Department of Enterprise, Trade and Employment

“To work for Government and the people to grow equitably Ireland’s competitiveness and quality employment”

Annual Report 2004
CONTENTS
Annual Report 2004

Foreword by Minister for Enterprise, Trade & Employment 5
Introduction by Secretary General 6
Organisation Chart 7
Our Mission 8
Our Values 8
Structure of the Department 8
Pillars of our Strategy 8
Our Key Goals 9
Environmental Analysis 10
Summary of Key Achievements in 2004 12

ENTERPRISE, INNOVATION & GROWTH 15
Science, Technology & Innovation 16
Enterprise Ireland & Science Foundation Ireland Programmes 16
Science Foundation Ireland 16
Enterprise Ireland 16
IDA Ireland 16
Discover Science & Engineering Awareness Programmes 16
Discover Primary Science Clubs 16
STAR 17
Scope TV Series 17
Exploration Station 17
Science Technology & Innovation Policy Forum 17

Contribution of R&D to Knowledge-Based economy 18
National R&D Action Plan in response to Lisbon Agenda 18
Co-ordination and Governance of STI 18
Research & Development Tax Credit 19
Irish Researcher’s Mobility Centre & Portal 19
Ireland’s membership of European Space Agency 19
Irish RTD activity in European Space Agency 19

Strengthening the legal framework for Intellectual Property 20
Patents (Amendment) Bill 20
Amendment to the Exhibition Right 20
Accession to the Paris Act of the Berne Convention 20

Industrial & Enterprise Policy Agencies 21
Indigenous Enterprises 21
Forfás 21
Enterprise Ireland 21
Shannon Development 22
County Enterprise Boards 22
Foreign Direct Investment 23
IDA Ireland 23
Promoting regional balance 23
Enterprise Ireland 23
IDA Ireland 24
State Aids 24
North/South 25
Targeted Business Schemes 26
Small Business Expansion Loans 26
Women in Business 26
Student Enterprise Award 26

Enterprise Policy and Building the Knowledge Economy 26
Enterprise Strategy Group 26
eBusiness Strategy 27
Future Role of Shannon Development 27
Consultations with Industry 27

National Competitiveness 27
Implementation of National Competitiveness Council Recommendations 27

International Trade and Foreign Earnings 28
Import/Export Licensing 28
Promoting Exports of Goods and Services/Diversifying Export Trade Destinations 28
Export Credit Insurance and Debt Recovery 29
Trade Policy Review 29

Environmental Initiatives 29
Sustainable Development Strategy 29
Climate Change 29
Competitive Sustainability 29
Waste Issues 30
Corporate Social Responsibility 30
Departmental Sustainability 30

QUALITY WORK & LEARNING 31
Training & Employment 32
Funding 32
Lifelong Learning 32
Expert Group on Future Skills Needs 32
Skillnets 33
In Company Training 33
Apprenticeship 33
Employment Programmes 33
Opportunities for People with Disabilities 34

Migration

Employment Rights and Entitlements 35

Employment Rights Legislation
Review of Employment Agency Act 1971 35
Review of Carer’s Leave Act 2001 35

Employment Rights Information and Compliance
Employment Rights Information Unit 35
Labour Inspectorate Unit 36
Prosecution and Enforcement Unit 36

Redundancy and Insolvency Payments 36

Occupational Health and Safety
Safety, Health and Welfare at Work Bill 2004 36
Expert Group on Bullying in the Workplace 36
Draft Safety, Health and Welfare at Work (Construction) Regulations 37

Statutory Instruments 37

Employment Rights Bodies Review 37

Industrial Relations 37

IR Legislative Framework 37
Dispute Resolution Bodies 38
Social Partnership 38
National Minimum Wage 38
National Framework Committee for Work Life Balance Policies 38
Forum on the Workplace of the Future 38

Making Markets & Regulation Work Better 39

Company Law 40
Company Law Operation 40
Company Law Review 40
Company Law Compliance 40
Inquiries under section 8 of the Companies Act 1990 40
Examinations under section 19 of the Companies Act, 1990 40
Prosecutions under the Companies Acts 1963-2003 40
Auditing and Accounting Standards 41
Interim Board of Irish Auditing and Accounting Supervisory Authority (IAASA) 41
Financial Services Legislation 41

Establishment of Company Law (Financial Services) Unit/
Drafting of Investment Funds, Companies and Miscellaneous Provisions Bill 2005 41

Consumer Interests & Competition Promotion 41

Regulation 42
Review of Consumer Legislation 42
Consumer Strategy Group 42
Clearing House for the European Extra-Judicial Network (EEJ-Net) 43
Consumer Protection Portal 43
Compliance Enforcement – Consumer 43
Penalties for Breaches of Consumer Legislation 43
Compliance Enforcement – Competition 43
Competition Authority 43
Removing unwarranted constraints on competition 43
Amicus Curiae in F. Hoffman – La Roche Ltd v Empagran S.A. 43
Insurance Reform 44
Personal Injuries Assessment Board (PIAB) 44

Quality Value & Continuous Improvement 47

Quality Customer Service 48
Department’s Customer Charter, Action Plan & Service Levels 48
Customer Charter 48
Action Plan 48
Customer Care Research 48
IT Unit Customer Charter 48
ICT Steering Group 48
Online Renewal Payment System 48
BASIS 49
Work Permit Applications 49
Redundancy & Insolvency Payments 49
Employment Appeals Tribunal 49

Management & Modernisation 49

Change Management 49
Management information framework 50
Human Resource Management 50
Sustaining Progress 50
Partnership 50
Staff Perceptions and Attitudes Survey 51
Equality 51
50 Best Companies 2004 51
Decentralisation 51
### Value for Money & Accountability
- Financial Management & Control and Risk Management
- Financial Management
- Internal Audit
- Financial Outturn
- Risk Management
- Disaster Recovery Strategic Plan

### Openness & Transparency
- Mullarkey Report
- Website
- Expenditure Reviews
- Enterprise Ireland's Overseas Office Network
- IDA Ireland's Property Programme
- Cross Departmental Expenditure Review of State Supports for the Long Term Unemployed
- Expenditure Review on Science & Technology
- Freedom of Information

### THE EUROPEAN UNION
#### Presidency 2004
- Competiveness
- EU Competitiveness Council
- Informal meeting of Ministers with responsibility for Competitiveness
- Employment, Social Policy, Health and Consumer Affairs Council
- Presidency Trade Issues
- Consumer and Company Law
- European Consumer Day
- Corporate Social Responsibility
- Other Conferences/Negotiations

#### The Lisbon Agenda
- Research Policy Agenda
- Basic Research Dublin Symposium
- Competitiveness Council Conclusions on Basic Research March 2004
- Development of EU Space Policy

#### Science, Technology & Innovation
- Participation in the Sixth Framework Programme
- Increased level of involvement of Irish research in FP6
- Launch of National Consultation process for FP7

#### European Employment Strategy

#### Structural Funds
- European Social Fund
- Employment & Human Resources Development Operational Programme
- EQUAL Community Initiative
- European Regional Development Fund
- Productive Sector Operational Programme

#### Enterprise Initiatives
- Multi Annual Programme for Enterprise & Entrepreneurship (MAPEE )
- Euro Charter for Small Enterprises
- Euro Business Test Panel
- Tariff Suspension

#### Directives & Regulation
- Better Regulation
- Negotiation/Transposition of EU Measures
- Company Law
- Health and Safety
- Standards
- Employment Rights & Industrial Relations
- Statutory Instruments

#### EU Environmental Initiatives
- Proposed EU Chemicals Regulation (REACH)
- Detergents Regulation

#### Influencing International Developments
- International Labour Organisation
- Council of Europe

#### International Trade and EU Internal Market
- EU Common Commercial Policy
- EU Internal Market
- Implementation of the Internal Market Strategy
- Draft Directive on Services in the Internal Market
- Solvit programme on the removal of barriers in the Single Market
- Taiex (Technical Assistance and Information Exchange)

### APPENDICES

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Employment Strategy</td>
<td>60</td>
</tr>
<tr>
<td>Structural Funds</td>
<td>61</td>
</tr>
<tr>
<td>European Social Fund</td>
<td>61</td>
</tr>
<tr>
<td>Employment &amp; Human Resources Development Operational Programme</td>
<td>61</td>
</tr>
<tr>
<td>EQUAL Community Initiative</td>
<td>63</td>
</tr>
<tr>
<td>European Regional Development Fund</td>
<td>63</td>
</tr>
<tr>
<td>Productive Sector Operational Programme</td>
<td>63</td>
</tr>
<tr>
<td>Enterprise Initiatives</td>
<td>63</td>
</tr>
<tr>
<td>Multi Annual Programme for Enterprise &amp; Entrepreneurship (MAPEE )</td>
<td>63</td>
</tr>
<tr>
<td>Euro Charter for Small Enterprises</td>
<td>63</td>
</tr>
<tr>
<td>Euro Business Test Panel</td>
<td>63</td>
</tr>
<tr>
<td>Tariff Suspension</td>
<td>63</td>
</tr>
<tr>
<td>Directives &amp; Regulation</td>
<td>64</td>
</tr>
<tr>
<td>Better Regulation</td>
<td>64</td>
</tr>
<tr>
<td>Negotiation/Transposition of EU Measures</td>
<td>64</td>
</tr>
<tr>
<td>Company Law</td>
<td>64</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>66</td>
</tr>
<tr>
<td>Standards</td>
<td>67</td>
</tr>
<tr>
<td>Employment Rights &amp; Industrial Relations</td>
<td>68</td>
</tr>
<tr>
<td>Statutory Instruments</td>
<td>68</td>
</tr>
<tr>
<td>EU Environmental Initiatives</td>
<td>70</td>
</tr>
<tr>
<td>Proposed EU Chemicals Regulation (REACH)</td>
<td>70</td>
</tr>
<tr>
<td>Detergents Regulation</td>
<td>70</td>
</tr>
<tr>
<td>Framework Directive on Eco-Design of Energy Using Products (EuP)</td>
<td>70</td>
</tr>
<tr>
<td>Influencing International Developments</td>
<td>70</td>
</tr>
<tr>
<td>International Labour Organisation</td>
<td>70</td>
</tr>
<tr>
<td>Council of Europe</td>
<td>71</td>
</tr>
<tr>
<td>International Trade and EU Internal Market</td>
<td>71</td>
</tr>
<tr>
<td>EU Common Commercial Policy</td>
<td>71</td>
</tr>
<tr>
<td>EU Internal Market</td>
<td>71</td>
</tr>
<tr>
<td>Implementation of the Internal Market Strategy</td>
<td>71</td>
</tr>
<tr>
<td>Draft Directive on Services in the Internal Market</td>
<td>71</td>
</tr>
<tr>
<td>Solvit programme on the removal of barriers in the Single Market</td>
<td>71</td>
</tr>
<tr>
<td>Taiex (Technical Assistance and Information Exchange)</td>
<td>72</td>
</tr>
</tbody>
</table>
FOREWORD BY MINISTER FOR ENTERPRISE, TRADE & EMPLOYMENT

2004 was a successful year for the Irish economy. The global economy continued to recover throughout the year and domestically Ireland continued the successful trend of recent years, with a sustained growth in GDP at an estimated 5.3%. At national level, we saw an upward trend in employment rates, reflecting the improvement in economic conditions that has prevailed for the last few years. The moderation in the rate of inflation during 2003 continued into 2004, with the CPI averaging 2.2 percent for the year as a whole. We had, in addition, encouraging evidence that overseas investors continue to look positively at this country as our pro-business tax and regulatory environment saw a recovery in inward foreign investment. As a Government Department that plays a central role in Ireland’s economic and social policy, we have had a significant positive impact on our continuing national success in 2004, as is evidenced by this report.

It is important, going forward, to build on this in order to ensure that Ireland is successful in its efforts to support the creation of a knowledge-based society. My Department is keen to address this challenge with a view to ensuring that we build on current growth to steer a path towards continued future prosperity.

2004 saw a number of key developments, many of which, while important in the short and medium term, will bear the greatest fruit over the longer term. During 2004, a new direction for our enterprise policy agenda was developed with the publication of the report of the Enterprise Strategy Group, “Ahead of the Curve”. This report outlines the challenges and opportunities facing the enterprise sector in Ireland over the coming decade and the measures we must take to achieve greater competitiveness. The Action Plan, developed at my instigation to action the recommendations of the ESG Report in order to ensure that we adapt and develop our strengths to succeed in the global economy, was approved by the Government and is being actively pursued.

Another key achievement by my Department during 2004 was the creation of a framework aimed at increasing research and development and enhancing competitiveness. This includes the introduction of a 20% R&D Tax Credit to stimulate investment and to ensure that Ireland is recognised as an economy at the cutting edge of research and innovation. Furthermore, the development of Ireland’s R&D Action Plan (Building Ireland’s Knowledge Economy) 2010, and the establishment of new structures to promote the action plan’s implementation, including the appointment of a Chief Science Adviser, will contribute greatly to ensuring Ireland’s continuing competitiveness over the coming years.

A Review of Employment Rights Bodies was completed in April 2004. A number of recommendations were made, aimed at improving the functioning of the employment rights bodies on an operational and strategic level. In response to the recommendations, a programme of action has, on my recommendation, been agreed by the Government. This programme will facilitate the simplification and modernisation of procedures and provide greater transparency and ease of access for all users of the services of the Employment Rights bodies.

My Department commenced an ambitious reform of existing consumer legislation during 2004. The entire body of consumer law is being reviewed with the aim of consolidation into a modern, concise and comprehensible body of law, which is closely aligned with the growing body of EU consumer law. This will give much greater certainty to consumers about their rights, entitlements and duties, and will reduce very significantly difficulties that currently exist for businesses, consumers and enforcement authorities. The initiative will be implemented over the coming few years and is consistent with the principles of better regulation and with the strong focus that I have on the consumer.

This Annual Report describes the many and varied activities of my Department during 2004 and flags the continuing work of the Department over a longer time frame. Together with our recently published Statement of Strategy, covering the period 2005-2007, it is clear that my Department continues to make a significant contribution to national prosperity and well being.
INTRODUCTION BY SECRETARY GENERAL

The Department's Annual Report for 2004 is based on activities aligned along the five pillars set out in our Statement of Strategy 2003 - 2005: Enterprise, Innovation & Growth; Quality Work & Learning; Making Markets & Regulation Work Better; Quality, Value & Continuous Improvement; and the European Union. Following the appointment of Minister Micheál Martin TD to this Department in September 2004, a new Strategy Statement for the Department for the period 2005 - 2007 was developed and submitted to Government. This Annual Report completes, therefore, the reporting process in respect of the goals and objectives set out in the Strategy Statement 2003 - 2005 and demonstrates the considerable progress made during 2004 in achieving those goals and objectives.

2004 presented a number of challenges for the Department. A key focus of our business during the first six months of the year was Ireland's Presidency of the EU which demanded a very high level of commitment and cooperation from all areas of the Department. Our Presidency also saw the accession of ten new Member States to the European Union in May 2004, providing further challenges and opportunities. I am pleased to say that this Department's very considerable input to the Presidency contributed significantly to what has been generally hailed as a major success.

The Department has always endeavoured to ensure that we deliver excellent services to our customers. Activities during 2004 which helped to ensure that we delivered on this commitment included the completion of a fundamental review of the Employment Rights Bodies, and the agreement of a programme of action to facilitate ease of access for all users of the services of these bodies. Work also continued on the development of systems to expedite applications for Insolvency and Redundancy payments. The establishment of the Personal Injuries Assessment Board (PIAB) also offers a faster and more efficient means of paying compensation, eliminating the need for litigation in cases where legal issues are not in dispute and significantly reducing the cost of delivering compensation to accident victims.

As part of the Department's continuing efforts to improve and maintain the highest standards of rights, entitlements and conditions in the workplace, an expert group was established in 2004 to assess the effectiveness of current measures relating to the prevention of workplace bullying; the identification of improvements in procedures; and how to address the contribution made by workplace bullying to the incidence of workplace stress. The Group's report and recommendations have recently been published. The Minister has initiated consultations with the Social Partners and requested observations from the public before making a submission to Government.

A major development for our decentralisation programme in 2004 was the selection of a landmark site in Carlow town centre on which our new offices will be constructed. Work on the decentralisation of about 300 posts to Carlow, while safeguarding business continuity within decentralising business Sections and ensuring high levels of customer service, was a key focus of our work in 2004 and will continue to be a key challenge for staff across the Department in the years to come.

2005 will present further challenges for the Department as we commence delivery of the commitments in our new Statement of Strategy and maintain and build on the successful achievement of the goals that we set in 2003. I would like to thank my colleagues in the Department for their co-operation and hard work in ensuring the realisation of these goals and am confident that, with their continued support and commitment, we will meet our new challenges going forward.
OUR MISSION

To work for Government and the people to grow equitably Ireland’s competitiveness and quality employment

The Department is a key player in the national economic competitiveness agenda. Our policies are designed to upskill the labour force, provide sustainable employment opportunities, help create an environment where enterprise can flourish, promote investment in R&D, improve workplace conditions, and help to build social inclusion.

OUR VALUES

Our approach to interacting with our key stakeholders – Government and the Oireachtas, members of the public, other public and private organisations and internally with our staff - is founded upon our core values\(^1\) of:

- Fairness and Respect
- Openness and Transparency
- Flexibility and Responsiveness
- Partnership and Consultation
- Responsibility
- Motivation and Performance
- Service
- Professionalism

STRUCTURE OF THE DEPARTMENT

The Department is divided into the following seven divisions, which are aligned with the five pillars of our Statement of Strategy 2003-2005:

- Enterprise and Agencies
- Competitiveness and International Affairs
- Science, Technology and Intellectual Property
- Labour Force Development
- Employment Rights & Industrial Relations
- Commerce, Consumers & Competition
- Corporate Services and Economic Policy

PILLS OF OUR STRATEGY

This Annual Report is based on activities aligned along the five pillars set out in our Statement of Strategy 2003 - 2005. These are:

**Pillar one** Enterprise, Innovation, Growth, which includes initiatives relating to Science, Technology and Innovation, Intellectual Property, research, enterprise policy, industrial policy and competitiveness;

**Pillar two** Quality Work and Learning, which includes the provision of training and employment supports, work permits and migration, and employment rights and entitlements;

**Pillar three** Making Markets & Regulation Work Better, which includes the Department’s role in the insurance reform programme, competition, consumers, and companies and Company Law;

**Pillar four** Quality, Value & Continuous Improvement, which relates principally to the delivery of internal and external support services, including strategy and planning, change management, human resources management, information systems, quality customer services, and financial management and control;

**Pillar five** The European Union, which includes the Irish Presidency of the EU in 2004, enlargement of the EU, EU Constitutional and Institutional reform, directives, international trade, and those issues from the first four pillars which are directly linked with the European Union.

\(^1\) See the Department’s Human Resources Strategy 2005-2007
Our Key Goals

Each pillar of our Strategy Statement 2003-2005 contains a number of high-level goals, which form the basis for the work of the Department over the period. These key goals are as follows:

**Pillar one  Enterprise, Innovation, Growth**

- We will prioritise investment in science, technology and innovation and the development of the knowledge society.
- We will review and update industrial policies and interventions in light of the evolving competitiveness environment, developments in respect of the all island economy and the need for regional balance. We will implement change where necessary.
- We will develop and implement policies to enhance the competitiveness environment, leading to the start up and growth of competitive firms, continued foreign direct investment and sustainable development.

**Pillar two  Quality Work and Learning**

- We will ensure that labour market policy responds to changing skills needs and we will prioritise investment that delivers better jobs, lifelong learning for all and enhanced social inclusion.
- We will further enhance quality employment by improving and enforcing employment rights and entitlements and promoting industrial peace and effective dispute resolution.

**Pillar three  Making Markets & Regulation Work Better**

- We will take concerted action to ensure that regulation is fair, balanced and effectively implemented; to encourage commerce, ensure competitiveness, confidence in business and the welfare of citizens.
- We will promote competition in all sectors of the economy and ensure that consumers derive the maximum benefit from the fair and efficient operation of the market.

**Pillar four  Quality, Value & Continuous Improvement**

- We will ensure that the resources entrusted to us deliver value for money. We will grow our skills and competencies to continuously improve our service to our customers and stakeholders at all levels.

**Pillar five  The European Union**

- We will work proactively within the European Union and domestic institutional structures:
  - to achieve our strategic goals and help make Europe the most competitive economy in the world with more and better jobs and greater social cohesion, and
  - to create a more liberal world trade and investment environment.
ENVIRONMENTAL ANALYSIS

The Department has recently published a Strategy Statement covering the period 2005-2007. In line with guidelines issued by the Department of the Taoiseach, the new Strategy Statement describes in detail the environmental context for the strategy over the period. It sets out the underlying conditions, and the rationale for our key goals, objectives and strategic actions.

This Annual Report is based on the Department's Statement of Strategy 2003-2005, and reports on the Department's work in achieving those goals and implementing strategic actions set out in that document. This Annual Report is therefore predicated on activities set out in the Strategy Statement 2003-2005, and is shaped in light of the economic conditions that prevailed during 2004.

The global economy continued to recover in 2004. GDP growth rates continue to increase, from 3.7% in 2003 to an estimated 5.3% in 2004; GDP is expected to persist at this higher level over the next three years. Our resilient labour market continued to grow. Employment continued to increase throughout the year, increasing by 3.6% on 2003, resulting in an overall employment rate in the fourth quarter of 2004 of 66.7%, to 1,894,100. This compares very favourably with the EU25 rate of 63.2% in 2004. Furthermore, female labour force participation increased during 2004, continuing the trend of recent years. The female employment rate in the fourth quarter of 2004 stood at 57.2%, compared with the EU25 rate of 55.7%. Employment of older workers (55-64 age group) also increased, and currently stands at over 48.8%, compared with an EU25 rate of 40.35%. Unemployment fell by 300 over the year to the fourth quarter of 2004, to 85,600, or 4.3%, which compares very favourably with the EU25 rate of 9%. Although the rate of long-term unemployment rose slightly from 1.4% to 1.5% in the fourth quarter of 2004, long-term unemployment remains extremely low by historical and international standards.

The accession of ten new Member States to the European Union on 1 May 2004 impacted on the Department's work domestically and in the EU. The enlarged EU of 25 member states has created important opportunities for Ireland, including access to greater labour supply and more ready access to international markets. It has provided a number of key challenges going forward, especially for strengthening and enhancing the operation of the Internal Market. Additionally, the logistical and administrative difficulties in our work in the EU, specifically with the Commission, Council and Parliament brought about by the increase in the number of member states has proven to be a particularly important challenge for the Department, especially from the perspective of Ireland's ability to influence EU developments generally in an enlarged EU.

Following a poor export performance in 2003, which saw the volume of exports fall by 0.8%, 2004 saw a turnaround, with the volume of exports growing by 5.6%.

The moderation in the rate of inflation that began in 2003 continued into 2004, with the Consumer Price Index averaging 2.2% for the year as a whole.

The Enterprise Strategy Group's Report "Ahead of the Curve", published in 2004, found that, while Ireland's economy remains strong, there are considerable threats emerging that need to be addressed. Developing economies offering a low costs base are now firmly part of the global competition for markets and mobile investment while Ireland's cost base has increased substantially. Ireland's attractive corporation tax regime is being imitated by competing countries. New EU State Aid limits will restrict Ireland's ability to support new enterprise. The Enterprise Strategy Group set out medium term enterprise opportunities for the economy. The Group's vision of a growth-orientated economy, concentrating on new markets and technology-based products, can be achieved by a re-focussed approach to policy development and implementation. Ireland's economic policies have long recognised that it is vital for our indigenous firms to compete internationally.

The Department, through our Agencies, including Enterprise Ireland and the City and County Enterprise Boards, continued to support the development of Irish SMEs during 2004. In particular, Enterprise Ireland's continuing focus on increasing exports, intensifying innovation and R&D activities, as well as developing stronger connections with the global economy, reaped further dividends during 2004. The level of Foreign Direct Investment in Ireland is one of the highest in the world. IDA Ireland's increased focus on job quality has been paying dividends, with about half of all new jobs paying
annual salaries in excess of €37,000. IDA Ireland continued to secure foreign direct investment leading to high-value employment; much of IDA's work in 2004 concentrated on securing investment in investor strategic operations in the areas of HQ activities, R&D and other high-end business functions.

2004 saw a continuing focus on the goal agreed by the European Council in Lisbon in 2000 of making Europe "the most dynamic and competitive knowledge-based economy in the world with more and better jobs and greater social cohesion". During 2004, the Department continued to endeavour to complete the Internal Market, to pursue initiatives to achieve the intermediate employment target of 67% by 2005 and 70% by 2010 Lisbon Agenda, and to increase the proportion of GDP spent in R&D.

The introduction in 2004 of a 20% R&D Tax Credit, the publication of Ireland's R&D Action Plan and the establishment of new structures to promote the action plan's implementation provide a framework to increase research and development and enhance competitiveness across government, and will help meet the target of investing 2.5% of GDP in R&D by 2010.

The industrial relations environment remained very positive during 2004 with record lows in terms of number of days lost and number of disputes commenced since statistics were first compiled in 1923.

The Employment Rights and Industrial Relations legislative framework continued to have an important role to play in promoting labour market stability during 2004. The economic benefits of employment security and agreed employment relationships in terms of co-operative workplace relations, greater internal flexibility, acceptance of technological change, cumulative skills acquisition and greater incentive for investment in human resources are widely recognised and accepted. Employment Rights and Industrial Relations legislation and policy has an input in respect of each of these factors, since employees who enjoy good working conditions are generally more productive and open to change. The Industrial Relations (Miscellaneous Provisions) Act 2004 was added to the suite of legislation in this area in 2004. The main purpose of the Act is to enhance existing procedures for resolving disputes where collective bargaining arrangements are not in place.

In addition, the successful negotiation of pay terms and workplace issues in June 2004, as set out in Part Two of Sustaining Progress, provides a framework for continued industrial relations stability.

The publication by the Department of the Taoiseach of the "Regulating Better" White Paper sets out a blueprint for Departmental primary and secondary legislation into the future. Better regulation, especially ensuring its necessity, proportionality and consistency, is vital for national competitiveness. Current and future legislative initiatives by the Department will follow closely the principles set out in the White Paper. The Department progressed a number of significant legislative projects during the year, including further work on the establishment of a new Companies Act, the Safety, Health and Welfare at Work project, and our participation in the Regulatory Impact Analysis pilot project.

The Department endeavours to provide a high-quality place to work for all our officers. Our inclusion in the "Best 50 companies to work for in Ireland" for the third year in a row, based on a survey of employees and on the Department's culture and its HR policies, is testament to our success in developing our abilities and our skills, and puts the Department squarely at the forefront of public service employers.
SUMMARY OF KEY ACHIEVEMENTS IN 2004

2004 was a successful year for the Department. A great many key goals and strategic actions were either progressed or were fully achieved. This Annual Report describes the activities undertaken and the results of the Department's work throughout the year and, where appropriate, provides some further details relating to some key results achieved in 2005 which follow from work undertaken during 2004.

Set out below are some of the more notable key achievements during 2004.

**Pillar one Enterprise, Innovation, Growth**

The Enterprise Strategy Group (ESG) presented its report and recommendations to the Tánaiste in July. The recommendations contained in the report concentrate on matching Ireland's established expertise in manufacturing with comprehensive capability in sales & marketing and research & development. To progress implementation of the ESG recommendations, a High Level Committee, chaired by this Department, was set up when the report was launched. This Committee reported to Government early in 2005 on the most appropriate means to put in place the ESG’s policy prescriptions and the Minister recently announced an Action Plan to deliver this process.

Frameworks to increase research and development and enhance competitiveness across government, were put in place in 2004. These included introduction of a 20% R&D Tax Credit, development of Ireland’s R&D Action Plan (Building Ireland’s Knowledge Economy) 2010 and establishing new structures to promote the action plan’s implementation (Chief Science Adviser, Interdepartmental and Cabinet Committees on R&D) and meet the target of investing 2.5% of GDP in R&D by 2010.

The R & D tax credit passed into law on 1st January 2004, and allows companies to claim 20% tax relief on their cumulative investment in R & D. This applies not only to basic and applied research but also to experimental development, an activity of major importance to Irish companies, and should make a significant contribution to encouraging an increase in the amount of research and development carried out by companies in Ireland.

The publication of a new national eBusiness strategy on 30th December 2004. The aim of this strategy is to assist and encourage SMEs and micro-enterprises, outside of the Information Communication Technology (ICT) related sectors of the economy, to use ICTs in a way that will maximise their competitive advantage. The strategy contains a series of recommendations for work to be undertaken by the Department in conjunction with the enterprise development agencies to help overcome these obstacles.

