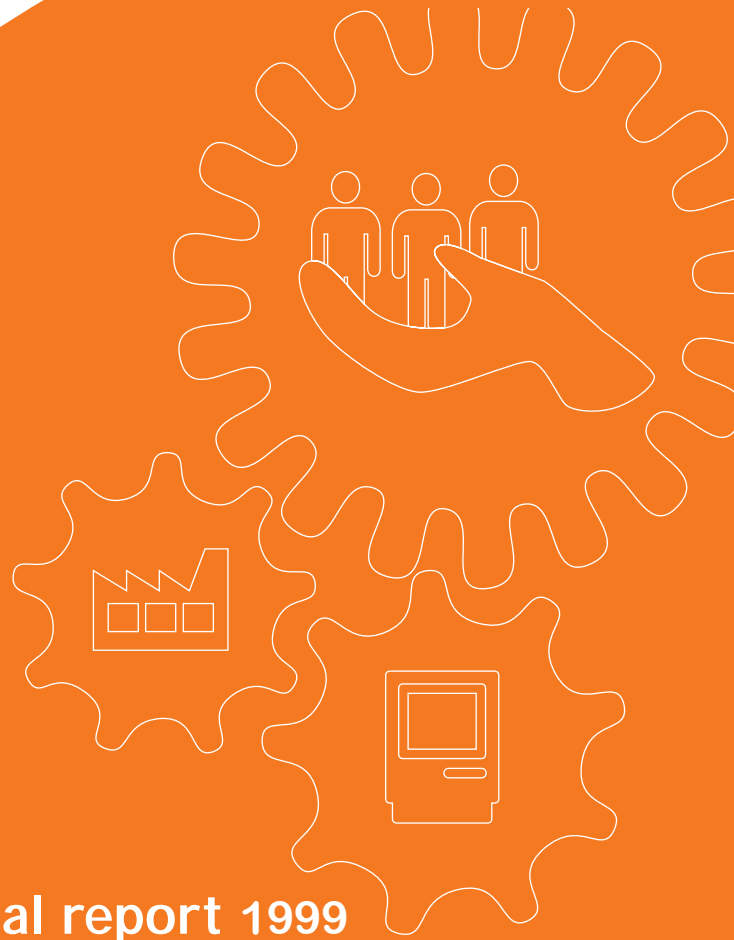


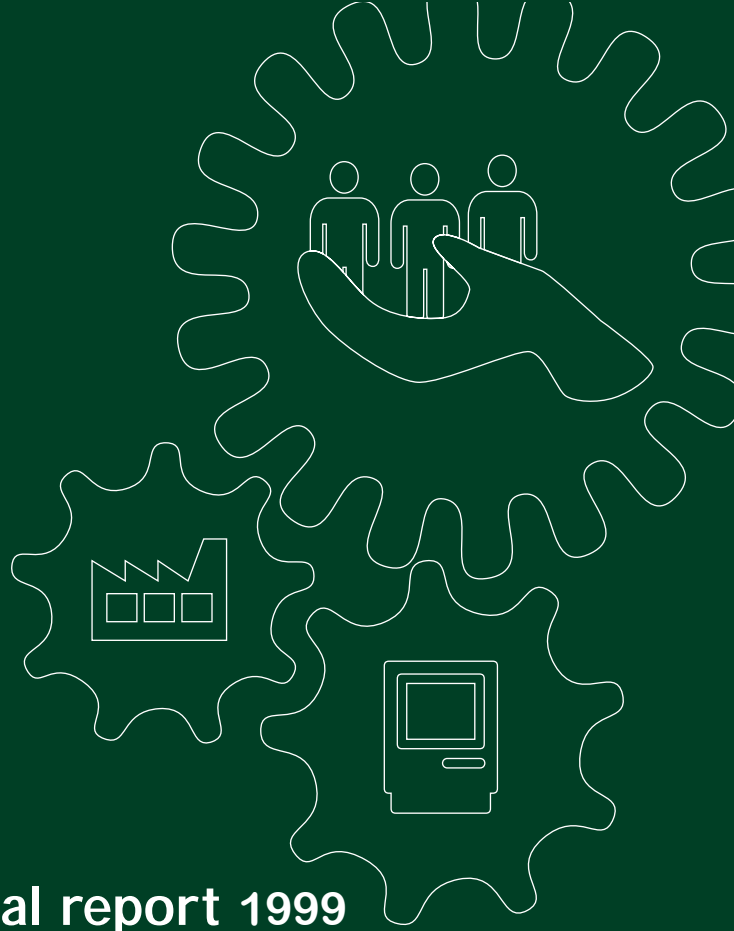


Department of  
Enterprise, Trade  
and Employment

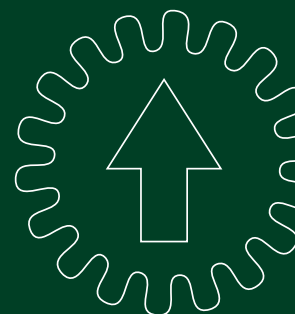
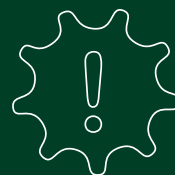


annual report 1999





**annual report 1999**



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Annual Report 1999  
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## Foreword by Tánaiste and Minister for Enterprise, Trade and Employment



The last year of the millennium saw the achievement of a number of key goals that have eluded this country for many years. We have attained a high level of international competitiveness, moving to 10th in the world in 1999. We have succeeded in translating our competitiveness into exceptional job creation of over 102,000 in 1999. This level of job creation has provided employment, not only for our expanding domestic workforce, but also for thousands of returning immigrants and non-nationals.

It is particularly satisfying that we have achieved reductions in unemployment to 4.9% at end 1999 and reductions in long-term unemployment to 2.1% at year-end. Intensified interventions under the Employment Action Plan have shown extremely positive results and assisted movement for many people from the live register to employment or training.

I am confident that through the National Development Plan agreed in 1999, we will successfully reinforce our competitive position through further significant investment in human resources, skills, research and development and infrastructure.

Foreign Direct Investment in Ireland remains high as evidenced by record-breaking job creation by IDA backed companies. During 1999, my Department agreed a significant refocus of IDA policy towards more even geographic distribution of employment, increasing job quality and increasing embeddedness of foreign owned companies.

My Department has been extremely active in protecting the rights of workers and consumers, improving the regulatory regime and thoroughly investigating reported wrongdoing where necessary. It is vitally important that commercial activity in Ireland is conducted to the highest business ethics standards. The work in my Department in 1999, and future action, including the establishment of the Office of Director of Corporate Enforcement, will help ensure this is achieved.

The Department of Enterprise, Trade and Employment has been to the fore in driving many of the policies and securing the changes necessary to achieve many of the goals set out in the Programme for Government. The Programme, as renewed in October 1999, recognises that new challenges are constantly emerging. We must continue to work diligently to ensure Ireland is best positioned to take advantage of new opportunities and overcome new challenges presented by an increasingly competitive global market place and a knowledge based society.

My Ministerial colleagues in the Department, Ministers of State Noel Treacy and Tom Kitt, join with me in acknowledging the contribution made by staff across the Department, its Offices and Agencies to achieving the ambitious goals we set ourselves for 1999 and future years.

A handwritten signature in black ink, which appears to read 'Mary Harney'. The signature is fluid and cursive, written in a professional style.

Mary Harney, T.D.  
Tánaiste and Minister for Enterprise,  
Trade and Employment.



## Brollach leis an Tánaiste agus Aire Fiontar, Trádála agus Fostaíochta

Baineadh amach líon áirithe cuspóirí tábhachtacha le linn na bliana deireanaí den mhílaois ar cuspóirí iad nach rabhthas in ann a bhaint amach le roinnt blianta. Tá ardleibhéal iomaíochta idirnáisiúnta bainte amach againn agus táimid sa 10ú háit sa domhan. D'éirigh linn ár n-iomaíocht a úsáid chun cruthú fostaíochta as cuimse a bhaint amach is é sin le rá os cionn 120,000 post sa bhliain 1999. Mar gheall ar leibhéal na bpost a cruthaíodh tá fostaíocht cruthaithe ní hamháin dár bhfórsa saothair méadaitheach baile ach freisin do na mílte daoine daoine atá ag filleadh abhaile agus do neamhnáisiúnaigh.

Is ábhar sásaimh ar leith é gur baineadh laghdú amach ar dhífhostaíocht, go dtí 4.9% ag deireadh na bliana 1999, agus gur laghdaíodh dífhostaíocht fhadtéarmach go dtí 2.1% ag deireadh na bliana. Mar gheall ar idirghabháil níos déine a dhéanamh faoin bPlean Gníomhaíochta Fostaíochta baineadh amach torthaí an-dearfach agus ba chabhair an idirghabháil sin i dtaca le daoine bogadh ón mbeo-chlár chuig fostaíocht nó chuig traenáil.

Tá mé dóchasach go ndéanfaimid, tríd an bPlean Forbartha Náisiúnta a aontaíodh sa bhliain 1999, ár n-iomaíocht a athneartú trí tuilleadh infheistíochta suntasaí a dhéanamh in acmhainní daonna, i scileanna, i dtaighde agus forbairt, agus i mbonneagar.

Tá leibhéal ard Infheistíochta Díri Coigríche ann in Éirinn i gcónaí mar is léir óna torthaí cruthaithe fostaíochta a bhí ag cuideachtaí a fhaigheann tacaíocht ó Ghníomhaireacht Forbartha Tionscail (GFT), ar torthaí iad nach bhfuil a sárú le fáil roimhe seo. I rith na bliana 1999, d'aontaigh mo Roinn go ndéanfaí polasaí GFT a dhírú tuilleadh ar fhostaíocht a dháileadh ar bhonn geografach, ar chaighdeán na bpost a mhéadú agus ar chuideachtaí faoi úinéireacht choigríche a dhéanamh níos buanseasmhaí.

Bhí mo Roinn an-ghníomhach i dtaca le cosaint a thabhairt do chearta oibrithe agus tomhaltóirí, i dtaca leis an gcóras rialála a fheabhsú agus i dtaca le dian-imscrúdú a dhéanamh de réir mar ba ghá i gcásanna ina bhfuarthas tuairisc ar éagóir. Tá sé thar a bheith tábhachtach go seoltar gníomhaíochtaí tráchtála in Éirinn de réir na gcaighdeán eitice gnó is airde. Beidh obair mo Roinne sa bhliain 1999, agus an obair a dhéanfar amach anseo, mar aon le bunú Oifig an Stiúrthóra Forfheidhmithe Chorparáidigh, ina gcabhair i dtaca lena chinntiú go mbainfear an aidhm sin amach.

Bhí an Roinn Fiontar, Trádála agus Fostaíochta ar thús cadhnaíochta a mhéid a bhaineann le polasaithe a chur i gcrích agus athruithe a dhéanamh a raibh gá leo le go bhféadfaí na haidhmeanna atá leagtha amach sa Chlár Rialtais a bhaint amach. Aithnítear sa Chlár, a athnuadh i mí Dheireadh Fómhair 1999, go bhfuil dúshlán nua ag teacht chun cinn i gcónaí. Ní mór dúinn leanúint de bheith ag obair go dúthrachtach chun a chinntiú go bhfuil Éire san ionad is fearr chun leas a bhaint as deiseanna nua agus chun dúshlán nua a shárú ar deiseanna agus dúshlán iad atá ann mar gheall ar mhargadh atá ag éirí níos iomaithí agus mar gheall ar shocháí atá bunaithe ar eolas níos mó ná riamh.

Tá mo chomhghleacaithe aireachta sa Roinn, na hAíre Stáit Nollaig Ó Treasaigh agus Tomás Ó Ceit, ar aon intinn liom nuair a thugaim aitheantas don obair atá déanta ag an bhfoireann go léir sa Roinn, agus ina cuid Oifigí agus Gníomhaireachtaí, chun na cuspóirí dúshlánacha a leagamar amach don bhliain 1999 agus do na blianta ina dhiaidh sin a bhaint amach.

Máire Ní Áirne, T.D.,  
Tánaiste agus Aire Fiontar, Trádála agus Fostaíochta

## Introduction by Secretary General



1999 was a year of substantial achievement for the Department of Enterprise, Trade and Employment. It was the second year working towards implementation of the goals and objectives set out in the Department's Strategy Statement 1998-2000. This report sets out the substantial progress made in 1999, which I am confident, can be continued in 2000. 1999 was also the first full year all Divisions worked to a new business planning process which, I believe, assisted the management of key tasks and helped energise staff at all levels around common goals.

1999 has seen the Department of Enterprise, Trade and Employment respond to a number of key challenges that are worthy of special mention.

The Department played a key part in preparation of the National Development Plan 2000-2006 and is the lead Department implementing two of three inter-regional Operational Programmes, those relating to the Productive Sector and Employment and Human Resource Development.

A new E-Commerce Unit was established to drive the emerging e-commerce agenda and ensure Ireland becomes a center of e-commerce excellence. Enhancement of broadband connectivity and working with our colleagues in the Department of Public Enterprise on a Bill to give legal effect to electronic signatures and contracts are key tasks that have been undertaken.

Company law enforcement activity has continued unabated. A report to the Tánaiste of the examination of Ansbacher (Cayman) Ltd. ultimately led to the appointment of High Court Inspectors to investigate and report on the affairs of the company.

New structures for company law enforcement and regulation of the financial services sector have been advanced significantly.

Labour market interventions, as part of the Employment Action Plan, have been extremely successful in 1999 and a new initiative to develop a proactive immigration policy has commenced.

Proposals for implementation of a Technology Foresight Fund, to invest in research in niche areas of technology, have been developed, approved by Government and are now being implemented.

The Department has formulated a strategy and secured additional funding to improve employment opportunities of people with disabilities. This action is in response to a Government decision to transfer responsibility for employment and vocational training services for people with disabilities from the NRB to FAS.

Proposals for a National Training Fund were agreed and announced in the December 1999 Budget. The fund will be administered by this Department and used for training of people in employment and for employment.

During 1999 the groundwork was completed to enable the introduction of a National Minimum Wage in 2000. Resources have also been put in place to enforce compliance in 2000 and future years.



A heavy legislative programme was progressed in 1999. This included the making of 35 Statutory Instruments, completion of two pieces of primary legislation in the company law area, the publication of key bills relating to insurance, patents, copyright and related rights, cement, and the minimum wage (January 2000).

While I have highlighted a number of issues from 1999, I could never impart in this brief introduction a true sense of the range and complexity of tasks undertaken by the Department in 1999, and outlined in this report.

I would like to take this opportunity to thank staff at every level of the Department for their valued contribution to the achievements of 1999. We in the Department are determined to ensure that the highest standard of performance is delivered to our customers and clients throughout the country, to the Government, to the Tánaiste and Minister for Enterprise, Trade and Employment, Mary Harney, T.D., the Minister for Science, Technology and Commerce, Noel Treacy, T.D. and Minister for Labour, Trade and Consumer Affairs, Tom Kitt, T.D. To achieve this goal we have embraced change through the Strategic Management Initiative, adopted a partnership approach to internal management, invested heavily in training to enhance the competencies of our people and laid the ground work for comprehensive performance management based on individual development.

I am certain that this investment will ensure we can respond effectively to any new challenge we may face in the future.



Paul Haran  
Secretary General

## Réamhrá leis an Ard-Rúnaí

Bhain an Roinn Fiontar, Trádála agus Fostaíochta cuid mhór amach sa bhliain 1999. Ba í an dara bliain í ina rabhthas ag obair chun na haidhmeanna agus na cuspóirí atá leagtha amach i Ráiteas Straitéise na Roinne 1998-2000 a bhaint amach. Leagtar amach sa Tuarascáil seo an dul chun cinn suntasach a rinneadh le linn 1999 agus tá mé dóchasach gur féidir leanúint den dul chun cinn sin sa bhliain 2000. Ina theannta sin, ba í an bhliain 1999 an chéad bhliain inar oibrigh na Rannáin go léir de réir próisis nua pleanála gnó agus creidim gur chuidigh sé sin i dtaca le bainistíocht a dhéanamh ar thascanna tábhachtacha agus gur chuidigh sé freisin i dtaca le spreagadh a thabhairt don fhoireann ag gach leibhéal chun comhspricanna a bhaint amach

Tá obair déanta ag an Roinn Fiontar, Trádála agus Fostaíochta chun aghaidh a thabhairt ar roinnt dúshlán tábhachtach agus is fiú iad sin a lua.

