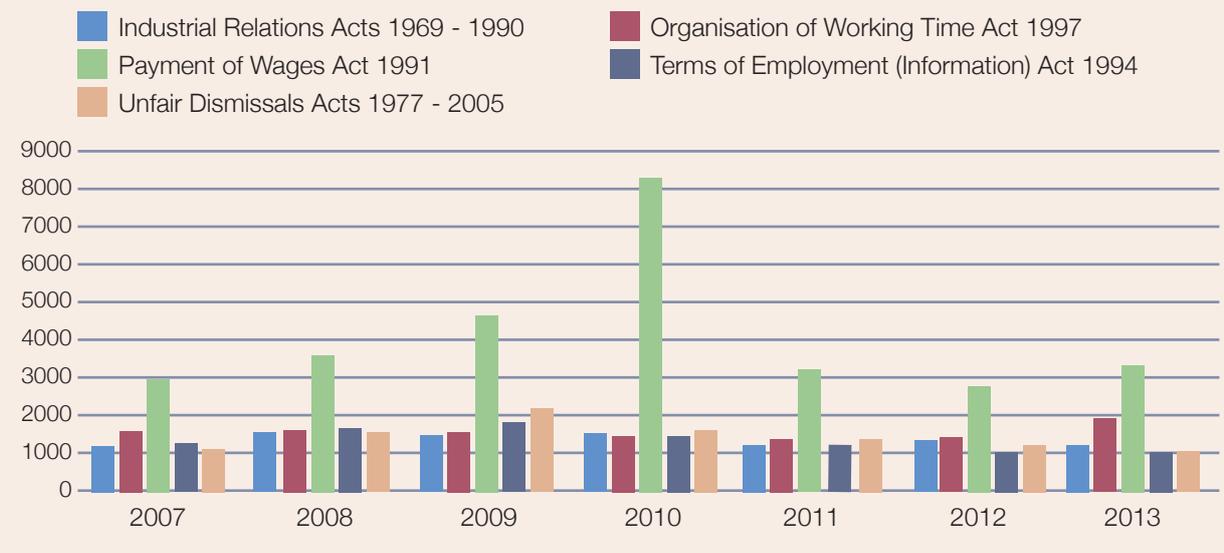
Retirement

In July 2013, Joan Carmichael, Rights Commissioner, retired after many years of service. Ms Carmichael’s considerable experience and expertise was of great benefit to the Commission during her period of office.

The number of Rights Commissioners now stands at 12 operating to various patterns of agreed attendance.

In common with other Public Service employments, a general moratorium on staff recruitment has had an impact on the Service at all levels, including at operational management level.

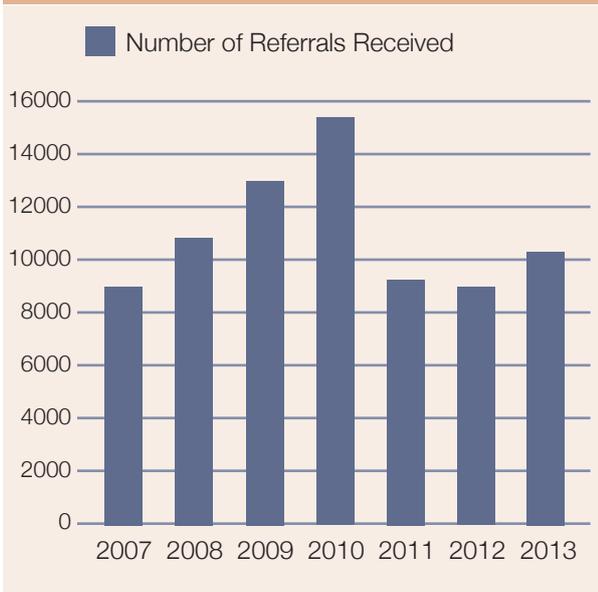
Referrals Received by Act



Statistics on Referrals received by Act

	2007	2008	2009	2010	2011	2012	2013
Industrial Relations Acts 1969-1990	1,182	1,470	1,521	1,542	1,143	1,304	1,282
Organisation of Working Time Act 1997	1,541	1,516	1,577	1,396	1,288	1,308	1,930
Payment of Wages Act 1991	2,961	3,540	4,681	8,266	3,040	2,806	3,296
Terms of Employment (Information) Act 1994	1,295	1,722	1,812	1,514	1,233	957	1,012
Unfair Dismissals Acts 1977-2005	1,038	1,566	2,110	1,588	1,355	1,271	981

Number of Referrals Received



Statistics on Referrals Received

2007	9,077
2008	10,900
2009	13,256
2010	15,671
2011	9,206
2012	8,852
2013	10,252

Referrals for Protection of Employees (Temporary Agency Workers) Act, 2012

2012	171
2013	218

List of European Union directives, Acts and Regulations under which the Rights Commissioners have a function