The transfer of responsibility for Shannon Town from Shannon Development to Clare County Council was completed on the 6th September 2004, achieving a long-standing Departmental and Government objective. The completion of the transfer facilitates the town being administered by Clare County Council and enables it to receive the benefits of the services of a local authority, e.g. funding schemes, in the same way as all other towns in the country.

**Pillar two Quality Work and Learning**

Following the work of the Task Force on the Prevention of Workplace Bullying an expert group was established in 2004 to assess the effectiveness of current measures relating to the prevention of workplace bullying, the identification of improvements in procedures, and means to address the consequences of workplace bullying, including workplace stress which results from bullying.

A Review of Employment Rights Bodies initiated by the Department as part of the Programme for Government, was completed and a report issued in April 2004. The report found the system to be excessively complex and legalistic, and made a number of suggestions aimed at improving the functioning of the employment rights bodies on an operational and strategic level. In response to the recommendations of the review group a programme of action has since been agreed by Government, which will facilitate the simplification and modernisation of procedures and provide greater transparency and ease of access for all users of the services of the Employment Rights bodies.
The development of the new Wage Subsidy Scheme (WSS) proposal, aimed at helping people with disabilities to gain employment, was further advanced by the Department in 2004. Additional funding for the development and introduction of the new WSS on a three-year pilot basis was pursued successfully under the Estimates process for 2005.

The development of the new Full Time Employment Support Scheme (FTESS) proposal, aimed at helping people with disabilities to gain employment, was further advanced by the Department in 2004. Additional funding for the development and introduction of the new FTESS on a three-year pilot basis was pursued successfully under the Estimates process for 2005.

Continued progress was made in 2004 by the Department and the Department of Education and Science in advancing the recommendations set out in the Report of the Taskforce on Lifelong Learning, which focuses on promoting and enhancing access to training, the development of new skills, the acquisition of recognised qualifications and progression to higher-level qualifications. In addition, €15m was made available in the Estimates for 2005 for a significant expansion of activity by FÁS in the area of in-company training initiatives.

Pillar three Making Markets & Regulation Work Better

The Personal Injuries Assessment Board (PIAB) was established to provide independent assessments for personal injury compensation. PIAB offers a speedier method of delivering compensation to accident victims while curtailing the litigation costs previously associated with delivering this compensation.

Pillar four Quality, Value & Continuous Improvement

Listing of Department of Enterprise, Trade & Employment as one of 50 best organisations to work for in Ireland in 2004. The “Best Companies to Work For in Ireland” competition forms part of a European Commission initiative designed to draw attention to the many progressive workplaces throughout Europe, both in the public and private sectors. In taking this initiative, the Commission aims to raise workplace standards throughout Europe by promoting healthy competition among organisations as they seek to be among their nations’ and Europe’s best workplaces.

Publication of the Department’s first Customer Charter during 2004. The charter states the Department’s commitment to providing services to our customers in accordance with the twelve Quality Customer Service Principles and builds on progress achieved under the QCS initiative to date.

Pillar five The European Union

Ireland’s Presidency of the European Union formed a central focus of the work of the Department in 2004. The Department was directly involved in the work of three of the nine formations of the Council of Ministers, namely the Competitiveness Council; the Employment, Social Policy, Health and Consumer Affairs Council; and the General Affairs and External Relations Council for matters relating to trade.
SECTION 1
Enterprise, Innovation & Growth
GOAL 1: We will prioritise investment in science, technology and innovation and the development of the knowledge society

SCIENCE, TECHNOLOGY & INNOVATION

Enterprise Ireland & Science Foundation Ireland Programmes

Science Foundation Ireland

Science Foundation Ireland (SFI) is central to Ireland's goal of becoming a global knowledge based economy. The overall mission of SFI is to establish Ireland as a centre of research excellence in strategic scientific areas related to economic development, particularly in the sciences that underpin Biotechnology and Information and Communications Technologies (ICTs). In addition, through its Research Frontiers Programme (RFP), SFI supports the very best research by academic researchers and research teams who are most likely to generate new knowledge, leading edge technologies, and competitive enterprises in a broad range of disciplines in Science, Mathematics and Engineering.

On the 1st of September 2004 the Taoiseach, Bertie Ahern, T.D. and An Tánaiste, Mary Harney, T.D. hosted the first Science Foundation Ireland Science Summit in Dublin Castle. The summit brought together leaders in the business and scientific community and government under the theme 'Transforming our Economy through Science and Innovation'.

By the end of 2004, SFI had awarded funding commitments amounting to almost €460m across 437 projects comprising more than 850 individuals, research teams, centres, and visiting researchers.

Enterprise Ireland

Enterprise Ireland is continuing to develop its work with industry, and with the colleges and institutes. The aim is twofold - to help develop and support research capacity and capability in industrial companies; and to build collaborative networks between firms, colleges and institutes, in order to use their combined resources and expertise to underpin future economic and social development.

IDA Ireland

In co-operation with both EI and SFI, IDA Ireland has been carrying out similar work with its clients in attracting R&D projects to Ireland. The announcement by Bell Labs in May 2004 that it would invest €69 million in a collaborative R&D project was a key win for Ireland. It illustrates that we can compete for the highest-level international research projects.

European Molecular Biology Laboratory (EMBL)

Ireland completed its first full year of membership of EMBL in 2004, having become a member with effect from 1 January, 2004. EMBL is an Inter-Governmental Research Organisation established in 1974 in Heidelberg, Germany by eleven European countries and Israel, members of the European Molecular Biology Conference (EMBC). It now has 17 members. Its mission is the development of molecular biology throughout Europe. Membership of EMBL will complement Ireland's significant investment in the biotechnology area by presenting opportunities for research training, networking and enhanced international collaborations. Membership should also have the effect of stimulating the research community in Ireland to strengthen its research capacity.

Discover Science & Engineering Awareness Programmes

Discover Science & Engineering is the integrated awareness programme which aims to further public awareness of science and the attractiveness of science as a career. The programme has brought together the previous awareness activities under Forfás (STI Awareness Programme, Skills Awareness), the Institution of Engineers (STEPS) and the awareness activity under FÁS (Discover Science) and is expanding on them in a way that will eliminate duplication and provide a more focused and effective return. The new programme is managed by Forfás on behalf of the Department.

Initiatives of note already undertaken by Discover Science & Engineering include:

Discover Primary Science Clubs

The Primary Science Clubs aim to help young children to develop an interest in science. It is hoped that at least 600 schools will participate in the programme by the end of
2005 and that the programme will be rolled out to all primary schools shortly thereafter.

**STAR**
The SFI sponsored Science Teacher Fellowship Programme called the “Science Teacher Assistant Researchers” (STAR) programme is run in association with the Irish Science Teachers Association (ISTA), this Department and the Department of Education and Science). The goal is to:

- help teachers renew their interest in science as a researcher;
- connect them with science faculties in the universities and institutes of technology; and
- enhance the teaching of science across the educational system.

In 2004, 30 teachers successfully participated in the programme. SFI anticipates that there will be 50 participants in the programme in 2005.

**Scope TV Series**
The television programme Scope is aimed at 15-19 year olds and has as its basic aim the promotion of science as an interesting and attractive career option. The very successful series, comprising of fourteen thirty-minute shows, was broadcast in 2004 and a second series is scheduled for 2005.

**Exploration Station**
Exploration Station is a custom designed, interactive learning centre for children and young adults, with a predominantly scientific theme. Exploration Station will also be an education and outreach centre for teachers and pupils with exhibits and programmes developed to complement the National Curriculum and will open its doors, subject to necessary planning permissions, in 2006. Once Exploration Station is running successfully, the possibility of running outreach programmes from it will be fully examined.

**Science Technology & Innovation Policy Forum**
In September 2004, the Office of Science and Technology convened an inter-agency policy forum in order to enhance the coherence and effectiveness of national Science Technology and Innovation (STI) policies. The group, chaired by the Office of Science and Technology, has been considering inputs from IDA, EI, SFI and Forfás on their activities and strategy to address key objectives identified in the National R&D Action Plan, and in the Enterprise Strategy Group and Organisation for Economic Co-operation & Development (OECD) reports, where applicable. The outputs from the policy forum are feeding into the new Inter-Departmental Committee (IDC) on Science and Technology.

Additionally, a sub-working group of the Policy Forum involving the STI agencies and the Higher Education Authority was convened in December 2004 to further improve our approaches to the Capture, Protection and Commercialisation of Intellectual Property. This group is expected to finalise its recommendations in the first half of 2005. The protection, commercialisation and absorption of the intellectual and human capital arising from public R&D investment is crucial to Ireland’s economic development. This is particularly so given the significant growth in public sector research funds over the last decade and the National Development Plan commitment to invest €2.5 billion in RTDI in 2000-2006. A number of actions have already been taken in response to the recommendations in Commercialisation of Publicly Funded Research, an Irish Council for Science Technology and Innovation Statement of February 2001, in which the Council made specific recommendations on increasing resources for industrial liaison, encouraging commercialisation as one mission of the research sector, and increasing early stage funding for research with commercial potential. The current working group is intended to recommend further efforts that can be made.
CONTRIBUTION OF R&D TO KNOWLEDGE-BASED ECONOMY

National R&D Action Plan in response to Lisbon Agenda

Co-ordination and Governance of STI

In June 2004, the Government approved a new Co-ordination and Governance System for Science, Technology and Innovation. This strategic framework will ensure synergy, coherence and more structured policy co-ordination in this complex and evolving environment, to which a budget of €2.5bn is allocated in the current NDP, and which is a major plank of Government economic policy.

The new structural arrangements arising from this Government decision include a dedicated Cabinet Sub-Committee, supported by an Inter-departmental Committee (IDC) of senior officials, both chaired by this Department. The IDC met for the first time on 17 December 2004.

The Government appointed its first Chief Science Adviser, Dr Barry McSweeney, on 1 September 2004. He participates in the IDC and presented his Work Programme for 2005 to Government for approval at the first meeting of the Cabinet Sub-Committee in early 2005. The Chief Science Adviser is located in Forfás, where the analytical and research resources of that organisation are at his disposal.

The Government also decided that a new advisory science council would succeed the Irish Council for Science, Technology & Innovation (ICSTI) as a stakeholders' advisory forum. ICSTI held its final plenary meeting on 9 November 2004, but its work programme continued while the transition to the new arrangements was taken forward. The new Council is expected to be operational by mid-2005.

The EU is currently behind the US and Japan in research and innovation performance. Gross expenditure on R&D as a percentage of GDP is 1.9% in the EU, compared with 2.7% in the US and 3.1% in Japan. Ireland is below the EU average, at 1.4% of GNP.

In response to the challenge, the European Union adopted the Lisbon Agenda in 2000 with the aim of making the Union the most competitive, knowledge-based economy in the world by 2010. This includes the goal that overall spending on R&D and innovation in the EU should be increased to 3% of GDP by 2010, with two thirds of this spend to come from industry. In August 2004, the interdepartmental group set up to examine the national policy implications of the EU’s Lisbon Agenda targets on investment in R&D, and to make recommendations on how Ireland should respond, reported with “Building Ireland’s Knowledge Economy - the Irish Action Plan for promoting investment in R&D to 2010”.

The Action Plan took as its starting point the substantial increase in investment by Government in science, technology and innovation which has resulted in a five-fold increase in investment in the NDP (2000-2006) to €2.48bn, compared with €0.5bn over the period 1994-1999. It sets the vision that Ireland, by 2010, will be internationally renowned for the excellence of its research and be at the forefront in generating and using new knowledge for economic and social progress, within an innovation driven culture.

In order to realise this vision, the analysis undertaken reveals that the following targets need to be achieved:

➢ Business investment in R&D should increase from €917 million in 2001 (0.9% GNP) to €2.5 billion in 2010 or 1.7% GNP. This would entail a doubling of the number of companies with minimum scale R&D activity and a quadrupling of the number of enterprises performing significant R&D.

➢ R&D performance in the higher education and public sectors should increase from €422 million in 2001 (0.4% GNP) to €1.1 billion in 2010 or 0.8% GNP.

➢ The combined increases in performance in business, higher education and public sector R&D should result in gross expenditure on R&D increasing to 2.5% of GNP by 2010.

➢ Consequently, the number of researchers should reach 9.3 per 1,000 of total employment by 2010, from approximately 5.1 per 1,000 in 2001.

2 Further information on the Lisbon Agenda is contained in this Report under Pillar 5.
To work towards these ambitious targets, a whole of government, strategic approach is required. The IDC, established as part of the Government Decision on Coordination and Governance of STI, provides an appropriate high level and interdepartmental arena to make recommendations to Cabinet on the steps necessary to implement the R&D National Action Plan. This is expected to form a major part of the IDC’s work programme in 2005.

**Research & Development Tax Credit**

The R & D Tax Credit regulations, which passed into law on 1st January 2004 on foot of the Finance Act 2004 and provide for the introduction of an incremental tax credit for companies undertaking research and development activities, were promulgated by the Department in June 2004. The overall aim of the provision is to encourage an increase in the amount of research and development carried out by companies in Ireland, and to make Ireland an attractive destination for foreign companies to commence or increase research and development, thereby allowing Ireland’s industry to capture the higher elements of research and development.

The 20 per cent tax credit against corporation tax for qualifying research and development expenditure is of significant importance to Irish companies. The measure will provide an effective incentive to firms to increase R&D and will complement the various direct R&D grant supports which are also available through various agencies of the State.

The Department, in conjunction with the Revenue Commissioners, Department of Finance and other stakeholders, is monitoring the take-up of the tax credit with a view to maximising the effectiveness of the provision for increased high level R & D.

**Irish Researcher’s Mobility Centre & Portal**

In November 2004 the Irish Researcher’s Mobility Centre and Portal were launched. The Mobility Centre and Portal, which are being operated by the Conference of Heads of Irish Universities (CHIU), are part of a Europe-wide initiative to increase the attractiveness of the EU for researchers and is co-funded by the EU Commission and this Department. The purpose of the initiative is to create a more favourable environment for career development opportunities for researchers in the European Research Area by providing the necessary information and assistance for all matters relating to their professional and daily lives.

Also in November 2004, political agreement was reached on the Council Directive on specific procedures for admitting third country (i.e. non-EEU) researchers. It is expected that following consultation with the Parliament, the Directive will be formally adopted early in 2005. The purpose of the Directive is to make the European Union a more attractive destination for researchers from third countries. The Department of Justice, Equality and Law Reform has primary responsibility for the implementation of the directive and the Department of Enterprise, Trade & Employment is consulting with that Department in this regard.

**Ireland’s membership of European Space Agency**

Ireland has been a member of the European Space Agency (ESA) since 1980. The main objective of membership is to assist Irish companies to develop leading-edge technologies through ESA activities. Ireland participates in ESA programmes in telecommunications, launchers, satellite navigation, and general technology support. A strategy of using contracts in these programmes as a developmental tool for industry has continued to introduce an increasing number of Irish companies as first time contractors to ESA. In this regard, six of the Irish companies which secured ESA contracts in 2004 were first time contractors, reflecting the increasing interest by Irish technology firms in ESA development opportunities. The monetary value of all contracts secured by Irish companies in the first 3 quarters of 2004 was €5.85m. A review in 2004 of Ireland’s membership of ESA estimated that spin-off sales directly attributable to ESA technology were valued at in excess of €20m per annum since the year 2000. This figure ignores indirect effects such as enhanced reputation and improved technology management, access to new markets and international linkages, which are significant factors in attracting companies to bid for ESA contracts.
Irish RTD Activity in European Space Agency

The number of Irish companies involved in ESA Programmes continued to expand in areas such as Advanced Optoelectronics and Telecommunications Technologies and Applications. Irish industry continues to successfully exploit the technologies developed under ESA contracts in commercial markets. The more significant ESA launches/programmes in which there was Irish involvement in 2004 included the following:

➢ Irish company Captec was involved in the Independent Software Validation (ISV) for the high profile and highly successful Huygens probe which successfully landed on the Titan Moon of Saturn in January 2005, generating significant public interest.

➢ Irish company Space Technology Ireland was involved in developing onboard electronics / communications systems for the ESA ROSSETTA Comet chaser mission launched in 2004.

➢ The Dublin Institute for Advanced Studies (DIAS) received a contract in 2004 for its participation in the James Webb Space Telescope (Next Generation Hubble Space Telescope) Implementation Phase.

➢ In December 2004 Ireland hosted a live link-up to the International Space Station (ISS) involving a number of Irish primary schools in Cork as part of the ISS Education activities, undertaken in cooperation with Discover Science and Engineering and Enterprise Ireland, an event that generated significant media interest.

A requirement for further legislative change arose after the publication of the Bill, on foot of the revision of the European Patent Convention and the agreement in the World Intellectual Property Organisation on the Patent Law Treaty. In September 2004, the Government approved the drafting of a scheme of amendments to give effect to these additional international obligations, as well as certain miscellaneous amendments to other intellectual property legislation. A consultation process was undertaken on the draft scheme and it is intended that the legislation will be enacted during 2005.

Amendment to the Exhibition Right

In May 2004, the Department amended the Copyright and Related Rights Act 2000 to clarify the position regarding the exhibition of works. The Act essentially provides that no infringement of any right created by the relevant Part of the Act in relation to an artistic or literary work occurs, by reason of the placing on display of the work, or a copy thereof, in a place or premises to which members of the public have access. This initiative was in the context of ensuring the success of the James Joyce exhibition at the National Gallery.

Accession to the Paris Act of the Berne Convention

In December 2004, Ireland formally acceded to the Paris Act of the Berne Convention for the Protection of Literary and Artistic Works. Our accession recognises the fundamental importance of the Paris Act in the regulation of international copyright relations that, in turn, are central to the health of the Irish economy and accords with Ireland’s responsibilities under the European Economic Area (EEA) Agreement.

STRENGTHENING THE LEGAL FRAMEWORK FOR INTELLECTUAL PROPERTY

Patents (Amendment) Bill

The Patents (Amendment) Bill, the main purpose of which is to update the Patents Act 1992 so that it accords with the provisions of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs), has passed second stage in Dáil Éireann.
GOAL 2: We will review and update industrial policies and interventions in light of the evolving competitiveness environment, developments in respect of the all island economy and the need for regional balance. We will implement change where necessary.

INDUSTRIAL & ENTERPRISE POLICY AGENCIES

In 2004, the Department continued to monitor the interventions by State Agencies under its aegis. These interventions were designed to promote entrepreneurship, assist in the establishment and growth of enterprises, attract inward investment and improve skill levels to equip workers for employment opportunities in new and emerging sectors.

Indigenous Enterprises

Forfás

Forfás continued, through the provision of advice, reports and policy proposals, to contribute to policy development during 2004. Much of this work was undertaken in co-operation with associated bodies such as the National Competitiveness Council, the Irish Council for Science Technology and Innovation and the Expert Group on Future Skills Needs, with relevant Government Departments. During 2004 Forfás also contributed significant resources to the provision of executive and research support to the Enterprise Strategy Group and the Consumer Strategy Group.

Enterprise Ireland

Enterprise Ireland is the government agency responsible for the development of Irish industry. It works in partnership with client companies to help them build a competitive advantage in the global marketplace.

In 2004, Enterprise Ireland (EI) continued to assist the development of its clients through both financial supports and knowledge and information sharing:

Funding

Repayable funding via equity finance to EI companies accounted for 34% of all approved company investments in 2004, representing a 2% increase on 2003. Enterprise Ireland realised €13.1 million from share sales and redemptions and €1.9 million in dividends from its equity portfolio during 2004.

In 2004, Enterprise Ireland invested nearly €50m in its client companies in support of over 200 Research & Development (R&D) initiatives. This comprised almost €20m on the enhancement of company R&D capabilities and over €30m on in-company R&D projects.

In 2004, the Seed and Venture Capital Programme3 2000-2006 made 71 investments, which amounted to approximately €34m for the year.

Employment in Client Companies

Gross job gains among EI client companies4 in 2004 amounted to 11,898. These were offset by losses of 13,215, giving a net fall overall of 1,317. The net fall in 2004 is significantly lower than the corresponding figures for 2002 and 2003.

Exports

Enterprise Ireland initiated over 9,000 client buyer introductions during 2004. Additionally 21 trade fairs were held, which facilitated new market opportunities for 199 clients. These activities contributed to the establishment of over 800 customer, distributor or partner deals.

3 Under the Seed and Venture Capital Programme (2001 - 2006), Enterprise Ireland has committed €95m to continue to develop the availability of venture capital funding for small and medium sized enterprises in Ireland.

4 Forfás Annual Employment Survey
Enterprise Ireland increased its pool of first time exporters by over 100 clients in 2004, while more than 130 companies established a new market presence overseas.

At the time of writing EI expects total export sales in client companies of €10.167bn in 2004, representing growth on 2003 of 5.6%.

**Shannon Development**

Shannon Development leads and encourages the identification and development of solutions to the critical needs or obstacles to development in the region.

Shannon Development provided assistance to 690 companies in 2004. The number of assisted companies in Limerick was 282, in North Tipperary 63, South Offaly 21, North Kerry 88 and Clare 126 (all indigenous). The number of assisted companies in the Shannon Free Zone (SFZ) was 110.

A total of 1,521 jobs were created in Shannon Development assisted companies in 2004 - 948 by indigenous enterprise clients and 573 in the SFZ. Overall there was a net increase of 164 jobs at Shannon Free Zone and a net loss of 135 in the indigenous company base.

Shannon Development assisted companies (Shannon Free Zone and indigenous enterprises throughout the Shannon Region) made a substantial contribution to the region's economy - employing 19,739; generating sales of c. €4.4 billion, exports of c. €3.1 billion and economic expenditure of just under €2 billion.

Efforts aimed at encouraging increased R&D spend at indigenous level are producing positive results. According to the most recent Annual Business Survey compiled by Forfás, indigenous firms in the region increased their research and development (R&D) expenditure by over 9% in 2003. Actual expenditure on R&D increased to €30.4 million in 2003. The number of SFZ companies undertaking research and development increased by 10.4% in 2003 and the proportion of firms with large R&D expenditure (over €127,000 p.a.) increased from almost 17% to just over 22% of all firms. Data on performance during 2004 will be compiled during 2005.

**County Enterprise Boards**

Under the Border, Midland and Western Regional Operational Programme and the Southern and Eastern Regional Operational Programme of the National Development Plan for 2000-2006, the City and County Enterprise Boards (CEBs) continued to support the development of micro-enterprises with a progressive move to non-financial supports such as advice, mentoring and management development. Where finance was provided, this was increasingly in the form of equity and refundable grants. The Boards gave priority to manufacturing and internationally traded services companies, which over time may develop into strong export entities.

During 2004 a total of €16.479m of capital expenditure was made available by the Department to the 35 City and County Enterprise Boards, for the support and development of micro-enterprises. Of this, almost €10m related to the pursuit of Measure 1 activities5. The remaining €6m was used in Measure 2 or soft support activities6.

During 2004 the County Enterprise Boards recorded:

- €10.5m approved in grants to 864 projects, of which 619 are classified as start-up enterprises and 245 are classified as expansions. €0.894m was committed in equity for 19 projects. €2.38m was committed in refundable aid to 280 projects.
- €10.55m paid in grants
- 1,392 net jobs created
- 15,785 people participated in Measure 2 training and development initiatives of which 8,925 were female.

A review of the role of the CEBs, which was carried out by Fitzpatrick's Associates, came up with a number of conclusions and recommendations concerning the future direction and structural arrangements of the CEBs. The principal recommendation of the Fitzpatrick's report was subsequently mirrored in the Enterprise Strategy Group report, i.e. that “the City and County Enterprise Boards should be integrated into the mainstream enterprise development system by establishing a Central Co-ordination Unit in Enterprise Ireland. This Unit should provide central direction, technical support, shared services and quality assurance, to further enhance the effectiveness, efficiency and impact of the CEBs.”

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5 Selective Financial Intervention i.e. feasibility study grants, capital grants or employment grants

6 Entrepreneurial & Capability Development i.e. provision of mentoring, business management advice, women in business programmes, e-commerce training
Foreign Direct Investment

IDA Ireland

Due to increasing global competition for investment, the country is faced with the challenge of tailoring its investment promotion package, especially in a context where an increasing number of projects are drawn from the services sector and therefore tend to seek urban, or near urban, locations and where significant changes in the EU State Aids Regime are proposed.

IDA Ireland is the agency with statutory responsibility for the attraction of foreign direct investment to Ireland. The Agency, through its project divisions and network of local and overseas offices, is actively marketing Ireland, including individual areas and regions, to overseas investors as a potential location for foreign direct investment.

In 2004 a total of €83.2 million was paid to IDA Ireland from the Exchequer to subvent pay and administration, grants to industry and the property programme costs. The Agency generated own resource income of €25.7 million from property rents, grant refunds and a small amount of investment income.

In reporting on its activities, the Agency stated that 2004 was the best year since 2000 in terms of the quality, depth and value of the investment decisions won. The quality of the investment and the jobs created in both manufacturing and services was excellent. There was buoyancy across all of the business sectors and a noticeable recovery in the ICT sector. Investment in research and development by overseas businesses is becoming increasingly important and Ireland continues to grow as a major location for services to support business activities throughout Europe. The most noteworthy factor about the results for 2004 is not just the good number and range of investments but the substantive quality of the investor companies, investment projects in both business and R&D, and the increasingly higher skilled nature of the jobs.

Reflecting this, over 48% of the new jobs in IDA supported projects will pay annual salaries in excess of €37,000. During 2004 IDA Ireland negotiated 70 new business projects with new and existing clients, which involves a total investment over the coming years of over €5 billion. Close to 9,000 new jobs will be created by these investments. Over 38 companies added significant new or strategic operational functions, which broaden the range of business activities undertaken, and thereby embed the operations more deeply in the Irish economy and increase their importance to the parent corporation.

In 2004, IDA supported companies spent €15.5 billion in the Irish economy from their annual sales of €72 billion and exports of €68 billion. The Corporation Tax contribution by IDA backed companies amounted to over €2.7 billion, continuing the upward trend.

During 2004, total employment in the 1,022 IDA supported companies increased slightly overall to 128,946 reversing the trend of the past couple of years. The number of new jobs created during the year was 10,825, an increase of 15% over the previous year, while the figure for job losses of 10,628 is 20% less than the previous year.

Promoting regional balance

Enterprise Ireland

In support of regional development, 4 of the 14 venture capital funds supported by EI have specific regional mandates. These are administered from Dundalk, Galway, Cork and Dublin. Furthermore, seven new Community Enterprise Centres (CECs) were opened in 2004 - 3 in the North West, one in the North East, two in the South East and one in the South West - in support of local enterprises. A total of 97 CECs, involving an investment of €23 million by Enterprise Ireland, are now operational throughout the regions, with associate employment of about 3,000 people.

An improvement in the regional share of projects was achieved by EI in 2004. In terms of High Potential Start Ups, the proportion establishing outside of Dublin has increased from 50% in 2003, to 54% in 2004, while the BMW share rose from 21% to 28% over the same period.

Regarding significant new investments, 60% of such approvals went to projects outside of Dublin in 2004. This is marginally lower than the 62.5% seen in 2003. On a positive note for the BMW region, the number of significant investments increased to 31% in 2004 from a share of 29% in 2003.
IDA Ireland

IDA Ireland is committed to regional development as a core part of its strategy and its marketing effort promotes regional locations to overseas clients. During 2004, half of the investments supported by IDA Ireland were located outside Dublin. Galway and Cork received a substantial share of investment and other high value investments were located in a range of other towns throughout the country, with some 41% of all new greenfield jobs being located in the Border, Midland and Western (BMW) Region. This initiative is of critical importance for a balanced spread of economic development. To underpin its regional strategy, IDA Ireland has been developing world-class business and technology parks in key towns throughout the country. During 2004 IDA Ireland spent a further €50 million on its property developments - almost all outside Dublin - to provide the basis for future growth in regions.

In order to explore how the National Spatial Strategy can play a stronger role in identifying and prioritising longer-term investment priorities to stimulate stronger growth among regional Gateways, a study is underway by the Department of Environment, Heritage and Local Government to identify their strategic investment needs. This Department is represented on the Steering Group for this review.

State Aids

The current European Commission Regional Aid Guidelines, which govern the level of State Aid that may be granted by the Industrial Development Agencies as Regional Aid, expire at the end of 2006. Under the Treaty, Regional Aid is permitted for development of less favoured regions of the EU by supporting investment and job creation. Typically, Regional Aid in Ireland is given in the form of Capital Grants for initial investment in fixed capital for new establishments or extensions and Employment Grants linked to initial investment.

