



Programme for Government:
Annual Report 2012

Year 1: Stability

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Government for National Recovery 2011-2016



March 2012

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1. Foreword

Year 1: Stability

On March 9th 2011, this government was formed using our secure and stable mandate to create a secure and stable Government. We made a commitment to the Irish people to approach the crisis facing Ireland as an opportunity for change.

After a year in government, we believe we've made a solid start. The economy has been stabilised but there is a long way to go.

In publishing this Annual Report, we are providing a transparent account of progress made to date in stabilising our economy and reforming how our country works. Significant progress has been made across all Government Departments. This Report only lists those decisions or actions that have, in our view, been fully or substantially delivered to date and that are making a real impact on the citizens of this country.

This Report also identifies areas where it has not been possible to make as much progress as we had hoped.

Preparation of the report has been led by the Department of the Taoiseach. This in itself is the result of a commitment in the Programme for Government to transform the Department of the Taoiseach into the strategic heart of Government, which drives forward delivery of the Programme commitments and key Government priorities.

This Government inherited an enormous and unprecedented economic challenge but as set out in our Programme for Government we have been determined in meeting this challenge head on:

- On entering government, we immediately set about stabilising our economy and finances. Decisive action had to be taken on bank restructuring and recapitalisation. This has led to stabilising the banking system and has freed up lending capacity at substantially less cost to the taxpayer than was budgeted for by the previous Government;
- An urgent priority when we took office was the restoration of Ireland's international standing and reputation. Through a proactive programme for re-engagement with our European colleagues, the United States and other countries we have seen Ireland being clearly differentiated from other countries facing economic difficulties. This has resulted in rising international and investor confidence, leading to a strong flow of investment decisions by multinational companies, which create real jobs for Ireland.
- We succeeded in cutting the cost of the IMF-EU bailout loans by over €9 billion and in improving confidence in the long-term sustainability of Ireland's public finances;

- We exceeded our deficit reduction targets in 2011, and have agreed a credible deficit reduction plan to 2015 that protects growth and jobs;
- Crucially, we have stabilised the live register through the Jobs Initiative, the establishment of NewERA and the Strategic Investment Fund. We will drive delivery of the Government's Action Plan for Jobs and Pathways to Work strategies, which have given effect to the vast majority of the Government's commitments in relation to job creation and reducing unemployment.

We took action to protect the most vulnerable by maintaining primary social welfare rates, reversing the cut in the minimum wage, excluding 330,000 of the lowest paid from the Universal Social Charge, reducing waiting times for surgeries and hospital trolleys, and launching the National Literacy Strategy.

The progress identified to date clearly shows that the Government has focussed its attention in the first 12 months on the decisions and reforms needed to achieve economic and financial stability, which provide a platform for economic recovery and help to create jobs.

Looking forward to the next twelve months and beyond, we are determined to continue to implement our Programme for Government – to restore the public's confidence in our economy, to create more and better jobs, and to achieve a strong and sustainable economy with a view to reducing the burden felt by families and to creating a fairer society.

Many of the outstanding reforms in the Programme are ambitious and will need carefully sequenced and expertly executed delivery plans. Some will take the whole lifetime of the Government to complete.

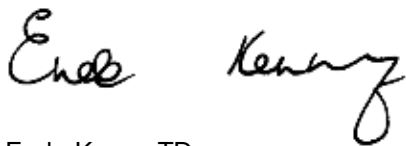
In the coming weeks, each Government Department will publish its own 3-Year Strategy Statement, giving a more detailed account of plans to deliver on the outstanding Programme commitments.

Clear Government priorities for the next year will include:

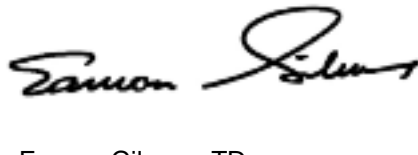
- Determined implementation across all Departments and Agencies of the Action Plan for Jobs and Pathways to Work strategies to cut unemployment, and to help create jobs, so that young people have more opportunities at home
- Giving support and hope to debt-distressed families through implementation of the Keane Report, including the most radical reforms in personal insolvency law for over a century
- Further enhancements to the IMF-EU Programme, to reduce the legacy cost of the bank bail-outs and to free up space for investment and growth
- Meeting our deficit reduction targets and putting in place credible, long-term budget rules, in a way that underpins confidence and stability and helps to free up affordable credit for SMEs and job creation
- Financing additional commercial investment in key economic infrastructures through NewERA, the Strategic Investment Fund and other non-Exchequer sources