1. Adoptive Leave Act 1995 (No. 2 of 1995)
2. Adoptive Leave Act 2005 (No. 25 of 2005)
3. Carer's Leave Act, 2001 (No. 19 of 2001)
4. Central Bank (Supervision and Enforcement) Act 2013 (No. 26 of 2013)
5. Charities Act 2009 (No. 6 of 2009)
6. Chemicals Act 2008 (No. 13 of 2008)
7. Competition Act, 2002 (No. 14 of 2002)
8. Competition (Amendment) Act 2006 (No. 4 of 2006)
9. Consumer Protection Act 2007 (No. 19 of 2007)
10. Criminal Justice Act 2011 (No. 21 of 2011)
11. Employees (Provision of Information and Consultation) Act 2006 (No. 9 of 2006)
12. Employment Permits Act 2006 (No. 16 of 2006)
13. European Communities (European Cooperative Society) (Employee Involvement) Regulations 2007 (S.I. No. 259 of 2007)
14. European Communities (European Public Limited-Liability Company) (Employee Involvement) Regulations 2006 (S.I. No. 623 of 2006)
15. European Communities (Occurrence Reporting in Civil Aviation) Regulations 2007 (No. 285 of 2007)
16. European Communities (Organisation of Working Time) (Mobile Staff in Civil Aviation) Regulations 2006 (S.I. No. 507 of 2006)
17. European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 (S.I. No. 131 of 2003)
18. European Communities (Protection of Employment) Regulations, 2000 (S.I. No. 488 of 2000)
19. European Communities (Working Conditions of Mobile Workers Engaged in Interoperable Cross-border Services in the Railway Sector) Regulations 2009 (S.I. No. 377 of 2009)
20. Financial Emergency Measures in the Public Interest Act 2010 (No. 38 of 2010)
21. Health Act 2007 (No. 23 of 2007)
22. Industrial Relations Act, 1946 (No. 26 of 1946)
23. Industrial Relations Act, 1969 (No. 14 of 1969)
24. Industrial Relations Act, 1976 (No. 15 of 1976)
25. Industrial Relations Act, 1990 (No. 19 of 1990)
26. Industrial Relations (Miscellaneous Provisions) Act 2004 (No. 4 of 2004)
27. Industrial Relations (Amendment) Act 2012 (No. 32 of 2012)
28. Inland Fisheries Act 2010 (No. 10 of 2010)
29. Labour Services (Amendment) Act 2009 (No. 38 of 2009)
30. Maternity Protection Act, 1994 (No. 34 of 1994)
31. Maternity Protection (Disputes and Appeals) Regulations, 1995 (S.I. No. 17 of 1995)
32. Maternity Protection (Amendment) Act 2004 (No. 28 of 2004)
33. National Asset Management Agency Act 2009 (No. 34 of 2009)
34. National Minimum Wage Act, 2000 (No. 5 of 2000)
35. National Minimum Wage Act, 2000 (Commencement) Order, 2000 (S.I. No. 96 of 2000)
36. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order, 2000 (S.I. No. 95 of 2000)

37. National Minimum Wage Act, 2000 (National Minimum Hourly Rate of Pay) (No. 2) Order, 2000 (S.I. No. 201 of 2000)
38. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2003 (S.I. No. 250 of 2003)
39. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2005 (S.I. No. 203 of 2005)
40. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2006 (S.I. No. 667 of 2006)
41. National Minimum Wage Act 2000 (Section 11) Order 2011 (S.I. No. 13 of 2011)
42. Organisation of Working Time Act, 1997 (No. 20 of 1997)
43. Parental Leave Act, 1998 (No. 30 of 1998)
44. Parental Leave (Disputes and Appeals) Regulations, 1999(S.I. No. 6 of 1999)
45. Parental Leave (Amendment) Act 2006 (No. 13 of 2006)
46. Payment of Wages Act, 1991 (No. 25 of 1991)
47. Prevention of Corruption (Amendment) Act 2010 (No. 33 of 2010)
48. Protection for Persons Reporting Child Abuse Act, 1998 (No. 49 of 1998)
49. Protection of Employees (Fixed-Term Work) Act 2003 (No. 29 of 2003)
50. Protection of Employees (Part-Time Work) Act, 2001 (No. 45 of 2001)
51. Protection of Employees (Temporary Agency Work) Act 2012 (No.13 of 2012)
52. Protection of Employment (Exceptional Collective Redundancies and Related Matters) Act 2007 (No. 27 of 2007)
53. Protection of Young Persons (Employment) Act, 1996 (No. 16 of 1996)
54. Safety, Health and Welfare at Work Act 2005 (No.10 of 2005)
55. Terms of Employment (Information) Act, 1994 (No. 5 of 1994)
56. Unfair Dismissals Act, 1977 (No. 10 of 1977)
57. Unfair Dismissals (Amendment) Act, 1993 (No. 22 of 1993)

Corporate Services Division



Corporate Service Overview

The office of Director of Corporate Services is a shared post with the Industrial Relations Advisory Service. The holder also acts as Secretary to the Board as well as Secretary to the Audit Committee. The Director of Corporate Services is assisted by one Assistant Principal, one Higher Executive Officer (w/s 0.6) and two Executive Officers. The Director is also Acting Head of the Rights Commissioner Service.

Board Meetings

There were 10 meetings of the Board in 2013. Pending the outcome of the Workplace Relations Bill, the Minister agreed to renew the terms of five members of the Board "with effect from the 7 July 2013 for a period not exceeding 12 months or until the Labour Relations Commission is disestablished, whichever is earlier".

Board member attendance during the year was as follows:

Ms Breege O'Donoghue	9
Mr Brendan McGinty	10
Mr Fergus Whelan	7
Mr John Hennessy	10
Mr Peter McLoone	10
Mr Gerard Barry*	4
Mr Iarla Duffy*	5

*Term as Board Member ceased on 7 July 2013

The Commission would like to take this opportunity to thank Iarla Duffy and Gerard Barry for their excellent contributions and service to the work of the Commission during their terms of office.

Code of Practice for the Governance and Conduct of the LRC

The Board applies procedures in accordance with the Code of Practice for the Governance of State Bodies. In addition, the Board and Commission have acted in accordance with the terms of the organisation's own "Code of Practice for the Governance and Conduct of the LRC".

Audit Committee

The Audit Committee met on three occasions in 2013:

- 28 March,
- 2 May and
- 25 October 2013

The role of the Audit Committee, as part of the ongoing systematic review of the control environment and governance procedures within the Commission, is to report to and advise the Accounting Officer and the Board on internal control matters. The Internal Audit function is outsourced to an independent practitioner and her proposed Audit plans are considered and approved by the Committee as required and in the context of a structured programme of activity which ensures that every relevant aspect of Commission activity is examined over a predefined timescale.

