



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



**Annual Report 2011**



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## Foreword by the Minister for Jobs, Enterprise and Innovation, Richard Bruton, T.D.

This is the first Progress Report presented to me as the Minister for Jobs, Enterprise and Innovation



by the Secretary General of the Department of Jobs, Enterprise and Innovation. I came to the Department following the change of Government in March 2011. In order to emphasise the importance of Jobs to this Government, the Taoiseach renamed the Department and put Jobs upfront in my title and that of the Department. The creation and protection of jobs is now at the heart of my Department's Strategy.

Since coming to office in March 2011, I have worked with my Ministerial colleagues, Minister John Perry, T.D., Minister for Small Business and Minister Seán Sherlock, T.D., Minister for Research and Innovation, along with the Secretary General and his predecessor and all the staff of the Department to deliver on the Programme for Government commitments that come within our remit, as well as developing a Statement of Strategy which covers the period to 2014.

There was a great deal of work done during 2011, including the Jobs Initiative which was a plan for the first 100 days in office and the Action Plan for Jobs. Staff in the employment rights and industrial relations area worked on a large modernisation and rationalisation programme of the various institutions, processes and procedures for our workplace relations functions, and this work continues apace.

I am aware also that much of the day to day work in my Department does not catch the headlines but is really important in maintaining high standards in our enterprises. Many of the staff of the Department fulfil statutory roles, functions and obligations as well as providing support to the Business Units and in the area of corporate governance.

I would like to take this opportunity to thank all the staff in the Department, Offices and the Agencies under its aegis who have worked hard and continue to work hard to drive and implement our policy objectives. I am aware that many of our objectives require cross Government and Departmental support and I would like to express my appreciation for the efforts of my colleagues in Government, staff in the public sector and those in the wider community who have helped us towards achieving our mission of supporting the creation of good jobs through the promotion of a competitive business environment in which enterprises will operate to high standards and grow in sustainable markets.

Richard Bruton T.D.

Minister for Jobs, Enterprise and Innovation

## Introduction by John Murphy, Secretary General, Department of Jobs, Enterprise and Innovation

I am very pleased to introduce the Annual Report 2011 for the Department of Jobs, Enterprise and Innovation. This report fulfils, in a formal way, my obligation under the Public Service Management Act 1997 to provide annual progress reports to the Minister on the implementation of the Statement of Strategy.



Like the Minister, I too joined the Department in 2011. My predecessor, Seán Gorman, worked up until his retirement to implement the Programme for Government and to develop a Statement of Strategy 2011-2014. It is against this Strategy, which encompasses the relevant Programme for Government commitments, as well as the commitments in the Public Service Reform Plan (published on 17 November 2011) and the revised Memorandum of Understanding that Ireland has with the EU and IMF, that I now report progress against.

During 2011, a number of changes in the Department's structure and organisation occurred, with the transfer elements of the Trade Promotion function to the Department of Foreign Affairs and a change of name from the Department of Enterprise, Trade and Innovation to the Department of Jobs, Enterprise and Innovation to reflect a renewed emphasis on jobs. A Competitiveness and Jobs Division was established within the Department to drive both these important agendas and to assist the Minister in his work on the Jobs Initiative and the Action Plan for Jobs.

Many of the building blocks for 2012 were put in place during 2011. In 2011 we worked on drafting legislation to strengthen competition law. Very significant progress was made also to modernise the workplace relations institutions, processes and procedures with an emphasis on making it easier for our customers to access and have their employment rights and entitlements vindicated.

I too would like to take this opportunity to thank all the staff in the Department, its Offices and Agencies for their continued hard work. Together with our colleagues across Government and our various stakeholders, we will continue to work to improve the business environment in a way that supports enterprises to reach their potential. This will, we believe ensure that the framework for job retention and creation is in place. Looking forward we will continue to work on achieving our strategic mission and goals to deliver on our mandate for all citizens.

John Murphy

Secretary General

# Mission

To support the creation of good jobs by promoting the development of a competitive business environment in which enterprises will operate to high standards and grow in sustainable markets.

## Our Strategic Programme Goals

In line with the Programme for Government and to achieve our mission, we have set ambitious strategic programme goals.

### **Championing Enterprise:**

Make Ireland the best small country in which to do business and enlist the widest possible support within and outside government for this goal.

### **Improving Competitiveness and Access to Finance:**

Regain the competitive edge necessary to underpin a successful, small, open economy.

### **Enterprise Development and Jobs:**

Maximise jobs growth especially through the development of a strong indigenous enterprise base, the attraction of foreign direct investment, and the development of cross enterprise networks.

### **Increasing Exports:**

Support enterprises to achieve challenging export targets.

### **Regulation:**

Make markets, including labour markets, work more efficiently through smart regulation which encourages innovation, keen competition, high standards of compliance and consumer protection but without unnecessary regulatory costs.

### **Innovation:**

Develop a broad-based innovation strategy to make our enterprises more competitive.

### **Developing Sectors with Potential:**

Prioritise sectors of opportunity and systematically remove obstacles and develop enabling policies.

## Main achievements in 2011 towards achieving our Strategic Programme Goals

Our strategic programme goals are reflective of a range of commitments contained in the Programme for Government, the Public Service Reform Plan, the Public Service Agreement and the Troika Agreement on the Programme for Support for Ireland with the EU/IMF. Some of the main activities that were undertaken by the Department and its agencies during 2011 that contributed to the delivery of our strategic programme goals are set out in this Report.

### Championing Enterprise

The strategic programme goal for *Championing Enterprise* is to make Ireland the best small country in which to do business and enlist the widest possible support within and outside Government for this goal.

Achieving this goal involves intensive engagement with other Departments on a range of issues across Government, and at EU level, which are central to the success of this strategy.

The Department has a leading role on key Government objectives, including creating job opportunities, reducing the burden of red tape on business, enterprise supports, the research and innovation agendas, trade policy, competitiveness challenges, and access to finance for business.

At EU level, the Department has the lead and coordination role in respect of the Competitiveness, Employment, Social Affairs and Trade Councils, and leads Ireland's representation at the World Trade Organisation (WTO), the International Labour Organisation (ILO), and the World Intellectual Property Organisation (WIPO). Our engagement at EU level is particularly significant in the context of the preparations for Ireland's Presidency in the first half of 2013.

### Jobs Initiative May 2011

Our mission requires us to support the creation of good jobs, and our strategic programme goals are all aimed at supporting this overarching objective. The Government's Jobs Initiative, May 2011, was aimed at stimulating demand while supporting job creation and retention. The Jobs Initiative contained a number of measures that fall under the remit of this Department and which contributed to fulfilling our mission. These new initiatives included the creation of a temporary partial credit guarantee scheme, development of a micro-finance loan fund and the extension of 15 day prompt payments to all Government Bodies (excluding commercial semi-state bodies).

The Jobs Initiative also contained commitments to a major reform of the system of Employment Regulation Orders and Registered Employment Agreements, to continue with the work aimed at reducing the administrative burden on the business community and to tackle costs in sheltered

sectors of the economy. In addition, an Irish Diaspora finder's fee scheme was announced. In furtherance of the commitment to promote greater access to procurement opportunities for SMEs, the Department established a Steering Group of relevant players in the public procurement area.

## Development of the Action Plan for Jobs

In July 2011, Minister Bruton signalled his intention to prepare a Jobs Plan. The Department and its agencies worked with the Minister on this project during the latter part of 2011. This included consulting with a range of other Government Departments and industry representatives. The Plan, containing over 270 actions to be implemented in 2012 by all 15 Government Departments as well as 36 State Agencies, aims to improve the operating environment for businesses and remove barriers to employment creation across the economy.

The Action Plan for Jobs complements the wider reforms (for example, bank restructuring and public sector reform) needed to accelerate economic growth and get the country working again. The Action Plan has set a target of supporting the creation of 100,000 net new jobs over the period by 2016, with the longer term objective of having two million people in work by 2020 as part of the Government's goal of making Ireland the best small country in which to do business. Retaining existing jobs, as well as creating new ones, is an integral objective of the Action Plan.

The Plan is accompanied by a detailed list of milestones that are required to implement each action. It identifies the Government body responsible for the implementation of each action and the timeframe within which each measure is to be delivered. The Department of Jobs, Enterprise and Innovation has a key role in the monitoring of the implementation of the actions through its representation on, and co-chairing of, the Action Plan for Jobs Monitoring Committee with the Department of An Taoiseach.

## Overseas Trade Events

During 2011 The Minister for Jobs Enterprise and Innovation, Richard Bruton TD led two IDA sponsored investment missions to the United States.