- Building on recent reforms to the HSE by setting out a clear road-map for the introduction of Universal Health Insurance and a fairer, more efficient healthcare system for all
- Giving people their say on our system of governance and Constitutional rights through the establishment of the Constitutional Convention and the holding of referenda on Children's Rights and the abolition of the Seanad
- Progressing the implementation of our commitment to further area-based strategies to tackle child-poverty
- Protection of front-line services by modernising public sector work practices and abolishing or amalgamating Agencies

We believe the work undertaken in the last year reflects a determined government. We are determined to continue to make the right decisions to ensure Ireland remains on the path towards economic recovery.



Enda Kenny TD
Taoiseach



Eamon Gilmore TD
Tánaiste

2. Programme for Government Progress 2011-2012

A. Economy

KEY HIGHLIGHTS

FISCAL POLICY

- Successful renegotiation of the EU-IMF programme, including a reduction in the interest rate, the reversal of the cut in the minimum wage and agreement on reinvestment of the proceeds from sale of State assets for job creation
- Exceeded deficit reduction target for 2011
- A negotiated reduction in interest costs, estimated at over €10 billion

BANKING

- The stabilisation of deposits in the Irish banks
- The renewal of the bank boards and the introduction of new rules on bank directors
- Successful sale of State holding in Bank of Ireland
- A reduction on reliance on ECB funding
- Completion of bank recapitalisation at €7.5 billion less than the estimated cost, including as a result of burning junior bondholders and securing private investment
- Completion of robust, credible stress tests on the banks
- Aggressively winding down Anglo Irish Bank, by mid December, \$7.7 billion of loans sold on a broadly regulatory capital neutral basis (largest single loan sale transaction in global retail history)
- Bank deleveraging ahead of target for 2011
- The implementation of a new structure for the Irish banking system, with the creation of two pillar banks and the mergers of AIB/EBS and IBRC/INBS

STRUCTURAL REFORMS

- No increases in income tax rates
- No reduction in primary social welfare rates
- NewERA established, alongside the new Strategic Investment Fund
- Minimum wage restored
- Corporation Tax rate unchanged and protected
- significant structural reforms in areas such as the labour market and the legal services
- the ending of asset transfers to NAMA
- VAT reduced in the Jobs Initiative
- Lower rate of PRSI halved on jobs paying up to €356 per week
- Comprehensive Review of Expenditure completed and published
- Medium Term Fiscal Statement 2012-2015 completed and published
- Capital Spending Programme 2012-2016 completed and published
- USC reviewed, with nearly 330,000 people benefiting

JOBS PROGRAMME

- Action Plan for Jobs 2012 being implemented
- Pathways to Work programme for the unemployed being rolled out
- New JobBridge scheme launched – target of 5000 places reached
- Visa regime reformed to help tourism
- National Employment and Entitlement Services established
- FÁS being abolished as labour market and training services reformed
- Export Trade Council established, trade visits to all BRIC countries
- 15,900 additional education and training places provided as part of the Jobs Initiative
- Sectoral strategies in agriculture, financial services, digital gaming, cloud computing, tourism

Commitments Delivered

Banking and Re-Negotiation of the IMF/EU Programme of Support

Seek a reduction in the interest rate:

The Government secured changes to the interest rate margins on loans to Ireland from the European Financial Stability Facility (EFSF) and the European Financial Stabilisation Mechanism (EFSM) resulting in savings of some €9 billion over the life-time of the loans. When combined with proposed changes in IMF rules, this will yield total savings of €10 billion over the lifetime of the loans.

Limit the cost of bank recapitalisations to avoid further downgrades to our sovereign credit rating:

The Government cut the cost to the taxpayer of recapitalising the covered banks from an initial estimate of €35 billion in the Programme of Support to €16.5 billion, through a combination of avoiding asset firesales, burden-sharing with junior bondholders and securing private capital investment. Yields on benchmark sovereign Irish bonds more than halved between July 2011 and March 2012, and rating agencies (S&P and Fitch) have confirmed Ireland's credit rating notwithstanding decisions to down-grade other Euro sovereigns.