In its consideration of Audit plans the Committee is always mindful of developments such as updated Guidelines on Corporate Governance, best practice and the related increasing range and detail of compliance obligations on both the organisation and individual management personnel as new legislation, regulation and codes of practice are enacted. The Audit Committee, having considered relevant reports from the Auditor, concluded that there was an effective system of internal controls in operation in the Commission in 2013.

Ethics in Public Office

All Board members, Rights Commissioners and relevant Officers of the Commission were advised of their obligations, and/or completed the appropriate returns under the Ethics in Public Office Acts, as required.

Risk Register

The Risk Register for 2013 was reviewed by the Senior Management Team and considered by the Audit Committee and Board in May 2013.

International Agencies Meeting

The Labour Relations Commission (LRC) and the Labour Relations Agency (LRA) – Northern Ireland (NI) jointly hosted a meeting / conference of international agencies (government dispute resolution bodies) in Dublin/Belfast from 29 July to 2 August 2013. The aim of the conference was to provide an international perspective on industrial and employment relations.

The attendance included the Chief Executives and Directors of Services from the Federal Mediation and Conciliation Services (FMCS) (USA), Advisory, Conciliation and Arbitration Service (ACAS) (UK), Labour Relations Agency (LRA) (NI), Fair Work Commission (FWC) (Australia), Canada Industrial Relations Board (CIRB) (Canada), Ministry of Business Innovation and Employment (MBIE) in New Zealand, Commission for Conciliation Mediation and Arbitration (CCMA) (South Africa). The Senior Labour Law and Labour Relations Specialist from the International

Labour Organisation (ILO) also attended.

Topics discussed included:

- Collective Bargaining / Freedom of Association – Emerging Trends
- Austerity/IMF/EU, Changes to Public Services, Pay and Conditions and government policy in Industrial Relations
- Changing Shape of Employment Relationships: Contracts, Pensions, Diversity and Impact of Labour Migration – a race to the bottom.
- Role of Statutory Dispute Resolution Bodies – Strengths and Weaknesses.

Performance Management Development System (PMDS)

The Commission is committed to ensuring that best practice is employed in the delivery of all aspects of the PMDS so as to enhance the development of its staff and to ensure that a pathway for constructive two-way communication is in place. Role Profiles and Interim Reviews were completed in a timely fashion for all staff members of the Commission. The provision of upward feedback is encouraged as a feature of the process.

Commissions Annual Accounts 2013

The Audited Accounts for 2012 are included in this Report.

In addition, the un-audited Accounts for 2013 are also included.

The process of examination of the 2013 accounts by the Office of the Comptroller and Auditor General has commenced at the time of writing.

The submission of the Audited Accounts to the Minister and the process of laying the Accounts before the Oireachtas will be completed as expeditiously as possible once the auditing process and the Report of the Comptroller and Auditor General are concluded.

Overview of energy usage in 2013

The energy used by the Labour Relations Commission is primarily for the day to day running of our office buildings in Tom Johnson House and Lansdowne House. Energy usage in both buildings is shared between the tenants, with the LRC responsible for 22% of Tom Johnson House and for 9.38% in Lansdowne House.

In 2013, the total consumption for the LRC was 424,838 KWh of energy, consisting of:

- 199,009 KWh of electricity;
- 225,829 KWh of gas.

Actions Undertaken in 2013

In 2013 the LRC undertook a range of energy performance initiatives, including:

- A Sustainable Energy Authority of Ireland (SEAI) information day was held for staff to raise awareness of energy usage.
- We have participated in the new SEAI on-line system for the purpose of reporting our energy usage in compliance with the European Communities (Energy End-Use Efficiency and Energy Services) Regulations 2009 (SI 542 of 2009).
- Regular meetings with our energy monitoring agent in Aramark to discuss energy usage and performance in Tom Johnson House.
- The Office has continued efforts to minimise energy usage by ensuring that electrical equipment and lighting are switched off at close of business each day.

Actions planned for 2014

An energy audit will be undertaken during 2014 to determine if there are further areas where savings can be made. The LRC's involvement in energy awareness campaigns will focus on closer monitoring of the heating time schedules and staff will continue to be reminded to turn off office equipment and lights. As the LRC does not own Tom Johnson House, it is limited in relation to the actions that can be pursued (e.g. replacing windows, improving insulation etc.), however, it will continue to monitor and control energy consumption.

Prompt Payments of Accounts

Report on compliance with the provisions of the Prompt Payment of Accounts Act

The payment practices of the Labour Relations Commission, as required by the Act, are reported on below for the year ended 31 December 2013:

1. In accordance with Government decision S29296 of 2 March 2011, the Labour Relations Commission is committed to making every effort to pay suppliers within 15 days of receipt of a valid invoice.
2. Specific procedures are in place to track all invoices and ensure that payments are made before the due date. Invoices are registered daily and payments are issued as required to ensure timely compliance.
3. Where necessary, prompt payment interest will be paid in accordance with guidelines issued by the Department of Jobs, Enterprise and Innovation.
4. Quarterly Prompt Payment Reports are published under the “Information for Suppliers” section of the website.

Period Covered: 1 January 2013 to 31 December 2013			
Details	Number	Value (€)	Percentage (%) of total number of payments made
Total payments made in 2013	1,061	543,603.18	100
Number of payments made within 15 days	1,059	542,818.18	99.8%
Number of payments made within 16 days to 30 days	2	785.00	0.2%
Number of payments made in excess of 30 days	0	0	0
Disputed invoices	0	0	0
Total	1,061	543,603.18	100

Chapter 3



AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

Audited Accounts Financial Statements 2012

For year ended 31 December 2012

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Statement of Responsibilities of the Commission

For the year ended 31 December 2012

Section 31(1) of the Industrial Relations Act 1990 requires the Commission to prepare Financial Statements in such form as may be approved by the Minister for Jobs, Enterprise and Innovation after consultation with the Minister for Finance. In preparing those statements, the Commission is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Commission is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Commission and which enable it to ensure that the Financial Statements comply with Section 31(1) of the Act. The Commission is also responsible for safeguarding the assets of the Labour Relations Commission and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Breege O'Donoghue
Chairperson
Date: 13th December 2013



John Hennessy
Commission Member
Date: 13th December 2013

Statement on Internal Financial Control

For the year ended 31 December 2012

Responsibility on Internal Financial Control

As Chairman, I acknowledge the responsibility of the Labour Relations Commission for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Commission has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining management responsibilities and powers;
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the Commission; and
- Developing a culture of accountability across all levels of the Commission.

