



An Roinn Post, Fiontar agus Nuálaíochta  
Department of Jobs, Enterprise and Innovation

# Brief for the Minister

June 2017

	<b>Page</b>
<b>Section One: Overview of Department and Current Priorities</b>	
1.1 Introduction	3
1.2 Brexit	8
1.3 Key Strategic Issues for the Department	11
1.4 Immediate Priorities in the Months Ahead	13
1.5 Department Structure & Interaction with Cabinet Committees	20
1.6 Department Estimate	22
Organisation Chart	25
<b>Section Two: Summary of Key Issues by Division</b>	
2.1 Indigenous Enterprise Development	26
2.2 Innovation and Investment	30
2.3 Commerce, Consumers and Competition	33
2.4 Labour Affairs and Finance	36
2.5 EU Affairs, Trade Policy and Safety & Health Policy	39
2.6 Strategic Policy & Management Support	41
2.7 HR, State Agency Staffing & Pensions, Learning & Development and Business Services	44
2.8 Construction Contracts Adjudication Service	44
<b>Section Three: Details of Key Issues by Division</b>	
3.1 Indigenous Enterprise Development	45
3.2 Innovation and Investment	57
3.3 Commerce, Consumers and Competition	73
3.4 Labour Affairs and Finance	89
3.5 EU Affairs, Trade Policy and Safety & Health Policy	98
3.6 Strategic Policy	114
3.7 Corporate Services Units	130
3.8 Construction Contracts Adjudication Service	135
<b>Section Four: The EU Agenda</b>	136
<b>Section Five: Offices and Agencies of the Department</b>	144
<b>Section Six: Budget and Staffing</b>	
6.1 Departmental Estimate ( <i>Supplementary Information to Section 1.6</i> )	154
6.2 JEI Vote Structure, 2017 Estimate and Beyond	156
6.3 Staff Resources	168
<b>Section Seven: Legislation</b>	
7.1 Priority Bills for Publication in Spring/Summer 2017	171
7.2 All Other Bills awaiting Publication	172
7.3 Bills currently being progressed through the Oireachtas	174
<b>Appendix 1: Implementation of EU Directives</b>	175
<b>Appendix 2: Committee Members</b>	180

## Section One ~ Current Priorities and Overview of Department

### 1.1 INTRODUCTION

#### Statement of Strategy 2016 -2019

The Department of Jobs, Enterprise and Innovation's current mission, as set out in its **Statement of Strategy 2016-2019**, is

***"To lead on the creation and maintenance of high quality and sustainable full employment across all regions of the country, by championing enterprise across government, by supporting a competitive enterprise base to incentivise work, enterprise, trade and investment, and by promoting fair and competitive markets".***

The Statement of Strategy outlines seven key goals for the Department. These goals are set in the context of new and emerging challenges and opportunities, particularly Brexit and ongoing global developments and also reflecting the commitments in the Programme for Partnership Government 2016 and other legislative responsibilities that fall under the remit of the Department. The goals are:

#### **Goal One**

Lead on creating and sustaining high quality enterprise and employment across all regions of the country by supporting a strong indigenous enterprise base, the continued attraction of Foreign Direct Investment and a strong entrepreneurial culture.

#### **Goal Two**

Lead a whole-of-Government approach to developing the most competitive environment for investment, productivity and sustainable jobs.

#### **Goal Three**

Work ambitiously across Government with our EU and international partners to achieve progress in EU and International fora, across a wide range of interests, including in response to the implications of Brexit.

#### **Goal Four**

Lead a whole-of-Government ambition to position Ireland as a Global Innovation Leader, driving an internationally competitive research system, creating an innovative enterprise base and building a better society.

#### **Goal Five**

Promote quality employment, positive workplace relations, well-functioning dispute resolution mechanisms, a safe working environment and the evolution of the minimum wage.

#### **Goal Six**

Ensure that our business regulation facilitates business investment and development, competition in the market place, high standards of consumer protection and corporate governance, and provides Ireland with a competitive advantage in the global market.

#### **Goal Seven**

Invest in our staff to further enhance individual and collective capacity, ensure high standards of corporate governance and optimise our other resources to deliver our Strategy, Mission and Goals.

A copy of the Department's Statement of Strategy 2016 – 2019 is included with this briefing document.

The Department plays a key role in implementing the Government's policies of stimulating the productive capacity of the economy and creating an environment which supports job-creation. The Department also has a remit to ensure fair competition in the marketplace, protect consumers and safeguard workers. Through its agencies and Offices, the Department's remit covers a wide range of activity including:

- attracting foreign direct investment,
- facilitating the start-up and growth of indigenous enterprises,
- increasing exports,
- improving competitiveness and productivity growth,
- promoting innovation and growth through investment in research and development,
- promoting fair competition for businesses and consumers,
- upholding company law,
- safeguarding the rights of workers, including their entitlement to occupational safety and health,
- facilitating a positive industrial relations environment.
- evidence based policy, informed by research, analysis and a robust evaluations culture
- identifying the future skills needs of enterprise (enhancing Ireland's product offering to attract FDI, facilitate investment and job creation by indigenous businesses and improving Ireland's competitiveness, innovation and productivity).

### **Programme for Partnership Government and Some Key Supporting Strategies/Action Plans**

The **Programme for Partnership Government (PfPG)** re-affirmed the Government's strong commitment to, and ambition for, enterprise and jobs. It commits to an ambition of full employment and implementing plans to deliver new sectoral and regional opportunities. Specifically, the Programme for Partnership Government targets:

- 200,000 extra jobs by 2020, including 135,000 outside Dublin;
- a reduction in the national unemployment rate to 6%;
- facilitating the return of at least 70,000 emigrants;
- prioritising balanced regional development, aiming for an unemployment rate in each county that is within one percent of the state average by 2020.

The PfPG also highlights the importance of quality employment, appropriately determined minimum wages, collective bargaining, well-functioning dispute resolution mechanisms and a safe working environment.

A list of specific PfPG actions, for lead delivery by DJEI, are set out at Appendix 1 (Page 18) of the Department's Statement of Strategy 2016 – 2019.

In its 2015 statement on Enterprise Policy, "**Enterprise 2025**", which was developed by the Department of Jobs, Enterprise and Innovation, the Government set out Ireland's longer term ambition for enterprise growth and job creation over the coming decade. The *Enterprise 2025* vision is for Ireland to be the best place to succeed in business, delivering sustainable employment and higher standards of living for all. The Programme for Partnership Government commits to achieving the ambitions set out in *Enterprise 2025* and recognises that, supported with the right policy mix, Irish enterprise can deliver performance to match these ambitions.

DJEI also developed a new strategy for Research and Development, Science and Technology – “**Innovation 2020**” on a cross-governmental basis. The overarching vision in *Innovation 2020* is for Ireland to become a Global Innovation Leader driving a strong sustainable economy and a better society.

Enterprise and innovation policies are broad reaching and their formulation and implementation require a whole of government commitment. Although DJEI is the principal governmental advocate for enterprise and innovation, many other government departments play a crucial role in delivering on complementary policy actions to provide an environment that is conducive to job creation and which support the development of a competitive and sustainable enterprise mix, including in the areas of skills and tax, quality of place and essential infrastructures such as broadband and housing.

The **Action Plan for Jobs (APJ)**, led by DJEI, was developed by Government as a response to the dramatic rise in unemployment since 2008 and the loss of 300,000 jobs in the wider economy. It is a whole of Government approach to identify actions required to support the enterprise sector as the main engine of job creation and to drive collaboration and implementation among the relevant stakeholders who have shared responsibility for the different objectives. In order to oversee the implementation of the quarterly measures and the Action Plan as a whole, the Government established a Monitoring Committee jointly chaired at Secretary General level by the Department of the Taoiseach and DJEI, with DPER also being a member. The process is highly transparent, with the publication of quarterly Progress Reports on the delivery or non-delivery of each quarterly target. It has been demonstrably successful - since the first Action Plan for Jobs was launched in 2012, 225,000 more people are at work in Q1 of 2017. The APJ 2017 was significantly reoriented to respond to Brexit and the changing global trading environment. This year’s plan is at the core of the government’s response to the huge challenges these pose for businesses – to make sure our enterprise base is resilient in the face of changes to come.

Eight **Regional Action Plans for Jobs** were published by the Department between June 2015 and January 2016, aimed at raising employment levels in the regions and facilitating them to achieve their economic potential. The primary objective of these plans is to have a further 10 to 15 per cent at work in each region by 2020 and to ensure the unemployment rate of each region is within one per cent of the State average.

Internationally, enterprise policy is evolving towards a “system” approach, with a role of Government acting as a facilitator, coordinator and market creator in addition to an investor. Governments in other countries are increasingly engaging in creating networks, enabling cluster development, addressing coordination failures, and aligning strategic priorities through effective and ongoing dialogue with enterprise. This evolution in enterprise policy internationally has informed the Department’s formulation of the policy approach set out in **Enterprise 2025**.

Such an approach is also adopted in **Innovation 2020**, which sets out the role of innovation in helping to drive economic and jobs growth, increase collaborations between enterprise, higher education institutions and public service bodies to address major challenges.

In March 2017, the Government published its new trade and investment strategy, **Ireland Connected**, the development of which was led by DJEI and DFAT to respond to the challenge of Brexit and other global challenges.

The Department and its agencies have been to the fore in a cross-departmental focus on addressing the jobs challenge over the last five years through export-led growth, with an additional 225,000 people are at work since the beginning of 2012, bringing total employment in the State to 2,063,900 at the end of Q1 2017 (seasonally adjusted).

Employment increased by almost 70,000 in the twelve months to Q1 2017 – an annual increase of 3.5%. Full time employment grew by 5.6% while part time declined by 3.4%. The unemployment rate fell from 15.1% in Q1 2012 to 8.4% at the end of April 2016 and has fallen further to 6.4% in May 2017.

### Current Headline Targets

The following is a summary some of the current headline targets or outputs / outcomes our policies are designed to achieve:

- The Programme for Partnership Government sets a target to increase the number at work by 200,000 by 2020, including 135,000 jobs outside of Dublin.
- Deliver on Enterprise Ireland's targets of a net additional 32,000 jobs over the period 2015-2020, grow exports of Irish-owned firms by 6-8% p.a. to 2020 and increase the number of Irish enterprises performing R&D by 25%.
- By end 2019: increase the number of start-ups by 25%, increase the survival rate in the first five years by 25% and improve the capacity of start-ups to grow to scale by 25%
- Have a further 10 to 15 per cent at work in each region by 2020 and to ensure the unemployment rate of each region is within one percentage point of the State average
- Delivery, through IDA Ireland, 42,000 net additional jobs over the period 2015 to 2020, winning an additional 1,080 investment projects over the period and €3.6bn in RDI investment by overseas firms.
- Through Innovation 2020, increase public and private investment in R&D to 2.5% of GNP by 2020, from its current level of 1.6%. This will require;
  - as part of the Mid-Term Review of the Capital Programme, seeking to increase public spending across all Departments in R&D in the period to 2020 XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX
  - a near doubling of Business Expenditure on R&D by 2020, drawing down €1.25bn funding under the EU Framework Programme for Research & Innovation, Horizon 2020
  - using some of the additional Exchequer funds to expand the numbers of researchers and provide the equipment and buildings to support them, in part through a new Programme for Research Third Level Institutions (PRTLII)
  - doubling private investment in R&D activity in public bodies, including the higher education system through collaboration supported by Science Foundation Ireland and Enterprise Ireland
- In support of these high level targets, to meet the individual detailed targets and objectives set out in the strategies and corporate plans of IDA Ireland, Enterprise Ireland, the Local Enterprise Offices, Science Foundation Ireland and the NSAI
- Respond to annual increases in employment permits demand (in excess of 30% per annum in recent years) and target average wait below 10 days for trusted partners, 30 days for general employment permits and 2 months for appeals. Provide for in excess of 3,000 critical ICT permits.
- Target a maximum five-month national average waiting time for 1st instance hearings under new WRC structure (up to two years in the recent past under old structures) and 80% of decisions to issue within 8 weeks (100% 6 months) post hearing.
- Reduce rates of work related deaths, injuries and ill health (67 fatalities in 2007; down to 45 in 2016)

- Reduce agriculture fatalities from almost 50% of all workplace deaths (farms make up just 6 per cent of workplaces).
- Grow the *BeSmart* on-line Health and Safety tool user base from 38,000 (up 8,000 in 2016) to make compliance easier and keep the regulatory burden to a minimum.

## **Budgets, Staffing, Offices and Agencies**

The Department has a total 2017 budget of €858m comprising €555m Capital and €303m Current.

The Department funds and staffs 5 Offices:

- Companies Registration Office (CRO) incorporating the Registry of Friendly Societies
- Labour Court
- Office of the Director of Corporate Enforcement (ODCE)
- Patents Office
- Workplace Relations Commission (WRC)
- It also funds and staffs the Low Pay Commission.

The Department also provides research, analysis and secretariat support to the work of a number of councils/groups including the:

- National Competitiveness Council, established by Government Decision and reports to the Taoiseach through the Minister for Jobs, Enterprise and Innovation
- Export Group on Future Skills Needs, jointly reporting to the Minister for Jobs, Enterprise and Innovation and Minister for Education and Skills,

The Department supports 9 Agencies and the 31 Local Enterprise Offices, comprising:

- Competition & Consumer Protection Commission
- Enterprise Ireland
- Health and Safety Authority
- Irish Auditing and Accounting Supervisory Authority
- IDA Ireland
- InterTrade Ireland
- National Standards Authority of Ireland
- Personal Injuries Assessment Board
- Science Foundation Ireland
- 31 Local Enterprise Offices

The Department has its main presence across three offices in Dublin – Kildare Street, Earlsfort Centre and Davitt House on Adelaide Road. In addition, Departmental staff are located in Kilkenny (Patents Office) and Carlow (part of the Companies Registration Office (CRO), and part of the Workplace Relations Commission (WRC)). Staff are also serving in Bloom House, Gloucester Place, Dublin 1, (CRO and CCPC), Parnell Square (Office of the Director of Corporate Enforcement and, in Lansdowne House, Dublin 4 (Labour Court and WRC), and in our regional presence for the WRC in Dublin, Cork, Shannon and Sligo.

More detail on the Offices and Agencies is set out in Section Five.

## External Risks

There are a number of external risks that could impact on the momentum of enterprise job creation over the short and medium term. These include the impacts of Brexit, changes in the EU and in the wider global trading and investment environment, developments in international tax policy that could impact on Ireland's attractiveness for investment relative to other jurisdictions, waning support internationally for free trade which could negatively impact global growth, euro appreciation vis-a-vis sterling and the dollar which would impact exports, inward investment and tourism, increases in energy and oil prices, and the impact on global economic growth of fragilities in China, Europe and the US.

In addition there are growing concerns as to the impact of increases in domestic costs on our competitiveness, and emerging capacity issues in areas such as skills, office and industrial buildings availability, infrastructure investment and housing supply, which are increasingly impacting on our potential for enterprise investment and job creation.

## Opportunities

There are significant opportunities presented for many businesses from the evolution of the digital market, which has and will continue to change how business is done internationally. Ireland's strengths in particular sectors, for example, the ICT sector, can allow us to take advantage of opportunities in these areas. Building on the strong culture of innovation and entrepreneurship to strengthen our enterprise capacity and ensure the right mix between foreign and domestic enterprise is also a priority.

New and emerging markets present significant opportunities for trade and investment growth and international trade agreements can be leveraged to create opportunity in this area. There needs to be a continued focus on building and sustaining existing markets and use to our advantage our location, close to large, affluent markets, which offers opportunities to Irish companies to grow sales and exports. Ireland has a world class talent pool that is responsive to the changing and diverse needs of the economy and this is a key strategic strength. Ireland also has a strong entrepreneurial ecosystem which supports and attracts innovative start-ups that can scale up in international markets. We need to promote our strength as a location for ease of doing business and one where there are high standards of business regulation and corporate governance.

## 1.2 BREXIT

### *(a) Background*

On 23 June 2016, the UK electorate went to the polls and voted to leave the European Union. Article 50, the process whereby a country leaves the EU, was formally triggered by Prime Minister May on the 29<sup>th</sup> March 2017. PM May's letter included strong acknowledgement of our unique circumstances, the need to protect the peace process and the Good Friday Agreement, and our intention to maintain bilateral arrangements with the UK like the Common Travel Area.

On May 22, the General Affairs Council agreed the detailed negotiating mandate for the European Commission to open negotiations with the UK. This mandate is based on the Guidelines adopted by the European Council on 29 April. The Council also confirmed the establishment of a new Council Working Party on Article 50 which held its first meeting on the



24<sup>th</sup> May. DJEI provides input to Department of Foreign Affairs & Trade who are leading coordination of national positions for these meetings. DJEI officials in the Permanent Representation in Brussels are also engaging in this work providing advice and expertise on the ground and sharing intelligence with HQ.

The Guidelines and Directives reflect Ireland's unique concerns regarding the withdrawal negotiations – to support and protect the achievements, benefits and commitments of the Peace Process, to avoid a hard border, and to protect the Common Travel Area. They also recognise the desirability of moving on to discuss the future relationship between the EU and the UK once sufficient progress has been made on the withdrawal issues, as well as the likely need for transitional arrangements and to address concerns around transit of goods across the UK – Ireland's land-bridge to the EU.

The outcome is a major endorsement of the Government's approach and is a reflection of the government's focused campaign of strategic engagement with EU Member States and the EU institutions over the past 10 months.

Given that the EU's initial negotiating position is now clear, the Government will intensify its focus on the economic implications of Brexit, including on domestic policy measures to reinforce the competitiveness of the Irish economy, to protect it from potential negative impacts of Brexit, and to pursue all possible opportunities that might arise. Government published a detailed Position Paper for the forthcoming negotiations in May 2017. This document builds on Government's work to date and comprehensively sets out the positions and priorities that will underpin our engagement in the Brexit process as it unfolds over the next two years.

The Department will continue its analysis and engagement work to develop robust policy responses and approaches to be taken in the negotiations to secure the best outcome for enterprise, jobs and innovation.

### ***(b) Brexit Unit***

The Department has established a Brexit Unit which leads on the coordination of DJEI & Agency analysis and policy and operational response to Brexit.

The Brexit Unit provides the Secretariat to a number of internal and external Brexit Groups. The Unit represents DJEI on the Inter-Departmental Group led by D/Taoiseach which prepares the Cabinet Committee on Brexit and oversees the work of a myriad of cross Government working groups established on a sectoral basis. The Brexit Trade and Investment Group is chaired by the A/Secretary in the Division and includes membership at that level from relevant Departments.

Brexit Unit leads on engagement with the Department's stakeholders to inform our approach and policy positions on Brexit in consultation with relevant Divisions. Dialogue is happening through existing channels of communication with stakeholders, via APJ National & Regional Implementation Groups, Retailers Forum, Horizon 2020 High Level Group and Enterprise Forum on Brexit and Global Challenges. Since the UK vote to leave the EU Ministers and officials have also been engaged in extensive bilateral engagement with EU counterparts.

The Brexit Unit oversees research and analysis being undertaken by the Department and its Agencies and monitors research published by external bodies to better inform our policy response.

**(c) *Brexit impacts across DJEI***

Key risks exist in trade and enterprise policy with most immediate impacts being felt as a result of currency fluctuations. Impacts will be pronounced on north/south trade and INTERREG funding and there are also risks associated with potential for regulatory divergence in the medium term and the loss of the UK as a strong like-minded ally in EU negotiations more generally. On the other hand there are opportunities in Foreign Direct Investment and in research and innovation.

Given Brexit is likely to represent a structural shift in the UK trading relations with partners, short, medium and long term responses are needed for Irish business. These include market diversification, cost reduction, innovation and price repositioning. Enterprise Ireland in particular is focusing its support on measures to address these issues for client companies.

The issue of currency fluctuation between the euro and sterling has been identified from an early stage as a factor liable to have an effect on the competitiveness of Irish exports to the UK. Policy responses are being developed based on a Survey of SMEs impacted by Brexit, which was conducted by DJEI earlier this year.

Micro-enterprises and start-ups with cross-border trade relationships are particularly vulnerable to the effects of Brexit. InterTrade Ireland is supporting companies engaged in cross border trade through a range of enterprise support programmes to build capacity in research and innovation and sales and marketing to better prepare for Brexit.

Brexit provides an opportunity for Ireland to increase its FDI stock. Particular sectors from which investment opportunities may emerge include international financial services, technology, consumer and content business and life sciences. IDA is currently focusing its efforts on maximising these opportunities.

Ireland is well diversified in terms of our international research collaboration including through the EU Framework Programme for Research & Innovation – Horizon 2020. While the UK is an important partner for Ireland in research we are not overly dependent on the UK. There are opportunities for Ireland now to build further bilateral collaboration with the UK outside the EU and to further diversify our collaborations with other EU Member States in Horizon 2020. SFI has a number of programmes in place to deliver on this strategy.

The EU Guidelines also acknowledge the need for the EU to recognise existing bilateral agreements between the UK and Ireland – one of these is the Common Travel Area. If the CTA is upheld UK citizens would not require work permits to work in Ireland. However, the potential for 3rd country nationals who might look to Ireland rather than the UK could place additional demands on the employment permit regime.

Potential impacts on a number of policy areas within DJEI fall into the category of regulatory divergence. These are areas where potential impacts emerge depending on the extent to which the UK align post Brexit with existing regulations and legislation.



### **(b) Maximising Job Creation/Retention through Inward Investment**

- Ensuring IDA Ireland is positioned to deliver on the jobs targets of 42,000 net additional jobs over the period 2015 to 2020, and winning an additional 1,080 investment projects over the period and €3.6bn in RDI investment by overseas firms.
- Supporting IDA Ireland, in particular, in its efforts to maximise new foreign direct investments (FDI) opportunities that may arise for Ireland on account of Brexit.
- Ensuring, in consultation with the Department of Finance and Revenue, a tax environment that is supportive of enterprise and job creation and which meets taxation requirements at international level and in a way that provides certainty for investors and sustains Ireland's competitiveness
- Securing the necessary capital budget and human resources to enable IDA Ireland to deliver investment, exports and jobs.

### **(c) Maximising Job Creation/Retention through Indigenous Enterprise**

- Providing supports for enterprise in addressing the challenges of Brexit.
- Delivering on Enterprise Ireland's targets of 60,000 new jobs over the period 2017-2020, growing exports of Irish-owned firms by €5bn to €26bn p.a. and increasing the R&D spend by 50% to €1.25bn p.a.
- Developing the most effective environment for indigenous companies to start, scale and succeed, through a suite of policies and supports designed to assist and facilitate businesses at all stages of development and growth, from nascent and early stage entrepreneurs to companies of scale trading internationally.
- Maximising the contribution from indigenous enterprises to economic development in terms of business start-ups, exports, and job creation.
- Delivering enhanced access to finance for SMEs, including microfinance, loan credit guarantees, and seed and venture capital.
- Securing the necessary capital budget and human resources to enable Enterprise Ireland to deliver investment, exports and jobs.

### **(d) Ensuring an Appropriate Regulatory Environment for Business, Consumers and Workers**

- Helping to make markets work more effectively for consumers and the economy as a whole through the promotion of keen competition, high standards of compliance and corporate governance and consumer protection but without unnecessary regulatory costs.
- Improving the implementation of occupational safety and health legislation to save lives, reduce injuries, promote occupational health and ensure ease of compliance in particular in micro and small-sized enterprises.
- Developing Employment Rights policy and legislation, which recognises the need for both flexibility and security and taking into account the changing realities of the world of work.
- Meeting increasing challenges in the workplace relations/employment rights environment, through the services of the Workplace Relations Commission and Labour Court.
- Ensuring regulatory bodies of the Department have the expertise, processes and resources to fulfil their broad regulatory remit.



The Department in a submission on the Mid-Term Review of the Capital Plan, which was forwarded to PER on the 3<sup>rd</sup> March 2017, identified a number of discrete and significant challenges /priorities which would require a stepped increase in the Department's capital budget from 2018 onwards. These priorities included the need to

- Deliver on the Government's Regionalisation Agenda (incl. the PfG commitment of an additional €500m to Enterprise Ireland, LEOs, IDA Ireland).
- Provide the necessary transformational supports for indigenous enterprise to respond to Brexit challenges
- Commence the Immediate ramping up of R&D investment in support of Government's science strategy "Innovation 2020
- Provide, if required, contingency funding/ "Access to Finance" packages over 2 years needed to support firms most at threat in the face of Brexit

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XXXXXXXXXXXXXXXXXXXXXXXX . Further detail is provided in section 6 of this brief.

#### **(d) ODCE/ Seán Fitzpatrick Case**

On May 24th 2017 in the Dublin Circuit Criminal Court, Judge John Aylmer directed the jury to acquit Mr Seán Fitzpatrick of all charges.

Under the proceedings initiated by the Director of Public Prosecutions, Mr. Seán Fitzpatrick, the former Chairman and Chief Executive of Anglo Irish Bank Corporation plc, had been charged with 21 alleged breaches of section 197 and 6 alleged breaches of section 242 of the Companies Act 1990.

On May 24th, the Minister wrote to the Director requesting a report under the Companies Act 2014. In her letter, the Minister asked for the report to address the criticisms raised by Judge Aylmer which include:

- the coaching of witness statements;
- late disclosure of documents;
- a perceived bias by ODCE investigators;
- the shredding of documents; and
- any other relevant matters.

The letter stated that the Minister expects the report to be delivered as a priority, and no later than June 23rd. The Minister has stated that she will consider the report in consultation with the Attorney General. The Minister has also stated that she will take any actions necessary, including changes in procedure, organisation change, enhanced powers or indeed legislative solutions.

#### **(e) Legislative Priorities**

A full list of the Department's legislative priorities is included in section 7 of this brief, some immediate priorities for the months ahead are as follows:

- **Companies (Statutory Audits) Bill 2017**  
The Bill is listed for priority legislation for publication in Spring/Summer Session 2017 and drafting of the Companies (Statutory Audits) Bill 2017 is well progressed. The main objective of this Bill is to further transpose discretionary elements of Directive 2014/56/EU, to give effect to some elements of Regulation EU No 537/2014 and to elevate SI 312 of 2016 to primary legislation.







**(l) Research Prioritisation Refresh.**

A new cycle of Research Prioritisation will be in place by 2018. Public research funding is currently focused on 14 priority areas identified on the basis of national economic and societal need, and where, for the most part, there is already a combination of enterprise relevance and research strength in Ireland. There are three strands to the development of the new cycle:

1. A review of the first cycle of Research Prioritisation.
2. A market-led horizon-scanning exercise to identify strategic areas of commercial opportunity in global markets for Irish-based enterprises.
3. A technology futures exercise to identify technologies that will be critical to Ireland's economic and social development.

**(m) Start Up/Scaling Agenda**

- Secure additional funding in the context of the Mid Term Review of the Capital Plan for EI's Global Ambition Plan, under which EI will drive and support firms to improve their competitiveness, diversify their exports and break into new markets, and to maintain and increase employment levels.
- Support the rollout of an extensive schedule of EI trade promotion programmes with over 145 events for 2017 to support client exports to the UK and to diversify into new markets.

**(n) Annual Report of the Company Law Review Group (CLRG) on Protections for Employees and Unsecured Creditors**

The Report of the Company Law Review Group on Protections for Employees and Unsecured Creditors is nearing completion. The report is the result of an in-depth review by the CLRG of all aspects of company law which affect employees and unsecured creditors in an insolvency situation. Once the report is adopted by the CLRG, it will be formally submitted to the Minister for consideration. There is likely to be political and media interest in the report.

**(o) Industrial Relations**

In order to progress necessary amendments to the Industrial Relations Act 1990 to provide Garda Representative Associations with access to the States Industrial Relations institutions, a working group chaired by D/JE has been established to work through a range of core issues that must first be tied down. A Consultation Paper has been issued to the representative bodies and responses are awaited. DJEI will take the lead on the legislative work required to amend the Industrial Relations Act 1990.

**(p) Response to Report by Ms Nessa Cahill B.L and Mr Kevin Duffy, Chairman of the Labour Court examining legal protections for employees**

The Duffy/Cahill report examining the legal protections for employees, particularly where operations and assets may be moved to separate legal entities as part of a restructuring, was published on 26th April 2016. There have been several high profile cases in recent years, most notably the closure of Clerys. Work on developing a policy response to the report is on-going. The Company Law Review Group was also asked to review company law aspects of this report with a view to recommending ways company law could be potentially amended to ensure better safeguards for employees and unsecured creditors. This review is underway.

Separately, authorised officers of the Minister (inspectors from the Workplace Relations Commission) have sought information from a number of parties in relation to the collective

redundancies that took place in OCS Operations Limited (the trading company which was the employer of the staff of Clerys) on 12 June 2015. The investigation has been, and continues to be, subject to legal challenges. The investigation is continuing and the matter of prosecutions, where appropriate, is also being progressed.

**(q) National Minimum Wage in 2017 and 2018**

The Low Pay Commission submitted its recommendation to the Minister in July 2016 in relation to the appropriate rate for the National Minimum Wage in 2017. The Government accepted the recommendation in the context of Budget 2017 and the increase to €9.25 per hour came into effect on 1<sup>st</sup> January 2017). The Commission is now working on its next recommendation to be made by Tuesday 18th July next. Any rate change would apply from 1 January 2018.

**2017 Dates / events in the period ahead for Minister**

The following key events are provided for consideration by the Minister as to attendance / representation by the Department.

Key Events in Minister's Diary			
Month	Date	Meeting/Appointment	Location
June	15	EPSCO	Luxembourg
	14-15	Trade and Education	Slovakia
	22	Sinn Fein Private Member's Bill Protection of Employees (Collective Redundancies) Bill 2017 2 <sup>nd</sup> Stage	
	26	Launch of Ireland's 2 <sup>nd</sup> National Plan on Corporate Social Responsibility	Dept Foreign Affairs, Dublin
July	03	DJEI/DES Sectoral Dialogue on Enterprise Skills Needs and Brexit	Dublin
	17-18	Informal Joint COMPET (Internal Market and industry) and Telecoms Council	Tallinn
	19	Third Plenary Meeting of the All-Island Civic Dialogue	Dublin Castle
	19-21	Informal EPSCO	Tallinn
	25	Informal COMPET Council (Research)	Tallinn
	September	TBC	TBC North South Ministerial Council (NSMC)- Sectoral
XXXXXXXXXX		XXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXX
TBC		Enterprise Forum on Brexit and Global Challenges	
19-21		Ploughing Championship	Ireland
October	17	COMPET (Internal Market & Industry) (tbc)	Luxembourg
	23	EPSCO (tbc)	Luxembourg
	24-26	CPHI Worldwide 2017	Germany
	TBC	TBC: North South Ministerial Council Plenary Meeting	Armagh or Dublin
November	7	EU – European Space Agency Informal Space Ministerial	Tallinn
	10	Foreign Affairs (Trade) Council	Brussels
	10	FAC Trade	Brussels

	12-15	Dubai Airshow	UAE
	12-16	Irish Group Stand @ Agritechnica 'Systems & Components'	Germany
	12-16	Medica 2017	Germany
	30	COMPET Council (Research)	Brussels
	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXX
December	1	COMPET (Research)	Brussels
	8	EPSCO Council	Luxembourg
	10	FAC Trade	Buenos Aires
	10-13	Ministerial Conference 11	Buenos Aires
	11	Trade Council en marge of WTO Ministerial Conference	Buenos Aires

**No fixed Dates** - Appearance before Oireachtas Committee on Estimates.

**List of Groups / Committees attended by the Minister for Jobs, Enterprise & Innovation**

<b>Group / Committee</b>	<b>Approximate frequency</b>
<b>Departmental Coordination on Brexit</b> (Senior Officials from DJEI & Agencies)	Monthly
<b>Enterprise Forum on Brexit &amp; Global Challenges</b> (Business Representative Groups) (Group meets every 6-8 weeks – Minister attends quarterly)	Quarterly
<b>Retail Consultation Forum</b> (Retail Sector representatives & Senior Officials from relevant Government Departments)	Quarterly
<b>National Design Forum</b> (Representatives from the business & education sectors and relevant Government Departments & Agencies)	3-4 times annually
<b>Cabinet Committee on Economy, Trade and Jobs</b>	Frequency of Cabinet Committee meetings are determined by the Department of An Taoiseach
<b>Cabinet Committee on Brexit</b>	
<b>Cabinet Committee on European Affairs</b>	
<b>Cabinet Committee on Regional and Rural Affairs</b>	
<b>Cabinet Committee on Infrastructure, Environment and Climate Action</b>	
<b>Export Trade Council</b> (Council members include relevant Government Ministers, relevant Agency CEO's & private sector representatives)	Biannually

## 1.5 The Department Structure and Interaction with Cabinet Committees

The Department is currently comprised of six Divisions, as follows:

Division	Assistant Secretary
Indigenous Enterprise Development Division	Clare Dunne
Innovation and Investment Division	Dermot Mulligan
Commerce, Consumers and Competition Division	Breda Power
Labour Affairs and Finance Division	Martin Shanagher
EU Affairs, Trade Policy and Safety, Health & Chemicals Division	Philip Kelly
Strategic Policy and Management Support Division	Declan Hughes

In addition, Human Resources, Learning and Development and Business Services Unit Reports directly through a Principal Officer, John Hughes, to the Secretary General.

A more detailed top level organisation chart is included on Page 25.

### 1.5.1 Management Board

The Department's Management Board currently comprises the Secretary General, six Assistant Secretaries and the Head of the Management Support Unit.

The Management Board meets weekly, usually on Monday mornings.

### 1.5.2 Ministerial Management Board

Currently, Ministerial Management Board meetings take place every four weeks. The Minister, the Ministers of State and the Special Advisors to the Minister attend these meetings, along with the members of the Management Board. The Agenda is set by the Minister, who also chairs the meeting.

### 1.5.3 Cabinet Committees

The Cabinet Committee system is a key infrastructure supporting the formulation and delivery of significant Government policies, and especially those that require cross-Departmental and cross-Agency co-operation. DJEI has been an active contributor to the work of the Cabinet Committees and their supporting senior officials, expert and technical groups. In doing so it has sought to place employment, enterprise and innovation at the heart of government policy areas which influence sustainable economic recovery, and especially, in regard to job creation, infrastructure, European Union, energy and climate change policy.

The Department has successfully ensured that competitiveness is prioritised in the formulation of policy across many domains, so that the implications for business costs, jobs exports and inward investment are given due consideration. The Department is committed to driving delivery of commitments made in the new Programme for Government and other frameworks (APJ 2016, Enterprise 2025, Innovation 2020, Ireland Connected).

The Minister/Department are currently members of the following Committees and their supporting groups.

- Cabinet Committee on Infrastructure, Environment and Climate Action
- Cabinet Committee on Economy, Trade and Jobs
- Cabinet Committee on European Affairs
- Cabinet Committee on Regional and Rural Affairs
- Cabinet Committee on Brexit

#### **1.5.4 EU Councils**

Of the nine current EU Council of Ministers formations, this Department has a key role in 3 Councils, the Competitiveness Council, the Trade Council, and the Employment Social Policy Health and Consumer Affairs (EPSCO) Council.

Ministers and Ministers of State act as "Head of Delegation" at formal meetings of these Councils in Brussels, and occasionally Luxembourg, and at informal meetings in the country holding the EU Presidency.

For details of forthcoming councils see Section 4.

## 1.6 DEPARTMENTAL ESTIMATE

The content of this section needs to be considered in conjunction with the further detail and background on the Department's Vote and finances contained in Section 6 of this briefing document.

The total Gross Allocation for the Department for 2017 is €858 million as per the published 2017 Revised Estimates Volume (REV). This includes funding for the Department, its Offices and its Agencies. The funding provision is targeted at growing the economy and maintaining and developing employment while regulating markets and ensuring fair competition and retaining an effective and efficient labour relations capability. A breakdown of the €858 million and a comparison with 2016 REV allocation is as follows:

	2017 REV Allocation	2016 REV Allocation
Capital	€555m	€503m
Capital Carryover	nil	€ 10m
Supplementary Estimate	-	€35m (Capital)
Total Capital	€555m	€548m
Current	€303m	€297m
<b>Total Allocation</b>	<b>€858m</b>	<b>€845m</b>

The €858m for this year is allocated as follows:

- €555m in Capital grants provision (mainly enterprise & research grants to Enterprise Ireland, IDA Ireland, Science Foundation Ireland and the Local Enterprise Offices).
- €153.6m on payroll costs to cover a staffing cohort of c. 2,450 across the JEI Vote (c. 835 posts in the Department, the other 1,600+ employed across the agencies).
- €100.4m in non-pay programme expenditure e.g. day-to-day running costs of the Department, Offices & Agencies. Non-pay also covers Ireland's subscriptions to certain international memberships organisations.
- €49m in Pensions costs, primarily for retired employees of the enterprise agencies.

### JEI Current Expenditure

#### Comparison of Current Expenditure 2017 v 2016

	2017	2016
Pay	€153.6m	€155.m
Pensions	€49m	€49m
Non-Pay	€100.4m*	€93m
<b>Total</b>	<b>€303m</b>	<b>€297m</b>

*\*see Point 3 below re: Technical adjustment in 2017 re: the Local Enterprise Offices*

The JEI Current (gross) provision of €303m represents **0.57%** of the total 2017 Exchequer Current expenditure provision of €53.5 billion.

**Non-Pay** covers the cost of day-to-day operations of the Department, Offices and Agencies (e.g. accommodation related costs, travel, publications, ICT costs etc).

**Non-Pay** also includes payment of Ireland’s annual membership contributions to, for example, the World Trade Organisation, the International Labour Organisation, the World Intellectual Property Organisation and the OECD.

The primary changes on the Current expenditure side in 2017 are:

- 1/ An additional €3m in “Brexit” related pay was secured to enable the recruitment of 40+ staff across the Department, Enterprise Ireland, IDA Ireland, Science Foundation Ireland and the Health & Safety Authority.
  
- 2/ An additional €2.9m has been provided for technical adjustments relating to Pay (€2.55m) and Pensions (€0.36m) on foot of Pay/Pensions restoration and payments due in 2017 under the Lansdowne Road agreement.
  
- 3/ There was also a technical adjustment made, with the approval of the Minister for Public Expenditure, in relation to Subhead A8 – Local Enterprise Development (LEOs). In 2016 the Current provision to the LEOs via JEI Vote totalled €10.4 million [broken down between Pay of €7.2 million and €3.2 million in Non- pay]. However in 2017, in recognition that the LEOs, and the associated staffing cohort is now the responsibility of the Environment & Local Government Vote, the (previous) Pay amount of €7.2m has been reclassified as Non-Pay. Therefore there is no longer a Pay line in Subhead A8 – Local Enterprise Development and the Non-Pay provision has been increased by €7.2m to bring it to €10.4m. This matches the total 2016 Current funding allocation to the LEOs.

**JEI Capital Expenditure**

The Department’s total (gross) capital provision for 2017 is **€555m** and it represents **12.22%** of the total planned Exchequer Public Capital Programme of €4.54 billion this year.

The €555m capital this year is a 10% increase over the 2016 Revised Estimates Allocation of €503m (excluding capital carryover and Supplementary monies).

The JEI capital provision is to support the grant activities of the enterprise agencies, primarily Enterprise Ireland, IDA Ireland, Science Foundation Ireland and the Local Enterprise Offices as well as Ireland’s subscriptions to a number of international research organisations, such as the European Space Agency.