Create a smaller banking sector:

The Government has restructured the domestic Irish banking sector around two pillar banks – AIB and Bank of Ireland. EBS has been merged into AIB. The recapitalisation and deleveraging plans of these two pillar banks have been designed to ensure adequate credit availability for the domestic economy. Anglo Irish Bank and Irish Nationwide have been consolidated into Irish Bank Resolution Corporation, and the wind-down of this recovery vehicle is proceeding on schedule. Overall, the Government is ahead of schedule in its efforts to shrink the size of the covered banks in line with the needs of the

economy – over €40 billion has been deleveraged, and the 2011 target has been exceeded by €5 billion. Reliance on Central Bank funding was reduced to €109 billion at end-2011 and a reduction of almost €50 billion from a 2011 high of €152.6 billion. The funds covered by the State Guarantee have been reduced to €100 billion.

Reduce dependence on emergency funding through utilisation of medium-term affordable financing:

The dependence on Central Bank funding has fallen at a time of heightened global financial market pressure. This includes a one third reduction in the Emergency Liquidity Assistance (ELA) used by Irish banks, with Bank of Ireland and Allied Irish Bank no longer availing of ELA.

End further transfers to NAMA:

The commitment to end further transfers to NAMA has been negotiated and met.

Ensure adequate provision of credit for SMEs:

The restructuring of the banks will allow adequate provision of credit for SMEs. In 2011, AIB and Bank of Ireland met the required targets and sanctioned €3 billion of lending to SMEs.

Dispose of the public stake in the banks:

The delivery of this commitment achieved a significant milestone with over €1.7 billion of private sector investment in Bank of Ireland putting it in 85% private ownership.

Create an integrated decision-making structure:

The establishment of the Economic Management Council (EMC) by the Government has greatly helped to integrate decision making among relevant Departments and Agencies. In July, the banking division of the National Treasury Management Agency (NTMA) was integrated into the newly created Banking Division of the Department of Finance, leading to a more streamlined and integrated structure for managing the banking crisis.

Restructure the Bank Boards:

Significant Board change has been implemented. All non-executive Directors in place on the night of the Bank Guarantee have either left or are in the process of leaving the Boards. Only 4 of the 74 bank directors in situ in September 2008 remain. In addition, a new system of fitness and probity is being operated by the Central Bank. A panel of 30 possible non-executive directors was created out of in excess of 450 expressions of interest, which were sought publically. New CEOs have been appointed to two of the Government supported banks.

Recognise the important role of credit unions:

The Commission on Credit Unions was established in May 2011 and submitted its Interim Report to the Minister for Finance on schedule at the end of September. The Commission's final report is due for completion later this month.

Support the future development of the IFSC:

The Government's Strategy for the International Financial Services Industry in Ireland 2011-2016 was launched in July 2011. It was framed on the basis of an objective to create more than 10,000 net jobs, to protect existing employment and business and to build up the sector. The IFSC Clearing House Group is charged with delivering the targets set out in the Strategy.

2011 Jobs Programme**Resource a Jobs Fund:**

The Jobs Initiative was launched on 10 May 2011. It included a range of measures across the economy aimed at job creation in areas such as tourism, transport, energy and education. It also included a number of measures aimed at providing a supportive environment for business start-ups and for businesses to grow.

Cut the 13.5% rate of VAT to 12% up to end-2013:

The Jobs Initiative provided for the introduction of a targeted second reduced rate of 9% in respect of certain goods and services mainly

related to tourism. This represented a reduction of 4.5% in the rate that previously applied. The new 9% rate remains a temporary measure designed to boost employment in the short-term – the new rate will remain in place until the end of December 2013.

Halve the lower 8.5% rate of PRSI up to end-2013 on jobs paying up to €356 per week:

As part of the Jobs Initiative the Government announced a halving in the lower rate of PRSI for new employees until the end of 2013 on jobs that pay up to €365 per week.

Minimum wage:

Government restored the minimum wage to €8.65 from 1 July 2011.

Sectoral initiatives:

The Action Plan for Jobs, launched in February 2012, sets out initiatives in key sectors, as well as horizontal measures that will support employment in the domestic economy. The Plan includes over 270 actions across 15 Departments and 36 Agencies designed to make it easier for businesses to start-up, expand, export and create jobs.

Develop new markets in emerging economies:

The Export Trade Council is the key coordinating mechanism overseeing implementation of the Government's strategy for trade, tourism and investment to 2015, which focuses on our key emerging markets as well as on our established markets. Local market plans for 2012, covering 27 priority markets, have been presented to the Council. Teams are led by Ambassadors, and comprise representatives of State Agencies on the ground.