During 2004, the European Commission circulated proposals for new Regional Aid Guidelines to apply for the period 2007-2013. Under these proposals, regions with a GDP per capita that is lower than 75% of the EU average would continue to qualify for the higher aid rates. Due to Ireland’s economic development - with 2002 GDP per capita in the Southern & Eastern (S&E) region at 142% of EU average and in the BMW region at 96% - the regional aid rates permitted in Ireland will be significantly reduced after 2006. In the S&E Region no regional aid would be permitted for large companies (i.e. with 250 employees or over), with the aid rate for medium companies (50 to 249 employees) reduced to 10% and for small companies (less than 50 employees) to 20%. In the BMW region an aid rate of 15% would be permitted for large companies, 25% for medium companies and 35% for small companies.

In the discussions on the review of the Regional Aid Guidelines, which will continue during 2005, Ireland is seeking:

➢ recognition that regional aid to enterprise can support the competitiveness objectives of the EU’s Lisbon Agenda. Member States must maintain a sufficient degree of flexibility to design and implement aid measures to promote the realisation of the Lisbon Agenda;

➢ the introduction of transition arrangements for the BMW region, which would permit the reduction of the aid intensities to be phased in over the period. The Commission’s current proposal would represent a very significant immediate reduction in aid rates;

➢ flexibility to retain regional aid for large companies in parts of the Southern & Eastern region;

➢ special treatment for small islands due to their additional geographic disadvantage and for micro-enterprises (less than 10 employees) given their difficulties in accessing finance.

Micheál Martin T.D., Minister for Enterprise, Trade & Employment with staff of Business Objects and Mr Sean Dorgan, Chief Executive, IDA at the establishment of a new Operations Centre at Park West Business Park in Dublin, with the support of IDA Ireland.
North/South economic co-operation continued to be a priority for the Department in 2004. The primary means through which this is achieved is via the implementation of the work programme of InterTradeIreland - the Trade and Business Development Body, which is one of the six North/South Implementation Bodies established under the Good Friday Agreement. InterTradeIreland’s remit is to lead the development of the island economy in the areas of trade and business development. Its programmes and activities are designed to be of benefit to the business community on the island of Ireland, as well as providing important information to policy makers, North and South. The Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment in Northern Ireland jointly fund InterTradeIreland, on a two-thirds/one-third basis respectively. Both Departments maintained ongoing liaison throughout the year.

InterTradeIreland delivered its programmes’ activities in accordance with its approved Business Plan for 2004 under the following general areas:

➢ Trade Awareness,
➢ Trade Development,
➢ Micro-Enterprise Support,
➢ Business & Economic Research,
➢ Private Equity,
➢ Science & Technology,
➢ All-Island Benchmarking and
➢ Supply Chain & Cluster Development.

It continued to implement a number of well-established programmes in 2004 such as:

➢ **Equity Network** - developing awareness and exploitation of private equity to fund company growth, and the successful Equity Network All-Island Seedcorn Business Competition 2004;

➢ **FUSION** - technology transfer across the island between companies and third-level research institutes; and

➢ **ACUMEN** - stimulating cross-border trade by assisting individual SMEs with tailored consultancy and salary support mechanisms for market builders in cross-border markets.

In addition, 2004 saw the launch of:

➢ **INNOVA**, a pilot initiative aimed at stimulating, promoting and supporting R&D co-operation between firms, North and South, with the support of public research organisations where required. This support for funding collaborative research is expected to create a supportive environment for joint North/South activities and encourage synergistic and complementary flows of technology among partnerships and networks of private companies (particularly SMEs) to the benefit of the island economy; and

➢ **MICROTRADE**, which aims to promote cross-border trade and business co-operation specifically within the micro-enterprise sector. The programme has been developed as a three-way partnership between InterTradeIreland, the City and County Enterprise Boards and Enterprise Northern Ireland.

In June 2004, the second InterTradeIreland All-Island Competitiveness Forum took place in Belfast. A significant development at the Forum was the signing of a Memorandum of Understanding between InterTradeIreland and the United States Council on Competitiveness. This prestigious initiative will involve both parties collaborating on the organisation of policy dialogues, workshops and activities on various competitiveness issues such as enhancing university-industry partnerships.

The performance impacts of InterTradeIreland’s activities in 2004 include:

➢ **4,512** businesses with an increased capability/propensity to engage in cross-border trade/business collaboration through participation in InterTradeIreland programmes and events;

➢ approximately **€29m** aggregated trade and business development value reported from companies which have participated in InterTradeIreland programmes and events;

➢ **23** North/South partnerships created;

➢ **53** All-Island events;

➢ **3** North/South facilities created;

➢ **11** Publications including recommendations to enhance North/South collaboration.
As a consequence of the suspension of the Northern Ireland Assembly in October 2002, the North/South Ministerial Council cannot meet. The Irish and British Governments agreed that the two Governments would take joint decisions, when appropriate, on matters relating to InterTradeIreland and the other North/South Implementation Bodies and that no new functions could be conferred on the North/South Bodies during the period of suspension.

**Targeted Business Schemes**

**Small Business Expansion Loans**

Total interest subsidies of €320,000 were paid out during 2004 under the Small Business Expansion Loans Scheme. This scheme, which was set up in 1994, and administered by the formerly state-owned Industrial Credit Corporation, provided for payment by the Exchequer of an interest subsidy in respect of loans to small business in previous years.

**Women in Business**

In relation to the further advancement of female entrepreneurship, the County Enterprise Boards continued to operate the Woman in Business Initiative. During 2004 a total of 2,471 women participated in this Initiative. This programme is a business network, based at local level, through which established successful businesswomen can act as role models and provide mentoring and networking opportunities to potential female entrepreneurs in their own area.

Alongside the Women in Business Initiative, the CEBs also encourage the active participation of women in Training and Development Programmes such as Start Your Own Business Courses and Management Development Programmes. In 2004 over 8,925 women received training on CEB Programmes throughout the country and over 1,347 women completed certified training.

**Student Enterprise Award**

In 2004 the CEBs continued to play a crucial role in the delivery of entrepreneurial programmes at school level throughout the country. The Boards bring the positive influence of entrepreneurs, mentors and business advisors to the classroom and have added considerably to the content, delivery and take-up of the programmes at second level, culminating in the development of the National Student Enterprise Awards into a major nationally recognised event.

**ENTERPRISE POLICY AND BUILDING THE KNOWLEDGE ECONOMY**

**Enterprise Strategy Group**

Completing its mandate to develop a new direction for our enterprise policy agenda, the Enterprise Strategy Group (ESG) presented its report and recommendations to the Tánaiste in July7. The ESG framed its analysis in the context of a medium term vision of the opportunities for the economy. Arising from Ireland’s success in growing indigenous firms and as a profitable location for inward investment, it made a series of key recommendations designed to ensure competitive advantage and to build the conditions essential for strong and sustainable enterprises in Ireland to 2015. The recommendations concentrate on matching Ireland’s established expertise in manufacturing with comprehensive capability in sales & marketing and research & development.

The Group’s vision of a growth-orientated economy, concentrating on new markets and technology based products, can be achieved by a re-focused approach to policy development and implementation. The Report provides an impetus to move to a stage where the potential of the enterprise sector will be supported by a more determined focus on distinctive sources of competitive advantage, advanced manufacturing and international services that are based on innovation, knowledge and research and development. Realising this vision means developing linkages between different strands of public policy both within this Department and among other State agencies. This, for example, will involve further activity by other strategic Pillars of the Department such as Quality Work and Learning and Making Markets and Regulation Work Better.

To progress implementation of the ESG recommendations, a High Level Committee chaired by this Department was set up when the report was launched. This Committee reported to Government early in 2005 on the most appropriate means to put in place the ESG’s policy prescriptions and the Minister recently announced an

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Action Plan to deliver this process. As well as the formation of an Expert Group to advise on how implementation is progressing, the Minister will also report to Government twice yearly on this work. The advice of the Expert Group on the pace of implementation will contribute significantly to the Minister’s report. The arrangements are in place to improve the environment for business in Ireland.

eBusiness Strategy

The Department secured and managed Information Society funding of €1.5m for e-Business support initiatives during 2004. In December 2004 the Department published a new eBusiness strategy to encourage and assist SMEs, including microenterprises, to use eBusiness to increase their competitiveness.

Future Role of Shannon Development

Responsibility for the administration of Shannon Town was transferred from Shannon Development to Clare County Council in September. The legislative requirement for companies carrying on business in the Shannon Free Zone (SFZ) to hold an operating licence was also repealed by the State Airports Act 2004.

Throughout 2004, consideration was given to the impact a number of developments will have on the future role of Shannon Development. These include the proposed relocation of the headquarters of Enterprise Ireland to Shannon as part of the decentralisation programme, the Enterprise Strategy Group recommendation that Shannon Development should disengage from industrial development functions and the establishment of an independent Shannon Airport Authority. In the light of these developments, the Board of Shannon Development was also asked to prepare a new strategy for the Company.

Consultations with Industry

The Minister and officials met with companies and representative organisations to discuss factors impacting on business competitiveness and pursued these issues with relevant authorities, domestically and at EU level.

A special meeting of the Round Table for Small Business, which was set up by the Department to provide a forum for consultation and dialogue with small business in Ireland, took place in Dublin Castle in September 2004. The meeting was called to discuss the report of the Enterprise Strategy Group and members received a presentation on the report’s findings and recommendations from the Group’s Chairman, Mr Eoin O’Driscoll. The Round Table comprises representatives of the Department, enterprise development agencies and organisations representing - or which have an interest in - small business.

GOAL 3: We will develop and implement policies to enhance the competitiveness environment, leading to the start up and growth of competitive firms, continued foreign direct investment and sustainable development.

NATIONAL COMPETITIVENESS

Implementation of National Competitiveness Council Recommendations

An interdepartmental group chaired by the Department was established last year to consider and oversee the implementation of the National Competitiveness Council’s (NCC) recommendations as contained in its report Competitiveness Challenge 2003. The group prepared a report, which was submitted to Government for discussion at its meeting on the 6 July 2004. This report indicated that the majority of NCC recommendations contained in the Competitiveness Challenge 2003 report were implemented in line with Government policy. Examples of implemented NCC recommendations included the introduction of the 20% R&D tax credit, the extension of the Business Expansion and Seed Capital Schemes until the end of 2006, the recommencement of funding for the Programme for Research in Third Level Institutions (PRTLI) and the rollout of national broadband infrastructure.

8 The Minister’s Action Plan and associated announcement can be seen at http://www.entemp.ie/press/2005/20050224.htm
INTERNATIONAL TRADE AND FOREIGN EARNINGS

Import/Export Licensing

The independent review of Ireland’s export control system was published in July 2004. The review proposes a number of areas, both legislative and non-legislative, in which the Irish Export Licensing System can best be modernised and strengthened to ensure full compliance with our international obligations.

Consideration and implementation of the report’s recommendations is being addressed within the framework of an inter-Agency Group, chaired by Forfás, involving the Departments of Enterprise Trade and Employment, Foreign Affairs, Environment and Local Government, Defence, Justice, Equality and Law Reform, together with the Revenue Commissioners. Work on implementation of the range of recommendations was commenced in 2004 and will be progressed over the coming months.

Promoting Exports of Goods and Services/Diversifying Export Trade Destinations

The Minister and the Ministers of State at the Department led sixteen separate trade missions abroad in the course of 2004.

These were organised in conjunction with Enterprise Ireland and included participation in the President’s State Visit to Latin America - Brazil, Argentina and Chile - and twelve trade missions in Europe - 5 to the United Kingdom and one each the Netherlands, Spain, Sweden, Hungary, France, Switzerland and Italy. Minister Martin also led a large trade mission to Korea and Japan in November, while other missions to the United States of America and to the Middle East - Iran and the United Arab Emirates - were also successfully organised and completed.

These trade missions facilitated Irish companies in initiating or developing relationships with current and potential partners in the various targeted markets. The range of markets chosen reflects both the need to provide support in important established markets and to assist companies to further develop their export potential and diversify by accessing emerging markets, particularly those in Eastern Europe and in Asia.

The value of exports in 2004 increased by approximately 2.2% over 2003. The European Union continues to be our largest export market, accounting for over 62% of the total. Exports to the United States stood at 19.7% of the total, and this is now our largest single export market destination.

The improved export performance in the Asia/Pacific region showed the strongest rates of growth, with double-digit growth rates to most of our main markets -

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth Rate</th>
</tr>
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<tbody>
<tr>
<td>Australia</td>
<td>+13.7%</td>
</tr>
<tr>
<td>China</td>
<td>+9%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>+21%</td>
</tr>
<tr>
<td>India</td>
<td>+15%</td>
</tr>
<tr>
<td>Japan</td>
<td>+10.6%</td>
</tr>
<tr>
<td>Singapore</td>
<td>+18%</td>
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<tr>
<td>South Korea</td>
<td>+15%</td>
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<tr>
<td>Taiwan</td>
<td>+25%</td>
</tr>
<tr>
<td>Thailand</td>
<td>+12%</td>
</tr>
</tbody>
</table>
Over the course of the year work was also completed on a review and reformulation of the Asia Strategy to cover the period 2005 – 2009.

Export Credit Insurance and Debt Recovery

Debts, some of which have been outstanding for many years, are still owing under the provisions of export credit insurance guarantees provided by the State. Recoupment possibilities have again been actively pursued in the course of 2004. These have met with considerable success and recoveries of €2.2m have been realised during the year.

Trade Policy Review

Following consultations with State and private sector interests, which were completed in the course of the year, a comprehensive trade policy document has been drafted and was published and launched in June 2005.

This policy document details the approach of the Government to trade development and the respective contribution that all sectors make in achieving established objectives. It also describes the mechanisms and processes in play, within both the European Union and the World Trade Organisation, to formulate or refine policy in the interest of having a global situation that underpins increased free and fair trade flows. The commitment of the Government to reforms that will support and favour economic growth in less developed countries of the world is also dealt with in some detail in the review document.

ENVIRONMENTAL INITIATIVES

Sustainable Development Strategy

The Department’s Sustainable Development Strategy 2003 – 2005 aims to provide a path for both the Department and enterprises to achieve sustainable development i.e. development which achieves a balance between the economic, social and environmental dimensions of growth.

Significant achievements in the four priority strategic areas during 2004, the second year of the three-year period of the Strategy, were:

Climate Change

To meet its commitments under the Kyoto Protocol, Ireland must reduce its current level of carbon dioxide (CO₂) emissions. The EU Emissions Trading Directive, which establishes the EU Emissions Trading Scheme (ETS), is a central element in the EU’s climate change strategy. The ETS requires each Member State to prepare a National Allocation Plan (NAP), which distributes CO₂ allowances to companies participating in the EU ETS. The Department, through its involvement in the Interdepartmental Climate Change Team, led by the Department of the Environment, Heritage and Local Government, ensured competitiveness concerns were considered in the context of the determination of policy for the NAP. The NAP for the first phase of the ETS (2005-2007) was prepared by the Environmental Protection Agency.

The Department participated in negotiations at European level on a range of climate change issues including the Commission Working Group on Emissions Trading, EU climate change policies post 2012 and on the Joint Implementation (JI)/Clean Development Mechanism (CDM) Linking Directive. JI and CDM are project-based flexible mechanisms, and the Linking Directive enables participants in such projects to use credits from project-based activities located outside the EU in order to fulfil their domestic obligations under the EU emissions trading scheme.

Competitive Sustainability

EU Environmental Technologies Action Plan (ETAP)

The EU Environmental Technologies Action Plan is a joint initiative between DG Environment and DG Research in
the European Commission in order to exploit the potential of environmental technologies to contribute to competitiveness and growth. The Department has been engaged, together with the Department of the Environment, Heritage and Local Government, in the negotiations in the High Level Working Group, with a view to ensuring that competitiveness concerns remain at the forefront of the initiative.

**Waste Issues**

Throughout 2004, the Department participated in various national waste initiatives, to ensure that the needs of industry are considered. The most significant of these was the Waste Electrical and Electronic Equipment (WEEE) Taskforce which laid the groundwork for implementation of the WEEE Directive (dealing with the recovery of electrical waste) in Ireland.

**Corporate Social Responsibility**

- The Department participates in the judging panel of the Association of Chartered Certified Accountants (ACCA) environmental reporting awards.

- The Department, with Enterprise Ireland, was involved in the BEST Project on Environmental Management Systems in SMEs. This was a European Commission project, which analysed different good practice examples of public policies, programmes and initiatives to encourage the voluntary uptake of Environmental Management Systems (EMSs) in SMEs. It made a number of recommendations as to what public authorities and other stakeholders can do to increase the number of SMEs with EMSs. This Department, recognising that there are business opportunities available if one can harness the positive synergies between competitiveness and environmental protection, established a Working Group comprising stakeholders to implement the recommendations in Ireland.

- The Department continues to support Enterprise Ireland initiatives to help improve the environmental performance of Irish industry, e.g. Environmentally Superior Products, Environmental Management Systems and their www.envirocentre.ie website.

**Departmental Sustainability**

A Departmental Environmental Policy Statement, setting out the Department’s environmental goals, was agreed and signed by the Secretary General. It underpins the Department’s Environmental Management Plan.

Work is ongoing to ensure that environmental best practice is incorporated into the Department’s operations.

The Environment Unit continues to develop sustainable development capacity within the Department, through the provision of support and advice for other Sections of the Department regarding environmental issues.

The Departmental Green Team, under the leadership of the Green Officer, continued to work throughout 2004 to ensure that the Department incorporates best environmental practice into its management and activities, thereby reducing our environmental impact.

Some of the activities and achievements of the Green Team included:

- Sign-off by the Secretary General on an Environmental Policy Statement for the Department, setting out the Department’s commitment to improving its environmental performance,

- Implementation of the Environmental Management Plan for the Department,

- Extension of the Departmental recycling program,

- Liaison with other relevant Units in the Department, particularly with I.T. Unit, on ways to reduce, re-use and recycle resources,

- Preparation of a “Section Checklist” encouraging environmental best practice in daily activities in local business units. The Checklist is a practical list of simple procedures which should significantly reduce energy and paper use within the Department,

- Ongoing programme of awareness raising on green issues throughout the Department.
GOAL 4: We will ensure that labour market policy responds to changing skills needs and we will prioritise investment that delivers better jobs, lifelong learning for all and enhanced social inclusion.

TRAINING & EMPLOYMENT

Funding

In 2004 the Department invested a total of €834.3m in training and employment programmes, including an Exchequer budget of €557.7m and a National Training Fund budget of €276.6m. Most of this expenditure was in respect of activities undertaken by FÁS.

During 2004, 79,000 people participated on FÁS training and employment programmes as follows:

➢ Training for the employed had 28,000 participants and expenditure of €102m.
➢ Training for the unemployed had 19,000 participants and expenditure of €199m.
➢ Employment schemes had 32,000 participants and expenditure of €354.3m.

In 2004, the National Training Fund supported schemes operated by FÁS, Enterprise Ireland, IDA Ireland, Shannon Development, Skillnets Ltd., Forfás, the Institution of Engineers of Ireland, the Higher Education Authority, The W heel (feasibility study relating to training in the community and voluntary sector), and expenditure on In-Company Training which is refundable from the European Social Fund (ESF).

Lifelong Learning

The initiatives and recommendations set out in the Report of the Taskforce on Lifelong Learning focus on promoting and enhancing access to training, the development of new skills, the acquisition of recognised qualifications and progression to higher-level qualifications. Continued progress was made in 2004 by the Department and the Department of Education and Science in advancing the recommendations. In particular, significant progress was made on the following:

➢ Development and implementation of the National Framework of Qualifications;
➢ Accreditation of Prior and Experiential Learning (APEL) by FÁS;
➢ Putting in place the National FÁS/EI Register of Trainers;
➢ Establishment of the National Guidance Forum;
➢ Extension of the Training Networks Programme for a further five-year period.

Provision of €15m was also made in the Estimates for 2005 for a significant expansion of activity by FÁS in the area of in-company training initiatives. A substantial portion of this €15m will be used to leverage a greater level of funding from the ESF.

Expert Group on Future Skills Needs

Since its inception in 1997, the reports of the Expert Group on Future Skills Needs (EGFSN) have contributed to ensuring that we anticipate specific future skills needs within key sectors of the economy.

Coinciding with the expansion of its remit in 2004 to incorporate the role previously discharged by the National Training Advisory Council, the Group turned its attention to cross-sectoral issues, such as identifying barriers to in-company training and examining the contribution of soft skills to the workplace. In the course of 2004 the Expert Group:

➢ Reviewed all of its recommendations to date to establish the progress made in implementing them over the intervening period;
➢ Made contributions to the Forum on the Workplace of the Future, and to the OECD Review of Higher Education;
➢ Published a review on aspects of training of those at work in Ireland;
➢ Produced a Model to Predict the Supply and Demand for Researchers and Research Personnel in line with Ireland’s Strategy for Contributing to the European Research Area 3% Initiative; and
➢ Published a review of the sales, marketing & innovation capabilities of Irish Exporting SMEs.
Apart from making recommendations and monitoring progress, the Expert Group has also sought ways to help ensure that the findings of its research become more widely known and are reflected in debates on future skills needs.

**Skillnets**

During 2004, Skillnets continued to meet its ambitions of promoting employee training through its Training Networks Programme. Skillnets is an independent company, with a tripartite board, which operates the Training Networks Programme and is funded by the Department through the National Training Fund.

Skillnets training is targeted at enterprise, SMEs and basic skills. It is focused on training leading to certification and is aimed at improving enterprise competitiveness and increasing worker employability. Following its pilot project phase (1999 to 2004), Skillnets is now established on a more permanent basis, with a new five-year mandate and an increased budget. The budget for 2005 is €7.5 million with further intended funding of €48.5 million to 2010, subject to approval in the annual budgetary process.

**In Company Training**

The **Employment and Human Resources Development Operational Programme (EHRDOP)**, which runs from 2000-2006 as part of the National Development Plan (NDP) provides among its measures ESF support for training of people in employment (In-Company Training). Activity in this area is mainly administered by FÁS and Enterprise Ireland. However, in order to supplement their actions in enhancing human resources development in enterprises, a Call for Proposals for funding under the In-Company Training Measure was issued in October 2002 by the Department. Arising from that call 21 projects under the EHRDOP are active and at various stages of completion. The total value of the projects underway is €10 million and they are supporting new in-company training activities or the development of in-company training systems.

**Apprenticeship**

The National Craft Certificate is awarded on successful completion of a Fáilte Ireland craft course in Bar Service, Professional Cookery, Front Office Reception, Tourism Skills, Hospitality Skills and Travel Agency Skills. The National Craft Certificate as a skills set has been placed on the National Qualifications Framework at Level 6, thus giving recognition to the standards of knowledge, skill and competence embedded in apprenticeships.

FÁS, in conjunction with its National Apprenticeship Advisory Committee, continues to develop a more effective, efficient and expansive apprenticeship system that will meet the needs of enterprise and enhance workers’ skills.

In the year to December 2004, 16,652 apprentices had started the three phases of apprenticeship run by FÁS: 6,352 in Phase 2, 5,218 in Phase 4 and 5,082 in Phase 6.

**Employment Programmes**

Arising from a review that entailed extensive consultation with the Social Partners, enhanced social inclusion has been achieved by the reforms announced in November 2004 to FÁS Employment Schemes i.e. Community Employment (CE), Jobs Initiative (JI) and Social Economy Programmes (SEP) whereby:

For **CE** participants, the 3 year cap has been removed for the over 55’s. With effect from 10 November 2004, over-55’s are eligible to participate on Community Employment for a maximum of 6 years. In the case of people advancing beyond 55 years during their normal period of service on CE, participation can be extended to a maximum of 6 years. The current ring fencing and prioritisation for the essential services of childcare, health related services and Drugs Task Force clients are being maintained. CE will remain as an active labour market programme with the emphasis on progression to employment.

Participants who remain on **JI** will have their contracts renewed. People who leave JI voluntarily will be replaced by CE participants to support the service being provided.

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9 Phase 2 entails formal training/education in FÁS, phases 4 & 6 involve formal training/education in Institutes of Technology
The **Social Economy Programme** supports the development and operation of enterprises that provide local services in and for disadvantaged communities, and meaningful employment opportunities for long-term unemployed and other disadvantaged persons. There will be no compulsory cessation of Social Economy Programmes, which play a very valuable role in communities throughout the country. In situations where an enterprise decides itself to cease activity, the employees affected will be assisted by FÁS in finding alternative employment.

Expenditure on CE in 2004 was €264m with a participant throughput of 28,775. Expenditure on JI was €39m with a participant throughput of 2,398. The outturn for the Social Economy Programme in 2004 was €39 million. At the end of 2004 313 enterprises were in operation, employing 2,060 employees, of which 1,297 were full-time and 763 were part-time.

**Opportunities for People with Disabilities**

The Department published an Outline Sectoral Plan on 21st September 2004. The Sectoral Plan will be finalised following the enactment of the Bill in 2005.

In 2004, FÁS continued to prioritise services for the more disadvantaged groups, including people with disabilities. It maintained levels of activity on programmes for persons with a disability, including Specialist Training Providers, the Employment Support Scheme and the Supported Employment Programme, in line with the commitment under Sustaining Progress (Sustaining Progress 13.11)10

Development of the new Wage Subsidy Scheme (WSS) proposal, in line with the commitment under Sustaining Progress (Sustaining Progress 13.3)11, was further advanced by the Department in 2004 in discussions with other Government Departments. Additional funding for the development and introduction of the new WSS on a three-year pilot basis was pursued successfully under the Estimates process for 2005. A budget line of €10m has been established for the scheme for 2005, comprising the current provision of €5m for the combined Employment Support Scheme (ESS) and the Pilot Programme for the Employment of People with Disabilities (PEP), and an additional €5m. Discussions are ongoing between Government Departments and FÁS with a view to finalising the details of the scheme and its roll out in 2005.

In line with the commitment under Sustaining Progress, a "Review of Vocational Training provision for People With Disabilities in Ireland" was undertaken, with the purpose of examining the delivery of vocational training for people with disabilities through various forms of provision funded by FAS, and to identify areas where efficiencies and effectiveness could be improved. The Department accepted the broad thrust of the consultants’ recommendations. They are being implemented by FAS under an Action Plan approved by the FÁS Executive Board. A strategy on vocational training for people with disabilities will be published by FÁS in 2005.

The operation of the Workway partnership initiative, led by IBEC and ICTU was reviewed by the Department following the completion of the three-year funding agreement between the Department and IBEC in respect of Phase I of the initiative. A key outcome of this Phase was the development of joint IBEC / ICTU employment guidelines for people with disabilities. FÁS funding in respect of Phase II, aimed at developing a template for people with disabilities trying to access employment and to pilot and enhance some of the tools already developed, is in place until April 2005. Following this, future options for the Workway experience will be assessed in the light of progress on resolving a number of workplace related issues affecting people with disabilities accessing employment, which were identified under the Workway initiative.

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10 FÁS will prioritise, as far as possible within its resources, all training and employment supports for the disabled.

11 In June 2000, as part of the Government policy of mainstreaming of services for people with disabilities, responsibility for vocational training services for certain people with disabilities transferred from the Department of Health and Children to this Department. The Department of Health and Children retained responsibility for rehabilitative training.
MIGRATION

Government policy is to meet as much of our labour force and skills requirements as possible from within the European Economic Area (EEA) and to grant employment permits to nationals from outside the EEA only in respect of skills that are in short supply. The Government decided to permit full freedom of movement to workers from the 10 accession member states subsequent to the coming into effect of the Accession Treaty on 1 May 2004.

A scheme to fast-track the grant of spouses' work permits was introduced during 2004.

Approximately 10,000 new Work Permits were issued in 2004, compared with almost 22,000 in 2003.

GOAL 5: We will further enhance quality employment by improving and enforcing employment rights and entitlements and promoting industrial peace and effective dispute resolution.

EMPLOYMENT RIGHTS AND ENTITLEMENTS

Employment Rights Legislation

Review of Employment Agency Act 1971
A Discussion Paper on the Review of the Employment Agency Act 1971 was published in May 2004 and circulated to interested parties. Submissions are currently being examined with a view to reaching a consensus on the way forward, including the possibility of new or amending legislation.

Review of Carer’s Leave Act 2001
During 2004, a thorough consultation process with interested parties was carried out on the Carer’s Leave Act 2001. The issues raised are being discussed with the Department of Social and Family Affairs in the context of the Carer’s Benefit Scheme, which is administered by that Department.