The bulk of the enterprise grant operations are multi-annual programmes spanning over 3 to 6 year periods and take-up on agency grants is usually dependent on industry demand and activity in the economy.   
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**Supplementary Estimate – December 2016**

The Department had a Supplementary Estimate approved by the Oireachtas in December 2016. The Supplementary Estimate provided for an additional Capital Package of €60m for use by the Department in 2016. The Package was made up of an additional €35m capital being provided in Exchequer monies; along with €15m in capital savings which arose due to additional Own





**Top Level Organisation Chart**  
**Secretary General: Orlaigh Quinn**

<b>EU Affairs, Trade Policy, Safety, Health and Chemicals Division</b> Assistant Secretary <b>Philip Kelly</b>	<b>Commerce, Consumers and Competition Division</b> Assistant Secretary <b>Breda Power</b>	<b>Indigenous Enterprise Development Div.</b> Assistant Secretary <b>Clare Dunne</b>	<b>Innovation and Investment Division</b> Assistant Secretary <b>Dermot Mulligan</b>	<b>Strategic Policy Division</b> Assistant Secretary <b>Declan Hughes</b>	<b>Labour Affairs Division</b> Assistant Secretary <b>Martin Shanagher</b>		
<p><b>EU Affairs and Single Market</b> Principal Officer <b>Conor Verdon</b></p> <p><b>Trade Policy and Export Licensing</b> Principal Officer <b>Lorraine Benson</b></p> <p><b>Brexit Unit</b> Principal Officer <b>Pauline Mulligan</b></p> <p><b>Safety, Health &amp; Chemicals Policy</b> Principal Officer <b>Paraig Hennessy</b></p> <p><b>Economic Counsellors</b> <b>Declan Morrin (Embassy London)</b> <b>Thomas Murray (PR Brussels)</b> <b>Anne-Marie Finlay (PR Brussels)</b> <b>John Newham (PMUN Geneva)</b></p>	<p><b>Competition &amp; Consumer Policy</b> Principal Officer <b>Kieran Grace</b></p> <p><b>Company Law Policy &amp; Business Regulation Unit</b> Principal Officer <b>Colm Forde</b></p> <p><b>Company Law Development &amp; EU</b> Principal Officer <b>Helen Curley</b></p> <p><b>Company Law Audit &amp; Accounting Policy</b> Principal Officer <b>Sabha Greene</b></p> <p><b>Cooperative Legislation &amp; PIAB Liaison</b> Principal Officer <b>Colm Forde</b></p> <p><b>Internal Audit</b> Principal Officer <b>TBC</b></p>	<p><b>Enterprise Agencies &amp; Programmes Unit</b> Principal Officer <b>Eugene Forde</b></p> <p><b>Finance For Growth &amp; State Aid</b> Principal Officer <b>Jean Carberry</b></p> <p><b>Regional Strategies &amp; Enterprise Initiatives</b> Principal Officer <b>Eadaoin Collins</b></p> <p><b>Entrepreneurship &amp; Small Business Policy</b> Principal Officer <b>Nina Brennan</b></p> <p><b>ICT Unit</b> Principal Officer <b>Pat McCourt</b></p>	<p><b>Innovation, Research and Development - Policy</b> Principal Officer <b>Joseph Moore</b></p> <p><b>Innovation, Research and Development – Programmes</b> Principal Officer <b>Marcus Breathnach</b></p> <p><b>Intellectual Property Unit / Patents Office</b> Principal Officer <b>Anne Coleman-Dunne</b></p> <p><b>Inward Investment &amp; North/South Unit</b> Principal Officer <b>Richard Scannell</b></p>	<p><b>Competitiveness, Economic Analysis &amp; Enterprise Surveys Unit,</b> Principal Officer <b>Marie Bourke</b></p> <p><b>Skills &amp; Education Unit/ Enterprise Programmes &amp; Policies Evaluations Unit</b> Principal Officer <b>Kevin Daly</b></p> <p><b>Action Plan for Jobs</b> Principal Officer <b>Gary Martin</b></p> <p><b>New Sources of Growth and Innovation Advisory Unit</b> Principal Officer <b>Karen Hynes</b></p> <p><b>Enterprise Policy, Trade Strategy, Economic Infrastructures &amp; Tax</b> Principal Officer <b>Maria Ginnity</b></p> <p><b>Management Support/ and Communications Fol Units (including Press Office)</b> Principal Officer <b>Michael O'Leary</b></p>	<p><b>Employment Rights</b> Principal Officer <b>Dermot Sheridan</b></p> <p><b>Employment Permits &amp; Economic Migration Policy, EU/EPSCO Coordination</b> Principal Officer <b>Fiona Ward</b></p> <p><b>Industrial Relations and Workplace Relations Liaison</b> Principal Officer <b>Stephen Curran</b></p> <p><b>Low Pay Commission</b> Principal Officer <b>Maire Ni Chuirc</b></p> <p><b>Finance Unit</b> Principal Officer <b>Cathal O'Gorman</b></p> <p><b>Legal Adviser</b> <b>Kevin O'Connell</b></p>	<p><b>Human Resources, LDU, State Agencies &amp; Pensions, Business Services Unit</b> Principal Officer <b>John Hughes</b></p>	<p><b>Construction Contracts Unit</b> Director <b>Loughlin Quinn</b></p>

## Section Two ~ Summary of Key Issues by Division

The following sets out in summary the key policy and related issues across the Divisions within the Department. These items are outlined in further detail, by Division, in Section Three below.

### 2.1 Indigenous Enterprise Development Division Clare Dunne, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Enterprise Agencies and Programmes Unit	Eugene Forde
Entrepreneurship and Small Business Policy Unit	Nina Brennan
Regional Action Plans and Enterprise Initiatives	Eadaoin Collins
Finance for Growth and State Aid	Jean Carberry
ICT Unit	Pat McCourt
Agencies: Enterprise Ireland National Standards Authority of Ireland	Julie Sinnamon – CEO Geraldine Larkin - CEO

The overall goal of this Division is to work with relevant stakeholders to ensure that appropriate supports are in place to promote and develop entrepreneurship, to help businesses to start, scale and export, and to advocate across the wider system for a supportive business environment (e.g. tax policy, skills availability; etc.)

The Division operates a suite of policies and supports designed to assist and facilitate businesses at all stages of development and growth, from nascent and early stage entrepreneurs to companies of scale trading internationally.

This includes direct interventions such as the provision of Microfinance and Loan Guarantees, as well as working with the Agencies (EI, LEOs, NSAI) to ensure their supports are relevant and aligned to the evolving needs of business.

Developing Indigenous Enterprise is crucial to the economy because Irish-owned enterprises account for over 90% of businesses in Ireland.<sup>1</sup> Ireland's active enterprise base<sup>2</sup> is made up of:

- 185,530 companies and businesses<sup>3</sup>
- 168,281 micro-enterprises (less than 10 employees), accounting for 90.7% of all active enterprises in the State<sup>4</sup>

<sup>1</sup> CSO Business in Ireland 2012, p.50 (Structural Business Survey 2012)

<sup>2</sup> Ireland's foreign-owned industry base comprises mainly of the IDA's 1,195 client companies which employ approx. 175,000 directly. Enterprise Ireland supported companies directly employ over 180,000

<sup>3</sup> CSO Business in Ireland 2012, p.13

<sup>4</sup> CSO Business in Ireland 2014, p.21





- Ensuring that the Department inputs as appropriate to the EU's eCommerce and Digital Single Market Agendas. Acting as Department liaison for the Interdepartmental Committee on the Digital Single Market

**g) NSAI**

The Department will work with the NSAI to ensure that the authority is positioned to support the requirements of MDSAP, Medical Device Regulation (MDR) and In-Vitro Diagnostic Regulation (IVDR) for exporting companies requiring such certification

## 2.2 Innovation and Investment Division Dermot Mulligan, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Innovation, Research and Development - Policy	Joseph Moore
Innovation, Research and Development - Programmes	Marcus Breathnach
Intellectual Property Unit	Anne Coleman Dunne
Inward Investment and North-South	Richard Scannell
<b>Offices:</b> Patents Office	Gerard Barrett, Controller of Patents
<b>Agencies:</b> SFI	Prof. Mark Ferguson – Director General
IDA Ireland	Martin Shanahan – CEO
<b>North/South Body</b> Intertrade Ireland	Thomas Hunter McGowan - CEO

The **Innovation & Investment Division** carries policy and delivery management responsibility for innovation, research, development, intellectual property, foreign direct investment and North/South activities delivered by agencies as set out below:

The Division has responsibility for:

- Foreign Direct Investment, including the agency IDA Ireland. This requires engagement on FDI policy, on issues impacting FDI, individual projects, overseas Ministerial missions, financial and human resources for this area with a view to achieving ambitious 2020 job creation targets.
- Developing and promoting innovation and research and development policy, leading cross Governmental coordination in these areas.
- A very significant part of Enterprise Ireland's mandate, namely, research and innovation supports for enterprise, connecting enterprise to academic research, commercialisation of research from Higher Education Institutes and High Potential Start-Up companies. These supports are aimed at driving exports and creating jobs.
- Science Foundation Ireland and its mandate to support excellent research with impact in areas affecting the competitiveness of enterprise. The Division also has responsibility for the Programme for Research in Third Level Institutions.
- North/South issues and InterTrade Ireland, involving responsibilities for enterprise, innovation and research at all-island level.
- Intellectual Property policy and administration, to ensure Ireland delivers a world class IP management service. This mandate includes the Patents Office in Kilkenny.
- Leading at EU level for all Departments on research and innovation including Horizon 2020.

**The key priorities for the Innovation and Investment Division include:**

### (a) IDA Ireland

- (i) FDI Policy and its development and implementation
- (ii) Identify and secure the additional financial resources the IDA will require both in **2017** and in future years, for grants to companies and its property programme, so that the Agency can meet its strategic employment targets in the period up to 2019;
- (iii) Support the IDA in its efforts to maximise FDI opportunities that may emerge for Ireland on account of Brexit;







## 2.3 Commerce, Consumers and Competition Division

### Breda Power, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Competition and Consumer Policy Section	Kieran Grace
Company Law Policy and Agencies/Offices	Colm Forde
Company Law Development & EU	Helen Curley
Company Law Audit & Accounting Policy	Sabha Greene
Business Regulation	Colm Forde
Cooperative Legislation & PIAB Liaison Unit	Colm Forde
Internal Audit Unit	Vacancy PO Accountant
<b>Offices:</b>	
Office of the Director of Corporate Enforcement (ODCE)	Ian Drennan – Director of Corporate Enforcement
Companies Registration Office, Registry of Friendly Societies (CRO/RFS)	Maureen O’Sullivan – Registrar of Companies and Registrar of Friendly Societies
<b>Agencies:</b>	
Competition & Consumer Protection Commission (CCPC)	Isolde Goggin - Chairperson
Cooperative Legislation & PIAB Liaison Unit	Colm Forde
Personal Injuries Assessment Board (PIAB)	Conor O’Brien - CEO
Irish Auditing and Accountancy Supervisory Authority (IAASA)	Kevin Prendergast – CEO

The **Commerce, Consumer and Competition Division** is the policy arm of the Department which seeks to help make markets work more effectively for consumers and the economy as a whole through the promotion of keen competition, high standards of compliance and corporate governance and consumer protection but without unnecessary regulatory costs and that the highest standards of internal corporate governance is promoted through the work of the Department’s Internal Audit function.

The Division also provides the legislative framework for the structure and operation of companies registered in Ireland, whether domestic or foreign. It seeks to ensure a balance between simplifying the day-to-day running of a business; maintaining necessary protections for those dealing with companies, such as creditors and investors and putting in place an effective corporate governance regime to ensure compliance. This law is contained in the Companies Act 2014 and related statutory instruments. Some company law derives from EU legislation. A similar regime applies to industrial and provident and friendly societies.

### The key priorities for the Commerce, Consumers and Competition Division are:

#### (a) Competition and Consumer Policy Section

- (i) Scheme of Proposed Consumer Rights Bill.
- (ii) Proposed EU Directives on
  - Consumer Contracts for the Supply of Digital Content and
  - Consumer Contracts for the Online and Other Distance Sales of Goods.
  - Empowering the Competition Authorities to be more effective enforcers and to ensure the proper functioning of the internal market.
- (iii) Hallmarking (Amendment) Bill 2016.
- (iv) Enactment of an amendment to the Casual Trading Act 1995 to bring it into line with the requirements of the Services Directive.

- (v) Monitoring implementation and operation of the provisions of the EU Directive on alternative dispute resolution (ADR) and EU Council Regulation on the online dispute resolution platform (ODR) in Ireland.
- (vi) Monitoring implementation and operation of the new grocery goods regulations.
- (vii) Transposition of Directive (EU) No. 2016/2037 on aerosol dispensers.
- (viii) Ticket resale.
- (ix) Give effect to Regulation (EU) 2016/426 on appliances burning gaseous fuels.
- (x) Transposition of Directive (EU) 2017/738 on the safety of toys as regards lead and Directive 2016/2037 on aerosols.

## **(b) Company Law**

- (i) Commencement of the Companies (Amendment) Bill 2017 following completion of Report and Final Stages in the Dáil on 31 May 2017.
- (ii) Implementation of Directive 2014/95/EU on the disclosure on non-financial and diversity information by certain undertakings and groups.
- (iii) Publication and enactment of the Companies (Statutory Audits) Bill 2017.
- (iv) Accounting standards – Prescribing standard setter
- (v) Provide Secretariat support to the Company Law Review Group (CLRG) (Plenary meetings and 10 sub-committees). Continue to support the implementation of the CLRG Work Programme 2016-2018.
- (vi) Finalise the CLRG Report on Protections for Employees and Unsecured Creditors for CLRG adoption and submission to the Minister.
- (vii) Progress the CLRG review of the enforcement of company law.
- (viii) Progress the examination of the UNCITRAL Model Law on Cross-Border Insolvency.
- (ix) Progress the CLRG review of winding up provisions in the Companies Act 2014.
- (x) Participate in negotiations on EU proposals in the area of company law.
  - Single Member Company.
  - Codification of certain aspects of Company Law (EU Directives)
  - Public disclosure of corporation tax information by certain undertakings and branches.
- (xi) Measures required to implement EU law - Follow on actions arising from recast and amended EU Insolvency Regulation.
- (xii) Transposition of Directive (EU) 2017/828 regarding the encouragement of long term shareholder engagement.

## **(c) Cooperative Unit & PIAB Liaison Unit**

- (i) Personal Injuries Assessment Board (PIAB) – review and amend the PIAB legislation to address various operational issues.
- (ii) Engage further with the Department of Finance in relation to the prudential supervision gap in respect of certain Friendly Societies (FS) and Industrial and Provident Societies (I&Ps).
- (iii) Conduct a comprehensive root and branch review of the Industrial and Provident Societies Acts 1893 to 2014 with a view to their modernisation, reform and consolidation.
- (iv) Provide Secretariat support to the Personal Injuries Commission (PIC) chaired by former President of the High Court, Justice Kearns. The establishment of the PIC was one of the key recommendations in the Cost of Insurance Working Group (CIWG) Report on the Cost of Motor Insurance.
- (v) Participate in the Cost of Insurance Working Group (CIWG) chaired by Minister Eoghan Murphy. DJEI officials have formed an integral part of the Working Group since its establishment in July 2016. The CIWG published a Report in January on the Cost of Motor Insurance and are now examining employer and public liability insurance.

**(d) Business Regulation**

- (i) Communications: BusinessRegulation.ie Portal & Taking Care of Business
- (ii) Represent Ireland at EU and International fora in relation to Better Regulation issues

**(e) Internal Audit**

- (i) Provide a risk-based internal audit service in compliance with Department of Public Expenditure and Reform (DPER) requirements.
- (ii) Provide assurance to the Accounting Officer (Secretary General of the Department) regarding the internal control systems of the Department and those Offices directly within the remit of the Department.
- (iii) Complete a programme of audit during 2017 as approved by the Audit Committee and Secretary General as part of a rolling three year strategic audit plan.

## 2.4 Labour Affairs and Finance Division

### Martin Shanagher, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Workplace Relations Liaison Unit Industrial Relations Unit Employment Appeals Tribunal	Stephen Curran
Economic Migration Policy Unit Labour Market and EU EPSCO Policy Unit	Fiona Ward
Employment Rights Policy Unit	Dermot Sheridan
Finance Unit	Cathal O’Gorman
Low Pay Commission	Máire Ní Chuirc
Legal Advisor	Kevin O’Connell
<b>Offices :</b> Workplace Relations Commission <sup>7</sup> Labour Court Low Pay Commission	Oonagh Buckley – Director General Kevin Foley - Chairman Donal de Buitléir - Chairman

The role of the **Labour Affairs Division** is to work at national and international level to ensure employment rights are appropriate and respected; that our policy, legislative and institutional framework promotes harmonious industrial relations; that the minimum wage is appropriate; that any IR disputes or breaches of employment and equality law are handled efficiently and effectively; that Irish EU employment policy positions are clear and co-ordinated; that a skills based economic migration policy is efficiently implemented; that the highest standards of internal financial governance is promoted and the financial resources required by the Department are secured and properly accounted for.

### The key priorities for the Labour Affairs Division are:

#### a) Workplace Relations

- (i) Ensure that the Workplace Relations reforms are bedded down in relation to the recent formation (in late 2015) of the Workplace Relations Commission (WRC) (incorporating the LRC/Rights Commissioners/NERA/Equality Tribunal and first instance functions of the EAT) - and a separate appeals body which is effectively an expanded Labour Court.

#### b) Industrial Relations

- (i) Given that pay pressures are likely to intensify in a rapidly recovering and growing economy remain ready to respond to any move by Government to evolve our structures to help manage industrial relations tensions that may emerge.
- (ii) Defend challenges to the JLC system and respond to any adverse outcomes.
- (iii) Monitor and respond to individual industrial relations disputes as they arise.

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<sup>7</sup> The EAT has been working through its legacy caseload since the establishment of the WRC. It is expected that the vast majority of Tribunal legacy cases will be finalised by October 2017. It is likely that a small number of cases will remain “on hold” for a period of time thereafter and these will be finalised by a residual Tribunal operation over the medium term.

### c) **Economic Migration/Employment Permits**

As skills shortages continue to grow and spread to a wider number of occupations and sectors it is critical that our economic migration/employment permit system can respond to emerging needs. To this end we will:

- (i) Process employment permit applications in a timely manner
- (ii) Review the Highly Skilled Eligible Occupations List (HSEOL) and Ineligible Categories of Employment List (ICEL) in Q2 and Q4 each year in order to ensure the employment permit regime is aligned with evolving domestic labour market conditions
- (iii) Complete a review of the employment permit minimum remuneration thresholds in Q2 this year
- (iv) Ensure the legislative framework for the employment permits regime is up-to-date and appropriate

### d) **Labour Market/EPSCO**

- (i) Lead cross-departmental co-ordination for the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council and represent DJEI on the EPSCO preparatory Committee, the Employment Committee (EMCO). Coordinate employment-related aspects of the Semester process, notwithstanding almost all labour market activation measures now lie with other Departments. Details of Council meetings are included in Section 1.7 above.
- (ii) Lead cross-departmental co-ordination of the European Pillar of Social Rights (EPSR)
- (iii) Coordinate delivery of the Labour Affairs Division actions in Pathways to Work Strategy 2016-2020, the twin track to the Action Plan for Jobs. In this context, ensure smooth operation of the Protocol between DSP, DJEI and the enterprise agencies to maximise the recruitment of suitably skilled people from the Live Register and review its future *modus operandi* given significant structural changes that have occurred across Government.

### e) **Employment Rights**

- (i) Engage with the Parliamentary Counsel in the drafting of Bill as a response to the Programme for Government commitment to address the problems caused by the increased casualisation of work and to strengthen regulation of precarious work
- (ii) Consider policy issues arising from the work of the duo of experts appointed to examine existing employee protections and the interface between company law and employment law, in light of certain company closures (the Duffy Cahill report).
- (iii) Transpose Seafarers Directive (2015/1794) by October 2017
- (iv) Input to or develop responses to a range of issues that continue to be controversial such as retirement age issues, bogus self-employment, treatment of Au-Pairs, sleepover rules or abuses of employment rights generally such as the response to the treatment of non-EEA nationals in the Irish fishing fleet, collective redundancies and informal insolvencies.
- (v) Pursue Ireland's interests in negotiations on the proposed revision of the Posted Workers Directive.
- (vi) Work with D/Justice and D/Defence in bringing forward an amendment the Organisation of Working Time (OWTA) Act 1997 to remove the blanket exclusion of An Garda Síochána and members of the Defence Forces from scope of the OWTA and bring them within scope, subject to the application of the derogations permitted by the Working Time Directive.

**f) Low Pay Commission**

The core function of the Commission is to recommend the appropriate rate of the minimum wage. The recommendation of the rate to apply in 2018 to be submitted to the Minister by the 18<sup>th</sup> July 2017.

The Low Pay Commission, as part of its 2017 Work Programme was asked to review the board and lodgings rates that are provided for in the National Minimum Wage Act 2000. Their Report on these rates was submitted to the Minister in May 2017 and is currently being considered.

The Commission has also been asked to examine if being on the minimum wage is just a starter rate for people and if there are people trapped in minimum wage jobs for considerable periods of time. In conjunction with this examination, the Commission has been asked to examine the extent to which lack of progression from the minimum wage might link to poverty/welfare traps. A Report on this issue is due by end February 2018.

**g) Finance Unit**

- Support the Minister in negotiating an appropriate 2018 Estimate with D/PER through the reformed Budgetary Process.
- Support the Minister in negotiations following on the Department's submissions to the Mid-Term Capital Review and Comprehensive Review of Expenditure.
- Prepare for Minister's appearance(s) before Oireachtas Committees including review of mid-year position on JEI Estimate (date yet to be determined).
- Oversee the Dept's successful migration of Payroll & Travel to Shared Services incl. appraising JEI staff of the extent of Finance Unit's retained functions post-migration. (April-July)

## 2.5 EU Affairs, Trade Policy, Safety & Health Policy Division Philip Kelly – Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Brexit Unit	Pauline Mulligan
EU Affairs and Single Market Unit	Conor Verdon
Trade Policy Unit	Lorraine Benson
Safety Health & Chemicals Policy Unit	Páraig Hennessy
Permanent Representation Brussels	Tommy Murray Anne Marie Finlay
Permanent Representation Geneva	John Newham
Irish Embassy, London	Declan Morrin

The **EU Affairs, Trade Policy, Safety & Health Policy Division** defines, coordinates and develops our position on EU policy matters and our relationship with EU Institutions, including coordination of our policy and operational response to Brexit. It is responsible for the identification, formulation and development of Ireland's international trade policies, including at European Union trade policy negotiations and through active participation in the World Trade Organisation. The Division also has responsibility for import and export licensing.

A dedicated Brexit Unit is responsible for supporting the Ministers and Management Board in ensuring a coordinated and coherent approach to Brexit across the Department. It works with officials in other Divisions to identify impacts and implications of Brexit as well as mitigation measures across the sectors with a view to minimising risks and maximising opportunities.

### The main priorities for the EU Affairs, Trade Policy, Safety & Health Policy Division are:

#### (a) Brexit

- (i) Lead an approach to Brexit by the Department, its Agencies and Offices including through appropriate representation at external Brexit related groups
- (ii) Lead on engagement with Department's stakeholders to inform our approach and policy positions on Brexit in consultation with relevant Divisions
- (iii) Oversee Brexit related research being undertaken by the Department and its Agencies, monitor research published by external bodies and undertake research to address any gaps
- (iv) Develop DJEI policy positions on Brexit negotiations in consultation with other Divisions to feed into the Department of Taoiseach and Department of Foreign Affairs & Trade

#### (b) EU Affairs

- (v) Optimising Ireland's engagement at the EU Competitiveness Council – Single Market and Industry Issues
- (vi) Advancing Ireland's position in the context of the EU's Single Market Strategy
- (vii) Monitoring and reporting on progress of the Government initiative to have all Government services to business available online by November 2017
- (viii) Driving Implementation of the Services Directive
- (ix) Enhancing and broadening our networking with other Member States and within EU institutions, to mitigate for the loss of the UK as a like-minded ally within EU negotiations
- (x) Coordinating the Department's interests in the European Semester process
- (xi) Monitoring and reporting on the transposition of EU Directives across the Department to the Minister, Management Board and the Interdepartmental Committee on European Engagement, chaired by the Minister of State for EU Affairs.

**(c) Trade**

- (i) Advance Irish interests in EU bilateral trade negotiations and in pluri-lateral and multi-lateral trade negotiations and in EU trade legislation
- (ii) Support and promote Bi-lateral trade
- (iii) Administration and wind-down of export credit guarantee scheme  
Manage Ireland's export control regime

**(d) Health and Safety/Chemicals**

- (i) Review of Dangerous Substance legislative and licensing Regime
- (ii) Focused Review of the 2005 Act
- (iii) Review and monitor ongoing occupational health and safety policy and legislative requirements and initiatives with particular reference to the construction and farming sectors
- (iv) Ongoing Chemicals Policy and Legislative Development and Implementation;
- (v) Ensure appropriate liaison mechanisms are in place between DJEI & the Health and Safety Authority with particular reference to governance matters



## 2.6 Strategic Policy and Management Support Division Declan Hughes, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Enterprise Policy, Trade Strategy, Tax and Economic Infrastructures	Maria Ginnity
Action Plan for Jobs	Gary Martin
Skills & Education, Enterprise Programmes and Policies Evaluations	Kevin Daly
Economic Analysis, Competitiveness, and Surveys	Marie Bourke
New Sources of Growth and Innovation Advisory Unit	Karen Hynes
Management Support Unit FOI and Customer Service Unit Communications Unit	Michael O'Leary

The Strategic Policy Division (SPD) is focused on designing and evaluating ambitious enterprise and jobs strategies and in supporting the formulation and development of policy across the Department. The key elements of the role of SPD include the areas of enterprise policy, competitiveness, horizon scanning, tax policy, education, skills and labour market analysis, the Action Plan for Jobs, economic infrastructure and research and technical support in the areas of trade, research & innovation and climate change, together with economic and data analysis generally and evaluation of enterprise policies and programmes.

SPD provides for a coherent national enterprise policy perspective and co-ordinated the preparation the medium term strategy Enterprise 2025. SPD co-ordinates the development of the annual Action Plan for Jobs, working with other government departments and agencies, towards achieving the Government's objective of sustainable full employment.

The Department's enterprise, innovation and science surveys activity, which provide a key element of the enterprise policy research capability are also undertaken by the SPD.

SPD also supports the work of the National Competitiveness Council and the Expert Group on Future Skills Needs. Both the NCC and Expert Group publish their advice and reports on their respective websites.

The Division also has responsibility for risk management, Freedom of Information, data protection, Irish Language, and quality customer service.

### The key priorities for the Strategic Policy Division include:

#### (a) Brexit

Support the DJEI Brexit strategic planning and response through sector-by-sector analysis, currency sensitivity analysis, competitiveness benchmarking and scoping actions. Undertaking research to examine the implications, at firm-level, for the most exposed enterprise sectors, in terms of trading and economic relationships, of the UK being outside of the European Single Market and Customs Union.

#### (b) Action Plan for Jobs

- i. Working jointly with the Department of the Taoiseach across Government to progress implementation of the APJ, monitoring implementation of the DJEI/agency actions and engaging with the Industry Partners.

- ii. Progress the development of the Action Plan for Jobs 2018 and other APJ related activity as may be requested by the Minister for Jobs, Enterprise and Innovation. Support specific APJ special projects including eHubs Development Toolkit, Licences.ie, Workplace Innovation roll-out, and enhanced communications and awareness of enterprise supports.

### **(c) Enterprise Policy Priorities - Enterprise 2025**

- i. Undertake review of Enterprise 2025 in the context of Brexit, US and EU developments.
- ii. Work with colleagues across DJEI, the agencies and external stakeholders in identifying key enabling measures to progress the actions set out in Enterprise Policy 2025 Review and advise the Secretary General as appropriate.
- iii. Develop an approach to ecosystem development, including through the updating of sector briefs and advising on approaches to clustering initiatives with DJEI Divisions and agencies.
- iv. To support the DJEI input to the Export Trade Council and to the implementation of the new Trade, Tourism and Investment Strategy, Ireland Connected and to the new Americas and Asia Strategies.

### **(d) Skills & Education**

- i. Through the Expert Group on Future Skills Needs (EGFSN), research and identify the emerging skills needs of the Irish economy by engaging with HEA, SOLAS, QQI, the Regional Education Fora, education and training providers and the enterprise sector
- ii. Continue to work with DES on the implementation of the National Skills Strategy and the Action Plan for Education, while supporting the work of the new National Skills Council and the Regional Skills Fora.

The Expert Group on Future Skills Needs (EGFSN) welcomed the establishment of the new National Skills Council (NSC) in May 2017. The NSC will oversee research and provide advice on the prioritisation of identified skills needs and how to secure the delivery of identified needs. The membership is drawn from a cross-section of employer, educator and government bodies. The new skills infrastructure will ensure that the key elements of the EGFSN model of analysis and horizon scanning with close engagement with enterprise will be maintained and further strengthened.

### **(e) Competitiveness**

- i. Achieving a Top 5 position - ensure a strong focus on competitiveness across departments and externally by delivering the National Competitiveness Council's core analysis and policy advice through the Costs of Doing Business, Competitiveness Scoreboard and Competitiveness Challenge reports and in 2017 specifically focus on Brexit, entrepreneurship and productivity.

### **(f) Tax & Pensions Reform**

- i. Coordinate and develop the DJEI and agency Pre Budget Submission 2018 and engage with the Tax Strategy Group towards achieving the Department's objectives.
- ii. Engage with the review of the Corporation Tax Code
- iii. Monitor and assess the implications for Ireland of developments in international taxation, working with the enterprise development agencies and key stakeholders as appropriate.
- iv. Coordinate the DJEI analysis and inputs on considerations being given to new pension arrangements for workers by the Department of Social Protection and ensure the Department's views are represented.

**(g) New Sources of Growth**

- i. Undertake for I&I Division a Technology, Market and Enterprise based horizon scanning exercise as input to the next cycle of the National Research Prioritisation Exercise.
- ii. Map and assess optimal supports to promote business expenditure on R&D in Ireland and in other small advanced economies and develop proposals accordingly.
- iii. Ensure DJEI leadership in developing new Digital Economy Strategy.
- iv. Provide the central coordination for DJEI engagement with the Small Advanced Economies Initiative and OECD on Digital Economy and STI policy.
- v. Develop with I&I and other DJEI Divisions the case for public investment in RDI and assess how best to support Knowledge Capital development in the economy. Support DJEI's policy interests in the areas of Digital Economy strategy.

**(h) Economic Infrastructure**

- i. Assessing and advising on the economic infrastructure investment, policy and regulatory priorities of DJEI in the areas of water, energy, roads, and waste to support FDI and SMEs competitiveness and investment.
- ii. Ensuring an enterprise policy orientation in medium/longer term spatial strategies and frameworks (the successor to National Spatial Strategy), working with D/HPCLG.

**(i) Climate Change**

- i. Provide for co-ordinated DJEI technical analysis and policy input on the enterprise dimensions of climate change targets and policy.

**(j) Surveys & Evaluations**

- i. Produce the annual employment and annual business expenditure surveys of agency clients; conduct the R&D in Higher Education survey and Government Science Budget and submit to Eurostat and the OECD; undertake related statistical analysis.
- ii. Undertake evaluations of enterprise development agency programmes, with a particular focus in 2017 on the Focused Policy Assessment of RDI expenditure by DJEI, the Evaluation of the overseas office network of the enterprise agencies, completing the review of the economic appraisal model of the enterprise agencies and initiating the Lean Transform Review. As well as this the unit also gives inputs into the capital review via comments on any other DPER analysis of DJEI expenditure.

**(k) Governance**

- i. Supporting good corporate governance in the Department, as set out in its Governance Framework e.g. Freedom of Information, Risk Management, Data Protection etc
- ii. Provision of a range of supports to the Management Board and the Ministerial Management Board

**(l) Strategic Planning**

Developing the Department's Statement of Strategy and reporting annually on this

**(m) Consultancy Budget**

Manage DJEI consultancy budget (c €1.2m)

**(n) Press Office**

The Press Office monitors and communicates with the media and consults with the department, Ministers and advisers in addressing press queries. Press Office staff issue press releases, attend Ministerial events and arrange and attend media interviews. The Department's Twitter account, which has 15,200 followers, is also managed by the Office.

## 2.7 HR, State Agency Staffing and Pensions, Learning & Development and Business Services Units

Business Unit in the Division	Head of Unit (Principal Officer)
Human Resources, State Agencies and Pensions, Learning and Development, and Business Services Units	John Hughes

These Units currently report directly to the Secretary General and are led by a Principal Officer. They are concerned with driving the human resources, learning and development, performance management, state agency staffing and Board appointments process, accommodation, asset management, procurement and workplace health & safety. While all these areas deliver key enabling supports to the Department's capacity to function and deliver, the key areas of immediate Ministerial concern would include:

### (a) Human Resources

- (i) Manage the HR demands (including Learning & Development) for the Department within budget limits
- (ii) Manage the State Boards Appointments process and Agency Staffing demands

### (b) Accommodation

- (i) Co-ordinate the OPW-led moves of a number of Business Units (Finance Unit, Labour Affairs Divisions etc.) from current locations to new ones on foot of the State not renewing various leases across Dublin with minimal impact for business delivery

## 2.8 Construction Contracts Adjudication Service

Business Unit	Head of Unit (Director)
Construction Contracts Adjudication Service	Loughlin Quinn

The Construction Contracts Act, 2013 came into force for certain construction contracts entered into after the 25th July 2016.

The purpose of the Act is to regulate payments - particularly the timing of payments - under a construction contract covered by the legislation. It provides new payment protections for subcontractors in the construction industry who had been considered vulnerable in the payment cycle in that industry. The Act also provides, for the first time in Ireland, a new right for a party to a construction contract to refer a payment dispute for adjudication as a means of resolving the dispute. The Act envisages that adjudications will be completed usually within 28 days of the referral of a dispute to an Adjudicator.

The Construction Contracts Adjudication Service was established within the Department to undertake the necessary administrative arrangements to implement the legislation and support the work of the Chairperson of the Panel of Adjudicators who has responsibility under the Act for appointing Adjudicators from that Panel to payment disputes on the request of a party to such a dispute.



**EI Strategy 2017-2020**

The principal challenge facing EI is to maintain or improve on the level of performance over recent years against a backdrop of Brexit and an uncertain global economic climate. This will be addressed through the Board's new Strategy 2017-2020 which sets out the following key targets:

- Grow exports by €5bn to €26bn per annum
- Double client expenditure on R&D
- Increase spend in the Irish economy by €4bn to €27bn per annum
- Create 60,000 new jobs

## Local Enterprise Offices: Delivering Jobs at Local Level

**Objectives**

The Local Enterprise Offices are the "first-stop-shop" for providing advice and guidance, financial assistance and other supports such as training and mentoring to those wishing to start or grow their own business. Direct financial assistance is available to businesses employing less than 10 people, subject to eligibility criteria. The LEOs provide information/referrals to other relevant bodies under agreed protocols e.g. Revenue, Micro Finance Ireland, Fáilte Ireland, LEADER, and Revenue.

The LEOs are Units within the Local Authorities (LAs) nationwide. Policy, funding and legal responsibility rests with DJEI through EI. A Service Level Agreement (SLA) is in place between EI and each LA, which sets out respective roles and responsibilities.

The LEO Budget, managed by EI, is approx. €32.9m per annum; consisting of €22.5m Capital (grants and other supports such as training and mentoring) and €10.4m Current, which covers the bulk of the running costs of the 31 LEOs and the coordination activities of the LEO Centre of Excellence (CoE) in EI. There are approx. 180 staff across the LEOs, employed by the LAs and Enterprise Ireland. LEO clients currently employ 34,634 people (full-time and part-time) and created an additional 3,679 net jobs (full time and part-time) during 2016.

**Key priorities**

Overall the LEO project so far has been successful. Current priorities are to:

- Address differential LEO performance through a strengthened LEO portfolio management and client engagement approach – APJ 2017
- Implement consistent and coordinated national communications.
- Deliver a LEO customer relationship management system (CRMS) – APJ 2017
- Continued productive engagement with DHPCLG & LAs on strategic direction.
- Continued collaboration with other actors, such as DCCAE through the Trading Online Vouchers Scheme, and MicroFinance Ireland, etc.
- Continued engagement by the LEOs with clients affected by Brexit - APJ 2017

Business Unit in the Division	Head of Unit (Principal Officer)
Entrepreneurship and Small Business Policy Unit	Nina Brennan

## Developing and Applying Regulatory Standards for Business

The National Standards Authority of Ireland is responsible for developing and promoting standards, both national and international, governing a variety of business products and services, for example in the construction or medical device sectors, or business organisational standards such as the ISO standards. NSAI also certifies businesses to qualify these standards (e.g. taximeters, motor vehicles). It also conducts market surveillance for the purpose of fair trade and consumer protection in relation to weighing and measuring instruments.

### Challenges

The NSAI has a number of strategic high risk items for the authority requiring Departmental support from a legal, financial and human resource perspective: medical devices (MDSAP, MDR, IVDR), legal metrology service and organisational restructuring at senior management level.

### Strategic Priorities

- Roll-out of the Mazars Report recommendations on organisational restructuring.
- Meeting the requirements of new international audit programmes in the medical devices sector.
- Managing its financial model (Grant and Own Resource Income) to deliver its legislative requirements and commercial activities.

## National Policy Statement on Entrepreneurship

This Policy Statement represents the first time a Government has published a comprehensive national plan for entrepreneurship in Ireland.

Covering the six key elements that impact on entrepreneurs and startups, and signposting the direction that policy will take over five years. This will be achieved through:

- Increasing the number of start-ups by 25% (3,000 more start-ups p.a.);
- Increasing the survival rate in the first five years by 25% (1,800 more survivors p.a); and
- Improving the capacity of start-ups to grow to scale by 25%.

There are 96 cross Government actions. Delivery is overseen through the Action Plan for Jobs (APJ) process. DJEI monitors progress against key performance indicators and works with partners in enterprise to achieve this ambition. A second Progress Report for the Group was completed in Q1 2017 and has identified areas of strength and areas that need further development.

- Continue to monitor-a range of nationally and internationally available indicators to assess national performance across the entrepreneurship ecosystem in order to inform entrepreneurship policy.
- Conduct a mid-term Review of the Policy Statement, to include stakeholder engagement by Q4, and to examine measures to ensure greater numbers of people under-represented cohorts start and run a business (Action 45 in the APJ).
- Update, refine and promote our mapping exercise which identifies the range of supports available to entrepreneurs .

## SMEs and Small Business Policy : Advisory Group on Small Business, “Think Small First” A “Small Business Act” for Europe and SME Envoy for Ireland

Ireland’s SME sector was one of the hardest hit by the economic crisis in the EU. While employment and value added have not yet returned to pre-crisis levels, the sector has shown a strong recovery since 2011. However Brexit has the potential to adversely affect SMEs recent gains. Small businesses must ensure they check for potential impacts on their supply chains and customer base.

The **Advisory Group on Small Business (AGSB)** was established by the Taoiseach in June 2011 with the objective of facilitating structured and regular dialogue between the Minister and representatives of the Small Business sector. The Group is chaired by the Minister for Small Business and Employment. The terms of reference include:

- Providing on-going assistance and advice to the Minister for Business and Employment, Government Departments and Agencies on any issues affecting SMEs:
- Providing assistance and advice to Government Departments and Agencies when consultation with SMEs is required;
- Promoting business growth in the SME sector through other initiatives, as required, and as agreed with the Minister for Business and Employment.

Membership of the AGBS includes entrepreneurs, nominees from the main small business representative bodies, LEOS as well as the Design and Crafts Council of Ireland and the National Association of Community Enterprise Centres. The AGBS provides a submission into the annual Budget process, and also inputs on concerns of the Small Business sector into the Action Plan for Jobs process.

**“Think Small First” A “Small Business Act” for Europe (COM(2008) 394):** The SBA is an overarching framework for the EU policy on Small and Medium Enterprises (SMEs). It aims to improve the approach to entrepreneurship in Europe, simplify the regulatory and policy environment for SMEs, and remove the remaining barriers to their development. The SBA is driven by the “Think Small First” Principle. In 2016 Ireland maintained its competitive environment for SMEs.

In 2017 we are **Developing an easy user friendly SME test:** To assist Irish policymakers to consider the implications of legislation on small business and investigate possible thresholds to alleviate the burden on SMEs. This test should implements the ‘Think Small First’ Principle (Action 107 of the APJ).

**SME Envoy Network:** the role of SME Envoy was established in 2011. Member States nominate a national SME Envoy to complement the role of the European Commission’s SME Envoy (Commissioner Bienkowska). Together with representatives of EU-level SME business organisations, the Network of SME Envoys make up the SBA advisory group.

The SME Envoy Network focuses on strategic issues related to the SBA implementation and provides an integral view on EU policy, which may have an impact on EU SMEs. The SME Envoy Network also reports to the COMPET Council in relation to progress on the implementation of the SBA across Member States. With the UK’s future withdrawal from the EU, the importance has grown for increased networking and forming new alliances through the SME Envoy Network.

**AGSB:** Ongoing. Typically about 5 meetings per year.

**SBA:** Ongoing.

**SME Envoy Network:** Ongoing. Next meeting of SME Envoy Network will take place in Lisbon in July.



## Service Ireland's EU e-Commerce role and act as DJEI lead in relation to the Digital Single Market

The Unit has responsibility for **eCommerce Directive (2000/31/EC)** and the Statutory Instruments that transposed the Directive – European Communities (Directive 2000/31/EC) Regulations 2003 (SI No 68 of 2003), and European Communities (Amendment of SI No. 68 of 2003) Regulations (SI No 490 of 2004).

Examples of services covered by the Directive include online information services (online newspapers), online selling of products and services (books, financial services and travel services), online advertising, professional services (lawyers, doctors, estate agents), entertainment services and basic intermediary services (access to the Internet and transmission and hosting of information). Also included are services provided free of charge to the recipient and funded, for example, by advertising or sponsorship.

The Unit is the national contact point for the purposes of Article 19(2) of the Directive and represents Ireland on the eCommerce expert Group.

The **Digital Single Market Strategy (DSM)** was adopted on 6 May 2015. The Commission considers that DSM can create opportunities for new startups and allow existing companies to compete and trade across borders in a market of over 500 million people. Ensuring a properly functioning Digital Single Market could contribute €415 billion per year to Europe's economy, create jobs and transform our public services.

The DSM includes 16 initiatives, under 3 pillars:

1. Access: better access for consumers and businesses to digital goods and services across Europe;
2. Environment: creating the right conditions and a level playing field for digital networks and innovative services to flourish;
3. Economy & Society: maximising the growth potential of the digital economy.

The initiatives span both inter- and cross-Departmental work areas and the Department of the Taoiseach co-ordinate for Ireland through a high level interdepartmental group chaired by the Minister of State for the DSM.

This Unit co-ordinates the Department's internal views on DSM.

E-Commerce – this Unit will continue to represent Ireland's interests in the context of the EU eCommerce Directive.

DSM – this Unit will continue to co-ordinate responses to issues where it is relevant and act as Department liaison for the Interdepartmental Committee on the Digital Single Market.