The Commission has established procedures to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the Commission including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring-a risk register is in place;
- Assessing the Commission's ability to manage and mitigate the risks that do occur; and
- Assessing the costs of operating particular controls relative to the benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with a monthly budget which is reviewed and agreed by the Commission;
- Regular reviews by the Commission of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing and approval guidelines; and
- Formal project management disciplines.

The Commission employed a consultant, on a contract basis, as internal auditor to conduct a review of the effectiveness of the system of internal controls.

The Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee, the executive managers within the Commission who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

Annual Review of Controls

I confirm that for the year ended 31 December 2012 the Commission conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Labour Relations Commission.



Breege O'Donoghue
Chairperson
Date: 13th December 2013

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

For the year ended 31 December 2012

Labour Relations Commission

I have audited the financial statements of the Labour Relations Commission for the year ended 31 December 2012 under the Industrial Relations Act 1990. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial statements have been prepared under Section 31 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Commission's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Commission's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and

- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Commission's affairs at 31 December 2012 and of its income and expenditure for 2012.

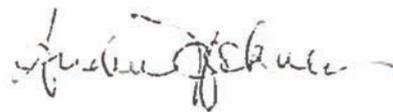
In my opinion, proper books of account have been kept by the Commission. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the Statement on Internal Financial Control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Andrew Harkness
For and on behalf of the
Comptroller and Auditor General
19 December 2013

Statement of Accounting Policies

For the year ended 31 December 2012

1 Basis of Accounting

These financial statements have been prepared under the accruals method of accounting, except as stated below, and in accordance with generally accepted accounting principles under the historical cost convention. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted, as they become operative. The unit of currency in which the Financial Statements are denominated is Euro.

2 Oireachtas Grants

Income is accounted for on the basis of:

- Cash receipts from the Department of Jobs, Enterprise and Innovation;
- Payments made by the Department of Jobs, Enterprise and Innovation on behalf of the Commission.

3 Fixed Assets and Depreciation

The Labour Relations Commission adopts a minimum capitalisation threshold of €1,000. Fixed assets are stated at their cost less accumulated depreciation. Depreciation is charged at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis as follows:

Furniture, Fixtures and Fittings	10% Per Annum
Equipment	20% Per Annum

4 Capital Account

The capital account represents the unamortised amount of income used to purchase fixed assets and the value of assets transferred to the Commission.

5 Pensions

The Commission operates a non-contributory defined benefit pension scheme for one Officer which is funded annually on a pay-as-you-go basis from monies provided by the Department of Jobs, Enterprise and Innovation. Pension Scheme liabilities are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

Pension liabilities represent the present value of future pension payments earned to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Jobs, Enterprise and Innovation.

6 Stocks

Stocks of publications and stationery have no net realisable value and are not regarded as assets.

Income and Expenditure Account

For the year ended 31 December 2012

	Notes	€	2012 €	2011 €
Income				
Oireachtas grants	1		4,597,572	4,958,078
Net deferred funding for pensions	5(a)		142,000	137,000
			<hr/>	<hr/>
			4,739,572	5,095,078
Transfer (to)/from Capital Account	2		40,628	51,722
			<hr/>	<hr/>
			4,780,200	5,146,800
Expenditure				
Salaries and related costs	3	3,629,832		3,867,422
Travel and subsistence		261,543		284,624
Commission members' fees	6	92,340		92,340
Rental of meeting rooms		99,995		123,479
Stationery and office supplies		41,641		36,277
Postage, carriage and telephone		127,172		160,844
Entertainment and catering		3,936		11,047
Research		-		14,280
Utilities & Office maintenance		178,659		170,937
Audit fee		8,225		8,225
Consultancy and professional fees		50,653		77,957
Miscellaneous		33,301		37,554
Printing		12,989		26,640
Training		20,301		14,305
Pension costs	5(a)	142,000		137,000
Refurbishment		23,412		-
Depreciation		62,975		86,917
Loss on disposal of fixed assets		-		591
			<hr/>	<hr/>
			4,788,974	5,150,439
			<hr/>	<hr/>
Deficit for year			(8,774)	(3,639)
Balance at 1 January			92,901	96,540
			<hr/>	<hr/>
Balance at 31 December 2012			84,127	92,901
			<hr/>	<hr/>

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 13th December 2013



Kieran Mulvey
Chief Executive
Date: 13th December 2013

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2012

	Note	2012 €	2011 €
Deficit for the year		(8,774)	(3,639)
Experience gains on pension scheme liabilities		52,000	57,000
Changes in assumption underlying the present value of pension scheme liabilities		-	-
Actuarial gain on pension liabilities		52,000	57,000
Adjustment to deferred pension funding	5(e)	(52,000)	(57,000)
Total recognised loss for the year		<u>(8,774)</u>	<u>(3,639)</u>