Bhí ról tábhachtach ag an Roinn maidir leis an bPlean Forbartha Náisiúnta, 2000-2006, a ullmhú agus is í an Roinn Cheannais í i dtaca le dhá cheann de na trí Chlár Oibríochta idir-réigiúnacha a chur chun feidhme, is iad sin, na cláir a bhaineann leis an Earnáil Táirgeachta agus le Forbairt Fostaíochta agus Acmhainní Daonna.

Bunaíodh Aonad nua Ríomh-Thráchtála chun dul i mbun an chláir oibre ríomh-thráchtála atá ag teacht chun cinn agus chun a chinntiú go mbeidh Éire ina lárionad foirfeachta do ríomh-thráchtáil. Áirítear ar na príomhthascanna atá le cur i gcrích againn feabhas a chur ar cheangailteacht leathanbhanda agus comhoibriú lenár gcomhghleacaithe sa Roinn Fiontar Poiblí ar Bhille chun éifeacht dlí a thabhairt do shinithe agus do chonarthaí leictreonacha. Leanadh den obair forfheidhmithe dlí cuideachtaí. De thoradh ar thuarascáil a cuireadh faoi bhráid an Tánaiste i dtaobh *Ansbacher (Cayman) Ltd.* ceapadh Cigirí Ard-Chúirte chun gnóthaí na cuideachta sin a imscrúdú agus chun tuarascáil a chur ar fáil ina thaobh sin.

Tá dul chun sin suntasach déanta i dtaca le struchtúir nua i dtaca le forfheidhmiú dlí cuideachtaí agus rialáil na hearnála seirbhísí airgeadais.

D'éirigh go han-mhaith le hidirghabhálacha margaidh saothair a rinneadh i 1999 mar chuid den Phlean Gníomhaíochta Fostaíochta agus tá tús curtha le tionscnamh nua chun forbairt a dhéanamh ar pholasaí inimirce gníomhaíoch.

Tá forbairt déanta, le ceadú an Rialtais, ar thograí chun Ciste Réamhaisnéise Teicneolaíochta a chur chun feidhme d'fhonn infheistíocht a dhéanamh i neadréimsí teicneolaíochta agus tá sé sin á chur chun feidhme anois.

Tá straitéis ceaptha ag an Roinn agus tá maoiniú breise faighte aici chun feabhas a chur ar dheiseanna fostaíochta do dhaoine faoi mhíchumas. Tá an beart sin á dhéanamh de thoradh ar chinneadh Rialtais chun freagracht as seirbhísí fostaíochta agus gairme do dhaoine faoi mhíchumas a aistriú ón mBord Náisiúnta Athshlánúcháin go dtí FÁS.

Aontaíodh tograí maidir le Ciste Náisiúnta Traenála agus fógraíodh iad i mBuiséad mhí na Nollag 1999. An Roinn seo a riarfaidh an ciste agus úsáidfear é chun daoine atá i bhfostaíocht a thraenáil agus chun daoine a thraenáil le haghaidh fostaíochta.



Le linn 1999 críochnaíodh an bhunobair a bhí ar siúl chun a chumasú Pá Íosta Náisiúnta a thabhairt isteach sa bhliain 2000. Tá acmhainní curtha ar fáil freisin chun comhlíonadh a fhorfheidmiú sa bhliain 2000 agus i mblianta ina dhiaidh sin.

Cuireadh clár mór reachtaíochta chun cinn sa bhliain 1999. San áireamh ansin bhí 35 Ionstraim Reachtúla, dhá mhír de reachtaíocht phríomha i réimse dhlí na gcuideachtaí, billí tábhachtacha a fhoilsíú maidir le hárachas, paitinní, cóipcheart agus cearta gaolmhara, suimint, agus pá íosta (Eanáir 2000).

Cé go bhfuil tagairt ar leith déanta agam do líon áirithe nithe a bhaineann le 1999 ní thiocfadh liom léargas iomlán a thabhairt sa réamhrá gairid seo ar réimse nó ar chastacht na hoibre a rinneadh sa Roinn i rith na bliana 1999.

Ba mhaith liom an deis seo a thapú chun buíochas a ghabháil leis an bhfoireann ag gach leibhéal sa Roinn as an obair luachmhar atá déanta acu i dtaca leis an méid a baineadh amach sa bhliain 1999. Tá rún daingean againn a chinntiú go dtabharfar an tseirbhís is fearr is féidir dár gcustaiméirí agus dár gcliain ar fud na tíre, don Rialtas, don Tánaiste agus Aire Fiontar, Trádála agus Fostaíochta, Máire Ní Áirne, T.D., don Aire Eolaíochta, Teicneolaíochta agus Tráchtála, Nollaig Ó Treasaigh, T.D., agus don Aire Saothair, Trádála agus Gnóthaí Tomhaltóirí, Tomás Ó Ceit, T.D. Chun an aidhm sin a bhaint amach táimid tar éis glacadh leis an athrú tríd an Tionscnamh Bainistíochta Straitéisí, tá cur chuige comhpháirtíochta glactha againn maidir le bainistíocht inmheánach, tá infheistíocht mhór déanta againn i dtraenáil d'fhonn feabhas a chur ar inniúlacht na foirne atá againn agus tá an dúshraith leagtha síos againn le haghaidh bainistíochta cuimsithí ar thorthaí oibre a bheidh bunaithe ar fhorbairt phearsanta.

Tá mé cinnte go gcinnteoidh an infheistíocht seo go mbeimid in ann aon dúshlán a thiocthaidh chun cinn amach anseo a shárú go héifeachtach.



Paul Haran  
Ard-Rúnaí

## Organisation Chart



<p><b>Enterprise, Science &amp; Technology Policy Division</b></p> <p><b>Assistant Secretary</b> Ronald Long</p>	<p><b>Principal Officers</b> Sean Gorman Mattie McCabe Paraig Hennessy Martin Lynch</p>	<p><b>Sections within Division</b> Operational Programme Management, NSAI, State Owned Firms, Enterprise Strategy, Outward Investment, State Aids &amp; FDI, Science &amp; Technology, Indigenous Industry, Agencies &amp; Policy (inc North/South)</p>	<p><b>Offices &amp; Agencies of the Department</b> IDA Ireland, Forfás, Enterprise Ireland, NSAI, Shannon Development, NET, The Trade &amp; Business Development Body</p>
<p><b>Corporate Services &amp; Economic Policy</b></p> <p><b>Assistant Secretary</b> Rody Molloy</p>	<p><b>Principal Officers</b> Ronnie Sheehan Martin Shanagher Peter Fisher Padraig Cullinane Gerry Donnelly Eamonn Laird</p>	<p><b>Sections within Division</b> Finance, Planning, Personnel, Consultancy &amp; Internal Audit, Press &amp; Information, Information Systems &amp; Organisation</p>	<p><b>Offices &amp; Agencies of the Department</b></p>
<p><b>Labour Force Development</b></p> <p><b>Assistant Secretary</b> Seamus O'Morain</p>	<p><b>Principal Officers</b> Michael Cunniffe Ned Costello Michael English Eugene Forde</p>	<p><b>Sections within Division</b> Policy on Employment Services &amp; Interventions, ESF, Employment &amp; Training Strategy, FÁS &amp; EU Initiatives</p>	<p><b>Offices &amp; Agencies of the Department</b> FÁS</p>
<p><b>Insurance and Company Law</b></p> <p><b>Assistant Secretary</b> John Corcoran</p>	<p><b>Principal Officers</b> Billy Hawkes Anne Troy Paul Appleby Vincent Madigan Philip Donegan Pat Nolan Paul Farrell</p>	<p><b>Sections within Division</b> Insurance Financial Supervision, Insurance Market, Company Law Administration, EU/New Legislation, Consolidation, Establishment of Enforcement Office</p>	<p><b>Offices &amp; Agencies of the Department</b> Companies Registration Office, Office of the Registrar of Friendly Societies</p>
<p><b>Trade, Competition &amp; Market Rights</b></p> <p><b>Assistant Secretary</b> Brian Whitney</p>	<p><b>Principal Officers</b> Tony Joyce Mairead Redmond Jack Thompson Jacob Rajan Barry Harte Tony McGrath</p>	<p><b>Sections within Division</b> Market Access Unit, Export Credit &amp; Consumer Protection, Intellectual Property, Competition Policy</p>	<p><b>Offices &amp; Agencies of the Department</b> Patents Office, Competition Authority, Office of the Director of Consumer Affairs</p>
<p><b>Employment Rights &amp; Industrial Relations</b></p> <p><b>Assistant Secretary</b> John Walsh</p>	<p><b>Principal Officers</b> Bill Jestin Fergus McCafferty Maurice Cashell</p>	<p><b>Sections within Division</b> Employment Rights, Redundancy, Insolvency, EAT, HSA, Industrial Relations</p>	<p><b>Offices &amp; Agencies of the Department</b> Employment Appeals Tribunal, Health &amp; Safety Authority, Labour Relations Commission, Labour Court, Rights Commissioners</p>
<p><b>Enterprise Competitiveness Division</b></p> <p><b>Assistant Secretary</b> Michael McKenna</p>	<p><b>Principal Officers</b> Sean Murray Michael O'Donnell Margo Monaghan Paul Cullen John P. Kelly Lorraine Benson</p>	<p><b>Sections within Division</b> Small Business &amp; Local Enterprise, Secretariat, Overseas Industry, E-Business Competitiveness &amp; Indigenous Enterprise, EU Affairs</p>	<p><b>Offices &amp; Agencies of the Department</b> County Enterprise Boards</p>

## Mission Statement

Promoting employment, enterprise, economic growth, employee welfare and consumer rights

## Strategic Goals

### Business Goals

1. To promote the ongoing development of an environment within which enterprise can flourish.
2. To foster a fair and effective business regulatory system, which promotes and enforces competition and protects public and consumer interests.
3. To promote fairness and efficiency in the labour market thereby maximising employment, protecting the welfare of workers and promoting social inclusion.

### Support goals

4. To implement the business goals of the Department within a culture which promotes openness and transparency towards customers, and which emphasises high quality service delivery.
5. To further develop staff skills, support structures and systems to assist the Department in implementing a programme of change.



Members of the Department's Management Board  
Standing L-R: Brian Whitney, Seamus O' Morain, Martin Shanagher,  
Michael McKenna, Rody Molloy, Margo Monaghan.  
Seated L-R: John Travers, Paul Haran (Secretary General), John Walsh.  
Inserts: Above - Ronald Long, Below - John Corcoran.







## Strategic Goal 1

To Promote the Ongoing Development of an Environment Within Which Enterprise Can Flourish

### Objective 1 (i)

To strengthen overall competitiveness by improving the business environment and reducing cost burdens on industry

#### National Competitiveness Council

The second Annual Report of the Council, based in Forfás, was published in May 1999 and contained a comprehensive evaluation of Ireland's international competitiveness. An Interdepartmental Group on Competitiveness, established by the Tánaiste to pursue follow up action on Council recommendations, reported in July, 1999. It concluded that action, in line with the vast majority of the recommendations, was under way or planned to address the competitiveness issues involved.

#### Benchmarking for Competitiveness

The Department played an active role in securing EU Industry Council approval in April, 1999 for the establishment of a specific Benchmarking Competitiveness Group under the aegis of the Commission and representative of Member States and industry. In co-operation with Enterprise Ireland/other Agencies and industry, the Department has promoted, throughout 1999, awareness and benefits of benchmarking/world class business techniques.

#### Productive Sector Operational Programme 2000 - 2006

During 1999 the Department was involved in preparation of the National Development Plan and, subsequently the Productive Sector Operational Programme. The Productive Sector includes manufacturing industry, natural resources based industries including agriculture and internationally traded services. Activity in the Sector is the essential driver of economic growth and, as such, is relied on to deliver jobs and wealth creation.

Enterprise Trade and Employment is the lead Department and Managing Authority for the Productive Sector OP. The Operational Programme, which gives effect to the National Plan, is in preparation before submission to the EU Commission in April 2000 for approval.

#### Operational Programme Industrial Development 1994-99

The Operational Programme (OP) for Industrial Development 1994-99, by means of specific measures, supports: Indigenous Industry, Inward Investment, Research & Development and Marketing sub-Programmes administered by the industrial agencies under the aegis of the Department, as well as sub-Programmes for the Gaeltacht and Food Industry, supported by the EU. The RETEX Initiative supports diversification of economic activity in regions heavily dependent on textiles and clothing, as well as encouraging adjustment of commercially viable businesses in all sectors.



The Industry OP (1994-99) was worth £1.5 billion in public and private expenditure. In 1999 RETEX was worth £1.5 million. These funds in 1999 continued to contribute further to the objectives of the Industry OP and of Retex.

### Evaluation of Industry OP

The Industry Evaluation Unit (IEU) operates under the direction of the Industry Monitoring Committee (IMC), independently of, but under the aegis of the Department. The IEU was established to assess the effectiveness and efficiency of the 1994-99 Operational Programme. Reports completed in 1999 covered Gender Dimension, Microenterprise, R&D Education, Film Industry, IPC and R&D policy.

### EU State Aid Rates

Discussions with the EU Commission on the maximum Regional industrial grant aid rates to apply in the various regions in Ireland in the period 2000 to 2006 were concluded, and the new rates were approved by the Commission on 26 October, 1999. Under the Commission decision, the Border, Midlands and West regions continue to be designated as 'A' regions, and are thus eligible for the higher regional grant aid rates allowable in the EU under the Commission's Regional Aid Guidelines. Other regions are 'C' regions, and are entitled to somewhat lower maximum aid levels. The regional differentiation in the rates reflects the relative positions of the regions in terms of economic development, as required under the Guidelines. Under the new arrangements, Training and Research and Development grants will be accounted for separately and are not included within the regional limits, which apply only to Capital/Employment grants related to new investment projects.

The new grant aid regime, coupled with the 12.5% corporation tax rate and initiatives on matters such as education, physical infrastructure and technology under the National Plan, will allow Ireland to remain competitive both in developing indigenous industry and securing inward investment projects.

### Grant aid intensities (NGE%) for new Industrial investment for regions in Ireland

	2000	2001	2002	2003	
<b>'C' Region</b>					
South-East	37	31	26	20	plus 10% gross for SMEs
Mid-West	37	31	26	20	
South-West	37	31	26	20	
Mid-East	35	29	23	18	
Dublin	17.5	17.5	17.5	17.5	
<b>'A' Region</b>					
Border, Midlands, West	40	40	40	40	Plus 15% gross for SMEs

For regions South East, Mid West, South West and Mid East, the operative date for application of the new intensities is 31 December each year. For Dublin and the 'A' region, the operative date is 1 January. Accordingly, the intensity applicable during the year 2000 in the regions South East, Mid West, South West and Mid East is 40%.

### **Review of Industrial Policy**

On a regular basis the Department reviews the performance of industrial policy and its continued relevance in meeting the needs of the evolving economy. A review of enterprise performance together with any possible policy implications is currently under way. For the next decade the development of enterprise will be based on very different foundations and will have a different focus than during the 1990s. It is expected that this policy review will be published in the second quarter of 2000.

### **Industrial Land and Property**

IDA is making significant progress in the acquisition of lands in key regional centres, which will be developed into high quality business parks. A programme for the provision of advance buildings to attract overseas investment is being implemented in conjunction with the private sector on a public-private partnership basis. In addition to advance factories, office buildings are now being provided in the main regional centres, reflecting the trend in IDA business towards an increased level of internationally traded services. This programme is working well and already offices in Dundalk, Waterford, Galway, Athlone, Sligo and Letterkenny have been occupied or reserved. The total investment in this programme from both public and private sources in 1999 is of the order of £50M.

In the Shannon region, capital expenditure by Shannon Development amounted to £8.2 million in 1999, incorporating the construction of new industrial units for both existing and new companies, refurbishment of existing estates and industrial buildings, and the provision of infrastructure to aid economic development throughout the region.

### **E-Commerce Legislation**

Following wide circulation for comment (including via the internet) of a Consultation Paper this Department, in conjunction with the Department of Public Enterprise, commenced work on the drafting of a Bill to give legal effect to electronic signatures, electronic writing and electronic contracts. It is anticipated that the Bill will be published in early 2000 and legislation enacted by mid - 2000.