A successful Joint Economic Commission (JEC) was held with Russia in November 2011, and preparation for JECs with China, South Korea and Saudi Arabia will aim to have the same high level of engagement from Agencies and Departments. All BRIC countries will be receiving Minister-led Trade Missions. The Taoiseach and Tánaiste will also visit China, building on the successful visit of the Chinese Vice President in February.

Programme for Government Progress 2011-2012

A. Economy

Capital works:

As part of the Jobs Initiative, the Government has targeted labour-intensive capital works, including the rehabilitation of local and national roads and school works programmes. In November 2011, we published the €17 billion *Infrastructure and Capital Investment 2012 – 2016* framework. This document outlines the Government's key areas for investment over the coming years. We have also introduced a Value for Money (VFM Code) which sets out the rules and procedures that apply to ensure that the best possible value-for-money is obtained whenever public money is being spent or invested.

Labour Market Policy

National Internship Scheme:

JobBridge was launched in June 2011 and by the end of February had already provided its target of 5,000 internships.

Improve access to higher education for the unemployed:

The Springboard initiative was launched in May 2011 and provided for 6,000 new places on higher education programmes for unemployed people. In February 2012, an additional 500 Springboard up-skilling places were provided.

A call for applicants to Springboard 2012 was announced in February. This will provide free part-time higher education places to enable unemployed people to up-skill and re-skill in areas of identified need where sustainable employment opportunities are expected to arise.

National Employment and Entitlement Service:

FÁS has been replaced with a new National Employment and Entitlement Service so that all employment and benefit support services will be integrated in a single delivery unit. This integrated service will provide a "one stop shop" for people which will integrate the payment of social welfare payments to the unemployed with the provision of services to help them find employment, education or training opportunities.

Increasing Exports

Establishment of an Export Trade Council:

The Export Trade Council was launched in September 2011 to chart a course so that our resources and expertise are marshalled in a way that supports Irish firms, of all sizes, in all parts of the country, that are trading and growing their businesses overseas. Individuals representing the private sector and exporting businesses make up approximately 50% of the Council.

'Source Ireland' portal:

Enterprise Ireland provides a 'Source a Product or Service from Ireland' service through its website.

In addition, as a means of Assisting Indigenous Business to Trade, there is a commitment under the *Action Plan for Jobs* to establish a new Potential Exporter Division to stimulate greater activity within companies across all regions and to reorient those demonstrating real growth potential.

Innovation and Commercialisation

Progressively implement the recommendations in the Trading and Investing in the Smart Economy Report:

Performance in implementing the strategy is on, or ahead of, target.

Digital Game Industry:

In October 2011, Forfás launched a report on the potential of the Digital Games sector and a plan outlining specific actions that the Government can implement to realise this potential. In line with the Action Plan for Jobs 2012, the Government will convene an R&D supports workshop to promote awareness about available R&D supports. It will also issue an enterprise-friendly guide on R&D tax credits to include examples of relevance to games companies.

National Intellectual Property protocol:

The development of this National Intellectual Property protocol is almost complete. It is listed

in the Action Plan for Jobs for delivery in Quarter 1 this year. This protocol is about helping industry to access the research done in Ireland's universities, institutes of technology and other public research institutions. It sets out the Government's policies to encourage industry to benefit from this research and describes the practical arrangements for this to happen.

Innovation Union Proposals:

The Government will continue to engage with the European Commission on all aspects of the Innovation Union Flagship Initiative. In May 2011, we submitted a detailed response to the consultation on Horizon 2020 which is a key element of the Initiative.

We have also contributed to the European Commission's consultation on the proposed European Research Area (ERA) Framework and to the development of an opinion on ERA by the European Research Area Committee.

In addition, Government has adopted 14 priority areas for research based on the recommendations of the National Research Prioritisation Exercise, thereby using research and innovation to drive job creation. On 1 March 2012, the Government launched its plan to target the majority of its core €500 million budget on scientific research every year on areas with the greatest potential for economic return.

Amendments to the R&D tax credit regime:

The main elements of changes to R&D tax credit provided for by Budget and Finance Bill 2012 include:

- allowing companies to reward key research employees by giving companies the option of transferring a portion of the credit to key talent who have been heavily involved in research;
- the first €100,000 of qualifying R&D expenditure of all firms will qualify for the tax credit and will not have to meet the requirement to be incremental to expenditure in the base year (2003), making it easier for small and medium-sized companies, in particular, to claim the credit;

- outsourcing limits are being amended to benefit small and medium-sized companies.