Restatement of Unfair Dismissals Acts 1977 - 1993
A working draft of the restatement of Unfair Dismissals Acts 1977 - 1993 was completed during 2004. The restatement will be laid before the Houses of the Oireachtas after the enactment of the Civil Service Regulation (Amendment) Bill 2004.

Employees (Provision of Information and Consultation) Bill
On 14 December 2004, the Government approved the drafting of a Bill to transpose the Information and Consultation of Employees Directive - EU Directive 2002/14/EC of 11 March 2002. The “Employees (Provision of Information and Consultation) Bill” provides a general right of employees to information and consultation from their employers. It is expected that the Bill will be published in the first half of 2005.

Amending Directive on Working Time

Employment Rights Information and Compliance

Employment Rights Information Unit
The Employment Rights Information Unit provides a full information service to employers and employees on employment rights legislation. In 2004, the Unit processed 137,926 phone calls, 3,426 e-mail contacts, 5,817 postal enquiries and 1,138 ‘person-to-person’ consultations. It also arranged a number of visits to Citizens' Information Centres and presentations during the year. A comprehensive range of explanatory leaflets and guides to various entitlements under employment rights legislation
and a series of information leaflets on employment rights legislation in Ireland in nine languages are available both on request and via the Department's website.

**Labour Inspectorate Unit**
A Review of the Mandate and Resourcing of the Labour Inspectorate, on foot of a commitment under the Mid-Term Review of Sustaining Progress, was completed during the year. A Discussion Document arising from this work has been circulated to the Social Partners for their consideration. It contains a number of key proposals and presents the arguments for and against a range of issues impacting on the mandate and associated resourcing of the Inspectorate and its related business units. The bulk of investigative work undertaken during the year involved following up contacts either directly from employees or through interested parties. During 2004 the Labour Inspectorate:

- carried out a total of 5,160 inspections and visits, of which 1,836 were undertaken in respect of the Protection of Young Persons Employment Act 1996, the majority by night;
- collected arrears of monies underpaid to employees in respect of wages, overtime, holiday pay, etc. amounting to €486,000;
- was responsible for a total of 14 cases being referred through the Legal Services Unit of the Division to the Chief State Solicitor's Office for prosecution.

**Prosecution and Enforcement Unit**
The Prosecution Staff of the Legal Services Unit referred 54 cases to the Chief State Solicitor's Office for prosecution during the year. Twenty-eight cases were successfully concluded, leading to 17 convictions and fines.

The Enforcement Staff, who deal with awards of the Labour Court and the Employment Appeals Tribunal through the Courts, referred 35 cases to the Chief State Solicitor's Office during the year. Sixty-two cases were concluded over the course of the year.

**Redundancy and Insolvency Payments**
Following a commitment made in the Mid-Term Review of Sustaining Progress, the ceiling on reckonable earnings to be taken into account for payments under both the Redundancy and Insolvency Payments Schemes was raised from €507.90 per week (€26,411 per year) to €600 per week (€31,200 per year) by regulations under the respective pieces of legislation. The increase came into effect on 1 January, 2005.

**Occupational Health and Safety**

**Safety, Health and Welfare at Work Bill 2004**
During 2004, the Safety, Health and Welfare at Work Bill 2004 was published and introduced in the Oireachtas. It completed the Committee Stage before the Select Committee on Enterprise and Small Business in the Dáil and will be enacted in 2005. The Bill consolidates and modernises occupational safety and health legislation and is based on recommendations received from the Board of the Health and Safety Authority following their review of the Safety, Health and Welfare at Work Act 1989. The new Act will provide for increased penalties and the introduction of on-the-spot fines for a range of breaches of the health and safety legislative code by either employers or employees.

**Expert Group on Bullying in the Workplace**
An expert group on workplace bullying was established in 2004 to advise the Minister on:

- the effectiveness of measures relating to the prevention of workplace bullying;
- the identification of improvements in procedures; and
- appropriate ways to address the consequences of workplace bullying, including workplace stress that results from bullying.

The expert group is working to build on work already done in order to deal with gaps in the current regime. The biggest gap relates to establishing a fair, consistent system available to all, without repercussion, where bullying is an issue; taking appropriate action where these systems are lacking; and gaining appropriate and effective closure for victims regarding allegations of bullying. The report of the expert group is due in 2005.
Draft Safety, Health and Welfare at Work (Construction) Regulations

During 2004, discussions took place between the Department and various interest groups, and proposed regulations are now with the Office of the Parliamentary Counsel for formal drafting. The purpose of these Regulations is to prescribe the main requirements for the protection of the safety, health and welfare of persons working on construction sites and to give further effect to Council Directive 92/57/EEC on the minimum safety and health requirements at temporary or mobile construction sites.

The Regulations will apply to all construction projects, as well as to the maintenance of buildings. They will place obligations on clients and designers to ensure health and safety is taken into account before any construction work begins. Contractors must ensure that the work on site is properly co-ordinated and carried out in a safe manner.

These Regulations will replace and revoke the Safety, Health and Welfare at Work (Construction) Regulations 2001 and it is expected that they will enter into force in 2005.

Employment Rights Bodies Review

A review of Employment Rights Bodies, initiated by the Department as part of the Programme for Government, was completed and a report issued in April 2004. The report found the system to be excessively complex and legalistic, and made a number of suggestions aimed at improving the functioning of the employment rights bodies on an operational and strategic level. In response to the recommendations of the review group, a Programme of Action has been approved by Government which will involve an extensive revisiting/rewriting of Employment Rights legislation as well as service and procedural improvements in the bodies themselves. The Programme of Action will result in a body of Employment Rights legislation which:

➢ has clarity and simplicity as its hallmarks;
➢ is supported by an adjudicative system which is user-friendly, coherent and consistent;
➢ provides improved customer service standards;
➢ will contribute to national competitiveness;
➢ will not roll back on established Employment Rights norms.

INDUSTRIAL RELATIONS

IR Legislative Framework

The Industrial Relations legislative framework was strengthened in 2004 through the introduction of the Industrial Relations (Miscellaneous Provisions) Act 2004 and the following related Codes of Practice:

➢ Revised Code of Practice on Voluntary Dispute Resolution
➢ Code of Practice on Victimisation.

The main purpose of the 2004 Act is:

➢ to enhance the effectiveness of existing procedures for dealing with disputes where negotiating arrangements are not in place; and
➢ to introduce a prohibition on victimisation of employees, in the context of a dispute where the Code of Practice on Voluntary Dispute Resolution has been invoked, or where steps have been taken to invoke the Code.
The Act strengthens industrial relations procedures given effect through the Industrial Relations (Amendment) Act 2001.

Dispute Resolution Bodies
Primary responsibility for the conduct of industrial relations lies with employers, employees and their representative organisations. The State has a responsibility to provide the institutional framework, including legislation, for the resolution of disputes and the promotion of good industrial relations. The dispute resolution agencies - the Labour Relations Commission, the Labour Court and the Employment Appeals Tribunal - play an important role in the industrial relations arena.

The industrial relations climate in 2004 has been very positive with record lows in 2004 in the number of disputes and days lost due to industrial disputes. There were 11 strikes during the year, with a total of 20,784 days lost. In the corresponding period in 2003, there were 24 strikes and 37,482 days lost.

Social Partnership
The Department was involved in the negotiations on the “Mid-Term Review of Part Two of Sustaining Progress - Pay and the Workplace” during the first half of 2004. The Review, which was concluded in June 2004, included commitments in relation to pay and other workplace issues, for example, commitments in relation to the National Minimum Wage, Joint Labour Committees, Redundancy and Insolvency Payments and Pensions.

National Minimum Wage
In accordance with the commitment in Sustaining Progress, The Minister for Labour Affairs signed an Order to increase the National Minimum Wage from €6.35 to €7.00 per hour with effect from 1 February 2004.

As part of the Mid-Term Review of Sustaining Progress, the Social Partners agreed to request the Labour Court to review the National Minimum Wage and to make a recommendation to the Minister to apply from 1 May 2005. ICTU requested the Labour Court to examine the minimum wage in September 2004. Having undertaken its review, the Labour Court made a recommendation to the Minister that the minimum wage should be increased to €7.65 per hour and the Minister gave effect to this increase from 1 May 2005.

National Framework Committee for Work Life Balance Policies
The Department chairs and provides the secretariat to the National Framework Committee for Work Life Balance Policies provided for under Sustaining Progress. During 2004, the Committee carried out a range of activities including:

➢ the organisation of Work Life Balance Day 2004;
➢ provision of direct financial assistance to projects;
and
➢ the hosting of two regional information seminars.

Direct financial assistance is provided to organisations in both the public and private sector to undertake actions which would further work/life balance within the organisation. Types of activity supported include:

➢ the development of work life balance policies training manuals;
➢ implementation of work life balance strategy within the organisation;
➢ evaluation of existing work life balance policies; and
➢ raising awareness of work life balance in the organisation.

Forum on the Workplace of the Future
During 2004, the Department participated in the work of the Forum on the Workplace of the Future via the Forum Taskforce and the National Policy & Supports Panel, which also comprised representatives of Government Departments and Agencies, Employers and Employees. The Report of the Forum was launched on 9 March 2005 and contained recommendations on the development of a national workplace strategy. Recommendations falling under the remit of this Department include:

➢ references to training and lifelong learning;
➢ information and consultation of employees;
➢ older and disabled workers;
➢ work-life balance;
➢ economic immigration; and
➢ the creation of an innovation focus at workplace level.
GOAL 6: We will take concerted action to ensure that regulation is fair, balanced and effectively implemented; to encourage commerce, ensure competitiveness, confidence in business and the welfare of citizens.

COMPANY LAW

Company Law Operation

Company Law Review
Work on the reform and consolidation of the Irish company law code is progressing. The overall objective of the exercise is to achieve a simplified, consolidated and accessible company law regime, within which creditor and shareholder rights are clear and readily enforceable.

This is being achieved primarily through the involvement of the Company Law Review Group (CLRG), which is comprised of a group of experts appointed by the Minister to develop proposals for the review and reform of company law on the basis of a regular two-year work programme. The secretariat for the CLRG is drawn from the Company Law Review Section of the Department.

The second work programme of the Review Group was completed and published in March 2004. The report fleshed out some of the recommendations in the First Report of the Review Group as well as identifying issues for reform in a number of sectoral areas of company law such as share capital and winding up.

The General Scheme for the private company statute has been completed and work is proceeding on the remaining Parts of the Companies Consolidation and Reform Bill, which will deal with types of companies other than the proposed new model type, the private company limited by shares.

Drafting of the entire General Scheme is expected to be completed in 2005.

Company Law Compliance

Inquiries under section 8 of the Companies Act 1990
Inspectors were appointed to National Irish Bank Ltd (NIB) and National Irish Bank Financial Services Ltd (NIBFS), on application by the Minister under section 8 of the Companies Act 1990, and presented their Report - which was subsequently published - to the High Court on 12 July 2004. The Inspectors made clear findings of misconduct in the 1988 to 1998 period in respect of NIB's and NIBFS's participation in arrangements that assisted their customers in defrauding the State of its tax income. The Inspectors also concluded that the Bank itself improperly charged interest and fees to its customers over much of the same period.

The Court furnished a copy of the Report to the Director of Corporate Enforcement as required by section 11 of the 1990 Act, and ordered that a copy be sent to relevant authorities, including the Irish Financial Services Regulatory Authority (IFWSRA), the Revenue Commissioners and the Director of Public Prosecutions. The Court also ordered that the Bank pay the full costs of the investigation.

Primary responsibility for follow-up action on the matters raised in the Report rests with the various statutory agencies.

Examinations under section 19 of the Companies Act, 1990
Three examinations of company books and documents by the Minister’s authorised officer under section 19 of the Companies Act 1990 remained to be concluded at the end of the year. The companies involved are College Trustees Ltd., Guinness & Mahon (Ireland) Ltd. and Hamilton Ross Co. Ltd.

Prosecutions under the Companies Acts 1963-2003
Under the Company Law Enforcement Act 2001, responsibility for the investigation and, where appropriate, prosecution of suspected breaches of the Companies Acts, 1963-2003 rests with the Director of Corporate Enforcement, while the Registrar of Companies is responsible for the enforcement of various requirements to file returns under the Companies Acts.
The Office of the Director of Corporate Enforcement (ODCE) achieved a high success rate in 2004 with its enforcement actions. The ODCE secured 66 convictions in the year, an increase of 50% on 2003. New enforcement developments in 2004 included:

➢ the first fraudulent trading conviction of a company director by the ODCE;

➢ the first restriction of a company director in respect of the operation of an unliquidated insolvent company;

➢ the first disqualification and restriction of directors whose insolvent company had been struck off the Register of Companies for failing to file annual returns;

➢ the first conviction and disqualification of a restricted company director for failing to comply with legal conditions pertaining to his restriction;

It is also significant that, for the first time in relation to ODCE prosecutions, the Courts, by imposing suspended sentences, indicated a willingness to contemplate custodial sentences.

The Companies Registration Office enforcement activity for filing offences under the Companies Acts resulted in the conviction of 25 directors. In addition, 6,595 companies in total were struck off the register. Enforcement activity was restricted in 2004 by court proceedings relating to striking out of summonses against a company for failure to file its annual returns. The ultimate outcome was a Supreme Court judgement, which has allowed the resumption of prosecutions for the offences in question in the District Court from 2005.

Auditing and Accounting Standards

Interim Board of Irish Auditing and Accounting Supervisory Authority (IAASA)

During the year, the Interim Board of the Irish Auditing and Accounting Supervisory Authority (IAASA) continued its work, with a particular focus on preparing the groundwork for the Authority’s establishment on a statutory basis, as provided for in the Companies (Auditing and Accounting) Act 2003.

Following a recruitment campaign by the Interim Board, a Chief Executive (Designate) was appointed in the latter half of the year. The Interim Board then commenced the task of developing an initial work programme as part of the necessary process in its statutory establishment.

Financial Services Legislation

Establishment of Company Law (Financial Services) Unit/Drafting of Investment Funds, Companies and Miscellaneous Provisions Bill 2005

A new Company Law (Financial Services) Unit was established in the Department in late 2004 to provide a clear and appropriate legislative framework for entities used by the Funds Industry. The aim of the Unit is to ensure that appropriate statutory provisions are in place to facilitate the development of new products while ensuring that investors are adequately protected.

A first draft of the General Scheme of the Investment Funds, Companies and Miscellaneous Provisions Bill was drawn up during the year. With a view to providing the greatest flexibility to the Funds Industry, while at the same time keeping appropriate controls in place, a number of changes to the existing law on investment funds are proposed in the Bill. A number of other changes to general company law are also provided for, notably the removal of existing anomalies and paving the way for smooth transposition of EU Directives on Market Abuse and Prospectus.
CONSUMER INTERESTS & COMPETITION PROMOTION

The Consumer Price Index average rate of inflation for 2004 was 2.2%, the lowest since 1999, decreasing from 3.5% in 2003. The European Harmonised Index of Consumer Prices showed a decrease from 2.8% in November to 2.4% in December. This is the lowest recorded since 1998.

The Department worked closely throughout 2004 with the Central Statistics Office (CSO), the Director of Consumer Affairs, the Consumers Association of Ireland and Forfás on the issue of price transparency. This followed the findings of the report by Forfás and the National Competitiveness Council that Ireland’s consumer price inflation has exceeded the Eurozone and EU 15 average for the past seven years. One initiative undertaken by the CSO as a result of this was the publication of average prices in Dublin and outside Dublin.

Regulation

Review of Consumer Legislation

The entire body of consumer law is being reviewed with the aim of consolidation into a modern, concise and comprehensible body of law. This is in recognition of the fact that much domestic consumer legislation is more than a century old, and also of the differences in legal concepts and lack of alignment between it and the growing body of EU consumer law. The present situation creates difficulties for businesses, consumers and enforcement authorities, and is at odds with the principles of Better Regulation.

The first phase, on which considerable progress was made during the year, involves preparation for the transposition of the new Unfair Commercial Practices Directive\(^\text{12}\), and the incorporation and updating of those provisions of related domestic legislation that remain relevant, as well as the repeal of the provisions of domestic legislation that are now obsolete or will be superseded by the Directive.

It is a long-term project, which is being implemented in phases over 3 to 5 years.

Consumer Strategy Group

The Consumer Strategy Group was appointed in March 2004 to advise and make recommendations for the development of a national consumer policy. The Group’s Terms of Reference were to:

- Advise in regard to the impact on consumer interests of existing and proposed legislation and to make recommendations accordingly;
- Examine best international practice in regard to the promotion and representation of consumer interests;
- Initiate studies that demonstrate objectively whether or not Irish consumers are getting a fair deal.

The Group met on a number of occasions during 2004.

The final Report of the Consumer Strategy Group was published on 18th May, 2005.

The CSG’s Report contains over 30 separate recommendations. In response to the Report’s core recommendation, the Government has given its approval to the establishment of a new National Consumer Agency which will incorporate the existing functions of the Office of the Director of Consumer Affairs and also have specific additional functions in the areas of consumer advocacy, research, information, enforcement, education and awareness. To maintain the momentum of the Report, a Board for the new Agency was appointed in June 2005 to act in an interim capacity until the NCA is established on a statutory basis. In addition, the Government approved the establishment of a High Level Inter-Departmental Committee to examine the CSG’s recommendations and to report back with an implementation plan within 3 months. Finally, concurrent with the publication of the CSG’s Report, a public consultation process on the Groceries Order was launched and in particular in relation to the recommendation by the CSG that the Groceries Order be revoked in its entirety. It is intended that the consultation process will conclude in 2/3 months following which proposals on the matter will be submitted to Government.

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12 The aim of the proposed Directive on Unfair Commercial Practices is to further the development of the internal market by reducing barriers to the free movement of goods and services resulting from national differences in the regulation of unfair commercial practices and to provide a high level of consumer protection. The centrepiece of the proposal is a tripartite regulation of unfair commercial practices with (1) a common, general prohibition on unfair commercial practices, (2) more detailed rules on the two most common forms (deceptive and aggressive practices) and (3) a blacklist of 21 deceptive practices and 8 aggressive practices considered unfair in all circumstances.
Clearing House for the European Extra-Judicial Network (EEJ-Net)

Joint Department-European Commission funding of Ireland’s Clearing House for the pilot European Extra-Judicial Network (EEJ-Net) continued. This helps consumers resolve cross border disputes through an appropriate Alternative Dispute Resolution (ADR) scheme. In Ireland, the Dublin European Consumer Centre acted as our Clearing House in 2004 and received 52 cases.

In April 2004 the Irish Clearing House produced a report entitled ‘The need to develop ADR in Ireland’ which examined its experience, considered the existing ADR situation in Ireland, looked at the European situation and put forward five proposals for the positive development of ADR in Ireland.

Consumer Protection Portal

The development of a Consumer Protection Portal was identified as a priority project in the Department’s 2003 eStrategy review. The first phase of the development, which concentrates on a number of priority areas including Product Safety and Product Labelling, was completed by the end of March 2005. On completion of the further phase leading to the full development of the Portal it will be placed within the framework of OASIS. The Portal will provide an extensive database of up-to-date information on most consumer issues and will be internet-accessible to the public.

Compliance Enforcement – Competition

Compliance Enforcement – Consumer

Penalties for Breaches of Consumer Legislation

The Competition and Consumer Policy Section of the Department continued to work closely with the Office of the Director of Consumer Affairs by means of a formal Liaison Committee, thus facilitating the drafting by the Department of legislation, for introduction in the Oireachtas in 2005, to increase the financial penalties for breaches of seven pieces of Consumer Protection Legislation. The statutes which will be amended by the Bill are as follows: Sale of Goods and Supply of Services Act 1980, the Consumer Information Act 1978, the Package Holidays and Travel Trade Act 1995, the National Standards Authority of Ireland Act 1996, the Restrictive Practices Act 1972, the Prices Act 1958 and the Consumer Credit Act 1995 (now mainly enforced by IFSRA).

Compliance Enforcement – Competition

Competition Authority

The Competition Act 2002 has provided the Competition Authority with enhanced investigative powers and greater independence. As a corollary of this, the Authority’s financial and staffing resources were increased significantly in 2004.

Removing unwarranted constraints on competition

The Authority continued its comprehensive study into eight professions in the construction, medical and legal sectors. Interim reports on the engineering and architectural professions were published during the year, while the final report on engineering was published in December 2004.

In addition, the Authority, in conjunction with the Department, continued its studies of competition in the insurance sector and in the banking sector. A consultation document on the insurance sector was published in February 2004. An interim report on the banking sector was published in December 2004 which contained 40 recommendations designed to enhance competition between banks and benefit personal banking customers and small and medium sized enterprises.

Amicus Curiae in F. Hoffman – La Roche Ltd v Empagran S.A.

In 2004, the Irish Government, in conjunction with the Competition Authority, joined with the Governments of the UK and the Netherlands in an amicus curiae brief13 before the US Supreme Court. At issue is the jurisdictional reach of the US courts in anti-trust cases and it has arisen in the context of an alleged worldwide cartel for various bulk vitamin products. Ireland’s intervention was based on the threat to competition law enforcement in countries outside of the USA.

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13 A brief filed with the court by someone who is not a party to the case.
GOAL 7: We will promote competition in all sectors of the economy and ensure that consumers derive the maximum benefit from the fair and efficient operation of the market.

Insurance Reform

In 2004 much of the work of the Insurance Reform Programme came to fruition. The Insurance Reform Programme, which was launched on 25th October 2002, aims to improve the functioning of the Irish insurance market and to investigate competitiveness in the market, with the final objective of bringing about a reduction in insurance costs for the benefit of consumers and business alike. The Programme is a comprehensive and coordinated approach across Government Departments and other key organisations.

With the establishment of the Irish Financial Services Regulatory Authority, responsibility for the supervision and regulation of insurance undertakings no longer lies with the Minister for Enterprise, Trade and Employment. However in view of the fact that the Minister was chairing the Ministerial-level committee which was overseeing the Insurance Reform programme it was decided that responsibility for the Insurance Reform Programme should remain with the Minister for the time being. The majority of the recommendations in the insurance reform programme have been fully implemented. All those relating to this Department have been completed and other Departments are progressing the small number of outstanding recommendations that fall within their respective remits. Responsibility for policy and policy implementation in relation to motor insurance and for inter-departmental co-ordination in relation to the insurance reform has now been transferred to the Department of Transport.

The Reform Programme has contributed to a major improvement in the landscape of the insurance market. The Central Statistics Office figures show that there has been a reduction of 21% in car insurance costs between April 2002, when the first Motor Insurance Advisory Report was published, and January 2005. Significant reductions in Public Liability Insurance and Employer Liability Insurance premia have also occurred. More reductions are expected as the reforms continue to have effect. There have also been improvements in the Irish Insurance Market in terms of healthy profits, a growing insurance market and new entrants to the Irish Market.

Competition from new entrants attracted by better market conditions will be an important element in ensuring continuing downward pressure on premia.

Personal Injuries Assessment Board (PIAB)

The establishment of the Personal Injuries Assessment Board (PIAB) was a key component of the Government’s Insurance Reform Programme. The PIAB was established by Ministerial Order on the 13th April 2004. Since the 1st June 2004, all personal injuries claims arising from workplace accidents must be referred to the PIAB before legal proceedings can be issued. Since the 22nd July 2004, all motor and public liability claims must similarly be referred to the PIAB.

By eliminating the need for litigation in cases where legal issues are not in dispute, the PIAB resolution of such cases is aimed at significantly reducing the cost of delivering compensation to accident victims. Furthermore, the PIAB system delivers this compensation within a faster timeframe than under the old system. PIAB will deal with most cases within nine months as required by the underpinning legislation.

The Board deals only with uncontested claims, which do not involve any legal issues. PIAB assesses the amount of compensation due to injured parties.

A Book of Quantum, a guide for assessing the level of compensation based on the type of injury involved, was published by the PIAB on 2nd June 2004. In producing the Book of Quantum, it was not intended to either reduce or increase personal injury compensation levels but merely to reflect, in a guide, what the current level of damages is for particular types of injuries in this country.

The PIAB process is straightforward and assistance is available via the PIAB’s Helpline – LoCall 1890 829 121. PIAB does not preclude claimants from using independent legal advice. Claimants can deal with the PIAB directly or choose to use a solicitor at their own cost.
Following from a Judicial Review application, the High Court ruled on 25th January 2005 against the policy of the PIAB of dealing directly with claimants who had engaged the services of a solicitor. As a result of this ruling, PIAB now deals directly with the solicitors of such claimants rather than copying all correspondence to them as it previously did. However claimants can still, and frequently do, deal directly with PIAB.

At the time of writing PIAB has made its first awards, most of which have been accepted. These awards confirm that PIAB is achieving its primary objectives of reducing the cost of delivery of compensation to victims of accidents and of reducing the time taken to process claims.
SECTION 4
Quality Value & Continuous Improvement
GOAL 8: We will ensure that the resources entrusted to us deliver value for money. We will grow our skills and competencies to continuously improve our service to our customers and stakeholders at all levels.

QUALITY CUSTOMER SERVICE

Department’s Customer Charter, Action Plan & Service Levels

Customer Charter
The Department published its first Customer Charter during 2004. In doing so, the Department states its commitment to providing services to our customers in accordance with the twelve Quality Customer Service Principles and builds on progress achieved under the QCS initiative to date.

Action Plan
To complement our Charter, a new Customer Service Action Plan will be published in early 2005. It will cover the period 2005-2007 and will describe how the Customer Charter commitments will be delivered and evaluated.

Customer Care Research
The Department commissioned TNS-MRBI, in conjunction with the IPA, to conduct specialised research in Employment Rights/Industrial Relations and Labour Force Development Divisions during 2004.

The Department’s aim in commissioning this research was to obtain practical assistance and guidance in its review of the quality of service provided to the external customers of both Divisions. A detailed report was received and both Divisions are currently in the implementation phase of the research findings.

Since its commencement in 2001, the results of the Customer Care Research indicate high levels of customer satisfaction with the service delivery in the areas of the Department surveyed to date, and the results also enable all areas to act upon the findings to further improve the quality of services provided.

The Department is currently considering extending the programme to areas of the Department not covered by previous phases of the Customer Care research project.

In addition, a number of initiatives in the area of Information Communications Technology (ICT) include:

IT Unit Customer Charter
During 2004 an IT Unit Customer Charter, designed to complement the general Departmental Customer Charter, was prepared. The Charter was developed following appropriate staff training, research, and an extensive consultative process with the Department’s QCS Unit, the Department of Finance (CMOD) and with staff of the IT Unit. By working through the four-step cycle of consultation, commitment, evaluation and reporting, the IT Unit will ensure that the level of service it provides to its customers is constantly improving.

ICT Steering Group
During 2004 the ICT Steering Group, which is representative of relevant Departmental interests, evaluated and approved ICT project proposals formally submitted by business units including:

➢ a correspondence tracking system,
➢ an online system for Export Licenses,
➢ a system to manage Patent classification in line with the latest international standards.

Online Renewal Payment System
Work on the development of an Online Renewal Payment System for the Patents Office culminated in the system going live in December 2004. Customers of the Office can now pay online using Visa, MasterCard or Irish Debit Cards (Laser) from anywhere in the world. The new system interfaces with the Office’s existing administration system to provide a fully automated one-day renewal process, from payment of renewal fees to issue of renewal certificates and updating of the Office’s databases and registers. The success of the project can be measured in the take up of the service with some €1 million expected to be paid online within the first six months of 2005 - as compared with an original target of this amount being paid during the first year.
BASIS
The BASIS website (www.basis.ie), maintained by the Department, is designed to deliver integrated public sector information to the business community in a client-centred manner based around the everyday actions or “events” in the life of a business. The website hosts content from over 50 public sector bodies and this content was maintained and expanded upon in a timely fashion during 2004.

Work Permit Applications
The Department is currently working on the development of a new system for the management of work permit applications. The project will involve the electronic sharing and re-use of information by a number of public sector bodies that are directly or indirectly involved in the area of economic migration. The design phase of the project was started in September 2004 and is due for completion in early 2005. This will be followed by a development and implementation phase, which is due for completion in early 2006.

Redundancy & Insolvency Payments
Work on the development of the new Redundancy IT system commenced in May 2004. The system will, when it comes into operation in 2005, produce significant customer service benefits, including a reduction in the number of forms, online submission and validation of forms, simpler calculation of entitlement, and less need for correspondence. There will also be administrative efficiency gains, due to simpler data entry, on line submission of forms, and fewer queries. The project has so far progressed on target, with a “go live” date of 10 April 2005.