Business Unit in the Division	Head of Unit (Principal Officer)
Regional Action Plans and Enterprise Initiatives	Eadaoin Collins

8 Regional Action Plans for Jobs (RAPJs) are being implemented, with the aim of increasing employment in each region by 10 to 15% and bringing the unemployment rate in each region to within 1 percentage point of the State average. Each Plan is overseen by a Regional Implementation Committee, comprising local authorities, LEOs and other key stakeholders and agencies. Key regional industry figures have been appointed to act as *Enterprise Champions* within each Committee, to bring their business acumen and skills to bear on implementation.

A Regional Enterprise Development Fund of up to €60m was launched on 29<sup>th</sup> May. This funding has been provided by DJEI, through Enterprise Ireland, to 2020. A maximum of up to 80% is available for projects, with the balance to be leveraged from the private, community or public sector. The overarching aim of this fund is to drive enterprise development and job creation in each region. Projects must be impactful, with the principal impact being **jobs**.

In addition, IDA Ireland are investing in a €150m Regional Property Programme to ensure that there is sufficient availability of Strategic Sites, Business Parks and Advance Building Solutions to attract investment to the regions.

- Third RAPJ Progress Reports will be published in September 2017.
- First call under the Regional Development Fund (€35m) will close on 18 Aug. 2017.
- A second funding call for the balance will open on 8 January 2018, with closing date of 2 March 2018.

### Support Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a concept whereby enterprises integrate social and environmental concerns into their mainstream business operations on a voluntary basis. CSR can bring competitiveness benefits to organisations, in terms of attracting talent, reducing energy costs and increasing market share.

Ireland's second National Plan on CSR 2017 – 2020, *Towards Responsible Business*, is being finalised. A CSR Stakeholder Forum, which has been in operation since 2014, will drive the objectives of the new Plan. Ms. Catherine Heaney, Founder and MD of DHR Communications, is the Chairperson. The Forum brings together private and public sector organisations and the wider community to work collaboratively to promote CSR. There is significant buy-in to the process from senior business figures

### Supporting the Retail Sector

Nearly 1 in every 7 people going to work every day works in the retail and wholesale sector. It is the largest private sector employer in the country and provides employment to people in every town in the country. The sector experienced a considerable number of job losses, almost 50,000, over 2008-2012 and the pace of recovery in the sector since does not reflect the pace of economic recovery in other sectors of the economy.

The retail sector faces significant challenges, in particular with regard to the threat from external online retailers; the impact of Brexit; rising business and regulatory costs; and issues such as concerns regarding the proposed Public Health (Alcohol) Bill (structural separation of alcohol measures).

The Retail Consultation Forum, currently chaired by the Minister for Jobs, Enterprise and Innovation, provides a platform for engagement between the retail sector and relevant Government Departments and bodies to discuss and identify actions that can be taken to address the challenges that the sector faces

The next meetings of the Forum are scheduled for 25<sup>th</sup> September and 20<sup>th</sup> November

### **SME's Access to Public Procurement**

Accessing Public Procurement benefits Irish SMEs not only in terms of sales but also by acting as an important reference site for SMEs exporting to overseas markets.

Policy responsibility for public procurement rests with the Department of Public Expenditure and Reform. However, DJEI officials engage with the Office of Government Procurement (OGP) to support SME access to public procurement.

Public spend data indicates that SMEs are already relatively successful in securing public service business. The Public Service Spend and Tendering Analysis report for 2014<sup>8</sup> indicated that, of the total value of 2014 spend analysed (€3.931 billion), the majority of the spend analysed is with SMEs (55% SMEs : 45% large suppliers).

The Department will continue to engage with Office of Government Procurement to drive SME access to public procurement, in partnership with Enterprise Ireland and InterTrade Ireland.

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Finance for Growth and State Aid	Jean Carberry

### **Access to Finance for SMEs**

Finance is needed at every stage of the business development lifecycle, from start-up to growth and expansion. Access to Finance/Finance for Growth has been an issue for Irish business for many years, including well before the economic downturn; of particular note was an almost complete dependence on debt finance from the main banks. From 2011, Government action was targeted at SMEs whose finances were cut off by the collapse in the banks, with key initiatives including:

- The development of the Credit Guarantee Schemes of 2012 and 2015, supporting increased lending by domestic banks and facilitating guarantees through non-bank finance entities

<sup>8</sup> Published September 2016



**Revision of Credit Guarantee Scheme, XXXXXXXXXXXXXXXXXXXXXXXX**

The Credit Guarantee Acts 2012 and 2016, and Schemes made thereunder, fall under the Minister’s remit. In the lifetime of the 2012 and 2015 Schemes to 31<sup>st</sup> March 2017, approx. €70 million in credit guarantee scheme loans was sanctioned for 437 SME’s, resulting in 1,732 new jobs created and 1,098 existing jobs sustained.

Following on a 2013-14 Review, the Credit Guarantee (Amendment) Act 2016 was enacted in Feb 2016. Under this legislation, new Schemes will increase the level of Government risk to 80% (from 75%) and cover non-traditional finance sources (not just loans, but also lessors, factors and the like), and empower the Minister and SBCI to work together to draw down EU funding for Irish SMEs.(COSME, Innovfin, Horizon 2020, EFSI etc)

In March 2017, the Credit Guarantee Scheme 2017 was made by Statutory XXXXXXXXXXXXXXXXXXXX  
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**Promote uptake of the Microenterprise Loan Fund Scheme**

Microfinance Ireland (MFI) was established in 2012 under the Microenterprise Loan Fund Act 2012 to provide small unsecured loans (€5000 to €25000) to sole traders and micro-enterprises. Following an April 2015 Review, changes were made, including removing the need for a bank refusal before seeking credit from MF, and these led to a significant and sustained increase in the level of approvals over the period.

From inception, to end Q1 of 2017, MFI approved 1,249 loans, to a value of approx. €18.2m, and from which 2,948 jobs created or sustained

The 2012 Act foresaw a 10 year lifespan for MFI and it was initially funded for the first half of this with €10m in funding from the Exchequer, supplemented by contributions from the 3 pillar banks. At the end of 2016 the Department provided for a second tranche of funding (as per the enacting legislation) in order to ensure that the Fund can continue as a going concern beyond 2017 to 2022. It should be noted that any future policy decision to extend MFI’s lifetime beyond 2022 will need to be taken in 2019 or 2020, and would necessitate amendment to the 2012 Act by way of primary legislation.

## Review Seed and Venture Capital Scheme 2013-2018

The Enterprise Ireland Seed and Venture Capital (“SVC”) Scheme was launched to improve access to finance for small and medium sized enterprises and to further develop the Seed and Venture Capital industry in Ireland. This 2013-2018 S&V Scheme is the 4th iteration in this area, preceded as it was by 3 comparable Schemes over the periods 1994-1999, 2000-2006, and 2007-2012.

The overall aims of the current SVC scheme (2013-2018, with funding of €175m) were/are –

- I. to increase the availability of risk capital for SMEs;
- II. to support economic growth through the continued development of the Seed and Venture Capital sector in Ireland; and
- III. to achieve a more robust, commercially viable and sustainable sector.

The Department had a detailed review carried out of each of the original 3 S&V Schemes, and will do the same for this latest 2013-2018 Scheme. A tender was published in May 2017 with the stated aim of determining if the intervention by the State in this market has contributed to the required critical mass of activity, and of ascertaining what (if any) form the next stage of intervention should take. This is to be completed in Q4 of 2017

## Late Payments

Late payments are a critical issue for businesses in Ireland, particularly SMEs for which cash flow disruption can mean the difference between solvency and bankruptcy. Initiatives already introduced and supported by this Department, at both national and EU level, to combat this issue include:

- The 2009 rule whereby all Government Departments must pay their suppliers within 15 days of receipt of a valid invoice, extended in 2011 to include the wider Public Sector;
- 2013 implementation of the EU Late Payment Directive;
- 2013 launch of the Late Payment Information Campaign in December 2013,
- Early 2015 launch of the portal [www.promptpayment.ie](http://www.promptpayment.ie) on best practice between businesses and suppliers, improving cash flow, and driving change in payment culture.
- Launch of the Prompt Payment Campaign and the new Prompt Payment Code Portal in March 2017.
- Implementation in 2017 of the APJ 2016 commitment to develop and introduce improved reporting requirement for Public Sector Bodies on prompt payments.

The Department will continue to work with the Business Representative Bodies to promote a prompt payment culture in Ireland and to encourage businesses to sign up the Prompt Payment Code. The Department will explore further the link between prompt payment and public procurement

## State Aid Policy & National Coordination

This Department is the National Contact Point for overarching State aid policy and also acts as a liaison point for all communications issuing to and from DG Competition (DG COMP). State Aid Unit works on an ongoing basis with the enterprise agencies to ensure compliance of this Department's industrial development schemes with EU State aid rules. While each Department (and agency) is ultimately responsible for ensuring that their schemes are in compliance with State aid rules, State Aid Unit does provide guidance and assistance where feasible.

The next round of State Aid Modernisation (SAM) negotiations will take place during 2018 and 2019 in advance of the new system of State Aid rules being implemented in 2020. The State Aid Unit will act on behalf of Ireland Inc in these negotiations. These negotiations are particularly important to smaller countries like Ireland who benefit greatly from State Aid rules.

The Unit is also providing State aid guidance as part of the development of new schemes to support businesses impacted by Brexit. This includes scoping out what is possible within the existing State aid guidelines and engaging with DG Competition to sensitise them to the Irish situation including the need for possible flexibilities to develop other targeted supports for businesses impacted by Brexit.

The next steps for the Department are:

- Participate in SAM Working Group in preparation for SAM negotiations
- Work with the Commission and national stakeholders to ensure the appropriate procedural mechanisms are in place to monitor national performance and compliance with EU State aid rules.
- Provide guidance to Government Departments and public sector bodies in the area of state aid
- Provide guidance on any Brexit related state aid issues.

## Brexit Mitigation Measures for SMEs

DJEI has conducted a series of structured engagements with companies of different sizes, across different sectors and across the regions on the current and expected impact of Brexit on exposed companies. Further valuable information has been acquired through a survey of a thousand SME business owners which was completed at the beginning of this year. On foot of this evidence base, DJEI has been working closely with the D/Finance, the DAFM, EI and the SBCI to develop appropriate and targeted supports; and it was agreed at the April meeting of the Cabinet Committee for Economy, Trade and Jobs that 3 measures would be considered further:

- a Brexit Working Capital Guarantee Scheme
- a longer term Business Development Loan Scheme (subject to further ex-ante analysis)
- a business advisory hub

The **Working Capital Guarantee Scheme** would be made available to SMEs who need relatively short term credit to cope with working capital challenges brought about by Brexit. These would include vulnerable but viable businesses dealing with a changing exporting environment and businesses affected by import substitution who are investing in diversification, innovation and market development.

The **Longer Term Business Development Schem** which is subject to the findings of OFe would support access to longer term financing for SMEs to investing for the post Brexit environment.

- The **Business Advisory Hub** is also at an early, scoping phase of development. The goal is that it would assist SMEs to make informed funding/investment decisions and help them avail of private market solutions or existing State supports, building on the advice and guidance currently provided by Enterprise Ireland, the Local Enterprise Offices and the Credit Review Office.

**Next Steps:**

- Work on the drafting of the Working Capital scheme is close to finalisation and will be submitted to the Cabinet Committee for approval shortly.
- Work is also underway to assess the evidence base underpinning a longer term development scheme, and to develop an issues paper on the Business Advisory Hub.



### 3.2 Innovation and Investment Division Dermot Mulligan Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Inward Investment and North-South	Richard Scannell
Innovation, Research and Development - Policy	Joseph Moore
Innovation, Research and Development - Programmes	Marcus Breathnach
Intellectual Property Unit	Anne Coleman Dunne
<b>Offices:</b> Patents Office	Gerard Barrett, Controller of Patents
<b>Agencies:</b> SFI	Prof. Mark Ferguson – Director General Martin Shanahan – CEO
IDA Ireland	
<b>North/South Body</b> Intertrade Ireland	Thomas Hunter McGowan - CEO

**Details of the key issues within each Business Unit of the Division are as follows:**

Business Unit in the Division	Head of Unit (Principal Officer)
Inward Investment, North South	Richard Scannell

#### IDA Financial Resources

The IDA Ireland strategy for the five-year period 2015-2019 sets ambitious targets for the Agency. It is therefore important that the Agency has sufficient operational resources, including staff, to secure new jobs and investments for Ireland and especially for regional areas. It is especially key that the IDA is equipped with the financial and human resources it requires in order to maximise the FDI opportunities that may emerge for Ireland on account of Brexit. It is also important that sufficient capital funding is available to support company investments through grants for R&D, employment and training.

In February 2015, the Government announced a €150m Regional Property Programme to be delivered by IDA Ireland to attract foreign direct investment across the country over a five year period. The programme is targeted at ensuring the ready availability of an adequate supply of marketable serviced land, office and industrial /manufacturing buildings in advance of demand. This is a multi-annual programme for which sufficient funding from the Exchequer will be required to cover commitments entered into in order to deliver the strategic ambitions set out.

Next steps:

Monitor IDA Ireland's expenditure requirements as the year progresses and engage with D/PER through Corporate Service Division to secure the additional funding already identified for property and any additional funding for grants that may be determined as the year progresses.





A/Sec Dermot Mulligan is chairing an Implementation Group comprising relevant Government Departments and research funding agencies to drive implementation of the strategy.

A key action in Innovation 2020 is a refresh of Research Prioritisation is due to be in place by 2018. Its development is currently underway in conjunction with Strategic Policy Division.

Next steps are to:

- report on progress to Cabinet in early July 2017 including on progress towards the 2.5% target in advance of discussions on 2018. Estimates and the review of the Multi Annual Capital Plan.
- put in place a new cycle of Research Prioritisation by 2018. A high level consultation forum will take place in November 2017, with a view to the final report going to Cabinet in December 2017.

### **Horizon 2020 – EU Framework Programme for Research & Innovation**

Horizon 2020 (H2020) is the EU's Framework Programme for Research and Innovation. It has a budget of €75 billion and runs from 2014 to 2020. H2020 funding (i.e. grants) is awarded on a competitive basis to researchers and companies across three main pillars: Excellent Science, Leadership in Enabling and Industrial Technologies and Societal Challenges.

In 2013 the Government set a national target to win €1.25 billion over the lifetime of H2020.

Implementation of the national strategy for participation in H2020 is led and driven by the H2020 High Level Group, an inter-departmental, cross-agency group, chaired by the Division's A/Sec.

Ireland has secured €386m from Horizon 2020 up to end of February 2017. Higher Education Institutes accounted for €221m of the total. Companies won €126m including €78m for SMEs.

The High Level Group will next meet on 20<sup>th</sup> June and key issues for the agenda include:

- Preparation for the H2020 Work Programme for 2018-20, for which there will be a EU budget of €30 billion.
- Approval of a paper setting out Ireland's priorities for a successor programme to H2020, Framework Programme 9 (FP9).

### **National Innovation Research & Development Sectoral initiatives – Health, Marine & Energy**

The establishment of a national Health Innovation Hub was identified as a Disruptive Reform in the Action Plan for Jobs. A joint initiative of DJEI and the D/Health, the aim of Health Innovation Hub Ireland is to drive collaboration between the health service and the enterprise sector leading to the development and commercialisation of new healthcare technologies, products and services emerging from within the health service and/or the enterprise sector. The national Hub, Health Innovation Hub Ireland, involves a consortium led by University College Cork (who hosted the pilot) along with Cork Institute of Technology, National University of Ireland Galway & Trinity College Dublin. Innovation Research & Development (IRD) Policy Unit provides the secretariat to an Oversight Group, chaired by an industry expert with deputy co-chairs from DJEI and D/Health which ensures the ambition and appropriate direction of the Hub. As part of the official launch of the Hub, the first calls for proposals were issued and included a focussed call on Care for Older Persons – this aligns with Ireland's smart ageing agenda.

More recently, EI has been in discussion with the Department of Health around the establishment of a Health Specific Small Business and Innovation (SBIR. Small Business Innovation Research (SBIR) – a

mechanism which enables public sector bodies to connect with innovative ideas and technology businesses. The view is that the health sector could provide significant opportunities in terms of innovation based public procurement.

### **Marine Coordination Group**

IRD Policy Unit represents DJEI on the inter-departmental Marine Coordination Group, which is chaired by the Minister for Agriculture, Food and the Marine. The Group monitors and coordinates implementation of Harnessing our Ocean Wealth, the national maritime strategy. DJEI, through our enterprise agencies, has a key role in the strategy in supporting enterprise development in the sector.

Dept. of Communications, Energy and Nature Resources (DCENR) convened an inter-departmental, inter-agency Energy Research Strategy Expert Group to develop a new, national strategy for energy research. Energy research has relevance to the enterprise base and has a key role in meeting the challenges of security & sustainability of supply and cost competitiveness. Knowledge transfer of publicly-funded energy research can lead to new products and services and energy research capacity can also form part of Ireland's FDI offering. A key issue for the Group is governance and coordination across the large number of public bodies active in the area as a result of the cross-cutting nature of energy research (environment, enterprise, agriculture, consumer) – we need to avoid fragmentation/proliferation of funding. EI & SFI fund substantial energy research centres namely IERC (International Energy Research Centres joint funded by EI and DCENR) and MAREI (Marine Renewable Energy Centre funded by SFI). An Energy White paper was published in Q3 2015. IRD Policy Unit will provide inputs to implementation of the energy research agenda led by DCENR.

Next Steps:

### **Health Innovation Hub Ireland**

- Support successful projects emerging from competitive calls (Q2/3)
- Develop and launch a Health Innovation Hub Ireland Health Innovation Education Programme (Q3)
- Issue new call for proposals (Q4)

### **Marine**

- DJEI contribution to HOOW annual progress report & SEAFEST 30 June/1 July in Galway
- EI carrying out needs assessment for marine incubator

### **Energy**

- Participate in DCENR led implementation group

A/Sec: Dermot Mulligan x 2182 PO: Joseph Moore x 2236

## **Broader EU Engagement on Research & Innovation**

EU Research and Innovation Policy is developed by the European Research Area (ERA) Advisory Structure and adopted by the Competitiveness (Research) Council. The Presidency of the Council will be held by Estonia for the second half of 2017 with the Bulgarians due to takeover for the first semester of 2018.

The ERA Advisory structure has oversight of the implementation of the ERA Roadmap and the national Roadmaps. The national roadmaps identify the actions to be undertaken by Member States to achieve the 6 ERA priorities which are (i) more effective national research systems; (ii) optimal transnational cooperation and competition; (iii) open labour market for researchers; (iv) gender equality and mainstreaming in research; (v) optimal circulation, access to & transfer of scientific knowledge,

including via digital ERA; and (vi) international cooperation. Ireland's ERA Roadmap is closely aligned with Innovation 2020. ERA Priority (v) optimal circulation, access to & transfer of scientific knowledge will see a number of initiatives in the area of Open Science and the European Open Science Cloud. These are being considered by the National Open Research Forum.

The next steps are to support for the 2017 informal and formal Competitiveness Council Research Ministers meetings. Ongoing participation in the ERA groups and ensuring national oversight/coordination across groups. Engage with the NORF to ensure that Ireland keeps abreast of developments in the area of Open Science.

**International Innovation Research & Development Policy**

Ireland has bilateral IRD agreements with China, Japan and India - bilateral cooperation is closely linked to SFI's International Programmes. Discussions are about to commence with China regarding a new specific RDI agreement with the Ministry of Science and Technology to replace the existing Memorandum of Understanding.

IRD Policy collaborates with DFAT on Joint Economic Councils (JEC) with an R&D dimension to inward & outward delegation visits.

**International Research Organisations**

IRD is assessing the case for membership of two high profile International Research Organisations (IROs) - CERN, the leading global collaboration on particle physics, and the European Southern Observatory (ESO), the leading international astronomy research collaboration.

The key issue is the annual cost of membership. For CERN, Associate Membership would cost €1.4m / year and for ESO the cost of Full Membership would be approx. €3m / year. In addition, for ESO there is a once-off joining fee of €14m which could be amortised over 10 years. XXXXXXXXXXXXXXXXXXXXXXXX  
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Ireland will join the International LOFAR Telescope collaboration in July 2017.

**The US-Ireland R&D Partnership**

The US-Ireland R&D Partnership is a product of the peace process and involves the governments of the USA, Ireland and Northern Ireland working together to advance scientific progress by awarding grants for research on a competitive basis. Areas funded include health, telecommunications and energy. A Steering Group co-chaired by the three jurisdictions guides the collaboration across the three administrations with secretariat support from InterTrade Ireland.

**OECD**

In association with the Strategic Policy Division in DJEI, IRD Policy Unit attends a number of IRD related committees in OECD which allows us to access high-quality analysis and policy and be involved in shaping the EU and international policy environment - during 2015 we engaged extensively with the OECD in the development of *Innovation 2020*

Continue negotiations on Russia IRD/Space agreements and membership of CERN/ESO Attend OECD meetings. Progress discussions with China regarding new RDI agreement. Prepare for potential Ministerial visit from the Ministry of Science, Technology, Innovation and Communications Brazil in September / October 2017.

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
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**Securing increased public investment in research and innovation to meet Innovation 2020 goals**

In 2017, the total capital allocation under 'Programme B – Innovation' in the Department's Vote is €322m (€307m in 2016). 'Programme B' includes all science, technology and innovation supports funded through Science Foundation Ireland (SFI); Enterprise Ireland (EI); and the Programme for Research in Third Level Institutions (PRTLTI). Adding IDA Ireland R&D grants to the 2017 figure, the total spend by DJEI on RDI supports is likely to be in the region of €382 million, equating to approximately half of the total Government spend on R&D in Ireland.

Since 2011, there has been an over reliance on capital carryover, in-year virements, and when available, Supplementary Estimate monies, to mitigate against the severity of reduced allocations. However, with demand for enterprise supports now back at pre-crisis levels, capital savings are unlikely to arise elsewhere across the DJEI Vote in future years.

*Innovation 2020*, contains a commitment to increasing public and private investment in research to reach 2.5% of GNP by 2020 (currently 1.74% in 2014).

Next steps:

- A case for increased investment in the Innovation budget was made to DPER as part of our midterm capital review submission in April 2017.
- Work with agencies concerned (SFI, IDA, EI) and with wider Innovation 2020 Implementation Group to define priorities through the Estimates process for 2018 and beyond.

**Programme for Research in Third Level Institutions (PRTLTI) and the design of a successor to the current programme**

The Programme for Research in Third Level Institutions (PRTLTI) was launched in 1998. Since then there have been five "cycles of awards under the Programme. Until 2010, the PRTLTI was the responsibility of the Dept. of Education & Skills (DES), and was administered by the Higher Education Authority (HEA). Responsibility for the PRTLTI transferred to the Dept. of Jobs, Enterprise & Innovation in May 2010. Cycle 5 of the PRTLTI was launched in July 2010. This was the largest cycle of PRTLTI to date with total exchequer funding of approx. €280m and private funding of €60m. Funding under Cycle 5 provided for both capital infrastructural projects (i.e. buildings and equipment) and recurrent human capital development (including Structured PhD programmes).





Universities.

- Support Irish researchers to diversify their alliances with other EU based researchers.
- Scope medium and long term post Brexit opportunities for Ireland, with emphasis on identifying H2020 industry/academic consortia in which UK researchers are prominent and Irish researchers could be promoted as replacements and identifying EU research infrastructures based in the UK, which could potentially be relocated to Ireland (e.g. the European Medicines Agency).

The Department will work with SFI to ensure implementation of over 40 actions contained in *Innovation 2020*. These actions are targeted at a number of specific areas including human capital where there is an industry demand for increased enrolment of post graduate researchers; and a call by the academic community for greater funding and career development opportunities for post-doctoral researchers.

*The Department is represented on the SFI Board by Mr Dermot Mulligan (A/Sec)*

**Enterprise Ireland initiatives to support company innovation and leverage the commercial potential of third level research**

A budget of €122 million in capital expenditure has been provided to Enterprise Ireland (EI) for Research, Development and Innovation (RD&I) activities in 2017, an increase of €4.4m on 2016 levels. The RD&I activities of EI are overseen by the IRD Programmes Unit within the I&I Division of the Department, while formal corporate oversight and liaison responsibility for EI rests with the Indigenous Enterprise Development Division.

EI RD&I activities include:

- Programmes to support in-company research and development,
- Programmes to support collaboration between industry and the higher education system, which to enable industry to engage with third level researchers in undertaking collaborative research.
- Programmes to help maximise the commercial return from publicly-funded research through initiatives such as the Commercialisation Fund and the Technology Transfer Strengthening Initiative (TTSI), which is administered by Knowledge Transfer Ireland (KTI), a partnership between the Irish Universities Association and EI.

EI has recently introduced a number of new RD&I supports. The Small Business Innovation Research (SBIR) programme involving public procurement of R&D to provide innovation solutions to societal challenges. The Business Innovation Initiative is a further new programme providing support to companies, via a competitive process, to undertake process and organisation innovation.

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EI continues to focus on the challenge of raising the innovative capacity of indigenous enterprise and, through its programmes, will have a key role to play in raising the relatively low level of R&D performed by indigenous enterprise, in turn contributing to targets set out in *Innovation 2020*.



through an RTO model for the benefit of both indigenous and multinational companies.

In May 2017, the Irish Manufacturing Research (IMR) Centre was officially launched. The Centre will be supported by EI and IDA Ireland through their technology centre programme with a €15m budget over 5 years.

An inter-agency (EI, IDA, SFI) group has been established to progress proposals for the establishment of an Advanced Manufacturing Centre (AMC) based on the RTO model. It is proposed that the AMC will build on the existing supports being provided by the IMR Technology Centre, as well as the two recently announced SFI Research Centres in the manufacturing research area.

An announcement is expected in Q3/Q4, outlining DJEIs plans regarding the AMC, further addressing the research, technology and training needs of the manufacturing industry.

### **Ireland's Participation in the European Space Agency (ESA)**

Innovation Research & Innovation (IRD) Programmes manages Ireland's annual investment in the European Space Agency (ESA) (currently €17.3m). Funding is paid directly to ESA by the Department under Subscriptions to International Organisations. Enterprise Ireland provides technical and expert support to IRD Programmes in relation to Ireland's ESA participation.

The primary purpose of Ireland's investment in ESA is to participate in European space technology and space mission programmes with a focus on facilitating innovative Irish companies and researchers to develop leading edge space technologies for commercial exploitation in the global space and non-space markets, leading to increased exports, sales and employment.

Ireland's level of investment in ESA continues to be comparatively small at €17.8 million p.a. (ahead of Greece but below all other member States) it nevertheless produces excellent economic and societal returns. The investment in ESA also provides the foundation for maximising the industrial and other impacts of the European space programmes.

Ireland's membership of ESA has contributed to the development of a highly knowledge-intensive industry sector with over 110 Irish technology companies securing ESA contracts since 2006 and with almost 60 companies actively engaged in this sector employing almost 2,000 people. Exports from the Irish space sector amount to over €80m per annum.

The number of Irish companies active in ESA programmes has grown 100% from 30 to 60 in the period 2010 to 2016. In the same period the annual level of investment in ESA programmes increased by just 20%. The number and value of contracts awarded by ESA has also increased significantly, reflecting the quality of Irish industry products.

For 2017 the space sector is expected to continue to expand rapidly with:-

- A further increase in the number of space active companies from 60 to 65.
- Further increases in turnover, exports, employment and Business Expenditure on R&D.
- An expected increase in the value of ESA contracts to ~€15m.
- 5 new start-up companies will be incubated in the ESA BIC.

Securing additional funding for investment in ESA Optional Programmes is among the Department's

priorities for increased funding to meet *Innovation 2020* goals, including maximise the leveraging of awards under H2020, procurements under the EU Copernicus and Galileo space programmes and co-funded company investment in space R&D.

It is also hoped to draft on Consultation Paper later this year as a first step towards developing a National Space Strategy.

The Director General of ESA, Johann-Dietrich Woerner, will visit Cork on 25 August to close the International Space University Summer School and meet with space industry representatives.

## EU & International Space Industrial Policy

The European Union has a legal competence in space policy since 2010 and has developed a Space Industrial Policy in the intervening years. The EU has initiated two space programmes - Copernicus and Galileo - which are providing Earth observation and satellite positioning data on a global basis respectively. These programmes are multi-annual and involve expenditure of almost €10 billion to 2020.

In October 2016 the European Commission published a wide-ranging and comprehensive new Strategy for the Space Sector. A key task for the year will be to ensure that Ireland's interests are reflected in the implementation of this Strategy through engagement with the European Commission ad hoc high level group and the Space Policy Expert Group.

The Estonian Presidency will hold an informal Space Council on 7 November 2017 which will focus on the future of space based Earth Observation. The Space Council is a joint and concomitant meeting of the EU Council and the ESA Council at Ministerial level and so it includes the non-EU ESA member States of Norway and Switzerland. The Estonian Presidency also intends to prepare a set of Council Conclusions on the mid-term review of the EU Copernicus Space Programme to be adopted at the Competitiveness Council (Space) on 1 December.

Specific priorities in 2017 include:

- Further develop and support cross departmental mechanisms to coordinate national positions on Copernicus in association with EI;
- Support/Direct Permanent Representation in Brussels (PRB) – policy input for Space Working Party (SWP), Space Policy Working Group (SPEG), Coreper & Council;
- Explore with EI actions for maximising the benefits of Copernicus, Galileo, H2020 & EUMETSAT programmes' commercial and research opportunities
- Provide input to the negotiation of Competitiveness Council Conclusions on Copernicus;
- Ensure appropriate levels of consultation and input in relation to the implementation of the EU Strategy for Space.

Business Unit in the Division	Head of Unit (Principal Officer)
Intellectual Property Unit	Anne Coleman Dunne

## Preparations to facilitate ratification by Ireland of an international Agreement setting up a

### **Unified Patent Court to adjudicate on patent litigation**

Agreement was reached at EU level to introduce a “patents package” in 2013. This includes a new European unitary patent providing uniform patent cover in up to 26 EU Member States on the basis of a single application process and on payment of a single set of fees. The enforcement mechanism for the unitary patent system will be a new international court: the Unified Patent Court (UPC). The Agreement setting up the Court is not mandated by Ireland’s EU membership obligations and, as it involves the transfer from the Irish Courts of jurisdiction for patent litigation in the context of the Agreement, a Constitutional Referendum is required as this runs counter to the current Constitutional position.

In order to progress the ratification process, a Referendum on the issue must be held and carried. UK ratification of the Agreement is critical to the system coming into effect and this will be evaluated in the aftermath of UK general election. Timing of a referendum in Ireland will need to be considered in line with Government’s overall policy on the timing of other referendums referred to in the Programme for a Partnership Government. The Court and the unitary patent could now come into effect on a provisional basis later in 2017 and fully operation in early 2018.

### **Progressing amending legislation in the copyright through the Copyright and Related Rights (Amendment)(Miscellaneous Intellectual Property) Bill, 2017**

In 2011 the Copyright Review Committee was established to examine copyright legislation to identify any necessary reforms. Following publication of the Committee’s Report in 2013 the Department examined the recommendations and obtained Government approval in 2016 for the draft heads of a bill to bring through some of the recommendations in the Report.

Essentially, the Bill aims to:

- create greater Court access for Intellectual Property claims by extending jurisdiction of the Circuit and District courts;
- provide greater clarity around the use of copyright material in scientific and other research and provide a copyright exception to facilitate Text and Data Mining (TDM);
- expand the copyright exceptions applicable to the education sector;
- provide greater access to copyrighted works by persons with a disability.

The Bill is at an advanced stage of drafting and once drafting is completed, the Department intends to engage in a brief consultation and seek Government approval to publish the Bill. It is hoped that this will take place in the second half of 2017.

## Examination and negotiation of EU proposals on Copyright Reform

Under the EU Commission Digital Market Strategy (DSM) a number of proposals for copyright modernisation are included.

The first proposal, now almost adopted, was a Regulation on cross-border portability of online content services to ensure that EU consumers have access to their online content services (e.g., Netflix, RTÉ Player, when travelling temporarily within the EU).

Four further copyright proposals were published by the Commission in early 2016. These include:

- a proposal for a Directive on copyright in the Digital Single Market (the copyright Directive);
- a proposed Regulation on the cross-border of accessible format copies of certain works for persons who are blind, visually impaired or print disabled (Marrakesh Regulations);
- a proposal for a Directive on permitted uses of works and other subject-matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or print disabled (Marrakesh Directive); and
- a proposal for a Regulation laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions (SatCab Regulations).

The copyright directive proposes a number of mandatory copyright exceptions in the fields of education and research and includes also measures aimed at ensuring authors and right holders receive a fair share of the value that is generated by the use of their works, particularly by online platforms that give access to user-uploaded content. This proposal provides for measures aiming at improving the position of right holders to negotiate and to be remunerated for the exploitation of their content online.

The Marrakesh proposals pave the way for the EU to ratify the Marrakesh Treaty, an international agreement aimed at allowing authorised entities to make accessible format copies for persons with a disability.

The SatCab Regulation is also being negotiated within the Working Party on Intellectual Property but falls within the policy remit of the Department of Communications, Climate Action and Environment and officials of that Department are servicing these negotiations.

The Department is actively involved in Council discussions at EU level on all of these proposals that will likely feature on the agenda of the Competitiveness Council in 2017/2018

## Defence of case against a Collective Management Organisation (CMO), the Minister, Ireland & the Attorney General taken by a separate CMO

In August 2016, a plenary summons was served on the Minister as one of 4 parties in a case taken by a CMO relating to a commercial dispute with another CMO and involving State parties on the transposition of EU law into national law.

The State defence in the case is that Ireland has correctly transposed the relevant copyright directive (the

Rental and Lending Directive) which dates from 2006.

This case is currently being progressed through the Commercial Court and is anticipated to be heard in the Micheltas Term (2nd October to 21st December) 2017.

### **Examination of legislative commitments in the Intellectual Property (IP) area to facilitate Ireland's bid for upcoming major sporting events.**

In 2014, Government supported the Football Association of Ireland's bid to host games in the UEFA EURO 2020 finals. Dublin was selected as one of the host cities. UEFA sought assurances from applicant countries that legislation to cover particular aspects would be in place prior to the games. Subsequently, the Government agreed to support the Irish Rugby Football Union's all-island bid to host the Rugby World Cup 2023 (RWC2023). Ireland, France and South Africa are in the final phase. The World Rugby Council decision will be announced on 15 November 2017. The same legislative requirements as for the UEFA 2020 bid apply.

This Department has guaranteed to have legislation enacted in specific areas for which the Department has responsibility in advance of the UEFA event. The Controller of Patents, Designs and Trade Marks has provided guarantees in relation to facilitating the registration process of IP applications e.g. logos, emblems etc.

The issues for consideration for both bids are overseen by an Interdepartmental Committee (IDC) to ensure appropriate co-ordination as they extend across the responsibilities of a few Government Departments/agencies. The IDC has identified legislative gaps and plans are underway to address this.

Further discussions are required by the IDC before deciding how best to fill the legislative gaps and discharge our obligations in a timely and co-ordinated manner. The project is lead by the Department of Transport and Tourism and composite legislation for these major sporting events will be the responsibility of that Department.

### **Examination of proposals arising from the EU Commission Single Market Strategy in the Intellectual Property area.**

In October 2015, the EU Commission published its Single Market Strategy (SMS) -focused on practical measures to help SMEs and start-ups to grow and also to promote innovation, unlock investments and empower consumers.

In 2017 the Commission is expected in 2017 to develop initiatives to consolidate and modernise the intellectual property (IP) framework, including supports for the use of IP by SMEs. The Commission will develop initiatives to improve IP awareness, mediation and arbitration networks; the creation of SMEs insurance schemes for litigation and IP theft, and improved coordination of research and innovation funding schemes and IP supports.

An IPR Enforcement network across departments and agencies has been set up, to improve co-ordination of future IPR enforcement initiatives.

The Department has engaged with Enterprise Ireland (EI) for the first IP awareness pilot schemes for SMEs.

The Department will continue to examine and consult on all proposals from the Commission's SMS and actively engage in negotiations at EU Council.

The Department will also continue to engage with EI and the EU Commission so that Irish SMEs can benefit from any new initiatives.

**Transposition of Transposition of EU Directive 2016/943 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.**

The objective of EU Directive 2016/943 is to achieve a smooth functioning internal market by establishing a sufficient and comparable level of civil redress measures across the internal market in the event of the unlawful acquisition, use or disclosure of a trade secret.

Essentially the Directive provides for measures, procedures and remedies necessary to ensure the availability of civil redress against the unlawful acquisition, use and disclosure of trade secrets. If competitors steal or otherwise unlawfully acquire or use this information, the victim will be able to defend his/her rights in court and have access to sufficient and comparable civil redress across the EU.

A public consultation is underway and will feed into the secondary legislation being prepared to transpose the Directive. A draft will be sent to the Office of Parliamentary Counsel (OPC) and the Department will work to with the OPC to ensure the June 2018 transposition deadline is achieved.



### 3.3 Commerce, Consumers and Competition Division Breda Power, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Competition and Consumer Policy Section	Kieran Grace
Company Law Development & EU	Helen Curley
Company Law Audit & Accounting Policy	Sabha Greene
Company Law Policy and Agencies/Offices	Colm Forde
Business Regulation	Colm Forde
Cooperative Legislation & PIAB Liaison Unit	Colm Forde

<b>Offices:</b>	
Office of the Director of Corporate Enforcement (ODCE)	Ian Drennan – Director of Corporate Enforcement
Companies Registration Office, Registry of Friendly Societies (CRO/RFS)	Maureen O’Sullivan – Registrar of Companies and Registrar of Friendly Societies
<b>Agencies:</b>	
Competition & Consumer Protection Commission (CCPC)	Isolde Goggin - Chairperson
Personal Injuries Assessment Board (PIAB)	Conor O’Brien - CEO
Irish Auditing and Accountancy Supervisory Authority (IAASA)	Kevin Prendergast – CEO

**Details of the key issues within each Business Unit of the Division are as follows:**

Business Unit in the Division	Head of Unit (Principal Officer)
Competition and Consumer Policy Section	Kieran Grace

#### Scheme of Proposed Consumer Rights Bill

In its final report, the Sales Law Review Group concluded that the legislative framework governing consumer contract rights, with its mix of primary and secondary legislation of domestic and European Union origin, had resulted in a confusing, complex and, in some respects, contradictory body of statutory rules. The Group recommended accordingly the enactment of a Consumer Rights Act that would consolidate and update the key statutory provisions applicable to consumer contracts. The (then) Minister for Jobs, Enterprise and Innovation endorsed this recommendation, stating that a comprehensive Act along the lines recommended by the Review Group would create a legislative framework more appropriate to 21<sup>st</sup> century conditions and requirements, create clearer rules for businesses, and bring about substantial improvements for consumers. Following an earlier, more general consultation undertaken in August 2014, the draft Scheme of the proposed Bill was issued for public consultation in May 2015. The main parts of the draft Scheme deal with rights and remedies in consumer contracts for the supply of goods, the supply of digital content, the supply of services together with unfair contract terms and gift voucher contracts. Responses to the consultation generally supported the proposal to consolidate and update all of the main statutory provisions on consumer contracts. A number of changes to specific provisions of the draft Scheme have been made in response to points raised by stakeholders and in order to take account of provisions of the draft European Directive on Consumer Contracts for the Supply of Digital Content referred to below

In December 2015 when a draft Memorandum for Government was being prepared on the scheme of the proposed Consumer Rights Bill, the European Commission published proposals for full

harmonisation Directives on consumer contracts for digital content and for the online and other distance sale of goods. These proposals covered largely the same ground as two of the four main parts of the Scheme. In view of the substantial overlap between the draft Scheme and the EU legislative proposals, further action on the draft Scheme had to consider the advisability of bringing forward a legislative proposal to the Oireachtas when directly related and fully harmonised legislative proposals are proceeding through the European Union legislative process. The progress of the proposed Directives continues to be monitored with a view to deciding the best course of action to take with regard to the Scheme of the Bill. The proposed digital content Directive is to be submitted to the Justice and Home Affairs Council in June 2017 for agreement on a general approach. Working party discussions on the sale of goods proposal are likely to commence in the second half of 2017. Depending on the progress of these discussions, it could be possible to make the necessary adjustments to the Scheme of the Consumer Rights Bill in late 2018 or early 2019 with a view to bringing it to Government.

### **Proposed EU Directives on (i) Consumer Contracts for the Supply of Digital Content and (ii) Consumer Contracts for the Online and Other Distance Sales of Goods.**

In December 2015, the European Commission published proposals for Directives, containing provisions on consumer rights and remedies in contracts for digital content and online and other distance sales of goods. Member States have generally welcomed the digital content proposal in view of the relative absence of both EU and national legislative provisions in this rapidly growing area. The proposal for a separate Directive on online and other distance sales received a less positive response with most Member States taking the view that this would create undesirable fragmentation with the rules for in-store consumer sales in the existing Consumer Sales Directive. It was agreed accordingly to focus on the digital content proposal and to await the outcome of a review of the Consumer Sales Directive before proceeding with the proposal on online and other distance sales. Intensive Working Party discussions have taken place on the digital content proposal during the Dutch, Slovak and Maltese Presidencies. The Maltese Presidency is due to submit a compromise text of the proposed Directive to the Justice and Home Affairs Council in June 2017 for agreement on a general approach. While a different outcome would have been preferable on some provisions, the proposed compromise text is reasonably satisfactory on the whole and represents a fair and balanced compromise between both the positions of different Member States and the interests of consumers and suppliers. If approved by the Justice and Home Affairs Council in June 2017, the compromise text will then be the subject of trilogue discussions with the European Parliament, probably in the last quarter of 2017. Working party discussions on the sale of goods proposal are likely to commence in the second half of 2017, though this could be delayed if the extension of the scope of the proposal to cover both offline and online sales is held to require the preparation of a new proposal and impact analysis.