A draft EU Directive on Electronic Commerce, agreed at the Internal Market Council on 7 December, 1999 is due to receive a second reading by the European Parliament in early 2000. The proposed Directive aims to provide a common legal framework for E-Commerce activities in the Internal Market.

### **Forfás Report on E-Commerce**

The Forfás Report, entitled 'E-Commerce: the Policy Requirements' (requested by the Tánaiste in January, 1999) was published in July, 1999. The Report assesses the development



and potential in Ireland for E-Commerce, outlines the necessary policy responses and analyses the sectoral implications and requirements for a conducive business environment.

An Implementation Group was established with a view to rapid implementation of the recommendations contained in the Report. To this end, the E-Business Unit of the Department, (established in January, 1999) has conducted a series of bi-lateral meetings within the Department, with the development agencies, and agencies of other Government Departments and also private sector representative bodies. An Interim Report was presented to the Tánaiste in December 1999, outlining progress made on implementing the recommendations.

### Connectivity to the global broadband Telecommunications Networks

This Department collaborated with the Department of Public Enterprise in the agreement with Global Crossing in July 1999. It provides Ireland with international broadband connectivity of up to 15 times the current international capacity out of the country and at one tenth of the existing unit cost levels.

### North-South Digital Corridor Group

The Department developed a substantial level of co-operation with colleagues in Northern Ireland in the North-South Digital Corridor Group. The main aim of the Group is to improve collaboration and networking between North/South Agencies and the respective business communities.

### International fora on Information Society

The Department represented Ireland at a number of international discussion fora and ensured that Ireland's views on the future of the digital economy were taken into account. One such example is Ireland's input into the European Commission High Level Group on Employment in the Information Society from which Prodi's eEurope initiative is derived.

### Teleworking



Minister Noel Treacy at Launch of Telework Action Forum with chairperson of Forum, William Burgess

In June 1999, the National Advisory Council on Teleworking (NACT), established by the Minister for Science, Technology and Commerce in April, 1998, presented to the Minister its Report, *New Ways of Living and Working - Teleworking in Ireland*.

One of the main recommendations in the Report was the formation of a Telework Action Forum, which held its first meeting in November, 1999. The new Forum is representative of business, unions, academia, Government, individual teleworkers and regional interests. The purpose of the Forum

is to provide a focal point for the ongoing development of an environment to stimulate teleworking employment and ensure that this method of working achieves its full potential in contributing to economic growth and an improved quality of life. It will also provide the mechanism to monitor and progress implementation of the recommendations in the NACT Report.

A Business Telework Development Strategy, a joint initiative between the Department and Enterprise Ireland and funded from the Small Business Operational Programme, will be launched in April 2000. The Strategy will promote awareness and drive the development of business teleworking opportunities nationally.

### **Trade and Business Development Body**

Arising from the Good Friday Agreement, the TBDB was established under an agreement between the Irish and British Governments done in Dublin on the 8th March 1999. Legislative provision for its operation was made in the British - Irish Agreement Act, 1999. The Body will exchange information and co-ordinate work on supporting trade, business and related matters in a cross border context. At the inaugural plenary North/South Ministerial Council (NSMC) meeting in Armagh on 13th December 1999, the Board of the Trade & Business Development Body (TBDB) was formally appointed. Newry was agreed as the permanent location of the TBDB.

The Board of the TBDB had its first meeting in Newry on 24th January 2000.

### **Retail Sector**

The Department, along with Enterprise Ireland and An Bord Bia, continues to have regular discussions with Tesco on the commitments given by the company regarding its purchases from Irish companies. Enterprise Ireland is also working closely with the multiples to ensure that these outlets purchase the maximum of Irish goods.

The Supplier Development Programme operated by Enterprise Ireland to help manufacturers to address quality, hygiene, safety and relationship management issues, has assisted over 50 companies over the past two years. Feedback from participants has been very positive to date.

In April 1999 the Minister for the Environment and Local Government issued draft Retail Planning Guidelines for public consultation. The Tánaiste and the Minister for Environment and Local Government have commissioned a study, which will examine the likely impact of these guidelines on competition within the Irish retail sector, the supply of products to consumers at lower prices, consumer choice and the supplier base. The results of this study, together with other submissions made by interested parties following publication of the draft guidelines, will help inform the final policy position on retail development to be pursued by the Government via the planning system.

### **Preparing Firms for the EURO - Loughrea Eurotown Project**

During 1999 the Department approved funding for an innovative project to help business prepare for conversion to euro-based trading. In March 1999, Mr. Noel Treacy, TD, Minister



for Science, Technology and Commerce launched the Loughrea Eurotown Project. Over 30 local enterprises are taking part in this demonstration project, whereby businesses throughout the country can learn from the experiences of the project participants, as they change over to euro-based trading, on an accelerated basis. The project, which will run for about 18 months, will help participants in implementing their changeover plans with information, strategic advice and other relevant support.

The project, which is based on an original concept proposed by the Loughrea Chamber of Commerce, is funded by the Department and is managed by Forfás, in conjunction with the EMU Business Awareness Campaign. Additional information about the project, can be viewed at the project's website <http://www.eurotown-loughrea.ie>.

### **Year 2000 Computer problem**

Throughout 1999, the Department was involved in an ongoing awareness campaign to encourage companies to take action to ensure that their business equipment and systems would not be affected by the Y2K computer bug. Over £0.8m was spent on this process, most of which was allocated to Enterprise Ireland where an extensive information service for business was set up. The overall campaign was directed by the Minister for Science Technology and Commerce and also included the issue by the Minister of over 300,000 letters direct to businesses to encourage them to undertake the necessary action. The campaign was very successful and business suffered no significant problems at year-end.

### **National Standards Authority of Ireland**

1999 was the first year of the NSAI's Three Year Plan. NSAI plans to reduce dependence on grant-in-aid with the aim of becoming self-financing in its core activities. The Plan is driven by a structured investment and staff development programme in tandem with an ongoing restructuring of existing resources. In 1999 responsibility for the Legal Metrology Service transferred from Enterprise Ireland to the NSAI. The NSAI has devised a three-year strategy to underpin the future development of the Legal Metrology Service. Arrangements were also agreed in 1999 for the transfer of responsibility for the National Metrology Laboratory, which is responsible for maintaining and developing the Irish national measurement standards, from Enterprise Ireland to NSAI in early 2000.

### **EU Standards Programme**

There was continuing involvement at EU level in this programme for the elimination of technical barriers to trade, especially in engineering related products such as machinery and motor vehicles/components.

During 1999, Regulations were made transposing EU Directives into Irish law in respect of pressure equipment, motor vehicles/components and chemical products (good laboratory practice).

### **Environmental issues**

There are a range of national and international initiatives underway to pursue action on

environmental concerns, which will impinge on business activity. Issues, which are assuming increasing importance, include greenhouse gas emissions, eco-auditing, energy taxation, waste management and sustainable development. The Department has been involved in various initiatives and fora to ensure that the needs of industry are taken into account in any new restrictions in these areas, while ensuring a balance with wider environmental requirements.

### Repositioning of Clothing Industry



In November 1999, the Tánaiste launched a policy document for the development of the clothing industry, which was produced by a working party chaired by the Department and representative of the industry, Enterprise Ireland and FÁS.

Tánaiste Launches Clothing Sector Policy Review Document. (from left) Matt Doolan, MD Porterhouse Ltd, Drogheda, Tánaiste Mary Harney, Giles O'Neill, Enterprise Ireland, Susan Keane, Director, Irish Clothing Manufacturers Federation

### Objective 1 (ii)

To attract continuing high levels of foreign investment

#### Impressive Job Creation Performance Continues

A total of 18,079 new jobs were created by IDA backed companies during 1999. This is equivalent to the two-year job creation performance of the early to mid-nineties and is stronger than the record-breaking results of each of the past five years. A total of 187 new projects were negotiated and secured during 1999, 91 of them in manufacturing and international services and 96 in regulated financial services.

Overall net growth in total employment in IDA supported companies, at 8,687 jobs, shows an increase of 7.5%, for the year with a total of 124,644 people now employed in 1,279 companies. The strongest performing sectors in job creation terms continue to be international services, electronics/engineering and the healthcare/pharmaceuticals sectors.

Grants paid by IDA to its client companies was £126 million for the year. The average cost per jobs supported by IDA Ireland continued to decline and, in 1999, averaged £10,260 per job sustained over 7 years. The Corporation Tax contribution by IDA backed companies reached about £900 million in 1999, up from over £800 million in 1998.

#### Focus on Regional Development

The need for more balanced regional development has been brought to the core of IDA Ireland's agenda and it has now become the main focus of its activity. The aim of the Agency is to deliver over 50% of all newly approved greenfield jobs to the Objective 1 (Border Midlands & West) Region.





The new IDA Ireland strategy, is not merely a question of jobs dispersal, it also aims to bring a better mix of industry sectors and higher value industries to locations around the country, in particular, to locations that have not seen the emergence of the more modern industries.

Shannon Development has responsibility for the development of foreign investment in the Shannon Free Zone, while IDA Ireland has responsibility for foreign investment in the rest of the Shannon region. In 1999, Shannon Development assisted in the creation of 857 jobs in the Free Zone of which 724 were in foreign companies. This resulted in a net gain in employment in the Zone of 370 of which foreign companies were responsible for 366.

### Objective 1 (iii)

To strengthen the performance and competitiveness of individual firms, especially indigenous firms

#### Indigenous Sector

Enterprise Ireland aims to help its client companies develop a sustainable competitive advantage leading to profitable sales, exports and employment through a range of programmes, initiatives and supports specifically tailored for their needs.



Tánaiste & Minister for Enterprise Trade & Employment Mary Harney with Frank Murphy MD of Monex Ltd & Peter Coyle, Enterprise Ireland, at the announcement by Services Companies of investment of €69m to create 1762 new jobs

The performance of the indigenous sector was very strong in 1999 in terms of sales, exports and employment growth. Sales grew by 6.3% to £18 billion (€ 23 billion); exports were up by 4% and 14,000 new jobs were created of which over 50% were in regions other than the East Coast. Exports from Enterprise Ireland supported companies were up 4% continuing the positive trend of recent years.

Shannon Development is the agency responsible for indigenous industry development in the Shannon region. Like Enterprise Ireland, Shannon Development offers an integrated service to its indigenous industry clients. In 1999, employment in indigenous industry in the region grew by 4% with a net gain in employment of 563.

#### Seed and Venture Capital

There was further significant progress in the development of the venture capital industry during 1999. There are now 16 funds operating with EU investment matched by the

private sector. Investment commitments increased from almost £12 million in 1998 to £23 million in 1999.

### Future Skills

Arising from the First Report of the Expert Group on Future Skills Needs, based in Forfás, in 1999, the Government decided to allocate 5,400 new places in third level institutions to address technology skills requirements. A Management Implementation Group comprising representatives of the Departments of Enterprise, Trade and Employment, Education and Science and Finance, the Higher Education Authority and Forfás has the responsibility of overseeing the implementation of the approved policies on skills supply.

During 1999, the Expert Group on Skills Needs considered the skills needs of other sectors beyond the high technology sector. The Business/Education and Training Partnership Forum met in December 1999 to consider the initial findings of the Group's Second Report on skills needs.

### Training Networks Programme

As part of its objective to promote increased investment by industry in up-skilling its workforce, the Department facilitated the establishment of a new pilot Training Networks Programme in 1999. This Programme brings companies together in networks to identify and address their common training needs.

The Training Networks Programme was established in response to calls from employer representatives for vesting of responsibility for company-based training in an enterprise-led body. The programme is administered by a company called Skillnets Limited, which is managed by a Board primarily representative of employers, business interests and trade unions. The Department is also represented on the Board.



Tánaiste & Mr John Lynch, Director General of FÁS, congratulate participants in the World Skills Competition in Montreal, Canada

The Training Networks Programme is being funded on a three-year pilot basis by the Department. A total of £9 million will be invested by the Department in the programme to the end of 2001. In addition, a sum of £1.7 million was invested in the programme in 1999 by the European Social Fund. The Training Networks Programme was formally launched by the Tánaiste on 9 June 1999.



### Apprenticeships

At the end of 1999, 21,029 apprentices were registered with FÁS, an increase of 4,046 on the number registered at the end of 1998.

The following table shows the total number of FÁS Standards-Based Apprenticeship registrations at end-December 1999 and previous years:

End-Dec. 1996	End-Dec. 1997	End-Dec. 1998	End-Dec. 1999
11,794	13,978	16,983	21,029

### Task Forces

Task Forces (including Inter-Agency Groups), set up following major job losses, completed their work in 1999 in respect of County Donegal, Dungarvan, County Leitrim, Limerick and Tralee. As a result, a number of significant investment projects were announced. The Task Forces focused in particular on the attraction of replacement industry, expansion of existing industry, provision of training for redundant workers and infrastructure.

Other similar type Groups are in place for North Mayo, Longford, Mullingar, County Laois, North Tipperary, County Wexford, Dunmanway (Co. Cork), and Ballinasloe (Co. Galway).

### EU Tariff Suspension Scheme

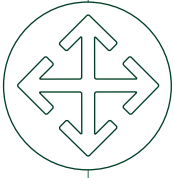
Under the scheme 12 applications by manufacturers in the micro-electronics and chemicals/pharmaceuticals sectors were finalised in Brussels on behalf of Irish industry with anticipated annual duty savings of IRE1.275m. In addition, ongoing duty savings of many millions accrued to Irish industry on foot of suspensions negotiated in previous years and still in force.

### Scheme of Tax Relief for Company Restructuring

The purpose of the scheme is to provide for relief from income tax for certain lump sum payments made to employees in respect of agreed pay reductions of 10% or more under an approved company restructuring plan.

In July 1999 the Government decided to increase the tax-free limits.

This Department has responsibility for processing applications and issuing qualifying certificates. During 1999 one application was received and a certificate issued covering 157 workers.



## Objective 1 (iv)

To promote export growth

### Bi-lateral Trade

Preliminary trade figures for 1999 show that merchandise exports in 1999 will once again reach record levels. For the period January to October 1999, (latest available at time of going to print) merchandise exports amounted to over £42 (nearly €54) billion, an increase of 14% over the same period in 1998. The trade surplus for this period came to £14.5 (€ 18.4) billion, a 29% increase over the same period in 1998.

The Asia Strategy Group was established following the Taoiseach's official visit to China and it focused primarily on economic issues underlying Ireland's co-operation with Asia. The Government approved the recommendations of the Asia Strategy Group in July 1999, and agreed to publish its report entitled 'A Strategy for Long-Term Development of Ireland's Foreign Earnings in Asia.' (This is available on the Department's website at [www.entemp.ie](http://www.entemp.ie))

In accordance with the Asia Strategy, the Government agreed to increase Ireland's diplomatic and promotional presence in the region and, as part of this, Enterprise Ireland has increased its representation in the region with new offices in Beijing, Shanghai, and Sydney, which will dovetail with new and existing diplomatic missions in the region.

The ASEM (Asia-Europe Meeting) - Economic Ministers' meeting took place on 9/10 September 1999. The main focus of the meeting was to give a strong push to the Asia/Europe relationship. This was seen as coming at the right moment as the recovery from the Asian economic crisis was gaining ground, while in Europe economic growth was also seen to be picking up.

The first meeting of the Korea/Ireland Joint Committee, which took place in Seoul reviewed economic developments in Ireland and Korea as well as developments in bilateral trade and investment, private sector co-operation, regional and WTO issues.

Following its re-launch in 1998, the Trade Advisory Forum (TAF) met on four occasions during 1999 and developed an agreed prioritised agenda of issues, which constitute its work plan.

During 1999 the Foreign Earnings Committee established a one-stop-shop portal website which gives access to all the promotional agencies. The website can be viewed at [www.askireland.com](http://www.askireland.com)

### Single Market

The European Commission's new 'Strategy for Europe's Internal Market' was endorsed at the Internal Market Council in December 1999. The strategy sets out the Commission's thinking for the continued development of the Internal Market over the next 5 years. The overarching aim of the strategy is constantly to improve the performance of the internal market for the benefit of citizens and businesses. It centres on four main objectives:



- Improving the quality of life of citizens
- Enhancing the efficiency of the EU's product and capital markets
- Improving the business environment
- Exploiting the achievements of the Internal Market in a changing world.