- (i) West Coast of the United States from June 12<sup>th</sup> to June 17<sup>th</sup>
- (ii) Boston and New York from October 30<sup>th</sup> to November 4<sup>th</sup>

The primary objective of the visits was to market Ireland as an ideal business location for US companies wishing to invest or increase their investment overseas. It was also an opportunity to further enhance and develop the relationships Ireland has with US companies who already operate here.

During the programme, Minister Bruton met Chairpersons, CEOs and other senior executives of leading companies across all sectors. Over the two visits, the Minister held individual meetings with 41 separate companies, 22 on the West Coast and 19 between Boston and New York.

Since those meetings took place, there have been IDA announcements in respect of 11 of those companies with the potential to create in excess of 1,000 jobs. However, it is not possible to establish a direct relationship between the number of jobs created or investment secured in any one year to discussions/marketing undertaken in that year. The business of FDI generation is a complex



process that takes place over a period of time and is not necessarily completed immediately following the Investment Mission.

Some of the companies which the Minister met have substantial and valuable activities in Ireland and those meetings focused on retaining, expanding and further embedding the employment footprint here. For companies who do not have a presence in Ireland the focus was to underpin Ireland as the location for their proposed investment activities against intense competition from other locations around the world.

## Preparation for the EU Presidency 2013

2011 saw the Department commence preparations to take over the Presidency of the European Union in January 2013. Of particular importance to the Department are the Competitiveness, Research and Development, Employment and Trade agendas. We will be working through the relevant EU Council formations to ensure that the Presidency can be used to advance measures which will promote jobs and sustainable economic growth in Europe.

Of the current Council of Ministers formations, this Department has lead responsibility for three of them, namely:

- Competitiveness Council (Research, Industry and Internal Market issues)
- Employment, Social Policy Health and Consumer Affairs Council.
- Foreign Affairs Council (Trade)

These Councils are supported by or linked to a range of Council chaired and Commission chaired Working Groups, advisory Groups and implementing Committees. Officials of the Department attended these meetings on a regular basis throughout the year.

## Improving Competitiveness and Access to Finance

Sustainable economic growth depends on maintaining national competitiveness. Ireland's competitiveness is a key determinant of our ability to sell goods and services in the global market and to attract inward investment.

Our strategic programme goal for *Improving Competitiveness and Access to Finance* is to regain the competitive edge necessary to underpin a successful, small, open economy.

Access to finance is essential for the development of a strong indigenous enterprise sector and for a return to growth in the domestic economy. It is also vital to promote competitive markets across the services that are critical to business and champion smarter regulation.

## SME Access to Public Procurement Contracts

As part of its commitments under the Programme for Government and the Jobs Initiative, the Department established and chaired a Steering Group in July 2011 to examine how to improve access to public procurement for small to medium enterprises. The Steering Group consisted of key

stakeholders in the procurement area, including the Department of Public Expenditure and Reform, the National Procurement Service (NPS), Enterprise Ireland and InterTradeIreland. The Group's task was to consider the obstacles faced by small business when tendering for public contracts and to identify actions to address these obstacles.

The Steering Group developed a series of measures for inclusion in the Government's Action Plan for Jobs. These included a Procuring Innovation Initiative that provides opportunities for SMEs to provide innovative solutions to public sector requirements and the development of supply chain opportunities for SMEs through the establishment of panels of sub-contractors.

## Credit Guarantee Scheme

Work on the development of a Temporary Partial Credit Guarantee Scheme took place during the year and, following a series of stakeholder meetings a completed design was approved by the Government on 22<sup>nd</sup> November 2011. The Government gave approval for the Department to issue an Invitation to Tender for an Operating Body for the Scheme to allow for the roll out of the Scheme in 2012. The Department also commenced the preparation of primary legislation (the Credit Guarantee Bill) to make the necessary statutory provision for the scheme during 2011.

The Guarantee Scheme provides for potential additional lending of up to €150m per annum to eligible SMEs. The Scheme addresses -specific market failures that inhibit banks from lending to some commercially viable micro, small and medium enterprises by providing a 75 percent State guarantee to banks against losses on qualifying loans.

## Microenterprise Loan Fund Scheme

On 24<sup>th</sup> November 2011, the Government sanctioned the establishment of a Microenterprise Loan Fund and the allocation of €10m as seed capital for the fund. It was anticipated that this would lead to approx €100mm in additional micro-enterprise lending to the benefit of approximately 5,000 businesses over a 10 year period. The Fund provides loans of up to €25,000 for start-up, newly established, or growing microenterprises with viable business propositions which do not meet the ordinary risk criteria applied by banks.

## Enterprise Ireland Seed and Venture Capital Programme 2011

A report on the Enterprise Ireland Seed and Venture Capital Programme showed that despite a continuing challenging economic climate for business, Irish venture capital firms, supported by Enterprise Ireland, made 131 investments in 93 companies with a value of €60m in 2011. This marked a 43 per cent increase on the value of investments in 2010. This was a significant result, mirroring the strong performance by Irish exporters in 2011 and the increase in the number of innovative start up enterprises supported by Enterprise Ireland during the year.

## Extension of the 15-Day Prompt Payment Rule

The Government committed under the EU/IMF Programme of Support to extend the 15 day prompt payment rule to the Health Service Executive, Local Authorities, State Agencies and all other public sector bodies by June 2011. Valid invoices received on or after 1<sup>st</sup> July 2011 have to be paid within 15 days. The Government also approved a quarterly reporting obligation for Departments and public sector bodies to facilitate transparency and monitoring of payments' performance.

Under the new arrangements, parent Departments are required to publish on their websites quarterly composite reports covering those bodies under their aegis. The individual bodies covered by this arrangement are also required to publish their own quarterly reports on their websites. This Department publishes the returns for all government departments on a quarterly basis. The returns of the state agencies under the Department's remit are also published quarterly.

## Industrial Relations Reform of the JLC/REA

Our strategic programme goal for Improving Competitiveness and Access to Finance is to regain the competitive edge necessary to underpin a successful, small, open economy. One of the mechanisms to achieve this is to ensure that statutory wage setting processes are responsive, flexible, fair and fit for purpose. An independent review of the Joint Labour Committee (JLC) and Registered Employment Agreement (REA) statutory wage setting mechanisms was initiated in February 2011 and was undertaken jointly by Kevin Duffy, Chairman of the Labour Court acting in an ad hoc capacity, and Dr. Frank Walsh, School of Economics, UCD, under specific terms of reference.

The review was a commitment under the EU/IMF programme that provided for, not only agreement on the terms of reference, but also follows up discussions with the European Commission on the programme of actions arising. The main conclusion of the Review was that, although the basic framework of current JLC/REA regulatory system should be retained, the system required radical overhaul so as to make it more responsive to changing economic circumstances and labour market conditions.

The Industrial Relations (Amendment) (No. 3) Bill 2011 was published in December 2011. The purpose of the Bill was to implement reforms to the JLC and REA wage setting mechanisms agreed by Government. The Bill was designed to address the recommendations for reform contained in the Duffy/Walsh report aimed at radically overhauling the system so as to make it fairer and more responsive to changing economic circumstances and labour market conditions. The intention was also to reinstate a robust system of protection for people working in particular sectors as a response to the 2011 High Court ruling in the John Grace Fried Chicken constitutional challenge.

### **Days Lost to Industrial Disputes in 2011**

Year	Total days lost
2011	2,451
2010	6,602
2009	329,593

#### Referrals to the Labour Court

Category	2011	2010
Industrial Relations cases	807	993
Organisation of Working Time Act cases	248	279
Safety, Health & Welfare at Work Act cases	24	16
Equality cases	65	88
Fixed-Term Work Act cases	67	45
National Minimum Wage cases	24	21
Part-Time Work cases	13	10

#### Referrals to the Labour Relations Commission

Category	2011	2010
Conciliation- Referrals	1,155	1,193
Advisory – Projects	70	81
Rights Commissioner Referrals	9,207	15,671
Total Referrals & Projects	10,432	16,945

## Enterprise Development and Jobs

A thriving enterprise base benefits society by providing sustainable economic growth, sustainable job creation, and raising standards of living. Enterprise policy in Ireland is targeted to provide a supportive environment for all businesses whether they are trading locally or exporting. It includes the provision of direct and indirect supports, in compliance with EU State Aid rules, to create, attract and grow enterprises that either export or have the potential to export.

The Department plays a central role in supporting enterprise development in Ireland and is assisted in this regard by its agencies, including Forfás, Enterprise Ireland (EI), IDA Ireland, the County and

City Enterprise Boards, Shannon Development, Science Foundation Ireland (SFI), and the National Standards Authority of Ireland (NSAI).

Our strategic programme goal for Enterprise Development and Jobs is to maximise jobs growth especially through the development of a strong indigenous enterprise base, the attraction of foreign direct investment, and the development of cross enterprise networks.