As with the proposed digital content Directive, Departmental officials will participate in Working Party Discussions on the proposed Sales Directive with a view to ensuring as far as possible that its provisions strike a fair balance between the need for a high level of consumer protection and the need to remove barriers to cross-border trade in digital content in order to enhance export opportunities for Irish businesses in this area.

### **Hallmarking (Amendment) Bill 2016**

The Bill is required to amend the Hallmarking Act 1981 to include palladium and mixed precious metal in the definition of articles of precious metals that will be hallmarked by the Assay Office and to enable the Assay Office to strike hallmarks outside the State and for items bearing those hallmarks to be treated in the same way as items bearing hallmarks struck in the State. It will also provide for the updating of offences and penalties.

The Bill was published in December 2016 and passed Second Stage in Dáil Éireann on 6 April 2017. Committee Stage is now scheduled for 15 June 2017. Whilst there has been no issues raised to date with the contents of the Bill, jewellery wholesalers have requested that exemptions from hallmarking be introduced for items below a certain weight: this has been met with strong resistance from jewellery retailers, Irish jewellery manufacturers, the Design & Craft Council of Ireland and the Assay Office.

### **Enactment of an Amendment to the Casual Trading Act 1995 to bring it into line with the requirements of the Services Directive**

The basis of this proposal is to ensure that the Casual Trading Act 1995 is not in conflict with EU legislation, specifically the Services Directive which was transposed in November 2010 by the European Union (Provision of Services) Regulations 2010 (S. I. No. 533 of 2010).

In order to avoid the necessity for the European Commission to initiate infringement proceeding against Ireland, the 1995 Act requires to be amended in respect of the three areas that are in direct conflict with the Services Directive, i.e.; (i) selection procedures, (ii) charges and fees and (iii) duration of a casual trading license.

A Statutory Instrument is being drafted with the OPC to give effect to these changes and this is nearing completion.

### **Monitoring implementation and operation of the provisions of the EU Directive on Alternative Dispute Resolution (ADR) and EU Council Regulation on the Online Dispute Resolution platform (ODR) in Ireland**

The aim of the EU Directive on ADR is to ensure that consumers have access to efficient, fast, non-judicial and low-cost ways of resolving domestic and cross border disputes which arise from sales or service contracts. The EU legal instruments have been transposed into domestic law through SIs 343 of 2015, 368 of 2015, 500 of 2015 and 32 of 2016. The Competition and Consumer Protection Commission (CCPC) has been designated as the competent authority for ADR in Ireland under the legislation and the European Consumer Centre (Ireland) will act as the national contact point for the ODR platform.

The imperative now is to ensure that consumers seeking to resolve disputes in Ireland and cross border disputes using ADR procedures can do so through the ADR legislation and the structures that have been put in place on foot of that legislation. The Department will liaise closely with the CCPC, European

Consumer Centre, EU Commission and interested stakeholders to ensure that these provisions and structures are serving consumers and businesses in Ireland in the required manner.

### **Monitoring implementation and operation of the new Grocery Goods Regulations.**

The grocery goods regulations were signed into law on 27 January 2016 and came into operation on 30 April 2016. The Competition and Consumer Protection Commission has responsibility for enforcing compliance with the regulations. The regulations will apply to retailers and wholesalers with gross annual turnovers in excess of €50 million who have grocery goods contracts with direct suppliers for the sale or supply of food and drink products to their premises. Guidelines, which are intended to assist relevant parties with the implementation of the regulations, were published on 18 March 2016.

The farming lobby (especially the IFA) is still unhappy with these Regulations as they do not guarantee price (this was never intended to be covered by the Regulations) and the desire for an independent Ombudsman (as opposed to the Consumer Protection Commission (CCPC) who the IFA do not consider to be independent)..

The Department will work closely with the Competition and Consumer Protection Commission to ensure that the new regulations are properly understood and applied in the grocery goods sector and to keep under review the case for the extension of this initial set of regulations to the other classes of grocery goods and grocery goods undertakings which are provided for in the Consumer Protection Act 2007.

### **Ticket resale**

There has been public concern about the secondary sale of tickets for entertainment and sporting events. A public consultation document was issued on by Minister Mitchell O'Connor on 20th January 2017 along with the Ministers for Transport, Tourism and Sport and Tourism and Sport. The deadline for submissions was 31st March 2017. Twenty four responses were received, including submissions from the major stakeholders involved in the primary and secondary ticket markets. The submissions were made public in early May on the Department's website. The issues around ticket resale are not straightforward. Therefore, it is important that any possible legislative or other response is based on a thorough examination of the secondary ticket market and its relationship to the primary ticket market.

A Sinn Féin Private Members' Bill on ticket resale was taken at Second Stage in Dáil Éireann on 11 May 2017 and was passed with a deferral motion until 11 February 2018 to allow for scrutiny by the Select Committee on Jobs, Enterprise and Innovation.

The Consumer Protection Commission (CCPC) has opened an investigation into possible competition issues in the primary and secondary ticket markets.

The responses to the public consultation are being assessed with a view to identifying possible options for future action and the ways in which these might best be pursued.

**Proposal for an EU Directive to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market.**

Under the Treaty on the Functioning of the EU, the EU Commission has exclusive competence in the area of competition. In 2013/2014, the EU Commission conducted an assessment of the functioning of the Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 (now 101) and 82 (now 102) of the Treaty. Based on the results of this analysis, the 2014 Commission's Communication on Ten Years of Council Regulation No 1/2003 found that there is scope for National Competition Authorities (NCAs) of the EU Member States to be more effective enforcers. Thus, the main objective of this legislative initiative is to make sure that the full potential of the decentralised system of enforcement of EU competition rules put in place by Regulation (EC) No 1/2003 is realised thus boosting effective enforcement of the EU competition rules. It also aims to underpin close cooperation in the European Competition Network (ECN).

The proposed Directive is aimed at ensuring that NCAs:

1. have effective investigation and decision-making tools
2. are able to impose effective deterrent fines
3. have a well-designed leniency programme in place which facilitates applying for leniency in multiple jurisdictions, and
4. have sufficient resources and can enforce the EU competition rules independently.

The initial Irish view of the proposal is that many of those elements do not pose any substantive problems under Irish law. The legal and Constitutional impact of some elements of the proposal (e.g. imposition of fines on undertakings and associations of undertakings, maximum amount of the fine, periodic penalty payments, the reduction of fines and the suspension of limitation periods for the imposition of penalties) are currently being explored.

Departmental officials will participate in Working Party discussions. The Maltese Presidency held the first Working Party on Competition meeting on the proposed Directive on 12 May 2017. The next meeting is scheduled to take place mid-June. There will be an expectation that this will be agreed before the end of 2017.

**Transposition of Commission Directive (EU) 2016/2037 of 21 November 2016 amending Council Directive 75/324/EEC as regards the maximum allowable pressure of aerosol dispensers and to adapt its labelling provisions to Regulation (EC) No 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures.**

This is a technical amendment to the aerosol directive, which will be implemented by way of a Statutory Instrument.

This has to be transposed by 12 December 2017.

**Transposition of Council Directive (EU) 2017/738 of 27 March 2017 amending, for the purpose of adapting to technical progress, Annex II to Directive 2009/48/EC of the European Parliament and of the Council on the safety of toys, as regards lead.**

This is a technical amendment to the toys directive which will be implemented by way of a Statutory Instrument.

This has to be transposed by 28 October 2018.

**Implementation regulations arising from Regulation (EU) 2016/426 of the European Parliament and of the Council of 9 March 2016 on appliances burning gaseous fuels.**

This will be done by way of a Statutory Instrument. The elements that have to be implemented refer to Articles 43 (Penalties), 44 (Transitional provisions) and 45 (Repeal).

This has to be implemented by 21 March 2018 (in respect of article 43) and 21 April 2018 (in respect of articles 44 and 45).

Business Unit in the Division	Head of Unit (Principal Officer)
Company Law Development & EU	Helen Curley

**Provide Secretariat support to the Company Law Review Group (CLRG) and progress the CLRG Work Programme 2016 - 2018**

The Company Law Review Group (CLRG) is an expert advisory group charged with advising the Minister on company law matters. Its current 2 year work programme was approved by Minister Mitchell O'Connor in June 2016 to run to the end of May 2018 and contains the following matters:

- Examine and recommend ways in which company law could be potentially amended to ensure better safeguards for a company's employees and unsecured creditors.
- Review the provisions in relation to the winding up under of the Companies Act 2014.
- Whether amendments are required to the law relating to company representation before the courts.
- Examine and recommend whether the UNCITRAL Model Law on Cross-Border Insolvency should be adopted by Ireland.
- Review the enforcement of company law.
- Advise the Department on EU company law proposals including the harmonisation of national insolvency laws.
- Examine provisions of the Companies Act 2014 to determine whether recent case law and submissions from stakeholders justify amendments to the Act in the future.

Ongoing meetings of the 10 sub-committees as well as plenary meetings of the CLRG. Secretariat is provided by the Company Law Unit of the Department.

The Report of the Company Law Review Group on Protections for Employees and Unsecured Creditors is due for consideration and potential adoption at the CLRG Plenary meeting on Tuesday 13th June 2017.

The CLRG is conducting a review on the enforcement of company law which is being progressed by the CLRG Compliance and Enforcement subcommittee.

The Corporate Governance subcommittee is currently reviewing submissions on Part 3 of the Companies Act 2014.

There is a strong focus on insolvency in the CLRG Work Programme 2016-2018 and the secretariat is preparing a discussion document regarding winding up in the Companies Act 2014 and the regulation of liquidators. The Corporate Insolvency subcommittee, along with the participation of officials from the Insolvency Service of Ireland and the Department of Justice, has met to commence the consideration of the current EU proposal for a Directive on insolvency (second chance proceedings) as well as consideration of the UNCITRAL Model Law on Cross-Border Insolvency.

### **Twin track examination of Company Law in Insolvency situations with a focus on Employees' Rights and Creditor Protection.**

On 14 January 2016 Ministers Bruton and Nash announced a twin track examination of protections in law for employees and unsecured creditors, particularly to ensure limited liability or restructuring are not used to avoid a company's obligations to its employees and unsecured creditors.

The Ministers appointed two experts to examine the legal protections for workers, particularly where operations and assets may be moved to separate legal entities as part of a restructuring. This examination will look at situations where valuable assets in a company are separated from the operating entity, and how the position of employees can be better protected in such situations. The experts have specifically been asked to consider:

- Could more effective use be made of current legislation to safeguard employees' interests?
- At what point in time could any new measures to protect employees' interests be triggered?
- Are there changes to employment rights legislation that could be considered, or changes at the interface of employment law and company law, including powers to set aside transfers of assets and time periods for same?
- What solution/framework of measures is required?

Separately, the Company Law Review Group (CLRG) was requested to examine and recommend ways in which company law could be amended to ensure better safeguards for a company's employees and unsecured creditors.

- The CLRG has been asked to explore instances where the corporate veil can and should be lifted.
- The strengthening of Directors' duties.
- Checks and balances to strengthen obligations to employees for better protection in company restructuring.

Circumstances in a liquidation of an insolvent company where company liabilities can be met from solvent companies in the same group or in related companies.

The duo of experts submitted their report on 11th March 2016. Their report was published on 26th April 2016. The work of the Company Law Review Group in this matter is on-going.

The Report of the Company Law Review Group on Protections for Employees and Unsecured Creditors is due for consideration and potential adoption at the CLRG Plenary meeting on Tuesday 13th June 2017. Once the report is adopted by the CLRG, it will be formally submitted to the Minister for consideration. There is likely to be political and media interest in the report

## Participate in negotiations on EU Proposals in the area of Company Law

### (a) Shareholders Rights Directive

The main purpose of the Directive is to encourage and facilitate shareholders to take a longer term view of their investments. The Directive does this by amending the existing Shareholders Rights Directive (2007/36/EC) to introduce new obligations on institutional investors, asset managers, certain companies, proxy advisors and investment intermediaries..

The Directive was signed on 17 May 2017 and must be transposed by June 2019

### (b) Codification of certain aspects of Company Law (EU Directive)

Proposal to codify existing company law to ensure greater clarity and ease of reference.

Participate in working group meetings as required. Work is underway analysing primary legislation/EU regulations to see whether codification will require any new legislative instruments.

### (c) Business Insolvency Directive

Participate in negotiations on a proposal to harmonise aspects of Member States national frameworks for preventive restructuring (companies) and second chance (unincorporated entrepreneurs).

The aim of this proposal is to ensure distressed businesses have early and easy access to preventive restructuring procedures that can allow them negotiate with creditors as they seek to avoid any unnecessary liquidation (company) or bankruptcy (non-company entrepreneur).

(This dossier is shared with the Department of Justice and Equality who handles personal insolvency of entrepreneurs and access to the courts, while this Department deals with company insolvency regimes and directors duties)

The Department will continue to consult national stakeholders and participate in EU working groups meetings as required.

## Measures required to implement EU law: Insolvency

Follow on actions arising from recast and amended EU Insolvency Regulation. The Regulation aims to:

- codify European Court of Justice decisions on the concept of centre of main interest – or COMI- which is the determinant of which Member States' courts have jurisdiction
- increase the focus on insolvency proceedings which allow companies survive temporary crises rather than rushing to liquidate it unnecessarily



- increase cooperation between all parties (courts and insolvency practitioners) involved in related proceedings
- increase transparency of proceedings by linking national insolvency registers
- provide a structure to assist in insolvent group situations.

This regime is mainly directly applicable. In cooperation with the Department of Justice consult the Courts Service, to verify that all national rules cater for the enhanced cooperation to be introduced by the EU Regulations with effect from mid-2017.

The Department will support CRO, if required, as they engage with the European Commission's initiative to access insolvency data about Irish companies from the CRO company register. This interconnection is to be completed by the EU Commission by mid-2019.

Business Unit in the Division	Head of Unit (Principal Officer)
Company Law Audit & Accounting Policy	Sabha Greene

### Regulations following from enactment of Companies (Accounting) Act 2017

The Companies (Accounting) Act 2017 was signed into law on 17 May. On 2 June the Minister signed a Commencement Order which provides that the Act will come into effect on 9 June.

This was a late transposition. On 27 April the European Commission announced its decision to refer Ireland to the Court of Justice of the EU over failing to transpose the Accounting Directive into its national legal system. The Department has since notified the European Commission that the Accounting Directive has been transposed and that notification was acknowledged by the Commission on 29 May.

The Companies (Accounting) Act 2017 will:

1. Provide significant simplifications and reductions of administrative burdens for enterprises, notably SMEs,
2. Address a lacuna in the law whereby certain companies can avail of the benefit of being an unlimited liability company and therefore not obliged to file financial statements publicly, while also limiting their liability.
3. Introduce mandatory requirements for public disclosure of payments to Governments by enterprises in the extractive and logging of primary forest industries.

Following on from enactment it will be necessary for the Minister to prescribe certain matters, such as new forms for filing reports with the CRO.

Draft Regulations will be sent to the OPC in early June.

## **Companies (Statutory Audits) Bill 2017**

The main elements of the EU legislation (Directive 2014/56/EU and Regulation EU No 537/2014) relating to statutory audit have already been transposed by SI No. 312 of 2016. The discretionary elements which require primary legislation primarily relate to new powers for IAASA, as the competent authority with oversight of statutory audit, in relation to enforcement and sanctions and the delegation of oversight tasks. Elevating S.I. 312 of 2016 to primary legislation will create a clear, comprehensible framework for statutory audit. The General Scheme of the Bill contain the abolition of the term public auditor and also miscellaneous amendments to the Companies Act 2014.

Heads of the Bill were approved by Government on 17th January 2017 and were published on 16th February. The Department is engaged with the Office of the Parliamentary Counsel to draft the Companies (Statutory Audits) Bill 2017. It is expected to publish the Bill later this year.

## **Commencement of the Companies (Amendment) Bill 2017**

The Companies (Amendment) Bill 2017 amends section 279 of the Companies Act 2014. Section 279 allows certain US-listed holding companies registered in Ireland to use American accounting standards, known as US GAAP, when preparing and filing their financial statements. That section also provides that those companies are only permitted to use US GAAP until 31 December 2020. This Bill proposes to do two things: Firstly, it will extend the deadline of 31 December 2020 by a further 10 years to 31 December 2030. Secondly, it will close off the use of section 279 to new entrants. In other words, companies incorporating in the State after the date of commencement of this Bill will not be eligible to use US GAAP. Companies are keen to get legal certainty so commencement is a priority.

The Bill was published on 5 April 2017 and was initiated in the Seanad, where it passed all Stages on 12 April 2017. The Bill passed all stages in the Dáil on 31 May 2017 and is expected to be enacted in early June. A draft Commencement Order will be submitted to the Minister at the earliest opportunity after enactment.

## **Accounting Standards**

The Department intends to prescribe the Financial Reporting Council (FRC), which is based in the UK, as the standard setter for Ireland. Up to now, the FRC has set the accounting standards for the UK and Ireland, which accountants here are obliged to follow, but without being a prescribed body for those purposes. Changes introduced in the Companies Act 2014 have made it necessary for technical reasons to prescribe the FRC as the standard setter, by Regulation. The recently enacted Companies (Accounting) Act 2017 has helped to prepare the ground for this by providing a statutory exemption from liability for the FRC in its role as standard setter.

Following the recent enactment of the Companies (Accounting) Act 2017, the Department will shortly submit draft Regulations to the OPC for settlement. That draft will be submitted to the Minister at the earliest opportunity

## **Directive 2014/95/EU as regards the disclosure of non-financial and diversity**

The Directive contains two parts:

- The first part requires large public interest entities with more than 500 employees to disclose certain non-financial information, such as environmental and employee-related policies, on an annual basis. Public interest entities are credit institutions such as banks, insurance undertakings, listed companies and companies designated as public interest entities by Member States.
- The second part applies to large traded companies. These will be required to include in the corporate governance statement a report on the company's diversity policy in respect of the board of directors.

The deadline for transposition was 6 December 2016.

Draft Regulations went to the OPC in October 2016 and drafting is at an advanced stage. It was necessary to wait first for enactment of the Companies (Accounting) Bill, which took place on 17 May 2017. The Department hopes to have those Regulations ready for submission to the Minister for signature in June 2017.

## **Proposal for an EU Directive regarding disclosure of income tax information by certain undertakings and branches**

The European Commission adopted in 2016 a Proposal for a Directive to amend the Accounting Directive and to provide for disclosure of income tax information by certain undertakings and branches on a country by country basis. This Proposal would apply to large multinational corporations operating in the EU and with a consolidated net turnover of more than €750 million a year. Such corporations will be obliged to publish annually information on the profit made and taxes paid in each EU Member State on a country by country basis. A similar 'country by country' breakdown of this information will be published with respect to activity in so-called tax havens, while aggregate figures will be provided for other tax jurisdictions outside the EU.

The Proposal is being considered by the Council and by the European Parliament with a view to agreement at First Reading. The Council has not yet agreed its own General Approach and there is a difference of opinion within Council on the legal base. The Department is working closely with Department of Finance on the Irish position.

The proposed Directive is cast as an amendment to the Accounting Directive, which is a company law instrument. Therefore, this Department takes the lead in the EU negotiation and we are cooperating with the Department of Finance as this relates to tax matters. It is difficult to speculate as to when the Council will reach agreement. As things stand, some Member States (including Ireland) consider that the legal base should be changed from company law to taxation.

Business Unit in the Division	Head of Unit (Principal Officer)
Company Law Policy and Agencies/Offices	Colm Forde

### **Follow up to comments by Judge Aylmer in directing the jury to acquit Mr Seán Fitzpatrick**

On May 24<sup>th</sup> 2017 in the Dublin Circuit Criminal Court, Judge John Aylmer directed the jury to acquit Mr Seán Fitzpatrick of all charges.

Under the proceedings initiated by the Director of Public Prosecutions (DPP), Mr. Seán Fitzpatrick, the former Chairman and Chief Executive of Anglo Irish Bank Corporation plc, had been charged with 21 alleged breaches of section 197 and 6 alleged breaches of section 242 of the Companies Act 1990.

It is clear from Judge Aylmer's comments that there were serious deficiencies in the investigative practices used by the ODCE in this case. In particular, the manner in which two witness statements were obtained and the shredding of documents were cited. The strongest criticisms of the Judge related to the investigative procedures undertaken by the ODCE in compiling the file that was sent to the DPP in early 2012.

The Minister, with her officials, met with the Director of Corporate Enforcement, Mr Ian Drennan, on Tuesday evening, May 23<sup>rd</sup> 2017, after Judge Aylmer had made his ruling. The current Director, who took up office in August 2012, provided background to the case and the circumstances that led to the acquittal. The Director fully accepted the criticisms directed at the ODCE by Judge Aylmer. He outlined the organisational review he had undertaken following his appointment, which resulted in a changed organisational structure and management system within the ODCE, as well as a focus on the staffing and skills mix available. That review identified, in particular, a significant skills deficit in the area of accountancy expertise. Following that review, the Director sought, and was granted, sanction to recruit seven forensic accountants. Five accountants have now been recruited and the process of recruiting a further two is in progress. Additionally, the Director sought, and received, sanction to recruit a digital forensics specialist. This specialist started work in recent weeks.

Another fundamental outcome was the overhaul of criminal investigations, to ensure that all investigations now carried out by the Office are led by An Garda Síochána. On May 24<sup>th</sup>, the Minister wrote to the Director requesting a report under section 955(1)(a) of the Companies Act 2014. In her letter, the Minister asked for the report to address the criticisms raised by Judge Aylmer which include:

- the coaching of witness statements;
- late disclosure of documents;
- a perceived bias by ODCE investigators;
- the shredding of documents; and
- any other relevant matters.

The letter stated that the Minister expects the report to be delivered as a priority, and no later than June 23<sup>rd</sup>.

The Minister has stated that she will consider the report in consultation with the Attorney General. The Minister has also stated that she will take any actions necessary, including changes in procedure, organisation change, enhanced powers or indeed legislative solutions.

It should be noted that the Director of Corporate Enforcement has been invited to appear before the Joint Oireachtas Committee on Jobs, Enterprise and Innovation at the earliest opportunity following completion of the report.

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Business Unit in the Division	Head of Unit (Principal Officer)
Business Regulation	Colm Forde

### Communications: BusinessRegulation.ie Portal & Taking Care of Business

A key part of reducing regulatory burdens is better communication. Making it easier for small businesses and start-ups to identify the regulations that apply to them is important.

We monitor, maintain and seek to improve the [www.businessregulation.ie](http://www.businessregulation.ie) web Portal, which was set up by the Department to bring together in one place the many strands of regulatory and compliance information applicable to business, along with links to supports for small businesses and start-ups.

We are also organising in November a Taking Care of Business event in cooperation with over 28 Public Bodies, Offices and Agencies, who will engage with up to 500 small businesses entrepreneurs and start-ups to explain what help and supports are available and how best to deal with regulations in their area. First run in 2013, the "Taking Care of Business" events have seen, to date, approximately 2,000 small businesses attend concise presentations from regulators and support agencies, and where they can ask questions and seek advice during a half-day free event. (Events have to date been held in Dublin, Cork, Limerick, Galway, Waterford and Drogheda.)

The portal will be reviewed in Q4 2017 after the Taking Care of Business event is concluded.

### Represent Ireland at EU and International Fora in relation to Better Regulation issues

The Unit continues to Monitor Better Regulation developments at EU level and in key Member States, in order to ensure Ireland's position is effectively represented

This means (1) cooperation with D/Taoiseach and D/PER to ensure policy coherence across the Better Regulation agenda, (2) coordination of Ireland's response to various requests for information, etc., from the EU Commission, the REFIT Platform, OECD, etc., and (3) participating in relevant meetings and conferences including: the EU REFIT Platform, the OECD Regulatory Policy Committee, the Better Regulation Network the EU Directors and Experts of Better Regulation, and other relevant international events.

A major study of Regulatory Practice and oversight will be launched imminently by the OECD. This will involve months of detailed engagement with D/Taoiseach and D/PER. We have an initial meeting with D/Taoiseach scheduled for June 9.

Business Unit in the Division	Head of Unit (Principal Officer)
Cooperative Legislation & PIAB Liaison Unit	Colm Forde

### **Personal Injuries Assessment Board (PIAB) – amendment of the PIAB legislation to deal with issues relating to reserves and various operational matters**

Advice from the Attorney General indicates that legislative change would be required to allow the Minister to set a reserves policy for PIAB. A public consultation was held on the operation and implementation of the PIAB Acts of 2003 and 2007 in 2014. Submissions were received from a range of interests including Government Departments, and agencies, industry, insurance and legal interests and individuals. Following an examination of the submissions received, the General Scheme of the Bill is now being finalised. The General Scheme will also have regard to the recommendations of the Report of the Cost of Insurance Working Group

The Department will finalise the General Scheme of the Bill and prepare Memorandum for Government and secure approval to draft the Bill by end Q2 in 2017

### **Prudential Supervision Gap in respect of certain Friendly Societies (FS) and Industrial and Provident Societies (I&P)**

A range of Friendly Societies and a small number of Industrial and Provident Societies (three credit co-operatives), which are involved to some degree in the provision of financial services to their members, operate without the exercise of prudential supervision by any regulatory body. The matter has been the subject of Aide Memoires to Government, and the Department has been in consultation with the Department of Finance with a view to assigning responsibility for prudential supervision of the entities concerned to the Central Bank/Financial Regulator. The enactment of the Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Act 2014 was a preliminary step in the process as it provided for the cessation of registration of new friendly societies.

The Department will engage further with the Department of Finance with a view to progressing the development of appropriate prudential supervision for the existing societies.

### **Review the Industrial and Provident Societies (I&P) Acts 1893-2014**

The Industrial and Provident Societies Acts date back to 1893 with various amendments over the years, most recently amended in 2014. The legislation provides a statutory legal framework for the vast majority of co-operatives in Ireland. That framework, by facilitating statutory incorporation and providing a public register service and other supports, has made a positive contribution to the development of co-operatives. The legislation is being reviewed in consultation with the Irish co-operative movement. As well as focussing on technical aspects of the current legislation, the review will involve a root and branch review of the legislation with a view to its modernisation, reform and consolidation.

A public consultation commenced at the end of November 2016 on the implementation and operation of

the Industrial and Provident Societies Acts with a closing date of 31 January, 2017. 10 submissions were received. Focused consultation with key stakeholders will also be undertaken in 2017.

### **Provide Secretariat support to the Personal Injuries Commission (PIC)**

The establishment of the Personal Injuries Commission was one of the key recommendations in the Cost of Insurance Working Group (CIWG) Report on the Cost of Motor Insurance published on the 10<sup>th</sup> January, 2017.

The PIC is chaired by Mr. Justice Nicholas Kearns and other members were appointed from the legal, medical, insurance sectors and relevant Government Departments and Agencies.

The terms of reference for the PIC are set out in the CIWG Report and include assessing the potential for the use of severity scales by medical professionals in the assessment of soft tissue injuries, and the use of standardised reporting, - benchmarking of international awards for personal injury cases, and analysing and reporting on international compensation levels and compensation.

The first meeting of the PIC took place on 10 February, 2017 and monthly meetings have taken place since and will continue for the duration of the PIC.

The work of the PIC is phased over 18 months up to 30 June 2018. The first Report is due in December 2017; second Report in March 2018 and Final Report and Recommendations are due in June 2018.

### **Represent the Department of Jobs, Enterprise and Innovation on the Cost of Insurance Working Group (CIWG)**

The CIWG, chaired by Minister of State Eoghan Murphy T.D., was established in July 2016 in response to the rising cost of insurance and a Dáil motion. The CIWG brings together all the relevant Departments and Offices involved with the process. Its objective is to identify immediate and longer term measures which can address increasing insurance costs, while bearing in mind the need to maintain a stable insurance sector. Officials from the Department of Jobs, Enterprise and Innovation are an integral part of the Working Group since its establishment.

The first phase of the Group's work involved an examination of the Motor Insurance sector. Following approval from Government, a Report was published on the Cost of Motor Insurance on 10 January 2017 which contains 33 recommendations. A number of the recommendations come under the responsibility of DJEI/PIAB including the establishment of the Personal Injuries Commission

The Working Group has commenced the second phase of its work which involves an examination of Employer Liability and Public Liability Insurance. It is anticipated that an addendum to the CIWG Report will be published in September 2017 in relation to this phase.



### 3.4 Labour Affairs and Finance Division Martin Shanagher, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Workplace Relations Liaison Unit Industrial Relations Unit Employment Appeals Tribunal	Stephen Curran
Economic Migration Policy Unit Labour Market and EU EPSCO Policy Unit	Fiona Ward
Employment Rights Policy Unit	Dermot Sheridan
Low Pay Commission	Máire Ní Chuiric
Finance Unit	Cathal O' Gorman
Legal Advisor	Kevin O'Connell

<b>Offices :</b> Workplace Relations Commission <sup>9</sup> Labour Court Low Pay Commission <b>Agencies:</b> None	Oonagh Buckley – Director General Kevin Foley - Chairman Donal de Buitléir - Chairman
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**Details of the key issues within each Business Unit of the Division are as follows:**

Business Unit in the Division	Head of Unit (Principal Officer)
Workplace Relations Liaison Unit Industrial Relations Unit Employment Appeals Tribunal	Stephen Curran

#### **Ensuring effective oversight of the new WRC and newly expanded Labour Court and its new Strategy and Work plan is progressed**

The Workplace Relations Commission (WRC), established on the 1<sup>st</sup> October 2015 incorporates the former LRC, Equality Tribunal, NERA and first instance functions of the EAT. The Labour Court has become the single appellate body for all employment rights and equality cases in addition to renewed IR activity and expanded by the addition of an additional Division.

The WRC is to provide a world-class workplace relations service which is simple to use, independent, effective, impartial and cost-effective, to provide for workable means of redress and enforcement within a reasonable period and to reduce costs to business. The effective oversight of the new Body includes the setting of targets which are related to the vision set.

<sup>9</sup> The first instance functions of the Employment Appeals Tribunal (EAT) were taken over by the Workplace Relations Commission on 1st October 2015. The EAT appellate functions were transferred to the Labour Court. However, The Employment Appeals Tribunal (EAT) cannot be wound up until it has disposed of its legacy caseload which may take between 18 and 24 months.

New strategy for the WRC was presented to the Minister in early 2016. A 2017 Work Programme was approved by the Minister and will be monitored.

### **Dissolution of the Employment Appeals Tribunal**

In the context of the Workplace Relations Reform process, the Employment Appeals Tribunal (EAT) will be dissolved. The Workplace Relations Act 2015 transferred the first instance jurisdiction and appellate jurisdiction of the EAT to the Workplace Relations Commission (WRC) and the Labour Court (LC) respectively. However, all cases submitted to the EAT before 1 October, 2015 must be disposed of by the EAT.

The EAT will be dissolved after it has disposed of all complaints and appeals referred to it before the commencement date. A residual unit will be established to manage the remaining cases by 1<sup>st</sup> October, 2017.

### **Joint Labour Committees (JLCs) and Legal Challenge**

There are JLCs for the following sectors – Agriculture; Security; Retail Grocery and Allied Trades; Hairdressing; Contract Cleaning and Catering. Two Employment Regulation Orders relating to the Security and Contract Cleaning Sectors came into effect on October 1<sup>st</sup> 2015.

A Joint Labour Committee (JLC) of equal numbers of representatives of employers and workers in a sector meet to discuss and agree proposals for terms and conditions to apply to specified grades or categories of workers in the sector. If the Committee, following consultations, adopts proposals it will submit them to the Labour Court for consideration. If the Court agrees it will forward a copy of the proposals to the Minister and if appropriate to do so, an Order (Employment Regulation Order) giving effect to the proposals will be made by the Minister.

The Industrial Relations (Amendment) Act 2012 provided that a review of existing JLC be carried out by the Labour Court. That Review was completed in April 2013. In January 2014 Ministerial Orders to give effect to those recommendations were signed, including the Order reconstituting the JLC for the Security Sector.

#### **Legal Challenge**

A legal challenge on behalf of Top Security Ltd, Morbury Ltd, Guardex Ltd, Carnito Ltd and LAS Security Ltd was entered in December 2015. Defendants are the Security Industry JLC, the Labour Court, the Minister for Jobs, Enterprise and Innovation, Ireland and the Attorney General.

The Chief State Solicitors Office filed a Memorandum of Appearance in the High Court in January. The Plaintiffs are required to serve a Statement of Claim. The Chief State Solicitors Office will furnish DJEI immediately with the Statement of Claim when served.

No developments have taken place since January 2016 – no statement of claim has been lodged. In April 2017 the Security Industry JLC agreed proposals for an amended Employment Regulation Order which were adopted by the Labour Court and subsequently sent to the Minister for consideration. The Minister signed the Employment Regulation Order to have effect from 1 June 2017.

## Sectoral Wage Setting (post McGowan)

In May 2013 in the *McGowan* case, the Supreme Court found parts of the Industrial Relations Act 1946 unconstitutional. The Industrial Relations (Amendment) Act 2015 addressed the ruling and provides a revised legislative framework that is fully informed by the Supreme Court judgment and expected to withstand constitutional challenge in the future.

Registered Employment Agreements and Sectoral Employment Orders (SEOs) should start to emerge and support industrial peace and workers' pay. We will monitor single enterprise agreements, assist with any submission from the Court for SEOs to the Minister, advise the Minister and manage the legislative process if such proposals are accepted by the Minister.

To date five applications for SEOs have been lodged with the Labour Court – one of which was rejected by the Court, one was withdrawn and the other three are currently being considered by the Court. The three relate to very significant sectors namely, construction craftsmen/operatives/apprentices, Mechanical engineering workers and electricians/electrical apprentices.

**Advise the Minister on IR developments generally and specific disputes. Advise as required on the consideration of any new structural arrangements Government may require to help manage industrial relations tensions that may emerge as pay pressures intensify in a rapidly recovering and growing economy.**

The Minister for Public Expenditure and Reform, the Minister for Finance and the Minister for Jobs Enterprise and Innovation jointly submitted a proposal to cabinet in July 2016 seeking approval for the establishment of a Labour-Employer Economic Forum. Approval was given to the Ministers to proceed with the formation of the Forum.

The Labour-Employer Economic Forum (LEEF) is a formal structure for dialogue between representatives of employers and labour to discuss economic and social policies insofar as they affect employment and the workplace. LEEF meets on a quarterly basis and is jointly chaired by the sponsoring Ministers with the Taoiseach chairing the first meeting annually. The Taoiseach chaired the first meeting on the 5<sup>th</sup> October. During the meeting the group agreed the Terms of Reference for the Labour Employer Economic Forum and a presentation on the macro- economic outlook was given by the Department of Finance.

The Taoiseach chaired the second meeting on the 28<sup>th</sup> February 2017 of the Labour Employer Economic Forum (LEEF) which brought together representatives of employers and trade unions with Government Ministers for a focused discussion on Brexit. The Social Welfare Pensions Bill 2017 and measures to increase protections for member of Defined Benefit Occupational scheme were the main issues for discussion at the third meeting of the Forum which took place on the 11<sup>th</sup> May. Forum members were also updated on Brexit at that meeting.

This matter will be kept under review

Business Unit in the Division	Head of Unit (Principal Officer)
Economic Migration Policy Unit	Fiona Ward

**As skills shortages continue to grow and spread to a wider number of occupations and sectors, it is critical that our economic migration/employment permit system can respond to emerging needs.**

### **Online Employment Permit application system**

There was a 13% increase in the number of permits applications received in 2016 compared with 2015. The introduction of the online system in September 2016 greatly improved the Departments service to businesses by eliminating the paper-based system.

This project has enabled the Business Unit to deliver improved turnaround times for processing of employment permits. it freed staff from data entry to focus on decision-making on permit applications. This improvement together with the introduction of the Trusted Partner Initiative in 2015 has allowed the section to concentrate on improved service delivery in the face of increasing demand for employment permits

The Department will extend the online process to Employment Permit Appeals by Q4 2017  
Commence a review of the online system in Q4 2017

### **Bi-annual review of Highly Skilled Eligible Occupations List and Ineligible Categories of Employment List**

The Employment Permits Acts provide flexibility to deal quickly with changing labour market, work pattern and economic development needs.

The Regulations are reviewed and adapted on a biannual basis. There are two types of occupation for the purposes of the employment permits system:

- The Highly Skilled Eligible Occupations Lists (HSEOL) sets out the lists of eligible occupations deemed to be critically important in significant shortage of supply.
- The Ineligible Categories of Employment List (ICEL) includes those occupations for which there is a clear surplus of adequately skilled Irish and EEA nationals. It is primarily focused on elementary occupations.

This review process involves obtaining and considering advice from the Expert Group on Future Skills Needs (EGFSN) and Skills and Labour Market Research Unit (SMLRU - SOLAS). It also involves input from relevant Government Departments, Agencies, and industry as necessary.

Reviews of the HSEOL and ICEL will be undertaken in Q2 and Q4. (APJ Action 75)

### **Review of employment permit minimum remuneration thresholds.**

The employment permit system must be flexible enough to react to changes in economic circumstances and labour market conditions. Therefore, in order to adequately control the flow of

skilled non-EEA migrants into the country, it is necessary to review employment permit minimum remuneration thresholds. Section 14 of the Employments Permits Act 2006 as amended, provides for the making of regulations which, inter alia, empower the Minister to set the minimum remuneration levels for each employment permit type.

Setting the minimum remuneration threshold for an employment permit is a delicate balancing act: on the one side it needs to be high enough to attract and retain third country nationals and ensure domestic supply is encouraged and to secure a socially accepted standard of living while on the other it should not be so high as to impact negatively on Ireland's international competitiveness. It should also be sufficient to cater for family re-unification (Critical Skills Employment Permit). The threshold should also be high enough to ensure that the permit holder does not have recourse to the State's social welfare system.

The Review of remuneration thresholds is targeted for completion by end Quarter 2 2017.

### **Cross-Departmental Coordination for EPSCO Council ( and its preparatory bodies)**

The Employment, Social Policy, Health and Consumer Affairs (EPSCO Council) plays a pivotal role in the governance arrangements for the European Semester and close coordination is required between its preparatory bodies (and those of ECOFIN) in finalising the Jobs and Growth Guidelines in the spring and in reviewing the related country specific recommendations which are submitted to the European Council in June each year.

The lead responsibility for coordinating the activities of all Government Departments vis-à-vis the EPSCO Council lies with the Department of Jobs, Enterprise and Innovation. Government made a formal decision in advance of the last Irish Presidency that the Minister for Jobs Enterprise and Innovation was the lead Minister for this Council. The Minister for Social Protection attends most meetings and leads on relevant dossiers.

The EPSCO Council meets in formal session four times each year and twice in informal session in the country of the Presidency.

The EU Pillar of Social Rights (EPSR) is a recent initiative of the Commission covering three main areas of Social Policy as follows: equal opportunities and access to the labour market, fair working conditions and adequate and sustainable social protection. DJEI has the lead responsibility for cross departmental co-ordination of this initiative.

The EPSCO Council dates for the remainder of 2017 are in Minister's provisional diary in Section 1 .

### **Contribution to national labour market policy coordination (alignment of APJ and Pathway Work)**

Employment growth and efforts to tackle unemployment through the complementary strategies of the Action Plan for Jobs and Pathways to Work. Under Pathways to Work 2013, a protocol of cooperation with the Department of Social Protection and Department of Jobs, Enterprise and Innovation, IDA, EI, the LEOs and Udaras was agreed. The Protocol has been maintained under the new Pathways to Work 2016-2020 Strategy. The overarching aim of the Protocol is to maximise the recruitment of suitably skilled personnel from the Live Register by the Department's enterprise agency client companies. A steering group oversees the effective delivery of the aims of the Protocol and is chaired by the Assistant Secretary of Labour Affairs Division.

The 2016-2020 Pathways to Work Plan was published in January 2016. The Department of Jobs, Enterprise and Innovation fed into the process. Implementation of the resulting actions and actions under the Protocol is being pursued.

Business Unit in the Division	Head of Unit (Principal Officer)
Employment Rights Policy Unit	Dermot Sheridan

### Commission proposal for a revision of Posted Workers Directive 96/71/EC, March 2016

On the 8th March 2016, the European Commission proposed a revision of the rules on posting of workers within the EU to ensure they remain fit for purpose.

Our policy position in relation to posted workers has always been an issue of striking a balance between protection of posted workers and avoiding a race to the bottom on wages or other minimum standards the one hand and ensuring that those very desirable goals are not used to undermine the proper functioning of the internal market.

The Commission's proposal for a revision of the Posted Workers Directive is proving to be very divisive reflecting the different interests and positions of those Member States which are the main receivers of posted workers and those lower cost Member States who are the main senders of posted workers. While discussions on the proposal have continued under both the Slovak and Maltese Presidency, limited progress has been made and views remain polarised.

As Ireland does not compete as a low-cost economy with some of the low rates of pay prevailing in many Eastern European MS our interests would be much more closely aligned to the other higher cost MS's in terms of some of the core principles designed to ensure that posting is not about undercutting agreed minimum rates and driving a race to the bottom. In summary, the proposals relating to Remuneration, Duration of Posting, Collective Bargaining and Temporary Agency Workers are broadly acceptable to us although we have concerns, along with other Member States, about how some aspects of the revised rules would operate in practice.