Supporting SMEs

Public procurement:

Following an extensive public consultation process, the Government, in January 2012, launched *Green Tenders – An Action Plan on Green Public Procurement*. This Action Plan is to assist public authorities to successfully plan and implement green public procurement.

The Action Plan for Jobs also includes a number of initiatives where the National Procurement Services (NPS) and Enterprise Ireland will play a more active role in assisting SMEs to gain access to the procurement market.

Reforms to bankruptcy legislation:

Government approved publication of the Heads of the Personal Insolvency Bill and proposals for its drafting in final legislative form to provide a new approach to dealing with insolvency. The Bill will radically reform our insolvency legislation by prescribing new mechanisms for non-judicial debt settlement in the public interest, and in the interest of both debtors and creditors. In particular, it will assist those in unexpected difficulties as a result of the current fiscal, economic and employment conditions.

Reform of Joint Labour Committee structure:

The Industrial Relations (Amendment) (No. 3) Bill was published in December 2011. This legislation will radically overhaul the Joint Labour Committee/Registered Employment Agreement wage setting mechanisms; reducing the number of JLCs from 13 to 6, and reducing the number of rates set from over 300 to a fraction of that. It has completed Second Stage in the Dáil and is currently awaiting Committee stage.

Financial Services and Credit to Business

Credit Guarantee scheme:

In line with the Action Plan for Jobs 2012, a temporary targeted partial credit guarantee scheme has been designed and will shortly be rolled out to support new lending to SMEs. When assessed, potential may exist to extend the credit guarantee scheme by including an add-in of a commercial export specific credit guarantee facility.

Microfinance start-up fund:

In line with the Action Plan for Jobs 2012, a Microfinance Loan Facility will be established to provide loans of up to €25,000, targeted at start-up, newly established, or growing micro enterprises across all industry sectors. The Government has also approved €10 million in seed capital for the Fund.

Venture capital funding:

The Development Capital Fund will be launched and marketed by the end of Q1 2012. The exchequer funding requirement for this scheme is €50 million over 10 years. The timing of actual investments under the scheme will depend on the ability of the fund managers selected from the 'expressions of interest' to raise the matching funding to 'close' their funds and to commence investing.

To date under the first public call for proposals, the National Pension Reserve Fund (NPRF) has made three investments under the Innovation Fund Ireland and the Board of Enterprise Ireland has approved three commitments to three venture capital managers.

share of this budget for Ireland along with reasonable flexibility in how these funds are used. Work will continue throughout 2012 and this is likely to be an important area in Ireland's Presidency of the EU in 2013.

Expansion and innovation in our dairy and meat sectors:

On foot of Food Harvest 2020, a new Beef Technology Adoption Programme has been introduced, which will provide participants with the knowledge and the skills necessary to reduce costs and increase profit margins on their farms. Participating farmers will be required to develop baseline metrics for their farms, and develop business plans which will enable them to set targets and track progress over the three years of the programme.

Innovation in the dairy sector has been significantly advanced by the launch of the Dairy Innovation Centre – a state/industry research collaboration to generate a pipeline of dairy based consumer products.

Promoting land mobility:

Budget 2012 included other measures aimed at improving land mobility and inter-generational transfer, including a reduction in the rate of stamp duty on agricultural land from 6% to 2%, and restructuring of the retirement relief on Capital Gains Tax to incentivise the earlier transfer of farm assets to the next generation.

Young farmers:

Ireland has successfully lobbied for the inclusion of a payment for young farmers under Pillar 1 in the European Commission's proposals for a reformed CAP.

Developing a single brand for Irish agri-food:

Bord Bia has taken a lead role in the development of a single brand for Irish agri-food, with an intensive work programme. In 2012 it is anticipated that there will be further work to refine the brand strategy in consultation with the industry.

Sectoral Strategies

GROWING THE AGRI-FOOD SECTOR

Common Agricultural Policy:

The Government has been actively participating in negotiations on CAP reform. Ireland's primary aim is to secure an appropriate overall funding envelope for agriculture under the CAP and a fair

Developing a strategy for Irish seafood:

We are working to create new jobs, and to increase economic activity and added value from this raw material in Ireland. During 2011, BIM has grant aided the creation of 260 new seafood processing jobs and a major effort is ongoing to develop the potential of aquaculture in offshore locations.