## Small Business Advisory Group

The Advisory Group for Small Business was established and held its first meeting in June 2011. The Group is chaired by the Minister for Small Business, Mr. John Perry, T.D. The group facilitates structured and regular dialogue between the Minister for Small Business and representatives of the small business sector on how to promote economic development and job creation in that sector. Membership includes entrepreneurs, nominees from the main small business representative bodies and the Credit Review Office, officials from the Department of Jobs, Enterprise and Innovation as well as from the state enterprise support agencies, Forfás, Enterprise Ireland and the County and City Enterprise Boards (CEBs).

The Report of the Advisory Group for Small Business *'The Voice of Small Business: A Plan for Action'* was published on 23<sup>rd</sup> November 2011 and presented to the Taoiseach. The Report contained 57 actions across 12 broad policy areas, 34 of which were included in the Action Plan for Jobs.

## International Start-Up Fund

In October 2011, a €10m International Start-Up Fund was launched, aimed at encouraging overseas entrepreneurs to locate start-up businesses in Ireland. The fund administered by Enterprise Ireland is open to company promoters anywhere in the world, and is targeted at the Irish diaspora, particularly the "New Diaspora" (people from overseas who have previously worked or studied in Ireland), as well as serial and mobile entrepreneurs. Approximately 40 enquiries per month (at varying stages of development) were received by Enterprise Ireland during the last quarter of 2011 in relation to the Fund. As investor-ready projects are identified and developed extensive engagement with the promoters including all necessary due diligence, is carried out by Enterprise Ireland.

## Restructuring of the City and County Enterprise Boards

The Public Service Reform Plan, published in November 2011, outlined a programme of agency rationalisation which included the restructuring of the City and County Enterprise Boards. Ongoing discussions began with relevant stakeholders to consider the most appropriate form of restructuring with a view to presenting proposals to Government.

## InterTradelreland

InterTradelreland is one of the six North/South Implementation Bodies established by the Good Friday Agreement. During 2011 InterTradelreland presented detailed progress reports on its work programme to two meetings of the North South Ministerial Council in the Trade and Business

Development sectoral format. The Department, through the work of InterTradeIreland and the Interreg Programme, continued to promote the benefits of an all island economy through North/South collaboration, particularly in the areas of trade and business development.

InterTradeIreland exceeded its targets for the year, with over 2,600 firms utilising its programmes and networks to develop their cross-border business capabilities. Its activities also contributed to the creation or protection of 170 jobs in 2011. New business support programmes piloted by InterTradeIreland during the year included Innovation Challenge, Elevate and FP7 Support. InterTradeIreland's cross-border trade development programmes continued to provide a platform for small and medium sized enterprises, north and south, to develop their exporting potential which can lead to exporting off the island.

In 2011 InterTradeIreland continued to facilitate North/South collaboration in research and innovation through its new EU Research Connections Programme. It also introduced a number of other initiatives to assist firms and researchers who wanted to access research funding from the EU Framework 7 programme (FP7) and who wanted to work on a north/south basis. On a practical level this included the setting up of an EU Notice Board to assist those looking for partners in the other jurisdiction and a travel voucher to help with the costs of travelling to meet potential partners.

InterTradeIreland's activities will contribute to the actions associated with the Department's Innovation programme by building on the work of its steering group on North South collaboration to increase collaboration under the EU's FP7 and its successor Horizon 2020.

InterTradeIreland will continue to liaise closely with enterprise agencies, north and south, as well as businesses and academia, to capitalise on trade and innovation opportunities for SMEs on the island of Ireland.

## Interreg Enterprise Theme

The Interreg IVA Programme (2007-2013) for Northern Ireland, the Border Region of Ireland and Western Scotland is a European Union supported Structural Funds programme that seeks to address economic and social problems caused by the existence of borders. It supports strategic cross-border co-operation by encouraging innovation and competitiveness in enterprise, business development and tourism. This Department and the Northern Ireland Department of Enterprise, Trade and Investment (DETI) jointly consider the eligibility of projects under the enterprise theme of the Programme. The total funding available for enterprise projects is €70m.

In 2011 both Departments, in conjunction with the Special EU Programmes Body, focussed mainly on working with cross-border groups to develop and improve the quality of enterprise projects submitted for consideration. Considerable progress has been made and a number of high quality projects have been considered and approved. These include a range of business development initiatives to help build capacity in companies on both sides of the border. Some key projects include the Innovation and Growth project (aims to increase innovation activity within the SME sector), Ren-Nets (a renewable energy project) and Gateways to Growth (a supply/ buy network for SMEs).

## Increasing Exports

Export-led growth is essential for a return to sustainable economic growth and it is identified as a key component of the Programme for Government. Exports lead to sustainable job opportunities and growth in revenues for firms beyond that available from the domestic economy and have a substantial ripple effect across the entire economy in terms of jobs and tax revenues.

The Programme for Government sets out an integrated approach by Government to develop trade, tourism and investment and confirms a number of targets to be achieved by 2015. A key objective is to increase the number of new jobs directly associated with exporting enterprises by over 150,000, in manufacturing, tourism and internationally trading services, and with the creation of a similar number of new indirect jobs.

In this context, the Department's strategic programme goal for *Increasing Exports* is to support enterprise to achieve challenging export targets.

Irish exports have shown strong growth over recent years. Apart from slight declines of less than two per cent in 2008 and 2009, exports have experienced solid growth. 2011 saw an increase in exports over 2010 by 5.5 per cent, reaching a record €173bn. Services exports performed particularly well and at €81.4bn were almost 10 per cent higher than in the previous year.

Ireland's main export market for goods and services was the UK at €29.5bn followed by the US at €27.4 bn. Computer services at €32bn were the largest export category followed by medical and pharmaceutical products at €26bn and organic chemicals at €20bn. These three export categories accounted for 45 per cent of the value of total exports in 2011.

Buoyant international sales led to Enterprise Ireland's client companies achieving record levels of exports in 2011. The total export figures, at €15.2bn, exceeded the pre-recession record levels of 2008 and new export sales exceeded €2.14bn. This was the highest ever annual export gain achieved by Enterprise Ireland client companies.

While traditional indigenous Industries focused their exports on the UK and USA, Enterprise Ireland client companies are increasingly expanding their international reach, the result of which can be seen in the table below.

2011 Exports by Enterprise Ireland client companies by Territory\*

Territory	2011 Exports (€m)	Export growth
United Kingdom	€5,535	+4%
Northern Europe	€2,157	+18%
Southern Europe/ Middle East and Africa	€1,706	+8%

USA / Canada	€1,684	+16%
Germany/ Central Eastern Europe/ Russia	€1,599	+28%
Asia / Pacific	€978	+17%
Latin America	€139	+61%
Rest of World**	€736	+22%

\*excludes Dairy Board Exports

\*\* rest of world includes overseas markets unspecified by Enterprise Ireland clients

Building on the exceptionally strong export performance in 2011, Enterprise Ireland is partnering with its client companies to harness the, as yet, under-exploited potential of the BRIC countries (Brazil, Russia, India and China) and the Middle East. Enterprise Ireland is also working to help companies grow exports in the significant markets of the UK, Eurozone and North America. Enterprise Ireland is intensely targeted on activities that can retain and grow jobs in Ireland as well as to increase exports overseas.

The important trade promotion activity of our development agencies is underpinned by longer term strategic trade policy. Lowering international trade barriers gives our exporters more opportunities to benefit from globalisation. Thus, trade policy aims to expand international market access opportunities for our exporters, especially indigenous SMEs. This includes advancing ambitious EU bilateral free trade agreements with important trading partners, such as that recently concluded with South Korea, and moving forward with new trade liberalisation arrangements under the WTO, including its Doha development agenda.

## Regulation

A well-functioning, robust and proportionate regulatory environment is a fundamental part of Ireland's competitive offering. International benchmarking statistics reveal that Ireland imposes a relatively low burden of regulation on business and that Ireland's regulatory environment is one of the more progressive and supportive environments for enterprise.

An effective and constructive regulatory environment must be supported through better business regulation, promoting competition and consumer rights, appropriately regulating enterprises, ensuring employment rights are protected and ensuring that workplace relations are well-managed including through the provision of the workplace relations machinery of the State. Further improving and modernising the regulatory environment provides an opportunity for Ireland to develop a competitive advantage which will foster and encourage the growth of enterprise on a sustainable basis.