The Presidency will make a Progress Report at the EPSCO Council on 15 June. Up until last week, the Presidency had intended pressing for a General Approach agreement at EPSCO, but in the face of continued opposition to the proposal, the Presidency have accepted that further negotiations are required to progress this dossier.

## **Policy response to the Programme for Government commitment to tackle the problems caused by the increased casualisation of work and to strengthen regulation of precarious work**

On 2 May the Government approved draft legislative proposals brought forward in response to the commitment in the Programme for Government to address the problems caused by the increased casualization of work and to strengthen the regulation of precarious employment.

The draft legislative proposals take account of a study conducted by the University of Limerick (UL), the responses to the Department's public consultation on the UL study and a detailed dialogue process with IBEC and ICTU before finalising proposals.

### **Core Issues being addressed by the draft proposals**

The proposals address the following:

- Ensuring that workers are better informed about the nature of their employment arrangements and particular their core terms at an early stage of their employment.
- Strengthening the provisions around minimum payments to low-paid, vulnerable workers who may be called in to work for a period but not provided with that work.
- Prohibiting zero hours contracts, except in cases of genuine casual work or emergency cover or short term relief work for that employer.
- Ensuring that workers on low hour contracts who consistently work more hours each week than provided for in their contracts of employment, are entitled to be placed in a band of hours that reflects the reality of the hours they have worked over an extended period.
- Reinforce the anti-victimisation provisions for employees who try to invoke a right under these proposals.

The draft legislation has been submitted to the Oireachtas Committee on Jobs, Enterprise and Innovation. Officials have been invited to attend the Joint Committee on 20<sup>th</sup> June to brief Members on the legislative proposals. DJEI are engaging with the Office of the Parliamentary Counsel in the drafting process. It is not possible at this juncture to say how long the drafting process will take. Subject to Government approval the Bill will be published at an early date once drafting is completed.

## **Preparation for Ireland's term as Titulaire Member of the Governing Body of the International Labour Organisation (ILO) 2017-2020**

The International Labour Organisation (ILO) is a United Nations agency based in Geneva, which deals with employment and labour market issues. The ILO has a unique tripartite structure, in which employers' and workers' representatives have an equal voice with those of governments.

The executive body of the ILO is the Governing Body (GB). In June 2017 Ireland will, for the first time since we joined the ILO in 1923, assume a Titulaire seat at the ILO's Governing Body for the period 2017 to 2020. This will be an ambitious and active period for the ILO due in part to its centenary in 2019 and the ever closer co-operation between the ILO and the EU.

The Titulaire post will give Ireland speaking and voting rights at the Governing Body. There will also be an expectation that we will play a leadership role in discussions at the International Labour Conference (ILC) as the outcome of ILC discussions are brought back to the GB.

The Vote to approve Ireland's position as Titulaire takes place during the week 13-18 June next in Geneva. Ministerial attendance has been planned for some time at the invitation of the ILO DG.

## **Policy issues arising from the work of the duo of experts appointed to examine existing employee protections and the interface between company law and employment law, in light of company closures such as Clerys – Duffy Cahill Report.**

The Government initiated the Duffy Cahill report as part of the response to the closure of Clerys. The examination specifically looked at situations where valuable assets in a company are separated from the operating entity, and how the position of employees can be better protected in such situations. The report set out a number of recommendations for changes to employment law. The Department of Jobs Enterprise and Innovation initiated a public consultation on foot of those recommendations to get a response from stakeholders on how the proposed changes might operate in practice. Quite divergent views were received on the recommendations which require careful consideration.

As part of the process, the Company Law Review Group was also asked to review ways of amending company law to better protect employees and unsecured creditors. The work of the Company Law Review Group (CLRG) is progressing in this regard and they will report in due course. Responsibility for the CLRG aspect of this exercise falls to the Competition, Consumer and Competition Division within DJEI.

Work on developing a response to the Duffy Cahill Report is continuing. In view of the complexity of the legislative provisions proposed, it is envisaged that a second consultation process with stakeholders will be required in the near future, before proposals can be finalised.

A Sinn Fein Private Member's Bill on this topic is down for second stage in the Dail on 22 June next.



## Retirement Age Issues

An Interdepartmental Group (IDG), chaired by the Department of Public Expenditure and Reform (DPER), was established by the Government in 2016 to consider policy around retirement age in both the public and private sectors. DJEI was one of several Departments represented on the IDG. The Group's report was published in August 2016. DJEI's interest relates primarily to the interface between our employment rights legislation and employment equality legislation (for which DJE has responsibility). Employment equality legislation remains the primary avenue of redress for employees retired on age grounds. The Employment Equality Acts allow for the setting of retirement ages once they can be objectively justified.

The IDG made a number of recommendations, one of which related to this Department. On foot of that recommendation, Minister Pat Breen requested the WRC to prepare a Code of Practice under the Industrial Relations Act 1990 which should set out best industrial relations practice in managing the engagement between employers and employees in the run up to retirement, including requests to work beyond what would be considered the normal retirement age in the employment concerned. Preparation of the Code by the WRC, in consultation with relevant stakeholders is expected to be completed in the near future.

## **Transposition of Directive (EU) 2015/1794 of the European Parliament and of the Council of 6 October 2015 amending Directives 2008/94/EC, 2009/38/EC and 2002/14/EC of the European Parliament and of the Council, and Council Directives 98/59/EC and 2001/23/EC, as regards seafarers (the Seafarers Directive)**

The Seafarers Directive amends five earlier Directives which either excluded seafarers from the scope or allowed Member States the option of excluding them. The aim of the Directive is to remove exclusions provided for in the original Directives, so as to provide seafarers with the same rights as those enjoyed by on-shore workers.

Only two of the five exemptions were availed of in existing Irish legislation - the Collective Redundancies Directive (98/59/EC) and the Transfer of Undertakings Directive (2001/23/EC). Accordingly we will need to remove these derogations in order to comply with Directive 2015/1794.

Legal advice is currently being sought as to whether the transposition of the Seafarers Directive can be effected by S.I. under the European Communities Act 1972

### 3.5 EU Affairs, Trade Policy and Safety & Health Policy Division

#### Philip Kelly – Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Brexit Unit	Pauline Mulligan
EU Affairs and Single Market Unit	Conor Verdon
Trade Policy Unit	Lorraine Benson
Safety, Health and Chemicals Policy Unit	Páraig Hennessy
Permanent Representation Brussels	Tommy Murray Anne Marie Finlay
Permanent Representation Geneva	John Newham
Irish Embassy, London	Declan Morrin

**Details of the key issues within each Business Unit of the Division are as follows:**

Business Unit in the Division	Head of Unit (Principal Officer)
Brexit Unit	Pauline Mulligan

#### **Coordination of DJEI and Agency operational and policy response to Brexit**

Brexit Unit leads on the coordination of DJEI & Agency analysis and policy and operational response to Brexit as part of the overall Government response being led by Department of Taoiseach. The Unit supports the Minister and Management Board in relation to all aspects of impacts – risks and opportunities - arising from the UK referendum result. It also leads, coordinates and supports DJEI representation at external Brexit related groups in addition to the Minister’s participation in the Cabinet Committee on Brexit.

#### **Brexit groups managed by DJEI Brexit Unit**

Brexit Unit provides secretariat to a number of internal DJEI groups to consider the impacts and implications of Brexit, develop policy responses and oversee implementation. The DJEI Co-Ordination Group is chaired by the Minister and membership consists of the CEOs of EI and IDA along with senior DJEI officials. The Cross Divisional Senior Officials Group is chaired by the Secretary General. The Brexit Trade and Investment Group is led by the A/Secretary in the Division and includes membership at that level from the Departments of An Taoiseach; Foreign Affairs & Trade; Agriculture, Food & the Marine; Public Expenditure & Reform; Finance; and the Revenue Commissioners. To ensure that the Department engage in more in-depth and frequent dialogue with our stakeholders Brexit Unit also supports a newly established DJEI Enterprise Forum on Brexit and Global Challenges. Chaired by the Secretary General with Minister attending quarterly this Group is comprised of senior officials from DJEI, EI, IDA, and SFI along with a number of Business Representation Groups such as ISME, Ibec, Chambers & Retail Ireland.

#### **External Brexit groups on which DJEI is represented**

Brexit Unit represents DJEI on the Inter-Departmental Group led by D/Taoiseach which prepares the Cabinet Committee on Brexit. The IDG also oversees the work of a myriad of cross Government working groups established on a sectoral basis. DJEI is represented on 8 of 13 of these groups leading on the Brexit Trade & Investment Group . The working groups analyse impacts and implications of Brexit and identify appropriate policy responses which by way of contingency actions and/or policy positions to be taken in negotiations.

The next meeting of the Coordination Group is scheduled for **Thursday 15 June**. The next meeting of the Enterprise Forum on Brexit and Global Challenges is due to take place in September. The Senior Officials group meets monthly and the Brexit Trade & Investment Group every 2/3 weeks

### Engagement with Stakeholders

Brexit Unit leads on engagement with the Department's stakeholders to inform our approach and policy positions on Brexit in consultation with relevant Divisions. Dialogue is happening through existing channels of communication with stakeholders, via APJ National & Regional Implementation Groups, Retailers Forum, Horizon 2020 High Level Group and the Enterprise Forum on Brexit and Global Challenges. The Unit coordinates Brexit meetings with stakeholders with broad based interest across the Department.

Since the UK vote to leave the EU Ministers and officials have been engaged in extensive bilateral engagement with EU counterparts. Minister Mitchell O Connor has had engagement with counterpart UK Ministers, EU Commissions and Ministers from a range of EU Members States. Ministers Breen and Halligan have also been engaging with the counterparts on Brexit – this has been with a view to raising awareness of the unique impact which Brexit will have on Ireland in line with Government priorities.

Brexit Unit is in the process of organising a second stakeholder engagement event focussing on enterprise skills needs and Brexit. This event is scheduled for the 3<sup>rd</sup> July in Dublin and is being co-hosted by the Department of Education & Skills. The outcomes from this event will feed into the preparations for the 3<sup>rd</sup> Plenary Meeting of the All-Island Civic Dialogue which is due to take place on the 19<sup>th</sup> July.

### Research & analysis to inform policy response to Brexit

Brexit Unit oversees research and analysis being undertaken by the Department and its Agencies and monitor research published by external bodies to better inform our policy response.-

Four current pieces of research and analysis include:

- **SME survey on impact of Brexit** – led by Indigenous Enterprise Division completed in January and published in May, this combines the results from a series of structured engagements with companies (of different sizes, across different sectors and across the regions) with a survey of a thousand SME business owners.
- InterTrade Ireland commissioned ESRI to undertake a study, funded by DJEI, on **cross border trade impacts** of Brexit. Engagement with the study is led by Innovation & Investment Division. The analysis provides an understanding of the impact of different trade and tariff regimes which might be imposed following Brexit, together with data on the extent and concentration of Cross Border Trade.
- A third research project is being conducted by the Strategic Policy Division, examining the **implications at firm-level for Ireland's most exposed enterprise sectors** of the UK being outside of the European Single Market and Customs Union.
- The final project is led by Brexit Unit and it will **profile the composition of trade and investment of Ireland and a range of EU Member States with the UK** modelling impacts of scenarios to inform our approach to trade negotiations between the UK and the EU. The Steering Group for this project is the Brexit Trade & Investment Group led by A/Secretary over Brexit Unit.

Indigenous Enterprise Division are progressing policy responses to the SME survey developing a Short Term Brexit Working Capital Guarantee Scheme and scoping a longer term Business Development Loan Scheme & financial advisory hub for SMEs.

The ITI study was published in early June.

Following a pilot approach to the firm level sectors most exposed study (examining 3 sectors) SPD are commissioning consultants to complete the analysis for the remaining 15 sectors. The work is due to be completed by end of this year.

Brexit Unit is currently evaluating proposals received from consultants to carry out the study to profile the composition of trade and investment of Ireland and a range of EU Member States with the UK with the study due to start at the end of June and be completed by the end of the year

## Brexit impacts across DJEI

Brexit Unit coordinates on impacts and implications of Brexit on policy areas across DJEI and feed these into the central groups led by Department of Taoiseach. Brexit will have significant impact across practically all policy and operational areas of the Department and our family of Agencies.

Key risks exist in trade and enterprise policy with most immediate impacts being felt as a result of currency fluctuations. Impacts will be pronounced on north/south trade and INTERREG funding and there are also risks associated with potential for regulatory divergence in the medium term and the loss of the UK as a strong like-minded ally in EU negotiations more generally. On the other hand there are opportunities in Foreign Direct Investment and in research and innovation.

Given Brexit is likely to represent a structural shift in the **UK trading relations** with partners, short, medium and long term responses are needed for Irish business. These include market diversification, cost reduction, innovation and price repositioning. EI in particular is focusing its support on measures to address these issues for client companies. DJEI has been and will continue to play a critical role in identifying what our strategic trade priorities should be in approaching the Brexit negotiations.

Key issues already highlighted and taken into account in the Negotiating Guidelines agreed by the European Council and Directives agreed by the General Affairs Council include the need for **transitional arrangements** and the issue of **transit** both of which will now be addressed in the exit agreement. DJEI will continue to provide policy direction and advice to the centre in relation to the negotiations between the EU and the UK on the trade deal and on other areas of policy for which DJEI has responsibility.

The issue of **currency fluctuation** between the euro and sterling has been identified from an early stage as a factor liable to have an effect on the competitiveness of Irish exports to the UK. Policy responses are being developed based on a Survey of SMEs impacted by Brexit completed earlier this year.

Micro-enterprises and start-ups with **cross-border trade** relationships are particularly vulnerable to the effects of Brexit, and the impacts will be more keenly felt in the Border counties. InterTrade Ireland is supporting companies engaged in cross border trade through a range of enterprise support programmes to build capacity in research and innovation and sales and marketing to better prepare for Brexit.

Brexit provides an opportunity for Ireland to increase its **FDI** stock. Particular sectors from which investment opportunities may emerge include international financial services, technology, consumer and content business and life sciences. IDA is currently focusing its efforts on maximising these opportunities.

However, the UK will also emerge as a stronger competitor for investment post-Brexit. The anticipated negative impact Brexit will have on the international commercial climate would also be likely to affect investor confidence, with the potential result of fewer projects coming to Ireland.

Ireland is well diversified in terms of our international research collaboration including through the EU Framework Programme for Research & Innovation – **Horizon 2020**. While the UK is an important partner for Ireland in research we are not overly dependent on the UK. There are opportunities for Ireland now to build further bilateral collaboration with the UK outside the EU and to further diversify our collaborations with other EU Member States in Horizon 2020. SFI has a number of programmes in place to deliver on this strategy.

The EU Guidelines also acknowledge the need for the EU to recognise existing bilateral agreements between the UK and Ireland – one of these is the Common Travel Area. If the CTA is upheld UK citizens would not require work permits to work in Ireland. However, the potential for 3<sup>rd</sup> country nationals who might look to Ireland rather than the UK could place additional demands on the **employment permit regime**.

Potential impacts on a number of policy areas within DJEI fall into the category of **regulatory divergence**. These are areas where potential impacts emerge depending on the extent to which the UK align post Brexit with existing regulations and legislation underpinning these areas which include: company law, intellectual property, state aids, standards, social rights for workers. Securing a deep and Comprehensive Free Trade Agreement between the UK and the EU could serve to address some of these issues.

Another horizontal issue which arises across the range of policy areas within DJEI remit is the **loss of a like-minded ally** in the UK in terms of our policy approach to EU negotiations. Efforts are already underway to build stronger alliances with like-minded Member State to counteract the loss of the UK voice in negotiations at EU level across the broad range of policy areas within the remit of DJEI.

The work of our various groups, the research being undertaken by DJEI and the results of our stakeholder dialogue will ultimately inform policy positions to be taken during Brexit negotiations.

Business Unit in the Division	Head of Unit (Principal Officer)
EU Affairs Unit Single Market Unit	Conor Verdon

### EU Competitiveness Council – Internal Market and Industry Issues

The EU Competitiveness Council is normally held over two days, with the Industry and Internal Market agenda items on day one, and the Research element on day two. This Department co-ordinates, prepares and develops policy inputs to the EU Competitiveness Council on both horizontal and sectoral issues.

The focus of the Competitiveness Council is on enhancing and sustaining competitiveness, jobs, growth and productivity in Europe. The Council strives to ensure a coherent and coordinated approach to all policies impacting on these areas.

The Competitiveness Council is also vehicle for discussing and monitoring Single Market policies. .

The Competitiveness Council normally meets on three occasions during each six-month Presidency. This usually includes two formal Council meetings held in Brussels, or sometimes in Luxembourg, and one informal Council meeting which is hosted in the Member State that currently holds the rotating Presidency. The Presidency of the Council is currently held by Malta (until the end of June), and the next three Presidencies will be held by Estonia (July to December 2017), Bulgaria (January to June 2018), and Austria (July to December 2018).

The Competitiveness Council will next meet in Informal session on 17 and 18 July in Tallinn under the Estonian Presidency. The Informal Council will be held jointly with Telecoms Council Ministers. The meeting will address the Digital Single Market Strategy. The next formal meetings of the Competitiveness Council are scheduled for 17 October in Luxembourg (this is still to be confirmed), and 31 November in Brussels.

### Single Market Strategy Act as DJEI lead

The Single Market Strategy – “Upgrading the Single Market: more opportunities for people and business” – was adopted by the Commission on 28 October 2015. The Internal Market is one of the 10 political priorities of the Juncker Commission, and the Single Market Strategy has been included in each of the annual work programmes of the current Commission.

Ireland has been consistently active, including in mobilising like-minded Member States, in urging the Commission to be ambitious in making progress on deepening the Single Market, especially for services, where much remains to be done. Ireland had a strong engagement in the preparatory process leading up to the adoption of the Single Market Strategy. We have had regular engagement with the Commission, at both Minister/Commissioner and senior official level, and have led on, or participated in, a number of like-minded initiatives from 2015 to date. Most recently, in November 2016, Ireland took the lead in producing a like-minded letter, signed by 10 Member States including the Netherlands, Sweden and Denmark, calling on the European Commission to introduce ambitious measures to make it easier for businesses to provide services on a cross-border basis in other EU Member States.

The Single Market is a strong priority at the highest political level in the EU, and features regularly on the agenda of the European Council, most notably at the June European Council. Indeed, the European Council has set a high level political target for all of the measures included in the Single Market Strategy to be delivered, at EU level, by the end of 2018.

The Strategy comprises a series of targeted actions, to be progressed over the period from 2016 to 2018. In 2017 key proposals for DJEI include the Services e-Card, and the proposed Single Market Information Tool

### **Examination and negotiation of proposals on a European Services eCard from the EU Commission Single Market Strategy**

On 10 January 2017 the EU Commission presented its 'Services Package'. The package included a Regulation and a Directive to introduce a European Services e-card (ESC) for key sectors of the economy such as construction and business services.

The ESC aims to improve the single market for service providers by reducing administrative complexity for service providers that want to expand their activities to other Member States. Initially it will be offered to service providers in the business and construction sectors and the related activities which fall under the Services Directive. These sectors have been identified as sectors of economic importance where there is currently little cross-border activity.

The Regulation introduces the European services e-card and sets up tools which are available for service providers throughout the EU. The Directive sets out the legal and operational framework of the European services e-card.

The Department is actively involved in discussions at EU Council technical working group level on the Regulation and the Directive, which are expected to progress during the upcoming Estonian Presidency.

### **Examination and negotiation of a proposal on a Single Market Information Tool from the EU Commission Single Market Strategy**

On 2 May 2017 the EU Commission presented its 'Compliance Package'. The package included a proposal for a Single Market Information Tool (Regulation). This will allow the Commission to obtain, in clearly framed cases, timely, comprehensive and reliable quantitative and qualitative information from selected market players in specific instances, and as a last resort, where there are indications of serious difficulties with the application of EU Single Market legislation.

The proposed Regulation aims to help the Commission monitor and enforce internal market rules. The Commission goal is that this new tool will be used in areas where the EU can deliver tangible results that are most important to citizens and businesses. The Commission contends that with more efficient enforcement tools, the EU will be able to act and ensure full compliance more quickly and more effectively in its chosen priority areas.

The Department is examining the details of this proposal, and will consult with appropriate stakeholders. We will actively engage in negotiations at Council technical level in Brussels when they commence.

### **Government services to business will be available online by November 2017 (Also an initiative under the Action Plan for Jobs 2017)**

Following an EU Pilot infringement case initiated by the European Commission against Ireland in July 2015 for possible violation of Articles 6-8 of the Services Directive, this Department obtained a Government Decision in November 2015 to make all significant Government services to businesses available online by November 2017. The follow-up to this Government Decision resulted in the inclusion of appropriate actions in the Action Plan for Jobs in both 2016 and 2017.

This initiative is aligned with one of the core objectives of the Public Sector ICT Strategy of Digital First, that is, the digitisation of key transactional services and the increased use of ICT to deliver improved efficiency within public bodies and provide new digital services to businesses.

Provide regular updates to the European Commission on Ireland's progress in meeting its commitment to making the appropriate services to business available online by the target date of November 2017

### **Services Directive Implementation**

The Services Directive was implemented in Ireland in November 2010 by SI 533 of 2010 – The European Union (Provision of Services) Regulations.

The Services Directive aims to maximise the advantages of the Single Market for services for the benefit of consumers and businesses. It obliges Member States to increase transparency for undertakings and service recipients including through a dedicated website, known as the "Point of Single Contact", and eliminate unjustified or disproportionate requirements. The Directive covers a large variety of sectors ranging from traditional activities to knowledge-based services. The impact of the Directive is wide-ranging and affects service providers both large and small, including thousands of SMEs.

A key priority is to ensure that relevant Irish legislation, public policies and practices are in conformity with the Directive.

Continuing monitoring of relevant national legislation for compliance

Further enhancement of single market portals, such as, Point of Single Contact (PSC), SOLVIT, IMI and Your Europe

Participate at key business events to raise awareness and publicise the benefits of the Directive



Business Unit in the Division	Head of Unit (Principal Officer)
Trade Policy Unit	Lorraine Benson

## EU Trade Policy and Free Trade Negotiations

On the 14th October 2015, the European Commission published its new international trade and investment strategy for the European Union, entitled 'Trade for All: Towards a more responsible trade and investment policy'. This strategy responds to new economic realities in line with the EU's foreign policy. It includes measures to ensure that trade policy benefits as many people as possible, is more effective, transparent and in tune with EU values such as sustainable development, human rights, fair and ethical trade or the fight against corruption.

### Trade Negotiations

On the 30th October 2016, the **EU-Canada Comprehensive Economic Trade Agreement (CETA)** was adopted by Council of the EU and signed by Canada, the EU and its Member States at the EU-Canada Summit. CETA is a progressive and comprehensive agreement between the EU and Canada. CETA covers not only the traditional tariffs and quotas which apply to goods, but creates sizeable market access opportunities by opening the services market and access to public contracts and offering predictable conditions for investors. It is expected that CETA will provisionally apply from summer 2017.

The negotiations for the modernisation of the **EU-Mexico Global Agreement** were launched May 2016. Modernisation includes regulatory cooperation, more trade in agriculture and food, common sanitary standards, sustainable development, rules of origin, or investment protection. There are considerable opportunities particularly in the dairy sector where tariff and non-tariff barriers remain strong. Ireland is a significant exporter of powdered milk and milk derivatives to Mexico. Both sides are keen to complete negotiations by the end of the year.

Since negotiations opened in June 2013, there have been 15 rounds in the **EU-US Transatlantic Trade and Investment Partnership Agreement (TTIP)** negotiations. Following the US Presidential election, there will be a pause in the negotiations for quite some time. Before any reengagement, both sides will need to consider whether there is sufficient common ground for taking the negotiations to a conclusion in a balanced manner that finds solutions to resolve differences.

On 1 February 2016, the text of the **EU-Vietnam free trade agreement** was published, following the announcement of the conclusion of the negotiations. The legal review of the negotiated text is currently ongoing and will be followed by translation into the EU's official languages and Vietnamese. The Commission will then present a proposal to the Council of Ministers for approval of the agreement and ratification by the European Parliament. The agreement will contain a legally binding link to the Partnership and Cooperation Agreement (PCA) that governs the overall relationship between the EU and Vietnam.

The EU negotiations with **Japan** on a Free Trade Agreement are expected to conclude by the end of 2017.

Talks with **Mercosur (Brazil, Argentina, Paraguay, Uruguay)** have been in suspension for a number of years. However recent political changes in Argentina and Brazil have prompted a new momentum from the Mercosur side to move ahead with these negotiations. Any deal with this region is of significant concern to the farming sector, especially our beef producers.

The EU and **China** view their ongoing investment agreement negotiations as one of the most important issues in EU-China bilateral economic and trade relations. XX  
XX.



The Unit also supports the Minister's participation at the Export Trade Council where discussions among Ministers takes place on strategic topics related to trade, tourism and investment

### Upcoming Trade Missions

Upcoming Trade Missions			
Event Start Date	Event Title	Country	Notes – Ministers Requested
4-9 June 2017	Trade Mission	USA	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
8-9 June 2017	Financial Services	Switzerland	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
14-15 June 2017	Trade & Education Tech	Slovakia	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
19-21 June 2017	Paris Air Show	France	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
26-28 June 2017	Money 2020	Denmark	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
19-21 Sept 2017	Ploughing Championship	Ireland	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
25 Sept - 1 Oct 2017	Financial Services & Fin Tech	China, Singapore & Japan	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
16 October 2017	State Visit to Australia & New Zealand	Australia & New Zealand	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
17-18 October 2017	Digital Construction Week	UK	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
21-29 October 2017	China on 2 <sup>nd</sup> Tier Cities	China	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
24-26 October 2017	CPhI Worldwide 2017	Germany	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
19 October 2017	Med in Ireland 2017	Ireland	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
1 November 2017	Telco, Aviation, Education	South Africa, Kenya	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
2-3 November 2017	2017 UK Financial Services	London	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
12-15 Nov 2017	Dubai Airshow 2017	UAE	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
12-16 Nov 2017	Agritechnica "Systems & Components"	Germany	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
12-16 Nov 2017	Medica 2017	Germany	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
12-18 Nov 2017	China & Japan	Asia Pacific	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
30 November 2017	Talent Management Solutions	Belgium	XXXXXXXXXXXXXXXXXXXXXXXXXXXX

## Export Credit Insurance

In 1998, the Government announced that the State was withdrawing from all aspects of export credit insurance. Most Departmental activities in relation to Export Credit Insurance ceased in September 2003 on settlement of the Goodman High Court case. Some residual issues have remained relating to debt recoveries on policies in respect of which the Department paid out in the past.

One debt recovery issue is currently being finalised.

## Export Licensing

The key features of the Unit's role are to:

- formulate and implement an effective export control regime in respect of military and dual use goods (goods which have a civil use but may also have a military application) as part of Ireland's commitment to global arms control, non-proliferation of weapons of mass destruction and human rights.
- implement arms embargos and trade sanctions in accordance with Ireland's international commitments and obligations as a member of the EU and UN.
- administer an online licensing regime for the export of controlled items.

### Exports

Licensing Unit manages Ireland's controls on exports of controlled goods and technology i.e.:

- Dual-use goods set out in Council Regulation (EC) No. 428/2009 setting up a Community regime for the control of export, transfer, brokering and transit of dual-use items.
- Military goods as set out in the Control of Exports (Goods and Technology) Order 2012. The goods listed in that Order are based on the EU Common Military List of controlled goods.
- Goods that could be used for capital punishment or torture
- Goods destined for countries to which EU trade sanctions apply and
- Brokering of military goods and technology outside the EU.

### Trade Sanctions

Licensing Unit, along with Department of Finance, prepares the necessary secondary legislation (Statutory Instruments) that provide the legal basis for implementing penalties for breach of EU sanctions. The Unit also provides assistance and clarification to Irish exporters in the area of trade sanctions and is a member of the Cross-Departmental International Sanctions Committee.

On 28 September 2016 the European Commission published a proposal to reform "Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items", the current EU Dual-Use Regulation. The European Commission's proposal is designed to modernise European Union dual-use controls, for example, to address concerns arising from newer technologies such as cyber-surveillance technology. The European Commission's proposal includes a stronger emphasis on protecting human rights and controlling risks to international security, including from terrorism. The European Commission also proposes strengthened communication and coordination between Member States to enable the effective enforcement of control of dual-use exports from the European Union.



### Focused review of the Safety, Health and Welfare at Work Act 2005

A full review of the Safety, Health and Welfare at Work Act, 2005, is not necessary however a focused review of that Act could usefully be carried out to address some priority areas in relation to functions and legal scope of the Health and Safety Authority that require updating and also to examine issues of cross regulatory data sharing.

A limited Bill amending the 2005 Act could be included in the next Legislative Programme

### Review and monitor ongoing occupational health and safety policy and legislative requirements and initiatives with particular reference to the construction and farming sectors

Both the construction and farming sectors are high-risk sectors from a workplace health and safety perspective. The operation, governance and accreditation of safety awareness and competence schemes for the **Construction sector** are under review in light of the establishment of SOLAS and the Education and Training Boards and a recent High Court judgement in respect of the power of SOLAS to require card holders to undergo reassessment before renewal of their card and any implications this has for the Construction Regulations. Rate of farm accidents and fatalities remain disproportionately high and is a priority area of action by DJEI/HSA. There are many HSA led initiatives to improve **farm safety** but there is a need to proactively further involve, and engage with, the farming community itself to instil the safety message in a practical way.

The Department will continue to work with D/Education and Skills & SOLAS in relation to the satisfactory future operation, governance and delivery of safety awareness training for construction sector. The Department will continue to work with the Department of Agriculture, Food and the Marine, HSA and the Farm Safety Partnership on initiatives to improve farm safety and follow-up on joint Ministerial Round Table meeting with farming sector

### Ongoing Chemicals Policy and Legislative Development and Implementation

Responsibility for the national chemicals regulatory framework is shared among a number of Government Departments and Agencies. The Safety, Health and Chemicals Policy Unit chairs an Inter-Departmental/Agency Group, which is aimed at ensuring good communications and co-ordination among the various Departments/Agencies with a role in the area of chemicals regulation and especially for those with particular responsibilities under the Chemicals Acts 2008 and 2010. The chemicals regulatory regime as set out in EU Regulations such as "REACH" (Registration, Evaluation, Authorisation and Restriction of Chemicals) and "CLP" (Classification, Labelling and Packaging) is complex and requires work at EU level on implementation, review and amendment. The Department, with expert support from the HSA services these demands. The Unit supports the HSA in fulfilling its obligations as the lead Competent Authority in Ireland for the EU REACH, CLP, Detergents and Rotterdam Regulations, and the Seveso III Directive, and in helping industry to comply with the demands of EU regulatory regimes.

### Next Steps

- Development of Irish position on various European Commission Proposals to amend the Annexes of the REACH and CLP Regulations which are discussed and voted upon at the REACH Committee;
- Development of Irish position on European Commission Proposals to amend the Carcinogens & Mutagens Directive 2004/37/EU and an assessment of the national legislative framework for carcinogens and chemical agents;
- Legal settlement of draft Regulations in relation to Rotterdam and Detergents;
- Agreement with stakeholders on two outstanding issues relating to the implementation of the SEVESO III Regulations as follows:
  - (a) Non designation of the Harbour/Port Authorities as a competent authority with the result that they remain formally outside of the emergency planning aspects of the Seveso regime which presents a safety risk in the event of the release of a dangerous substance/fire/explosion.
  - (b) Implementation of the land-use planning controls required by the Seveso Directive in Ireland.

### Ensure appropriate liaison mechanisms are in place between DJEI & the Health and Safety Authority with particular reference to governance matters

A key role for DJEI is to support, advise and monitor the HSA in terms of funding, staffing and governance matters and adherence to the Code of Practice for the Governance of State Agencies and the agreed Service Level Agreement between DJEI and the HSA

#### **Next steps:**

Ongoing liaison & governance through regular formal liaison meetings, informal day-to-day contact as well as analysis of material from HSA in respect of PQs, financial reports etc.

Business Unit in the Division	Head of Unit (Principal Officer)
Permanent Representation Brussels	Thomas Murray AnneMarie Finlay

### Trade Council

The Counsellor and team for the Trade Council, working with the Trade Policy Unit at HQ and colleagues in Permanent Mission Unit Nations (PMUN) Geneva, coordinates and consolidates strong working links with colleagues within the Permanent Representation, from other Government Departments and networks with the Commission, Council Secretariat, European Parliament, Commissioner's Cabinets, and individual Member States and groupings of member states to provide oversight and direction in respect of the management of the Department's interests across the wider Council agenda. A wide range of meetings across the above policy spectrum are serviced on a regular basis

The next formal meetings of the FAC Trade Council will take place on 10 November in Brussels and on 10 December in Buenos Aires, in the margins of the 11<sup>th</sup> WTO Ministerial Conference

## **Employment, Social Policy, Health and Consumer Affairs (EPSCO Council)**

Overseen by the Trade Counsellor, the EPSCO attaché (Thomas Bourke) coordinates across the various aspects of the EPSCO Council including the consolidation of strong working links with colleagues within the Permanent Representation, from other Government Departments and networks with the Commission, Council Secretariat, European Parliament, Commission Cabinets, and individual Member States and groupings of member states to provide oversight and direction in respect of the management of the Department's interests across the wider Council agenda

The next formal meeting of EPSCO Council will take place on the 15 June in Luxembourg. The Council will address a range of issues relevant to the Department including the revision of the Posted Workers Directive, the Inter-institutional Proclamation on the European Pillar of Social rights, the European Semester including Country Specific Recommendations, all of which are highly politically sensitive, and amendments to the Directive on the protection of workers from the risks related to exposure to carcinogens or mutagens at work

## **EU Competitiveness Council**

The Counsellor and team for the Competitiveness Council deal with policy and legislation concerning Competitiveness, Single Market, Enterprise, Research, Innovation, Competition, Consumer, Company Law, Intellectual Property, and Space. Largely framing the context of this work are various EU strategies, including the Digital Single Market strategy, the Single Market Strategy, the Circular Economy strategy, Horizon 2020, the EU Semester, and the EU's better regulation agenda. The team, working with the respective policy sections at HQ, coordinates and consolidates strong working links with colleagues within the Permanent Representation from other Government Departments, and networks with the Commission, Council Secretariat, European Parliament, Commissioner's Cabinets, and individual Member States. This provides oversight and direction in respect of the management of the Department's interests across the wider Council agenda. The team covers a wide range of meetings, both formal and informal, across the spectrum of the above agenda. Key EU priorities within this agenda this year include the negotiation of 17 separate proposals for EU legislation, the review of the current EU Research Framework Programme (Horizon 2020) and shaping the new Framework Programme, and developing an EU industrial policy.

The next formal meeting of the Competitiveness Council will take place on 30 November/1 December in Brussels. It is possible that the Council might meet formally before then, on 17 October in Luxembourg, to be decided at the end of July. The Council in December is expected to review the EU's competitiveness, to discuss a strategy for EU industry, to set out its views on the mid-term evaluation of Horizon 2020 and on future orientations for the 9th EU Research Framework Programme, and to decide on various legislative proposals relating to the Digital Single Market strategy and the Single Market Strategy.



Business Unit in the Division	Head of Unit (Principal Officer)
Permanent Representation Geneva	John Newham

### World Trade Organisation (WTO)

The Counsellor and team for the World Trade Organisation oversees developments in the WTO concerning trade negotiations and trade disputes and manages and safeguards DJEI and Irish Policy positions within the EU in Geneva. They provide input into the trade negotiations at WTO and participate in International Labour Organisation (ILO) and World Intellectual Property Organisation (WIPO) meetings and as part of the Permanent Mission's team, they service other international organisations of interest to DJEI in Geneva. They coordinate and consolidate strong working links with colleagues within the Mission, from other Government Departments and network with the European Commission, WTO Secretariat and individual WTO Member States to provide oversight and direction in respect of the management of the Department's interests across the wider WTO agenda. They service a wide range of meetings across the spectrum of the above agenda including chairmanship of committees in the organisations represented. A key focus of the team is to understand, and report on, the implications on Brexit on the WTO and vice versa.

Negotiations are currently underway in Geneva in preparation for the WTO's 11th Ministerial Conference in Buenos Aires this December. Progress will be discussed at the next Trade Council. Possible agenda items at the Conference will be negotiations on: Domestic Support in Agriculture; Fisheries Subsidies; eCommerce; and Public Food Programmes.

Business Unit in the Division	Head of Unit (Principal Officer)
Irish Embassy, London	Declan Morrin

### Enterprise and Trade at the Irish Embassy, London

The Counsellor and team for Enterprise and Trade, London pursue and acquire an insight into matters relating to UK enterprise, trade and economic developments insofar as they may relate to Ireland's interests. They report on strategic issues relating to the specific areas of competitiveness, trade and inwards investment, innovation, research and the labour market, as well as reporting on the macroeconomic situation in the UK. They coordinate and consolidate strong working links with colleagues within the Embassy, Enterprise Ireland, IDA Ireland, Science Foundation Ireland, the many Irish Business Networks in the UK and officials across multiple UK Government Departments including the Department of Business Innovation and Skills. They attend and organise a wide range of business events in the UK.

The immediate focus is on ensuring up to date intelligence on the evolving UK position on Brexit in the aftermath of the General Election (8th June) and the initiation of Article 50 negotiations.

### 3.6 Strategic Policy Division Declan Hughes, (Assistant Secretary)

Business Unit in the Division	Head of Unit (Principal Officer)
Action Plan for Jobs	Gary Martin
New Sources of Growth and Innovation Advisory unit	Karen Hynes
Enterprise Policy, Tax and Economic Infrastructures	Maria Ginnity
Skills & Education, Enterprise Programmes and Policies Evaluations	Kevin Daly
Economic Analysis, Competitiveness, and Surveys	Marie Bourke
Management Support Unit FOI and Customer Service Unit Communications Unit	Michael O'Leary

**Details of the key issues within each Business Unit of the Division are as follows:**

Business Unit in the Division	Head of Unit (Principal Officer)
Action Plan for Jobs & New Sources of Growth	Gary Martin

#### **Action Plan for Jobs (APJ) : Development, Monitoring and Implementation**

DJEL works with the Department of the Taoiseach to achieve an integrated whole of Government approach to reform and addressing the key opportunities for, and constraints on, growing jobs, exports, investment and entrepreneurship. The Programme for a Partnership Government sets a target to increase the number at work by 200,000 by 2020, including 135,000 people outside of Dublin. The focus for 2017 is to support the creation of up 45,000 additional jobs.

DJEL leads the development of the Action Plan through analysis of policy issues that impact on the environment for job creation, extensive enterprise and wider stakeholder consultation, direct engagement with all Government Departments and relevant agencies and consultation with an Industry Partners Forum.

Monitoring through publication of quarterly progress reports is one of the key innovations of the Action Plan for Jobs (APJ) process. DJEL co-chairs with D./Taoiseach the Monitoring Committee at Secretary General level. The APJ Unit is also responsible for monitoring DJEL and its agencies quarterly reports and the implementation rate in 2016 was 93% for DJEL.

The 2017 Plan focuses on the immediate and medium-term challenges posed by the UK's decision to leave the EU, as well as a more volatile and changing trading environment. Although significant progress has been made in recent years, securing full employment and retaining jobs in the face of global uncertainty will be challenging. The preparation of APJ 2018 would need to commence by end June in order to have an APJ for Government by year end.

### **eHubs Development Toolkit**

The digital economy presents a unique opportunity to transform our enterprise potential in regions, smaller towns and rural areas, through the development of hubs for remote working and collaboration facilitated by high capacity broadband connectivity.

The Action Plan for Jobs 2017 (action 124) promotes the development of a network of eHubs across the country to support remote working, entrepreneurship and small business growth, developed through local enterprise initiatives, local authorities, LEOs and the enterprise development agencies.

As a first step, the Department of Jobs, Enterprise and Innovation is undertaking an audit of the space available for hot desking/shared office space for start-ups and small business in each county.

On completion of the audit we propose to establish a network of eHub leaders to engage in peer learning and support collaboration on use, initiatives, and rollout of best practice models. An initial workshop is scheduled for end-June of Hub leaders.

### **Workplace Innovation Toolkit**

The 2017 Action Plan for Jobs (APJ) commits to developing a toolkit as a resource for ambitious firms to innovate and compete successfully in an increasingly uncertain global trading environment, and to demonstrate how workplace innovation can play a role in improving firm level competitiveness, growth and job creation. Workplace innovation is about the systematic adoption of workplace practices, grounded in evidence, that unleash employee-led knowledge, skill and innovation at every level of the organisation.

DJEI is aiming to achieve a practical approach to help companies and their workforces to identify where there is scope to improve their business and their work practices, become more resilient and sustainable, enhance skills, and help maintain and create employment.

We propose to develop a diagnostic toolkit to signpost companies to the relevant supports to help them improve and grow their business. The toolkit will cover four pillars: Employee engagement; Innovation; Productivity; and Training

This is a collaborative initiative between SPD, Labour Affairs Division and the Workplace Relations Commission, together with EI and IDA. Consultations with employers and unions bodies are underway.

Toolkit developed by end Q2 2017 and roll-out of pilot by Q4.

Business Unit in the Division	Head of Unit (Principal Officer)
New Sources of Growth and Innovation Advisory Unit	Karen Hynes

### Research Prioritisation Refresh - Technology Futures and Market-led Horizon Scan (with Innovation & Investment Division)

Innovation 2020 commits to a new cycle of research prioritisation and a market led horizon scanning exercise will be undertaken in order to identify strategic areas of commercial opportunity in global markets for Irish-based enterprises as the basis for the next cycle due in 2018. The exercise will take into consideration, inter alia, recent and likely future advances in science and technology, as well as the dynamics of international markets and supply chains and policy developments.