IMPROVING OUR TOURISM PRODUCT**Travel tax:**

The Government has engaged constructively with the airlines and made clear its willingness to abolish the travel tax in return for a meaningful response from the airlines which would deliver significant additional inbound traffic. In the absence of such a response to date, the tax has remained in place. However, a portion of the revenue it has produced was allocated to an initiative announced in October to boost inbound tourism. The airlines and others in the travel trade responded by contributing to the initiative such that it was possible to invest an additional €9 million to attracting tourists to the country.

Tourism Marketing Fund:

€39.4 million has been allocated to the Tourism Marketing Fund for 2012 ensuring that the business and marketing plan for Tourism Ireland for 2012 is fully resourced to meet its objectives. 2011 saw the first increase in visitor numbers in four years.

Visitor visas:

The Irish Short-Stay Visa Waiver Programme commenced on 1 July 2011. The Programme is designed to boost tourism and business, especially from emerging markets. The Programme is currently being reviewed to ensure that its potential to attract visitors from key target markets is maximised during the 2012 London Olympics. In addition, the Immigrant Investor Programme and Start-up Entrepreneur Scheme will allow people who make considerable investment in Irish jobs permission to reside in Ireland.

Develop long-haul markets:

Tourism Ireland's 2012 marketing plan includes a range of measures to encourage growth in visitor numbers from emerging long-haul markets. In January 2012, a second airline commenced a direct service from Dublin to the Gulf States improving further access to Ireland from long-haul markets. A new bilateral air services agreement between Ireland and the UAE was negotiated to further develop links. The new visa waiver regime is also being actively marketed to promote tourism into Ireland from various long-haul markets.

Tourism e-capability:

In 2011, Fáilte Ireland provided support to 2,000 tourism enterprises, to enable them to develop, maintain and internationalise their web presence.

Event tourism:

We continue to promote event tourism in Ireland. Major events which were successfully held in 2011 include the Solheim Cup, the Europa League Final, the Tall Ships, the Irish Open and the Dublin Horse Show, as well as hundreds of festivals throughout the country. A series of further events are planned for 2012 and a special allocation has been made for *The Gathering* – a year long programme of festivals and events designed to encourage the global Irish to visit Ireland in 2013 and to increase tourist numbers by 325,000. *The Gathering* will be launched internationally on St Patrick's Day.

INTERNATIONAL EDUCATION**International education:**

In March 2011, the Government launched the new "Education in Ireland" umbrella brand for marketing the Irish Higher Education and English Language Sectors internationally.

GREEN JOBS**Double funding for home energy efficiency:**

Last year, the Government allocated an additional €30 million to the Better Energy programme, bringing the 2011 budget to €90 million. In 2012, we have allocated €76 million to

Programme for Government Progress 2011-2012

A. Economy

the programme, which will support over 4,500 direct and indirect jobs.

Investment Strategy

Prioritisation of investment:

The Medium-Term Exchequer Investment Framework was launched, representing a major capital investment programme that will support thousands of jobs in the economy over the coming years.

Semi-state investment programmes:

In September 2011 the Government established NewERA, to change the way Government manages its shareholding in the semi-state sector by adopting a new portfolio approach. A specific responsibility of NewERA is to review the capital investment plans of selected commercial semi-state companies and to identify possible synergies between investment programmes of different state companies. NewERA will also work with Departments to develop and implement proposals for investment, in line with Programme for Government commitments in energy, water and next generation telecommunications.

Management of State holding:

NewERA has been established initially as a shareholder executive model to better manage the State holdings in commercial semi-states. It is responsible for corporate governance from a shareholder perspective in companies such as the ESB, Bord Gáis, EirGrid, Bord na Mona and Coillte. Following on from its initial work on investment and disposal of state assets, NewERA will also consider new models for a holding company structure which could own the shares in Irish semi-state companies.

NewERA

Strategic Investment Bank:

NewERA was established together with the Strategic Investment Fund (SIF), which will be

the forerunner of the Strategic Investment Bank. Following appropriate legislative changes regarding the NPRF's investment policy, the SIF will channel resources from the NPRF towards productive investment in the Irish economy. As well as money from the NPRF, the SIF will seek matching commercial investment from private investors, and target areas of strategic significance to the future of the Irish economy.

Irish Water:

Government approved the establishment of a Public Water Utility to take over delivery of water services from local authorities. An independent assessment and a position paper setting out Government's proposals for reform of the water services sector were published for consultation in January 2012. Government also approved funding of a universal domestic water metering programme through a commercial loan from the NPRF and procurement of the programme to be commenced by the Department of Environment, Community and Local Government.