The Department has a number of Offices and Agencies with regulatory remits namely, the Competition Authority, the National Consumer Agency (NCA), the Office of the Director of Corporate Enforcement (ODCE), the Companies Registration Office (CRO), the Registry of Friendly Societies (RFS), the Irish Auditing and Accounting Supervisory Authority (IAASA), the National Employment Rights Authority (NERA), the Employment Appeals Tribunal (EAT), the Labour Relations Commission (LRC), the Labour Court, the Health and Safety Authority (HSA) the Patents Office, and the Legal Metrology Unit of the NSAI. The Department also undertakes regulatory functions itself including export licensing and employment permits.

Our strategic programme goal for Regulation is to make markets, including the labour markets, work more efficiently through smart regulation which encourages innovation, keen competition, high standards of compliance and consumer protection but without unnecessary regulatory costs.

## Chemicals and Related Sectors

The chemicals industry and related sectors are an important component of the Irish economy, with the Irish pharm-chem and ICT sectors accounting for almost 60% and 8.6% of Ireland's merchandise exports in 2011. EU Regulations such as REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and Classification, Labelling and Packaging (CLP) require ongoing work at EU-level on implementation, review and amendment. The Department, with expert support from the Health and Safety Authority, services these demands. During 2011, the Department and the Authority were also involved in EU Council Working Party negotiations on the Seveso III Directive 2012/18/EU (Control of Major Accident Hazards); an amendment to the EU Detergents Regulation (No. 259/2012), and a "recast" of the EU Rotterdam Regulation (No. 649/2012). The Department and the Health and Safety Authority worked very closely together in 2011 to strive to maximise the support provided by the Authority to Irish manufacturers, importers and end-users as companies worked to comply with existing regulatory obligations and prepare for the next REACH registration deadline (1 June 2013).

The Department continued developing and refining the legislation within its remit to ensure it addressed current regulatory challenges in an appropriate and proportionate way while not imposing unnecessary burdens on business. The following were the key developments in 2011.

### Companies Bill (formerly known as the Companies Consolidation and Reform Bill)

In May 2011, the first instalment of the new Companies Bill was published on the Department's website <http://www.djei.ie/commerce/companylawreview/companiesbill.htm>. This comprises 15 parts that applies to a private company limited by shares (CLS), which is the main category of Irish companies. Work also continued during 2011 on drafting the other 10 parts of the Bill, which will contain additional provisions that will apply to other types of companies, such as the private designated activity company (DAC) and the public limited company. The legislation, which is likely to comprise some 1,450 sections, is expected to represent the largest piece of legislation in the history of the State. It is the most significant reform in Irish company law since 1963 and consolidates the 15 existing Company Acts as well as a significant number of statutory instruments and court

judgments. When enacted, the legislation will make it less expensive and easier to start a business in Ireland.

## Industrial and Provident Societies (Co-operatives)

In June 2011, Minister Bruton secured Government approval to draft legislation and press ahead with reforms to ease the regulatory burden on co-operative societies and make it easier to start up and run a co-op as an alternative form of enterprise organisation.

## Competition (Amendment) Bill 2011

Under the terms of the EU/IMF Programme of Financial Support for Ireland the Government was required to bring forward legislation to strengthen the enforcement of competition law. The Competition (Amendment) Bill 2011 was published on 29th September 2011 and commenced passage in the Houses of the Oireachtas in 2011. The legislation provides a more effective deterrent and an improved sanctions regime for those who engage in price-fixing, cartels, abuse of dominant position and other anti-competitive practices.

## Consumer and Competition Bill

The Government gave its approval in July 2011 to the formal drafting of the Consumer and Competition Bill. The legislation will primarily allow for the merger of the National Consumer Agency and the Competition Authority as well as making a number of other changes to competition and consumer law.

## Report of the Sales Law Review Group

In October 2011, Minister Bruton launched the report of the Sales Law Review Group. The Review Group was chaired by Professor Robert Clark and included legal academics and practitioners along with representatives of consumer and business interests. Its report made over a hundred recommendations for changes to the legislation governing the sale of goods and supply of services. The Minister indicated his intention to enact a comprehensive Consumer Rights Act that would give effect to many of the Group's recommendations.

## Code of Practice for the grocery goods sector

A facilitator was appointed to engage with stakeholders in the grocery goods sector in relation to the development of a voluntary Code of Practice. The report that was published in July 2011 provided an opportunity to seek the views of interested parties and the public on the draft Code. Following this consultation, Minister Bruton re-iterated his intention to introduce a statutory Code to regulate particular practices in the grocery goods sector. An enabling provision to allow the Minister to introduce such a Code by way of Regulations will be included in the Consumer and Competition Bill.

## Reducing administrative burdens

During 2011, the Department and its Agencies continued to focus on reducing administrative burdens on business, with a reduction of almost 18 percent achieved for the year. With savings of €52m having already been achieved in 2010, a further reduction of €146m was realised by December 2011, bringing the overall reduction for the Department to almost 24 percent this amounts to annual savings for business of around €198 million.

Details of the 2011 initiatives are as follows:

- In Health & Safety Law, a total of €117.5 million in annual administrative savings for business was delivered by the Health & Safety Authority via two key projects: the BeSMART online tool for preparing the Risk Assessment and Safety Statement (€53.5m) and the SMP20 Guidelines (€64m), which assist construction firms with fewer than 20 employees in establishing and maintaining an effective safety management system.
- In Company Law, clarification was provided in relation to company letterheads and abridged accounts, yielding potential savings of €28.6m.

A cross-Government project to measure and reduce administrative burdens, building on previous work in the area, was initiated in September 2011; the project involves seven Government Departments and Revenue and aims to reduce administrative burdens on business by 25 percent by the end of 2012. Each participating Department has responsibility for measuring the relevant administrative burdens arising from the legislation under its responsibility. It must then plan how it will achieve the remaining reductions to reach the target and report to Government with its Simplification Plan. Consultants were engaged to provide training for Departments in the Standard Cost Model, an internationally recognized method of measuring administrative burdens on business. The project is being coordinated by the Department's *Business Regulation Unit* which provides operational support to Departments as they carry out the measurement exercise.

The High Level Group on Business Regulation continued to deal with specific administrative burden issues brought to its attention by business and to clear the path for their simplification. Also, focus groups with business identified a need to help SMEs to access the main regulations affecting them more easily; as a result work began on a Business Regulation portal to address this need. The portal <[www.businessregulation.ie](http://www.businessregulation.ie)> was launched in 2012 and provides links to regulatory Departments and Agencies, their guidance, tools and contact points.

## Business Regulation Portal

Consultation with business focus groups identified a need to help SMEs to access the main regulations affecting them more easily; as a result work began on a Business Regulation portal to address this need.

## Reform of the workplace relations structures

During 2011, Minister Bruton announced his intention to reform the structures and procedures of the State's Employment Rights and Industrial Relations. As currently construed, the system operates through a number of Employment Rights bodies: the Employment Appeals Tribunal, the Labour

Relations Commission, the National Employment Rights Authority, the Labour Court and the Equality Tribunal, which comes within the remit of the Department of Justice and Equality. Extensive work on this major reform programme was undertaken in 2011.

## Temporary Agency Work legislation

A Bill designed to give effect to an EU Directive on temporary agency work was published in December 2011. The Bill followed on from a public consultation and discussions with the Trade Unions and Employer organisations on the content of the legislation.

It refers to the principle of equal treatment in terms of basic working and employment conditions for agency workers as those employees recruited directly by the hirer to do the same or a similar job.

## Supporting Government initiatives

The Companies Registration Office (CRO) completed a major database upgrade to ensure that the platform supporting the electronic register is more stable, faster and performs better. The new platform will facilitate companies and presenters in making returns to the CRO by way of e-filing and the system will deliver faster response times and cope better with the filing peak which arises annually in September and October. The CRO also extended its e-Reminder system to automatically issue reminders and non-statutory notices by email rather than post. This has resulted in a more efficient service for customers and significant savings for the CRO.

	2010	2011
New Companies registered	14,013	14,615
Business Names registered	28,089	26,600
Total submissions	373,515	380,662
Information Unit		
Phone calls answered	77,000	73,000
E-mails answered	9,500	9,000

The Health and Safety Authority continued in 2011 to improve and refine its bespoke electronic inspection management system (Geosmart) and also continued the roll out of 'BeSmart' – its free online risk assessment tool - to help small and medium business reduce costs associated with complying with health and safety law.

## Economic Migration and Employment Permits

In order to assist the filling of key skills gaps (which cannot be filled from within the EEA) through the issuing of employment permits, Green Card and Intra-company Transfer Permits were processed consistently within the target of 15 working days during 2011. While there were some delays in relation to the other permit types in the early part of 2011, due to the introduction of the new Employment Permits Management system and the utilisation of other efficiencies, this target figure was attained for those permit types by year end. 5,200 Employment Permits issued in 2011, of which 3,184 were new permits and 2,016 renewal permits. In 2011 work began on modernising Employment Permits Legislation through consolidation of the 2003 and 2006 Acts to create a legal framework for economic migration policy that is appropriate to evolving economic conditions.