The objective is to seek to future proof our current and future additional investment in publicly funded R&D, if forthcoming, by ensuring that we remain at the forefront of technologies that are critical to our economic growth.

Three strands of work to inform the refresh are currently nearing completion: a *market-led horizon scanning exercise* to identify strategic areas of commercial opportunity in global markets for Irish-based enterprises; a *technology futures exercise* which will present an informed assessment of technologies that are or will be critical to Ireland's economic and social development and how they will evolve over a 20 year timeframe; and an *audit of progress* on the current priority areas and new and emerging areas of national research strength and opportunity.

### Case for Public Investment in RD&I and Knowledge Based Capital

Ireland's future economic growth will more strongly depend on the production, distribution and use of knowledge than ever before. Hence the strong focus as part of enterprise policy nationally and internationally on R&D, innovation, skills and key personnel, in addition to the importance at firm level of intangibles assets such as digital systems and knowledge; scientific and creative property; and company-specific human capital, company structure, advertising and brand value.

The output is a clear case for increased investment in publicly funded RDI, including through DJEI, and better understanding and articulation of its role in Ireland's future economic development, towards the outcome of achieving an increase in public and private investment in knowledge based capital in Ireland and optimising the return on investment. This is input to the Capital Review underway, including a Focused Policy Assessment of DJEI RDI expenditure and more generally as part of a programme of advocacy by DJEI.

Review complete by mid-year as part of the Innovation Focused Policy Assessment, DJEI pre-Budget submission and input to the potential Capital Programme mid-term review.

### Digital Economy Strategy for Ireland

The Department will progress interdepartmental group on Digital Economy with Department of An Taoiseach. Complete analysis of impact of digitalisation on manufacturing sector and Industrie 4.0 and the policy issues arising.

### **Licences.gov.ie – Reducing Red Tape through Integrated Licensing Application System**

The introduction of an Integrated Licence Application Service (ILAS) was a disruptive reform in the Action Plan for Jobs. The objective is to reduce dramatically the amount of time businesses spend applying for licences thereby reducing the administrative burden and change how businesses and licensing bodies interact. The design and system build work for licences.ie is complete and the Service is now available for all Licensing Authorities to use as their online application process, such as the Irish Film Censor, Property Registration Authority, local authorities and DJEI through [www.licences.gov.ie](http://www.licences.gov.ie)

APJ 2017 commits to having all government transactions with business online by November 2017, in part to comply with the EU Services Directive. This is now the key focus of attention and work is ongoing with relevant Departments and An Post, which manages the Licensing system. A workshop is being convened in June with relevant Departments, office and agencies.

### **Increasing SME engagement in R&D and Innovation**

Arising from Innovation 2020, the Action Plan for Jobs commits DJEI to review the full range of State financial aid for RDI, both direct and indirect (tax credits, Knowledge Development Box), in terms of the level of support available and eligibility rules, to ensure that the needs of small and young firms are being catered for as well as those of larger, established firm. The review will also assess the incentives available internationally to ensure that Ireland's offering remains competitive.

This work will also draw on a peer review of policies to support R&D being led by Ireland as part of the Small Advanced Economies Initiative. All of the SAEI member countries provide financial incentives for Business R&D (BERD) but each country differs quite significantly in terms of how much is spent, the number and focus of the range of policy measures used, the balance in the use of grants as opposed to tax credits, and detailed aspects of design.

The output will be a comparative analysis of policies to promote BERD across the seven SAEI countries that will contribute to assessing the optimal policy mix to achieve increased innovation performance by SMEs in RDI.

Business Unit in the Division	Head of Unit (Principal Officer)
Enterprise Policy, Tax and Economic Infrastructures	Maria Ginnity

### **Brexit: Firm-Level, Sectoral Impact on Enterprise**

In terms of research, there have been a number of useful studies published which set out the potential impacts of Brexit, including sectoral assessments (e.g. tourism, agri-food). DJEI is currently undertaking research, which complements such research, to examine at firm-level the implications of Brexit for our eighteen most exposed enterprise sectors.

The research investigates the implications for our most exposed enterprise sectors, in terms of trading and

economic relationships, of the UK being outside of the European Single Market and Customs Union. That is the scenario being used, as it is the most instructive.

The research will also examine the associated implications for FDI in terms of the freedom to invest in, own, and/or manage enterprises, and to undertake certain financial transactions. The output of this research will inform Ireland's approach to negotiations and wider enterprise policy development. It will help us to better understand more specifically the way in which different sectors may be impacted.

The project is run in two stages: a pilot/verification stage, and a completion stage. The pilot phase ran from January to April and examined three sectors: computer consultancy, food/drink, and wholesale/retail.

Following the successful in-house pilot, the research is now being extended via external consultants to the remaining fifteen most exposed sectors and will run over the course of 2017. Important sectoral data will be available to DJEI and the Government as the research is progressing. This timeline will allow enough time to gather the necessary information while ensuring we have all the data we require to inform the negotiation process.

As the research is to inform our position on negotiations, it would not be in Ireland's interests to publish the results of this research.

## Enterprise 2025 – Progress Review

The review of Enterprise 2025 is being undertaken in the context of global changes that are likely to have an immediate impact on Ireland's enterprise development, and specifically Brexit and (potential) relevant policy changes under the new US administration and EU policy choices.

The ambition in Enterprise 2025 is to achieve sustainable full employment by 2020. The required actions to achieve sustainable full employment were set out in three main areas in Enterprise 2025, in terms of building the resilience of the enterprise base through productivity, innovation and market diversification. These are to be delivered not only by the enterprise development agencies, but also by a number of government departments who have a role to play in ensuring we have a supportive and internationally differentiated business environment. The Review will:

- Examine **performance to date** against the suite of metrics set in Enterprise 2025, including analysis of where growth has occurred (in terms of sectors and regions);
- Review strategic actions in Enterprise 2025, informed by potential future scenarios,
  - Identify changes to existing actions and/or **additional strategic actions** that may be necessary in light of these global developments.

The review is being overseen by a cross-departmental and agency forum of senior officials.

The Department will complete review of metrics and performance by mid-year and full review by year end.

## Key Enterprise Sector Briefs - Competitiveness and Strategy Development

## Key Enterp

SPD has prepared a suite of 18 briefs on the key exporting and employment enterprise sectors of the economy. These Briefs are an important element in ensuring a systematic approach to sector ecosystem development, as set out in Enterprise 2025, to position Ireland as a location of choice for our entrepreneurs

and scaling Irish owned enterprises as well as for foreign owned investment. There is need for strengthened cross-departmental execution with optimal use of constrained resources to deliver greater economic impact. The main objective is to maintain a strategic policy focus on individual sectors in a coordinated manner over the longer term through:

- Effective horizon scanning through the Sector Briefs mechanism. Reviewing and updating the suite of 18 existing sector briefs, through a combination of desk based research and data updates, and consultation with relevant stakeholders (enterprise agencies and others such as Tourism Ireland/Fáilte Ireland) to determine key policy priorities and developing new additional sector briefs as appropriate
- Establishing effective leadership, collaborative structures and operating principles. Setting out a mechanism for delivery through ecosystem development teams – based on clear principles, priorities, resources, responsibilities etc., - and that is agreed by relevant stakeholders.

The outputs in 2017 will include fully updated suite of at least 18 sector briefs together with clearly identified policy priorities at a sectoral level and an assessment in relation to the necessity if any of activating a sector ecosystem development initiative.

### **International Financial Services**

DJEI played a key role working closely with the enterprise development agencies to provide evidence, analysis and expertise in the development of IFS 2020 - The National Strategy for International Financial Services that was produced by Department of Taoiseach together with Department of Finance under a High Level Implementation Group, on which the Secretary General is a member.

DJEI also participates on the Public Sector Group that drives implementation (meets every fortnight). Progress reports are produced quarterly by DoT and DJEI will continue to engage in 2017.

The Department will hold regular meetings / monitoring of implementation  
Greater engagement toward latter part of the year to develop Action Plan 2018

### **Progress Implementation of new Trade, Tourism and Investment Strategy and input to Export Trade Council (with Trade Policy Division)**

The Strategic Policy Division (SPD) in collaboration with Bilateral Trade Policy Division and the Department of Foreign Affairs and Trade led the development of the new Trade and Investment Strategy, Ireland Connected, which was published in March 2018 by Government. DJEI and DFAT are to jointly report on progress on the Strategy. SPD also supports the Minister at the Export Trade Council, comprising private sector stakeholders, on reviewing our trade strategy implementation. The objectives of this work in 2017 include to:

1. Ensure that national enterprise policy objectives are reflected in the delivery of the new Trade and Investment Strategy;
2. Provide ongoing support to the Export Trade Council meetings to ensure key enterprise development priorities are achieved across Government with respect to briefing material and progress updates as appropriate.

Among the key areas of input will include a review of trade and investment performance, geographic performance and strategic ambitions including for Asia-Pacific and the Americas as

set out in the Programme for a Partnership Government, which will be completed by DFAT in the autumn.

An update report on implementation of Ireland Connected is to be considered at Cabinet Committee in mid-year. An autumn conference will also be convened with representatives from all relevant departments and agencies to share information and consider emerging issues. The Americas and Asia strategies will be brought to Government in the autumn.

### **OECD and EU Tax Policy Developments**

There have been significant developments in the international tax environment with implications for Ireland's tax policy since the publication of G20/ OECD's BEPS (Base Erosion and Profit Shifting) guidance in October 2015. Ireland responded quickly to the OECD recommendations introducing country by country reporting provisions and a new Knowledge Development Box in the Finance Act 2016. DJEI's objective is to continue to influence the implementation of requirements under BEPS, working with Department of Finance in areas that are of most relevance to our enterprise base, and where optionality is available. Work is ongoing on certain aspects in 2017, including for example the allocation of profit to permanent establishments and aspects relating to financial services.

In terms of the EU directives, our objective is to identify where the package goes further than OECD proposals to determine whether this is optimal policy for the EU and Irish enterprise base.

Of relevance to the wider policy agenda is the fact that the OECD favours an approach for profit allocation that aligns with the presence of key decision makers (managing capital allocation and risk bearing decisions). Ireland's continued focus on Talent (nurturing, developing, retaining and attracting) and the inter-related 'quality of life' dimensions are directly pertinent.

DJEI will work with the development agencies and other key stakeholders to assess issues presented for enterprise, and to inform policy responses.

### **Pre Budget Tax Submission 2018**

DJEI will prepare a joint agency (EI, IDA and SFI) pre-budget tax submission for 2018. The objective of the submission is to ensure that the tax priorities of DJEI and the enterprise development agencies form an integral part of the 2018 budgeting process. The key guiding principles will be ensuring the competitiveness of Ireland's tax offering and seeking to minimise any increases in enterprise costs. Likely priorities to include:

- Personal taxation regime challenges vis-à-vis comparator countries, including maintaining a broad base and reducing marginal tax rates.
- Entrepreneurship support including Capital Gains Tax Entrepreneur Relief increased threshold per PfPG
- Self-employed tax credit delivering PfPG commitment
- Share options for employees delivering Budget 2017 commitment

A detailed review of the tax environment for start-ups and scaling enterprises is underway. Proposals to address SME finance market failures emerging will be considered. The submission will also be informed by the post BEPS international context and implications for domestic tax policy priorities in the immediate term



(e.g. such as talent attraction/competitive income tax regime). Post announcement of Budget 2018, DJEI will continue to engage with DoF as the Finance Bill is drafted to ensure that the detail as set out does not inadvertently put barriers in place for enterprise.

The Department will agree priority areas of focus for Pre-Budget Tax Submission, and this will be completed by end Q2 2017

### **Pensions Reform - Universal Retirement Savings Proposals**

Analysis by OECD (and others) has found that Ireland is facing considerable challenges in terms of financial sustainability of the pension system as the population ages. The OECD review points to the need to improve pensions' adequacy and coverage, particularly for middle to low income earners. A Universal Retirement Savings Group (URSG) was set up by the Department of Social Protection in January 2015, of which DJEI is a member together with other Government Departments, NTMA, Central Bank, the Pensions Authority and international experts in the area.

The remit of the Group is to "prepare, for consideration by Government, a roadmap and timeline for the introduction of a new, universal, supplementary workplace retirement saving system." DJEI will input to this sub-group if reconvened, to ensure that consideration is given to the implications for cost competitiveness and potential upward cost pressures on labour and the most appropriate balance between employee, employer and State, together with practical admin issues that may arise.

Timing dependent on Dept. Social Protection (DSP), and likely to be over the period of circa 18 months – 2 years.

### **Enterprise Policy Input to the development of Regional Spatial and Economic Strategies and the National Planning Framework**

Improving the quality and attractiveness of the regions and towns around the country for enterprise investment (whether foreign or Irish owned) and for people to live and work needs to be underpinned by a coherent national planning framework that addresses the needs of enterprise. DJEI will continue to engage on the development of the successor to the National Planning Framework (NPF) and the Regional Social and Economic Strategies (RSES) that will be led by the three new Regional Assemblies to provide joined-up enterprise policy and agency input on development opportunities and spatial and investment priorities and informed by the Regional Action Plans for Jobs. The outcome should be effective influencing of policy developments in relation to investment, planning and Local Government that are aimed at enhancing the competitive environment for enterprise development.

### **Infrastructure for Enterprise Policy Analysis and Cross-Departmental Engagement**

The availability of competitively priced world class economic infrastructure (energy, transport, waste and water) and related services is critical to support economic growth and enterprise development. A key focus in 2017 will be on working with lead Government Departments and utility providers on assessing and ensuring that Ireland has a competitive offering for FDI and SME investments, encompassing a number of areas including transport, water, energy, waste management infrastructure. These policy areas are not

directly within the control of DJEI, so providing an in-depth understanding of enterprise needs and the competitive global environment for investments places the Department in a key position to influence policy choices. The specific areas of focus for 2017 include:

- **Water & Waste Water:** DJEI with the agencies is engaging with Irish Water on the key issues of water and waste water costs and pricing for non-domestic (enterprise) users, supply and headroom capacity, investment in infrastructure, connection processes and costs and on opportunities for enterprise from developments. In 2017 DJEI will be responding to a small number of specific, formal consultation process related to water infrastructure investment, non-domestic tariffs, and non-domestic connections policy. Transport. In the context of the ongoing mid-term review of the Public Capital Programme (PCP) for 2016-2021, it is important DJEI sets out the transport priorities for enterprise development. The aim is to influence Dept. Transport, Tourism and Sport (DTTAS) and other Departments for the prioritisation of specific enterprise and competitiveness relevant investments under the Plan. Enterprise priorities include:
  - land transport adequate, frequent and competitively priced public transport, reforming the regulatory framework for all transport services and ensuring high quality road access from Dublin to the north-west gateways of Sligo and Letterkenny and high quality access along the Atlantic Corridor (Sligo-Galway-Limerick-Cork-Waterford);
  - air transport the priorities include developing new direct air links, providing cost optimal airport infrastructure investment and ensuring cargo handling and custom facilities minimise delays; and,
  - maritime transport the priorities include improving intra-port competition and benchmarking of performance is important to ensure that cargo handling infrastructure within ports is working well for port users and improving internal access to the ports on the island (road and rail). (Complete by Q4)
- **Infrastructure Briefs.** SPD will refresh the suite of Infrastructure Briefs highlighting the main issues and priorities for business users across each infrastructure area informed by our research and analysis during 2017. The Briefs provide a resource to the Department and its Agencies in their advocacy work on behalf of enterprise across the government system.

The work will also link into activity elsewhere in the Department on the development of the forthcoming National Planning Framework and Regional Spatial Economic Strategies.

Business Unit in the Division	Head of Unit (Principal Officer)
Skills & Education, Enterprise Programmes and Policy Evaluations	Kevin Daly

### Expert Group on Future Skills Needs (EGFSN).

The EGFSN was established in 1997 to advise the Government on current and future skills needs of the economy and on related labour market issues.

The Government's National Skills Strategy was launched in 2016 and it foresaw the establishment of a National Skills Council (NSC). The NSC was launched in May 2017 to oversee research and provide advice on the prioritisation of identified skills needs and how to secure the delivery of identified needs.

The EGFSN's role under the new skills architecture is to conduct research and identify skills needs and submit its findings and make recommendations to the NSC.

DJEI also provides research, analysis and Secretariat support to the EGFSN, with additional support and statistical research provided by the Skills and Labour Market Research Unit in SOLAS. This research, analysis and support contributes to, and enables the production of, key annual reports on skills issues by the EGFSN, as well as sectoral and cross-sectoral reports on future skills needs.

A work programme for the EGFSN has been prepared and in consultation with the Department of Education and Skills and has been approved. Work is currently being undertaken on a number of projects including Early Childhood Education and a scoping paper on the skills implications of Brexit.

### Addressing ICT, Biopharma and Design Skills Needs

DJEI through the EGFSN and other fora is actively engaged in seeking to ensure that the skill needs of key sectors are identified and addressed by education and training providers. The priority areas of focus in 2017 are:

- **ICT.** ICT is the single largest area of skills requirement across the enterprise sector at present. Highly skilled ICT professionals are needed not just in the ICT sector itself, but in many other fast-growing sectors of the economy (e.g. International Financial Services, Business Services, High-end manufacturing). The ICT Skills Action Plan 2014-2018, published in March 2014, sets out a series of initiatives to meet ICT skills needs through a mixture of domestic supply and skilled inward migration. However, demand for ICT skills is increasing and is set to exceed the projected demand on which the current ICT Skills Action Plan was based. DJEI is working in partnership with DES to develop a new ICT Action Plan for the period 2016-2020, based on updated projections of demand and supply. The objective is that the new Plan will be completed in mid 2017
- **Technology Skills Portal.** Under a Pillar of the ICT Skills Action Plan, the Department, through Enterprise Ireland, is funding and actively participating in a joint Government/industry initiative to attract top technological talent from abroad to Ireland through a web/media campaign. A dedicated website, TechLifelieland, was launched by the Minister of Jobs, Enterprise and Innovation in June 2016. The impact of this site will be reviewed in 2017.

- **Biopharma Skills.** Throughout the last year there have been a number of significant announcements from companies in the BioPharma sector, who will have a requirement for skilled recruits. The EGFSN conducted a report on the skills needs of the PharmaChem/BioPharma sector in 2010. However, there is a need to revisit the skills needs for BioPharma in light of the recent strong growth in the more complex Biologics manufacturing in particular. The Skills & Education Unit in the Strategic Policy Division conducted a review of the supply and demand of the skills needs of the BioPharma sector for the EGFSN, in consultation with representatives from the sector. The review recommended responses to address identified gaps in skills provision. The review was completed in August 2016. Recommendations are currently being implemented by the Biopharmachem Ireland Skills Forum.
- **Design Skills.** Internationally, there is an increasing policy focus on leveraging design as a driver of innovation, and design has the potential to act as a key driver in Ireland's economic recovery and innovative growth. Building on DJEI's "Policy Framework for Design in Enterprise in Ireland" (Jan 2016), a study was conducted to profile the nature and type of skills required across the economy in both design-intensive and non-intensive sectors. It included a profiling of the current provision of design skills. The study explored how greater interdisciplinary collaboration can take place within education provision, and considered ways to bridge the gap between the STEM and creative disciplines. The report is now awaiting final approval by the EGFSN.

#### Evaluations: Focused Policy Assessment on RDI Expenditure, Evaluation of the Agencies overseas offices Trade and Investment Promotion Activity and Lean Transform Programme

DJEI has established a systematic process of evaluating key programmes and policies, with the overarching goal of determining the appropriateness, efficiency and effectiveness of expenditures and activities. The key areas of focus for 2017 are:

- **Evaluation of Overseas Office Activities of Enterprise Development Agencies:** The overarching goal of this evaluation is to determine the appropriateness, efficiency and effectiveness of the overseas office networks and activities of the Enterprise Agencies over the period 2005-2015. This evaluation is important for assessing how the overseas offices can contribute to the targets of the Government's national enterprise policy, *Enterprise 2025* and also inform the implementation of the recent Strategy for Tourism, Trade and Investment: *Connected Ireland*.
- **Focused Policy Assessment (FPA) of Research, Development and Innovation Expenditure by DJEI:** This FPA was requested by Department of Public Expenditure & Reform as an input to the Comprehensive Review of Expenditure 2017 ("the Spending Review"). The review has been undertaken on the basis a structured set of evaluation questions developed by the Irish Government Economic and Evaluation Service. The FPA outlines the rationale for public investment in RDI and the objectives, inputs, activities and outputs from the funding by DJEI, primarily across the themes of Capability and Capacity Building; Commercialisation and Collaboration; Direct Firm Supports; and International Programmes. The FPA also reviews the impacts of DJEI expenditure and processes in place for monitoring efficiency and effectiveness, with a review of the continued relevance of RDI investment and policy considerations.
- **Lean Transform Programme.** Enterprise Ireland's Lean Business Offer is made up of three levels of support: LeanStart, LeanPlus and Lean Transform. The first two of these were covered in a programme of evaluations conducted between 2012 and 2014. However, LeanTransform, which is a large scale, extensive company transformation programme, was in its infancy at the time. It is now proposed to commence the evaluation of this programme in 2017.

The FPA will be submitted to D/Per in June 2017. The review of agency overseas activity will be completed by July 2017 and the Lean Transform review will commence in Q3 2017.

### Review of economic appraisal model of agency supports

The Economic Appraisal Model (EAM) is used in aiding the support agencies in grant decision making. Projects which seek the approval of the support agencies should be appraised through a system of appraisal methods. The EAM is one of the methods used in assessing the appropriateness of a support claim. The main agencies of concern are IDA Ireland, Enterprise Ireland (EI) and Udaras na Gaeltachta. The last full review of the model was undertaken by Forfás in 2003 and there have been significant structural changes in the enterprise base and in the economy since then. In addition, Dept of Public Expenditure and Reform (D/PER) has produced updated parameters for appraisal of public expenditure, which may impact on the current model. Against this backdrop, it is now timely to review the model so that it continues to provide a robust basis for appraisal of agency expenditure, now and over the next decade. In preparation for the review the Evaluations Unit has prepared a comprehensive issues paper to inform the review parameters and priorities.

The review is underway in and will be completed in late 2017.

Business Unit in the Division	Head of Unit (Principal Officer)
Economic Analysis, Competitiveness, and Surveys	Marie Bourke

### National Competitiveness Council - Research, Communications, and Secretariat Support

Sustaining improvements in Ireland's competitiveness is essential to growing exports and employment and thereby exchequer revenues. DJEI places a high priority on ensuring that the key enterprise competitiveness issues are identified and prioritised for action across the government system. Our Enterprise Policy priority is that Ireland achieves a top-five competitiveness ranking by 2020.

The National Competitiveness Council (NCC) is supported by the Strategic Policy Division (SPD) and our objective is to ensure that a robust evidence base of the key enterprise competitiveness issues is available to Government and effectively communicated by the NCC Chairman, Prof Peter Clinch. In 2017 this will include four scheduled meetings of the Council, which comprises employers, unions representatives and advisors from all key economic ministries, management of NCC research and analysis and regular dialogue with the main economic actors to ensure NCC views are known and to achieve buy-in to implementation of recommendations.

In February 2017, the Council published a report benchmarking Ireland's recent **Productivity Performance**. Ireland's labour productivity performance is strong in an international context. Productivity growth is a key driver of national competitiveness, as it enables firms based in Ireland to compete successfully in international markets by facilitating output to be produced in a more

efficient and effective manner. Facilitating enterprise and start-ups, trade, access to finance, skills and infrastructure are key to productivity and competitiveness gains.

The unprecedented challenges posed by Brexit provide urgent impetus to enhance our competitiveness performance. In April 2017, the Council published a report **Benchmarking Competitiveness: Ireland and the UK, 2017** which provides a statistical snapshot assessment of areas which are crucial to improving our international competitiveness position. The Council considers there is a need to preserve fiscal sustainability, increase investment in infrastructure and talent, maintain cost competitiveness, and drive innovation and productivity across all economic sectors. This would enhance the competitiveness of our indigenous enterprise base and our attractiveness as a location for mobile investment relative to the UK.

The remaining outputs of the Council will include three annual publications as follows:

- **Costs of Doing Business in Ireland 2017.** Costs continue to be the key challenge highlighted in a range of business surveys. Costs of Doing Business in Ireland 2017 builds upon a series of Costs reports undertaken in recent years. This year's report assesses labour, property, transport, utility, business service and credit costs and was noted by Government in April prior to publication. This report provides DJEI, other Departments and stakeholders with an understanding of the key cost areas for enterprise and can direct policy focus towards those areas which require attention.
- **Ireland's Competitiveness Scorecard 2017.** Benchmarking our competitiveness performance is an essential exercise, and provides a statistical basis to identify Ireland's competitiveness strengths and weakness. By comparing Ireland's performance across a range of over 130 indicators and against 18 of our key competitors, benchmarking also provides us with the analytical underpinning to formulate policy recommendations designed to maximise Ireland's international competitiveness. The terms of reference of the National Competitiveness Council (NCC) require that it produce an annual report benchmarking Ireland's competitiveness against other countries. **Competitiveness Challenge 2017.** The NCC Terms of Reference require the Council to produce a Competitiveness Challenge report. Ireland's Competitiveness Challenge 2017 will aim to provide the most authoritative and comprehensive assessment of the main challenges to Ireland's economic success and will make recommendations on appropriate Government policy actions to address them. Building on Ireland's Competitiveness Scorecard, it will identify the main competitiveness challenges facing the business sector in Ireland over the medium term, and the policy responses required to meet these.
- **NCC Submission to Action Plan for Jobs 2017** /Government alternative Building on the NCC Challenge, the output will develop practicable actions to support competitiveness that are implementable and that tie in to the Government's economic planning.
- **Competitiveness Bulletins** are an effective means of disseminating analyses and for stakeholder engagement to influence competitiveness initiatives, towards the objective of achieving improvements in the national competitiveness environment.

## Climate Change Policy & Enterprise Impacts

Climate change targets and policy have the potential to impose significant additional costs on the economy and the enterprise base and it is important that DJEI is engaged in relevant analysis and policy proposals so as to minimise the impact on our competitiveness for trade and investment. The focus in 2017 is on analysis of measures for meeting Ireland's 2020 and 2030 targets, international agreements, being co-ordinated through the D/Taoiseach. A key priority for DJEI is on the EU's Emissions Trading Scheme which is currently being revised so that a stronger Scheme

is in operation from 2020 onwards. EU ETS covers the largest power-users in the State, amounting to approximately 100 industrial plants and power-generating facilities.

The objectives of the work are to review, attend, provide briefs and analysis on EU 2030 Climate Change & Energy Framework Negotiations at:

- Cabinet Committees & Senior Officials Groups (SOGs), Interdepartmental (IDC) Working Group on EU Emissions Trading System , D/ Communications, Climate Action and Environment(DCCAE) and IDC steering group on National Climate Change Mitigation Plan and separate National Climate Change Adaptation Plan;
- Ongoing analysis and advice on impacts of proposed EU ETS carbon leakage regime on Irish industry as well as assessment of proposals on ETS from the EU Council, Commission and Parliament;;
- Represent DJEI on EU ETS and consultative committee and DCCAE Technical, Research, Analysis and Modelling (TRAM) IDC;
- EU Competitiveness Council briefings and attendance as required and EU Working Party on Competitiveness & Growth, Coreper, etc.

The outputs will include data analysis and advice on the impact on the sectors within ETS of the proposed ETS Directive amendments so that Ireland can establish its preferred negotiating position.

Analysis and policy advice to be provided throughout the year

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- EU Competitiveness Council briefings and attendance as required and EU Working Party on Competitiveness & Growth, Coreper, etc.

The outputs will include data analysis and advice on the impact on the sectors within ETS of the proposed ETS Directive amendments so that Ireland can establish its preferred negotiating position.

### **Annual Business Survey of Economic Impact (ABSEI) 2016 & 2017**

This survey provides a measure of the performance of the development agencies (Enterprise Ireland, IDA Ireland and Údarás na Gaeltacht) client base. The objective is to gather data on, inter alia, client companies' sales, exports, R&D investment, training budgets and direct expenditure on the Irish economy through payroll costs and purchases of Irish materials and services. Results to be gathered by ownership, sector, and region.

The outputs will be the ABSEI completed for 2016 and 2017 with time-series data and analytical report for Management Board and subsequent publication.

Report with results of 2016 survey in November 2017 (similar dates for 2017 survey year)

### **Annual Employment Survey 2017 & 2018**

The Annual Employment Survey is undertaken by SPD with IDA, EI and Údarás and provides a breakdown of employment in agency assisted companies by ownership, sector and region. It is undertaken on a consistent basis across the agencies and is the data used by the agencies in their end of year statements. In addition, Strategic Policy Division (SPD) is working with the ICT Unit to develop a new system for the timely delivery of replacement IT system for undertaking the Annual Employment Survey with an online interface for respondent client companies.

The final results for 2016 broken down by Irish-owned and Foreign-owned agency clients were submitted to Management Board on 12 June. The 2017 outturn for IDA, EI and Údarás will be presented to Management Board in December 2017. A new online survey system will commence next year with plans to complete it by August 2018.

### **Higher Education R&D (HERD) Survey**

The purpose of the survey is to provide official data on R&D statistics in the Higher Education Sector 2014/2015. R&D expenditure is broken out by Higher Education Institute, source of funds, type of costs, type of research and Field of Science (FoS) codes. R&D personnel is broken out by Headcount and Full-time equivalent (FTE), Gender and Field of Science (FoS) codes.

HERD Survey 2015 has been completed in Q1 with time-series data and analytical report approved for publication by DJEI Management Board. The next HERD survey (2016/17) will go into the field in Q4 2017.

### **Research & Development (R&D) Budget 2016-17 ('The Science Budget')**

This survey collects official data about the research and development investment and activities from all Government Departments and their Agencies and is used in international comparison of Government appropriations for R&D (GBARD) and government expenditure on R&D (GovERD) metrics. This survey is carried out annually in compliance with European Commission Regulations.

The 2015-16 R&D Budget report was submitted to Management Board in Q1 and the final report published on the DJEI website. The 2016-17 R&D Budget is due to go into the field in Q2 with a



view to finalisation in Q4.

### **Provision of official national data to CSO, Eurostat & OECD**

DJEI provides official data from its survey data in compliance with National commitments for data under Commission Regulations on Official Statistics. The data is submitted on a quarterly basis to the CSO who in turn transmit the data together with CSO data on behalf of Ireland to the OECD and/or Eurostat via Quarterly Data Transmissions. Strategic Policy Division (SPD) also manages an Memorandum of Understanding (MOU) agreed between DJEI with the Central Statistics Office (CSO) on the sharing of data

CSO/OECD/ Eurostat Quarterly Data Transmissions  
Ad hoc meetings with the CSO and attendance at CSO Enterprise Liaison Group,.

### **Data Analysis - Ireland's Innovation performance and Enterprise Dashboard**

During 2015 SPD developed the cross-DJEI statistical compendia to monitor Departmental activities and assess the impact of DJEI actions and policies under a range of economic metrics.

SPD is also engaged with the CSO on tracking agency employment from the Live Register .

SPD will produce monthly Dashboards on Enterprise Statistics during 2017 and 2018 for the Management Boards and Ministerial Management Boards

### **Exporting, Innovation and Productivity Research - Expanding and Diversifying Irish Manufactured Exports**

SPD is working with the ESRI to examine aspects of the export, innovation and productivity performance of Irish-owned firms. The work programme includes a study with Enterprise Ireland on the role that expanding and diversifying exports play in sustainable economic growth examining the mix of export growth strategies successful enterprises use, the degree of concentration of Irish-owned enterprise exports and how dynamic are firms in changing the composition and destination of their exports.

The research will provide a better understanding of patterns and trends in exporting amongst Irish owned firms and will be an input to the formulation of EI's new Strategy and of the new Trade and Investment Strategy.

An ESRI seminar on the draft findings was held early March and the report is being used to inform the review of enterprise policy.

## **3.7 Corporate Services Units**

Business Unit in the Division	Head of Unit (Principal Officer)
Human Resources, State Agencies and Pensions, Learning and Development, and Business Services Units	John Hughes

### Managing the Department Staffing Requirements

The HR Unit oversees the Department's staffing requirements which includes recruitment and assignment of staff as well as a variety of other HR functions. Under the post-Moratorium arrangements, the Department has a "delegated sanction" to determine the appropriate grade mix for the Department within an aggregate pay budget limit. Any proposal to recruit staff at the level of Principal Higher or above requires the sanction of DPER. Decisions on staffing arrangements are vested in the Secretary General supported by the HR Manager / Personnel Officer.

Staffing issues are ongoing tasks delivered by the HR Unit

### HR Policy, Strategies and Reform

This Unit is responsible for a broad range of HR policy areas and supports the Department's internal as well as the Civil Service-wide Reform and Renewal agendas. Ministerial engagement does not generally arise.

Ongoing coordination and delivery of HR Policy. Strategies and Reform requirements of the Department.

### State Agency and Pensions Unit

The State Agency and Pensions Unit manages the process attendant on State Board appointments, Agency staffing and pension issues generally. The Personnel Officer is the appointed State Boards Liaison Officer and coordinates engagement with the PAS in relation to Board Appointments. The Unit also coordinates oversight of the staffing levels in the Agencies who have pay budget limits within which they must organise themselves as well as the engagement with DPER on Agency staffing matters, including CEO contracts etc.

Ministers are directly involved in State Board appointments and may also be engaged with by Agency Chairpersons on aggregate staffing issues from time to time.

### Learning and Development Unit

The LDU is the key driver/delivery Unit for the ongoing training and development of the DJEI staff complement. The Unit also is a key driver for the Management Board-led New Ways of Working initiative driving Employee Engagement.

### **Business Services (Accommodation & Related Issues incl. Procurement Policy))**

The Business Services Unit deals with the Department's accommodation, procurement, fixed assets and health & safety agendas. These are issues that generally do not give rise to Ministerial engagement. Currently a number of leases are being relinquished by the OPW in respect of certain "DJEI" premises primarily affecting Davitt House.

The timing of moves, which the Department is liaising with OPW on, will be managed as efficiently as possible to minimise disruption to Departmental business.

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Freedom of Information (FOI)/Customer Service Unit	Michael O'Leary

### **Implementation of the Department's Irish Language Scheme 2015-2018, with particular focus on the commitment to publish 12 Press Releases in Irish and English every year.**

This Department's second Irish Language Scheme, which covers the period 2015-2018, was approved by the then Minister for Arts, Heritage and the Gaeltacht and came into effect on 28 September 2015. The Language Scheme sets out the extent to which services are currently available through Irish and identifies areas for future enhancement. It also includes a commitment to assess, on an ongoing basis, the level of demand for services through Irish to ensure that the Department continues to meet this demand in a planned, coherent and accessible way.

One of the commitments in the current Language Scheme states that the Press Office will publish at least twelve press releases per annum in bilingual format.

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Management Support Unit	Michael O'Leary

### **Prepare a new Statement of Strategy 2017 -2020 for the Department**

**Coordinate preparation of Delegated Orders for new Minister(s), if appropriate.**

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
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Communications Unit	Michael O'Leary
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A small Communications Unit was established in DJEI in August 2014, with focus initially on building internal communications in a large Department with a wide and diverse range of responsibilities and with staff in multiple locations. An Internal Communications Strategy and Action Plan were developed in 2015 and the Communications Unit focus in 2017 is on the delivery of aspects of this Internal Communications Strategy, including the design and implementation of a new Intranet site.

The Communications Unit also issues a fortnightly electronic external stakeholder newsletter.

This area will be expanded in Q.3 2017 with the appointment of a new Head of Communications at Principal Office level.

Business Unit in the Division	Head of Unit (Principal Officer)
Finance Unit	Cathal O'Gorman

**Preparation of detailed briefing material for the Minister's appearance before the Joint Oireachtas Committee on Jobs, Enterprise & Innovation in relation to its Mid Term Review of the Department's 2017 Estimate**

Ministers Mitchell O'Connor, Halligan and Breen presented the Department's 2017 Estimates to the Joint Oireachtas committee on Jobs, Enterprise and Innovation on 28th March.

The Minister will be invited to appear before the Joint Committee in relation to its consideration of the Mid Term Review of the 2017 JEI Estimate. It is likely that the Minister will be invited to appear before the Committee in September.

The information in section 1.6 and Section 6 is a high-level overview of the Department's Budget allocation for 2017. The JEI Vote spans over 40 Subheads and Administrative funding lines. It is one of the most complex of all Departmental Votes which reflects the very diverse range of responsibilities and activities under the Minister's remit.

The Department await an invitation from Oireachtas Committee to Minister in relation to its Mid Term Review of the Department's 2017 Estimate (most likely in September).

**Ensure that the Department’s interests are fully articulated in the Mid Term Review of the Capital Plan currently being undertaken by the Department of Public Expenditure and Reform**

The Expenditure Report 2017 commits the Government to presenting a Revised Programme of Capital Investment to the Oireachtas in the course of 2017.

PER have advised that there is a total of €2.65 billion in available fiscal space for additional capital expenditure over the remaining lifetime of the Plan (2018-2021).

The Department in its submission on the Mid-Term Review of the Capital Plan, which was forwarded to PER on the 3<sup>rd</sup> March 2017, identified a number of discrete and significant challenges /priorities which would require a stepped increase in the Department’s capital budget from 2018 onwards. XXXXXXXX  
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Departments, including DJEI, are engaging bi-laterally with PER in relation to their submissions to the Mid Term Review. PER has advised that as part of the 2017 Mid Term Expenditure Report it intends to publish a Capital Review Context Paper which will include a stock take of progress on the Capital Plan to date, a macro economic analysis and an infrastructure demand analysis. The Report will be presented to Government in the context of Budget 2018 discussions and will include a review of priorities for the period 2018-2021 together with recommendations for the use of the additional €2.65b of available fiscal space

The Department will continue the engagement with PER both at official and political levels to ensure that the Department’s priority capital funding requirements are fully considered in the discussions on the use of the additional €2.65b in available fiscal space over the remaining lifetime of the Capital Plan.

**Ensure that the Department’s interests are fully articulated in the Comprehensive Review of Expenditure being undertaken by the Department of Public Expenditure and Reform as part of the preparations for Budget 2018**

The next round of Expenditure Reviews covering the period 2018 – 2020 was launched by the Department of Public Expenditure and Reform in February of this year. The Expenditure Review envisages an earlier initial engagement between Departments and PER on Budget 2018 proposals. PER in launching the Expenditure Review advised that the fiscal space identified by reference to the Expenditure Benchmark as being available for use in 2018 was €1.2b, of which €800m would be set aside for spending and €400m for tax.

PER further advised that of the €800m in additional spending capacity, only €375 m was actually available when the carryover of Budget 2017 measures and the cost of the Action Plan for Housing and Homelessness were factored in. The €375m is split between €200m in additional current expenditure and €175m in additional capital expenditure.

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The Department will continue the engagement with PER both at official and political levels to ensure that the Department's funding requirements are fully considered in the discussions/preparations for Budget 2018.

### 3.8 Construction Contracts Adjudication Service Loughlin Quinn, Director

#### Commencement of the Construction Contracts Act, 2013.

The provisions of the Construction Contracts Act, 2013 apply to new construction contracts entered into after the 25<sup>th</sup> July 2016 in accordance with the 'Construction Contracts Act, 2013 (Appointed Day) Order 2016 (Statutory Instrument No. 165 of 2016)'. The purpose of the Act is to regulate payments under construction contracts covered by the legislation. A public information campaign was undertaken in advance of the commencement of the Act to highlight the new legal rights and obligations and the availability of statutory adjudication to resolve payment disputes.

The Act does not apply to a construction contract if:

- (i) the value of the contract does not exceed €10,000; or
- (ii) it is a contract for a dwelling which has a floor area not greater than 200 square metres that is occupied or it is intended to be occupied by a party to the contract as his or her residence.

The Act ensures payment by means of two elements:

- (1) new statutory arrangements for payments under construction contracts. Main contractors are at liberty to agree their own terms with their clients, however main contractor/subcontractor and subcontractor/sub-subcontractor contracts are governed by the Schedule to the Act which requires payment every 30 days after the relevant payment claim date (unless such contracts contain more favourable terms); and
- (2) a new mechanism for the swift resolution of payment disputes through adjudication. This is intended to provide a route to achieve swift redress in the event of non-payment.

The Government, in October 2014, approved the transfer of responsibility for implementation of the Act to the Department of Jobs, Enterprise and Innovation from the Department of Public Expenditure and Reform. The then Minister of State for Business and Employment Mr. Gerald Nash appointed Dr. Nael G. Bunni as Chairperson of the Construction Contracts Adjudication Panel for a three year term with effect from the 8th July 2015. Following a competition run by the Public Appointments Service, 30 Adjudicators have been appointed to the Panel.

Responsibility for the Act is delegated to the Minister for Employment and Small Business, Mr. Pat Breen T.D., in accordance with the Jobs, Enterprise and Innovation (Delegation of Ministerial Functions) Order, 2017 (Statutory Instrument No. 6 of 2017).