Within each of these 4 objectives, the Strategy includes specific target actions, which will be subject to an annual cycle of evaluation and priority fixing.

### EU Common Commercial Policy

The Department continued to pursue Ireland's interests within the context of its EU commitments through participation on the Article 133 (formerly 113) Committee, which formulates the EU's trade policy. Key achievements included:

- successful conclusion of market access negotiations and examination of market access issues in countries and regions including China, Taiwan, Russia, India, Brazil, Poland, Latvia, Mexico, Mercosur, North Africa and Central and Eastern Europe;
- negotiations on trade liberalisation with Mexico and South Africa;
- negotiation of new accessions to the WTO (Latvia and Estonia), thereby increasing low-tariff markets for Irish exporters;
- continued negotiations on expanding the international Information Technology Agreement.
- the Department represented Ireland at the EU's anti-dumping advisory committee, maintaining a position in favour of the freest trade consistent with protecting European industry against unfair competition. The outcome of several key cases reflected Ireland's success in winning support for its approach.

The Department participated in the preparation of EU positions for the 3rd WTO Ministerial Conference in Seattle in December 1999. Ireland participated in the Ministerial meeting. The delegation was led by Minister of State Kitt. The Conference failed to agree on the launch of a new round of trade liberalisation negotiations. Discussions are continuing.

### World Exposition, EXPO 2000

The EXPO 2000 World Exposition will take place in Hanover, Germany, from 1 June to 31 October 2000. Over 190 countries and international bodies will be participating. Under the responsibility of Mr. Tom Kitt, T.D., Minister for Labour, Trade and Consumer Affairs, work intensified during 1999 to ensure that Ireland participates in a way that raises the profile of the country among visitors to EXPO in an entertaining way, enhances national prestige and maximises trade, tourism and cultural benefits for Ireland.

The Irish logo for participation at EXPO 2000, which incorporates the words 'Experience Ireland', was introduced in July 1999. That same month, the Website for Ireland's participation was launched. The address is [www.expo2000.ie](http://www.expo2000.ie)

An inter-Departmental and Agency Group, comprising the key Government Departments and State Agencies with responsibilities related to the aims of Ireland's participation in EXPO 2000, was set up to oversee the planning process. It receives valuable assistance from the Irish Embassy in Germany.

Construction of the Irish Pavilion was well underway at year's end. Preparation of a vibrant and diverse Cultural Programme, that will showcase the richness of Irish culture, arts and sports, was also nearing completion.

### Export Credit

The Export Guarantee Account for 1998 was certified by the Comptroller and Auditor General in November 1999. The Account shows that recoveries of £822,000 were achieved under the Export Credit Insurance Scheme during 1998 and that no claims were paid during the same period. During 1999, the Export Credit Insurance Scheme obtained £652,000 in recoveries. No claims were paid during the year. In addition, the State's potential liability under policies issued under the Scheme was reduced from £11.6 million at the end of 1998 to just under £9 million at the end of 1999.

## Objective 1 (v)

To promote innovation and product development

### Technology Foresight

The Irish Council for Science, Technology and Innovation (ICSTI), based in Forfás, presented the Technology Foresight Report in March 1999 to the Minister for Science, Technology and Commerce. The main recommendations of the Report was that the Minister for Enterprise, Trade and Employment should establish a Fund, to invest in research in niche areas of technology that can best assist in Ireland's future competitiveness.

At the Government meeting of 22 February 2000, the Cabinet approved a Memorandum for Government circulated by the Tánaiste on 'Proposals to establish a Technology Foresight Fund of £560 million and other responses to the recommendations of the Technology Foresight Ireland Reports'. Arrangements to implement the Government Decision are in train in consultation with Forfás. The Technology Foresight Fund was formally launched by the Tánaiste and Minister for Science, Technology and Commerce in Dublin Castle on Wednesday 8 March 2000.

It is proposed to establish a dedicated research foundation, which will operate under the aegis of Forfás, whose objective will be to create a critical mass of world class Research in niche areas within ICTs and Biotechnology. In setting out to achieve this objective the new Foundation will:

- consult widely with national and international experts in selecting the niche areas.
- fund world class Research in the selected niches on the basis of a competitive international peer review process.
- ensure that continuation of support for any project funded by the new Foundation will be dependent on a continuing Research output at a world class level.





L-R Michael Pender, Ronald Long and Mattie McCabe receiving an award from the Irish Software Industry for services rendered to the software industry in 1999, particularly in the area of Research and Development, on behalf of Minister Noel Treacy and his team at the Department's Office of Science and Technology

### Post 1999 Funding for Research, Technology and Innovation (RTI)

During 1999, the Office of Science & Technology chaired a Working Group comprised of representatives of the Industrial Development Agencies to draw up a range of Research, Technology and Innovation (RTI) Measures required to maintain the competitiveness of Irish Industry in the context of anticipated reduced EU funding Post 1999. The output of the Working Group is reflected in the increased investment of £1.2bn for RTI activities for industrial development set out in the National

Development Plan 2000 - 2006 published by the Government in October 1999. Specific details of the schemes for inclusion in the Productive Sector Operational Programme which will underpin the proposals set out in the National Plan must be agreed with the European Commission as part of the Community Support Framework process for 2000-2006.

### In Company Research and Development

In addition to Exchequer-funded schemes mentioned above, the Department also administered the in-company R&D scheme, known as the Research, Technology and Innovation (RTI) scheme. The scheme is co-funded from EU Structural Funds and industry. The EU Structural Funds provided for the scheme during the period of the Operational Programme for Industrial Development 1994-1999 amounted to £142m. In 1999 there were 5 competitive tranches for RTI company applications involving expenditure in excess of £50,000. 319 companies applied for funding and 215 companies were approved. In addition, 189 company applications for grants involving expenditure at or below £50,000 were received and 149 were approved.

### Science and Technology Awareness Programme

The Department continued its sponsorship of the Science, Technology and Innovation Awareness Programme in 1999. The key events during 1999 were the National Innovation Awards, Science Week Ireland, Primary Science Day and Science and Technology Journalism Awards. The Innovation Awards are presented to companies who develop commercially successful innovative products. Science Week Ireland, which was held in November, provides a framework for the S & T community to demonstrate the value of their research with the general public. Around 150 groups organised events nation-wide. Primary Science Day was launched on a pilot basis in 500 national schools all over the country and was aimed at introducing young people to the excitement of science and technology. Participating schools undertook a series of experiments with thermometers. The Science and Technology Journalism Awards were introduced for the first time this year, to both recognise and encourage Science and Technology Journalism in Ireland.

## Fifth EU Framework Programme for Research and Development

The fifth EU Framework Programme for Research and Development (FP5) was launched in Ireland by Mr. Noel Treacy T.D. Minister for Science, Technology and Commerce on 26 January, 1999. The Programme is open to researchers from industry and academia and public bodies that wish to develop new technologies, products or services in collaboration with researchers from other EU Member States and associated countries. Funding is available from the European Commission to researchers predominately on a cost shared basis. Ireland received approximately £150m under the fourth Framework Programme and has set a target of £200m for the fifth Framework Programme, which runs until the end of 2002.

In January, 2000 the European Commission published a discussion paper entitled 'Towards a European Research Area' which will form the basis for negotiations on the future of European Research Policy including the Sixth Framework Programme.

## European Space Agency

Ireland has been a full member of the European Space Agency since 1980 and contributed almost £5 million to the Agency in 1999. Ireland's membership of ESA enables Irish companies to bid for R&D contracts in space-related fields. Irish scientists also participate in high profile ESA science missions. In 1999, Irish companies continued to expand their R&D and commercial activities in the satellite communications field, particularly in the field of advanced satellite user equipment and applications.

## Ireland-Israel Agreement

On 27 October 1999 a Memorandum of Understanding for Co-operation between Ireland and Israel in the Field of Industrial Scientific and Technological Development was signed by An Tánaiste, Mary Harney TD, and Mr Ran Cohen, the Israeli Minister for Industry and Commerce, in the course of the latter's visit to Ireland. The Memorandum provides mainly for developing partnerships in the context of European Research and Development programmes, particularly the EU 5th Research Framework Programme, but also makes provision for grants for joint R&D industrial research projects.

## Objective 1 (vi)

To create an environment and develop supports which will ensure a dynamic and growing small business sector

## Community Enterprise Centre Programme

In 1999 a special new initiative was launched by the Tánaiste and Minister for Enterprise, Trade and Employment aimed at promoting community enterprise in significant urban areas where there is high long-term unemployment. The centres are aimed at meeting the needs of communities to grow local enterprise by facilitating activities leading to the creation of new start up micro enterprises. A total of £13.5m is available under the Programme of



which almost £8 million was committed in 1999 to 22 projects. The Programme is administered by Enterprise Ireland on behalf of the Department.

### **Annual Report on Small Business**

The Report on Small Business for the period January 1998 to September 1999 by the Small Business and Services Forum, was published in February, 2000. It contains a review of the environment for small business in Ireland and charts developments and initiatives undertaken during this period to support the small business sector. The report is available on the Department's website at : [www.entemp.ie/ecd/sbf1999.htm](http://www.entemp.ie/ecd/sbf1999.htm)

### **City and County Enterprise Boards**

The 35 City and County Enterprise Boards have been a significant force for employment creation locally since their establishment in October 1993.

During 1999:

- 1,621 projects were approved grants of £13.5m.
- £13.5m. in grants were paid
- 4,100 full-time and over 800 part-time jobs were created.
- £320,000 was committed in equity for ten projects.

New policy orientations and strategic focus for County Enterprise Boards were formulated for integration into the National Plan 2000-2006 and the proposed EU Operational Programmes (2) for the Border, Midlands & West (BMW) and the Southern and Eastern (S&E) Regions.

### **Access to finance and other aid for Small Firms through the Small Business Operational Programme [SBOP]**

Available monies - £33.2m. (Exchequer/EU) - for SME development in the EU Small Business Operational Programme for 1995-1999 were committed by end December, 1999. Matching private sector finance of £23.3m. was also committed for this purpose. The funding is being provided for a range of measures designed to facilitate access by small firms to finance and public markets, adaptation/development of services firms, small business best practice dissemination and training.

### **Services Strategy**

The completion date of a strategic study on the development of the services sector was extended and its recommendations should be ready for publication in mid-2000. The study is being undertaken by consultants and co-ordinated by Enterprise Ireland and co-financed under the Small Business Operational Programme. It is expected that the study will contain a number of specific recommendations to develop high growth sub-sectors (e.g. software informatics, biotechnology) and will focus in particular on regionalisation of services outside the Dublin/Eastern area.

### **Administrative Simplification**

The Cement (Repeal of Enactments) Bill, 1999 to repeal the Cement Acts 1933-1962 passed all stages in Seanad Eireann in November,1999. Enactment is expected by mid-2000. These Acts required a licence for the manufacture of cement.

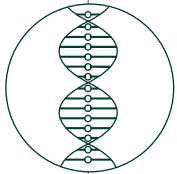
A survey of the Department's primary and secondary legislation was carried out to identify redundant measures and measures for consolidation and reform, in consultation with client base, and results were submitted to Department of the Taoiseach. A number of areas were identified including Company Law Consolidation and Food Labelling Consolidation.

### **Prompt Payments**

EU Industry Council Ministers reached political agreement (29 April 1999) on a common position on a draft Directive, which provides for penalties for late payment in commercial transactions in both the public and private sectors. The existing Irish legislation-Prompt Payment of Accounts Act, 1997, only applies to the public sector. The interest rate applicable to late payments under this legislation was revised downwards (an annual equivalent of 11.75% to 10%) with effect from 6 April, 1999 (Statutory Instrument No. 62 of 1999).







## Strategic Goal 2

To foster a fair and effective business regulatory system which promotes and enforces competition and protects public and consumer interests

### Objective 2 (i)

To provide and implement a more modern and effective statutory framework for the development and supervision of companies, co-operatives, and credit unions

#### General Company Law Developments

1999 was a productive year in the company law area with the enactment and commencement of two major pieces of reforming primary legislation and two significant pieces of secondary legislation.

Following from the report, published in 1998, of the Working Group on Company Law Compliance and Enforcement chaired by Mr. Michael McDowell, SC additional staff resources were assigned to this area to commence work on the review and consolidation of company law and the drafting of legislation to give effect to recommendations contained in the McDowell Report.

#### Companies (Amendment) Act, 1999

This Act, which was signed by the President on 24th May 1999 and was commenced on the same date, brings Irish company law into line with international practice, by permitting price stabilising on the Irish Stock Exchange in connection with new issues of securities and large offers of existing securities. Permitting stabilisation in Ireland will allow those trading on the Irish Stock Exchange use this mechanism, which has been available in other countries for a number of years.

#### Companies (Amendment) (No. 2) Act, 1999

This Act was signed by the President on 15th December 1999 and an Order (S.I. 406 of 1999) setting commencement dates for most of the Act was signed by the Tánaiste and Minister for Enterprise, Trade and Employment on 21 December, 1999.

This new Act provides for amendments to company law in a number of areas

1. A number of the provisions in relation to the examinership process contained in the 1990 Companies (Amendment) Act are amended by the new Act. In future, examinership will only be available to companies that are considered to have a reasonable prospect of survival.
2. Certain small private limited companies will in future be exempt from the requirement to have their accounts audited. Companies must have a turnover not exceeding £250,000 per annum, a balance sheet total not exceeding £1,500,000 and the number



of employees must not exceed 50 persons before it can avail of this exemption.

3. The amendments contained at Section 54 of the Act will help towards ensuring that the Investment Funds Industry in the International Financial Services Centre IFSC remains competitive with its counterparts elsewhere in Europe. On the basis that such companies are authorised and supervised by the Central Bank certain basic provisions of company law are disapplied.
4. The amendment of Section 21 of the Companies Act 1990 represents very important changes to the investigative provisions contained in that Section, by specifically identifying not only the parties to which information may be disclosed, but also to more clearly identify the reasons for which the disclosure may take place to such parties.
5. Sections 42 to 51 of the Act represent the Company Law part of a package of measures, approved by Government earlier in 1999 designed to address problems arising from the abuse of Irish Registered Non Resident Companies (IRNRs). In future every company applying for registration in Ireland will be required to demonstrate that it intends to carry on an activity in the State before it will be incorporated and will be required to have a director resident in Ireland or alternatively a bond to the value of £20,000. The number of directorships that any one person can hold, subject to certain exemptions, will be limited to 25 and there is enhanced provision for striking off companies from the companies register.

### **Establishment of Office of Director of Corporate Enforcement**

The establishment of an Office of Director of Corporate Enforcement was approved by the Government in March 1999 on foot of a recommendation to that effect by the Working Group on Company Law Compliance and Enforcement chaired by Mr. Michael McDowell, SC (now Attorney General). The Government also agreed to transfer primary responsibility for company investigations and associated staffing to the new Office. The Director will lead a multi-disciplined team comprising staff with legal, accounting, administrative, and criminal investigative expertise. This team will have the necessary skills required to adequately investigate suspected instances of corporate fraud and malpractice and, where evidence of such is found, to prepare cases for the prosecution of offenders.

The Department established a new section (4 full-time staff) to advance the implementation of the Government Decision on the McDowell Report. The Heads of a Bill necessary to give legislative effect to these recommendations have been drafted. These are currently with the Parliamentary Draftsman's Office and it is expected that a Bill will be published in the second quarter of 2000.

Preparatory work on the logistical requirements of the new Office (premises, staffing, etc.) has also been undertaken with a view to the Office becoming operational in the third quarter of 2000.

### **EU Developments**

At EU level there were a number of important developments in company law during 1999.

Political agreement was reached on an EU Regulation on Insolvency Proceedings. This Regulation is designed to ensure that through the mutual recognition of insolvency proceedings initiated in any Member State, there will be co-ordination of measures regarding an insolvent debtor's assets. It is envisaged that this Regulation will be formally adopted during 2000.

The 13th Company Law Directive is a framework directive providing for a minimum level of harmonisation relating to the supervision and regulation of take-overs in the EU. The primary aims of the Directive are to provide a minimum level of protection for minority shareholders in the EU and a basis for opening up the market for corporate control throughout the Community.

Political agreement on a common position on a compromise proposal of the Commission and the German Presidency was agreed at the Internal Market Council on 21st June, 1999 subject to the UK and Spain agreeing on who should be the competent authority for Gibraltar for purposes of the Directive. As a solution has not yet been found to this issue, formal adoption of a common resolution has been delayed.