Year	Issued			Refused	Withdrawn	Awaiting processing (backlog)	Live Permits existing
	New	Renewal	Total				
2011	3184	2016	5200	1007	201	377	16,265
2010	3394	3877	7271	990	199	999	18,987

## International Obligations

### International Labour Organisation (ILO)

Departmental officials participated in the 100th International Labour Conference of the ILO in June 2011. The June Conference resulted in the adoption of the ILO Convention and recommendation on Decent Work for Domestic Workers (ILO Convention No. 189). This is a new International labour standard which is aimed at ensuring decent work for domestic workers.

### Council of Europe

The Department leads on the coordination of Ireland's representation in relation to the Social Charter at the Council of Europe. A key element of this role is co-ordinating responses from a range of government departments to queries from the Council of Europe regarding Ireland's implementation of various Council of Europe instruments. Departmental officials attended the Council of Europe plenary meetings in March and October to represent Ireland's position in respect of a range of matters.

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

The Department is responsible for co-ordinating employment related matters arising at the EU Employment, Social Policy, Health and Consumer Affairs Council (EPSCO). To this end, the Employment and Social Policy Ministers met seven times during 2011.

Formal Councils adopted reports and Council conclusions on the Annual Growth Strategy and Joint Employment Report, the Guidelines for the Employment Policies of the Member States, the European Platform against Poverty and Exclusion, and the Social Dimension of EU2020. The Council debated the Europe 2020 Strategy and the Country Specific Recommendations, endorsed the joint

opinion of the Employment Committee (EMCO) and the Social Protection Committee (SPC) on the Examination of National Reform Programmes, (EMCO's Employment Performance Monitor) and the EMCO opinion on the Agenda for New Skills and Jobs. The Council debated EPSCO's contribution to the European Council of 9 December on Implementation of the Europe 2020 strategy in the field of employment and social policy. The Council exchanged views on demographic change and family policies and it adopted conclusions on reconciling work and family life in the context of demographic change. The Council adopted conclusions on the Social Open Method of Coordination, tackling child poverty and promoting child well-being and on supporting the implementation of the European disability strategy 2010-2020. Council discussed the ESF 2014-2020 and co-ordination of social security systems and had a policy debate on the European Globalisation Adjustment Fund.

Informal Councils in Hungary and Poland debated better ways of integrating young people into the labour market and on employment-friendly recovery in EU markets and strategies to facilitate the employment of young people including the Commission flagship initiatives 'Youth on the Move' and 'An Agenda for New Skills and Jobs'.

Ministers discussed means of increasing the effectiveness of pro-active employment policies through competition in the field of services for the unemployed and jobseekers, and solidarity between generations. The Presidency Trio format engaged with the European Social Partners and the Social Platform for a general exchange of views.

## Export Control

Export-led growth is essential for a return to sustainable economic growth and is identified as a key component of the Programme for Government. Therefore, specific controls on international trade are unusual. However, movements of military and dual-use goods comprise one significant exception to this rule.

These exceptions to the principle of free trade and open markets are of real importance to the Department. The security, regional stability and human rights concerns which underpin export controls are of paramount importance, and the Department takes its responsibilities in this regard very seriously. Therefore, export control is an area in which the Department's strategic aim of supporting and facilitating trade plays a secondary role to the safeguarding of the principles underpinning the need for export controls.

The Department issued 454 export licences in 2011. This figure is comprised of 343 individual dual-use licences, 39 global dual-use licences and 72 military licences.

<b>Export Licences</b>	<b>2011 issued</b>	<b>2011 Value</b>	<b>2010 issued</b>	<b>2010 Value</b>
Industrial dual-use	343	€1,148M	715	€1,279M
Military	72	€27M	98	€24M
Global dual-use	40	€6,073M	66	€209M

### Import Licensing

Licensing Unit continued to implement rules governing the issue of import licences for goods subject to EU quantitative restrictions and surveillance measures. Imports of iron and steel products continued to be subject to principal EU legislation as set out in relevant Council and Commission Regulations.

	<b>2011 issued</b>	<b>2010 issued</b>
Imports	230	179

### Brokering Licences

The Control of Exports (Brokering Activities) Order 2011 was made pursuant to Section 3 of the Control of Exports Act 2008 and came into effect on 1<sup>st</sup> May 2011. It imposes a licensing requirement in respect of brokering activities relating to goods and technology on the EU Common Military List as set out in the Schedule to the Order.

## Innovation

Strategic investment in science, technology and innovation is one of the Government's infrastructure investment priorities. In order to realise the return on investment in this area, issues to be addressed include startup risk, embedding innovation throughout the economy, the need for collaboration between industry and research providers and the need to bring the outputs of research and innovation activity to the marketplace. Ireland must develop an economy renowned for high productivity and high innovation. The guiding principle underpinning this aim is that excellence in research and translation into economic output is a key engine to accelerate Ireland's economic recovery and the achievement of sustainable growth.

Our strategic programme goal for *Innovation* is to develop a broad-based innovation strategy to make our enterprises more competitive.

Achieving this goal requires us to maintain the standards in Research that Ireland has worked hard to achieve, support innovation in indigenous Irish enterprises, and build innovative capacity in the FDI sector. It also involves ensuring that the business environment supports innovation, and seeking to explore and exploit international linkages.

## Establishing priorities for investment in publicly funded research

The independently constituted Research Prioritisation Steering Group presented its report to Ministers Bruton and Sherlock in November 2011. The context to the Report was that while Government policy in the area of research and innovation has served Ireland well over the last decade, it is now appropriate to move towards a more top-down, targeted approach.

The Steering Group recommended 14 areas that should receive the major part of public investment because of their potential to deliver jobs and other economic and societal benefits. It also recommended that science and technology, and certain integrating infrastructure that is required to support the priority area, should also be supported.

## Strategy for Science, Technology and Innovation (SSTI) Indicators Report

The guiding principle of the Strategy for Science, Technology and Innovation is that excellence in research and increased innovation in the enterprise sector can help accelerate Ireland's economic restructuring and help us to get back on the path of sustainable growth. The Third Progress Report on SSTI 2006–2013 was published in November 2011. This report breaks new ground in providing specific data on key indicators for monitoring progress on investment in science, technology and innovation and the quantifiable returns on that investment to date. The report also includes an overview of the range of activities being undertaken by government departments and state agencies charged with delivering on implementation of the Strategy.

Overall good progress continues to be made with respect to the key targets and objectives in the SSTI. This is a notable achievement given the adverse impact of the economic crisis on the goal of



increasing public research and development investment significantly in both proportionate and absolute terms on a continuous basis over the lifetime of the National Development Plan to 2013.

## Intellectual Property

### Copyright Review

An independent Copyright Review Committee was established in May 2011 to examine the Irish copyright framework to identify areas that might be deemed to create barriers to innovation and to make recommendations to resolve any problems identified. The 'fair use' doctrine was also to be examined to see if it would be appropriate in an Irish/EU context.

It conducted an initial consultation including a public meeting during the summer of 2011. In the region of 100 written submissions from a broad spectrum of interested parties were received.

### Intellectual Property Protocol

During 2011, proposals for a National Intellectual Property Protocol were significantly developed. The intention was to set out the Government's policies to encourage industry from start-ups, small and medium enterprises to multinational corporations, to benefit from the research and development done in Ireland's public research institutions.

The IP Protocol complements the Research Prioritisation Report and is part of a suite of actions being taken by the Government to enhance the economic return from State investment in research, by encouraging the commercialisation of all forms of intellectual property arising from research in the publicly funded research sector.

Following an open competitive tender process in late 2011, consultants were selected to undertake a feasibility study to examine what structures and policies could be developed to make Ireland a world centre for managing and trading in intellectual property (IP).

The objectives of the study were to identify and describe the emerging trends in IP Portfolio Management in corporations globally, and taking account of such global emerging trends, to identify options and models for Ireland to leverage its existing strengths to become an internationally attractive centre for managing and trading in IP, such that this could realise an economic and jobs potential.

## Enterprise Ireland

### Supports to enhance innovation

Supports to indigenous companies to enhance innovative performance continued to be a priority in 2011 as a driver for Irish companies to gain a competitive edge and win in world markets.

In 2011, the programmes delivered by Enterprise Ireland supported the building of research and innovation capacity with companies, promoted linkages between industry and the third-level research base and provided commercialisation supports.

