

# **IARNROD EIREANN - TRADE UNION GROUP**

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## **Submission to Labour Court**

Issue: Iarnrod Éireann Pay Dispute

Venue: Lansdowne House

Date: 9<sup>th</sup> November 2017

Time: 11.30 a.m.

Unions Spokespersons:

Dermot O'Leary, Greg Ennis, Paul Cullen,  
Patrick McCusker, Willie Quigley, Sean Heading

# Labour Court Submission dispute with Irish Rail 2017

Chairperson, Members of the Court,

We are here today out of respect for this great institution, the five Trade Unions involved, hold the Labour Court in high esteem.

You will undoubtedly be aware that our experiences on the last occasion (19<sup>th</sup> October) that we attended at this building with your colleagues from the Workplace Relations Commission was totally unsatisfactory and such a negative experience was in no way attributable to the WRC.

The original submission from the Trade Union Group, along with our supplementary submission, gave a comprehensive and detailed breakdown of our claim for a well-deserved, long overdue pay rise for our members, similar in quantum and retrospection to colleagues across the Public Transport Sector.

Irish Rail responded by painting a picture of indebtedness and potential insolvency.

Irish Rail has published its 2016 annual accounts, in the period since we were last with the Court on this issue,

Some of the head line figures from that report:

- Passenger numbers grew by 8% to 42.8 million, which included an 11% growth in DART business.
- Exceeded all NTA performance and punctuality targets.
- Rail freight volumes increased by 5.2% to 101.4 million tonne kilometres.
- Rosslare Europort saw increases in all major business sectors, including passenger cars (4.5%), Ro-Ro Freight units ((4.3%) and trade vehicle imports (8.3%).
- The investment in the Phoenix Park Tunnel was completed, enabling regular peak commuter services to commence in October 2016.
- Completed the latest phase of the City Centre Re-signalling Project, which will expand the capacity of the city network.
- Advanced the Customer First programme, which will make services easier to buy and easier to use for customers, (and were due to launch in 2017).

- Commenced a major re-signalling programme in the Limerick Station area which will be complete in 2017.
- Delivered a second year of track improvement works on the Dublin/Cork line which will improve service performance and journey time.
- The overall result of the year is a deficit of €2.9 million compared to a reported deficit of €7.7 million in 2015.
- The result is favourable to budget primarily due to continued strong passenger revenues.
- Revenue has increased year on year in, Rosslare, Freight, property and advertising, and in third party income excluding one-time adjustments in 2016.
- The ongoing economic recovery has resulted in increased service demand resulting in increased passenger journeys and continued growth in passenger revenue.
- Passenger revenue in 2016 was the highest recorded in the history of the company at €193.7 million.
- Changes to travel zones and fares has had a negative impact on passenger revenue of circa €0.5m. This has been recovered through higher service demand driven from continued marketing activities.
- Revenue from operations at €244.5 million is favourable to the previous year by €10.6 million.
- The pay deal implemented (Cuts to Pay) by the company for a period of 25 months in 2014 ceased in October 2016.
- The total payroll savings delivered over the course of the pay deal (cuts) was €8.9 million.
- The company's commercial activity continued to generate growth in key market segments.
- In 2016, student promotional activity yielded a fifth consecutive year of growth, averaging 1.9%.
- A series of online seat sales in 2016 resulted in a 4% increase in online revenue.
- Tax-Saver revenue increased by 8% with another record number of companies registered with the business sales team, which also grew usage within existing participating companies.
- Rail freight revenue, including Navigator Freight Forwarding, increased from €8.8 million to €9 million in 2016, with total tonne kilometres increasing from 96.4 million to 101.4 million, primarily due to an increase in mineral ore volumes.
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- The fully refurbished fleet on the Belfast/Dublin Enterprise returned to service in early 2016, delivering significant improvements in customer facilities and comfort resulting in increased passenger journeys and passenger revenue growth of 2.5%.
- Belmond successfully launched their Grand Hibernian luxury train tour across Ireland in August 2016 bringing to life the partnership agreement signed in 2014.
- Phoenix Park tunnel cross city services commenced operation in November 2016 with 7 services from Newbridge/Hazlehead to Grand Canal Dock in the AM peak and 8 services returning in the evening.

Chairperson, Members of the Court,

These are just a sample of the positive content within the 2016 accounts.

They are not a description of a company falling apart, performing poorly or teetering on the brink of insolvency. Reports from the Board's inform us, that the 2017 accounts will reflect a continuation of this upward positive trend.

So exactly why, after almost ten years of pay stagnation, has Irish Rail refused its own Staff a pay rise? These are the same staff that were responsible for the transformation of Irish Rail from a loss-making enterprise to one that is now (operationally) profitable.

In its own annual report, the Company commends staff for taking a 25 month pay cut:

*"At Iarnród Éireann we want our people to enjoy coming to work every day and ensure that they are fulfilled in their current roles and have the support and tools to grow their career. We do this through providing opportunity, training, development programmes, support and equality programmes for all colleagues which values their contribution throughout the organisation.*

*In 2016, our team of approximately 3,806 people continued to deliver safe, quality transport services to our customers through a difficult economic period. The temporary foregoing of basic pay introduced in 2014 for a period of 25 months ceased in October. Difficult as it was to ask colleagues to accept a salary sacrifice, the contribution was essential to ensure our solvency, and get us through an extremely difficult time, and it is genuinely appreciated."*

Just to repeat, they, as in the Company, want staff to “enjoy” coming to work and the 25-month pay cut was “genuinely appreciated” yet workers have had to engage in two days of industrial action, with potentially more to follow, in pursuance of a first pay rise in ten years at a time when all sorts of revenue and passenger number records are being surpassed.

It truly beggars belief.

Added to this is the fundamental question as to why Irish Rail are claiming to be on the brink of insolvency?

Record passenger numbers and revenues with 20% less staff should have the Irish Rail accounts firmly in the black despite an approximate 40% reduction in subvention since 2007.

As previously highlighted in our Submissions, Irish Rail continue to re-direct operational cash into track and engine maintenance.

Staff, by virtue of a 10 year pay freeze (which according to a Ministerial briefing document, again included in our original submissions, equates to a 13% pay cut) are effectively subsidising public rail transport.

The bizarre situation whereby the National Transport Authority (NTA), issue direct award contracts which makes little or no provision for pay increases, is yet another complicating factor in this dispute.

Chairperson, Members of the Court,

The Irish Rail accounts referenced earlier contain the following as a mission statement;

*Our mission*

- *Delivering transport services that continually meet our customers' requirements and help drive Ireland's economic development.*
- *Our Vision – Building a better future together by improving our services and Growing our business.*

Our Values are:

- *Always Safe*
- *Valuing our people*
- *Customers at the heart of our business*
- *One Team*
- *Proud of our past, passionate about our future*

If Irish Rail wish to value their people, they should have had the decency to reward the contributions of those Staff to the success story, outlined above, (mainly through the words of the Company itself) by paying their staff a well-deserved and long overdue pay rise.

They have shamefully opted to abdicate that responsibility and added insult to injury by forcing its loyal and hardworking Staff onto the Picket lines, which in turn has led to unnecessary travel chaos across the Country.

- We respectfully request that the Court will recommend that our members should receive a pay increase of 3.75% per year for three years, retrospective to October 2016
- We would also ask the Court to consider the section in our Submission which references our concerns in relation to the cycle of industrial disputes in the Public Transport Sector and in so doing reiterate its position on the necessity for a meaningful Transport Forum involving all Stakeholders and for such a Forum to commence without delay.