2004 was the first full year of operation of the new procedure for processing employees’ claims for minimum notice entitlements under the Insolvency Payments Scheme. Under the new procedure, these claims can be processed more quickly and efficiently, without requiring an employee to obtain an award from the Employment Appeals Tribunal under the minimum notice legislation before making a claim. An added benefit was a reduction in the number of cases heard by the Tribunal under the minimum notice legislation. These reduced from 3,966 in 2002 under the old procedure, to 2,802 in 2003 when the new procedure was introduced, and to 1,061 in 2004.

Employment Appeals Tribunal
The review of Employment Rights Bodies under the Programme for Government included an examination of options to enhance the coherence and user-friendliness of the employment rights bodies. One of the recommendations of the review, which was completed in April 2004, was the setting up of an in-house working group to improve delivery of service. In September 2004, the Employment Appeals Tribunal set up an Internal Review Group, which was chaired by the Chairman of the Tribunal, and which included vice-chairs and members from the trade union and employers’ panels of the Tribunal. The Group is examining its procedures, organisation and customer service with a view to improving its services to its users. The Review Group is expected to report in mid-2005.

MANAGEMENT & MODERNISATION

Change Management
During 2004, the Department actively engaged in a wide variety of Interdepartmental Committees, which address the broad modernisation agenda. These included the Implementation Group of Secretaries General, the Change Management Network, the Tax Strategy Group, the Regulatory Impact Analysis Steering Group, the Management Information Framework Consultative Committee, the MIF Project Management Sub Group, the Financial Management Working Group, and the PMDS Network. Through these groups, the Department contributes to the development of a modern, productive, customer focussed public sector while absorbing best practice models from elsewhere.

In 2004, the Department’s Change Management Steering Committee and its 4 sub-groups (Human Resources Management; Quality Customer Service/Openness, Transparency & Accountability; Financial Management, and Information and Communications Technology) regularly reviewed the Strategic Management Initiative process within the Department in order to identify further actions required in the effective continuing modernisation of the Department.
Management Information Framework
An extensive project to modernise and integrate financial systems within the Department was completed in 2004. The Department's new financial system went live, with all modules fully operational, in April. The successful implementation of this new financial system is a key step in the development of a new civil service wide Management Information Framework (MIF).

Work is continuing on the refinement of Management Information reporting, to include performance indicators which will allow better linking of resources to outputs leading to better informed decision making.

Human Resource Management
The modernisation of HRM practices is a key priority of Public Service Modernisation. A coherent and integrated Human Resources (HR) Strategy was prepared by the Department and agreed by the Management Board in December 2004. The text was externally reviewed to ensure it was in line with best HR practice and satisfied all legal obligations, and also to ensure that the language and style were user-friendly.

The focus of the Strategy is to map out how we will continue the transition to a more strategic approach to the management of our people and to set out the framework of supports necessary for all staff in the new HRM environment. The framework of supports is being developed in tandem with the HR Strategy. These supports will be fundamental to the successful implementation of the HR Strategy and thus to the public sector modernisation goal of modernised HRM practices.

Sustaining Progress
During 2004, the Department periodically reviewed its Sustaining Progress Action Plan, and reported to the Department of Finance and to the Civil Service Performance Verification Group (CSPVG) in relation to progress on the Plan. The purpose of the Action Plan is to deliver a number of key modernisation objectives across the duration of the agreement. These modernisation objectives include:

- commitments to improving customer services;
- the further development of the partnership process;
- the adoption and development of new technologies;
- ensuring that maximum value is achieved from all public expenditure in terms of defined outputs and outcomes; and
- better regulation, including revisions, restatements, consolidations and regulatory impact analysis.

In line with the extended duration of Sustaining Progress, the Department's Action Plan was expanded during 2004 to cover the period to June 2006.

The Department was pleased with the positive comments made by the CSPVG following their examinations of each of our progress reports.

Partnership
The Department’s Partnership Committee continued to promote a participative approach to implementing the modernisation agenda and to resolving issues generally within the Department throughout 2004. The Committee, which comprises staff, management and union representatives, met on six occasions.

The Partnership Committee continued to progress the modernisation agenda by

- assisting in preparing the Department’s progress reports under Sustaining Progress and its extended Action plan;
- contributing to the drafting of the Department’s Customer Service Charter;
- developing ways to use ICTs more effectively;
- seeking further improvements in health and safety; and
- contributing to the publication of the Department’s staff magazine.

Staff Perceptions and Attitudes Survey
Recommendations were formulated to address the challenges highlighted by the 2003 Staff Perceptions and Attitudes Survey. These were incorporated into an action
plan which is being implemented with a view to improving how the Department conducts its business.

**Equality**

The Department continued to progress the Equality Agenda through the work of the Partnership Committee, and in particular through the work of the Equality Group (a sub group of the Partnership Committee). The Equality Group is aided in its task of progressing the Equality Agenda by the Equality Facilitator and the Disability Liaison Officer.

The Equality Group considered developing policies to achieve greater participation by women in senior grades with particular emphasis on achieving the target of at least 33% of Assistant Principal posts filled by women. Further research is due to be carried out in 2005.

The Equality Group developed policies to improve participation in promotion competitions by people with disabilities. In anticipation of Department of Finance research on career progression of people with a disability in the Irish Civil Service, it was decided it was necessary to take interim measures pending the outcome of this research and its recommendations. Therefore, an ad hoc group on career progression of people with disabilities was established and met in June 2004. Arising from this it was agreed to:

➢ develop an Equality Module for all grade specific development programmes;
➢ expand existing induction training; and
➢ continue providing disability awareness training.

These recommendations are being implemented. Disability awareness programmes were run in December 2004.

**Decentralisation**

In December 2003, the Government announced the decentralisation of 250 of the Department's posts to Carlow town as part of the overall Public Sector Decentralisation programme.

In January, a Decentralisation Implementation Committee was established within the Department to oversee the implementation of the decentralisation programme. The Committee prepared the first iteration of the Department's decentralisation implementation plan in May. The plan addressed issues such as customer service, staff training, knowledge management and risk management, in order to maximise business continuity within decentralising business sections and maintain high levels of customer service.

Another major development in the decentralisation programme in 2004 was the selection of a landmark site in Carlow town centre on which the Department's new offices will be constructed. The Department continued to work closely with the Office of Public Works throughout the year to specify office accommodation requirements. This work will continue in 2005.

A number of Agencies under the aegis of the Department, namely FÁS, the National Standards Authority of Ireland, Enterprise Ireland and the Health and Safety Authority, are also to decentralise. Structures have been put in place, both within the Department and in each of the four Agencies to manage and progress their respective decentralisation plans. Each of these Agencies published a decentralisation implementation plan in 2004.
VALUE FOR MONEY & ACCOUNTABILITY

Financial Management & Control and Risk Management

Financial Management
A new financial management system, Oracle Financials, was put in place in 2004 following an intensive period of user testing and staff training. The system, which was customised to meet the specific requirements of the Department, will maintain accounts both on a cash and accruals basis. Management information has already been enhanced both in terms of quality and timeliness and further improvements will accrue as staff familiarity with the system increases. Segregation of duties of operating staff is an important aspect of the system and this will augment the security and accountability of the Department’s financial system. The inclusion of the capital assets module within the overall system will also serve to protect the Department’s physical assets.

Internal Audit
The Department’s Internal Audit Unit provides an assurance to the Accounting Officer (Secretary General) on the adequacy of the Department’s internal controls. In this regard, a programme of audit activity is drawn up each year, and reviewed and monitored by the Departmental Audit Committee.

The Internal Audit Unit also has responsibilities to the European Commission in relation to EU Structural Funds audit (primarily relating to the European Social Fund). This necessitates the conduct of audits within the Department and the co-ordination of auditing activity undertaken across other Departments and organisations in receipt of Structural Funds. The unit liaises with the Commission in relation to issues arising from this audit activity and in relation to various aspects of EU financial control requirements.

Financial Outturn
Provisional figures for 2004 indicate that the Department had a gross current outturn of €848.793 million and a gross capital outturn of €297.490 million giving a total gross outturn of €1,146.283 million. Income was €111.037 million giving a total net outturn of €1,035.210 million.

Risk Management
During the year, the Department successfully established a risk management process that is fully compliant with the requirements of the Report of the Working Group on the Accountability of Secretaries General and Accounting Officers. A series of workshops was held and a formal system of reporting established. The purpose of the Department’s Risk Management process is to ensure that appropriate actions are taken by management throughout the organisation to identify and manage effectively the risks, both financial and non-financial, to which the Department may be exposed. A Risk Management Committee was also established in 2004 to monitor the overall implementation of the Department’s policy on risk management.

Disaster Recovery Strategic Plan
A Disaster Recovery Strategic Plan for the Department and its Offices was prepared during 2004. The Plan will be implemented during 2005. The Plan provides a framework within which the Department and its Offices can ensure an effective response should a serious event happen such as the loss of a building or part of a building.

OPENNESS & TRANSPARENCY

Mullarkey Report
The Report of the Working Group on the Accountability of Secretaries General and Accounting Officers (Mullarkey Report) sets out various recommendations aimed at strengthening governance arrangements in the civil service. The Internal Audit Unit (IAU) has taken a lead role in ensuring that all recommendations are addressed in the Department in accordance with the timescales set out.

During 2004, the Audit Committee was restructured and Mr Dermot Quigley, former Chairman of the Revenue Commissioners was appointed as Chairman. The Terms of Reference of the Audit Committee and the Internal Audit Charter were revised and approved by the Accounting Officer (Secretary General).

The Internal Audit Unit completed a review of internal financial controls in the Department and provided advice to the Accounting Officer regarding signature of the Statement on Internal Financial Controls, which was signed.
for the first time in March 2004, to accompany the 2003 Appropriation Account.

The Internal Audit Unit conducted a review of compliance by those agencies within the remit of the Department with the Code of Practice for State Bodies. The Unit also undertook an exercise to assist in the clarification of the respective roles of, and accountability framework for, the Accounting Officer and the CEO’s (or equivalent) of those agencies.

**Website**

The Department’s redesigned website (www.entemp.ie) went live in April 2004. The content of the website is now arranged thematically around six areas that were identified as being of highest priority and interest to our customers. The new site has a deeper customer focus, an improved search engine, and increased flexibility in catering to customers’ needs.

The redesign and enhancement project also brought the website up to Priority 2 compliance with the Web Content Accessibility Guidelines (WCAG) 1.0. As the site complies with this international benchmark for accessibility, it therefore has enhanced accessibility for all users, including those with visual or motor impairment or cognitive disabilities.

The website continues to be maintained by a network of Content Controllers and is updated and improved daily.

**Expenditure Reviews**

**Enterprise Ireland’s Overseas Office Network**

The Expenditure Review of Enterprise Ireland’s Overseas Office Network was completed in July 2004. The Review was approved by the Secretary General and laid before the Houses of the Oireachtas. Copies were also forwarded to the Department of Finance.

The Review made a total of 29 recommendations covering a range of issues, from the need to develop a formal policy document for the Overseas Office Network, to the need for a dedicated organisational structure for the management of the Network. Some recommendations have already been acted upon by EIA working group was established to monitor actions required on foot of the Review’s recommendations.

The Review is available to the public through the Department’s website.

**IDA Ireland’s Property Programme**

In September 2002 a Steering Group including representatives from the Department of Finance, Forfás, IDA Ireland and OPW was formed to carry out an expenditure review of IDA Ireland’s Property Portfolio. The review was completed in December 2004. It was approved by the Secretary General and laid before the Houses of the Oireachtas. Copies were also forwarded to the Department of Finance.

The overall thrust of the review was quite positive, as it concluded that the property programme was broadly being managed effectively and efficiently. IDA Ireland is currently considering the conclusions and recommendations contained in the review. Where recommendations have been made that require action, the Agency has been asked to clarify its position and report on plans to implement them.

The review is available on the Department's website (www.entemp.ie).

**Cross Departmental Expenditure Review of State Supports for the Long Term Unemployed**

This is one of two pilot Cross Departmental Expenditure Reviews being undertaken in response to a request from the Department of Finance for a more thematic approach to the Expenditure Review Initiative.

The Review is examining the range of publicly funded supports for the long-term unemployed during the period 1998-2003.

In 2004, a Working Group chaired by the Department, with representatives from FAS and the Departments of Arts, Sport and Tourism; Community, Rural and Gaeltacht Affairs; Education and Science; Finance and Social and Family Affairs was established. The Group will report to the Central Steering Committee of the Expenditure Review Initiative in 2005. The data collection process has concluded and the Working Group is making good progress on the preparation of the report.

**Expenditure Review of Science & Technology**

A review of spending on science & technology was included by the Department as part of its Expenditure
Review Plan for the period 2002-2004. The Department's investment in RTDI comprises 3 main intervention schemes administered by Enterprise Ireland and implemented by the enterprise agencies, IDA Ireland, EI, SFADCo, Údarás na Gaeltachta and Science Foundation Ireland (SFI). (Schemes administered by Science Foundation Ireland are not included in this review, as a separate evaluation is being carried out by Forfás). The schemes under review account for €79.5m in 2004, 38% of the Department's total spend on research and development.

The aims of the Review are to provide a systematic analysis of what is actually being achieved by expenditure in each scheme being reviewed and to provide a basis on which informed decisions can be made on priorities within and between expenditure programmes. The review will be completed in 2005.

Freedom of Information

The Department dealt with 62 requests under the Freedom of Information Act during 2004. Of these, 18 were granted in full, 22 were part-granted, 19 were withdrawn and only two were refused in full. The two that were fully refused were cases where the Department had no records. Of the 19 withdrawn, 10 were dealt with outside of FOI to the satisfaction of the client, and many of the remaining were cases where the client decided to withdraw the request on being advised that the Department had little or no records of relevance. The Department continues to make much information available outside of FOI, particularly through our web site. The Department initiated a satisfaction survey of FOI clients during the year with a view to ensuring a high quality service to requesters.

During 2004 the Department also published an updated Freedom of Information sections 15 & 16 Reference Book, which is a comprehensive guide to the activities of the Department and the information that it holds. Copies are available on the Department's website, or on request from the Department's FOI Unit. The Department also made a report of non-disclosure provisions in the Department's legislation to the Oireachtas Joint Committee on Finance and the Public Service, as required by section 32 of the FOI Act.
SECTION 5
The European Union
GOAL 9: We will work proactively within the European Union and domestic institutional structures to achieve our strategic goals and help make Europe the most competitive economy in the world with more and better jobs and greater social cohesion.

GOAL 10: We will work proactively within the European Union and domestic institutional structures to create a more liberal world trade and investment environment.

PRESIDENCY 2004

Ireland’s Presidency of the European Union formed a central focus of the work of the Department during the first half of 2004. The Department was directly involved in the work of three of the nine formations of the Council of Ministers, namely the Competitiveness Council; the Employment, Social Policy, Health and Consumer Affairs Council; and the General Affairs and External Relations Council for matters relating to trade.

Competitiveness

EU Competitiveness Council

At the start of the Presidency the Department published a Priorities Paper for the EU Competitiveness Council. The Programme is firmly rooted in the 10 year strategy for growth, economic reform and job creation agreed by the Lisbon Council in 2000.

The key priorities for the Presidency in the area of the EU Competitiveness Council included:

➢ carrying out impact assessments of EU proposals;
➢ enterprise policy;
➢ the free movement of people, goods and services within the EU;
➢ research and innovation; and
➢ consumer and competition issues.

Two formal meetings of the Competitiveness Council, chaired by the Tánaiste, were held during the year in Brussels - one in March and one in May.

The March meeting’s contribution to the Spring European Council was reflected in the Presidency Conclusions of that Council, which, inter alia, stressed the importance of:

➢ competitiveness and innovation;
➢ completing the Internal Market;
➢ better regulation;
➢ reaching the R&D targets of the Union; and
➢ the horizontal role of the Competitiveness Council.

The conclusions on better regulation adopted at the May Competitiveness Council provided for specific action by the Council, which has since been carried out, i.e. to identify specific areas of EU legislation that are overly complex or burdensome for business and that offer scope for simplification.

Informal meeting of Ministers with responsibility for Competitiveness

In April 2004, the Irish Presidency convened an informal meeting of Ministers with responsibility for Competitiveness from the Member States, the then Accession States, the European Free Trade Association (EFTA) countries and members of the European
Commission. The meeting was chaired by the Tánaiste, and was also attended and addressed by leading industry figures and researchers.

The challenges facing European industry, including the concerns of many European leaders relating to trends in exports, jobs, over regulation, lacklustre productivity performance, and how Europe can address these problems, formed the focus of discussions at the informal meeting. The agenda for the meeting included two thematic areas:

1. Creating a Culture of Innovation - Staying Competitive in a Global Market; and
2. Frontiers in Innovation, Converting Knowledge into Value and Research and Industrial Development.

Employment, Social Policy, Health and Consumer Affairs Council

The Department, with its overall policy co-ordination role for the European Social Policy, Health and Consumer Affairs Council, and in conjunction with the Departments of Social and Family Affairs, Justice, Equality and Law Reform and Health and Children, published the Presidency Programme for the ESPHCA Council, which set out the policy objectives and a calendar of events for the 6-month Presidency period. In January, Minister Frank Fahey presented the Employment and Labour Affairs Presidency programme to the Employment and Social Affairs Committee of the European Parliament in Brussels.

The key meetings and events of the Irish Presidency of the ESPHCA included:

➢ An Informal meeting of Ministers for Employment and Social Policy in Galway in January on the theme of “Making Work Pay: Exploring the interaction between social protection and work”.

➢ An Informal Council troika meeting with the Social Partners and the Social Platform of NGOs in January on the theme of “Adaptability and Change” and “Making Work Pay”.

➢ Two formal meetings of the ESPHCA Council in March and June at which political agreement was reached on the Employment Package for 2004.

➢ A Tripartite Social Summit in March, co-chaired by the Taoiseach, Mr. Bertie Ahern T.D. and the Commission President Mr. Prodi, and attended by Minister for Labour Affairs Mr. Frank Fahey T.D. and the EU level Social Partners.

➢ Conferences on “Adaptability and Adjustment to Change” in February and “Investment in Human Resources” in June, attended by representatives from government and social partners and academics from the 25 Member States.
Presidency Trade Issues

During its period in office, the Irish Presidency made every effort to facilitate discussions on achieving progress in the Doha Development Agenda. There were various ways in which this was achieved:

➢ Trade officials from this Department chaired all EU trade policy (Article 133 Committee) meetings in all their configurations during the six-months of our Presidency, and co-ordinated the evolution and development of the European Union’s Common Commercial Policy, in conjunction with the European Commission.

➢ The Minister for Trade and Commerce, in conjunction with senior trade officials, hosted an Informal EU Trade Minister’s meeting in Brussels, which was convened in the lead-in period to the adoption of the WTO Framework Agreement in Geneva, in July 2004.

➢ Trade officials were extensively involved in finalising the EU approach and strategy incorporating strong trade dimensions in respect of a number of international meetings, including the EU-US Summit held in Ireland in Dromoland Castle in June 2004, at which economic relations on a broad range of international issues were discussed, and the 11th UN Conference on Trade and Development.

➢ Trade officials from this Department also drove and delivered on several other aspects of international trade policy, including the delivery of an EU External Trade (EFTA) Agreement with Switzerland.

Consumer and Company Law

European Consumer Day

The Irish Presidency marked European Consumer Day 2004 by holding a conference in Dublin Castle entitled “Building Consumer Confidence in the European Online Marketplace” with the support of the European Commission and the European Economic and Social Committee. The Conference, which was widely attended, was acknowledged as having been well-organised and successful.

Corporate Social Responsibility

The Multi-Stakeholder Forum on Corporate Social Responsibility (CSR), which comprises EU level Social Partners and Non-Governmental Organisations, published its report in June 2004. Its recommendations include the need for increased promotion, raised awareness, and exchange of information on best practice of and research on, CSR. The Department participated in meetings of the EU High Level Group, which was established to discuss and consult with the Commission on CSR.

Other Conferences/Negotiations

➢ The Department participated in interdepartmental discussions on the draft Constitution for Europe, which was adopted by the European Council in June 2004 and which had been the subject of an Inter Governmental Conference from October 2003.

➢ Three major meetings were successfully organised, managed and resourced in Dublin under the auspices of the European Council:
  - The Informal Meeting of the 133 Committee (Titulaires)
  - The Informal Meeting of the 133 Committee (Services) Committee and
  - The Informal Meeting of the 133 Committee (Textiles)

➢ Seventeen meetings of technical Export Credit Guarantee Working Groups were chaired in...
the course of the Irish Presidency. These were held under the auspices of the European Council and the OECD.

➢ The Department, in conjunction with the European Commission, organised and held a two-day conference on the ‘European Charter for Small Enterprises’ in Dublin Castle in June 2004. Some 34 countries, which subscribe to the Charter, gathered together to exchange good practice in improving the environment for small businesses. The conference attracted some 250 participants, representing national, regional and local governments, business organisations and business support providers from EU Member States, candidate countries and the countries of the Western Balkans. The conference focused on the three Charter areas selected as priorities for the previous year:

1. access to finance
2. innovation and technology transfer
3. consultation with small business.

➢ A meeting was held in the European Foundation for Living & Working Conditions, Dublin in April under MISEP - Mutual Information Sharing on Employment Policy - focusing on the themes of Quality and Productivity in Work and Investing in Human Resources.

➢ A Conference on Mobility and Social Inclusion was held in Bundoran during the Presidency.

THE LISBON AGENDA

The Department had a significant input to make to the Spring European Council in March 2004, which reviewed progress as regards the achievement of the Lisbon Agenda - to make Europe the most dynamic knowledge-based economy in the world by 2010. During the second half of the year, the Department contributed to Ireland’s input to the European Commission’s mid term review of the Lisbon Strategy.

Further specific Lisbon Agenda issues are contained elsewhere in this Report under Pillars 1, 2 and 3.

Research Policy Agenda

Basic Research Dublin Symposium

This Department, in conjunction with Forfás, organised an ‘Irish Presidency Symposium on Basic Research’ in February 2004, which was attended by Ministers for Research and senior ministerial representatives from 27 EU Member and Associated States, together with high level representatives from industry, national research funding organisations and academia. The debate took place within the policy context of the Lisbon Strategy, the European Research Area, and the Barcelona target of increasing the EU overall research effort to 3% of GDP by 2010. It achieved a consensus on the need for a European initiative to promote excellence in basic research and agreed that the sole selection criteria for this initiative should be excellence identified by international peer review.

Competitiveness Council Conclusions on Basic Research March 2004

Following the symposium, Council Conclusions were adopted on Basic Research under the Irish Presidency at the March Competitiveness Council. These Council conclusions represented a key contribution to the Commission’s June 2004 communication on “the future of EU Policy to support research”.

Development of EU Space Policy

The Irish Presidency of the EU concluded the negotiations on the Framework Agreement between the EU & ESA, which came into force in May 2004. The Framework Agreement is intended to improve co-operation between the two entities. The Presidency also furthered discussions on the White Paper on Space Policy, particularly in relation to development of the Galileo satellite navigation project and the Global Monitoring for Environment and Security (GMES) initiative, which are funded jointly by the EU (as part of the 6th Framework Programme) and ESA.

The first Joint EU/ESA Space Council was held in Brussels in November 2004. These Joint Council meetings were established under the EU-ESA Framework Agreement. This important milestone was the first opportunity to gather the EU & ESA Member States together to discuss the coherent and progressive development of an overall European Space Programme, due to be launched in 2007 as part of the 7th Framework Programme for R&D. Two further Joint Space Councils will be held during 2005.
**SCIENCE, TECHNOLOGY & INNOVATION**

**Participation in the Sixth Framework Programme**

**Increased level of involvement of Irish research in FP6**

The Sixth EU Framework Programme (FP6), which is the main Community instrument for funding research, runs from 2003 to 2006. European Commission data indicate that Irish researchers and institutions have been successful in securing approximately €100 million from FP6 proposals approved to December 2004. This outcome is an improvement on FP5 when the total take over its four years was €148m.

The Department has put in place a comprehensive national support structure to inform and support potential participants in FP6. This structure includes a network of 28 National Delegates and National Contact Points (NCPs) drawn from 12 Government Departments/Agencies and a dedicated FP6 National Information and Support Unit which is located within Enterprise Ireland. A key component of the National Support Structure involves specific initiatives to promote industry participation in the Framework Programme which included the launch in November, by Minister Michael Ahern, TD, of a Success Stories brochure which aims to create awareness of FP6 and encourage increased Irish participation in the EU Framework Programmes.

**Launch of National Consultation process for FP7**

The 7th EU Framework Programme (FP7) will come into play in 2007 following on from the current programme (FP6). During the year the Department requested the Irish Council for Science, Technology and Innovation (ICSTI) to assist in preparing an Irish Position Paper on FP7. Following an extensive national consultation process, the Irish Position Paper was finalised. It was endorsed by the newly established Cabinet Subcommittee on S&T in early 2005 and was then formally presented to the Commission (Commissioner Potocnik) and circulated to all Member States.

The key messages in Ireland’s Position Paper are that the Framework Programme should continue to be built in very large measure around promoting trans-national collaborative research and that an increased importance must be placed on developing human resources and making Europe a more attractive place for researchers to work and to develop their careers. In addition, the Framework Programme needs to be made more user friendly and attractive to industrial participation, especially by SMEs. A better balance is necessary in the range and design of instruments used to implement the programme. Bureaucracy must be reduced and administrative and operational procedures simplified.

The Commission’s formal proposal on FP7 was produced in April 2005 and the Irish Position Paper provides a solid basis for inputting into the negotiations at EU level over the coming year.

**EUROPEAN EMPLOYMENT STRATEGY**

The European Employment Guidelines 2003-2005, which were agreed in June 2003, provide the framework for the implementation of the employment aspects of the Lisbon Agenda. Each Member State is required to respond to the Guidelines by the submission on an annual basis of a National Employment Action Plan. The 2004 National Employment Action Plan for Ireland, which was prepared in consultation with the social partners, was presented to the European Commission on 1st October 2004. The 2004 Plan reviews progress made in relation to the measures and objectives outlined in the 2003 National Employment Action Plan which were based on three overarching objectives:

- Full Employment,
- Quality and Productivity at Work and
- Social Inclusion

and ten specific Guidelines:

- Prevention and Activation;
- Job Creation and Entrepreneurship;
- Adaptability and Change;
- Investment in Human Capital and Lifelong Learning;
- Increased Labour Supply and Active Ageing;
- Gender Equality;
- Promoting Integration;
- Combating Discrimination and Tackling Disadvantage;
- Making Work Pay;
- Undeclared Work and Regional Disparities.
Specific actions taken in 2004 in relation to areas relevant to this Department are outlined throughout this Report.

Under new arrangements agreed at the European Council in March 2005, the National Employment Action Plan in 2005 will be part of an integrated National Reform Programme covering economic and employment policy.

The employment targets under the Lisbon Agenda, which are to be met by 2010 are: an overall employment rate of 70%, a female employment rate of 60% and an employment rate for older workers of 50%. The pick up in the global economy over the past eighteen months has been reflected in Ireland improving its performance to make steady progress towards these targets. The Employment in Europe 2004 report, recently published by the European Commission, predicts that Ireland is likely to reach all three targets by 2010.

Employment grew by 65,200 or 3.6% in 2004. This is the highest level of annual growth recorded since the beginning of 2001. Increases in the numbers in full-time employment accounted for over 80% of the change. The employment rate at the end of the year was at 66.7% (65.7% in 2003). The employment rate for females was 57.2% (55.9% in 2003) and 48.85% for older workers (47.95% in 2003).

The ESRI Medium Term Review 2003-2010 forecasts employment to grow at an average of 2.5% from 2005 to 2007. This forecast is largely predicated on renewed Irish competitiveness and sustained European economic growth.

The sectors with the biggest employment growth were Construction (26,800), Financial and other business services (16,400) and Other Services (11,000) with significant growth also recorded in Wholesale and Retail Trade (8,900) and Health (6,700). The number of persons employed in Agriculture, Forestry and Fishing, and Hotels and Restaurants, showed a decrease of 10,900 and 2,800 respectively in the year.

In the year, employment grew by 24,900 (5.3%) in the Border, Midland and Western region, and by 40,300 (3%) in the Eastern and Southern region. Unemployment decreased by 400 to 23,400 (-1.7%) in the Border, Midland and Western region and increased by 100 to 62,200 (0.2%) in the Eastern and Southern region.

At the end of 2004 there were 85,600 persons unemployed, giving a decrease of 300 in the year. This was reflected in an unemployment rate of 4.3%. The long-term unemployment rate stood at 1.5% at end of the year, a slight increase on the previous year.