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 13th December 2013



Kieran Mulvey
Chief Executive
Date: 13th December 2013

Balance Sheet

As at 31 December 2012

	Notes	€	2012 €	2011 €
Fixed Assets	9		132,213	172,841
Current Assets				
Debtors and prepayments	10	107,633		100,056
Cash at bank and on hand	11	74,151		80,719
			<hr/>	<hr/>
		181,784		180,775
Current Liabilities				
Creditors (amounts falling due within one year)	12	97,658		87,875
			<hr/>	<hr/>
		97,658		87,875
			<hr/>	<hr/>
Net Current Assets			84,126	92,900
			<hr/>	<hr/>
Total Assets less Current Liabilities before Pension			216,339	265,741
Deferred pension funding	5(d)		1,470,000	1,380,000
Pension liabilities	5(b)		(1,470,000)	(1,380,000)
			<hr/>	<hr/>
Total Assets less Current Liabilities			216,339	265,741
			<hr/>	<hr/>
Represented by:				
Capital Account	2		132,212	172,840
Income and expenditure account			84,127	92,901
			<hr/>	<hr/>
			216,339	265,741
			<hr/>	<hr/>

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 13th December 2013



Kieran Mulvey
Chief Executive
Date: 13th December 2013

Notes to the Financial Statements

For the year ended 31 December 2012

1 Oireachtas Grants

The Department of Jobs, Enterprise and Innovation provided grant funding during the year as follows:

Paid over to the Labour Relations Commission

Paid directly by the Department

	2012 €	2011 €
	889,000	1,009,000
	3,708,572	3,949,078
	<u>4,597,572</u>	<u>4,958,078</u>

2 Capital Account

Balance at 1 January

Transfer from Income and Expenditure Account

Income applied to purchases of Fixed Assets

Net book value of assets disposed

Amortisation in line with depreciation

Balance at 31 December

	2012 €	2011 €
	172,840	224,562
	22,347	35,786
	-	(591)
	(62,975)	(86,917)
	<u>(40,628)</u>	<u>(51,722)</u>
	132,212	172,840

3 Salaries and Related Costs

All staff, other than the Chief Executive and the 13 Rights Commissioners, are Civil Servants assigned to the Commission by the Department of Jobs, Enterprise and Innovation.

The charge of €3,629,832 (2011: €3,867,422) includes fees of €1,076,245 (2011: €1,284,719) payable to the 13 Rights Commissioners.

The total number of staff employed at 31 December 2012 was 47 (2011: 50) with a salary cost of €2,461,247 (2011: €2,582,994).

4 Chief Executive

The Chief Executive received salary payments of €168,000 (2011: €168,000). No bonus payments were made in the year. The Chief Executive received an amount of €12,322 (2011: €10,071) in respect of travel and subsistence. The Chief Executive's pension entitlements do not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme.

5 Pension

(a) Analysis of total pension costs charged to Expenditure

Current service costs

Interest on Pension Scheme Liabilities

Pension charge in year

	2012 €	2011 €
	66,000	66,000
	76,000	71,000
	<u>142,000</u>	<u>137,000</u>

Notes to the Financial Statements (continued)

For the year ended 31 December 2012

(b) Movement in net pension liability during the financial year

	2012 €	2011 €
Net pension liability at 1 January	1,380,000	1,300,000
Current service cost	66,000	66,000
Interest cost	76,000	71,000
Actuarial gain	(52,000)	(57,000)
Pensions paid in the year	-	-
	<hr/>	<hr/>
Net pension liability at 31 December	<u>1,470,000</u>	<u>1,380,000</u>

(c) Net deferred funding for pension

The Net Deferred Funding for Pensions recognised in Income and Expenditure was as follows:

	2012 €	2011 €
Funding Recoverable in respect of current year pension costs	142,000	137,000
State Grant applied to pay pensioners	0	0
	<hr/>	<hr/>
	<u>142,000</u>	<u>137,000</u>

(d) Deferred funding for pensions

The Commission recognises these amounts as an asset corresponding to the unfunded deferred liability for pension on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension schemes, and the policy and practice currently in place in relation to funding public service pensions including the annual estimates process.

The Commission has no evidence that this funding will not continue to meet such sums in accordance with current practices. The deferred funding asset for pension as at 31 December 2012 amounted to €1,470,000 (2011: €1,380,000).

(e) History of defined benefit obligations

	2012 €	2011 €
Defined benefit obligations	1,470,000	1,380,000
Experience losses/(gains) on scheme liabilities:		
Amount	(52,000)	(57,000)
Percentage of scheme liabilities	(4%)	(4%)
The cumulative actuarial loss recognised in the Statement Total		
Recognised Gains and Losses amounts to €280,000		

(f) General description of the scheme

The pension scheme is a defined benefit salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 15 February 2013 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2012.

Notes to the Financial Statements (continued)

For the year ended 31 December 2012

The principal actuarial assumptions were as follows:

	2012	2011
	€	€
Rate of increase in salaries	4%	4%
Rate of increase in pensions in payment	4%	4%
Discount rate	5.5%	5.5%
Inflation rate	2%	2%
Average life expectancy:		
Male aged 65	22	22
Female aged 65	25	25

6 Commission Members' Fees

The annual fees payable to Commission Members are as follows:

	2012	2011
	€	€
Chairperson	20,520	20,520
Ordinary Members	71,820	71,820
	<hr/> 92,340	<hr/> 92,340

7 Commission Members' Fee List

	Fees 2012	2011
	€	€
Breege O'Donoghue (Chairperson)	20,520	20,520
Gerard Barry	11,970	11,970
Iarla Duffy	11,970	11,970
Brendan McGinty	11,970	11,970
John Hennessy	11,970	11,970
Peter McLoone	11,970	11,970
Fergus Whelan	11,970	11,970

The amount paid to Commission Members in 2012 in respect of:

	€	€
Mileage expenses	3,861	3,223
Subsistence expenses	1,417	1,232
Total paid	<hr/> 5,278	<hr/> 4,455

8 Rent & Rates

The Commission operates from offices provided on a rent free basis by the Office of Public Works.