In July 2016 Minister Breen published a '*Code of Practice Governing the Conduct of Adjudications*' under section 9 of the Act. The Code of Practice is binding on all Adjudicators operating under the Construction Contracts Act, 2013 in accordance with section 6(8) of the Act. The Construction Contracts Adjudication Service put procedures in place in respect of applications to the Chairperson seeking the appointment of an Adjudicator from the Ministerial Panel of Adjudicators. In accordance with the Code of Practice referred to above, appointments are usually made within seven days of receipt of applications to the Chairperson.

## Section Four ~ The EU Agenda

### Introduction

The Department has a broad and extensive EU agenda, directly encompassing three of the nine formations of the Council of Ministers – Competitiveness (COMPET), Trade (dealt with by the Foreign Affairs Council), and Employment, Social Policy, Health and Consumer Affairs (EPSCO).

The Department's interests can also be featured in items dealt with by other sectoral Councils, for example the Environment Council. Similarly, the work of the Department spans across the portfolios of a range of European Commissioners and Directorates General of the Commission.

The Department is at the forefront in the Government's response to Brexit. The Brexit Unit is working extensively with colleagues across all policy areas to identify impacts and implications of Brexit as well as mitigation measures across the sectors with a view to minimise risks and maximise opportunities. The research being undertaken by the Department, the results and reports of our engagement with our stakeholders, all feed into both the internal and external Brexit Groups, to help inform cross-government messaging and to ultimately inform Government policy positions during Brexit negotiations.

A list of the dates of upcoming Council of Ministers meetings is included in the Diary section of the Brief, at Section 1.6 above. The Competitiveness Council is, on most occasions, held over two days, with the first day devoted to Industry and Internal Market issues, and the second day dealing with Research matters. Attendance at the Competitiveness Council (Industry and Internal Market day) and the Trade Council is normally by the senior Minister in the Department, while the Research day of the Competitiveness Council has been attended by the Minister of State for Skills, Research, and Innovation. Ministerial attendance at the EPSCO Council has been led at recent Councils by the Tánaiste and Minister for Social Protection, with attendance on some occasions by the Minister of State for Business and Employment.

The six-month rotating Presidency of the Council is currently held by Malta (until end June of this year), and will be held by Estonia for the second half of 2017.

### Summary

#### Upcoming EU Presidencies

- 2017: Malta and Estonia
- 2018: Bulgaria and Austria
- 2019: Romania and Finland

#### Current significant EU issues of Departmental interest

- Article 50 negotiations on the UK's withdrawal from the EU, and the associated negotiations on the Future EU-UK Relationship, and appropriate transition arrangements
- Digital Single Market
- Single Market Strategy
- Negotiations on the next EU Multi-Annual Financial Framework ?
- Negotiations on Framework Programme 9 (the successor to Horizon 2020) ?
- EU Pillar of Social Rights- Interinstitutional Proclamation



### **Estonia Presidency – Second half of 2017**

Key issues include:

- An open and innovative European economy
- A Digital Europe and the free movement of data
- The Single Market Strategy
- The Digital Single Market Strategy

### **European Council**

- Next meeting 22/23 June
- Department of Taoiseach takes the lead, DJEI inputs as required.
- Key issues for the Council include, Migration, Jobs, Growth & Competitiveness (European Semester, Single Market Strategies)

## ***Council of Ministers Meetings***

### **Council formations of Departmental interest**

Of the nine current EU Council of Ministers formations, this Department has a key role in 3 Councils, the Competitiveness Council, the Trade Council, and the Employment Social Policy Health and Consumer Affairs (ESPCO) Council.

Ministers and Ministers of State act as “Head of Delegation” at formal meetings of these Councils in Brussels, and occasionally Luxembourg, and at informal meetings in the country holding the EU Presidency. The Competitiveness and ESPCO Councils meet in formal session twice during each Presidency and once each in informal session in the country of the Presidency. The Competitiveness Council is normally subdivided into two sessions with day one of the meeting dealing with Industry and Internal Market issues and day two of the meeting, currently serviced by the Minister of State with responsibility for Skills, Research and Innovation, dealing with Research issues and the Space Council. The Trade Council meets in formal session during every Presidency and there is also one informal Trade Council held in the country of the Presidency. Responsibility for Ministerial attendance at EPSCO falls to the Minister for Jobs Enterprise and Innovation. However the Minister for Social Protection attends most EPSCO Councils and leads on relevant dossiers. EPSCO Council issues, typically -include, policy areas within the remits of this Department, Department of Social Protection, the Department of Education and Skills, the Department of Children and Youth Affairs and the Department of Justice and Equality.

Dates of the next formal and informal Council are set out in the provisional diary at Section 1.6 above.

### ***Engagement with the European Parliament***

The current European Parliament (EP), is presided over by Antonio Tajani European People’s Party - EPP), who was elected in January 2017 for a two and a half year term.

In recent year , the Department of an Taoiseach has coordinated a roster for Ministerial visits to European Parliament plenary sessions in Strasbourg. It is anticipated that a similar programme of meetings with relevant EP Committee Chairs, rapporteurs, Irish MEPs etc. will be arranged for Ministers over the coming months.

The following are the EP Committees most relevant to the remit of the Department:

- IMCO - Internal Market and Consumer Protection- Chair: Vicky Forde, European Conservatives & Reformists (ECR) - UK

- ITRE Committee - Industry, Research & Energy- Chair: Jerzy Buzek, European Peoples Party (EPP) - PI
- INTA Committee - International Trade - Chair: Bernd Lange, Progressive Alliance of Socialists & Democrats (S&D) - DE
- EMPL Committee - Employment & Social Affairs- Chair Thomas Handal, European United Left (GUE) - DE
- JURI Committee - Legal Affairs - Chair: Pavel Svoboda, (EPP) - CZR

## **Significant EU issues of Departmental Interest**

### **Europe 2020 Strategy and European Semester**

Europe 2020 is the European Union's ten-year jobs and growth strategy. It was launched in 2010 to create the conditions for smart, sustainable and inclusive growth. Five headline targets have been agreed for the EU to achieve by the end of 2020. These cover employment; research and development; climate/energy; education; social inclusion and poverty reduction.

All Member States have committed to achieving the Europe 2020 targets and have translated them into national targets so that each Member State can check its own progress towards these goals. Ireland's headline target in the employment sphere is to achieve an employment rate of between 69-71% for 20-64 year olds.

Progress towards the Europe 2020 targets is encouraged and monitored throughout the European Semester, the EU's yearly cycle of economic and budgetary coordination which commenced with the adoption by the Commission of the Annual Growth Survey 2017 in November 2016.

Following the publication of the Country Reports on 26 February, these will now feeding into the formulation of the Country Specific Recommendations (CSRs) which offer policy advice to Member States deemed as priorities by the Commission

The earlier publication of the Country Reports in February (a practice introduced in 2015) is welcome as it means that Member States receive this information prior to submitting their National Reform Programmes in April enabling a longer period of consultation and reflection before the formal issue of the Country Specific Recommendations in May. Member States' submission of National Reform Programmes is governed by EU Regulation 473/2013 which stipulates 30 April as the deadline for submission. On 22 May, the Commission published its analysis of Ireland's 2017 National Reform Programme and Stability Programme, which includes the following 3 CSRs for 2017/2018:

1. *Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which translates into a substantial fiscal effort for 2018. Use any windfall gains, such as proceeds from asset sales, to accelerate the reduction of the general government debt ratio. Limit the scope and the number of tax expenditures and broaden the tax base.*
2. *Better target government expenditure, by prioritising public investment in transport, water services, and innovation in particular in support of SMEs. Enhance social infrastructure, including social housing and quality childcare; deliver an integrated package of activation policies to increase employment prospects of low-skilled people and to address low work intensity of households.*
3. *Encourage a more durable reduction in non-performing loans through resolution strategies that involve write-offs for viable businesses and households, with a special emphasis on resolving long-term arrears.*

The draft text of the CSRs are reviewed by the Council preparatory bodies (i.e. EMCO, EPC, etc.) and where changes are sought by Member States these must be approved by a Qualified Majority of other Member States and then adopted by the respective Councils (EPSCO and ECOFIN).

Finally, at the end of June or in early July, the European Council formally adopts the country-specific recommendations

### **Brexit**

On 23 June 2016, the UK electorate went to the polls and voted to leave the European Union. Article 50, the process whereby a country leaves the EU, was formally triggered by Prime Minister May on the 29<sup>th</sup> March 2017. PM May's letter included strong acknowledgement of our unique circumstances, the need to protect the peace process and the Good Friday Agreement, and our intention to maintain bilateral arrangements with the UK like the Common Travel Area. Across the board, there is a strong willingness and openness to work closely with Ireland on addressing our specific issues – including Northern Ireland, the border and the Common Travel Area.

The European Council adopted the EU's negotiating Guidelines on 29 April. The General Affairs Council- meeting in EU27 format- adopted a decision formally authorising the opening of negotiations with the UK and nominating the Commission as EU negotiator. In this context, the Council also adopted the detailed negotiating directives for the talks. The Council also confirmed the establishment of a new Council Working Party on Article 50 which held its first meeting on the 24<sup>th</sup> May. DJEI provides input to Department of Foreign Affairs & Trade who are leading coordination of national positions for these meetings. DJEI officials in the Permanent Representation in Brussels are also engaging in this work providing advice and expertise on the ground and sharing intelligence with HQ.

The Guidelines and Directives reflect Ireland's unique concerns regarding the withdrawal negotiations – to support and protect the achievements, benefits and commitments of the Peace Process, to avoid a hard border, and to protect the Common Travel Area. They also recognise the desirability of moving on to discuss the future relationship between the EU and the UK once sufficient progress has been made on the withdrawal issues, as well as the likely need for transitional arrangements and to address concerns around transit of goods across the UK – Ireland's land-bridge to the EU.

The outcome is a major endorsement of the Government's approach and is a reflection of the government's focused campaign of strategic engagement with EU Member States and the EU institutions over the past 10 months.

Given that the EU's initial negotiating position is now clear, the Government will intensify its focus on the economic implications of Brexit, including on domestic policy measures to reinforce the competitiveness of the Irish economy, to protect it from potential negative impacts of Brexit, and to pursue all possible opportunities that might arise. Government published a detailed Position Paper for the forthcoming negotiations in May 2017. This document builds on Governments work to date and comprehensively sets out the positions and priorities that will underpin our engagement in the Brexit process as it unfolds over the next two years.

The next stage is the development of a paper outlining Ireland's approach to mitigating the impact of Brexit on the economy, trade and jobs – this document is being developed by Department of an Taoiseach based on cross Government inputs and will also be informed by adaptive Sectoral Brexit Response Plans which DJEI, along with all other Government Department, will be developing with Department of Taoiseach in the coming weeks.

The Department will continue its analysis and engagement work to develop robust policy responses and approaches to be taken in the negotiations to secure the best outcome for enterprise, jobs and innovation.

### **Digital Single Market**

The Digital Single Market Strategy (DSM) was adopted on 6 May 2015. The Commission considers that DSM can create opportunities for new startups and allow existing companies to grow and profit in a market of over 500 million people. Completing a Digital Single Market could contribute €415 billion per year to Europe's economy, create jobs and transform our public services.

The Commission claims that an inclusive DSM also offers opportunities for citizens, provided they are equipped with the right digital skills. Enhanced use of digital technologies can improve citizens' access to information and culture, improve their job opportunities, and can promote modern open government.

The DSM includes 16 initiatives, under 3 pillars, to be delivered by end 2016:

1. Access: better access for consumers and businesses to digital goods and services across Europe;
2. Environment: creating the right conditions and a level playing field for digital networks and innovative services to flourish;
3. Economy & Society: maximising the growth potential of the digital economy.

The initiatives span both inter- and cross-Departmental work areas. At present policy Units in this Department are working on proposals in the area of consumers and copyright.

As part of the DSM Strategy, the Commission is conducting public consultations on various issues. The Entrepreneurship and Small Business Policy Unit co-ordinates the Department's internal view on these issues and also makes our external stakeholders aware of the consultations.

### **Single Market Strategy**

The Single Market Strategy – “Upgrading the Single Market: more opportunities for people and business” – was adopted by the Commission on 28 October 2015. The Internal Market is one of the 10 political priorities of the Juncker Commission, and the Single Market Strategy has been included in each of the annual work programmes of the current Commission. Hence, the follow-up to the Single Market Strategy is one of the 21 actions in the Commission's Work Programme for 2017 – “Delivering a Europe that protects, empowers and defends”.

Ireland has been consistently active, including in mobilising like-minded Member States. In urging the Commission to be ambitious in making progress on deepening the Single Market, especially for services, where much remains to be done. Ireland had a strong engagement in the preparatory process leading up to the adoption of the Single Market Strategy. We have had regular engagement with the Commission, at both Commissioner and senior official level, and have led on, or participated in, a number of like-minded initiatives from 2015 to date. . . Most recently, in November 2016, Ireland took the lead in producing a like-minded letter, signed by 10 Member States including the Netherlands, Sweden and Denmark, calling on the European Commission to introduce ambitious measures to make it easier for businesses to provide services on a cross-border basis in other EU Member States.

The Single Market is a strong priority at the highest political level in the EU, and features regularly on the agenda of the European Council, most notably at the June European Council. Indeed, the European Council has set a high level political target for all of the measures included in the Single Market Strategy to be delivered, at EU level, by the end of 2018.

The Strategy comprises a series of targeted actions, to be progressed over the period from 2016 to 2018. In 2017 key proposals for DJEI will be:

- a legislative proposal to introduce a European services e-card (ESC) , as part of a focus on professional services and regulated professions.
- a legislative proposal to introduce a Single Market Information Tool which aims to improve the Commission's ability to monitor and enforce EU rules in priority areas.
- an initiative to modernise the intellectual property framework, including measures to support the use of intellectual property by SMEs.
- the goods package, which includes proposals to increase awareness of the mutual recognition principle, a revision of the Mutual Recognition Regulation and a comprehensive set of actions to further enhance efforts to keep non-compliant products off the EU market.

### **Better Regulation**

- On 19th May 2015, the European Commission adopted a "Better Regulation Package", consisting of nine documents, including two policy Communications.
- The Communication on "Better Regulation for Better Results - An EU agenda" outlined the Commission approach to better regulation as a delivery tool for EU political priorities. It committed the Commission to strengthen the openness and transparency of its work, notably through reinforced stakeholder consultations. It set out the better regulation tools for the Commission to use, including integrated Better Regulation Guidelines. It also -outlined how the Commission would strengthen the REFIT Programme. The second Communication was the Commission's proposal for a new Inter-institutional Agreement (IIA) on Better Regulation, which came into force the following year.
- In December 2014, the Competitiveness Council agreed Conclusions calling on the Commission to make advances in several areas, and the 2015 Package responded very positively to this in almost all respects. In particular, the Commission brought together all of their internal Guidelines on how to carry out Impact Assessments, Consultation and Ex-post Evaluation (REFIT) into a single Toolkit, for the use of all Directorates General across the Commission. The toolkit is due to be reviewed this year (2017).
- The Commission also strengthened its Impact Assessment Board by introducing a new Regulatory Scrutiny Board with external, independent members for the first time. The Board reviews and issues opinions on both draft Impact Assessments on new proposals as well as evaluations—and fitness checks of existing legislation.
- The Commission's REFIT Platform seeks to strengthen stakeholder engagement. The platform has 2 strands, one comprising high level representatives from the Member States (the Government Group) and a second from broader societal interests. (the Stakeholder Group). The inaugural meeting of the Platform (a joint meeting of both strands) was held on 29 January 2016, with the Commission's Vice President Timmermans as chair. The Platform members work to tight deadlines to consider simplification suggestions received by the Commission through its "Lighten the Load – Have Your Say" website. -
- Generally the suggestions are considered initially by the Stakeholder Group which tries to seek a consensus before its input is passed on to the Government Group for further consideration. The final stage is the adoption of a Platform opinion which informs the Commission's Work Programme and may be considered further by various Council Working Parties. Ireland has, for some time, been a member of an informal group of "like-minded" Member States seeking a stronger line from the Commission on regulatory burden reduction for business. In this context, Ireland signed a like-minded joint letter on 1st April 2015, addressed to Vice President Timmermans. The Commission's Better Regulation Package of 19th May responds to much of what was requested there. (Reflecting that this Department does not have a policy responsibility for Better Regulation, Minister of State Dara Murphy signed the letter).

- The like-minded group still seeks some form of quantification or targets for burden reduction to be included in the REFIT Scoreboard, which describes progress of the REFIT evaluations, but does not yet provide a measure of whether burdens have been reduced as a result. The Commission has committed to quantify regulatory burden “wherever possible” within the REFIT programme, but the manner in which this is to be done has not been made clear.
- On 26th November 2015, a second like-minded letter to VP Timmermans was signed by 19 Member States again seeking the establishment of “targets for reducing the burden of regulation in particularly burdensome areas, in line with the Conclusions of the Competitiveness and European Councils. This letter was again signed by Minister Dara Murphy.
- The new Inter-institutional Agreement, which came into force in April 2016, is a key part of Vice President Timmermans’ drive to strengthen Better Regulation at a European level. It replaces the previous IIA from 2003, which promised a common approach to Better Regulation across the three European Institutions, but which did not materialise in practice to the extent that many Member States had hoped or expected.

### ***Commission proposal for a Revision of the Posted Workers Directive,***

On the 8th March 2016, the European Commission proposed a revision of the rules on posting of workers within the EU to ensure they remain fit for purpose.

Ireland’s policy position in relation to posted workers has always been an issue of striking a balance between the protection of posted workers and avoiding a race to the bottom on wages or other minimum standards on the one hand and ensuring that those very desirable goals are not used to undermine the proper functioning of the internal market.

The Commission’s proposal for a revision of the Posted Workers Directive is proving to be very divisive reflecting the different interests and positions of those Member States which are the main receivers of posted workers and those lower cost Member States who are the main senders of posted workers. While discussions on the proposal have continued under both the Slovak and Maltese Presidency, limited progress has been made and views remain polarised.

As Ireland does not compete as a low-cost economy with some of the low rates of pay prevailing in many Eastern European MS our interests would be much more closely aligned to the other higher cost MS’s in terms of some of the core principles designed to ensure that posting is not about undercutting agreed pay rates and driving a race to the bottom. In summary, core proposals relating to Remuneration, Duration of Posting, Collective Bargaining and Temporary Agency Workers are broadly acceptable to Ireland although we have concerns, along with other Member States, about how some aspects of the revised rules would operate in practice.

**Next steps/ timeframe:** The Maltese Presidency appears determined to seek General Approach agreement at the EPSCO Council on 15 June.

If the latest compromise proposals were to be agreed, member states would have two years to transpose the Directive and make the necessary administrative and legislative arrangements. There would then be a three year derogation before the Directive would actually come into force across member states.

### ***European Pillar of Social Rights***

Following on from the European Commission’s first orientation debate on a European Pillar of Social Rights on 27 January 2016, the Commission issued a consultation document. This document was

structured into 3 main policy categories -*Equal opportunities and access to the labour market, Fair working conditions and Adequate and sustainable social protection*, and these were further sub-divided into 20 distinct social policy areas ranging from Minimum Wage to Equality to Health Care.

The Labour Market and EU EPSCO Coordination Unit undertook a scoping exercise, working with the relevant DJEI sections and other Departments to gain a national perspective on the proposals most likely to emerge in a European Pillar of Social Rights and prepared a paper for Government to enable a response to be made within the timelines set out by the Commission.

The Commission on 26<sup>th</sup> April 2017 presented the Pillar as a Commission Recommendation and also as an Interinstitutional Proclamation to the European Parliament and to Council. Within a generally positive framework the issues of concern that arise for Ireland are the legal status of the interinstitutional proclamation, the potential future intervention by the Commission in areas of Member State competence, the proposal to confine the Social Pillar initiative to the Euro area and the lack of a clear funding stream for Member States to implement any agreed policies from the Social Pillar.

The Social Summit in Gothenburg on 17th November, jointly organised by the European Commission and the Swedish government, will be a key moment to consolidate and further progress the work to date on the Social Pillar, in line with the broader discussion on the social dimension of Europe.

## SECTION FIVE ~ OFFICES AND AGENCIES OF THE DEPARTMENT

### Introduction

The Department currently funds and staffs 5 Offices. In addition, it funds 9 Agencies and 31 Local Enterprise Boards. The Offices of the Department are staffed by civil servants, who are employees of the Department. These staff are subject to the same values, standards and behaviours for Civil Servants which apply to other employees of the Department.

Each of these Agencies is established under primary legislation, which sets out the functions of the Agency. Responsibility for the delivery on the mandate and functions of an Agency rests, in the first instance, with its Board and the Chairman of its Board.

### Liaison arrangements and oversight

The Secretary General, as Accounting Officer, ensures that the appropriate monitoring systems and procedures are in place for oversight of the Bodies under the aegis of the Department and the Offices of the Department and this is carried out through Liaison Units which are assigned responsibility in respect of individual Offices and Agencies.

### Memoranda of Understanding (MoU) and Service Level Agreements (SLAs)

The Department and each Office agrees, on an annual basis, a Memorandum of Understanding (MOU) which acts as a performance contract between the Department and the Office. These MOUs, which are jointly signed off by the Secretary General of the Department and the Head of each Office, set out agreed levels of performance / service in respect of the Body for the relevant year. These also allow for the adoption of both annual and multi-annual targets, and the development of output and outcome indicators including milestones to measure performance against targets.

The Department and each Agency agrees, on an annual basis, a Service level Agreement (SLA) which acts as a performance contract between the Department and the Office. These SLAs, which are jointly signed off by the Secretary General of the Department and the Head of each Agency, set out agreed levels of performance/service in respect of the Body for the relevant year. These also allow for the adoption of both annual and multi-annual targets, and the development of output and outcome indicators including milestones to measure performance against targets.

## OFFICES

The Department includes 5 discrete Offices as part of its integral structure and a short description of each is set out below:

### Labour Court

#### Chairman: Kevin Foley

The Labour Court provides a free, comprehensive service for the resolution of industrial relations disputes and deals also with matters arising under employment rights legislation (Employment Equality, Pensions, Organisation of Working Time, National Minimum Wage, Industrial Relations (Amendment), Protection of Employees (Part-Time Work), Protection of Employees (Fixed-Term Work) and Safety, Health and Welfare at Work Acts).

The Court's functions can be divided between those relating to industrial relations matters and those relating to the determination of appeals in matters of employment rights. With the enactment of the



Workplace Relations Act 2015 the Labour Court now has sole appellate jurisdiction in all disputes arising under employment rights enactments.

The main functions of the Court are:

- to investigate trade disputes and make recommendations for their settlement;
- to make determinations on appeals of Adjudication Officers recommendations/decisions under the Industrial Relations Acts ;
- to establish Joint Labour Committees, consider and adopt proposals, as appropriate, and forward to the Minister for consideration with a view to the making of Employment Regulation Orders;
- to register employment agreements and examine the terms and conditions of employment in a sector pursuant to Section 14 of the Industrial Relations (Amendment) Act 2015 and make recommendations to the Minister on the terms and conditions to be included in Sectoral Employment Orders;
- to hear all appeals of Adjudication Officer's decisions under various Employment Rights and Pensions Acts.

The Labour Court is not a court of law. It operates as an industrial relations tribunal, hearing both sides in trade disputes and then issuing recommendations, setting out its opinion on the dispute and the terms on which it should be settled. While these recommendations are not binding on the parties concerned, the parties are expected to give serious consideration to the Court's recommendation. Ultimately, however, responsibility for the settlement of a dispute rests with the parties.

The Court's determinations under employment rights legislation are legally binding.

<b>Labour Court Gross Allocation as per REV and associated staffing numbers</b>	
	2017 REV
Gross Allocation	€3.648m

## **Workplace Relations Commission (WRC)**

### **Chief Executive : Oonagh Buckley**

The Workplace Relations Commission (WRC) was established in 2015 to deliver a modern, user-friendly and world-class workplace relations system in Ireland. All the functions of the Labour Relations Commission (including the Rights Commissioner service), the Equality Tribunal, the National Employment Rights Authority (NERA) and the first instance functions of the Employment Appeals Tribunal and the Labour Court were brought together under the remit of a new statutory body called the Workplace Relations Commission with the commencement of the Workplace Relations Act 2015 on the 1<sup>st</sup> of October 2015.

The Commission activities are primarily concerned both with facilitating and assisting workplace change and creating an environment of equity and fairness in employment. The Commission has a broad range of functions including industrial relations advisory and conciliation services and the resolution of industrial relations disputes of interest between employers and workers across the public and private sectors. It provides a comprehensive early resolution, mediation and adjudication services in relation to the full spectrum of employment rights and equality cases. It carries out workplace inspections to ensure the employment rights of workers and responsibilities of employers are respected and it has an enforcement function in relation to breaches of employment legislation.

In particular the WRC has responsibility for:

- promoting and encouraging compliance with legislation relating to the employment of persons;

- providing a first-instance adjudication service in relation to entitlements of employees under relevant legislation;
- providing a first instance adjudication service in relation to claims of discrimination under the Equal Status Acts;
- providing an employment rights compliance and enforcement service;
- providing information on, and enhancing awareness of, workplace relations legislation and services;
- prosecuting summary offences under employment law;
- providing a workplace Conciliation and Mediation service
- preparing codes of practice for bettering workplace relations,
- offering guidance on such codes of practice and help to resolve disputes concerning their implementation;
- reviewing and monitoring developments in the area of workplace relations;
- building on the Minister's Workplace Relations Reform Programme;
- conducting or commissioning research into matters relevant to workplace relations;
- administering the licensing of young persons and employment agencies

WRC Gross Allocation as per REV and associated staffing numbers	
	2017 REV
Gross Current Allocation	€13,379m

## Employment Appeals Tribunal (EAT)

### Chairman: Kate O'Mahony

The Employment Appeals Tribunal, as part of the Workplace Reform programme is being wound down. The functions of the EAT were transferred to the WRC in October 2015 and the body is now only dealing with legacy cases. The legacy cases the Tribunal is determining matters on relate to disputes arising from the legislation on redundancy and insolvency payments; minimum notice; terms of employment; maternity and adoptive leave; unfair dismissals; part-time employment; young person's employment; payment of wages; organisation of working time; parental leave and protections for persons reporting child abuse. At the end of 2016 the EAT had 186 legacy cases on hand. It is expected that the majority of legacy cases will be cleared by mid 2017.

EAT Gross Allocation as per REV and associated staffing numbers	
	2017 REV
Gross Current Allocation	€1,709m

## Office of the Director of Corporate Enforcement

### Director: Ian Drennan

The mission of the Office of the Director of Corporate Enforcement (ODCE) is to improve the compliance environment for corporate activity in the Irish economy by encouraging adherence to the requirements of the Companies Acts and bringing to account those who disregard the law.

	2017 REV
Gross Current Allocation	€4,895m

## Patents Office

### Controller: Gerard Barrett

The Patents Office was established under the Industrial and Commercial Property (Protection) Act 1927. It is an independent statutory office under the control of the Controller of Patents, Designs and Trade Marks and is responsible for the grant and registration of intellectual property rights in Ireland, specifically patent, trade mark and industrial design rights. The Controller also has certain statutory functions under the Copyright and Related Rights Act, 2000, which are mainly concerned with the registration of copyright licensing bodies, references and applications relating to licensing schemes operated by those bodies and the resolution of disputes regarding royalties payable under those schemes. The Patents Office provides input to the Intellectual Property Unit of the Department in the drafting of certain legislation and in the formulation/implementation of policy in relation to the development of the system of intellectual property protection.

	2016
Net Receipts	€9,07M
Expenses	€3,06M

## Companies Registration Office (CRO)

### Registrar: Maureen O'Sullivan

The CRO is the authority for the incorporation of new companies and registration of business names in the Republic of Ireland. The Office is also responsible for the receipt and registration of post incorporation documents, enforcement of the filing requirements of companies, and provision of information to the public.

## Registry of Friendly Societies

### Registrar: Maureen O'Sullivan

The Registry 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). This Office is de facto part of the CRO.

	2017 REV
Gross Current Allocation	€7,488m

## Low Pay Commission

### Chairman: Donal de Buitléir

The Low Pay Commission was established in July 2015 through the National Minimum Wage (Low Pay Commission) Act, 2015. Its remit is to make recommendations regarding the national minimum hourly rate of pay, ensuring that all decisions are evidence based, fair and sustainable, and do not create significant adverse consequences for employment or competitiveness.

The duties of the Commission are to "... make recommendations to the Minister regarding the national minimum hourly rate of pay that

- (a) is designed to assist as many low paid workers as is reasonably practicable,
- (b) is set at a rate that is both fair and sustainable,
- (c) where adjustment is appropriate, is adjusted incrementally, and
- (d) over time, is progressively increased,

*without creating significant adverse consequences for employment or competitiveness."*

LPC Gross Allocation as per REV and associated staffing numbers	
	2017 REV
Gross Current Allocation	€0.477m

## Numbers serving in Offices of the Department at end 2008 and June 2017

(Included in the headline figures above)

Office	Numbers serving end 2008	Numbers serving June 2017
Companies Registration Office/ Registrar of Friendly Societies	133.81	111.16
Office of the Director of Corporate Enforcement Specific provision was made in the ODCE's 2015 allocation to allow for the recruitment of additional staff, with additional specialist staff including 7 forensic accountants. The reality, however, has been that notwithstanding the increased pay allocation, it has taken some time to effect the recruitment of the specialist staff concerned. Nonetheless, 5 additional forensic accountants are now in place and a competition to recruit a further 2 is underway under the auspices of the Public Appointments Service (PAS). Likewise, the Department and PAS are engaged on further senior recruitment of Legal and Accounting expertise at Principal Officer equivalent level.	36.50	32
Patents Office	60.10	42.33
Workplace Relations Commission: <ul style="list-style-type: none"> <li>▪ Labour Relations Commission (2008 = 47.6)</li> <li>▪ National Employment Rights Authority (2008 = 130.33)</li> <li>▪ Equality Tribunal (N/A)</li> <li>▪ Employment Appeals Tribunal (2008 = 34.6)</li> </ul>	212.53	179.6
Labour Court	38.50	25.9

## AGENCIES

The Department is assisted in the delivery of its programmes by the following Agencies:

### IDA Ireland

**CEO: Martin D. Shanahan**

IDA Ireland is Ireland's statutory inward investment promotion agency and attracts and supports Foreign Direct Investment into Ireland through a wide range of services. IDA Ireland partners with potential and existing investors to help them establish or expand their operations in Ireland, leading to significant job creation and expenditure in the economy. IDA Ireland supports investment throughout all regions of Ireland, including through the provision of strategic property solutions.

	REV 2017
Current	42,264
Capital	137,000
Total Gross Allocation	179,264
Staff Numbers	272

## Science Foundation Ireland (SFI)

### Director General (and Chief Scientific Adviser to the Government): Professor Mark Ferguson

The Industrial Development (Science Foundation Ireland) Act 2003 established Science Foundation Ireland as a separate statutory agency as part of the Forfás group of industrial development agencies. The mission of SFI is to progress Ireland's society and economy by supporting the best scientific and engineering research while building an awareness of the role, impact and opportunities science creates. Through strategic investments in the people, ideas and partnerships essential to outstanding research in strategic areas, SFI will help build in Ireland research of globally recognised excellence and nationally significant importance.

	2017 REV
Current	10,131
Capital	162,500
Total Gross Allocation	172,631
Staff Numbers	50

## Health & Safety Authority (HSA)

### CEO: Martin O'Halloran

The principal functions of the Health and Safety Authority are to monitor and enforce compliance with occupational health and safety law, to provide information and expert advice to employers, employees and the self-employed, to promote workplace safety, health, welfare, education and training, to publish research on workplace hazards and risks and to propose new regulations and Codes of Practice to the Minister for Jobs, Enterprise and Innovation. The Authority is also responsible for the administration and enforcement of more broadly based chemicals legislation, including REACH, CLP and Seveso. Since 2014, the Authority incorporates the Irish National Accreditation Board (INAB), which has responsibility for the accreditation of laboratories, certification bodies and inspection bodies.

	2017 REV
Current	€18,112,000
Capital	-
Total Gross Allocation	€18,112,000
Staff Numbers	161.2

## National Standards Authority of Ireland

### CEO: Geraldine Larkin

Authority of Ireland Act, 1996, to manage the policy instruments of Standards, Metrology and Conformity Assessment. The NSAI represents Irish interests in European and International Organisations that work towards technical harmonisation and removal of technical barriers to trade. The NSAI is notified as the National Standards body for Ireland under EU Regulation No. 1025/2012 on European Standardisation.

The NSAI ensures consumer confidence and protects Irish industry interests e.g. Motor Vehicles, Medical Devices, through setting Standards and issuing Certification in the quality and safety of goods and services. Apart from its Standards work, the NSAI provides knowledge-based services and technical support to Government, consumers and industry, through the independent Certification of products, processes and services; Certification specific to the Construction industry, known as 'Agrément'; regulatory control in the area of Metrology; and the maintenance and development of national Measurement Standards.

	2017 REV
Current	5,302,000
Capital	500,000
Total Gross Allocation	5,802,000
Staff Numbers	135

## Enterprise Ireland (EI)

### CEO: Julie Sinnamon

Enterprise Ireland (EI), which was established in July 1998, has responsibility for helping to grow the sales, exports and employment of Irish companies. 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.

	2017
Current	84,502
Capital	185,000
Total Gross Allocation	269,502
Staff Numbers	575 + 91 local overseas posts + recruitment of 39 Brexit posts

## Local Enterprise Offices

The 31 Local Enterprise Offices (LEOs) were established and open for business on 15th April 2014 following the dissolution of the County and City Enterprise Boards (CEBs) on the same day. The reformed structure provides a service which amalgamates national enterprise policy and local business supports in order to strengthen the local business culture and environment. The LEO structure combines the expert knowledge of the former CEBs, the Business Development expertise of the Local Authorities, overseen by a dedicated National Centre of Excellence in Enterprise Ireland which will ensure that 'best-practice' will prevail across the LEO network.

The LEOs are about promoting entrepreneurship and self-help and are now the "first-stop-shop" for those beginning a new business as well as those wishing to expand their existing one. In accordance with the Service Level Agreement (SLA) between Enterprise Ireland and each Local Authority, the LEOs provide services under four headings:

- Business Information and Advisory Services;
- Enterprise Support Services;
- Entrepreneurship Support Services, and
- Local Enterprise Development Services.

	REV 2017
Current	€10.431m
Capital	€22.500m
Total Gross Allocation	€32.931m
Staff Numbers	N/A

*Since the dissolution of the County and City Enterprise Boards, staff in the LEOs are employed either by their Local Authority (LA) or by Enterprise Ireland (EI), with the latter staff seconded to work in the LEO. As such, the LEO staff are subject to LA terms and conditions, while recruitment is a matter for the LAs / Department of the Housing, Planning and Local Government. From 2017, the Current allocation to the Department is used predominantly to fund a block administration grant to the LAs towards the cost of running the LEOs, plus some central EI administration costs on behalf of the LEOs.*

### Design and Crafts Council of Ireland

The Design and Crafts Council of Ireland (DCCol) is a registered private company limited by guarantee that promotes craft and design activities in Ireland.

DCCol managed the very successful Year of Irish Design 2015 that promoted the significance of design to a national audience, promoted the quality (and exports) of Irish design internationally and ran a number of initiatives to improve collaboration between the design sector, the third-level sector and the business sector.

From this Department's perspective design is seen as an intrinsic part of the innovation agenda and the wider enterprise development agenda<sup>10</sup>, and critical to particular emerging and growth sectors including medical devices, professional services, digital/media/gaming and the wider creative sectors, as well as to business production and service systems more generally.

To that end a number of actions on Design are included in APJ 2017, including the establishment of a National Design Forum which had its inaugural meeting in May 2017. This Forum brings together representatives from the public sector, design sector, the third-level sector and the business sector and is chaired by the Minister.

DCCol receives funding through EI (Subhead A.7) for the purpose of promoting crafts and design initiatives in Ireland. The Budget is approved by the EI Board. The spending is governed by a Service Level Agreement between the two parties providing for the required supporting documentation and review of agreed performance metrics. There is a total of 12 members on the Board and 4 of those are appointed by the Minister including the Chair and an official from Enterprise Ireland.

### Competition and Consumer Protection Commission (CCPC)

#### Chairperson: Isolde Goggin

The Competition and Consumer Protection Commission (CCPC) was formed through the amalgamation of the Competition Authority (TCA) and the National Consumer Agency (NCA) on the 31<sup>st</sup> October 2014. It is the statutory body responsible for enforcing consumer protection and competition law in Ireland and its mission is to make markets work better for consumers and businesses.

	2017 REV
Current	12,138
	-
Total Gross Allocation	12,138
Staff Numbers	106

### Personal Injuries Assessment Board

#### CEO: Conor O'Brien

The Personal Injuries Assessment Board (PIAB) is an independent statutory Body which assesses the amount of compensation due to a person who has suffered a personal injury.

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<sup>10</sup> Design is referenced in the new Science technology and Innovation Strategy to 2020 and in Enterprise Policy 2025

	2017 REV
Current	228k
Capital	-
Total Gross Allocation	228k
Staff Numbers	80

Following initial Exchequer start-up funding, PIAB has successfully operated as a self-funding State Agency for a number of years. It relies on income generated primarily from respondents to fund its day-to-day activities, and its services are thus delivered at no direct cost to the Exchequer. C.09 (previously C13) subhead (current expenditure) was established in 2010 for the payment of PIAB pensions. PIAB makes superannuation remittances to the Department of Jobs, Enterprise and Innovation through appropriations in aid (remitted to the Department of Public Expenditure and Reform). In 2016 the appropriations in aid totalled €1.16m. Remittances are made directly to the Department of Public Expenditure and Reform in respect of the PIAB Single Pension Superannuation scheme and were €150k in 2016.

### **Irish Auditing & Accounting Supervisory Authority CEO ): Kevin Prendergast**

The Irish Auditing & Accounting Supervisory Authority (IAASA) was established pursuant to the provisions of Part 2 of the Companies (Auditing and Accounting) Act, 2003, and has seven principle objectives: (1) to supervise how the prescribed accountancy bodies regulate and monitor their members; (2) to monitor the periodic financial reporting of certain entities whose securities have been admitted to trading on a regulated market in the EU, (3) to carry out certain functions in respect of liquidators, (4) to promote adherence to high professional standards in the auditing and accountancy profession, (5) to act as a specialist source of advice to the Minister for Jobs, Enterprise and Innovation on auditing and accounting matters, (6) to carry out the external quality assurance of the audits of public interest entities and (7) oversight of statutory audit.

In June 2016 IAASA was conferred with the function of the quality assurance of auditors of public interest entities and also designated as the competent authority with responsibility for oversight of auditors under the new EU reforms.

In view of additional functions conferred on IAASA, sanction was secured to recruit an additional 17 staff, thus increasing its approved complement from 30 to 43, in order to carry out its statutory mandate.

	2017 REV
Current	2,100
Capital	0
Total Gross Allocation	2,100
Staff Numbers	43

### **InterTrade Ireland CEO: Thomas Hunter McGowan**

InterTrade Ireland is the trade and business development body tasked with promoting North-South trade that was established after the Good Friday Agreement in 1998. The body manages a range of programmes to assist SMEs in a cross border context and promotes trade and business links generally between the Republic of Ireland and Northern Ireland. It is funded on a 2:1 basis by this department and its counterpart department in N.I.



There are ongoing issues in respect of securing pro-rata funding from our counterpart Department in Northern Ireland that is seeking to retain a unilateral cut it previously imposed on the Body's budget. Our Department is resisting this. As a result, a Business Plan for the Body for 2017 has not been agreed but ITI has been able to continue activities as normal. The approach taken by the Northern Ireland Department of Economy in respect of the budget may yet evolve.

	2017REV
Current	2,265m
Capital	5,695m
Total Gross Allocation	7,960m
Staff Numbers	40

## Boards of the Agencies

### Board Appointments

The process for appointments to State Boards was reformed by Government in late 2014 and the Personnel Officer, through the State Agencies and Pensions Unit, serves as the Department's State Boards Liaison Officer for engaging with the Public Appointments Service (PAS) on the advertising and assessment processes after which lists of potential candidates are made available to the Minister to facilitate his/her making Board appointments.

This Department is represented on the Boards of its Agencies as follows:

Agency	Department Representative
Enterprise Ireland	Clare Dunne, Assistant Secretary, Indigenous Enterprise Division
IDA Ireland	Dermot Mulligan, Assistant Secretary, Innovation & Investment Division
Science Foundation Ireland	Dermot Mulligan, Assistant Secretary, Innovation & Investment Division
National Standards Authority of Ireland	Nina Brennan, Principal Officer, Indigenous Enterprise Division
Health & Safety Authority	Paraig Hennessy, Principal Officer, , EU Affairs, Trade Policy and Safety & Health Policy Division
Personal Injuries Assessment Board	Breda Power, Assistant Secretary, Commerce, Consumers & Competition Division
Irish Auditing & Accounting Supervisory Authority*	N/A
Intertrade Ireland*	N/A
Competition & Consumer Protection Commission **	N/A

\* The Department is not currently represented on the Board of the Irish Auditing & Accounting Supervisory Authority or InterTrade Ireland.

\*\* The Competition and Consumer Protection Commission does not have a Board. The Commission's members are appointed by the Minister following a competition conducted by the Public Appointments Service (PAS).



InterTrade Ireland	€5.695m	€5.53m
Interreg	€3m	€2.77m
Tyndall National Institute	€4.50m	€3.5m
National Standards Authority of Ireland	€0.50m	€0.50m
Credit Guarantee Scheme	€0.50m	€0.50m
<b>Total</b>	<b>€555m</b>	<b>€513m</b>

\*The 2016 figures does not include the additional funding secured in the December 2016 Supplementary Estimate.