The labour force increased by 64,900 in the year to reach 1,979,700. This is due to the increase in the population of those aged 15 and over, plus higher participation and immigration levels.

**STRUCTURAL FUNDS**

**European Social Fund**

The Department is the national authority for the European Social Fund (ESF) in Ireland and, in that capacity, performs a number of roles including final certification of all of Ireland’s ESF payment claims to the European Commission.

In 2004, approximately €207 million in ESF aid was received by Ireland, €52.8 million of which was in respect of activities run by or on behalf of the Department and its agencies. In accordance with the requirements of the Structural Funds Regulations, the Department’s ESF Unit carried out control checks on all ESF claims received in 2004, including checking of the financial management systems of organisations submitting claims.

At EU level, the Department was involved in European Council Working Group negotiations on the draft Structural Funds Regulations for the period 2007-2013, which were published by the European Commission in July 2004. The negotiations on the Commission’s proposals continue into 2005.

**Employment & Human Resources Development Operational Programme**

2004 saw the completion of the Mid-Term Review of the Employment and Human Resources Development Operational Programme, which is one of the largest Operational Programmes under Ireland’s National Development Plan 2000-2006. A total of €15 billion will be invested in the programme over the period 2000-2006, of which €892 million will be provided from the ESF (accounting for 81% of total ESF investment in Ireland). The Mid-Term Review resulted in the re-profiling of financial allocations for some components of the programme in
### Employment Statistics ('000s) 14

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour Force</th>
<th>Male</th>
<th>Female</th>
<th>Total Employed</th>
<th>Male</th>
<th>Female</th>
<th>Total Unemployed</th>
<th>Long-term Unemployed</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>1999</td>
<td>1735.7</td>
<td>1034</td>
<td>701.7</td>
<td>1647.4</td>
<td>981.2</td>
<td>666.2</td>
<td>88.3</td>
<td>41.6</td>
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<td>2000</td>
<td>1781</td>
<td>1053.4</td>
<td>727.6</td>
<td>1712.6</td>
<td>1012.1</td>
<td>700.5</td>
<td>68.4</td>
<td>24.2</td>
<td>18.6</td>
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<td>2001</td>
<td>1831.6</td>
<td>1077.6</td>
<td>754</td>
<td>1759.9</td>
<td>1032.9</td>
<td>727</td>
<td>71.8</td>
<td>21.3</td>
<td>17.1</td>
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<td>2002</td>
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<td>1092.4</td>
<td>773.9</td>
<td>1782.3</td>
<td>1040.5</td>
<td>741.7</td>
<td>84.1</td>
<td>24.7</td>
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<td>2003</td>
<td>1914.8</td>
<td>1114.5</td>
<td>800.3</td>
<td>1828.9</td>
<td>1061.1</td>
<td>767.8</td>
<td>85.9</td>
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<td>2004</td>
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<td>834.5</td>
<td>1894.1</td>
<td>1092.4</td>
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<td>85.6</td>
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### Employment Growth by Sector 1999-2004 16

<table>
<thead>
<tr>
<th>Economic sector (NACE Rev.1)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>% change (99-03)</th>
<th>% change (99-04)</th>
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<td>Agriculture, forestry and fishing</td>
<td>140.5</td>
<td>131.6</td>
<td>125.7</td>
<td>124.4</td>
<td>119.7</td>
<td>117.1</td>
<td>-15%</td>
<td>-17%</td>
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<td>Other production industries</td>
<td>311.1</td>
<td>316.9</td>
<td>321.5</td>
<td>309.4</td>
<td>304.2</td>
<td>301.1</td>
<td>-2%</td>
<td>-3%</td>
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<td>Construction</td>
<td>146.8</td>
<td>169.7</td>
<td>182.7</td>
<td>187</td>
<td>195.2</td>
<td>214.3</td>
<td>33%</td>
<td>46%</td>
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<td>Wholesale and retail trade</td>
<td>226.1</td>
<td>240.5</td>
<td>247.9</td>
<td>251.3</td>
<td>255.6</td>
<td>264.8</td>
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<td>17%</td>
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<td>Hotels and restaurants</td>
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<td>107.9</td>
<td>109.8</td>
<td>115.9</td>
<td>112.4</td>
<td>10%</td>
<td>7%</td>
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<td>Transport, storage and communication</td>
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<td>103.8</td>
<td>111.1</td>
<td>112.7</td>
<td>112.9</td>
<td>114.3</td>
<td>15%</td>
<td>16%</td>
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<td>Financial and other business services</td>
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<td>212</td>
<td>222.5</td>
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<td>228.8</td>
<td>240.6</td>
<td>16%</td>
<td>22%</td>
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<td>78.7</td>
<td>81.9</td>
<td>88.4</td>
<td>90.3</td>
<td>91.8</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>Education</td>
<td>98.3</td>
<td>101.6</td>
<td>104.4</td>
<td>109.4</td>
<td>115.1</td>
<td>117</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Health</td>
<td>122.3</td>
<td>133.6</td>
<td>145.9</td>
<td>159.4</td>
<td>171.8</td>
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</tr>
<tr>
<td>Total</td>
<td>1614.8</td>
<td>1692.6</td>
<td>1745.2</td>
<td>1776.5</td>
<td>1810.7</td>
<td>1864.9</td>
<td>12%</td>
<td>15%</td>
</tr>
</tbody>
</table>

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14 Data refers to Q N H S 4th quarter (Sept-Nov)
15 Unemployed for one year and over
16 Data are based on annual averages
order to ensure greater targeting of key labour market priorities, such as preventing long-term unemployment.

**EQUAL Community Initiative**

EQUAL places a particular emphasis on combating discrimination and inequality in relation to the labour market through innovative approaches. Twenty-one projects were approved for ESF funding under EQUAL for the period 2001 to mid-2005. A further 22 projects were selected for funding for the period 2005 to end-2007 following a further Call for Proposals in 2004. Following a Mid-Term Review of the EQUAL Community Initiative in 2004 a greater emphasis is being placed, under the second Call for Proposals, on supporting the adaptability of workers to the changing labour market environment.

A major event showcasing the results of the first group of EQUAL projects was held in the Helix Theatre, Dublin, in May 2004. In addition, the Department, in collaboration with the Equality Authority, continued to develop strategies during 2004 to help capture and “mainstream” the best practices emerging from EQUAL.

**European Regional Development Fund**

**Productive Sector Operational Programme**

The Productive Sector Operational Programme, which is part funded by the European Regional Development Fund, provides investment of €7.3bn in areas covering Research, Technological Development and Innovation, Indigenous and Foreign Direct Investment. Ongoing monitoring and management of the programme - monitoring committee meetings, information provision and financial reporting - took place throughout 2004. The Annual Implementation Report of the Monitoring Committee for 2003 was formally accepted by the EU Commission in July 2004. Sufficient EU funds were drawn down to ensure no loss of Structural Funds to Ireland during 2004.

Arising from the Mid-Term Review of the Operational Programme, which followed an independent evaluation carried out in 2003, the Monitoring Committee accepted proposals for financial re-profiling within the programme for 2004-2006, and revised performance indicators. The prioritisation of certain measures for the development of appropriate horizontal indicators was also agreed (the revision of the Programme Complement was presented to the Spring 2005 Monitoring Committee meeting).

**ENTERPRISE INITIATIVES**

**Multi Annual Programme for Enterprise & Entrepreneurship (MAPEE)**

During 2004 the Department organised national involvement in a number of further 'best practice' projects under the Multi-annual Programme for Enterprise & Entrepreneurship. These related to areas such as “Business Angels”, “Accessing early stage finance”, “Streamlining and Simplification of Environment-related Regulatory Requirements”, “Monitoring and evaluation of SME-related actions”, “Effects of tax systems on the retention of earnings and the increase of own equity”, “Simplified tax compliance procedures for SMEs”, and “Stigma of Failure and Early Warning Tools”.

**Euro Charter for Small Enterprises**

The annual national report on the implementation of the European Charter for Small Enterprises was submitted during the year. The report covered the implementation in Ireland under each of the ten “Lines for Action” set out in the Charter but concentrated, in particular, on the three ‘priority’ lines chosen for 2004: (i) Education for Entrepreneurship (ii) Better Regulation and (iii) Skills Shortages

**Euro Business Test Panel**

The Irish component of the European Business Test Panel (72 companies) was finalised during the year. This is a new initiative aimed at giving businesses across the Community the opportunity to air their views on new legislative proposals and policy initiatives under consideration by the European Commission.

**Tariff Suspension**

The Department continued to represent the interests of Irish industry in 2004 in the EU Tariff Suspensions Scheme. The Scheme provides that companies can avail of duty suspensions on imports from outside the EU of materials and components used in further processing. Substantial savings accrue to Irish industry under this scheme, resulting in greater competitiveness.
DIRECTIVES & REGULATION

Better Regulation
Better regulation and the simplification of EU law is seen as crucial for promoting competitiveness both at EU level and in Member States.

As part of this initiative a special project on the simplification of EU law was promoted by Ireland and the Netherlands in June 2004. Member States were requested to identify specific pieces of legislation with scope or potential for simplification. This resulted in more than 350 proposals for simplification being submitted for consideration.

A priority list of 15 Directives and 2 Regulations for simplification was agreed at the November 2004 meeting of the Competitiveness Council. The 15 Directives concern:

- the internal market
- the environment
- transport
- agriculture
- public health
- social policy

The two Regulations concern trade statistics.

Negotiation/Transposition of EU Measures

Company Law
The Company Law area has been the focus of considerable activity at EU level over the past number of years, with the result that there are numerous items of EU legislation either in negotiation, awaiting formal adoption, or at the transposition stage.

Package of Financial Services Disclosure and related measures
The Financial Services Action Plan package of measures adopted over the last two years (the International Accounting Standards Regulation, the Market Abuse Directive, the Prospectus Directive, the Directive on Takeover Bids and the Transparency Directive) establish a common financial disclosure regime across the EU for listed companies/issuers of listed securities.

Much of the necessary work on the drafting of regulations giving full effect to Regulation (EC) No 1606/2002 on the application of International Accounting Standards, and also to give effect to Directive 2003/51/EC of the European Parliament and of the Council 18 June 2003 on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings, was undertaken during 2004.

Market Abuse Directive (2003/6/EC)
Directive 2003/6/EC of the European Parliament and of the Council relates to insider dealing and market manipulation (market abuse). The aim of the Insider Dealing and Market Manipulation Market Abuse Directive (MAD) is to promote the integrity of Europe's financial markets. It seeks to do this by introducing a common EU legal framework for preventing, detecting, investigating and sanctioning both insider dealing and market manipulation. It also provides a common framework for the disclosure of information to the market. It replaces the existing insider dealing directive adopted over a decade ago which was transposed in Part V of the Companies Act 1990.

Prospectus Directive (2003/71/EC)
The Prospectus Directive harmonises requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market situated or operating within a Member State. A key feature of the Directive is the provision of a “passport” facility whereby a prospectus approved in one member state must be accepted in another without the need for additional requirements. Drafting of the transposing legislation was progressed during the year.

The Transparency Obligations Directive (TOD) aims to improve the transparency of EU capital markets by establishing minimum requirements on periodic financial reporting and on the disclosure of major shareholdings for issuers whose securities are admitted to trading on a regulated market in the EU. The TOD also deals with the mechanisms through which this information is to be stored and circulated. This consists of periodic disclosure (annual, 17 See also the reference to SOLVIT at the end of this Section.
half yearly and quarterly reports) and ongoing disclosure consisting of notification of changes in shareholdings under a range of thresholds.


This directive provides for a minimum level of harmonization, consisting of certain general principles and rules, on how takeovers of listed companies in the EU should be conducted and supervised. The objective is to protect the interests of all concerned in the course of such transactions in a fair and balanced manner.

The Directive will give rise to changes in Ireland's domestic takeover code enshrined in the Irish Takeover Panel Act 1997 and accompanying Rules.

**European Company Statute Regulation (2157/2001/EC)**

This Statute provides certain companies with the option of forming a European Company known officially by its Latin name of 'Societas Europeae' (SE). Essentially it gives companies operating in more than one member state the option of being recognised as a single company under EU law. These will thus be able to function across the European Union with one set of rules and a unified management and reporting system. An SE is established by two pieces of legislation, namely Regulation EC 2157/2001 (establishing the company law rules), and Directive 2001/86/EC (on worker involvement).

**Recommendations on Remuneration of Directors and the Role of Non-Executive Independent Directors (2004/913/EC) and (2005/162/EC)**

In the case of remuneration of directors, the Commission recommend that Member States should ensure listed companies disclose their policy on directors' remuneration and tell shareholders how much individual directors are earning and in what form, and ensure shareholders are given adequate control over these matters.

In the case of the role of non-executive directors, the recommendation concentrates on the role of non-executive or supervisory directors in key areas where executive or managing directors may have conflicts of interest. It includes minimum standards for the qualifications, commitment and independence of non-executive or supervisory directors.

**Proposal for a Directive of the European Parliament and of the Council on Cross-Border Mergers of limited liability companies (Cion prop.: 15305/03)**

The aim of this draft Directive, on which negotiations were initiated and significantly progressed during Ireland's Presidency, is to facilitate cross-border mergers of limited liability companies under favourable conditions in terms of costs and legal certainty, and provide for a framework within which this process can occur. It is directed primarily at companies who are not interested in forming a statute company under the European Company Statute, i.e. for the most part small and medium sized enterprises.

At the EU Competitiveness Council in November, political agreement was reached on this Directive. The Opinion of the European Parliament is expected in 2005.

**Proposal for a new 8th Company Law Directive on Statutory Audit (Cion proposal 7677/04)**

A proposal for a new 8th Company Law Directive was published by the Commission in March and significant progress was made under the Irish Presidency on the proposal.

The objective of the proposed Directive is to ensure that interested parties can rely on the accuracy of audited accounts by requiring auditors to meet certain standards and be subject to appropriate regulation and oversight. An independent and rigorous audit process should assist in protecting against financial mismanagement by companies and/or their officers.

Ireland, through certain provisions of the Companies (Auditing and Accounting) Act 2003, including for the establishment of the Irish Auditing and Accounting Supervisory Authority (IAASA), has anticipated many of the requirements likely to arise under the Directive.

**Proposed Directive on Unfair Commercial Practices**

A draft Directive on Unfair Business-to-Consumer Commercial Practices was published in June 2003 with the aim of harmonising Member States' regulation of commercial practices that harm consumers' economic interests. The Department circulated a consultation paper on the proposed Directive in February 2004. Political agreement was reached on the proposed Directive at the May Competitiveness Council during the Irish Presidency.
Regulation on Consumer Protection Cooperation (Regulation No. 2006/2004)
The Regulation on Consumer Protection Cooperation was adopted in October 2004, and will come into force in October 2006. It will create an EU-wide network of national enforcement authorities (such as Ireland’s Office of the Director of Consumer Affairs) capable of taking coordinated action against rogue traders.

New EU Merger Regulation (Council Regulation No. 139/2004)
On 1st May 2004 a new Merger Regulation came into force replacing Regulation 4069/89 on the Control of Concentrations between Undertakings. The new merger Regulation introduced a range of improvements to the regulatory regime for mergers and acquisitions across the EU.

This Regulation also entered into force on 1st May 2004 replacing a previous Regulation (204/96). Technology transfer agreements allow the owners of patents, designs and ‘know-how’ to licence out their intellectual property rights to other manufacturers. Agreements that fulfil the conditions of the Regulation - as well as Article 81(3) of the EU Treaty - are block exempted from the prohibition rule in Article 81(1) of the Treaty which essentially prohibits anti-competitive arrangements between undertakings. Under Article 81(3), agreements may be exempted from Article 81(1) if the positive effects of the agreement are shown to outweigh its negative impact.

Health and Safety
Occupational Health and Safety
Twelve EU Directives on health and safety were transposed by statutory instruments during 2004.

Adapting to Technical Progress for 4th time to technical progress Council Directive 94/55/EC on the approximation of the laws of Member States with regard to the transport of dangerous goods by road was implemented by the Carriage of Dangerous Goods by Road Regulations 2004 (S.I. No. 29 of 2004).


➢ The following three Directives were implemented by the European Communities (Transportable Pressure Equipment) Regulations 2004 (S.I. No. 374 of 2004):


➢ The following five Directives were implemented by the European Communities (Dangerous Substances and Preparations) (Marketing and Use) (Amendment) Regulations 2004 (S.I. No. 852 of 2004):


Standards
The National Standards Authority of Ireland (NSAI) operates under the National Standards Authority of Ireland Act 1996, on behalf of the Minister for Enterprise, Trade and Employment. The NSAI is Ireland’s Standards body and facilitates the development of voluntary standard documents, which manufacturers or service providers may use as an aid to meeting safety or customer requirements.

The Board of NSAI is appointed by the Minister and represents a cross-section of industrial and government interests. The NSAI is also responsible for the National Metrology Laboratory (NML) which maintains and develops national standards for physical units. The Legal Metrology Service (LMS) is a statutory body within the NSAI and was established by the Metrology Act 1996. The LMS exercises regulation making and control functions with regard to measurements, in particular those made for the purposes of trade. In accordance with the Metrology Act 1996, the NSAI, with the consent of the Minister, sets fees for the verification by the LMS of measuring instruments used for the purposes of trade. Fees for the verification of a wide range of measuring instrument types, including taxi meters, were increased on 22 November 2004 having previously been increased in 1997 and 2002.

Measuring Instruments
The Measuring Instruments Directive 2004/22/EC (MID) was agreed in April 2004 and covers a number of measuring instrument types, including gas and electricity meters, petrol pumps and automatic weighing instruments.

The purpose of the Directive is to facilitate trade in measuring instruments across the borders of the EU Member States and to provide common rules for the putting into use of these instruments. The Directive comes into effect in October 2006.

Machinery
The Council unanimously reached a political agreement on a draft Directive on technical harmonisation for machines and amending Directive 95/16/EC at a meeting of the Competitiveness Council on 24 September 2004. After finalisation of the text the Council will formally adopt its common position at one of its forthcoming meetings, and will forward it to the European Parliament for second reading.

The amendment to the Directive, which is based on the New Approach legislative technique, aims to:

1. Improve the legal certainty of the text, by formulating better definitions, concept of safety
components and establishing clear and uncontested borderlines with the Low Voltage Directive 73/23/EEC and the Lifts Directive 95/16/EC;

2. Enlarge the scope of the Directive by including portable cartridge operated devices and construction site hoists following specific requests by industry;

3. Revise a small number of the essential requirements of Annex 1 in the light of the practical application of the Directive both in order to address safety problems and, at the request of industry, to allow for innovations in design;

4. Improve, and make more efficient, administrative procedures in conformity assessment and in the field of application of the Directive, such as cooperation between Member States, market surveillance, the treatment of safeguard clauses and the approval of notified bodies.

**General Product Safety**

The GPSD 95/2001/EC was transposed into Irish law on the 4th May 2004 by Statutory Instrument No. 199 of 2004. These regulations replace the European Communities (General Product Safety) Regulations 1997 (S.I. No. 197 of 1997).

The new European Communities (General Product Safety) Regulations, 2004 require that consumer products placed on the market are safe and obliges producers to place only safe products on the market.

The Director of Consumer Affairs is given authority to ensure that products placed on the market are safe and that producers and distributors of such products comply with their obligations under these Regulations and the Directive.

**Electromagnetic Compatibility**


**Employment Rights & Industrial Relations**

**Employee involvement**

In relation to the employee involvement aspects of the proposed Directive on Cross Border Mergers, the Irish Presidency steered a compromise text through at working group level. The Dutch Presidency subsequently obtained agreement on this co-decision dossier at the Competitiveness Council in December 2004.

**Directive on Electro-Magnetic Fields**

The Directive dealing with electro-magnetic fields was adopted into law in 2004 under the auspices of the Irish Presidency. The Directive (2004/40/EC) sets minimum health and safety requirements regarding the exposure of workers to the risks arising from electro-magnetic fields.

**Statutory Instruments**

**Companies (Auditing and Accounting) Act 2003 (S.I. No. 132 of 2004)**

This Order fixes 6 April 2004 17 May 2004 and 1 July 2004 as the dates on which the various provisions (eleven sections) come into operation.

**European Communities (Fair Value Accounting) Regulations 2004 (S.I. No. 765 of 2004)**


**Companies (Forms) Order 2004 (S.I. No. 133 of 2004)**

The purpose of this Order is to amend the form prescribed for the purposes of section 125 of the Companies Act 1963, by introducing a new Form B1 with effect from 17 May 2004. This Form updates the form to be completed when furnishing an annual return to the Registrar of Companies.

**Companies (Amendment) Act 1982 (Section 13(2)) Order 2004 (S.I. No. 506 of 2004)**

The purpose of this Order is to allow limited partnerships registered under the Limited Partnerships Act 1907 to
have up to 50 partners where such partnerships are formed for the purpose of, and whose main business consists of, the provision of investment and loan finance and ancillary facilities and services to persons engaged in industrial or commercial activities.

Companies (Forms) (No. 2) Order 2004 (S.I. No. 829 of 2004)
The purpose of this Order is to prescribe forms to be used for the purposes of certain provisions of the Companies Acts 1963 to 2003.

European Communities (Companies) Regulations 2004 (S.I. No. 839 of 2004)
The purpose of these Regulations is to replace the requirement of publication in the national gazette, Iris Oifigiúil, for the purposes of disclosure of certain compulsory documents and particulars in relation to companies, with the requirement to publish in the Companies Registration Office Gazette, which is to be kept solely in electronic form.

European Communities (Implementation of the Rules on Competition laid down in Articles 81 and 82 of the Treaty) Regulation 2004 (S.I. No. 195 of 2004)
These Regulations give effect in the State to EU Council Regulation No. 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the EU Treaty. The Council Regulation introduced significant changes in relation to public and private enforcement of Community competition law in Member States and was directly applicable with effect from 1st May 2004.

This Order commenced the provisions of section 6(4)(c) of the Competition Act 2002 with effect from 1st May 2004. Under section 6(4)(c), it shall be a good defence in proceedings under Article 81(1) of the Treaty to prove that the agreement, decision or concerted practice fulfils the conditions of Article 81(3) of the Treaty.

These regulations provide for an exemption from the provisions of the Casual Trading Act 1995 for the selling of specified berries, and potatoes having loose skins, which have been harvested between specified dates.

Review of Working Time Directive
A consultation process on the review of the Working Time Directive took place in the first quarter of 2004 with Member States, the EU Social Partners and the various Community institutions including the European Parliament. As part of that consultative process, the Irish Presidency had an informal exchange of views at the ESPCHA Council in March 2004 aimed at assisting this process.

The European Commission published its proposals to amend the Working Time Directive on 22 September 2004. Critical issues addressed in the new proposal include:

➤ The length of reference period over which average working time is calculated;
➤ The definitions of “working time” following recent European Court of Justice rulings, time spent “on call”, and clarification of “compensatory rest”;
➤ The conditions for the application of the “opt-out” from the 48 hours ceiling on maximum weekly working hours.

Proposed EU Directive on Temporary Agency Workers
Under the Netherlands Presidency, a policy debate was held at the October 2004 ESPCHA Council on a draft European Parliament and Council Directive on working conditions for temporary agency workers. Discussion focused mainly on the outstanding issue of equal pay and conditions for temporary agency workers, but a common position has yet to be achieved.
EU ENVIRONMENTAL INITIATIVES

Proposed EU Chemicals Regulation (REACH)
This complex and lengthy draft Regulation aims to overhaul the current regime for chemicals management in Europe and to ensure a high level of protection for human health and the environment whilst maintaining industry competitiveness. During the Presidency, the Department chaired the Council Ad Hoc Working Group which is progressing this dossier, and solid progress was achieved. Consensus on a national position was broadly achieved amongst the various interests, and stakeholder consultation was ongoing. A specific Irish Impact Assessment study was initiated in conjunction with Forfás. Our efforts to ensure that the competitiveness implications and workability of the new regime are fully addressed were pursued.

Detergents Regulation
This Regulation facilitates the free movement of detergents in the Internal Market and modernises existing detergents Directives, whilst protecting the environment from the adverse effects of surfactants. The Regulation was adopted during our Presidency at the March 2004 Competitiveness Council.

This Department assisted the Department of Communications, Marine and Natural Resources in the European negotiations on this Directive and political agreement was reached at the Energy Council in December 2004.

INFLUENCING INTERNATIONAL DEVELOPMENTS

International Labour Organisation
Ireland’s Presidency of the European Union in the first half of 2004 resulted in the Department having responsibility for providing sufficient resources to coordinate the EU positions in relation to the business of the International Labour Organisation (ILO). From 1 January to 30 June 2004, the Department coordinated all EU positions on current issues within the ILO, involving regular contacts with the other EU Member States, including the ten new Member States which joined the EU on 1 May 2004, and others. Critical issues covered and coordinated concerned:

➢ Forced labour in Burma/Myanmar;
➢ The practical application of, and agreement on, a biometric standard for the ILO Seafarers’ Identity Documents Convention (Revised) 2003 (Convention No.185);
➢ The World Commission Report on the Social Dimension of Globalisation;
➢ The preparation of the Human Resources Development Recommendation (No.195), 2004;
➢ Working Conditions in the Fishing Sector.

Ireland was represented at the 92nd Session of the International Labour Conference of the International Labour Organisation (ILO) by a delegation representing the Government, Trade Unions and Employers. The Session adopted Recommendation (No. 195) Human Resources Development Recommendation, 2004. The Fifth Global Report (under the follow-up to the ILO Declaration of Fundamental Principles and Rights at Work) related to Freedom of Association and Effective Recognition of the Right to Collective Bargaining. This is part of the ILO’s ongoing campaign to promote “Decent Work” worldwide. A first discussion also took place on Working Conditions in the Fishing Sector. A total of 21 reports were submitted on Ireland’s implementation of ILO Conventions ratified by this country, together with a response to a detailed ILO questionnaire on Occupational Safety and Health.
Council of Europe

During 2004, Ireland continued to report regularly on its implementation of the Council of Europe's Social Charter and also answered questions at the Governmental Committee of the European Social Charter in Strasbourg regarding its reports. The First Report on Ireland's implementation of the Revised European Social Charter was submitted in May 2004. The 17th to 21st Reports on Ireland's implementation of the original European Social Charter (1961) and the First Report on Ireland's implementation of the Revised European Social Charter (1996) were put on the Departmental website, to allow easier and wider public access in line with the Department's Customer Service Charter.

INTERNATIONAL TRADE AND EU INTERNAL MARKET

EU Common Commercial Policy

Irish trade policy negotiators contributed actively to the delivery of outputs under the current multilateral trade round of negotiations under the Doha Development Agenda (DDA). The Department fully engaged in negotiations and monitored developments at EU, WTO and other international fora helping to identify opportunities and threats during the DDA negotiations and adapted Irish trade policy accordingly.

Throughout 2004 the Department identified, negotiated and promoted Ireland's trade interests, and participated in and represented these interests to the maximum extent at the EU trade policy (Article 133 Committee) meetings. This ensured that Ireland's strategic trade interests were fully reflected in the European Union's Common Commercial Policy (CCP). In this regard, the Department consulted widely with key stakeholders, including other Departments, the business community and wider civil society in the evolution and development of our multilateral trade policy. A main element of this approach incorporated regular on-going inter-Departmental meetings to co-ordinate trade policy matters.

Following inputs by the EU and other WTO members, a Framework Agreement was adopted at the WTO General Council meeting in Geneva in July 2004. The Department's trade policy negotiators contributed to this process through the evolution of an Irish position and its articulation within the CCP. Irish trade policy negotiators continued their inputs in the follow-on process, with all efforts being geared towards making progress across the full range of DDA negotiating issues by the next WTO Ministerial Conference, in Hong Kong in December 2005.

EU Internal Market

Implementation of the Internal Market Strategy

The Commission's Second Implementation Report on the Internal Market Strategy, 2003-2006, shows good progress. Two thirds of the legal steps towards a better Internal Market have been completed. The report notes that, in the area of public procurement, more open procurement would stimulate trade, productivity and growth, saving just 10% of current public procurement expenditure would bring all pre-May 2004 Member States under the fiscal deficits set by the Stability and Growth Pact. The report also notes that Ireland estimates that it could make potential savings of €1 billion over the next five years from e-procurement alone. In relation to infringements of Internal Market rules, a number of Member States, including Ireland, made progress towards the goal of reducing infringements by 50% by 2006.

Draft Directive on Services in the Internal Market

The Commission published the draft Directive on Services in the Internal Market in January 2004. This is a broad crosscutting proposal to give service providers the freedom to supply their services across EU borders or to establish in other Member States. Services represent up to 70% of GNP and employment in the EU and the creation of a genuine Single Market for the European services sector would yield enormous benefits for the European and Irish services sectors.