### **European Company Statute**

The purpose of the European Company Statute is to make it easier for companies to operate across the EU. During 1999 continued efforts, aimed at having proposals adopted for a Statute for a European Company, SE, were made under the German and Finnish Presidencies. The Worker Involvement requirements that are to apply to Statute companies continue to be the main area of difficulty and the Portuguese Presidency has signalled its intention to continue discussions on the Statute with a view to having it adopted in its term of office.

### **Company Law Investigations**

In 1999, this aspect of the Department's work continued to attract considerable public interest.

### **Ansbacher (Cayman) Limited**

The books and documents of this company were the subject of a substantial report by Mr Gerard Ryan in June 1999 under section 19 of the Companies Act, 1990. Following receipt of this report, the Tánaiste and Minister for Enterprise, Trade and Employment decided to petition the High Court for the appointment of High Court Inspectors to inquire into the company's affairs under section 8 of the 1990 Act. This application, which was heard by the Court on 22 September, 1999, resulted in the appointment of Judge Declan Costello, Mr Paul Rowan, FCA, and Ms Noreen Mackey, BL, as Inspectors to investigate and report on the affairs of the company. The Court heard inter alia that there were circumstances suggesting that the company had breached company, banking and exchange control legislation in Ireland over a period of some 25 years. The Inspectors are operating to the mandate of the High Court and are expected to make interim and final reports to the Court in due course.



### **College Trustees Ltd**

A section 19 examination of the books and documents of this Guernsey-based company was launched in March 1999. Subsequently, the company advised that it would not be co-operating with Mr Ryan in his capacity as authorised officer to the company. Mr Ryan is nevertheless proceeding with his enquiries and will report to the Tánaiste in due course.

### **Dunnes Stores Ireland Company and Dunnes Stores (ILAC Centre) Ltd**

The examination of the books and documents of these companies has been delayed by legal action. Following the conclusion of an earlier set of proceedings in 1998, the High Court ruled that the authorised officer, Mr Ryan, could commence his work after 4 January 1999. However following a letter of demand to Dunnes Stores Ireland Company for specified books and documents, a further set of judicial review proceedings was initiated by Dunnes Stores Ireland Company, Dunnes Stores (ILAC Centre) Ltd. and Margaret Heffernan against the Tánaiste and her authorised officer. Following a High Court decision in July the Supreme Court recently ordered that the case be remitted to the High Court for a fresh determination of the issues involved.

### **National Irish Bank Ltd./National Irish Bank Financial Services Ltd**

These High Court inquiries under section 8 of the Companies Act, 1990 were commenced in the first half of 1998, but the progress of Inspectors Judge John Blayney and Mr Tom Grace, FCA, was initially delayed by legal proceedings. In January 1999, the Supreme Court upheld the decision of the High Court in July 1998 that National Irish Bank employees were not entitled to refuse to answer questions put to them by the Inspectors on the grounds that these answers might incriminate them. However, the Supreme Court added that a statement obtained by the Inspectors would not be admissible at a subsequent criminal trial, unless the trial judge was satisfied that it was made voluntarily. The Court further held that the procedures employed by the Inspectors were consistent with the requirements of natural and constitutional justice.

In a further challenge to aspects of the inquiries, the High Court in March 1999 ruled against National Irish Bank Ltd. and National Irish Bank Financial Services Ltd. in their application to prevent the Inspectors from investigating compliance with Deposit Interest Retention Tax (DIRT) legislation. The Court also rejected the companies' claims that they were entitled to copies of all transcripts and documents relating to interviews carried out by the Inspectors with their staff and customers. The Tánaiste and Minister for Enterprise, Trade and Employment was represented in Court at all of these proceedings.

### **Other Investigations**

A further five examinations of company books and documents are ongoing under section 19 of the Companies Act, 1990. The companies involved are Celtic Helicopters Ltd., Guinness & Mahon (Ireland) Ltd. Hamilton Ross Co. Ltd., Irish Intercontinental Bank Ltd. and Kentford Securities Ltd.

*A summary of the position with respect to each of the ongoing investigations is contained in the accompanying table.*

## Table of Investigations Under Companies Acts

Section	Company	Date of appointment	Reports	Status
Section 19	Celtic Helicopters Ltd.	9 September, 1997	Interim Reports on 24 September, '97 and 8 January, '98	Ongoing
Section 19	Ansbacher (Cayman) Ltd.	13 January, 1998	Final Report (unpublished) on 22 June, '99	Concluded
Section 19	Guinness & Mahon (Ire) Ltd.	8 January, 1998	Interim Reports on 6 June, '98 and 6 February, '99	Ongoing
Section 19	Hamilton Ross Co. Ltd.	23 January, 1998	None	Ongoing
Section 19	Irish Intercontinental Bank Ltd.	8 January, 1998	Interim Report on 2 June, '98	Ongoing
Section 8	National Irish Bank Limited	30 March, 1998	Interim Reports on 10 June, '98, 17 December, '98 & 29 July, '99.	Ongoing
Section 19	Kentford Securities Ltd.	9 June, 1998	None	Ongoing
Section 8	National Irish Bank Financial Services Ltd	15 June, 1998	Interim Reports on 11 August, '98, 17 December, '98 & 29 July, '99	Ongoing
Section 19	Dunnes Stores (ILAC Centre) Ltd	22 July, 1998	None	Delayed by Court Action
Section 19	Dunnes Stores Ireland Company	22 July, 1998	None	Delayed by Court Action
Section 19	College Trustees Ltd.	10 March, 1999	None	Ongoing
Section 8	Ansbacher (Cayman) Ltd.	22 September, 1999	None	Ongoing

## Enforcement of the Companies Acts

As additional information about the incidence of corporate malpractice has been brought to our attention in recent years, the Department has been giving increased emphasis to the investigation and (where appropriate) to the prosecution of suspected breaches of the Companies Acts, 1963-1999. With support from the Department, the Companies Registration Office has separately been engaged in improving compliance with the filing requirements of the Companies Acts.

During 1999, thirteen prosecutions initiated by the Department were determined by the Courts, and ten convictions were obtained. This compared with one conviction in 1998.

## Filing of Company Annual Returns

In September 1998, the Companies Registration Office (CRO) adopted a policy designed to increase the compliance rate of companies filing their annual returns in a timely manner by:

- (i) removing all those companies from the Companies Register which were two or more years behind in their filing requirements,
- (ii) prosecuting companies who were one or more years out of date and
- (iii) issuing annual return reminder notices to all companies who had failed to file their returns on time.

Staffing in the CRO's Enforcement Section was increased, and new, dedicated computer





Minister Treacy Launches new CD disk for Companies Registration Office which contains all their forms. Also in photo are: Hugh O'Neill past President of Dublin Solicitors Bar Association, Paul Farrell Registrar of CRO, Richie Bennett President of Dublin Solicitors Bar association, Minister Treacy, Brendan Moylan CRO, Justin McKenna Bar Association Member

programmes designed to assist the enforcement regime were procured. In December 1999, the Companies (Amendment) (No. 2) Act, 1999 has given the Registrar of Companies the power to strike companies off the Register after failing to file an annual return for just one year. This provision, coupled with the continuing enforcement regime, will further enhance the compliance rate, which has increased by 21 percentage points on the same period in 1997.

### Review Group on Auditing

Consistent with a recommendation contained in the Report of the DIRT Inquiry which was published by the Public Accounts Committee, the Tánaiste and Minister for Enterprise, Trade and Employment announced in December, 1999 the establishment of a Review Group on Auditing. In addition to the terms of reference for this Group as set out in the DIRT Inquiry Report the Tánaiste also asked the Group to look at whether self-regulation in the auditing profession is working effectively and consistently and if any new or revised structures and arrangements are necessary to improve public confidence in the audit profession. The Review Group which has been mandated to report to the Tánaiste by 31 May, 2000 is chaired by Senator Joe O'Toole General Secretary of the INTO.

### Overseeing Self-Regulation of the Accountancy Bodies

Consequent on recent disclosures of questionable conduct by some members of the accountancy profession, the Department has been taking a more pro-active role in overseeing the manner in which the recognised accounting bodies supervise their members. In two cases last year, we took the unprecedented step of asking to see the internal papers, which dealt with the investigation by the bodies concerned of the complaints against their members. In one of those cases, the Department took the view that the handling of the complaint was seriously deficient. The body concerned is now undertaking a fresh investigation of the complaints in question.

A representative of the Department continued to observe the proceedings of the Committee of Inquiry chaired by Judge John Blayney which was established in late 1997 by the Institute of Chartered Accountants in Ireland to investigate the conduct of a number of its members arising from the Report of the Tribunal of Inquiry (Dunnes Payments).

In December 1999, the Government approved a number of amendments to the Bye-Laws of the Institute of Chartered Accountants of Ireland. While the changes in question were welcome, the Tánaiste has asked the Institute to address a number of issues during the coming year, including extending publication arrangements for the findings of disciplinary committees, providing an equal opportunity of representation for the complainant at both the investigation and appeal stages of the hearing of the complaint and enhancing the representation of non-accountants, most particularly at the appeals stage of the complaint.

### **Industrial and Provident Societies (Amendment) Bill**

The Heads of a Bill to amend the Industrial and Provident Societies legislation were approved by the Government in July and are with the Parliamentary Draftsman for drafting. The Bill is scheduled for publication in late 2000.

### **Supervision of Credit Unions**

During 1999, the registration of the new Standard Rules for Credit Unions was completed by the Registrar of Friendly Societies for the vast majority of Credit Unions. The new Rules were a further consequence of the enactment of the Credit Union Act, 1997.

### **Company Law Consolidation**

As recommended by the Working Group on Company Law Compliance and Enforcement a project to consolidate company law commenced in 1999. Consolidation will bring together in a single companies code the provisions of the Companies Acts from 1963, Orders and Regulations made under the Companies Acts, and substantive company law set out in regulations made under the European Communities Acts.

The availability of company law in a single statute will benefit all investors, real and potential. It will make company law more accessible and manageable for the transaction of business. The existence of a single streamlined code will be a positive factor for inward investment. The greater transparency a single code brings will also facilitate compliance with company law. The timespan for completion of the project and enactment of a Company Law Consolidation Bill is two years, i.e. by early 2002.

### **Company Law Review**

The engine for company law review is the 18 member Company Law Review Group (CLRG). The CLRG is a group of experts appointed by the Tánaiste and Minister for Enterprise, Trade and Employment to develop proposals for the review and reform of company law on the basis of a regular two-year work programme. The Group is chaired by Mr Thomas B. Courtney, solicitor. The Group has been established on an interim basis and will be placed on a statutory footing later in 2000.

In the first two-yearly work programme assigned to the Group the Tánaiste asked it to examine issues concerning liquidations, corporate capacity, corporate litigation, company directors and other officers, auditors, the opportunities provided by new technology and the simplification of the company law code for small and medium sized businesses.

### **Other Company Law Regulations**

Two important Statutory Instruments relating to unregistered companies (S.I. 63 of 1999 and S.I. 64 of 1999), and one in relation to foreign public documents were signed during 1999 (S.I. 14 of 1999). Appendix 4 of this report contains details of all Statutory Instruments made in the Department in 1999.





## Objective 2 (ii)

To promote the efficient and effective regulation of the insurance market and protect policy holders and claimants

### Insurance Bill, 1999

The Insurance Bill, 1999 was published on 21 December 1999 and will be before the Oireachtas during the first half of 2000. The Bill provides for the transfer of responsibility for the regulation of insurance intermediaries from this Department to the Central Bank, the making of regulations by the Minister to require disclosure of information to insurance consumers and the improvement of the system of notification required of reinsurance undertakings operating from, or registered in, Ireland. The Bill will also update provisions governing the appointment and powers of authorised officers and other provisions related to penalties and offences. With the enactment of this legislation, both insurance intermediaries and investment intermediaries will be subject to the same regulatory regime under the Central Bank of Ireland.

### Single Regulatory Authority

The Advisory Group on the establishment of a single regulatory authority for the financial services sector reported to the Tánaiste and the Minister for Finance in May 1999. Insurance and Credit Unions are important elements of this sector. The report of the Group was published in June 1999 to encourage public debate on the proposals. The principal recommendations of the Advisory Group were fully supported by this Department and a decision of the Government is awaited regarding the future regulation of the financial institutions.

### Supervision/Authorisation of insurance companies

The number of companies under supervision increased from 117 at the end of 1998 to 129 at the end of 1999. The examination of the detailed financial returns submitted by these companies was ongoing at the end of the year. No company experienced financial difficulties of a nature that would put at risk its ability to meet its obligations to policyholders and claimants.

The 1998 Insurance Annual Report was published in December. This provides detailed information on the insurance industry in Ireland, based on the financial returns submitted by companies. Eleven new companies were authorised in the course of 1999. A further eleven were awaiting approval at the end of the year.

### Insurance Market Transparency

During 1999, proposed transparency regulations in relation to life assurance were finalised following extensive consultation with the insurance industry and other interested parties. Legal advice indicated that it would be necessary to provide the powers to make such regulations in primary legislation. The appropriate legal provisions are in the Insurance Bill 1999, which was published in December last. As soon as the Bill has been enacted, the regulations will be published.

### Motor Insurance Cost Reduction Programme

Many complaints are received from Public Representatives and the public in general regarding the cost of insurance especially motor insurance for young drivers. Initiatives are being examined, which it is hoped will contribute to a lessening of the financial burden on motorists through a reduction in motor accidents. The Motor Insurance Advisory Board, which was re-established in September 1998, proceeded with its examination of the factors, which contribute to the cost of motor insurance and to the variation in cost between various categories of insured motorist. The Board plans to report in early 2001.

### Special Working Group on Personal Injury Compensation

The Group, which began research in September 1998 into alternative or complementary systems of delivery of personal injury compensation, completed its research in 1999. The Group will present its final report in Spring 2000.

### Customer Service: consumer complaints and queries

The Insurance Section receives queries from the public related to the cost and availability of motor insurance, and the difficulties experienced by Consumers with life assurance policies. These queries are responded to as promptly as possible. Many cases are referred to:

- The Insurance Ombudsman who will adjudicate on disputes between policyholders and insurance companies within set Terms of Reference.
- The Declined Cases Agreement, under which the insurance industry will arrange for a premium quote for any person who has been refused cover by five motor insurers, in the case of compulsory motor insurance.

## Objective 2 (iii)

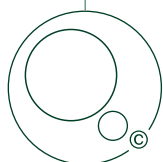
To promote a legal and regulatory framework for Intellectual Property

### Copyright law reform

The Copyright and Related Rights Bill is designed to effect a comprehensive reform of Irish copyright law, which was last comprehensively reviewed in the context of the Copyright Act, 1963. The new legislation will bring Ireland into full compliance with its obligations under international intellectual property law, and transpose into Irish law a number of European Union directives in the area of copyright and related rights. Among the notable features of the Bill will be the provision, for the first time in Irish law, of comprehensive protection for performers' rights and rights in performances, and the enactment of a new regime of protection for databases. The Copyright and Related Rights Bill passed all stages in the Seanad, and Second Stage in the Dáil, by-end 1999. It is expected to be enacted in the first half of 2000.

### Patents law reform

The Patents (Amendment) Bill was published in December 1999. The aim of this Bill is to



bring the Patents Act, 1992 into line with the Agreement on Trade Related Aspects of Intellectual Rights (TRIPs Agreement). It is expected that the Bill will be enacted later in 2000.

### Industrial Designs law reform

Draft Heads of a new Industrial Designs Bill have been referred to the Office of the Attorney General for formal drafting by the Parliamentary Draftsman. The principle purpose of the new Industrial Designs Bill is to update Irish design law, which dates, substantially, from the Industrial and Commercial Property (Protection) Act, 1927. The Bill will also implement Directive 98/71/EC on the Legal Protection of Designs, which approximates the national design laws of the Member States. It contains provisions to enable Ireland to give effect to the draft Community Design Regulation and to ratify the Geneva Act of the Hague Agreement concerning the International Registration of Industrial Designs. It is expected that the Bill will be published in 2000.