### 6.1.2 Agency Own Resource Income

In addition to Exchequer funding, several of the Department's Agencies, most notably Enterprise Ireland, IDA Ireland, National Standards Authority of Ireland generate Own Resource Income (ORI) from a range of their activities. The retention of the ORI by the Agencies is subject to annual sanction from the Minister for Public Expenditure & Reform. Typically the quantum of annual ORI generated and retained for use by the agencies has been in the €90m – €115m range in recent years.

In the case of the Irish Auditing & Accounting Supervisory Authority (IAASA) and the Financial Information functions of the Competition & Consumer Protection Commission, some modest levels of funding is generated by means of a levy on the regulated industries.

In relation to the Personal Injuries Assessment Board (PIAB), it is a self-funding agency and relies on income generated primarily from respondents to fund its activities. Typically the annual PIAB cost of operations has been in the region of €12m.

#### Income received by the Department ("Appropriations-in-Aid")

A number of the Department's Offices, such as the CRO, Patents Office and Employment Permits area of the Department provide services to the public with a fee generation element. Unlike ORI, the Department does not get to retain and use A&As, these are returned to the Exchequer and "netted off" against the Exchequer gross allocation to the JEI Vote.

For example, the CRO charges companies to incorporate and to file certain statutory documents such as annual returns. In 2016 CRO generated an income of €20.067 million, which represents an increase of 12% on the 2015 figure of €17.722m. The increased income received by CRO in 2016 can be attributed to a substantial increase in late filing penalties paid, a record number of annual returns filed in 2016 due to an increase in new company registrations and additional documents being filed due to Companies Act 2014 requirements.

The level of income generated from the issuing of Employment Permits is also determined by the prevailing labour market conditions. In 2016 there was a significant increase in the volume of Employment Permits issued with over €6.86mm received in income. The 2015 level was. €5.477m.

Last year the Patents Office received €9.08m from fees in respect of the registration of Patents and Trademarks last year. The 2015 level was €8.612m.

Typically the Department will generate in the region of €50m in A&As per annum from Offices fee generation and other sources, such as pension related deductions and the pension levy on staff

## 6.2 JEI VOTE STRUCTURE, 2017 ESTIMATE AND BEYOND

Section 1.6 above provided some high-level detail of the Department's 2017 financial provision as secured through the 2017 Revised Estimates Volume. The €858m secured for 2017 will cover staffing and administration of the Department, its agencies and offices, pensions funding, and capital grants expenditure on a range of programmes designed to support jobs and facilitate further economic growth.

### Structure of Vote 32 – Jobs, Enterprise & Innovation

As a consequence of reforms introduced in 2012 to the public financial management process, the Department's objectives are pursued and delivered through three high-level Programme Areas linked to the Department's Statement of Strategy. This follows the Performance Budgeting approach adopted by the Department of Public Expenditure & Reform (DPER).

The 3 JEI high-level Programme Areas are:

- A: Jobs and Enterprise Development
- B: Innovation
- C: Regulation

In terms of Vote Management the 3 areas of programme expenditure span across 30 Subheads and 6 Administrative (Departmental) Subheads. The complex Vote structure reflects the wide diversity of the Department's remit and range of functions.

**Table: Funding Distribution at Programme Expenditure area**

Programme Area	2017 Estimate		
	Current	Capital	Total
	€000	€000	€000
<b>A - JOBS &amp; ENTERPRISE DEVELOPMENT</b>	194,443	232,195	<b>426,638</b>
<b>B – INNOVATION</b>	25,376	322,805	<b>348,181</b>
<b>C – REGULATION</b>	83,605	0	<b>83,605</b>
<b>Gross Total: -</b>	303,424	555,000	<b>858,424</b>
<b>APPROPRIATIONS-IN-AID</b> (i.e estimated income)	49,877	500	50,377
<b>Net Total:-</b>	<b>253,547</b>	<b>554,500</b>	<b>808,047</b>

### *Programme A – Jobs and Enterprise Development*

The primary objective of this programme area is to maximise sustainable job creation across the enterprise base to make Ireland the best small country to do business in. The Department aims to position Ireland as a competitive, innovation-driven location in which to do business, to promote entrepreneurship, to develop a strong indigenous enterprise base, to target future inward investment and to grow exports in existing and fast-growing markets.

This programme area covers the "Action Plan for Jobs" as well as activities carried out by specific policy areas of the Department spanning indigenous enterprise, regional development, micro-finance, state-aid, EU affairs, trade, foreign direct investment, competitiveness issues and the green economy.

Under Programme A funding provision is provided to the following agencies and programme lines:

- InterTrade Ireland
- IDA Ireland
- Enterprise Ireland
- Local Enterprise Offices (LEOs)
- National Standards Authority of Ireland

Funding under Programme A is also provided:

- To assist North-South measures via the Enterprise Development strand of the cross-border INTERREG programme
- For the Credit Guarantee Scheme
- For Ireland's membership of the World Trade Organisation
- To pay for Agency legacy pensions (for retired employees of the enterprise agencies).

### ***Programme B – Innovation***

The primary objective of this programme is to foster and embed a world class innovation system that underpins enterprise development and drives commercialisation of research to build national competitive advantage across the economy. Funding is provided for strategic investments in research, development and innovation and the development of human capital. This investment is serving as key driver for growth, and the creation and maintenance of sustainable employment into the future.

Funding to support the Department's activities under Programme Area B – Innovation are delivered by and through:

- The Patents Office
- Enterprise Ireland
- Science Foundation Ireland
- The Programme for Research in Third-Level Institutions (PRTL I)\*
- Tyndall National Institute

- \* The PRTL I is administered on behalf of the Minister for JEL by Higher Education Authority, an agency under the auspices of the Minister for Education & Skills. Responsibility for the PRTL I transferred to the Minister for JEL in May 2010.

Funding under this programme area also covers Ireland's memberships of various international research organisations such as:

- Centre Européen de Calcul Atomique et Moléculaire (CECAM)
- European Space Agency (ESA)
- European Molecular Biology Laboratory
- European Molecular Biology Conference
- European Cooperation in Science and Technology (COST)
- Eureka

### ***Programme C – Regulation***

The primary objective of this Programme is to ensure that Ireland’s business regulatory system and dispute resolution mechanisms facilitate fair, efficient and competitive markets, for businesses, employees and consumers to make Ireland the best small country to do business in.

The Department aims to make markets, including the labour markets, work more efficiently through smart regulation which encourages innovation, keen competition, high standards of compliance and consumer protection but without unnecessary regulatory cost. In recent years the Department has delivered very significant reforms to the Regulation area such as:

- The amalgamation of the Competition Authority with the National Consumer Agency to form the Competition & Consumer Protection Commission;
- The establishment of the Workplace Relations Commission (through the amalgamation of the Labour Relations Commission, National Employment Rights Authority and the Equality Tribunal)
- Establishment of the Low Pay Commission.

Funding under Programme Area C – Regulation covers the following:

- Companies Registration Office (CRO) incorporating the Registrar of Friendly Societies
- Competition & Consumer Protection Commission
- Employment Appeals Tribunal (EAT)
- Health and Safety Authority (HSA)
- Irish Auditing and Accounting Supervisory Authority (IAASA)
- Labour Court
- Low Pay Commission
- Office of the Director of Corporate Enforcement (ODCE)
- Patents Office
- Workplace Relations Commission

The activities of the High-Level Group on Business Regulation, the Company Law Review Group and the Sales Law Review Group are also included under this Programme area. Ireland’s membership of the International Labour Organisation is also provided for under this programme area.

## **FINANCIAL ISSUES FACING THE DEPARTMENT AND BEYOND**

### ***Comprehensive Reviews of Expenditure***

In recent years the Department, in line with DPER requirements, has undertaken two Comprehensive Reviews of Expenditure covering the periods 2011 – 2014 and 2015 – 2017 respectively. The Department has delivered on all savings required by DPER from 2011 to date.

The next round of Expenditure Reviews covering the period 2018 – 2020 was launched by the Department of Public Expenditure and Reform in February of this year. The Expenditure Review envisages an earlier initial engagement between Departments and PER on Budget 2018 proposals. PER in launching the Expenditure Review advised that the fiscal space identified by reference to the Expenditure Benchmark as being available for use in 2018 was €1.2b, of which €800m would be set aside for spending and €400m for tax.

PER further advised that of the €800m in additional spending capacity, only €375 m was actually available when the carryover of Budget 2017 measures and the cost of the Action Plan for Housing and Homelessness were factored in. The €375m is split between €200m in additional current expenditure and €175m in additional capital expenditure.















- The unique feature of additional sustainable jobs in sub supply, which the enterprises which our agencies support deliver, doubling the jobs impact.
- The scope for cost effective job protection which our agencies are uniquely placed to deliver. This has helped bring job losses in the portfolio to historic low levels in 2015/16 whilst also growing the EI and IDA directly supported jobs level to an all-time high.
- Our position to drive Ireland into a position to be a leader in the “war for talent” through science and technology skills and centres of excellence which are now linked to over one third of IDA project wins each year.

### ***Jobs being supported by Enterprise Agencies***

At the end of 2016 over 435,000 jobs (over 1 in 5 of those employed in Ireland) are directly being supported by the enterprise agencies – Enterprise Ireland, IDA Ireland and the Local Enterprise Offices.

Allowing for the multiplier effect almost a similar number (a further 400,000+ jobs) are supported indirectly through interactions with enterprise agency client companies in services and sub-supply. Therefore over 800,000 jobs - more than 2 in 5 jobs in Ireland – are connecting and benefitting as a consequence of enterprise agency supports.

- At the end of 2016 Enterprise Ireland client companies were directly supporting 201,000 jobs across its client base – its highest level ever.
- IDA Ireland were directly supporting 199,877 jobs across its client cohort – also the highest level ever being supported by the IDA.
- A further 34,634 jobs (full-time and part-time) are being supported through the Local Enterprise Offices (LEOs).
- The capital provision through Science Foundation Ireland also provides direct funding and employment for nearly 3,000 high-class researchers with a further 5,000 plus researcher jobs being leveraged off the SFI funding.
- SFI funded research is also leveraging significant additional investment in Ireland through EU research funding streams and directly from industry – typically in the range of €120m+ per annum (combined).

In addition to the jobs being supported, typically the EI and IDA client cohort companies spend over €20 billion per annum in the Irish economy. Furthermore EI clients are also generating export sales of a similar magnitude annually.

Underpinning much of this is the innovative capacity of Irish based enterprise which has benefitted hugely over the past fifteen years or more through the State’s very significant investments in research and development via Science Foundation Ireland and the Programme for Research in Third-level Institutions. In recent years, typically 30% to 40% of the IDA new FDI investment wins each year have been research and development related.

### ***Benefits of the Department’s Innovation Programmes***

A crucially important element of JEI capital supports relates to “Expenditure Programme Area B – Innovation” which primarily covers R&D investments through Science Foundation Ireland, Enterprise Ireland and the Programme for Research in Third-Level Institutions (PRTLII).

Since the late 1990s, successive Governments decisions to pursue a Smart Economy strategy and invest heavily in science and technology has resulted in the country being transformed into a leading centre for education, research and industry across a range of cutting-edge disciplines. From a very low base, Ireland has today become home to:

- 9 of the top ten global ICT companies

- 9 of the top ten global pharmaceutical companies
- 17 of the top 25 global medical devices companies, and
- More than half of the world's leading financial services institutions.

Also Ireland is now in the Global Top 20 (ranked 10<sup>th</sup> overall, up from 36<sup>th</sup> in 2003, and 20<sup>th</sup> in 2009) for the quality of our scientific research. During the period of the fiscal crisis, our scientific and innovation reputation was one of the few areas where Ireland's reputation was further enhanced.

In specific scientific disciplines we are genuine world-leaders given we are ranked:

- 1st in the world for our research in Nanoscience
- 2nd in Computer Science
- 2nd in Immunology
- 3rd in Animal and Dairy science
- 5th in Materials Science.

Much of this success has been as a consequence of the sustained research capital investments undertaken through Science Foundation Ireland (established in 2000) and the Higher Education Authority via the PRTL. (Responsibility for the PRTL was transferred to the Minister for Jobs, Enterprise and Innovation in 2010). Nearly half (over 48%) of Ireland's public research funding supports are via the Department's Vote.

In order to maintain and improve Ireland's competitiveness in the innovation arena, to maintain and attract high calibre FDI and to ensure a pipeline of highly skilled researchers to feed industry demand and help our enterprise base to thrive and diversify, we need to return to a trajectory of increasing public investment in research and innovation over the coming years. The previous Government recommitted to the EU "Europe 2020" target of achieving a research intensity target of 2.5% of GNP by 2020. This can only be achieved by a planned year on year increase in public investment from 2017 onwards.

<b>Comparison of DJEI Vote Allocations as per Revised Estimates Volume 2012 – 2017</b>						
	<b>2012 Estimate</b> <i>000s</i>	<b>2013 Estimate</b> <i>000s</i>	<b>2014 Estimate</b> <i>000s</i>	<b>2015 Estimate</b> <i>000s</i>	<b>2016 Estimate</b> <i>000s</i>	<b>2017 Estimate</b> <i>000s</i>
<b>JEI</b>						
Current	367,553	358,116	339,022	301,186	297,473	<b>303,424</b>
Capital	514,000	454,500	442,000	539,000*	548,000*	<b>555,000</b>
TOTAL	881,553	812,616	781,022	790,186	845,473	<b>858,424</b>
<b>OVERALL EXCHEQUER</b>						
Current	51,893,876	51,145,625	49,648,026	51,082,079	51,332,110	53,530,583
Capital	3,961,788	3,431,292	3,339,404	3,833,403	3,967,338	4,541,475
TOTAL	55,855,664	54,576,917	52,987,430	54,915,482	55,299,448	58,072,058
<b>JEI % Of OVERALL Exchequer</b>						
Current	0.71%	0.70%	0.68%	0.59%	0.58%	0.57%
Capital	12.97%	13.25%	13.24%	14.06%	12.68%	12.22%
TOTAL	1.58%	1.49%	1.47%	1.53%	1.45%	<b>1.48%</b>
<b>JEI Change on Previous Year</b>	<b><u>2012 v 2011</u></b>	<b><u>2013 v 2012</u></b>	<b><u>2014 v 2013</u></b>	<b><u>2015 v 2014</u></b>	<b><u>2016 v 2015</u></b>	<b><u>2017 v 2016</u></b>
Current	-24,916	-9,437	-19,094	-37,836 (pt (iii)below	-3,713	+ 5,951
Capital	6,000	-59,500	-12,500	+97,000*	+9,000*	+7,000*
TOTAL	-18,916	-68,937	-31,594	+59,164	+5,287	+12,951

### Notes

- (i) Figures taken from each annual Revised Estimates Volume published by D/Finance and D/PER.
- (ii) Figures do not include Capital Carryover amounts from year to year.
- (i) The Current figs for 2011 to 2014 include c. €40m p/a in R&D allocations which were reclassified in **2015** from Current to Capital expenditure as a consequence of new European Standards of Accounting Rules.
- (ii) \*The 2015 and 2016 JEI Capital figures of €539m and €548m respectively INCLUDE the additional capital monies secured via the 2015 and 2016 Supplementary Estimates. [+€50m in December 2015 and +€45m increase in the JEI capital ceiling in December 2016].

## 6.3 STAFF RESOURCES

### Summary

Numbers serving in the Department have been reduced from 1,075 at the end of 2008 to 809.75 (FTE) as at end 12 May 2017. During that period there were transfers out of functions and associated staff to the Departments of Education & Skills and Social Protection, the arrival of the Equality Tribunal (2013) and the transition into the Department of the functions and staff of the former state Agency Forfas (2014). These transitions, and the effects of the moratorium on public service recruitment, therefore, reduced the overall numbers in the Department by approximately 275 net. The Department continued to perform an increasing level and range of functions, including in 2014 the transfer of functions into the Department for the implementation of the Construction Contracts Act, and in 2015 the establishment of the Low Pay Commission. A significant reform was also introduced as of 1<sup>st</sup> October, 2015, with the establishment of the Workplace Relations Commission (merging the former Labour Relations Commission, National Employment Rights Authority, the first instance functions of the Employment Appeals Tribunal<sup>11</sup> and Equality Tribunal), together with an expanded Labour Court.

During 2015 the Department received delegated sanction for a Staffing Resource Management Framework (SRMF) from the Department of Public Expenditure and Reform (DPER) to manage staffing matters without direct recourse to DPER, whereby the Department may fill vacancies through recruitment and/or promotion in certain specified, designated grades up to and including PO standard or equivalent, subject to the overall pay bill ceiling not being exceeded.

	2015	2016	2017
	D/JEI Pay Ceiling €m	D/JEI Pay Ceiling €m	D/JEI Pay Ceiling €m
Department / Vote Group	<b>158.75</b>	<b>155,067<sup>12</sup></b>	<b>153,53<sup>13</sup></b>

The Department of Public Expenditure and Reform (DPER) require Departments to submit a Workforce Plan every three years. This Department recently completed its Workforce Plan covering the period 2017-2019 and the Plan aims to strengthen the Department's workforce in order to meet the significant challenges that it currently faces, including:

<sup>11</sup> The first instance functions of the Employment Appeals Tribunal (EAT) were taken over by the Workplace Relations Commission on 1st October 2015. The EAT appellate functions were transferred to the Labour Court. However, The Employment Appeals Tribunal (EAT) cannot be wound up until it has disposed of its legacy caseload which may take between 18 and 24 months.

<sup>12</sup> **Note 1:** Due to the way calendar fell in 2015 there were 27 fortnightly Pay periods that year. In 2016 there was a return to the norm of 26 fortnightly pay periods and so the Pay ceiling was adjusted accordingly for 1 less fortnightly pay period last year.

<sup>13</sup> **Note 2:** The Pay ceiling in 2017 was arrived at through a combination of factors.  
(a) An additional €3m in Pay was secured for Brexit specific posts in the Dept + Agencies (b) An additional €2.3m by way of technical adjustment was provided for payments due in 2017 under Lansdowne Road agreement. (c) As staff of the LEOs are paid from the Local Authority Vote, there was a reclassification of €7.2m from LEOs Pay to LEOs Non-Pay this year in respect of Subhead A8 – Local Enterprise Development (LEOs). Therefore JEI Pay ceiling was adjusted down by the €7.2m whilst the Non-Pay provision to the LEOs was increased by the same amount.



- challenging legislative agenda;
- policy responses required across a wide range of existing and emerging areas, such as - enterprise, regulation, innovation, research and development, trade, and the labour market;
- engagement with EU and International entities; intense stakeholder management;
- ambitious customer service targets;

as well as working within the new political dispensation. In addition to this, the decision of Britain to leave the European Union has, and will continue, to greatly effect and increase the response required from staff across the Department.

An action plan of measures is set out in the Workforce Plan which will strengthen the Department's workforce through learning and development initiatives and supports, as well as technological solutions to support knowledge management across the Department. In addition to these measures the Department will endeavour to source a net addition of approximately 24 posts to strengthen Business Units working to deliver critical objectives for the Department as well as the reallocation of the "dividend" from staff released from the Employment Appeals Tribunal this year as it is wound up. At Principal Officer level two additional posts were identified as (i) a second post for the Trade Policy area post-Brexit and (ii) for a Communications Unit which is currently a small Unit within the Management Support Unit. Other additional posts are within existing Business Units

The following headline figures summarise the size of the Department (including the Offices) between 2008 and 2017:

<b>Authorised number end 2008 = 1,102</b>	FTE <sup>14</sup> Numbers serving end 2008 = 1,074.93
Staff in post 12 May 2017 = 859	FTE Numbers serving 12 May 2017 = 809.75

### **Numbers serving in Offices of the Department at end 2008 and end June 2017**

*(Included in the headline figures above)*

Authorised number end 2008 = 1,102	FTE <sup>15</sup> Numbers serving end 2008 = 1,074.93
<b>Staff in post 9 June 2017 = 875</b>	<b>FTE Numbers serving 9 June 2017 = 828.57</b>

### **Departmental Agencies**

Under the post-Moratorium delegated sanction on staffing - the Staffing Resource Management Framework (SRMF) – the Department has delegated sanction to authorise the staffing levels for our family of Agencies up to and including Principal Officer or equivalent level. Recruitment to the most senior posts requires DPER sanction. This means that within the global DJEI pay Estimates, the Department sanctions the staffing levels for each Agency such that in aggregate the annual voted pay Estimate is not exceeded. This process involves the relevant Agency Liaison Unit (e.g. for IDA) satisfying itself with the business case being made for any recruitment and the Personnel Officer as Head of the State Agencies and Pensions Unit in conjunction with Finance Unit approves the

<sup>14</sup> Full Time Equivalent (e.g. 2 staff working a half week each = 1 FTE post)

<sup>15</sup> Full Time Equivalent (e.g. 2 staff working a half week each = 1 FTE post)

recruitment once pay budget limits are being observed. Any recruitment outside these limits requires approval by the Secretary General and, in some cases, DPER. The State Agencies and Pensions Unit is implementing a more refined arrangement with EI on a pilot basis to further streamline this staffing recruitment process.

### **Board Appointments**

The process for appointments to State Boards was reformed by Government in late 2014 and the Personnel Officer, through the State Agencies and Pensions Unit, serves as the Department's State Boards Liaison Officer for engaging with the Public Appointments Service (PAS) on the advertising and assessment processes after which lists of potential candidates are made available to the Minister to facilitate his/her making Board appointments.

### **Accommodation**

- a) The Department and its Offices' network are spread across a number of buildings and the Department is actively working with the OPW in relation to a move from Davitt House which the lease is not being renewed. This move involves 4 groups of staff to be relocated – Labour Affairs Division (including Internal Audit Unit), Safety Health & Chemicals Unit, Finance Unit and the EAT. The exit from Davitt House is anticipated to be in 2018 and at that stage the EAT should be wound up. Our Finance Unit are due to move to a building in Dawson St. and the rest of the staff are due to move to our Earlsfort building where DSP are to vacate 2 floors which will accommodate the balance of our existing Davitt House staff.

These moves require careful planning such that they can take effect with minimal impact on service delivery by the affected Business Units.

## Section Seven ~ Legislation

### 7.1 Priority Bills for Publication in Spring / Summer 2017

#### Industrial Development (Amendment) Bill

##### **Purpose**

The Bill will address the implications of the Supreme Court judgment in Reid vs IDA and others and ensure that IDA Ireland has both:

- a sound legal basis to purchase property by agreement for industrial development purposes in circumstances where a specific company has not been identified as the beneficiary of that purchase and/or the property in question is intended for future, as opposed to immediate use; and
- the continued capacity to compulsorily purchase property in certain limited circumstances and in accordance with new procedures providing for the involvement of an independent body to affirm such compulsory purchases or to adjudicate on any objection in respect of them

##### **Status**

Draft heads of Bill approved by Govt - 19 July 2016 and OPC drafting. Publication of the Bill is expected in the first half of 2017

**Division Responsible: Innovation and Investment**

#### Companies (Statutory Audits) Bill 2017

##### **Purpose**

A Bill to further transpose the EU Directive on statutory audits (Directive 2014/56/EU) into Irish law and to give effect to options in the EU Regulation on statutory audits of public interest entities (Regulation 537/2014). The Department transposed the essential elements of the EU Directive and Regulation by way of Statutory Instrument, However, there are some options in the EU rules that are not appropriate for secondary legislation. Therefore, this Bill will implement those additional elements that the Department considers would be beneficial.

##### **Status**

Heads of Bill approved by Government t - 17th Jan 2017 and were published on 16th February.

Heads submitted to Joint Committee on Jobs, Enterprise & Innovation on 13th Feb and briefing by officials to Committee on 28th Feb. On target for publication in current session

**Division Responsible: Commerce, Consumers and Competition**

#### Legal Metrology (Measuring Instruments) Bill

##### **Purpose**

A Technical Bill is required to transpose Articles 1 and 3 of Directive 2014/32 of the European Parliament and of the Council of 26 February 2014 on the harmonisation of the laws of the Member States relating to the making available on the market of measuring instruments (recast)

The rest of the Directive can be transposed by way of an S.I. under Section 3 of the European Union Act 1972.

**Status**

Draft heads of Bill are expected to be approved in Q2 2017. The Department is working with OPC on drafting the Bill. DJEI has also contacted the Committee on JEI also contacted re Oireachtas Pre-Legislative Scrutiny requirements.

**Division Responsible: Indigenous Enterprise Development**

### **Metrology Act 1996 (Amendment) Bill**

**Purpose**

Section 9 of the Act needs to be amended to allow NSAI to appoint external inspectors to undertake metrology inspections under the Act. This is part of a wider External Service Delivery model being pursued by NSAI.

**Status**

Resources are still focusing on the priority transposition of the Legal Metrology (Measuring Instruments) Bill. The aim now is to proceed with the amendment of the Metrology Act 1996 in Q3 2017.

**Division Responsible: Indigenous Enterprise Development**

## **7.2 All other Bills awaiting publication**

### **Copyright & Related Rights (Amendment) (Miscellaneous Intellectual Property) Bill**

The purpose of the Bill is to implement some of the recommendations of the Copyright Review Committee's 2013 report, "Modernising Copyright". This will include allowing intellectual property infringement cases to be taken to the Circuit and District Courts; the expansion of existing exceptions to copyright for persons with a disability, non-commercial researchers and for provision of distance and online education; the creation of an exception to allow for research by text and data mining; allowing libraries, archives and educational institutions to make a copy of a work in its collection for preservation purposes and for catalogues for exhibitions; and extending the existing copyright deposit provisions relating to books to facilitate the creation of a Digital Deposit on a voluntary basis. It will also make amendments in response to the ruling in a CJEU case on the term of protection of copyright in industrial designs, and amendments to the Patents Act to allow for implementation of European Patents

**Status**

Draft Bill currently being drafted by the OPC.

**Division Responsible: Innovation and Investment**

### **Amendment of the Constitution (Unified Patent Court) Bill**

To amend Article 29 of the Constitution to recognise the International Agreement on a Unified Patent Court

**Status**

This Referendum is included in the Programme for Government. The heads of the Bill were approved by Government 23<sup>rd</sup> July 2014 Preliminary draft received from OPC however publication of this Bill is subject to a Government decision on the timing of the Referendum.

***Division Responsible: Innovation and Investment***

### **Protections for Employees on Insecure Low-hour Contracts Bill**

#### **Purpose**

To implement the policy response to the Programme for Government commitment to tackle the problems caused by the increased casualization of work and to strengthen regulation of precarious work including a response to University of Limerick (UL) Study on Zero Hour Contracts and Low Hour Contracts

#### **Status**

Govt approved draft legislative proposals as a response to this Programme for Government commitment on 2 May 2017. Detailed dialogue process with ICTU & IBEC over the period from October 2016 to March 2017. The draft legislation was referred to the AG on 4 May 2017 for priority drafting of a Bill. The draft legislation has been referred to the Joint Committee on Jobs Enterprise and Innovation for the Committee to consider whether it wishes to engage in pre-legislative scrutiny. Officials have been invited to brief the Committee on the legislative proposals on 20 June.

***Division Responsible: Labour Affairs***

### **Organisation of Working Time Act 1997 (Amendment) Bill**

#### **Purpose**

To amend the Organisation of Working Time (OWTA) Act 1997 to remove the blanket exclusion of An Garda Síochána and members of the Defence Forces from scope of the OWTA and bring them within scope subject to the application of the derogations permitted by the Working Time Directive.

#### **Status**

Government approved drafting of Heads of Bill on 22 Nov 2016

***Division Responsible: Labour Affairs***

### **Industrial Relations Act 1990 (Amendment) Bill**

#### **Purpose**

To provide Garda Representative Associations with access to the States Industrial Relations institutions.

#### **Status**

Government approval to draft Heads of a Bill was obtained on 20<sup>th</sup> December 2016 following submission of a joint Memo to cabinet by the Minister for Justice and Equality and the Minister for Jobs, Enterprise and Innovation. Preparation of the Bill will require close co-operation between DJEI and D/JE, via working group chaired by D/JE. The third meeting of the Working Group took place on April 20<sup>th</sup> 2017.

***Division Responsible: Labour Affairs***

### **Personal Injuries Assessment Board (Amendment) Bill**

#### **Purpose**

The objective of this Bill is to introduce a number of amendments to improve the operation of the 2003 Act and to provide clarity with regard to certain provisions. The Bill will also take account of the 2014 public consultation on the Act and recommendations from the Cost of Insurance Working Group

#### **Status**

It is proposed to seek Government approval for the drafting of a Bill in Q2 of 2017.

*Division Responsible: Commerce, Consumers and Competition*

## **7.3 Bills currently being progressed through the Oireachtas**

### **Hallmarking (Amendment) Bill**

Bill published 14 December 2016 and Second Stage took place in Dáil on 6 April 2017. Committee Stage is set for 15 June 2017.

***Division Responsible: Commerce, Consumers and Competition***

## Appendix 1 ~ Implementation of EU Directives

The Department works to ensure the timely implementation of EU law by ensuring that EU Directives are transposed within the required deadlines. Failure to implement Directives properly and on time can lead to infringement proceedings and heavy financial penalties.

Current position on Directives

- Nine Directives to be transposed during 2017, Four in 2018 and one in 2019
- Four codified Directives to be transposed (no deadlines)

<b>DIRECTIVES TO BE TRANSPOSED IN 2017 (Nine)</b>		
<b>Description of Directive</b>	<b>Deadline for Transposition/ Unit Responsible</b>	<b>Current Position</b>
<b>1. Directive 2011/17/EU</b> of the European Parliament and of the Council of 9 March 2011 repealing Council Directives 71/317/EEC, 71/347/EEC, 71/349/EEC, 74/148/EEC, 75/33/EEC, 76/765/EEC, 76/766/EEC and 86/217/EEC regarding metrology	<b>30/11/2015</b>  Subject of reasoned opinion  <b><i>Unit:</i></b> <b>NSAI Liaison &amp; Standards Unit</b>	It is aimed to transpose this Directive by Q4 of this year.
<b>2. Directive 2014/31/EU</b> on the harmonisation of the laws of Member States relating to the making available on the market of non-automatic weighing instruments	<b>19/04/2016</b>  Subject of reasoned opinion  <b><i>Unit:</i></b> <b>NSAI Liaison &amp; Standards Unit</b>	It is aimed to transpose this Directive by Statutory Instrument by September of this year.
<b>3. Directive 2014/32/EU</b> relating to the harmonisation of the laws of the Member States relation to the making available on the market of measuring instruments (Recast)	<b>19/04/2016</b>  Subject of reasoned opinion  <b><i>Unit:</i></b> <b>NSAI Liaison &amp; Standards Unit</b>	Primary legislation is required to transpose a number of articles of this Directive. It is planned to transpose this Directive by October of this year.

<p><b>4. Commission Delegated Directive 2015/13/EU</b> amending Annex III to Directive 2014/32/EU of the European Parliament and of the Council, as regards the flowrate range of water meters</p>	<p><b>19/04/2016</b></p> <p>Subject of reasoned opinion</p> <p><b>Unit:</b> <b>NSAI Liaison &amp; Standards Unit</b></p>	<p>This Directive will be transposed into Irish Law as part of the transposition of <b>Directive 2014/32/EU</b> above. It is planned to transpose this Directive by October of this year.</p>
<p><b>5. Directive 2014/95/EU</b> on disclosure of non-financial and diversity information by certain large undertakings and groups</p>	<p><b>06/12/2016</b></p> <p>Subject of formal notice</p> <p><b>Unit:</b> <b>Company Law</b></p>	<p>Regulations to transpose this Directive are expected to be submitted to the Minister by end June 2017.</p>
<p><b>6. Directive 2017/433/EU</b> of 7 March 2017 amending Directive 2009/43/EC of the European Parliament and of the Council as regards the list of defence-related products</p>	<p><b>15/06/2017</b></p> <p><b>Unit:</b> <b>Licensing Unit</b></p>	<p>Stamped draft of the SI is expected imminently from the Office of the Parliamentary Counsel.</p>
<p><b>7. Directive 2016/2309/EU</b> adapting for the fourth time the Annexes to Directive 2008/68/EC of the European Parliament and of the Council on the inland transport of dangerous goods to scientific and technical progress</p>	<p><b>30/06/2017</b></p> <p><b>Unit:</b> <b>Safety, Health and Chemicals Policy Unit</b></p>	<p>It is expected that this Directive will be transposed by the transposition deadline of 30 June 2017.</p>
<p><b>8. Directive 2015/1794/EU</b> amending Directives 2008/94/EC, 2009/38/EC and 2002/14/EC of the European Parliament and of the Council, and Council Directives 98/59/EC and 2001/23/EC, as regards seafarers.</p>	<p><b>10/10/2017</b></p> <p><b>Unit:</b> <b>Employment Rights</b></p>	<p>It is planned that this Directive will be transposed by the transposition deadline.</p>
<p><b>9. Directive: 2016/2037/EU</b> amending Council Directive 75/324/EEC as regards the maximum allowable pressure of aerosol dispensers and to adapt its labelling provisions to Regulation (EC) No 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures</p>	<p><b>12/12/2017</b></p> <p><b>Unit:</b> <b>Competition and Consumer Policy Unit</b></p>	<p>It is expected that this Directive will be transposed by the transposition deadline.</p>



<b>DIRECTIVES TO BE TRANSPOSED IN 2018 (Four)</b>		
<b>Description of Directive</b>	<b>Deadline for Transposition/ Unit Responsible</b>	<b>Current Position</b>
<p><b>1. Directive 2016/426/EU</b></p> <p>Regulation (EU) 2016/426 of the European Parliament and of the Council of 9 March 2016 on appliances burning gaseous fuels and repealing Directive 2009/142/EC</p>	<p><b>21/04/2018</b></p> <p><b><u>Unit:</u></b> <b>Competition and Consumer Policy Unit</b></p>	<p>Initial drafting has commenced on those articles requiring implementation into Irish law.</p>
<p><b>2. Directive 2016/943/EU</b></p> <p>Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure</p>	<p><b>09/06/2018</b></p> <p><b><u>Unit:</u></b> <b>Intellectual Property Unit</b></p>	<p>A public consultation is underway and will feed into the secondary legislation being prepared to transpose the Directive.</p> <p>The Department will work with the OPC to ensure the June 2018 transposition deadline is achieved.</p>
<p><b>3. Directive 2017/164/EU</b></p> <p>Commission Directive (EU) 2017/164 of 31 January 2017 establishing a fourth list of indicative occupational exposure limit values pursuant to Council Directive 98/24/EC, and amending Commission Directives 91/322/EEC, 2009/39/EC and 2009/161/EU</p>	<p><b>21/08/2018</b></p> <p><b><u>Unit:</u></b> <b>Safety, Health &amp; Chemicals Policy Unit</b></p>	<p>A revision of the "2016 Code of Practice for the Chemical Agents Regulations" will be prepared by the HSA and submitted to the Minister for consent. Publication will take place in time to meet the transposition deadline.</p>
<p><b>4. Directive: 2017/738/EU</b></p> <p>Council Directive (EU) 2017/738 of 27 March 2017 amending, for the purpose of adapting to technical progress, Annex II to Directive 2009/48/EC of the European Parliament and of the Council on the safety of toys, as regards lead.</p>	<p><b>28/10/2018</b></p> <p><b><u>Unit:</u></b> <b>Competition and Consumer Policy Unit</b></p>	<p>Expect to meet transposition deadline.</p>

<b>DIRECTIVES TO BE TRANSPOSED IN 2019 (One)</b>		
<b>Description of Directive</b>	<b>Deadline for Transposition/ Unit Responsible</b>	<b>Current Position</b>
<p><b>1. Directive 2015/2436/EU</b> Directive (EU) of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (Recast)</p>	<p><b>13/01/2019</b></p> <p><b><u>Unit:</u></b> <b>Intellectual Property Unit</b></p>	<p>Expect to meet transposition deadline.</p>

<b>CODIFIED DIRECTIVES<sup>1</sup> (Four) CURRENTLY AWAITING TRANSPOSITION</b>		
<b>Description of Directive</b>	<b>Unit Responsible</b>	<b>Current position</b>
<b>1. Directive 2009/104/EC</b> of the European Parliament and of the Council concerning the minimum safety and health requirements for the use of work equipment by workers at work (second individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC)	<b>Safety, Health and Chemicals Policy Unit</b>	Draft with OPC.
<b>2. Directive 2004/9/EC</b> of the European Parliament and of the Council of 11 February 2004 on the inspection and verification of good laboratory practice (GLP) (Codified)	<b>Safety, Health &amp; Chemical Policy Unit</b>	Draft final text of the Regulations is being considered.
<b>3. Directive 2004/10/EC</b> of the European Parliament and of the Council of 11 February 2004 on the harmonisation of laws, regulations and administrative provisions relating to the application of the principles of good laboratory practice and the verification of their applications tests on chemical substances (Codified)	<b>Safety, Health &amp; Chemical Policy Unit</b>	Draft final text of the Regulations is being considered.
<b>4. Directive 2004/37/EC</b> on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (Codified)	<b>Safety, Health &amp; Chemical Policy Unit</b>	Timeframe is under review.

<sup>1</sup> Codification brings together previous legislation in a single new act. There are no timelines required for the transposition of codified Directives.

## Appendix 2 – Committee Members

### Joint Oireachtas Committee on Jobs, Enterprise and Innovation

Mary Butler	Chair – Fianna Fail
Niall Collins	Fianna Fail
Stephen Donnelly	Fianna Fail
Tom Neville	Fine Gael
Maurice Quinlivan	Sinn Fein
Noel Rock	Fine Gael
Brid Smith	People Before Profit
Aidan Davitt	Fianna Fail
Paul Gavan	Sinn Fein
Gerald Nash	Labour
James Reilly	Fine Gael

### Cabinet Committees on which the Minister for JEI sits

European Affairs	<p>Taoiseach (Chair)</p> <p>Tánaiste and Minister for Justice and Equality</p> <p>Minister for Finance</p> <p>Minister for Public Expenditure and Reform</p> <p>Minister for Foreign Affairs and Trade</p> <p>Minister for Jobs, Enterprise and Innovation</p> <p>Minister for Communications, Climate Action and Environment</p> <p>Minister for Agriculture, Food and the Marine</p> <p>Minister for Transport, Tourism and Sport</p> <p>Minister of State for European Affairs, Data Protection and the EU Digital Single Market</p> <p>Minister of State for Defence</p>
Regional and	Taoiseach (Chair)

<p>Rural Affairs</p>	<p>Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs</p> <p>Tánaiste and Minister for Justice and Equality</p> <p>Minister for Finance</p> <p>Minister for Education and Skills</p> <p>Minister for Health</p> <p>Minister for Housing, Planning, Community and Local Government</p> <p>Minister for Social Protection</p> <p>Minister for Public Expenditure and Reform</p> <p>Minister for Agriculture, Food and the Marine</p> <p>Minister for Communications, Climate Action and Environment</p> <p>Minister for Transport, Tourism and Sport</p> <p>Minister for Jobs, Enterprise and Innovation</p> <p>Minister of State for Regional Economic Development</p> <p>Minister of State for OPW and Flood Relief</p>
<p>Economy, Trade and Jobs</p>	<p>Taoiseach (Chair)</p> <p>Tánaiste and Minister for Justice and Equality</p> <p>Minister for Finance</p> <p>Minister for Education and Skills</p> <p>Minister for Housing, Planning, Community and Local Government</p> <p>Minister for Social Protection</p> <p>Minister for Foreign Affairs and Trade</p> <p>Minister Public Expenditure and Reform</p> <p>Minister for Jobs, Enterprise and Innovation</p> <p>Minister for Agriculture, Food and the Marine</p> <p>Minister for Transport, Tourism and Sport</p> <p>Minister of State for Employment and Small Business</p> <p>Minister of State for Training and Skills</p> <p>Minister of State for Financial Services, eGovernment</p>
<p>Infrastructure, Environment and Climate Action</p>	<p>Taoiseach (Chair)</p> <p>Tánaiste and Minister for Justice and Equality</p>

	<p>Minister for Finance</p> <p>Minister for Housing, Planning, Community and Local Government</p> <p>Minister Public Expenditure and Reform</p> <p>Minister for Jobs, Enterprise and Innovation</p> <p>Minister for Communications, Climate Action and Environment</p> <p>Minister for Agriculture, Food and the Marine</p> <p>Minister for Transport, Tourism and Sport</p> <p>Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs</p> <p>Minister of State for Housing and Urban Renewal</p>
<p>Brexit</p>	<p>Taoiseach (Chair)</p> <p>Tánaiste and Minister for Justice and Equality</p> <p>Minister for Foreign Affairs and Trade</p> <p>Minister for Finance</p> <p>Minister for Public Expenditure and Reform</p> <p>Minister for Communications, Climate Action and Environment</p> <p>Minister for Jobs, Enterprise and Innovation</p> <p>Minister for Social Protection</p> <p>Minister for Transport, Tourism and Sport</p> <p>Minister for Agriculture, Food and the Marine</p> <p>Minister of State for European Affairs, Data Protection and the EU Single Digital Market</p> <p>Minister of State for Financial Services, eGovernment and Public Procurement</p>

### Opposition Spokespersons on JEI

- Fianna Fail – Niall Collins
- Labour – Alan Kelly
- Sinn Fein – Maurice Quinlivan

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An Roinn Post, Fiontar agus Nuálaíochta  
Department of Jobs, Enterprise and Innovation