Solvit programme on the removal of barriers in the Single Market

SOLVIT is an informal problem-solving network, which was launched by the Commission in July 2002. Organisations representing EU citizens and businesses - or indeed EU citizens and businesses directly - can raise cases with their SOLVIT Centre where they feel they are being denied their...
Internal Market rights in a Member State other than their own, because the authorities there are not applying Internal Market law. The Irish SOLVIT Centre is based in the Market Access Unit of the Department. In addition to seeking to resolve cases raised by citizens and businesses, SOLVIT can also lead to changes in legislation and/or procedures thereby contributing to the overall process of Better Regulation.

During the course of 2004, the Irish SOLVIT Centre, in common with other SOLVIT Centres, experienced an increase in enquiries. In addition, the Irish SOLVIT Centre held a series of demonstrations for organisations likely to benefit from SOLVIT, including IDA Ireland, Enterprise Ireland, SFADCO, Údarás na Gaeltachta, InterTradeIreland, IBEC, SFA, ISME, the European Consumer Centre and Comhairle. The process of marketing SOLVIT to interested parties was continuing in 2005. More information on SOLVIT, including the contact details of all the SOLVIT Centres, can be found at: http://europa.eu.int/solvit/site/index_en.htm.

**TAIEX (Technical Assistance and Information Exchange)**

The TAIEX Office of the European Commission was originally an Internal Market initiative. It was set up to provide assistance in the field of application and enforcement of EU legislation in order to benefit the countries of central and eastern Europe that were candidates for accession to the European Union. TAIEX assistance is provided by experts in the public and semi-public sectors from Member States who either visit their contemporaries in the Candidate Country/new Member States or host a visit by officials of the Candidate Country/new Member State to the expert's Member State. The Market Access Unit of the Department is the Irish National Contact Point for TAIEX and forwards requests for assistance to the relevant Department. During the course of 2004, the TAIEX Office in the Commission developed two new on-line tools, the TAIEX Expert Database (intended to register experts from EU Member States interested in regular co-operation with TAIEX) and an Expert Stock Exchange, which registered experts can access and consult regarding requests for assistance.
### APPENDIX 1 - Estimates

#### ENTERPRISE, TRADE AND EMPLOYMENT

I. Estimate of the amount required in the year ending 31 December, 2005 for the salaries and expenses of the Office of the Minister for Enterprise, Trade and Employment, including certain services administered by that Office, for the payment of certain subsidies, grants and grants-in-aid, and for the payment of certain grants under cash-limited schemes.

(a) by way of current year provision

One thousand, two hundred and thirty million, five hundred and seventy thousand euro

(€1,230,570,000)

(b) by way of the application for capital supply services of unspent appropriations, the surrender of which may be deferred under Section 91 of the Finance Act 2004.

Thirty four million, two hundred and thirty-seven thousand euro

(€34,237,000)

II. Subheads under which this Vote will be accounted for by the Office of the Minister for Enterprise, Trade and Employment.

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<th>2004 Outturn</th>
<th>2005 Estimate</th>
<th>Change 2005 over 2004</th>
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<td>A.2 - TRAVEL AND SUBSISTENCE</td>
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<td>€1,663</td>
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<tr>
<td>A.4 - POSTAL AND TELECOMMUNICATIONS SERVICES</td>
<td>€1,043</td>
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<td>A.5 - OFFICE MACHINERY AND OTHER OFFICE SUPPLIES</td>
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<td>A.7 - CONSULTANCY SERVICES</td>
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<td>A.8 - ADVERTISING AND INFORMATION RESOURCES</td>
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<td>- EU PRESIDENCY</td>
<td>€2,552</td>
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<td><strong>Subtotal:</strong></td>
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### ENTERPRISE, AGENCIES, SCIENCE AND TECHNOLOGY

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<thead>
<tr>
<th>Subhead</th>
<th>2004 Outturn</th>
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<th>Change 2005 over 2004</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td><strong>B.1 - FORFÁS - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES</strong></td>
<td>€22,395</td>
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<td>€22,395</td>
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<tr>
<td><strong>B.2 - INTERTRADEIRELAND</strong></td>
<td>€2,420</td>
<td>€4,707</td>
<td>€7,127</td>
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<tr>
<td><strong>C.1 - IDA IRELAND - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES</strong></td>
<td>€34,164</td>
<td>-</td>
<td>€34,164</td>
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<tr>
<td><strong>C.2 - IDA IRELAND - GRANTS TO INDUSTRY</strong></td>
<td>-</td>
<td>€45,950</td>
<td>€45,950</td>
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<tr>
<td><strong>C.3 - IDA IRELAND - GRANT FOR BUILDING OPERATIONS</strong></td>
<td>-</td>
<td>€3,102</td>
<td>€3,102</td>
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<td><strong>D.1 - ENTERPRISE IRELAND - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES</strong></td>
<td>€88,386</td>
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<td><strong>D.2 - ENTERPRISE IRELAND - GRANT TO INDUSTRY</strong></td>
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<td>€45,088</td>
<td>€47,588</td>
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<td><strong>D.3 - ENTERPRISE IRELAND - GRANT FOR CAPITAL EXPENDITURE</strong></td>
<td>-</td>
<td>€3,216</td>
<td>€3,216</td>
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* Includes carryforward of savings of €118,000 from 2004 under the terms of the Administrative Budget Agreement.
## Enterprise, Agencies, Science and Technology - continued

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<tr>
<th></th>
<th>2004 Outturn</th>
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<td>E.1 - Shannon Free Airport Development Company Limited - Grant for Administration and General Expenses</td>
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<td>€000</td>
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<td>E.2 - Shannon Free Airport Development Company Limited - Grants to Industry</td>
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<td>1,045</td>
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<td>4,703</td>
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<td>F. - Science and Technology Development Programme / Science Foundation Ireland</td>
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<td>155,645</td>
<td>194,809</td>
<td>23,420</td>
<td>195,157</td>
<td>218,577</td>
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<td>G. - County Enterprise Development</td>
<td>11,654</td>
<td>16,479</td>
<td>28,133</td>
<td>12,400</td>
<td>16,714</td>
<td>29,114</td>
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<td>H. - Monitoring and Evaluation of EU Programmes</td>
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<td>150</td>
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<td>I.1 - National Standards Authority of Ireland - Grant for Administration and General Expenses</td>
<td>4,889</td>
<td>517</td>
<td>5,406</td>
<td>5,502</td>
<td>1,017</td>
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<tr>
<td>I.2 - NitRigin Eireann Teoanta</td>
<td>150</td>
<td>-</td>
<td>150</td>
<td>300</td>
<td>-</td>
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<td>J.1 - Loan Subsidy for Small Business Expansion Scheme - Payment to ICC Bank plc.</td>
<td>116</td>
<td>-</td>
<td>116</td>
<td>27</td>
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<td>J.2 - Information Society - eBusiness Initiative</td>
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<td>1,538</td>
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<td>Subtotal:</td>
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<td>275,749</td>
<td>481,923</td>
<td>208,072</td>
<td>375,173</td>
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## Labour Force Development

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<td>Capital</td>
<td>Total</td>
<td>Current</td>
<td>Capital</td>
<td>Total</td>
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<tr>
<td>K.1 - FÁS Administration and General Expenses (a)</td>
<td>128,007</td>
<td>-</td>
<td>128,007</td>
<td>133,420</td>
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<td>K.2 - FÁS Training and Integration Supports (b)</td>
<td>53,987</td>
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<td>53,987</td>
<td>69,343</td>
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<td>K.3 - FÁS Employment Programmes (c)</td>
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<td>-</td>
<td>347,164</td>
<td>384,479</td>
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<td>K.4 - FÁS Capital</td>
<td>-</td>
<td>21,741</td>
<td>21,741</td>
<td>-</td>
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<td>23,899</td>
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<td>L. - Grant to Irish National Organisation for the Unemployed (d)</td>
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<td>-</td>
<td>48</td>
<td>49</td>
<td>-</td>
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<td>M.1 - Technical Support for Community Initiatives</td>
<td>817</td>
<td>-</td>
<td>817</td>
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<td>M.2 - Matching Funding for Community Initiatives</td>
<td>179</td>
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<td>179</td>
<td>250</td>
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<td>M.3 - Operational Programme for Human Resources Development - Technical Development</td>
<td>282</td>
<td>-</td>
<td>282</td>
<td>636</td>
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<td>M.4 - Leonardo Programme</td>
<td>115</td>
<td>-</td>
<td>115</td>
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<td>M.5 - Equal Community Initiative Development Partnerships</td>
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<td>5,426</td>
<td>6,739</td>
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<td>6,739</td>
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<td>557,766</td>
<td>595,738</td>
<td>23,899</td>
<td>619,637</td>
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## Employment Rights and Industrial Relations

<table>
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<tr>
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<th></th>
<th>2005 Estimate</th>
<th></th>
<th>Change 2005 over 2004</th>
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<td></td>
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<td>Capital</td>
<td>Total</td>
<td>Current</td>
<td>Capital</td>
<td>Total</td>
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<td>N. - Labour Relations Commission - Grant for Administration and General Expenses</td>
<td>4,303</td>
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<td>4,303</td>
<td>4,860</td>
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<td>O. - Grants for Trade Union Education and Advisory Services (d)</td>
<td>1,080</td>
<td>-</td>
<td>1,080</td>
<td>1,773</td>
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<td>P. - Trade Union Amalgamations</td>
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<td>-</td>
<td>140</td>
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<td>Subtotal:</td>
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<td>5,383</td>
<td>6,773</td>
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<td>6,773</td>
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</table>

(a) Some FAS instructors costs (€12,997,000) and the costs of FAS Skills Analysis Unit (€328,000) are funded by the National Training Fund.

(b) "FAS Training costs are also funded by the National Training Fund (€276,003,000). FAS will also manage the NTF Workplace Education Fund and administer new ESF funded training schemes where NTF advance funding is being provided."

(c) Some training costs of participants on employment schemes are funded by the National Training Fund (€11,000,000).

(d) Cash limited subhead.
### COMMERCE, CONSUMERS AND COMPETITION

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<tr>
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<tbody>
<tr>
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<td>€000</td>
<td>€000</td>
<td>€000</td>
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<tr>
<td>Total</td>
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<td>21%</td>
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<table>
<thead>
<tr>
<th>R.1 - office of the Director of Consumer Affairs - Grant for Administration and General Affairs</th>
<th>2004 Outturn</th>
<th>2005 Estimate</th>
<th>Change 2005 over 2004</th>
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<td>Current Capital</td>
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<td>€000</td>
<td>€000</td>
<td>€000</td>
</tr>
<tr>
<td>%</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| R.2 - Consumer Support                  | -            | -             | -                    |
| S.1 - Companies Registration Office - Grant for Administration and General Affairs | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 6%           |               |                      |

| S.2 - Irish Auditing and Accounting Supervisory Authority (Grant-in-Aid) | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 262%         |               |                      |

| S.3 - Personal Injuries Assessment Board | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | -47%         |               |                      |

| S.4 - Irish Auditing and Accounting Supervisory Authority - Grant for One-off Set Up Costs | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | -            |               |                      |

| T. - National Authority for Occupational Safety and Health - Grant for Administration and Affairs | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 7%           |               |                      |

| Subtotal:-                               | 20,804       | 22,111        | 22,916               |
| %                                       | 10%          |               |                      |

### HEALTH AND SAFETY

<table>
<thead>
<tr>
<th>T. - National Authority for Occupational Safety and Health - Grant for Administration and Affairs</th>
<th>2004 Outturn</th>
<th>2005 Estimate</th>
<th>Change 2005 over 2004</th>
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<tbody>
<tr>
<td>Current Capital</td>
<td>€000</td>
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<tr>
<td>Total</td>
<td>€000</td>
<td>€000</td>
<td>€000</td>
</tr>
<tr>
<td>%</td>
<td>7%</td>
<td></td>
<td></td>
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</table>

| Subtotal:-                               | 14,993       | 16,098        | 16,098               |
| %                                       | 7%           |               |                      |

### OTHER SERVICES

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<td>Current Capital</td>
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<td>€000</td>
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<tr>
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<td>€000</td>
</tr>
<tr>
<td>%</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 2%           |               |                      |

| W. - Subscription to International Organisations, etc. | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 8%           |               |                      |

| X.1 - Commissions, Committees and Special Inquiries | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 2%           |               |                      |

| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 42%          |               |                      |

| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | 13%          |               |                      |

| X.4 - Export Credit Insurance - Refund to the Exchequer | 2004 Outturn | 2005 Estimate | Change 2005 over 2004 |
| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | -            |               |                      |

| Subtotal:-                               | 14,358       | 17,285        | 17,285               |
| %                                       | 20%          |               |                      |

| Gross Total:-                            | 848,793      | 1,146,283     | 1,318,235            |
| %                                       | 15%          |               |                      |

| Deduct :-                                |             |               |                      |

| Current Capital                         | €000         | €000          | €000                 |
| Total                                   | €000         | €000          | €000                 |
| %                                       | -31%         |               |                      |

| Net Total:-                             | 737,715      | 1,035,205     | 1,230,570            |
| %                                       | 19%          |               |                      |

| Exchequer pay and pensions included in above net total | €265,293 | €287,484 | 8% |
| Associated Public Service employees and pensioners | €6,278 | €6,343 | 1% |
Subheads under which it is intended to apply the amount of €34,237 million in unspent 2004 appropriations to capital supply services.

| B.2  | INTERTRADEIRELAND |
| C.2  | IDA IRELAND - GRANTS TO INDUSTRY |
| C.3  | IDA IRELAND - GRANT FOR BUILDING OPERATIONS |
| F.   | SCIENCE AND TECHNOLOGY DEVELOPMENT |
| G.   | COUNTY ENTERPRISE DEVELOPMENT |
| K.4  | FÁS CAPITAL |

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<th>Change</th>
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<td>€000</td>
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<td>-</td>
<td>237</td>
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<td>9,000</td>
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<tr>
<td>-</td>
<td>34,237</td>
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</table>
APPENDIX 2

Report on Compliance with the Provisions of the Prompt Payment of Accounts Act

During 2004, 65 invoices totalling €558,909.75 incurred penalty interest of €3,000.97. The delays were as follows:

Up to 30 days in 41 cases resulting in interest of €869.45
31 to 60 days in 22 cases resulting in interest of €1,584.50
Over 60 days in 2 cases resulting in interest of €547.02

In accordance with S.I. No. 388, interest is only paid when the amount due is over €5.

The corresponding figure for 2003 was 34 late payments attracting late payment interest of €1,664.32.

Apart from delays incurred by line units, the Finance Unit experienced delays in processing payments due to the implementation of a new Financial Management System in addition to increased numbers of payments received.
**APPENDIX 3**

Legislation administered by the Department

**HEALTH AND SAFETY AT WORK**

- Boiler Explosions Acts, 1882 and 1890
- Chemical Weapons Act, 1997
- Carriage of Dangerous Goods by Road Act, 1998 (will commence on 1st April 2002)
- Dangerous Substances Act, 1972 and 1979
- Mines and Quarries Act, 1965
- Safety, Health and Welfare at Work Act, 1989

**Employment Rights**

- Carer’s Leave Act 2001
- European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003
- European Communities (Protection of Employment) Regulations 2000
- Hospitals’ Trust (1940) Limited (Payment to Former Employees) Act 2000
- National Minimum Wage Act 2000
- Organisation of Working Time Act 1997
- Protection of Employment Act 1977
- Protection of Employees (Fixed-Term Work) Act 2003
- Protection of Employees (Part-Time Work) Act 2001
- Payment of Wages Act 1991
- Protection of Young Persons (Employment) Act 1996
- Unfair Dismissals Acts 1977 to 2001
- Redundancy Payments Act 2003
- Protection of Employees (Fixed-Term Work) Act 2003
- The Employment Agency Act 1971 (while this Act is administered by the ERIR Division of the Department, it does not form part of the employment rights suite of legislation).
- Employment Permits Act 2003


**Industry**

- Cement (Repeal of Enactments) Act 2000
- Custom Free Airport Acts, 1947 and 1958 (parts of)
- Export Promotion (Amendment) Act, 1987
- Industrial Development Acts, 1986 to 2003
- Industrial Research and Standards Act, 1961
- Irish Steel Limited Act, 1996
- National Standards Authority of Ireland Act, 1996
- Prompt Payment of Accounts Act, 1997
- Science and Technology Act, 1987

**Company Law**

- Friendly Societies Acts 1896 – 1977
- Industrial and Provident Societies Act, 1893 - 1978
- Investment Limited Partnership Act, 1994
- Irish Takeover Panel Act, 1997
- Limited Partnership Act, 1907
- Partnership Act, 1890
- Registration of Business Names Act, 1963
- Unit Trusts Act, 1990
- Designated Investment Funds Act, 1985 (section 6)
- Safety, Health and Welfare at Work Act, 1989 (section 12(6))
- Investment Intermediaries Act, 1995 (section 80)
- Competition Act 2002 (section 48(a) and 51)

**Personal Injury**

- Personal Injuries Assessment Board Act 2003

**Science, Technology & Intellectual Property**

- Industrial Development (Science Foundation Ireland) Act, 2003
- Intellectual Property Rights
- Patents Act 1992
- Trade Marks Act 1996
- Copyright and Related Rights Act 2000 (excluding sections 98, 198, 199 and 247 which were not commenced with the remainder of the Act on 1 January 2001)
- Industrial Designs Act 2001
- Copyright and Related Rights (Amendment) Act 2004 (No. 18 of 2004)
Trade
Control of Exports Act, 1983
Control of Imports Acts, 1934-1964
Insurance (Export Guarantee) Act, 1988
Restriction of Imports Act, 1962

Competition & Consumer Policy
Casual Trading Acts 1995
Charter of the Company of Goldsmiths of Dublin, 1637
Competition Act, 2002
Consumer Credit Act, 1995
Consumer Information Act, 1978
Hallmarking Act, 1981
Hallmarking of Foreign Plate Act, 1904
Liability for Defective Products Act, 1991
Merchandise Marks Acts, 1887-1970
Metrology Act, 1996
Occasional Trading Act, 1979
Packaged goods (Quantity Control) Act, 1980
Plate Assay Act, 1783
Plate Assay (Ireland) Act, 1807
Plate Assay (Amendment) Act, 1931
Prices Acts, 1958-1972
Pyramid Selling Act, 1980
Restrictive Practices (Amendment Act) Act, 1987
Restrictive Practices (Confirmation of Order) Act, 1987
Sale of Goods Act, 1893
Sale of Goods and Supply of Services Act, 1980
Shop/Hours of Trading Act, 1938
Trading Stamps Act, 1980

Trade Union and Industrial Relations
Industrial Relations Acts, 1946 - 2004
Trade Union Acts, 1871 - 1990
Transnational Information and Consultation of Employees Act, 1996
Worker Participation (State Enterprises) Acts, 1977 and 1988

Employment and Training
Apprenticeship Act, 1959
Industrial Training Act, 1967
Labour Services Act, 1987
National Training Fund Act, 2000
APPENDIX 4

Legislation Enacted in 2004

Copyright and Related Rights (Amendment) Act 2004 (No. 18 of 2004)
This Act removes doubt in relation to the lawfulness, under the Copyright and Related Rights Act 2000, of displaying certain works in public. The intention was to clarify that the exhibition of literary and artistic works does not infringe copyright.

Industrial Relations (Miscellaneous Provisions) Act 2004 (No. 4 of 2004)
This Act came into operation on 6 April 2004, and amends the Industrial Relations (Amendment) Act 2001. It enhances the effectiveness of procedures for dealing with disputes where negotiating arrangements are not in place. The Act also introduces a prohibition on victimisation in the context of a dispute, where the Enhanced Code of Practice on Voluntary Dispute Resolution has been invoked, or where steps have been taken to invoke that Code. The Act is supported by -
• A revised Code of Practice on Voluntary Dispute Resolution
• A Code of Practice on Victimisation

Additional provisions included in the Industrial Relations (Miscellaneous Provisions) Act 2004 are:
• an amendment to the First Schedule of the Industrial Relations Act 1990 increasing the level of fines which can be imposed by the Courts where there are breaches of Registered Employment Agreements
• an amendment to the Protection of Employees (Employers’ Insolvency) Act 1984 eliminating the requirement for employees of insolvent companies to obtain an award from the Employment Appeals Tribunal before applying for payment of statutory minimum notice entitlements under the Insolvency Payments Scheme.
APPENDIX 5
Statutory Instruments made during 2004

(No. 16 of 2004)

Most of the Directive’s provisions had been incorporated into the Copyright and Related Rights Act 2000, but certain amendments to the Act were required to bring our legislation into full compliance with the terms of the Directive.

S.I. No. 29 of 2004
Carriage of Dangerous Goods by Road Regulations 2004. These Regulations apply to the carriage, in tanks, in bulk and in packages, of dangerous goods by road; including the packing, loading, filling and unloading of the dangerous goods in relation to their carriage. They apply the provisions, contained in the technical Annexes to the ‘European Agreement Concerning the International Carriage of Dangerous Goods by Road’ (ADR) 2003.

S.I. No. 62 of 2004
European Communities (Classification, Packaging and Labelling of Dangerous Preparations) Regulations 2004. The Regulations require persons placing a dangerous preparation on the market, to classify and label it according to the inherent hazards including, for the first time, the danger to the environment hazard category. The classification, labelling and packaging requirements of these Regulations have also been extended to include plant protection products from 30 July 2004.

S.I. No. 76 of 2004
Industrial Relations Act 1990 (Enhanced Code of Practice on Voluntary Dispute Resolution) (Declaration) Order 2004. The main objective of the Enhanced Code is to provide an improved framework that has the full support of all the parties for the processing of industrial disputes arising in situations where negotiating arrangements are not in place and where collective bargaining fails to take place.

S.I. No. 132 of 2004
Companies (Auditing and Accounting Act 2003) Order fixes 6 April, 2004, 17 May 2004 and 1 July 2004 as the dates on which the various provisions (eleven sections) being commenced come into operation.

S.I. No. 133 of 2004
Companies (Forms) Order 2004. The purpose of this Order is to amend the form prescribed for the purposes of section 125 of the Companies Act 1963, by introducing a new Form B1 with effect from 17 May 2004. This Form updates the form to be completed when furnishing an annual return to the Registrar of Companies. The Order further provides that the Form B1 previously in use (Form B1(version 2), set out in the Schedule 2) may continue to be used to deliver an annual return to the Registrar of Companies until 31 October 2004, and that with effect from 1 November 2004, only the version of the Form B1 set out in the Schedule 1 of this Order may be completed when furnishing an annual return to the Registrar of Companies.

S.I. No. 138 of 2004

S.I. No. 139 of 2004
Industrial Relations Act 1990 (Code of Practice on Victimisation) (Declaration) Order 2004. The main objective of the Code is the setting out of the different types of practice which would constitute victimisation arising from an employee’s membership or activity on behalf of a trade union or a manager discharging his or her managerial functions, or other employees.

S.I. No. 191 of 2004
The Casual Trading Act 1995 (Section 2(3)) Regulations, 2004 exempts from the provision of the Casual Trading Act 1995 the selling of certain fruit and
vegetables by the growers, their servants or agents for a specified period in the year.

S.I. No. 195 of 2004 -
European Communities (Implementation of the Rules on Competition laid down in Articles 81 & 82 of the Treaty) Regulations 2004. These Regulations give effect in the State to EU Council Regulation No. 1/2003 on the implementation of the rules on competition laid down in Article 81 & 82 of the Treaty, which introduced significant changes in the public and private enforcement of Community Law. The Regulations designate the national authorities which will be responsible for the implementation of the public enforcement provisions of Council Regulation No. 1/2003 in the State.

S.I. No. 196 of 2004 -
Competition Act 2002 (Commencement) Order 2004. This Order brings into operation the provision of Section 6(4)(c) of the Competition Act, 2002, under which it shall be a good defence in proceedings under Article 81(1) of the Treaty to prove that the agreement, decision or concerted practice fulfils the conditions of Article 81 (3) of the Treaty.

S.I. No. 199 of 2004 General Product Safety Regulations 2004
The Regulations require that consumer products placed on the market are safe and obliges producers to place only safe products on the market. The Regulations specify the duties of producers and distributors and make it an offence to place dangerous products on the market.

S.I. No. 374 of 2004
European Communities (Transportable Pressure Equipment) Regulations 2004. The Regulations apply to any new transportable pressure equipment placed on the market and manufactured on or after 1 July 2001 which may be subject to assessment of conformity. Transportable pressure equipment is defined as a receptacle or tank which is used or intended to be used for the carriage by road or rail of Class 2 goods (gases) and certain other dangerous goods, including any valve or other accessory fitted to the equipment and used for carriage.

S.I. No. 434 of 2004
Taxes Consolidation Act 1997 (Prescribed Research and Development Activities) Regulations 2004. These regulations specify the categories of activities which are research and development activities and the categories of activities which are not research and development activities for the purpose of section 766 of the Taxes Consolidation Act 1997(inserted by section 33 of the Finance Act 2004.)

S.I. No. 506 of 2004
Companies (Amendment) Act 1982 (Section 13(2)) Order 2004. The purpose of this Order is to allow limited partnerships registered under the Limited Partnerships Act 1907 to have up to 50 partners where such partnerships are formed for the purpose of, and whose main business consists of, the provision of investment and loan finance and ancillary facilities and services to persons engaged in industrial or commercial activities.

S.I. No. 574 of 2004
Industrial Designs (Amendment) Regulations 2004. These Regulations amend the Industrial Designs Regulations 2002 (S.I. No 280 of 2002) by removing the requirement on forms 1 and 1A of the schedule for a statement of novelty and individual character in the application for registration of a design. These Regulations also revise the format of the Certificate of Registration for a design, which is issued by the Controller of Patents, Designs and Trade Marks upon registration of a design. The revised format has removed the reference to and requirement for a product listing on the Certificate of Registration.

S.I. No. 695 of 2004
Redundancy Payments (Lump Sum) Regulations 2004. These Regulations increased the limit on annual reckonable earnings to be taken into account in the calculation of a statutory redundancy lump sum payment from €26,411 (€507.90 per week) to €31,200, (€600 per week). The new limit applies to redundancies where notification of proposed dismissal by reason of redundancy was issued on or after 1 January 2005.
S.I. No. 696 of 2004
Protection of Employees (Employers’ Insolvency) (Variation of Limit) Regulations 2004. These Regulations increased the maximum amount of weekly pay which may be used for the purposes of calculating employee entitlements under the Protection of Employees (Employers’ Insolvency) Act 1984 from €507.90 to €600.00. The new limit applies to entitlements arising under the Act where the relevant date was on or after 1 January 2005.

S.I. No. 765 of 2004

S.I. No. 808 of 2004
Enterprise, Trade and Employment (Delegation of Ministerial Functions) (No. 2) Order 2004. This Order provides for the delegation of certain powers of the Minister for Enterprise, Trade and Employment to Michael Ahern TD, Minister of State for Trade and Commerce.

S.I. No. 809 of 2004
Enterprise,Trade and Employment (Delegation of Ministerial Functions) Order 2004. This Order provides for the delegation of certain powers of the Minister for Enterprise, Trade and Employment to Minister Tony Killeen TD, Minister of State for Labour Affairs.

S.I. No. 817 of 2004

S.I. No. 819 of 2004

S.I. No. 829 of 2004
Companies (Forms) (No. 2) Order 2004. The purpose of this Order is to prescribe forms to be used for the purposes of certain provisions of the Companies Acts 1963 to 2003.

S.I. No. 839 of 2004
European Communities (Companies) Regulations 2004. The purpose of these Regulations is to replace the requirement of publication in the national gazette, Iris Oifigiúil, for the purposes of disclosure of certain compulsory documents and particulars in relation to companies, with the requirement to publish in the Companies Registration Office Gazette, which is to be kept solely in electronic form.

S.I. No. 852 of 2004
European Communities (Dangerous Substances and Preparations) (Marketing and Use) (Amendment) Regulations 2004. These regulations transpose-


**S.I. No. 859 of 2004**

*European Communities (Units of Measurements) (Amendment) Regulations 2004.* These Regulations provide for a further extension of the time period during which conversion of road speed measurement signs of the metric system may be carried out.