### Modernisation of the procedures and systems of the Patents Office

During 1999 the modernisation programme in the Patents Office concentrated on system re-development. Delivery of new software (called PTOLEMY) to facilitate the modernisation of the Office's computerised patent and trade mark administration systems and also a new Trade Mark search module (called ACSEPTO) took place during the first 7 months of 1999. User testing and validation of the various patent and trade mark modules took place throughout the summer and autumn. The transfer of data from the old to the new systems took somewhat longer than anticipated and this, combined with the need for a hardware upgrade, meant that operations using the new software did not commence until late December 1999. With the basic administration modules now in place, Phase 2 of the system modernisation is planned for 2000. This involves further enhancements and modifications together with several new modules some of which will take account of forthcoming legislative developments in the areas of Trade Marks and Industrial Designs.

## Objective 2 (iv)

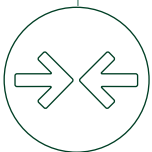
To promote competition in all areas of the economy

### Competition Policy

During 1999 the Department continued to pursue its role of developing policy and providing advice on the application of competition law and was actively involved in the provision of policy inputs into the development of Government policy.

At EU Level the Department represented Ireland's interests in discussions on the modernisation of EU Competition Law in Member States and in finalising Council Regulations on Vertical Restraints as well as in preparatory work for the competition aspects of the World Trade Organisation meeting in Seattle in December 1999.

In 1999 the Competition Authority received 160 complaints alleging anti-competitive practices including those referred to them by the Department (details of complaints and



enforcement action by the Competition Authority are given separately in the Competition Authority's Annual Report).

### Competition and Mergers Review Group

During 1999 the Competition and Mergers Review Group (CMRG) continued its work. The Group was set up to examine and make appropriate recommendations on the effectiveness of competition legislation generally and mergers legislation in particular.

The Group has published, in 1999, three detailed Discussion Documents on which they invited submissions, as follows:

- Proposals for Discussion in Relation to Some Recommendations of the Report of the Commission on the Newspaper Industry (February 1999);
- Proposals for Discussion in Relation to Competition Law (September 1999);
- Proposals for Discussion in Relation to Restrictive Practices (Groceries) Order 1987 (December 1999).

The Group are now in the process of assessing the submissions received and then completing their Report and Recommendations.

### Merger Control

Merger and take-over activity continues to show an upsurge with a record number of proposals (273) being notified in 1999. In addition, 12 proposals were carried forward from 1998. The Mergers and Takeovers (Control) Acts, 1978 to 1996 ('the Mergers Act') was found to apply in 106 of these cases. However, 6 were later withdrawn. Accordingly, 100 proposals were examined under the Mergers Act, 98 of which were allowed to proceed without referral to the Competition Authority for further investigation.

Two proposals were referred to the Authority. These were (a) the proposed acquisition by Princes Holdings Limited of Suir Nore Relays Limited and (b) the proposed acquisition by Liberty Media AL Inc. of Aringour Limited (the owner of CMI). Following recommendations by the Authority, Tánaiste and Minister for Enterprise, Trade and Employment allowed both proposals to proceed without conditions.

As at 31 December 1999, decisions in 18 cases were awaited.

### EU International Developments

The Department continues to represent Ireland at the Advisory Committee on Concentrations giving its opinion to the Commission on all cases, which have been subject to a detailed investigation by the Commission's Merger Task Force.

In 1999, 292 proposals were notified to the European Commission (235 in 1998) and the Advisory Committee gave its opinion to the Commission in 17 cases (10 in 1998).





## White Paper on the Modernisation of Competition Articles of the Treaty

At the end of April, 1999 the Commission published a White Paper entitled 'White Paper on the Modernisation of Articles 85 & 86 of the EC Treaty'. The Commission have suggested for discussion a decentralisation of exemptions under the Treaty. The result to a large extent would be that, in future, national competition authorities and the national courts would be the enforcing bodies for these Treaty provisions.

The principal issues are still (early 2000) being discussed at Commission Working Party level in Brussels.

## Objective 2 (v)

To promote and administer legislation to protect consumers

### Amsterdam Treaty

The Amsterdam Treaty, which came into force on 1 May 1999, enshrines at Article 153 a commitment by the Community to ensure a high level of consumer protection and to take consumer protection requirements into account in defining and implementing other Community policies and actions.

### SLIM

The European Commission's SLIM (Simpler Legislation for the Internal Market) initiative: the Department was represented on the team charged with identifying the substantive difficulties associated mainly with pre-packaging legislation and with reporting to the Commission on how simplification or improvement could be achieved. The team's report was finalised in October 1999 and is with the Commission for consideration.

### Consumer Related Directives

EU directives were adopted on the labelling, presentation and advertising of foodstuffs; liability for defective products; and on certain aspects of the sale of consumer goods and associated guarantees.

### Code of Practice on Dual Display of Prices

In June 1999, a national Code of Practice on Dual Display of Prices was launched by the Minister for Labour, Trade and Consumer Affairs. The purpose of the Code, which was developed in conjunction with the Director of Consumer Affairs, is to inform consumers by providing for transparency in the pricing of goods and services during the changeover from the Irish pound to the euro and to assist consumers, in a practical way, to become familiar with pricing in the new currency.

## Retail Price Display Order



In September 1999, the Minister for Labour, Trade and Consumer Affairs made the Retail Price (Beverages in Licensed Premises) Display Order, 1999, which requires that a 16 - item price list be displayed immediately outside or immediately inside the entrance to a licensed premises. The Retail Price (Beverages in Licensed Premises) Display Order, 1976 was revoked.

Minister Kitt Launching the Retail Price Display order with Edwin Finnegan, Proprietor of Larry Murphys Public House and Frank Fell, Chief Executive of The Licensed Vintners Association

## Hallmarking Regulations

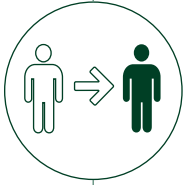
Two sets of Regulations, which will amend the legislation on the hallmarking of precious metals, were completed at the beginning of 2000 and have been notified to the European Commission prior to being made, as required under EU rules.



## Strategic Goal 3

To promote fairness and efficiency in the labour market thereby maximising employment, protecting the welfare of workers and promoting social inclusion





## Strategic Goal 3

To promote fairness and efficiency in the labour market thereby maximising employment, protecting the welfare of workers and promoting social inclusion

### Objective 3 (i)

To secure the maximum reintegration of the unemployed into employment and to upgrade the skills of the labour force

#### Labour Market, Employment and Unemployment

1999 witnessed further strong growth in the labour force of 5.2% (85,400), on top of similar levels of growth in 1998. The increasing population of working age contributed about 38,900 to this, while the remaining 46,500 was due to higher rates of participation in the labour force by almost all age groups and for both men and women. Ireland's female labour force participation rate is now much closer to the EU average than before. The latest comparable figures are for Q2 1998, which shows female participation at 44% in Ireland compared with 46% in the EU.

Employment growth was also very strong in 1999. The Quarterly National Household Survey results for the 4th. Quarter 1999 shows that employment increased by 102,000, equivalent to an increase of 6.3% in the numbers at work, compared to 1998.

Unemployment fell by 17,300, to 88,700, in 1999. Long-term unemployment fell by 15,700, to 36,000 over the same period. By Q4 1999, the unemployment rate had declined to 5.1% (from 6.4%) and long-term unemployment had declined to 2.1% (from 3.1%).

#### The National Employment Action Plan (EAP)

Under the European Employment Strategy, the Department was responsible for producing Ireland's Employment Action Plan 1999. The Plan sets out Ireland's implementation of the 22 Employment Guidelines under the four pillars of Employability, Entrepreneurship, Adaptability and Equal Opportunities during 1998 and establishes the strategic issues to be addressed during 1999. In line with the comprehensive broadly based nature of the Guidelines, the Plan covers the activities of a range of Departments, State Agencies and the social partners.

The Employment and Labour Committee of the European Union, which oversees the European Employment Strategy process, was chaired during 1999 by Mr Seamus O'Morain, Assistant Secretary at the Department.

For the first time 1999 saw the European Council issue recommendations to Member States on foot of their Employment Action Plans. The recommendations addressed to Ireland related to continuing efforts to grow employment in the services sector, increasing focus on company training and increasing the participation by women in the labour market.



The EAP set a target of reducing unemployment to 5%, and long-term unemployment to 2%, by end year 2000. This target was in fact attained by the end of 1999.

The EAP for 2000 is due to be submitted to the EU Commission by May 2000.

### **Pro-active Immigration Policy**

In December 1999 the Government agreed with the Tánaiste's proposal that a proactive immigration policy be put in place to contribute to addressing the skills and labour shortages of the labour market and that this policy be pursued by identifying and promoting job opportunities in Ireland to residents of the European Economic Area, the applicant countries for EU membership and elsewhere and that job opportunities in the State also be promoted in Northern Ireland.

It was also decided that an Interdepartmental Committee under the chairmanship of the Department of Enterprise, Trade and Employment be established to consider the modalities of the policy and to report to Government in the matter.

### **Employment and Human Resources Development Operational Programme**

The Department contributed to the preparation of the National Development Plan 2000-2006, published in November 1999, - including to the Chapter on the new Employment and Human Resources Development Operational Programme (OP).

Total expenditure under the OP will amount to 12.6 billion euros over 2000-2006. The European Social Fund will provide 902 million euros of this amount.

### **The European Social Fund (ESF)**

The Department of Enterprise, Trade and Employment acts as the National Authority for the ESF in Ireland. The role of ESF Section is to secure the maximum drawdown and ensure effective management of ESF funds. During 1999 over £209m was drawn down. This money is used to co-finance education, vocational training and employment programmes and projects, which are delivered both by public and private agencies as well as community and voluntary groups across the country.

The bulk of support - over £164m - was spent on the Operational Programme for Human Resources Development. Its main priorities are to boost human capital in Ireland by enhancing education and skill levels and to improve the employment prospects of unemployed people, particularly the long-term unemployed and people excluded from the labour market.

The remaining ESF supports measures in five other Operational Programmes, namely Industrial Development; Tourism; Agriculture, Rural Development & Forestry; Local, Urban & Rural Development; and Fisheries.

During 1999, five Evaluation Reports were produced by the ESF Evaluation Unit attached to the Department: The Equal Opportunities Childcare Programme; Progression and the

ESF; Equal Opportunities for men and women and the ESF; ESF and the Local Urban and Rural Development Operational Programme; the Standards-Based Apprenticeship and Traineeship Approaches to Skills.

A new ESF Financial Control Office was established in 1999.

### **ESF Information**

During 1999 the ESF Information Office dealt with over 500 queries from prospective project promoters, students, researchers, consultants and journalists, which compares with just 200 during 1998. A total of 20 group presentations were given to foreign delegations from countries within the EU and Eastern European countries seeking EU membership.

At the beginning of the year a website was launched [www.esf.ie](http://www.esf.ie) providing a broad range of information about the ESF in Ireland. Throughout the year the site has been receiving an average of 200 hits per week bringing the total number of visitors to the site to over 10,000. Summaries of evaluation reports published by the ESF Evaluation Unit are available on the site along with case studies of successful schemes or projects and links to other sites of interest.

During 1999, the office liaised with FÁS in the production of a video about the biggest Programme receiving assistance from the ESF - the Human Resources Development Operational Programme (1994-99). 300 copies of the video were disseminated by the ESF Information Office and copies are still available free of charge.

### **Lifelong Learning**

Under the EAP 1999, the Department committed itself to working in collaboration with the Department of Education and Science on the development of a strategic framework for Lifelong Learning. On foot of the negotiations on the Programme for Prosperity and Fairness, the Department established a Taskforce on Lifelong Learning with members drawn from relevant Departments, the social partners and key education and training providers. The Taskforce is working to map existing Lifelong Learning provision, to identify gaps and duplication and, consequently, to make recommendations to Government designed to significantly increase participation by adults in Lifelong Learning activities. Key issues to be addressed by the Taskforce include access to learning, cost and flexibility of provision.

### **FÁS Budget and Activities**

In 1999, FÁS received £454.2 million from the Exchequer. Total expenditure, including all sources of income was £532.3 million.

A total of 98,777 people completed either training or employment schemes with FÁS in 1999. Approximately 55% of all new starts in 1999 were long-term unemployed people and 48% of all new starts were women.

### **Employment and Training for People with Disabilities**

In June 1998, the Government decided that services to people with disabilities administered



by the National Rehabilitation Board (NRB) should be integrated into mainstream service delivery. As part of this process, employment and vocational training services for people with disabilities are being transferred to FÁS.

Through consultation with a variety of stakeholders in the disability sector, the Department formulated a strategy aimed at improving employment opportunities for people with disabilities. This strategy will be implemented over the period 2000-2003 and will include a number of new initiatives, such as the national Supported Employment Programme announced by the Minister for Finance in December 1999 as part of Budget 2000.

### **I.T. Training for Older Persons**

To mark the UN International Year of Older Persons, the Department had a budget available in 1999, on a once-off basis, for Information Technology Training for Older Persons. The initiative was aimed at introducing older people to computers and providing them with training on some of the most popular computer applications. Following a selection process, seven projects were approved for funding amounting to approximately £50,000.

### **EU Leonardo da Vinci Vocational Training Programme**

The Leonardo Programme focuses on increasing the quality and relevance of vocational education and training through international networking, mobility and the creation of innovative training processes and products. Under the 1999 programme (the final year of Leonardo I), 43 Irish projects were approved for support involving EU co-financing of more than £2.2 million.

In addition, officials of the Department were closely involved in the negotiation of the Leonardo II Programme, which will have a life-span of seven years (2000-2006), with a budget of 1,150 million euros.

### **Walsh Visas**

The Department worked closely with FÁS, the Northern Ireland Training and Employment Agency and the US Administration on formulation and implementation of the 'Walsh Visas' programme. Under this programme 4,000 non-immigrant visas of up to three years duration are being made available each year for a three year period to people from Northern Ireland and the Border Counties. Up to 1,000 of these visas are expected to be available to people from the Border Counties. The scheme is being promoted by FÁS in respect of the Border Counties.

### **Europass Training Scheme**

The Europass scheme provides for the formal recognition of periods of work-linked training which a person has followed in a Member State other than that in which his/her training is based (i.e. in the Irish context the Apprenticeship and Traineeship Programmes). It involves the granting of a validating document to be called the "EUROPASS Training". The scheme is operational from 1 January, 2000 and, in Ireland's case is being implemented by FÁS.

## National Employment Service

In 1998 and 1999 there was substantial additional resourcing of the public employment service, both through the national employment service provided by FÁS and the Local Employment Service (LES) network.

The Government decided in March 1999 to implement new operational arrangements for the management, development and delivery of the national employment service function including the assimilation of the LES under FÁS, as a discrete component of a more integrated, dual-stranded national employment service and the establishment of an Employment Service Advisory Committee within FÁS. During 1999 the Department examined the most effective and practical arrangements for assimilating the two services.

## Unemployment Prevention

Under the EU Employment Guidelines and the National Employment Action Plan, the Government is committed to:

- intervening with all unemployed young people before they reach 6 months of unemployment with a view to offering them a job, training or other employability support;
- intervening with all adult unemployed before they reach twelve months unemployment, with a view to making a similar offer to them.

This process commenced on 1 September, 1998 with those aged under 25 approaching 6 months on the Live Register and was extended to those aged under 25 approaching 18 months on the Live Register from 1 March, 1999 and those aged 25 to 34 years approaching 12 months on the Live Register from 1 May, 1999.

Each person is invited to attend the local FÁS office for a guidance interview. The aim is to provide quality supports on the basis of individual needs to help secure a job, training or education support.

The results from the activation process have been extremely positive. At end December 1999 the following outcomes were achieved:

- Of the 15,792 under 25s approaching 6 months on the Live Register referred to FÁS, 12,268 (78%), had signed off the Live Register at end of December 1999.
- Of the 5,132 under 25s approaching 18 months on the Live Register referred to FÁS, 3,505 (68%), had signed off the Live Register at end of November 1999.
- Of the 5,072 25-34 year olds approaching 12 months on the Live Register referred to FÁS, 3,309 (65%) had signed off the Live Register at end of November 1999.

## Community Employment Programme

The Community Employment programme provides temporary work experience together with an element of training for long-term unemployed persons. The average participation rate over 1999 was 37,900 persons.

The programme was restructured in July, 1999 to take account of the decrease in the



numbers of unemployed and also to refocus the programme on the more disadvantaged of the long-term unemployed. The number of places on CE will be reduced over a 5-year period to 28,000. There will be synchronisation to the greatest degree possible between the introduction of the new Social Economy Programme (see below) and reductions in CE places.