Notes to the Financial Statements (continued)

For the year ended 31 December 2012

9 Fixed Assets

	Furniture, Fixtures and Fittings	Equipment	Total
Cost	€	€	€
At 1 January 2012	437,109	631,966	1,069,075
Additions In Year	18,179	4,168	22,347
Disposals In Year	-	(51,635)	(51,635)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	455,288	584,499	1,039,787
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation			
At 1 January 2012	316,582	579,652	896,234
Charge for Year	40,235	22,740	62,975
Depreciation on Disposals	-	(51,635)	(51,635)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	356,817	550,757	907,574
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 2012	98,471	33,742	132,213
	<hr/>	<hr/>	<hr/>
At 31 December 2011	120,527	52,314	172,841
	<hr/>	<hr/>	<hr/>

10 Debtors & Prepayments

	2012	2011
	€	€
Debtors	13	5,167
Prepayments	29,602	16,622
OPW	78,018	78,267
	<hr/>	<hr/>
	107,633	100,056
	<hr/>	<hr/>

11 Bank & Cash

	2012	2011
	€	€
Current account	72,583	79,181
Deposit account	1,333	1,333
Petty cash	235	205
	<hr/>	<hr/>
	74,151	80,719
	<hr/>	<hr/>

12 Creditors

	2012	2011
	€	€
Accruals	89,433	79,650
Audit fee	8,225	8,225
	<hr/>	<hr/>
	97,658	87,875
	<hr/>	<hr/>

Notes to the Financial Statements (continued)

For the year ended 31 December 2012

13 Related Party Transactions

The Labour Relations Commission is an independent statutory body under the aegis of the Department of Jobs, Enterprise and Innovation. The Commission received grant aid from the Department of Jobs, Enterprise and Innovation and, due to various material transactions, this Department is regarded as a related party.

The Board adopted procedures in accordance with the Code of Practice for the Governance of State Bodies in relation to the disclosure of interest by the Board members and these procedures have been adhered to in the year.

There were no transactions in the year in relation to the Board's activities in which the Board members had any beneficial interest.

14 Going Concern

The Minister for Jobs, Enterprise and Innovation announced in July 2011 that he wished to reform the operation of the Employment Rights and Industrial Relations (ERIR) machinery of the State. The proposed reform is to streamline the State's five employment rights bodies: The Labour Relations Commission (LRC), National Employment Rights Authority (NERA), Employment Appeals Tribunal (EAT), Equality Tribunal and the Labour Court.

It is the intention of the Minister to cease the operation of the Labour Relations Commission as an independent statutory body including the role of Chief Executive and his Accounting Officer statutory responsibilities, through the establishment of a newly constituted Workplace Relations Commission.

The legislation is currently being drafted and is at an advanced stage. It is being given priority by the Office of the Parliamentary Counsel. The Minister is committed to the publication and enactment of the legislation at an early date, with a view to having the proposed new structures in place during 2014.

As the functions, operations, staff, assets and liabilities of the Labour Relations Commission will be transferred to the new Workplace Relations Commission on a going concern basis, it is appropriate for the accounts to be prepared on a going concern basis.

15 Approval of Financial Statements

These financial statements were approved by the Board on the 13th December 2013.



UN-AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2013

Un-Audited Accounts 2013

For year ended 31 December 2013

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Statement of Responsibilities of the Commission

For the year ended 31 December 2013

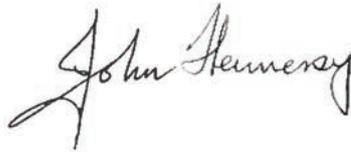
Section 31(1) of the Industrial Relations Act 1990 requires the Commission to prepare Financial Statements in such form as may be approved by the Minister for Jobs, Enterprise and Innovation after consultation with the Minister for Finance. In preparing those statements, the Commission is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The Commission is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Commission and which enable it to ensure that the Financial Statements comply with Section 31(1) of the Act. The Commission is also responsible for safeguarding the assets of the Labour Relations Commission and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Breege O'Donoghue
Chairperson
Date: 10 July 2014



John Hennessy
Commission Member
Date: 10 July 2014

NOTE: THESE ARE UN-AUDITED FINANCIAL STATEMENTS

Statement on Internal Financial Control

For the year ended 31 December 2013

Responsibility on Internal Financial Control

As Chairman, I acknowledge the responsibility of the Labour Relations Commission for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Commission has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining management responsibilities and powers;
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the Commission; and
- Developing a culture of accountability across all levels of the Commission

The Commission has established procedures to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the Commission including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring - a risk register is in place;
- Assessing the Commission's ability to manage and mitigate the risks which do occur; and
- Assessing the costs of operating particular controls relative to the benefit obtained

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with a monthly budget which is reviewed and agreed by the Commission;
- Regular reviews by the Commission of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing and approval guidelines; and
- Formal project management disciplines.

The Commission employed a consultant, on a contract basis, as internal auditor to conduct a review of the effectiveness of the system of internal controls.

The Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee, the executive managers within the Commission who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

Annual Review of Controls

I confirm that for the year ended 31 December 2013 the Commission conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Labour Relations Commission.



Breege O'Donoghue
Chairperson
Date: 10 July 2014

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

For the year ended 31 December 2013

The process of finalising the audit of the Commission's accounts for 2013 has commenced at this time of writing.

The audited accounts will be published when the Comptroller and Auditor General has completed the annual review and issued the relevant certification.

Statement of Accounting Policies

For the year ended 31 December 2013

1 Basis of Accounting

These financial statements have been prepared under the accruals method of accounting, except as stated below, and in accordance with generally accepted accounting principles under the historical cost convention. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted, as they become operative. The unit of currency in which the Financial Statements are denominated is Euro.

2 Oireachtas Grants

Income is accounted for on the basis of:

- Cash receipts from the Department of Jobs, Enterprise and Innovation;
- Payments made by the Department of Jobs, Enterprise and Innovation on behalf of the Commission.

3 Fixed Assets and Depreciation

The Labour Relations Commission adopts a minimum capitalisation threshold of €1,000. Fixed assets are stated at their cost less accumulated depreciation. Depreciation is charged at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis as follows:

Furniture, Fixtures and Fittings	10% Per Annum
Equipment	20% Per Annum

4 Capital Account

The capital account represents the unamortised amount of income used to purchase fixed assets and the value of assets transferred to the Commission.