Sale of State assets:

Government has now agreed the shape and scale of the asset disposal programme, which is now set at the more ambitious target of €3 billion. The Government has secured agreement that 1/3 of these proceeds will go into reinvestment in the economy. This programme will include the sale of:

- Bord Gais Eireann's Energy business (but not including BGE's gas transmission or distribution systems or the two gas interconnectors, which will remain in State ownership);
- Some of ESB's non-strategic power generation capacity;
- Consideration will be given to the sale of some of Coillte's assets (excluding the sale of land) and the sale of the States remaining shareholding in Aer Lingus when market conditions are favourable and at an acceptable price to Government.

Fiscal Policy

Stick to the aggregate adjustment as set out in the National Recovery Plan:

The Medium-Term Fiscal Statement (MTFS) and Budget 2012 met this commitment for the combined period 2011/2012. We have more than exceeded the deficit reduction target as a percentage of GDP for 2011.

Keep the corporate tax rate at 12.5%:

The Government remains committed to this policy and continues to defend its position at EU level.

Maintain the current rates of income tax together with bands and credits:

Income tax rates bands and credits were not changed in the Budget 2012.

Property tax reliefs:

A number of measures were delivered as part of Budget 2012 in relation to legacy property reliefs.

Minimum effective tax rate of 30% for very high earners:

The minimum effective tax of 30% for high earners is ongoing and a report from the Revenue Commissioners in respect of 2010 is awaited.

Limit the top rate of VAT to 23%:

VAT was increased to 23% in Budget 2012 and the Government reiterated its commitment to not increasing it beyond this level.

Review the Universal Social Charge:

The Government reviewed the impact of the Universal Social Charge and subsequently announced changes that help the low paid, part-time and seasonal workers in labour intensive areas like the farming and hospitality sectors. From 1 January 2012, the exemption level was raised benefitting nearly 330,000 people and assisting people to move into the labour market.

Tax exiles to make a fair contribution to the Exchequer:

The "citizenship" condition for payment of the

Domicile Levy was abolished in Budget 2012 so as to ensure that "tax exiles" cannot avoid it by renouncing their citizenship. A public consultation process on residency issues is to take place in 2012 to inform preparation for further changes in 2013.

Comprehensive Spending Review:

The Government published the *Comprehensive Expenditure Report 2012 – 2014* in December. Under the new process, Ministers and their Departments have primary responsibility for evaluating every budgetary programme for which they are responsible, including programmes delivered by Government Agencies. To inform debate, all the background documents were published so that people can access what the options and associated savings are. The Government has also committed to undertake another Comprehensive Expenditure Review from autumn 2013 to spring 2014.

Tax and Social Welfare Commission:

An Advisory Group on Tax and Social Welfare was established in June 2011. It has been asked to examine a number of specific issues and make recommendations on these, including child and family income supports, working age income supports, the appropriate unit of assessment in both the tax and social welfare codes, the interaction of the tax and social welfare codes, and issues concerning social insurance for self-employed people. Following Budget 2012, the terms of reference of the Group were extended to examine and report on the policy objectives underpinning Budget 2012 proposals regarding (i) changes in the eligibility criteria and rates of payment for Disability Allowance and (ii) the increase in the age threshold for payment of Domiciliary Care Allowance.

2. Programme for Government Progress 2011-2012

B. Reform

KEY HIGHLIGHTS

CONSTITUTIONAL

- Government decision to establish Constitutional Convention in Spring 2012
 - Referendum on Oireachtas enquires and judges pay put to the people
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DÁIL

- Legislation to reduce the number of TDs published
 - Legislation to reduce election spending limits, to limit political donations and to effectively ban corporate donations published
 - Legislation to encourage participation by women in politics published
 - Dáil sitting days increased by 44%
 - Number of Oireachtas Committees reduced by 36%
 - Dáil reforms on private members business, Friday sittings, raising of topical issues, urgent issues, enhanced role for the Ceann Comhairle
 - Ministerial cars gone, saving €4m each year
 - Enhanced role for the Oireachtas in EU scrutiny implemented, as well statements by the Taoiseach before every European Council
-

LOCAL GOVERNMENT

- Local authorities to be merged in Limerick and Tipperary, with Waterford under consideration
- Fixyourstreet.ie launched in South Dublin