### **The Social Economy Programme**

Arising from the Partnership 2000 Working Group's Report on the Social Economy, the Government decided in July 1999 to approve the introduction of a Social Economy Programme.

#### **The objectives of the Social Economy Programme are to:**

- promote the emergence and consolidation of the social economy in Ireland;
- to maximise the potential of the social economy to generate employment that is sustainable and of high quality, subject to labour market constraints;
- to regenerate both urban and rural communities by providing urgently needed local services, employment opportunities and experience for young people who have been distanced from the labour market.

Two meetings of the National Monitoring Committee, which is chaired by the Department of Enterprise, Trade and Employment, took place in 1999. At the end of 1999 the Committee had agreed in principle to the main provisions of the Framework Document for the operation of the Programme.

When fully operational, the dedicated Social Economy Programme will provide for an annual investment of approximately £41 million. FÁS will manage the Programme operationally at national and local level, in partnership with relevant interest groups.

### **EU Initiatives on Human Resources:**

#### **Employment and Adapt**

The Department is responsible for the implementation of the EMPLOYMENT and ADAPT Community Initiatives in Ireland. As the National Authority, the Department acts as the Secretariat for the Initiatives, chairs the Monitoring Committee, liaises with the European Commission and as the paying authority, draws down and pays out relevant EU funds.

Funding commitments under EMPLOYMENT and ADAPT ceased at the end of December 1999. The 158 Phase 2 projects originally intended completing activity by the end of December 1999. However, due to the delays in receipt of funding from the European Commission, 86 projects under EMPLOYMENT and 15 under ADAPT were granted approval to extend activity up to March 2000. Thirty thematic and mainstreaming projects will also continue activity up to March 2000.

Over £21.6 million was paid out to projects in respect of 1999.

## Other EU Initiatives

The Department also has responsibility for the administration of the ESF component of the Community Initiatives INTERREG and PEACE and as the paying authority for ESF funds over the other Community Initiatives Pesca, SME, Retex, Urban and Leader.

The Department acts as measure leader for the specific Interreg North/South and Maritime (Ireland-Wales) strands. Over £5 million was paid out to a total of 75 projects over the current round of the structural funds. Project activity under PEACE was completed during the year. The European Council has decided to continue the PEACE Programme for a further five years and to renew the INTERREG Community Initiative under the next round of Structural Funds.

### EU EMPLOYMENT Initiative: Mainstreaming Forum

There were four meetings of the Mainstreaming Forum established and chaired by the Department to encourage the dissemination of learning arising from the outcomes of pilot projects under the EMPLOYMENT Initiative.

The Forum achieved its aim of facilitating access to policymakers in the Departments and Agencies for whom work undertaken in and outcomes from these innovative pilot projects is relevant so that they can apply this learning in their own spheres. In this connection, the work of the Forum resulted in the adoption by FÁS and Department of Education and Science in particular, of programmes and policies closely based on projects carried out under the Employment Initiative.

### EU EQUAL Initiative

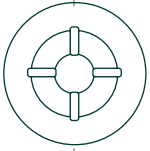
A single human resources Community Initiative to replace EMPLOYMENT and ADAPT will operate for the period 2000 - 2006 with assistance from the ESF. This new Initiative - EQUAL - will aim to develop co-operation in order to promote new means of combating all forms of exclusion, discrimination and inequalities in connection with access to the labour market and those already in employment.

The total amount of ESF available will be 32 million euros (over £25 million). EQUAL will operate in a number of thematic fields grouped under the four pillars of the European Employment Strategy - entrepreneurship, employability, adaptability and equal opportunities for women and men mainly. In October 1999, the European Commission issued draft Guidelines establishing the framework under which Member States will submit proposals for ESF support under the Initiative.

### Dion Grants

The Dion grant is provided each year by the Irish Government to assist voluntary organisations providing advisory and welfare services for Irish emigrants in Britain. (Dion is the Irish word for 'shelter'). Appendix 7 of this report give details in respect of the Dion Committee and of grants paid in 1999.





## Objective 3 (ii)

To promote and safeguard the employment rights and occupational safety and health of workers

### Introduction of a Statutory National Minimum Wage

The Programme for Government includes, as a key priority, a commitment to introduce a national minimum hourly wage.

In order to progress implementation following on from the final report of the National Minimum Wage Commission, which was published in April, 1998, an Inter-Departmental Group was established by the Government with the task of formulating proposals and a plan of action. The final report of the Inter-Departmental Group was published by the Tánaiste and Minister for Enterprise, Trade and Employment on 22 June 1999. This report contained a comprehensive series of recommendations for the drafting of the national minimum wage legislation and also an ESRI study on the economic impact of the national minimum wage on employment, overall economic conditions and national competitiveness.

Following extensive consultation with the social partners, the Government subsequently approved the drafting of the National Minimum Wage Bill, which was published in January 2000.

### Labour Inspectorate

The Department's Labour Inspectorate is primarily responsible for the enforcement of statutory minimum rates of pay and other conditions of employment of workers in certain sectors covered by Employment Regulation Orders (ERO's) and Registered Employment Agreements (REA's). The Inspectorate also undertakes inspections in connection with the enforcement of other areas of labour law.

It is estimated that approximately 162,000 workers in 15 different sectors are covered by ERO's and approximately 80,000 other workers are covered by REA's. These Orders and Agreements, which are provided for under the Industrial Relations Acts 1946-1990, prescribe statutory minimum rates of pay and other conditions of employment for these workers. During 1999 the Inspectorate carried out 1,187 comprehensive audits. In the context of these comprehensive audits a further 3,424 inspections/visits were conducted by the Labour Inspectorate. These inspections resulted in the recovery of IR £220,791 in arrears of wages for workers. Overall, the Labour Inspectorate directly assisted 761 employees in the recovery of arrears of pay.

In December 1999 the Government approved the allocation of ten additional staff for purposes of enforcement of the National Minimum Wage due to come into operation in April 2000. A significant feature of enforcement activity in 1999 was the involvement, for the first time, of the Labour Inspectorate in night-time inspection work. That work was aimed primarily at checking the compliance of employers with their obligations and responsibilities towards young persons - especially in relation to times and duration of work - under the Protection of Young Persons (Employment) Act, 1996. Night inspections will remain a feature of Labour Inspectorate activity henceforth.

## Employment Rights Information Unit

The Employment Rights Information Unit of the Department operates an information service to answer enquiries about employment rights legislation and to inform people of the rights and obligations of employees and employers under the legislation. The number of telephone enquiries received during 1999 was over 85,469 (an 4.82% increase on 1998) or an average of 346 per day. A 'dedicated phone line' with a mailbox facility was introduced in 1999 to improve on the quality of service. The Unit also provides a range of explanatory leaflets on different entitlements under employment rights legislation as well as a Guide to Labour Law. The Unit may be contacted at the Department of Enterprise, Trade and Employment, Davitt House, 65A Adelaide Road, Dublin 2 Tel: (01) 631 3131 or Lo-call: 1890 220222 (from outside 01 area), Fax (01) 631 3267.



Minister Tom Kitt with Yvonne Keogh and Josephine Kelly from Employment Rights Section at the launch of the Guide to Labour Law at the Department's stand at the opportunities '99 Exhibition at the RDS

## Employment Agency Act, 1971

447 Employment agency licences were issued in 1999. This compares with 329 licences issued in 1998.

## Employment Appeals Tribunal

In 1999, the Employment Appeals Tribunal succeeded in reducing the length of time between the date of receipt of claims and appeals and the date of hearing to a target average of 3 months for the whole country. The number of cases disposed of under the various Acts during the year was 2,621.

## International Labour Organisation (ILO)

Ireland was represented at the 87th Session of the International Labour Conference in June 1999 by a tripartite delegation, representing the Government, Trade Unions and Employers. The Conference adopted a Convention (No. 182) and Recommendation (No.190) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

In April, 1999, Ireland ratified Convention No. 111 concerning Discrimination (Employment and Occupation); Convention No. 177 concerning Home Work; Convention No. 178 concerning the inspection of seafarers' working conditions; Convention No. 179 concerning the recruitment and placement of seafarers and Convention No. 180 concerning seafarers' hours of work and the manning of ships. Ireland also adopted the ILO Protocol of 1996 to the Merchant Shipping (Minimum Standards) Convention, 1976.

In December 1999, Ireland ratified Convention No.182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.



### Redundancy Payments Scheme 1999 (figures for 1998 are given in brackets)

Proposed redundancies notified to the Department under the Redundancy Payments Acts during 1999 totalled 13,653 (12,893). This represents an increase of 5.9% on the total for 1998. Most of the redundancies occurred in traditional sectors such as clothing, footwear and textiles.

Rebates of statutory redundancy lump sums paid from the Social Insurance Fund to employers in 1999 amounted to £17.3m (£12.7m). During the year £1.2m (£1.2m) was paid direct to workers where employers had failed to pay statutory redundancy lump sums. In these cases the Department, on behalf of the Fund, claims and endeavours to recover the appropriate amounts from the employers concerned. In 1999 a total of approximately £252,000 (£251,000) was recovered from employers in respect of monies owed to the Fund by way of redundancy lump sums paid directly to employees.

### Insolvency Payments Scheme 1999 (1998 figures are given in brackets)

The Insolvency Payments section mitigates the effects on employees of company failures and company restructuring by ensuring the speedy and efficient administration of the Insolvency Payments Scheme.

In 1999, over 2,300 (3,400) applications for entitlements were processed from 1,481 (approx. 1,932) employees involving 141 (167) employers who had become insolvent for the purposes of the above mentioned Acts. Payments totalled over £2m (almost £1.7m). The principal components of these payments were minimum notice £0.37m (£0.65m); arrears of holiday pay £0.36m (£0.59m); arrears of wages £0.27m (£0.33m) and arrears of pension contributions of over £1m. The amount recovered, mainly through priority debts, was over £400,000 (over £500,000).

### Work Permits

Official policy in relation to work permits is to ensure that job opportunities are, as far as possible, reserved for Irish or other European Economic Area nationals.

The total number of permits issued in respect of the employment of non EEA nationals by Irish employers in 1999 was 6,200 - an increase of 8% on the previous year.

### Occupational Health and Safety

The resources of the Occupational Health and Safety Authority as the Statutory Body responsible for the promotion, administration and enforcement of occupational health and safety legislation were further augmented during the year. A Review of the efficiency and effectiveness of the Authority commenced. The following issues were prominent during the year:

- **Construction Safety**

The Construction Safety Partnership Agreement was launched in October, 1999. The overall aim of the Agreement is to achieve the highest possible standard of safety, health and welfare in the Irish Construction Industry through partnership arrangements at

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both national and site level. The Partnership is preparing a Construction Industry Safety Plan for the construction sector.

- **Psycho-social issues**

A Task Force on the Prevention of Workplace Bullying was launched in September 1999. This Task Force will focus on identifying the size of the problem and the employment sectors most at risk, in addition to developing proposals for practical programmes and strategies both to prevent workplace bullying and to provide appropriate responses from the relevant State Agencies. The Group is to report back in October 2000.

- **Public Safety**

An Interdepartmental/Agency Review Group on Public Safety was launched in October 1999. The task of the Review Group is to carry out an examination of the State's approach to public safety, the adequacy of this approach and identify any deficiencies therein. The Group is to report by May 2000.

Four Statutory Instruments were brought into force. These Regulations give effect to a number of Directives of the European Union. Details are attached in Appendix 4 of this report.

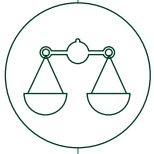
The Review of the Safety, Health and Welfare at Work Act, 1989 continued and is expected to be completed by Autumn 2000.

### **Enforcement of Workers Protection Legislation**

The Department is responsible for the enforcement of a range of protection labour law in such areas as holiday entitlements; minimum notice; unfair dismissals and protection of young persons. The Minister for Enterprise, Trade and Employment is empowered to act on behalf of an employee whose employer has failed to implement a determination of the Employment Appeals Tribunal relating to minimum notice, unfair dismissals and terms of employment. Under the Holidays Acts, 1973-1991 (now repealed) the Minister could also act on behalf of an employee whose employer has failed to honour statutory entitlements. In 1999, the Minister intervened on behalf of employees in 125 new cases of this nature. During 1999, a total of 27 cases were referred to the Chief State Solicitor to consider the institution of legal proceedings.

61 cases were finalised in 1999 following referral to the Chief State Solicitor for institution of legal proceedings and 105 complaints were resolved without the need for legal proceedings. A total of £117,243.91 due to employees was recovered in 1999.





## Objective 3 (iii)

To foster a good industrial relations environment

### Right to Bargain

A High Level Group involving the Departments of Taoiseach, Enterprise, Trade and Employment, and Finance, as well as ICTU, IBEC, IDA Ireland and Enterprise Ireland considered the issues of collective representation, individual representation and disputes of special importance. The Group adopted a Report in March 1999, which included the following agreed proposals on collective representation: -

- A set of voluntary procedures on dispute resolution coming into play where negotiating arrangements are not in place and collective bargaining fails to take place - these procedures to be enshrined in a Code of Practice;
- An amendment to the Industrial Relations Act 1946 to provide for new dispute settling powers for the Labour Court in cases where an employer fails to follow the voluntary process and internal procedures and mechanisms have failed to resolve the issue;
- A set of procedures for dealing with grievance and disciplinary issues, which would be given effect by way of appropriate amendments to the Code of Practice on Disciplinary Procedures.

The Heads of a General Scheme to amend the 1946 Industrial Relations Act were agreed by Government during the year and the Parliamentary Draftsman's office is preparing a Bill.

### Information and Consultation of Employees

In December of 1999 the Minister for Enterprise, Trade, and Employment made an order, European Communities (Transnational Information and Consultation of Employees Act, 1996) (Amendment) Regulations (SI No.386 of 1999) giving effect to Directive 97/74 EC. This Directive allows for the application of the provisions of Directive 94/45 EC, on the establishment of transnational arrangements for the information and consultation of employees (European Works Councils), in the United Kingdom. The Regulations came into effect on the 15 December, 1999, the deadline for transposition of the Directive.

### Partnership

The Partnership 2000 Agreement (P2000) entered its final phase in 1999. The Department was heavily involved in ensuring the outstanding commitments in P2000 were fulfilled.

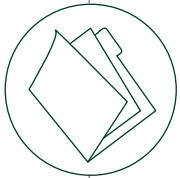
Formal negotiations on a follow up Agreement to P2000 commenced in November 1999 and continued to the end of the year. The draft Agreement, Programme for Prosperity and Fairness was published on February 7th, 2000.

The Programme sets out a very comprehensive set of objectives and actions to be attained over the 33 months of the Agreement. The main elements of the Programme which are of particular relevance to the Department include:

- Workplace Relations and Work Environment
  - Occupational Health & Safety
  - Atypical Work
- Framework for the development of Family Friendly Policies at the level of the Enterprise
- Competitiveness Priorities (including Competitiveness and Employment)
- Small Business and Services
- Industrial Policy
- Social Economy
- Disability
  - Employment and Vocational Training
  - Transition to New Structures
- Life Long Learning
- Labour Market (including Active Labour Market Programmes)
- Information Society (including e-Business and Teleworking )
- Partnership at the level of the Enterprise







## Strategic Goal 4

To promote quality, openness and transparency in the delivery of our business goals to customers

### Objective 4 (i)

To provide openness and ease of access for the public to the activities and records of the Department

#### Information Services

The Department ensures that our customers and clients can access easily, information relating to the activities of the Department, through the following:

1. A dedicated Information Office which handles over 9,000 general queries each year.
2. A dedicated Employment Rights Information Unit which handles over 85,000 requests for information on the rights of employers and employees annually.
3. A comprehensive website which receives up to 3,000 hits per day.

#### Freedom of Information

The Freedom of Information Act (FOI) has applied to the Department since 21 April 1998. Every effort is made to ensure requesters can access records without having to make a formal FOI request.