5 Pensions

The Commission operates a non-contributory defined benefit pension scheme for one Officer which is funded annually on a pay-as-you-go basis from monies provided by the Department of Jobs, Enterprise and Innovation. Pension Scheme liabilities are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

Pension liabilities represent the present value of future pension payments earned to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Jobs, Enterprise and Innovation.

6 Stocks

Stocks of publications and stationery have no net realisable value and are not regarded as assets.

Income and Expenditure Account

For the year ended 31 December 2013

	Notes	€	2013 €	2012 €
Income				
Oireachtas grants	1		4,054,962	4,597,572
Net deferred funding for pensions	5(a)		147,000	142,000
			<hr/>	<hr/>
			4,201,962	4,739,572
Transfer (to)/from Capital Account	2		19,966	40,628
			<hr/>	<hr/>
			4,221,928	4,780,200
Expenditure				
Salaries and related costs	3	3,217,525		3,629,832
Travel and subsistence		219,955		261,543
Commission members' fees	6	80,370		92,340
Rental of meeting rooms		73,371		99,995
Stationery and office supplies		32,745		41,641
Postage, carriage and telephone		138,312		127,172
Entertainment and catering		13,824		3,936
Research		35,962		-
Utilities and Office maintenance		187,615		178,659
Audit fee		8,200		8,225
Consultancy and professional fees		44,467		50,653
Miscellaneous		38,155		33,301
Printing		5,927		12,989
Training		4,733		20,301
Pension costs	5(a)	147,000		142,000
Refurbishment		-		23,412
Depreciation		46,169		62,975
Loss on disposal of fixed assets		-		-
			<hr/>	<hr/>
			4,294,330	4,788,974
Deficit for year			(72,402)	(8,774)
Balance at 1 January			84,127	92,901
			<hr/>	<hr/>
Balance at 31 December			11,725	84,127
			<hr/>	<hr/>

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 10 July 2014



Kieran Mulvey
Chief Executive
Date: 10 July 2014

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2013

	Notes	2013 €	2012 €
Deficit for the year		(72,402)	(8,774)
Experience gains on pension scheme liabilities		307,000	52,000
Changes in assumption underlying the present value of pension scheme liabilities		-	-
Actuarial gain on pension liabilities		307,000	52,000
Adjustment to deferred pension funding	5(e)	(307,000)	(52,000)
Total recognised loss for the year		<u>(72,402)</u>	<u>(8,774)</u>

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 10 July 2014



Kieran Mulvey
Chief Executive
Date: 10 July 2014

Balance Sheet

As at 31 December 2013

	Notes	€	2013 €	2012 €
Fixed Assets	9		112,247	132,213
Current Assets				
Debtors and prepayments	10	108,826		107,633
Cash at bank and on hand	11	18,515		74,151
			<hr/>	<hr/>
		127,341		181,784
Current Liabilities				
Creditors (amounts falling due within one year)	12	115,617		97,658
			<hr/>	<hr/>
		115,617		97,658
			<hr/>	<hr/>
Net Current Assets			11,724	84,126
			<hr/>	<hr/>
Total Assets less Current Liabilities before Pension			123,971	216,339
Deferred pension funding	5(d)		1,310,000	1,470,000
Pension liabilities	5(b)		(1,310,000)	(1,470,000)
			<hr/>	<hr/>
Total Assets less Current Liabilities			123,971	216,339
			<hr/>	<hr/>
Represented by:				
Capital Account	2		112,246	132,212
Income and expenditure account			11,725	84,127
			<hr/>	<hr/>
			123,971	216,339
			<hr/>	<hr/>

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 10 July 2014



Kieran Mulvey
Chief Executive
Date: 10 July 2014

Notes to the Financial Statements

For the year ended 31 December 2013

1 Oireachtas Grants

The Department of Jobs, Enterprise and Innovation provided grant funding during the year as follows:

	2013 €	2012 €
Paid over to the Labour Relations Commission	750,000	889,000
Paid directly by the Department	3,304,962	3,708,572
	<u>4,054,962</u>	<u>4,597,572</u>

2 Capital Account

	2013 €	2012 €
Balance at 1 January	132,212	172,840
Transfer from Income and Expenditure Account		
Income applied to purchases of Fixed Assets	26,203	22,347
Net book value of assets disposed	-	-
Amortisation in line with depreciation	(46,169)	(62,975)
	<u>(19,966)</u>	<u>(40,628)</u>
Balance at 31 December	<u>112,246</u>	<u>132,212</u>

3 Salaries and Related Costs

All staff, other than the Chief Executive and the 12 Rights Commissioners, are Civil Servants assigned to the Commission by the Department of Jobs, Enterprise and Innovation.

The charge of €3,217,525 (2012: €3,629,832) includes fees of €858,644 (2012: €1,076,245) payable to the 13 Rights Commissioners.

The total number of staff employed at 31 December 2013 was 45 (2012: 47) with a salary cost of €2,358,881 (2012: €2,553,587).

4 Chief Executive

The Chief Executive received salary payments of €161,948 (2012: €168,000). No bonus payments were made in the year. The Chief Executive received an amount of €10,965 (2012: €12,322) in respect of travel and subsistence. The Chief Executive's pension entitlements do not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme.