**S.I. No. 860 of 2004**

*Dangerous Substances (Retail and Private Petroleum Stores) (Amendment) Regulations 2004.* These Regulations provide for the amendment of the Dangerous Substances (Retail and Private Petroleum Stores) Regulations 1979, as previously amended by the Dangerous Substances (Retail and Private Petroleum Stores) (Amendment) Regulations 1988, the Dangerous Substances (Retail and Private Petroleum Stores) (Amendment) Regulations 1999 and the Dangerous Substances (Retail and Private Petroleum Stores) (Amendment) Regulations 2002. Under the Regulations, as adapted by section 29 of the *Safety, Health and Welfare at Work Act 1989* (No. 7 of 1989), a retail and private petroleum store requires to be licensed by the local or harbour authority or, where the store is owned by such authority, by the National Authority for Occupational Safety and Health. The Regulations as amended, inter alia, provide for safety requirements in certain circumstances for petrol filling stations, constructed before the 1979 Regulations commenced, to enable them to be licensed to operate until 31 December 2006.
APPENDIX 6

Directives adopted at EU Level during 2004

2004/21/EC

2004/22/EC

2004/25/EC

2004/40/EC

2004/48/EC

2004/72/EC

2004/73/EC

2004/96/EC

2004/98/EC


2004/109/EC

2004/111/EC

2004/112/EC
APPENDIX 7

Employment Regulation Orders made during 2004

The following Employment Regulation Orders were made in 2004, setting minimum rates of pay and regulating conditions of employment in the industries concerned:

1. Hotels Joint Labour Committee, S.I. No. 15
2. Agricultural Workers Joint Labour Committee, S.I. No. 33
3. Hairdressing (Cork County Borough) Joint Labour Committee, S.I. No. 43
4. Contract Cleaning (City & County of Dublin) Joint Labour Committee, S.I. No. 59
5. Contract Cleaning (excluding the City & County of Dublin) Joint Labour Committee, S.I. No. 60
6. Retail Grocery & Allied Trades Joint Labour Committee, S.I. No. 88
7. Catering Joint Labour Committee, S.I. No. 144
9. Hairdressing (Cork County Borough) Joint Labour Committee, S.I. No. 519
10. Law Clerks Joint Labour Committee, S.I. No. 522
11. Aerated Waters & Wholesale Bottling Joint Labour Committee, S.I. No. 552
13. Shirt making Joint Labour Committee, S.I. No. 682
15. Women's Clothing & Millinery Joint Labour Committee, S.I. No. 684

Registered Employment Agreements in 2004

At the end of 2004 there were 45 Employment Agreements on the Register maintained by the Labour Court. One new Agreement (involving Aer Rianta Airport Police/Fire Service) was registered during the year. The Agreement for the Electrical Contracting Industry was varied once during the year.
APPENDIX 8

Bodies and Offices associated with the Department

Part 1
State-Sponsored Bodies and their Boards

ENTERPRISE IRELAND
Wilton Park House, Wilton Place, Dublin 2.
Telephone 01 8082000
Merrion Hall, Strand Road, Sandymount, Dublin 4.
Telephone 01 808 2000.
Glasnevin, Dublin 9.
Telephone 01 808 2000.
Website: www.enterprise-ireland.com,
Email: info@enterprise-ireland.com

Enterprise Ireland, which was established in July 1998, seeks to accelerate Ireland’s national and regional development by working with Irish companies to develop and compete so that they can grow on world markets. Enterprise Ireland brings together the key marketing, technology, enterprise development, business training and science and innovation initiatives through which the Government supports the growth of Irish industry.

CHAIRPERSON: Pat Molloy

OTHER BOARD MEMBERS: Frank Ryan (Chief Executive), Kieran Mc Gowan, Elaine Farrell, Brian Kearney, Veronica Perdisatt, Heather Ann McSharry, Gus Fitzpatrick, Lorraine Benson, John Connolly, Margaret Daly, Gerard O’Malley

FORFÁS
Wilton Park House, Wilton Place, Dublin 2.
Telephone 01-607 3000, Fax 607 3030
Website: www.forfas.ie, Email: info@forfas.ie

Forfás is the national policy and advisory body for enterprise, trade, science, technology and innovation.

CHAIRPERSON: Peter Cassells

OTHER BOARD MEMBERS: Martin Cronin, Sean Dorgan, Frank Ryan (appointed 12/11/03), William Murphy, Toni Wall, Jane Williams, Rody Molloy, Paul Haran, Fergal O’Rourke, Professor Michael Hillery, Dr Donald Thornhill (appointed 18/06/03), Dr William Harris (appointed 11/09/03).

SCIENCE FOUNDATION IRELAND (SFI)
Wilton Park House, Wilton Place, Dublin 2.
Telephone 01-6073200, Fax 01-6073201
Website: www.sfi.ie, Email: webmaster@sfi.ie

CHAIRPERSON: Dr. Pat Fottrell

OTHER BOARD MEMBERS: Dr William C. Harris (Director General), Mr. Frank McCabe (Deputy Chairperson), Dr. Don Thornhill, Mr. Erich Bloch, Dr Jacqueline Hunter, Dr. Kristina Johnson, Mr. John Travers, Dr. Jane Grimson, Dr. Jim Mountjoy, Dr. Martina Newell McGloughlin, Mr Ned Costello.

Science Foundation Ireland (SFI) – the National Foundation for Excellence in Scientific Research - was established to support research excellence in strategic technologies deemed capable of driving economic competitiveness in the longer term.
**IDA IRELAND**

Wilton Park House, Wilton Place, Dublin 2.
Telephone 01-603 4000
Website: www.idaireland.com, Email: idaireland@ida.ie

This body is responsible for the attraction to and development of overseas industry within Ireland.

**CHAIRPERSON:** John Dunne

**OTHER BOARD MEMBERS:** Sean Dorgan (Chief Executive), Gary Kennedy, Nial Ring, Kieran Corrigan, Brian Whitney, Thomas G Lynch, Brid Horan, Bernard Collins, Loreta Brennan Glucksman, Paul Mackay, Gerard O Mahoney

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**NATIONAL COMPETITIVENESS COUNCIL**

The National Competitiveness Council (NCC) is a social partnership body and was established in May 1997 as part of the Partnership 2000 Agreement. Each year it is required to report to both the Taoiseach and the Minister for Enterprise, Trade & Employment, on key competitiveness issues for the Irish economy together with recommendations on policy actions required to enhance Ireland's competitive position.

Forfás provides the NCC's secretariat.

Website: www.forfas.ie/ncc Email: ncc@forfas.ie

**CHAIRPERSON:** Dr. Don Thornhill

**OTHER BOARD MEMBERS:** Rory Ardagh, Brendan Butler, Donal Byrne, Martin Cronin, Pat Delaney, Dr. John Fingleton, Thia Hennessy, Annette Hughes, Peter McLoone, Patrick O'Brien, Seamus O'Morain, William Slattery, Paul Sweeney, John Travers, Professor Ferdinand von Prondzinski

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**NATIONAL STANDARDS AUTHORITY OF IRELAND**

Glasnevin, Dublin 9.
Telephone: 01-8073800
Fax: 01-8073838
E-mail: nsai@nsai.ie
Website: www.nsai.ie

The National Standards Authority of Ireland operates under the National Standards Authority of Ireland Act, 1996, on behalf of the Minister for Enterprise, Trade and Employment. The Authority’s primary functions are the development and publication of standards, the provision of a comprehensive product and management system certification service, Agrément certification of building and civil engineering products and Legal Metrology for the establishment of confidence in trade measurements. The Legal Metrology Service operates under the Metrology Acts, 1980-1998. The governing board of NSAI is appointed by the Minister for Enterprise, Trade and Employment and represents a cross-section of industrial and government interests.

**CHAIRPERSON:** Dan Tierney

**SECRETARY:** Patrick Bracken

**OTHER BOARD MEMBERS:** Ursula MacEvilly, Patrick J. Coffey, Dorothea Dowling, Sean J. McCarthy, John Hewitt, Anne Riordan, Niall Fitzsimons, Edmond Stack, Paul Bennett, Des O'Loughlin, Rose Hynes.

Chief Executive: Simon Kelly

[Retired – Ms Catherine Caulfield 14th April 2004; John Hewitt appointed with effect from 15th April]
[Resigned – Páraig Hennessy on 22 October 2004; Paul Bennett appointed with effect from 5th November 2004]
NITRIGIN EIREANN TEO
Department of Enterprise, Trade and Employment
Earlsfort Centre, 1-3 Lower Hatch Street, Dublin 2.
Telephone 01-631 2924
Email: niamh_griffin@entemp.ie

Established by Government in 1961 as a private limited company to set up a nitrogenous fertiliser industry in Ireland. NET is now a 51% shareholder in Irish Fertiliser Industries Ltd., which went into liquidation in November, 2002.

CHAIRPERSON: Ronald Long

OTHER BOARD MEMBERS: Jim O'Brien, Conor O'Mahony

COMPANY SECRETARY: Niamh Griffin

SHANNON FREE AIRPORT DEVELOPMENT COMPANY LTD
Town Centre, Shannon, Co. Clare.
Telephone 061-361 555.
Website: www.shannon-dev.ie
Email: info@shannon-dev.ie

Shannon Development's Mission Statement is Pioneering Regional Development for the Knowledge Age.

CHAIRPERSON: Liam McElligott

OTHER BOARD MEMBERS: John Brassil, O'Connell, Ronald Carroll, Wiliam Loughnane, Paul O'Brien, Patricia Collins, Dr. Roger Downer, Noreen Foran, Peter R. Schutz, Kieran Grace.

CHIEF EXECUTIVE: Kevin Thompstone

FÁS
27-33 Upper Baggot Street, Dublin 4.
Telephone 01-607 0500.
Website: www.fas.ie

The functions of FÁS include the operation of training and employment programmes, the provision of a placement service for industry and support for co-operative and community-based enterprises.

CHAIRPERSON: Brian Geoghegan

OTHER BOARD MEMBERS: William Attley, Peter Cullen, Michael Dolan, Des Geraghty, Alice Prendergast, Owen Wills, Joe Morgan, Sexton Cahill, Caroline Casey, Cathy Crowley, Dermot Lacey, Bernadette Lacey, Ruth Carmody, Dermot Mulligan, Dermot O'Callaghan, Eamon Kearns

DIRECTOR GENERAL: Rody Molloy

HEALTH AND SAFETY AUTHORITY
(NATIONAL AUTHORITY FOR OCCUPATIONAL SAFETY AND HEALTH)
10 Hogan Place, Dublin, 2.
Telephone No. 01-6147000
Website: http://www.hsa.ie/osh

The Authority has responsibility for the administration and enforcement of the occupational safety and health legislation. It provides information, advice and guidance for employers, workers, the self-employed and others to whom occupational safety and health legislation applies or is of relevance.

CHAIRPERSON: Mr. Frank Cunneen

VICE-CHAIRPERSON: Mr. Sylvester Cronin

OTHER BOARD MEMBERS: Mr. Joe Hegarty, Ms. Sue Corbett, Mr. Desmond Gilroy, Mr. Martin Lynch, Mr. Fergus Welan, Ms. Louise O'Donnell, Mr. Tony Briscoe, Mr. Peter McCabe, Ms. Marie Rock

DIRECTOR-GENERAL: Mr. Tom Beegan
COMPETITION AUTHORITY
Parnell House, 14 Parnell Square, Dublin 1
Telephone 01 804 5400. Fax No: 8045401
Website: www.tca.ie

The function of the Competition Authority is to promote greater competition in all sectors of the economy by tackling anti-competitive practices and by increasing awareness of such practices. As of 1st January, 2003, the Authority assumed responsibility for examining and deciding upon mergers and acquisitions notified under the Competition Act, 2002.

CHAIRMAN: Dr John Fingleton
SECRETARY: Ciaran Quigley
MEMBERS: Declan Purcell, Edward Henneberry, Paul Gorecki

NORTH SOUTH IMPLEMENTATION BODY

INTERTRADEIRELAND
The Old Gasworks Business Park,
Kilmorey Street, Newry, Co. Down. BT34 2DE
Telephone: 048 3083 4100. Fax: 048 3083 4155
Website: www.intertradeireland.com
Email: info@intertradeireland.com

The Personal Injuries Assessment Board (PIAB) is a statutory body which provides independent assessment of personal injury compensation for victims of Workplace, Motor and Public Liability accidents. This assessment is provided without the need for the majority of current litigation costs, such as Solicitors, Barristers and Experts fees, associated with such claims. These significant costs had contributed to the high cost of insurance in Ireland for both consumers and the business community. The PIAB is funded by fees payable by Respondents (those who pay the compensation). These fees are significantly less than litigation costs.

The PIAB began operations in April 2004.

CHAIRPERSON: Dr. Martin Naughton
CHIEF EXECUTIVE: Liam Nellis
BOARD MEMBERS: Mary Ainscough, Mary Breslin, Barry Fitzsimons, Jackie Harrison, John Fitzgerald, Jack Gilmour, Carl McCann, Feargal McCormack, Inez McCormack, Robbie Smith, Dr. Trefor Campell.

PERSONAL INJURIES ASSESSMENT BOARD (PIAB)
PO. BOX 8, Clonakilty, Co. Cork
Telephone: 1890 829 121
Website: www.piab.ie Email: enquiries@piab.ie

CHIEF EXECUTIVE OFFICER: Ms Patricia Byron
CHAIRPERSON: Ms Dorothea Dowling
OTHER BOARD MEMBERS: Senator Joe O’Toole (Vice-Chairperson), Mr. John Fay, Mr. Tom Noonan, Mr. Pat Healy, Ms Carmel Foley, Ms Mary O’Dea, Ms Frances Cooke, Mr. Frank Cuneen, Professor Denis Cusack.

INTERTRADEIRELAND - The Trade and Business Development Body was established under the British-Irish Agreement Act, 1999. It is one of six North/South Implementation Bodies arising from the Good Friday Agreement of 1998.

InterTradeIreland’s strategic mission is to lead the development of the island economy through distinctive knowledge-based interventions, which will produce significant returns in the areas of cross-border trade, and business development.

InterTradeIreland is co-funded by the Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment in the North.
**APPENDIX 8**

**Part 2**

Offices Associated with the Department

**LABOUR RELATIONS COMMISSION**

Tom Johnson House, Haddington Road, Dublin 4.  
Telephone 01-6136700  
Lo-Call number: 1890 220 227.  
Website address: www.lrc.ie  
E-mail address: labrc@iol.ie

The Labour Relations Commission, established under the Industrial Relations Act 1990, has overall responsibility for promoting the improvement of industrial relations, and does so by providing a range of services including a Conciliation Service, a Rights Commissioner Service and an Advisory Services Division. If every effort has been made to resolve the issue in dispute within the undertaking concerned and local procedures have been exhausted, industrial disputes may first be referred to the Labour Relations Commission unless there is provision, under the Industrial Relations legislation for direct reference of the dispute to the Labour Court.

**CHAIRPERSON:** Maurice Cashell

**TRADE UNION NOMINEES:** Peter McLoone, Peter Bunting

**EMPLOYER NOMINEES:** Liam Downey, Brendan McGinty

**Other Members:** Josephine Feehily, Breege O’Donoghue

**Chief Executive:** Kieran Mulvey

**Director of Conciliation:** Kevin Foley

**Director of Advisory Service:** Declan Morrin

**Director of Corporate Services:** Freda Nolan

**CONCILIATION SERVICE**

The Conciliation Service of the Labour Relations Commission provides an independent third party service to assist in the resolution of industrial disputes. The service provides, free of charge, a conciliator to assist parties to resolve issues in dispute. The service consistently achieves a settlement rate of 80% of all disputes referred to it.

The Commission encourages parties to make every effort to resolve the issue in dispute within the undertaking concerned and to exhaust local procedures. Where local procedures have been exhausted, industrial disputes may be referred to the Labour Relations Commission, with the agreement of both parties, for conciliation.

**ADVISORY SERVICES DIVISION**

The Advisory Services Division promotes good industrial relations and human resource management practice throughout Ireland by working with employers, employees and trade unions in non-dispute situations to develop effective practices, procedures and structures that best meet their needs.

**RIGHTS COMMISSIONER SERVICE**

Tom Johnson House, Haddington Road, Dublin 4.

Telephone 01-6136700

The Rights Commissioner Service is a service of the Labour Relations Commission. Rights Commissioners investigate disputes under the Industrial Relations Acts except disputes relating to pay, hours or times of work or annual holidays involving a body of workers. Rights Commissioners, therefore, mainly deal with disputes involving individuals. The following is a complete list of legislation under which Rights Commissioners have jurisdiction:

2. Carers Leave Act 2001
3. Competition Act 2002
5. Industrial Relations (Miscellaneous Provisions) Act 2004
6. Maternity Protection Act 1994
11. Protection of Employees (Fixed-Term Work) Act 2003
15. Terms of Employment (Information) Act 1994
17. European Communities (Protection of Employment) Regulations 2002
18. European Communities (Safeguarding of Employees Rights on Transfer of Undertakings) (Amendment) Regulations 2003.
The Labour Court was established under the Industrial Relations Act 1946. It provides a free, comprehensive service for the investigation and resolution of disputes in the areas of industrial relations, employment equality, organisation of working time, national minimum wage, part-time work and fixed-term work. The Court makes Employment Regulation Orders prescribing legally enforceable minimum rates of pay and conditions of employment in those sectors covered by Joint Labour Committees. The Court also registers employment agreements, the effect of which makes the provisions of the agreement legally enforceable.

CHAIRPERSON: Kevin Duffy

DEPUTY CHAIRPERSONS: Caroline Jenkinson, Finbarr Flood (to 31/5/04), Raymond McGee (from 1/6/04)

EMPLOYERS’ MEMBERS: Eamon Carberry, John Doherty, Robert Grier, Patrick Pierce (temporary appointment)


REGISTRAR: Hugh O’Neill

EMPLOYMENT APPEAL TRIBUNAL
Davitt House, 65A Adelaide Road, Dublin 2.
Telephone 01 - 631 2121
Website: www.entemp.ie/erir/empll_appeal.htm


The terms of office of the Vice Chairmen and Members expired on 29 January, 2004. Details of the current membership of the Tribunal are given below.

CHAIRPERSON: Kate O’Mahony


TRADE UNION NOMINEES: Frank Barry, Ben Kearney, Alice Moore, Rita Bergin, Hillary Kelleher, Jim Moore, Eveta Brezina, Tony Keenally, Sam Nolan, Nick Broughal, George Lamon, Owen Nulty, Brendan Byrne, Sean Mackell, Clare O’Connor, Paul Clarke, Mary Maher, Kevin O’Connor, Anne Clune, Des Mahon, Seamus O’Donnell, Jim Dorney, Margaret McArdle, Emer O’Shea, Breda Fell, John McDonnell, Ciaraan Ryan, Kay Garvey, Dominic McEvoy, Tom Wall, Noínin Greene, Michael McGarry, Kitty Warnock, George Hunter, Bernard McKenna, Paddy Woods

EMPLOYER NOMINEES: Patrick Bracken, Richard Keating, Neil Ormond, Joe Brown, Mel Kennedy, Gerry Phelan, William Browne, Don Moore, Pat Pierce, Pat Casey, Desmond Morrison, Peter Pierson, Frank Cunneen, Michael J. Murphy, William Power, Ann Delahunt, Roger Murphy, Robert D E Prole, Moss Flood, Gerry McAuliffe
Jim Redmond, Michael Forde, Cyril McHugh, John Reid, Tom Gill, Billy O’Carroll, Eamon Ryan, James Goulding, Terence O’Donnell, Marie Sweeney, John Guinan, Paul O’Leary, John Walsh, Ben Kealy, James O’Neill, Declan Winston

OFFICE OF THE DIRECTOR OF
CONSUMER AFFAIRS
4 Harcourt Road, Dublin 2.
Telephone 01 402 5500  Lo-call Tel: 1890 220229
Website: www.odca.ie  E-mail: odca@entemp.ie

The Director is an independent statutory officer, responsible for providing advice and information to consumers and for the enforcement of a wide range of consumer protection laws, including laws on deceptive trading practices, restrictive practices (groceries), consumer credit, package travel, unfair contract terms, timeshare, consumer safety (mandatory standards), food labelling, textile labelling, unit pricing and price displays.

DIRECTOR OF CONSUMER AFFAIRS: Carmel Foley
PRINCIPAL OFFICER: Jack Thompson

PATENTS OFFICE
Government Buildings, Hebron Road, Kilkenny
Telephone 056-7720111  Lo-call Tel: 1890-220223
Fax: 056-7720100  Lo-call Fax 1890-220120
E-mail: patlib@entemp.ie
Website: www.patentsoffice.ie

The Patents Office is responsible for the grant of patents for inventions and for the registration of trade marks and designs. The Controller also has functions in relation to the adjudication of certain copyright disputes.

CONTROLLER: Sean Fitzpatrick

COMPANIES REGISTRATION OFFICE
Parnell House, 14 Parnell Square, Dublin 1.
Telephone 01 804 5200
Website: www.cro.ie
Fax No: 01 804 5222  Lo-call Tel 1890-220226

The Companies Registration Office is the central depository of public statutory information on Irish companies. Its main functions include the incorporation of companies; the registration of business names, of charges on companies, of other post-incorporation documents and of changes in business name particulars. The office has an extensive enforcement programme in respect of the filing of returns.

REGISTRAR: Paul Farrell

OFFICE OF THE REGISTRAR OF
FRIENDLY SOCIETIES
Parnell House, 14 Parnell Square, Dublin 1.
Telephone 01 804 5499
Fax 01 8045498  Lo-call Tel 1890-220 225

The Office of the Registrar of Friendly Societies is a statutory independent office responsible for the registration and general regulation of friendly societies, trade unions and industrial and provident societies (co-operatives).

REGISTRAR: Paul Farrell
The Office of the Director of Corporate Enforcement was established on 28 November 2001 under the Company Law Enforcement Act 2001. The Director of Corporate Enforcement is required to be independent in discharging his compliance and enforcement role with respect to the Companies Acts 1963-2001. His functions include encouraging compliance with the Companies Acts, investigating suspected offences under the Acts and initiating civil and summary criminal proceedings in the Courts. The Director has a general supervisory role in respect of liquidators and receivers.

DIRECTOR: Paul Appleby

PRINCIPAL OFFICERS: Barry Harte, Eamonn McHale

PRINCIPAL SOLICITOR: Ann Keating

The Companies (Auditing and Accounting) Bill provides for the establishment on a statutory basis of an independent regulatory body, the Irish Auditing and Accounting Supervisory Authority (IAASA). IAASA has been set up on an interim basis since April 2001 and its principal function under the new legislation will be to supervise how the prescribed accountancy bodies regulate and monitor their members.

CHIEF EXECUTIVE OFFICER (DESIGNATE): Ian Drennan

SECRETARY: Brendan Moylan

CHAIRPERSON: Mrs. Karen Erwin
APPENDIX 8

Part 3

COUNTY AND CITY ENTERPRISE BOARDS

CARLOW
Michael P. Kelly, Carlow County Enterprise Board, Enterprise House, O’Brien Road, Carlow.
Phone: 059 – 913-0880 Fax: 059 – 913-0717
E-Mail: enterprise@carlow-ceb.com Website: www.carlow-ceb.com

CAVAN
Vincent Reynolds, Cavan County Enterprise Board, Cavan Innovation & Technology Centre, Dublin Road, Cavan.
Phone: 049 – 437-7200 FAX: 049 – 437-7250
E-Mail: info@cceb.ie Website: www.cceb.ie

CLARE
Eamon Kelly, Clare County Enterprise Board, Enterprise House, Mill Road, Ennis, Co. Clare.
Phone: 065 - 684-1922 Fax: 065 - 684-1887
E-Mail: clareceb@clareceb.ie Website: www.clareceb.ie

CORK CITY
Dave Cody, Cork City Enterprise Board, 1/2, Bruach na Laoi, Union Quay, Cork.
Phone: 021 – 496-1828 Fax: 021 – 496-1869
E-Mail: info@corkceb.ie Website: www.corkceb.ie

NORTH CORK
Rochie Holohan, North Cork County Enterprise Board, 26, Davis Street, Mallow, Co. Cork.
Phone: 022 - 43235 Fax: 022 - 43247
E-Mail: corknent@iol.ie Website: theenterpriseoffice.com

SOUTH CORK
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APPENDIX 9
Addresses of Offices of the Department

Department of Enterprise, Trade and Employment,
Kildare Street, Dublin 2.
Tel: (01) 631 2121. Fax: (01) 631 2827.
Lo-call No. (calling from outside (01) area): 1890 220 222.
Website address: www.entemp.ie
E-mail address: webmaster@entemp.ie

Corporate Services & Economic Policy Division,
Competitiveness and International Affairs Division,
Enterprise & Agencies Division, Science, Technology &
Intellectual Property Division (Intellectual Property Unit
based in Earlsfort), Labour Force Development Division,
Commerce, Consumers and Competition Division.

Department of Enterprise, Trade and Employment,
Earlsfort Centre, Lower Hatch Street, Dublin 2
Tel No: (01) 631 2121
Lo-call No. (calling from outside (01) area): 1890 220 222
Website: www.entemp.ie  E-mail: webmaster@entemp.ie

Science, Technology & Intellectual Property Division
(Office of Science & Technology based in Kildare Street.)
Commerce, Consumers and Competition Division.

Department of Enterprise, Trade and Employment
Davitt House, Adelaide Road, Dublin 2.
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Lo-call No. (calling from outside (01) area): 1890 220 222.
Website address: www.entemp.ie  E-mail: webmaster@entemp.ie
Employment Rights Information:Tel: (01) 631 3131
Lo-call: 1890 201 615
e-mail: erinfo@entemp.ie
Work Permits:Tel:(01) 631 3333/631 3308
Lo-call:1890 201 616
e-mail: workpermits@entemp.ie
Employment Rights & Industrial Relations Division; Labour
Force Development Division; Corporate Services &
Economic Policy Division (Finance Unit)

Competition Authority,
Parnell House, 14 Parnell Square, Dublin 1.
Tel No: (01) 804 5400. Fax No: (01) 804 5401.
Lo-call No. (calling from outside (01) area): 1890 220 224.
Website address: www.tca.ie
E-mail address: compauth@entemp.ie

Office of the Registrar Friendly Societies
Parnell House, 14 Parnell Square, Dublin 1
Tel No: (01) 804 5498. Fax (01) 8045498
Lo-call No. (calling from outside (01) area): 1890 220 225

Companies Registration Office,
14 Parnell Square, Dublin 1
Tel No: (01) 804 5222, Information Unit: (01) 804 5201,
Fax No: (01) 804 5222
Lo-call N o. (calling from outside (01) area): 1890 220 226
Website Address: www.cro.ie

Office of the Director of Corporate Enforcement
Address : 16 Parnell Square, Dublin 1.
Telephone: (01) 8585800  LoCall service : 1890 315015
Fax : (01) 8585801
Email : info@odce.ie
Website : www.odce.ie

PATENTS OFFICE
Government Buildings, Hebron Road, Kilkenny

Telephone 056-7720111  Lo-Call Tel: 1890-220223
Fax: 056-7720100  Lo-Call Fax: 1890-220120
E-mail: patlib@entemp.ie
Website: www.patentsoffice.ie

Dublin Patents Information Centre
Ground Floor, Earlsfort Centre,
Lower Hatch Street, Dublin 2
Tel No: (01) 631 2603
Lo-Call Tel: 1890 220 222 ext. 2603
Lo-Call Fax: 1890 220 210
Fax: (01) 631 2551
E-mail: patdub@entemp.ie
Website: www.patentsoffice.ie
Office of the Director of Consumer Affairs,
4 Harcourt Road, Dublin 2.
Tel No: (01) 402 5500. Fax No: (01) 402 5501.
Helpline Tel No: (01) 402 5555.
Lo-call N o. (calling from outside (01) area): 1890 220 229.
Website address: www.odca.ie
E-mail: odca@entemp.ie

Office of the Director of Consumer Affairs,
(Cork Office)
89-90 South Mall, Cork.
Tel N o: (021) 427 4099. Fax N o: (021) 427 4109.

Labour Relations Commission,
Tom Johnson House, Haddington Rd, Dublin 4.
Tel N o: (01) 613 6700. Fax N o: (01) 613 6701.
Lo-call N o. (calling from outside (01) area): 1890 220 227.
E-mail labrc@iol.ie Website: www.lrc.ie

Labour Court,
Tom Johnson House, Haddington Rd, Dublin 4.
Tel N o: (01) 613 6666. Fax N o: (01) 613 6667.
Lo-call N o. (calling from outside (01) area): 1890 220 228
E-mail: info@labourcourt.ie
Website: www.labourcourt.ie

Employment Appeals Tribunal,
Davitt House, Adelaide Road, Dublin 2.
Tel N o: (01) 631 2121.
Lo-call N o. (calling from outside (01) area): 1890 220 222.