



Oifig an Aire Post, Fiontar agus Nuálaíochta
Office of the Minister for Jobs, Enterprise and Innovation

Our Ref: **110973/MIN**
Your Ref: **M5/0711**

20/07/2011

Ms Mary Maguire
Meetings Administrator
South Dublin County Council
County Hall
Tallaght
Dublin 24

Dear Ms Maguire,

Thank you for your recent letter regarding JLC rates.

The Programme for Government contained a clear commitment to reform the system of joint labour committees and employment regulation orders.

The purpose of proposed reforms is to help businesses to create new jobs. The downturn in the economy has had a profound effect on the labour market. The wage setting structures must be flexible and adaptable to the difficulties and opportunities in these sectors.

The overall finding of the Duffy/Walsh Report of the Review of Employment Regulation Orders and Registered Employment Agreement Wage Setting Mechanisms was that the basic framework of the current ERO/REA regulatory system requires radical overhaul so as to make it fairer and more responsive to changing economic circumstances and labour market conditions. All of the proposals which I have made are based on findings in that report. The report is very clear that reform is necessary in this system to improve competition.

As you aware, recently, the High Court issued its ruling in a legal challenge, taken by John Grace Fried Chicken Ltd and others, to the Joint Labour Committee system and the 2008 Employment Regulation Order (ERO) covering the Catering Sector outside of Dublin. The Court ruled that certain provisions of the Industrial Relations Acts of 1946 and 1990 governing the making of the EROs are unconstitutional and that the 2008 ERO constituted an unlawful and disproportionate interference in the property rights of

the plaintiffs. As a result of that decision, this existing legislation can no longer be enforced. I should point out that existing workers are protected by their contracts of employment. However, I am now working to introduce new legislation which will be legally robust, which will protect vulnerable workers and which will be sufficiently flexible to accommodate new job opportunities.

Please contact me if I can be of further assistance.

Yours sincerely,

A handwritten signature in cursive script, reading "P. J. Mahon (Private Secretary)". The signature is written in dark ink and is positioned above a horizontal line.

MR RICHARD BRUTON T.D.
MINISTER FOR JOBS, ENTERPRISE AND INNOVATION