5 Pension

(a) Analysis of total pension costs charged to Expenditure

	2013 €	2012 €
Current service costs	66,000	66,000
Interest on Pension Scheme Liabilities	81,000	76,000
	<u>147,000</u>	<u>142,000</u>

Notes to the Financial Statements (continued)

For the year ended 31 December 2013

(b) Movement in net pension liability during the financial year

	2013 €	2012 €
Net pension liability at 1 January	1,470,000	1,380,000
Current service cost	66,000	66,000
Interest cost	81,000	76,000
Actuarial gain	(307,000)	(52,000)
Pensions paid in the year	-	-
	<hr/>	<hr/>
Net pension liability at 31 December	<u>1,310,000</u>	<u>1,470,000</u>

(c) Net deferred funding for pension

The Net Deferred Funding for Pensions recognised in Income and Expenditure was as follows:

	2013 €	2012 €
Funding Recoverable in respect of current year pension costs	147,000	142,000
State Grant applied to pay pensioners	0	0
	<hr/>	<hr/>
	<u>147,000</u>	<u>142,000</u>

(d) Deferred funding for pensions

The Commission recognises these amounts as an asset corresponding to the unfunded deferred liability for pension on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension schemes, and the policy and practice currently in place in relation to funding public service pensions including the annual estimates process.

The Commission has no evidence that this funding will not continue to meet such sums in accordance with current practices. The deferred funding asset for pension as at 31 December 2013 amounted to €1,310,000 (2012: €1,470,000).

(e) History of defined benefit obligations

	2013 €	2012 €
Defined benefit obligations	1,310,000	1,470,000
Experience losses/(gains) on scheme liabilities:		
Amount	(307,000)	(52,000)
Percentage of scheme liabilities	(23%)	(4%)
The cumulative actuarial loss recognised in the Statement Total Recognised Gains and Losses amounts to €587,000		

(f) General description of the scheme

The pension scheme is a defined benefit salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 15 March 2014 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2013.

Notes to the Financial Statements (continued)

For the year ended 31 December 2013

The principal actuarial assumptions were as follows:

	2013	2012
	€	€
Rate of increase in salaries	4%	4%
Rate of increase in pensions in payment	4%	4%
Discount rate	5.5%	5.5%
Inflation rate	2%	2%
Average life expectancy:		
Male aged 65	22	22
Female aged 65	25	25

6 Commission members' Fees

The annual fees payable to Commission Members are as follows:

	2013	2012
	€	€
Chairperson	20,520	20,520
Ordinary Members	59,850	71,820
	<hr/>	<hr/>
	80,370	92,340
	<hr/>	<hr/>

7 Commission Members' Fee List

	Fees	
	2013	2012
	€	€
Breege O'Donoghue (Chairperson)	20,520	20,520
Gerard Barry	5,985	11,970
Iarla Duffy	5,985	11,970
Brendan McGinty	11,970	11,970
John Hennessy	11,970	11,970
Peter McLoone	11,970	11,970
Fergus Whelan	11,970	11,970
	<hr/>	<hr/>

The amount paid to Commission Members in 2013 in respect of:

	€	€
Mileage expenses	1,465	3,223
Subsistence expenses	545	1,232
	<hr/>	<hr/>
Total paid	2,010	4,455
	<hr/>	<hr/>

8 Rent and Rates

The Commission operates from offices provided on a rent free basis by the Office of Public Works.

Notes to the Financial Statements (continued)

For the year ended 31 December 2013

9 Fixed Assets

	Furniture, Fixtures and Fittings	Equipment	Total
Cost	€	€	€
At 1 January 2013	455,288	584,499	1,039,787
Additions In Year	-	26,203	26,203
Disposals In Year	-	(9,129)	(9,129)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	455,288	601,573	1,056,861
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 January 2013	356,817	550,757	907,574
Charge for Year	19,425	26,744	46,169
Depreciation on Disposals	-	(9,129)	(9,129)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	376,242	568,372	944,614
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 2013	79,046	33,201	112,247
	<hr/>	<hr/>	<hr/>
At 31 December 2012	98,471	33,742	132,213
	<hr/>	<hr/>	<hr/>

10 Debtors and Prepayments

	2013	2012
	€	€
Debtors	10,038	13
Prepayments	20,770	29,602
OPW	78,018	78,018
	<hr/>	<hr/>
	108,826	107,633
	<hr/>	<hr/>

11 Bank and Cash

	2013	2012
	€	€
Current account	17,035	72,583
Deposit account	1,333	1,333
Petty cash	147	235
	<hr/>	<hr/>
	18,515	74,151
	<hr/>	<hr/>

12 Creditors

	2013	2012
	€	€
Accruals	99,172	89,433
Audit fee	16,445	8,225
	<hr/>	<hr/>
	115,617	97,658
	<hr/>	<hr/>

Notes to the Financial Statements (continued)

For the year ended 31 December 2013

13 Related Party Transactions

The Labour Relations Commission is an independent statutory body under the aegis of the Department of Jobs, Enterprise and Innovation. The Commission received grant aid from the Department of Jobs, Enterprise and Innovation and, due to various material transactions, this Department is regarded as a related party.

The Board adopted procedures in accordance with the Code of Practice for the Governance of State Bodies in relation to the disclosure of interest by the Board members and these procedures have been adhered to in the year.

There were no transactions in the year in relation to the Board's activities in which the Board members had any beneficial interest.

14 Going Concern

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It is the intention of the Minister to cease the operation of the Labour Relations Commission as an independent statutory body including the role of Chief Executive and his Accounting Officer statutory responsibilities, through the establishment of a newly constituted Workplace Relations Commission.

The legislation is currently being drafted and is at an advanced stage. It is being given priority by the Office of the Parliamentary Counsel. The Minister is committed to the publication and enactment of the legislation at an early date.

As the functions, operations, staff, assets and liabilities of the Labour Relations Commission will be transferred to the new Workplace Relations Commission on a going concern basis, it is appropriate for the accounts to be prepared on a going concern basis.

15 Status of Financial Statements

These are un-audited Financial Statements.

16 Approval of Un-Audited Financial Statements

These un-audited financial statements were approved by the Board on the 10 July 2014 .





Labour Relations Commission
Tom Johnson House, Haddington Road, Dublin 4, Ireland

Tel: +353 1 6136700 Fax: +353 1 6136701
Email: info@lrc.ie Web: www.lrc.ie
www.workplacerelations.ie