### Driving industry-led research and development (R&D)

In 2011, 743 Enterprise Ireland client companies were engaged in significant research and development projects (spending over €100k per annum), while over 54 companies were involved in substantial research and development projects (spending over €2m per annum). This spend was supported by grants of over €26m. Some 52 companies availed of Innovation Partnership funding to support a collaborative project between each company and a research team in higher education. At the other end of the scale, small companies availed of some 518 Innovation Vouchers in 2011, to help them solve a technical or business challenge.

The Technology Centre programme, which Enterprise Ireland runs jointly with IDA Ireland, was expanded in 2011 with the launch of manufacturing and energy efficiency technology centres, while existing centres were supported in the areas of bio-energy, IT innovation, applied nanotechnology, composite materials, microelectronics and food for health. The Technology Centre Programme supports the development of close interactions with companies and transferring knowledge and skills of direct relevance to business.

With funding from the Department of Jobs, Enterprise and Innovation and the Department of Communications, Energy and Natural Resources, Enterprise Ireland also supported the International Energy Research Centre, managed by a joint-agency project team, made up of Enterprise Ireland, IDA Ireland, Science Foundation Ireland and the Sustainable Energy Authority of Ireland.

During 2011, 139 collaborative R&D projects were undertaken by third level research groups supported by Enterprise Ireland. These collaborative research programmes support research activity among companies that could not carry out such research on their own.

In 2011, Enterprise Ireland continued to support Ireland's 13 Applied Research Enhancement (ARE) Centres, based in Institutes of Technology around the country. These centres completed 139 industrially relevant projects for companies in 2011.

There are 22 Business Incubation Centres on higher education campuses throughout Ireland. These centres, supported by Enterprise Ireland, host about 320 companies that employ more than 1,400 people.

### [Maximising the return from State-funded research](#)

During 2011, Enterprise Ireland continued to work with other funding agencies, such as IDA Ireland, Science Foundation Ireland, the Higher Education Authority and research bodies to increase the commercialisation of publicly funded research. 2011 saw 118 pieces of commercially valuable technology being licensed to industry and the creation of 31 new spin-out companies.

Enterprise Ireland's Commercialisation of Research Fund provides supports for academic researchers to take research outputs with commercial potential and bring them to a point where they can either be transferred into industry or spun out into a new start-up company. In 2011, Enterprise Ireland approved support for 77 commercially focused academic research projects under this Fund.

### [Enterprise Ireland supports for new start-up companies](#)

In 2011, Enterprise Ireland supported 93 new high-potential start-ups, approving €20.4m in funding. These are ambitious companies, with highly innovative products and business development strategies that will enable them to carve out a place in global markets, driving jobs, growth and

export sales. In addition, there were 19 follow-on investments in high potential start-ups, valued at €3m.

In 2011, 82 Enterprise Ireland-backed entrepreneurship programmes took place that identified and supported prospective high-potential start-ups. This programme provides participants with the business skills, contacts, mentoring and support to potentially transform their innovative ideas or technologies into exporting businesses.

## National Standards Authority of Ireland (NSAI)

As the European trade infrastructure continues to emerge through the New Approach Directives and Harmonised Standards, the ability to influence the content of standards is of significant benefit to Ireland. The potential opportunity for Irish-based companies to engage in product and service development and export-led trade is growing as technical barriers to trade are reduced.

During 2011, the National Standards Authority of Ireland (NSAI) facilitated over 50 committees with in excess of 1,500 experts who gave their time freely to ensure Ireland's contribution is represented in the international standards committees. The number of standards documents published by NSAI during 2011 increased by over 20 per cent to approximately 2,000, including 1,400 new standards.

NSAI also launched the "Your Standards Your Say" portal enabling Irish companies to comment and influence the direction of standards.

"Excellence through People" (ETP) is a standard that helps organisations improve performance and achieve business goals through their employees. It is the only quality standard dedicated to the role of people and their impact on business. "Excellence Through People" provides a step-by-step guide to help companies enhance their business. In late 2011, Minister Bruton approved the transfer of the ETP scheme from FÁS to the NSAI, thereby securing the future of the scheme within NSAI's certification and conformity assessment function.

## Ireland's Participation in EU and International Research Programmes

In addition to directly supporting research and development, Enterprise Ireland assists, supports and encourages public and private researchers and research teams to avail of international funding. In 2011, some €93m in European Union Research and Technology Development (Framework 7) funding was secured by Irish organisations, including client companies, multinationals and third level research institutions.

Enterprise Ireland also works to increase the value of European Space Agency (ESA) contracts placed with Irish companies. The total value of ESA contracts placed in Ireland in 2011 was €10m, with industry accounting for over 84 per cent of the return.

### Research excellence

During 2011 Science Foundation Ireland (SFI) continued to facilitate research excellence in the fields of biotechnology, ICT and energy efficient technologies through a range of targeted award programmes. Throughout 2011 SFI maintained funding supports to a cohort of 2,995 researchers and 28 top-class research centres. 2011 saw a further 19 per cent increase in the number of linkages with industry as SFI-supported researchers collaborated with a total of 583 companies (246 multinational companies and 337 SMEs). This increase highlights SFI's role in creating an

environment which retains jobs in Ireland while also creating new opportunities for high-value employment. SFI funded researchers also leveraged non-exchequer funding of just over €90m during 2011.

The SFI focus on research excellence helped Ireland to maintain its Top 20 placing in the scientific world rankings, thereby enhancing Ireland's global reputation and profile as a research-performing nation. This was also a contributory factor in the capacity of IDA Ireland to attract new clients with a research, development and innovation (RD&I) component which, in 2011, amounted to approximately €700m. This compares to the 2010 wins of €500m.

A major development in Ireland's research ecosystem during 2011 was the initiation of Cycle 5 of The Programme for Research in Third-level Institutions (PRTL) which is administered on behalf of the Department by the Higher Education Authority. PRTL Cycle 5 sees a combination of exchequer, private and EU funding totalling approximately €350m across a number of key strategic areas for enterprise and societal development in Ireland. The areas being supported are medical technologies, pharmaceuticals/biopharma, ICT, energy and the environment, transnational research biosciences/biomedical, food and drink, humanities and social sciences, engineering, physics and chemistry. The 18 PRTL infrastructural projects being supported under PRTL Cycle 5 provide employment for approximately 2,000 construction jobs. In addition a cohort of 350 top-class researcher positions are being supported over the next four years through a series of PRTL funded Structured PhD and emergent technology programmes which are very much industry focussed.

### [EU Research and Innovation](#)

In February 2011 the European Commission launched a public consultation on its proposals for European funding for research and innovation in the next multi-annual period beginning in 2014. The Department arranged for preparation of a national response through the Advisory Council for Science, Technology and Innovation and this was delivered to the Commission in May 2011. The Commission's proposals, Horizon 2020 were published in November 2011 and many aspects of the proposals were in line with our national priorities.

### [Establishing priorities for investment in publicly funded research](#)

Throughout 2011, a high level group advanced a national exercise to identify a number of priority areas and/or approaches to national challenges/opportunities to focus the Government's investment in research and development in the years ahead.

## [Developing Sectors with Potential](#)

Pharma & chemicals, ICT, and international financial services are examples of sectors which now provide significant employment in Ireland, contribute substantially to exports and have attracted many of the world's leading companies to locate in Ireland over the last two decades. While these sectors will continue to play an important role in the Irish economy, it is also important to seek to catch the next wave of emerging sectors so that Ireland benefits from the creation of sustainable long-term jobs. This involves targeting new sectors actively, and urgently identifying and removing obstacles that may stand in the way of such opportunities.

Our strategic programme goal for *Developing Sectors with Potential* is to prioritise sectors of opportunity and systematically remove obstacles and develop enabling policies.

Sectors which have been identified as holding significant potential for Ireland include Health LifeSciences & medtech, “silver” technology, cloud computing, digital economy & media services, the video games sector (especially digital gaming), and the green economy (especially Cleantech).

## Irish Development Authority (IDA) Ireland

2011 saw a strong performance in the level of foreign direct investment (FDI) won by Ireland. IDA client companies created over 13,000 new jobs in 2011, up 20 per cent on the previous year’s level of 10,897, increasing the total number of those employed directly by IDA client companies to almost 146,000.

There was an overall increase of 17 per cent in the number of investments from IDA client companies in 2011 and, despite the current global economic situation and a strong increase in international competition, there was a record number of 148 new investments won during the year across all industry segments. Most encouragingly, there was an increase of 30 per cent in the number of companies investing in Ireland for the first time.

## Shannon Development

The Shannon Free Zone, which is managed by Shannon Development, is home to over 100 companies employing over 7,700 people and generating almost €3 billion in annual sales, more than 90 per cent of which are to export markets. In 2011, 406 new jobs were created at the Shannon Free Zone. While overall employment at the Zone fell by three per cent, it should be noted that almost 90 per cent of these job losses were the result of downsizing and not closures, enabling Shannon Development to continue working with these companies to identify new market opportunities.