#### FOI Activity

	1998 21/4/98 to 31/12/98	1999 1/1/99 to 31/12/99	Total	Granted or part granted	Refused	Withdrawn/ handled outside FOI/ transferred	Internal Review	Appeals to Information Commissioner
Single Requester	141	53	194	51 (26%)	136* (70%)	7 (4%)	85 (44%)	31 (16%)
All Other Requesters	145	191	336	189 (56%)	63 (19%)	84 (25%)	24 (7%)	4 (1%)
Total	286	244	530	240 (45%)	199 (38%)	91 (17%)	109 (21%)	35 (7%)

\* 67 of these requests refused as frivolous or vexatious  
 Excluding one requester the breakdown of requests in 1999 was as follows:  
 Journalists 57 %; Business 18%; Public 16.5%; Oireachtas Members 7%; Staff 1.5%.

#### Extension of FOI

In July 1999 the Government decided that the FOI Act would be extended to the following eight organisations under the aegis of the Department from 21 January 2001:



Enterprise Ireland, FÁS, Forfás, the Health & Safety Authority, the Industrial Development Authority, the Labour Relations Commission, Shannon Free Airport Development Company Ltd. and the National Standards Authority of Ireland.

The Department, during 1999, provided assistance to these organisations with extensive preparations for FOI, for example, by giving awareness talks, initiating a dedicated FOI Enterprise Network and providing briefing sessions on records management and other FOI-related issues.

### Publications

The Department's FOI Act Section 15 and 16 Reference Book - Guide to Functions, Records, Rules and Practices of the Department was first produced in April 1998. During 1999, structures were put in place to ensure that a constantly updated version of this Guide forms an integral part of the Department's Website. ([www.entemp.ie/depart.htm](http://www.entemp.ie/depart.htm)).

The guide facilitates access to official information held by the Department by outlining the structure and functions; details of services, rules, practices and procedures by which services are administered; information on the classes of records held and information on how to make a request under the FOI Act. Hard copies of the printed 1998 Edition are available from all public libraries and Citizens Information Centres or from the Department's FOI Unit (Ph. 631 2321 or 631 2317).



### Training

The Department ensures FOI decision makers and appeals officers are regularly updated on developments in FOI law and practice through briefing sessions and advanced training. All new entrants are provided with induction training covering FOI and records management issues.

Mary Barrett, Freedom of Information (FOI) Officer, addressing an FOI Refresher Workshop

### FOI Civil Service Users' Network

The Department chairs the Civil Service Users' Network. In December 1999, the Network, at the request of the Taoiseach, produced a 'Review of Administrative and Procedural Arrangements Governing FOI'. The report suggests a significant number of technical and procedural improvements, which will benefit both requesters and public bodies by allowing smoother processing of FOI requests. The report was laid before the Houses of the Oireachtas on 28th January, 2000 and referred for consideration to the Joint Committee on Finance and Public Service and to the informal Oireachtas Committee on the Strategic Management Initiative.



## Objective 4 (ii)

To integrate customer service issues into all the Departments activities and improve the Department's information services and communication systems

### Customer Service

A Departmental Quality Customer Service Group has been established and is run by the Information and Communications Unit to progress and build on the objectives set out in the 1997 Customer Service Plan. The provision of quality customer service has been mainstreamed into Departmental policy and is now an integral part of all Divisions' business planning process. An internal survey on improving customer service was conducted the key findings of which, will be built into the Department's Customer Service.

During 1999 access was provided at the Department's Kildare Street offices for persons with disabilities. All of the Department's buildings are now accessible to people with disabilities.

### Library

A consultant's report commissioned in January 1999 recommended a very substantial re-organisation and refurbishment of the Department's library to bring it up to the standard of the more progressive and customer friendly Government libraries. The report's principal recommendations on implementing the changes necessary to achieve these goals were adopted by the Management Board in November. In line with the report's recommendations, plans are well progressed to integrate the library into one Information Resource Unit which will also incorporate the Press Office and the Information and Communications Unit.

### Website

The Department's website ([www.entemp.ie](http://www.entemp.ie)) has been re-designed and made more customer friendly. A website liaison group has also been established to steer and drive the website agenda forward. Systems have been put in place to ensure that the website contents are informative, accurate and up to date.

### Departmental Magazine

A Departmental Magazine 'Enterprising Times' has been set up to improve internal communications within the Department. The magazine is published on a bi-monthly basis and the two editions published have been favourably received by staff.

### Customer Care

As part of its information provision function, the Information and Communications Section handled and where necessary, followed up on 7,976 telephone and 1,607 web and written queries in 1999.



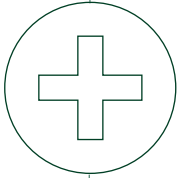
### System Improvements

The Department improved the Internet access for staff and its customers by locating its web server with an Internet Service Provider and by increasing the bandwidth to the Service Provider to cater for the increased usage of the facility by staff.

The Organisation & Information Systems Unit facilitated the Department's participation in the 'Netdays' initiative, which was designed to increase national awareness of the Information Society and, specifically the use of the Internet. The Department made Internet access points available at a number of locations for staff who would not normally have Internet access.

The Department upgraded its telephone systems to provide full ISDN access to all its sites. Direct Dial Inwards (DDI) was installed which allows our customers to dial staff directly to their desktops. A Virtual Private Network was installed linking all the Department's buildings and the Department also joined the Government Virtual Private Network.





## Strategic Goal 5

To further develop staff skills, support structures and systems to assist the department in implementing a programme of change

### Objective 5 (i)

To implement, under the Strategic Management Initiative, a programme of change which will focus on increasing our contribution to national development, the provision of an excellent service to the public and the most efficient use of resources

#### Implementation of the Programme of Change

The Programme of Change in the Civil Service as announced in Delivering Better Government has the twin objectives of delivering better services and improving management. The Department of Enterprise, Trade and Employment has taken a very active role in driving forward this Programme of Change and considerable progress has been made in developing the various initiatives outlined in Delivering Better Government.

The emphasis in the Department is on putting the Change Programme into practice. In the implementation of the Programme the overriding principle was the adoption of a participative approach with people at all levels involved in the process.

#### Strategy Statement/Business Planning

The Department's Strategy Statement for the years 1998-2000 outlines the high level goals of the Department. The preparation of Business Plans are the means by which the high level goals in the Strategy Statement are translated into annual work programmes of the Department on a Divisional basis. The Business Planning process enhances management of tasks and ensures ownership of goals at division and section level.

The work programmes of all Divisions of the Department for 1999 were based on business plans prepared at end 1998 in consultation with staff at all levels. Progress against business plans was monitored throughout the year at section, division and Management Board level. Business plans for 2000 were prepared at the end of 1999, again in consultation and partnership with staff at all levels. The 2000 business plans were presented to the Management Board early in 2000.

#### Delegation of Assignments

In December 1998 and January, 1999, assignments of authority, responsibility and accountability were made by the Secretary General down to Principal Officer level in accordance with the Public Service Management Act, 1997. These assignments have been reviewed and updated following completion of new business plans for 2000.

## Senior Management Development Programme

The Senior Management Development Programme, which got underway in 1998 continued into 1999. The programme had the objectives of meeting the development needs of individual managers, including management and leadership capabilities, and assisting in the implementation of the Programme of Change in the Department as outlined in Delivering Better Government.

The Programme was primarily aimed at senior management and all other grades were introduced to elements of the programme through a number of Division meetings. The business planning process and performance management were the subject of discussion and debate at Division meetings held in December 1998 and May 1999 respectively.

An update and review session was held in February 2000 to continue to bring together the various elements of the Programme of Change and to ensure it's successful implementation. In addition a similar programme has been introduced for new senior managers in the Department.

## Project Teams/Assignments

A major element of the Senior Management Development Programme was the establishment of 12 cross-divisional project teams to examine the key systemic issues facing the Department covering such issues as customer service, communications, budget management and IT development.

The teams have submitted their reports and presented them to the Management Board. These reports have been considered in detail by the Board and a programme of action for their implementation has been drawn up.

## Performance Management

The Department is placing particular emphasis on performance management, which is the key element in the implementation of the Programme of Change. It is a logical follow-on to the strategy statement and the business plans in that it brings the process down to the level of the individual. It enables each member of staff to identify his/her role in the overall goals of the Department and contributes to personal development.



Department's Performance Management Trainers pictured with Secretary General, Paul Haran

A Project Team under the Partnership Committee was established to plan the introduction of performance management to all staff. Arising from this it was decided that the roll-out of performance management throughout the Department should be undertaken by a team of trainers drawn from among the staff of the Department.

A team of 12 trainers was established in October 1999 with responsibility for the



development of the performance management training programme as well as for its delivery. This team is receiving specific training for this role through a Trainer Development Programme, which commenced in December 1999.

The first module of training for all staff of the Department in Performance Management was rolled out between February and April 2000. Modules two and three will be introduced later.

In addition, as a further support to the process, a team of coaches is being put in place as a resource in promoting and supporting the implementation of performance management. A 2-day Coaching Development Programme was held at the end of February 2000 for 20 members of staff.

### **Partnership Committee**

The Department's Partnership Committee was established in 1998 to progress the programme of change and to further involve staff in the ongoing business of the Department. The Committee comprises five members each from management and staff and six from the unions.

The Committee finalised its Action Plan for 1999/2000 in 1999. The Plan covers issues such as progressing the equality agenda; health, safety and welfare; customer service; performance management; business planning; induction and assignment of new entrants. A number of internal working groups, across grade and section, are progressing these issues and feeding into the work of the Committee.

A document outlining progress made on the Department's change programme was agreed by the Partnership Committee in July 1999 as part of the verification process for the payment of the 2% local bargaining provision under Partnership 2000.

### **Organisational Review of Personnel Unit**

One of the key areas of the Programme of Change is the introduction of a new approach to human resource management. This involves the development of the Personnel Unit into a Human Resource Support Unit with the responsibility for the management of staff increasingly moving to line managers.

The Organisation Review Unit of the Department has carried out a review of the business processes and systems currently supporting Personnel Unit with a view to recommending improvements to the operation of the Unit. The primary objective of the project was to identify how best to manage the challenges presented to Personnel Unit both now and in the future.

A report outlining recommendations designed to maximise the efficiency and effectiveness of the Unit and to achieve streamlining of processes has been prepared. The report is now being considered with a view to beginning the process of implementing the recommendations.

### Action Learning and Research Project

In conjunction with the IMI and Trinity College, a programme to evaluate the nature and extent of past and continuing change within the Department is being put in place through an Action Learning and Research Project. The project will provide the Department with a valuable source of feedback as the change process continues to unfold. The project will run on a phased basis between January and December 2000.

### Term Time Leave Pilot Scheme

In February 1999, this Department participated in a pilot scheme for Term Time leave in conjunction with three other Departments, Revenue, Agriculture & Food and Social Community & Family Affairs.

Term time leave is a period of unpaid leave of 10 or 13 weeks during the months of June to August and provides for leave for the purpose of allowing working parents or primary carers to match their working arrangements with their children's summer holidays or to care for a person residing with them.

The scheme is seen as a further step towards creating a family friendly working environment. The Department will be participating in a further pilot scheme in 2000.

### Support Structures and Systems



The Management Board at work. L.R Rody Molloy, Brian Whitney, John Travers, Seamus O' Morain, Mattie McCabe, Freda Nolan, Padraig Cullinane, Margo Monaghan, Martin Lynch, John Walsh, Paul Haran (Secretary General), Michael McKenna, Martin Shanagher

#### Management Board

The role and procedures of the Department's Management Board were reviewed following a report of a project team established as part of the Senior Management Development Programme. In October 1999 the Board agreed a statement of its role and procedures covering the issues raised in the review. This was circulated to all staff. The membership of the board was expanded to improve its gender balance.

### Business Process Reviews

The Organisation & Information Systems Unit undertook a review of the processes, systems and organisation of a number of Units within the Department, specifically the operation of the Work Permits Sections and the Registry of Friendly Societies. A number of recommendations for changes were proposed and have either been implemented or are in the course of being implemented.



## EU Affairs

The Department set up an EU Affairs Section in November, 1999 to operate in conjunction with a cross-departmental Committee on European Affairs. The objective of the establishment of the Section is to establish a departmental point of contact and representation on cross-divisional EU issues, to address cross-cutting issues and tactical co-ordination of EU Council activity and wider EU issues impacting on the Department, such as the Intergovernmental Conference and Enlargement of the EU.

## Information Technology

A programme of education and awareness in relation to IT applications and facilities in use in the Department was developed, to familiarise staff with the full functionality available on systems and IT applications, and was delivered over a two-month period.

The Year 2000 project for the Department and its agencies was developed, managed and successfully implemented by the deadline imposed by Government of 31 July 1999. The project was a success in that no hardware or software problems were experienced over the millennium period.

New systems were developed in the Patents Office for the administration of Patents and Trade Marks and in the Registry of Friendly Societies for the administration of the statutory and financial returns of Credit Unions, Industrial and Provident Societies, Friendly Societies and Trade Unions. Both systems went live towards the end of 1999.

A web based application, to facilitate the delivery to the Department over the Internet of financial statutory returns from the Insurance Industry, was developed. It will go live in time for the receipt of the statutory returns of Insurance companies for the year 1999.

## Security

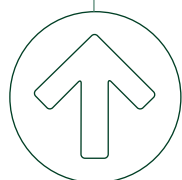
The Department reviewed the security procedures for access to all its buildings and placed a contract for the design and installation of new security systems in a number of sites. The new systems will go live in the first quarter of 2000.

## Objective 5 (ii)

To provide a programme of training and development for the Department's staff

### Staff Training and Development

In addition to the Senior Management Development Programme, development programmes for grades up to and including HEO were ongoing during 1999. A Personal Development programme which focused on personal effectiveness and communication skills was attended by Cleaners, Service Officers/ Attendants and Clerical Staff.





Departmental staff participants on the Autumn 1999 Springboard - Women's Development Course

A modular management development programme designed to develop staff management skills which was introduced in 1998, continued through 1999.

### Women's Development Programme

In September 1999 a women's development programme known as SPRINGBOARD was introduced on a pilot basis in the Department. Springboard is a training and development programme specifically devised for women.

The purpose of the programme is partly to act as a career springboard for women who want to improve their career prospects and help them achieve their full potential; it is also about personal development. Thirty female officers up to and including the grade of HEO participated in the pilot programme, which ran over three months. It is hoped to run a further programme later in the year 2000.

## Objective 5 (iii)

To continue to improve and streamline our financial controls and upgrade our Financial Management Systems

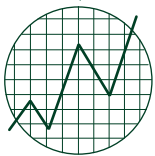
### Finance Unit

In 1999 the Finance Unit

- Continued to facilitate the delegation of administrative responsibility to Offices of the Department by providing the necessary financial framework to operate autonomous budgets. Arrangements have been made to extend the provision of autonomous budgets within the Administrative Budget, to the Labour Court and the recently established Office of the Director of Corporate Enforcement in 2000.
- Implemented and refined a new travel policy to meet the Department's travel requirements.
- Extended read only access to the financial management system to Departmental staff members so as to facilitate improved budget control and monitoring by line management.
- Participated in the establishment and management of a Public Service-wide project under the Strategic Management Initiative (SMI) to develop new enhanced financial management systems and practices, which will support the SMI process throughout the Public Service.

### Financial Outturn

Provisional figures for 1999 indicate that the Department had a gross outturn of £831.803m and income of £16.571m leaving the net outturn at £815.232m.



The Administrative Budget provisional outturn was £23.313m of which salaries accounted for £16.821m. (72.2%)

### Internal Audit

Internal Audit in the Department was restructured during 1999. The previously separate EU Structural Funds Audit function and the Internal Audit function were combined into an expanded Internal Audit Unit. Additional staff were assigned and the Internal Audit Unit is now becoming fully operational.

The Unit has two primary roles:

1. Departmental expenditure of Exchequer funding -The Unit is to provide independent assurance to the Accounting Officer (Secretary General of the Department) as to the adequacy of the Department's internal control systems.

Work has commenced on re-activating this internal audit activity. A comprehensive Audit Needs Assessment will be undertaken of all activities within the remit of the Department, with a view to formulating a multi-annual audit plan and a detailed annual audit programme.

2. EU Structural Funds (The Department has primary responsibility for European Social Fund expenditure).

Resulting from an agreement with the Financial Controller of the European Commission in 1998, the Unit has substantial audit obligations in relation to ESF expenditure.

In early 1999, an extensive audit plan was agreed with the European Commission, which provided for systems based audits to be carried out on a selection of ESF measures, implemented across a variety of Government Departments and agencies. This audit activity was undertaken by the Unit and by internal audit units in other Departments and agencies responsible for ESF expenditure.