## Cloud Computing

In June 2011, Minister Bruton established an expert group to explore the opportunities and challenges presented by cloud computing for both business and Government. The Group’s report will contain recommendations to ensure that there is a supportive regulatory environment for both users and providers of cloud computing services.

## South East Forum

Following the job losses at the Talk Talk call centre in Waterford in September 2011, Minister Bruton launched the South East Action Plan in December 2011. The Plan contains specific actions to address the unemployment problems affecting the South East region, including greater co-operation and collaboration between all the various stakeholders across the South East region. The Minister intends to maintain ongoing engagement with the stakeholders to monitor the implementation of the proposals in the Plan.

## Delivering Strategy and Managing Change

The Department's ambition is to become a pioneer of best practice in the Civil Service in setting and delivering on performance targets. The importance of this is underlined by the fact that we are seeking to achieve our strategic goals against a background of a significant decline in staff and financial resources.

Throughout 2011, the Department engaged in intensive interactions with key stakeholders, including Ministerial strategy meetings with the Heads of the Department's Offices and Agencies to develop the Statement of Strategy 2011-2014, which has the creation and protection of jobs at its heart. The seven high level Goals and associated activities detailed in the Strategy are aimed at ensuring that the Department delivers on a broad agenda of change and reform across the full range of its portfolio. Many of the reforms are intended to improve the efficiency and effectiveness of the operation of the Department. The following illustrative examples indicate the progress that has been achieved to date; all travel payments and salaries for Departmental staff are paid by Electronic Fund Transfer (EFT); an online collaborative forum was established for ICT staff in the Department and its Agencies to maximise the potential for information sharing; an information gathering exercise to investigate collaborative opportunities for joint procurement and/or shared services was carried out.

In 2011 Internal Audit continued to support strong governance by implementing a risk based audit schedule including the review of liaison with agencies and offices under the aegis of the Department, payment controls, IT, achievement of value for money in procurement and knowledge management.

### ICT initiatives

The Department has continued to develop its ICT services to support the policy development and delivery functions of the Department. A number of core systems were upgraded to ensure continued system stability and support availability, as well as delivering new functionality to enhance productivity. A programme of rationalising the diversity of technologies supported continued, which will allow service levels to be maintained in spite of on-going pressure on financial resources. In addition, the Department has been engaging with the Department of Public Service and Expenditure to progress the move of systems to shared services.

Work commenced on the development of a new website platform, which will be used to host Departmental websites and deliver modern content management capabilities, including content reuse, integration with social media tools, and ease of use by non-technical staff. A secure data transfer tool for trademark agents was put in place to facilitate the electronic transmission of trademark applications to the Patents Office. Also during the year a new eForm was deployed to support applications to the Employment Appeals Tribunal.

### Better Human Resource Management

The Department is fully aware of the central role that staff play in delivering on the Strategy and achieving goals. Given the ambitious programme of change, managing that change was a constant challenge that required commitment and support at all levels. Appropriate human resource policies

were required to motivate staff and to manage performance. These human resource policies needed to reflect best practice and to encourage staff to be responsive, flexible and adaptable. In furtherance of this aim the following are some of the initiatives that occurred in 2011: an attendance management policy was implemented, guidelines on the management of Flexible Working Arrangements were implemented; a pilot workforce planning project to develop workforce planning techniques was initiated; a review of Work-life Balance policies and flexible working policies in the Department was conducted and recommendations proposed.

In accordance with the Employment Control Framework for the Department and its offices, staff numbers reduced by 4.5 per cent from 870 to 831 in 2011, while pursuing the same business objectives. To achieve this there was greater flexibility in the use of staff, for example surplus clerical staff were assigned to the Department's switchboard, which resulted in cost savings due to a reduction in the need for outsourced telephonists.

### FOI activity

In 2011, the Department processed 72 applications under the Freedom of Information Acts and all of these requests were processed within the prescribed statutory time limits.

## Appendix 1

### Balance Sheet as at 31 December 2011

	2011	2010
	€000	€000
<b>Capital Assets</b>	7,498	8,882
<b>Capital Assets under Development</b>	552	546
	<b>8,050</b>	<b>9,428</b>
<b>Current Assets</b>		
Bank and cash	37,596	3,827
Stocks	279	375
Prepayments	442	439
Accrued income	883	779
Other debit balances	1,699	1,752
<b>Total Current Assets</b>	<b>40,899</b>	<b>7,172</b>
<b>Less Current Liabilities</b>		
Accrued expenses	647	405
Deferred income	1,668	1,243
Other credit balances	18,774	3,804
Net liability to the Exchequer	20,521	1,775
<b>Total Current Liabilities</b>	<b>41,610</b>	<b>7,227</b>
<b>Net Current Liabilities</b>	<b>(711)</b>	<b>(55)</b>
<b>Net Assets</b>	<b>7,339</b>	<b>9,373</b>
<b>Represented by:</b>		
<b>State Funding Account</b>	<b>7,339</b>	<b>9,373</b>



## Vote 34 Department of Jobs, Enterprise and Innovation Appropriation Account 2011

Service	2011 Outturn	2010 Outturn
€000	€000	€000
<b>Administration</b>		
A.1. Salaries, wages and allowances	28,107	31,268
A.2. Travel and subsistence	816	860
A.3. Training and development and incidental expenses	673	635
A.4. Postal and telecommunications services	823	914
A.5. Office equipment and external IT services	3,419	4,429
A.6. Office premises expenses	1,062	1,035
A.7. Consultancy services and value for money and policy reviews <sup>1</sup>	139	158
A.8. Advertising and publicity	154	143
A.9. Office of the Director of Corporate Enforcement	3,397	3,674
A.10. Labour Court	2,442	2,412
A.11. National Employment Rights Authority <i>Value for money and policy reviews<sup>1</sup></i>	6,642 -	6,935 5
<b>Enterprise Development, Science and Technology</b>		
B.1. Forfás - Grant for administration and general expenses	34,683	35,505
B.2. Forfás - Pension payments arising from the Financial Measures (miscellaneous provisions) Act 2009	9,777	9,046
B.3. InterTrade Ireland	6,638	7,848
C.1. IDA Ireland - Grant for administration and general expenses	37,377	39,240
C.2. IDA Ireland - Grants to Industry	84,841	90,460
C.3. IDA Ireland- Grant for industrial property		
	<i>Original</i> 1,000	
	<i>Supplementary</i> 10,000	
D.1. Enterprise Ireland - Grant for administration and general expenses	11,000	1,000
D.2. Enterprise Ireland - Grant to Industry		
	<i>Original</i> 78,923	
	<i>Supplementary</i> (12,000)	
D.3. Enterprise Ireland - Grant for capital expenditure	54,800	80,123
	1,000	850

E.1.	Shannon Free Airport Development Company Limited - Grant for administration and general expenses	-	-
E.2.	Shannon Free Airport Development Company Limited - Grants to Industry		
		<i>Original</i> 3,600	
		<i>Supplementary</i> 2,001	5,600
E.3.	Shannon Free Airport Development Company Limited - Pension payments arising from the Financial Measures (Miscellaneous Provisions) Act 2009	2,751	2,834
F.1.	Science and Technology Development Programme	302,659	292,132
F.2.	Dublin- City of Science	932	370
F.3.	Programme for research in third level institutions (PRTLII) <sup>2</sup>	57,856	-
G.	County Enterprise Development	29,957	31,091
H.1.	Monitoring and evaluation of EU Programmes	16	-
H.2.	INTERREG Enterprise Development	1,512	1,379
I.	National Standards Authority of Ireland - Grant for administration and general expenses	6,336	7,338
	<i>Research and Development Activities</i> <sup>2</sup>	-	27,500
	<i>An tUdarás Um Ard-Oideachas- Building Grants and Capital Costs for Universities and Colleges, Institutes of Technology, designated Institutions of Higher Education and Research and Development (Grant-in-Aid)</i> <sup>2</sup>	-	13,700
<b>Labour Force Development</b>			
L.	Enterprise Ireland - Temporary Employment Subsidy Scheme - Cash Limited	4,250	93,353
	<i>FÁS Administration and general expenses</i> <sup>3</sup>	-	44,310
	<i>FÁS Training and integration</i> <sup>3</sup>	-	22,184
	<i>FÁS Employment Programmes</i> <sup>3</sup>	-	127,831
	<i>FÁS Capital</i> <sup>3</sup>	-	2,029
	<i>FÁS- Pension payments arising from the Financial Measures (Miscellaneous Provisions) Act 2009</i> <sup>3</sup>	-	8,151
	<i>Grant to Irish National Organisation for the Unemployed</i> <sup>3</sup>	-	52
	<i>Operational Programme for Human Resources Development - Technical Assistance</i> <sup>3</sup>	-	362
	<i>ESF- Community Initiatives fund</i> <sup>4</sup>	-	5,845

### Employment Rights and Industrial Relations

N.	Labour Relations Commission - Grant for administration and general expenses	4,959	5,108
O.1.	Grants for Trade Union Education and Advisory Services	874	805
O.2.	Workplace Innovation Fund Promotion of Partnership	255	307
P.	Trade Union Amalgamations	-	15

### Commerce, Consumers and Competition

Q.	Grant to the Competition Authority	3,621	4,551
R.1.	National Consumer Agency - Grant for administration and general expenses	5,499	5,578
R.2.	National Consumer Agency - Grant for financial information and education functions	1,622	-
R.3.	Consumer Support	-	29
S.1.	Companies Registration Office and Registry of Friendly Societies - Grant for administration and general expenses	7,463	7,897
S.2.	Irish Auditing and Accounting Supervisory Authority (Grant-in-Aid)	1,442	1,282
S.3.	Personal Injuries Assessment Board	55	57

### Health and Safety

T.	Health and Safety Authority - Grant for administration and general expenses	19,828	20,059
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### Other Services

U.	Research	1	25
V.	National Framework Committee for Work/Life Balance Policies	-	54
W.	Subscriptions to International Organisations, etc.	17,855	17,457
X.1.	Commissions, Committees and Special Inquiries	207	299
X.2.	Miscellaneous payments	78	356
X.3.	Superannuation and Pensions for Members of the Labour Court, the Restrictive Practices Commission	587	561
X.4.	Export Credit Insurance - Refund to the Exchequer	7	32

### Gross Expenditure

		<i>Original</i>	
		<b>900,469</b>	
	<i>Supplementary</i>	<b>1</b>	<b>844,612</b>
			<b>1,151,165</b>
	<b>Deduct</b>		
Y.	<b>Appropriations-in-Aid</b>	<b>56,085</b>	<b>81,724</b>

<b>Net Expenditure</b>	<i>Original</i>		
		<b>844,840</b>	
	<i>Supplementary</i>	<u>1</u>	
		<b>788,527</b>	
			<b>1,069,441</b>
<b>Surplus for the year</b>		€	€ 41,824,150
		<b>56,314,575</b>	
<b>Deferred surrender</b>		€	-
		<b>18,125,000</b>	
<b>Surplus to be surrendered</b>		€	€ 41,824,150
		<b>38,189,575</b>	

<sup>1</sup> Subheads for Consultancy Services (A.7) and Value for Money and Policy Reviews (A.12) amalgamated with effect from 1 January 2011 and are now shown as a single subhead (A.7).

<sup>2</sup> The capital elements and the current elements of the PRTL programme were shown separately in 2010, and are now merged into a single subhead (F.3).

<sup>3</sup> Service transferred to the Department of Education and Skills with effect from 1 May 2010.

<sup>4</sup> Subhead retired on 31 December 2010.

## Appendix 2

### Bills Published in 2011

Patents (Amendment) Bill 2011

Competition (Amendment) Bill 2011

Protection of Employees (Temporary Agency Work) Bill 2011

Industrial Relations (Amendment) (No. 3) Bill 2011

A regulatory impact analysis was conducted and published for each of these Bills.

## Appendix 3

### Statutory Instruments made in 2011

S.I. No.709 of 2011 European Communities (Artist's Resale Right) (Amendment) Regulations, 2011

S.I. No. 712 of 2011 Dangerous Substances (Retail and Private Petroleum Stores) (Amendment) Regulations, 2011

S.I. No. 685 of 2011 European Communities (Statutory Audits) (Directive 2006/43/EC) (Amendment) Regulations, 2011

S.I. No. 491 of 2011 Competition Act 2002 (Section 10) (Commencement) Order, 2011

S.I. No. 487/2011 — Company Law Enforcement Act 2001 (Section 110) (Commencement) Order, 2011

S.I. No. 380 of 2011 European Communities (Transnational Information and Consultation of Employees Act 1996) (Amendment) Regulations, 2011

S.I. No. 349 of 2011 European Communities (Carriage of Dangerous Goods by Road and use of Transportable Pressure Equipment) Regulations, 2011

S.I. No. 346 of 2011 - European Communities (Intra-Community Transfers of Defence-Related Products) Regulations, 2011

S.I. No. 331 of 2011 National Minimum Wage Act 2000 (Section 11) (No. 2) Order, 2011

S.I. No. 316 of 2011 European Communities (Calibration of Tanks of Vessels) Regulations 1976 (Revocation) Regulations, 2011

S.I. No. 314 of 2011 European Union (Restrictive Measures) (Syria) Regulations, 2011

S.I. No. 310 of 2011 European Communities (Machinery) (Amendment) Regulations, 2011

S.I. No. 306 of 2011 European Communities (Mergers and Divisions of Companies) (Amendment) Regulations, 2011

S.I. No. 248 of 2011 Chemicals (Asbestos Articles) Regulations, 2011

S.I. No. 242 of 2011 Enterprise, Trade and Innovation (Delegation of Ministerial Functions) (No. 5) Order, 2011

S.I. No. 241 of 2011 Enterprise, Trade and Innovation (Delegation of Ministerial Functions) (No. 4) Order, 2011

S.I. No. 237 of 2011 European Union (Restrictive Measures) (Eritrea) Regulations, 2011

S.I. No. 213 of 2011 Employment Regulation Order (Retail Grocery and Allied Trades Joint Labour Committee), 2011

S.I. No. 203 of 2011 European Union (Ecodesign Requirements for Certain Energy-related Products) Regulations, 2011

S.I. No. 117 of 2011 European Union (Restrictive Measures) (Libya) Regulations, 2011

S.I. No. 113 of 2011 Companies (Auditing and Accounting) Act 2003 (Prescribed Persons) Regulations, 2011

S.I. No. 102 of 2011 Chemicals Act (CLP Regulation) Regulations, 2011

S.I. No. 86 of 2011 Control of Exports (Brokering Activities) Order, 2011

S.I. No. 79 of 2011 Patents (Amendment) Rules, 2011

S.I. No. 74 of 2011 European Union (Restrictive Measures) (Iran) (Amendment) Regulations, 2011

S.I. No. 73 of 2011 European Union (Protection of Consumers in Respect of Timeshare, Long-Term Holiday Product, Resale and Exchange Contracts) Regulations, 2011

S.I. No. 72 of 2011 Competition Act 2002 (Section 34(11)) (National Transport Authority) Order, 2011

S.I. No. 71 of 2011 European Communities (Restrictive Measures Against Certain Persons and Entities Associated with Usama Bin Laden, The Al-Qaida Network and The Taliban) (Amendment) Regulations, 2011

S.I. No. 63 of 2011 Enterprise, Trade and Innovation (Delegation of Ministerial Functions) (No. 3) Order, 2011

S.I. No. 62 of 2011 Enterprise, Trade and Innovation (Delegation of Ministerial Functions) (No. 2) Order, 2011

S.I. No. 61 of 2011 Enterprise, Trade and Innovation (Delegation of Ministerial Functions) Order, 2011

S.I. No. 45 of 2011 European Union (Restrictive Measures) (Iran) Regulations, 2011

S.I. No. 41 of 2011 Personal Injuries Assessment Board (Fees) (Amendment) Regulations, 2011

S.I. No. 14 of 2011 European Communities (Safety of Toys) Regulations, 2011

S.I. No. 13 of 2011 National Minimum Wage Act 2000 (Section 11) Order, 2011

S.I. No. 412 of 2011 European Union (Restrictive Measures) (Libya) Regulations, 2011

S.I. No. 413 of 2011 European Communities (Restrictive Measures) (Democratic Republic Of Congo) (Amendment) Regulations, 2011

S.I. No. 415 of 2011 European Communities (Restrictive Measures Against Certain Persons and Entities Associated with Usama Bin Laden, The Al-Qaida Network and The Taliban) (Amendment) (No. 2) Regulations, 2011

S.I. No. 535 of 2011 European Communities (Intra-Community Transfers of Defence Related Products) (Amendment) Regulations, 2011

S.I. No. 725 of 2011 European Union (Restrictive Measures) (Afghanistan) Regulations, 2011

S.I. No. 726 of 2011 European Union (Restrictive Measures) (Syria) (Amendment) Regulations, 2011

S.I. No. 727 of 2011 European Communities (Restrictive Measures) (Democratic People's Republic of Korea) Regulations, 2011