PUBLIC SECTOR

- Public Service Reform Plan agreed and being vigorously implemented
- New Department of Public Expenditure and Reform created
- Department of Finance substantially restructured and experts added
- Estimates process reformed
- Huge productivity gains in the public service – numbers down and costs down
- Major transfers of staff from FAS and the Community Welfare Service into the Department of Social Protection
- Top Level Appointments Committee reformed – external Chair and majority of external members
- Public service pay capped
- Ministerial salaries reduced
- Major reform in public service pensions underway
- Fiscal Advisory Council established
- Significant developments in the area of shared services
- Programme of abolition of state agencies accelerated
- Decentralisation programme stopped and partially reversed

Commitments Delivered

The Context for Reform

Referendum on Abbeylara Judgement:

In October, the people were asked to vote in a referendum on an amendment of Article 15 of the Constitution which would confer powers on the Houses of the Oireachtas to hold inquiries into matters of general public importance. This proposed amendment was rejected.

Constitutional Amendment on Judges' pay:

The referendum to allow the Houses of the Oireachtas apply to the judiciary the same pension levy and salary reductions that have applied to related pay scales across the public service was passed by the people on 27th October. The resulting reduction in judicial pay took effect on the 1st January 2012.

Referendum on children's rights:

A proposed wording is being finalised with a view to holding a stand-alone referendum later this year. Work on supporting adoption legislation is also progressing with a view to publication alongside the Referendum Bill.

Establish a Constitutional Convention:

The Government has begun a process of consultation with opposition parties on proposals on the forthcoming Constitutional Convention.

Political Reform

Reduction in number of TDs:

The Electoral (Amendment) Act 2011 provided for change in terms of reference of the Constituency Commission to effect that the number of TDs will be reduced to between 153 and 160. A Constituency Commission was established in July 2011 with a remit to report to the Chairman of the Dáil no later than 3 months after the Central Statistics Office (CSO) publish their final report on population results. The CSO is due to publish these results in March 2012.

New legislation will then be required to address the Commission's recommendations.

Reduction of Minister's salaries):

At their first meeting, the Government agreed to reduce

- Taoiseach's pay from €214,187 to €200,000
- Tánaiste's pay from €197,486 to €184,405
- Ministers' pay from €181,283 to €169,275
- Ministers of State pay from €139,266 to €130,042.

Reduction in the number of Committees:

The number of Committees was vastly reduced from 25 to 16 when the new Committee system was established in June.

Enhanced role for the Ceann Comhairle:

An enhanced role for the Ceann Comhairle in deciding whether a Minister has failed to provide reasonable information in response to a question was introduced under the July 2011 Reforms to the Dáil Standing Orders.

We will overhaul the way politics and Government work

Protection for whistleblowers:

The Government recently published the Draft Heads of the Protected Disclosure in the Public Interest Bill 2012 which will provide a single overarching framework protecting whistleblowers in a uniform manner in all sectors of the economy while treating all parties equally and fairly within an integrated legal framework that is open and transparent.

Spending limits for all elections:

Electoral (Amendment) Act 2011 provides for reduction in spending limit for Presidential elections from €1.3 million to €750,000. Government approved drafting of Heads of Electoral (Amendment) (Referendum Spending and Miscellaneous Provisions) Bill 2012 providing for disclosure of expenditure and donations at referenda and an extension of the

spending limit period at Presidential, Dáil, European and local elections.

Limits on public donations:

Electoral (Amendment) (Political Funding) Bill 2011 provides for a reduction in the limit on political donations from €6,348 to €2,500 for donations received by a political party. For candidates or elected representatives the limit will fall from €2,539 to €1,000.

Ban on corporate donations:

Electoral (Amendment) (Political Funding) Bill 2011 provides that corporate donations of over €200 will be prohibited unless donors register with the Standards in Public Office Commission.

We will introduce a statutory register of lobbyists, and rules concerning the practice of lobbying:

As part of the process of developing this legislation, a public consultation has been held on the proposed approach to regulation of lobbyists. Over 50 submissions have been received which are currently being assessed and will be published shortly.

Establish an Investigations, Oversight and Petitions Committee:

This Committee was set up when the new Committee system was established in June 2011. In February it was agreed to give the Committees power to compel witnesses in its oversight role with the Ombudsman.

Parliamentary Petitions:

The Investigation, Oversight and Petitions Committee was established, parameters have been agreed and the Committee will start the process of receiving petitions in the coming months.

Participation by women in political parties:

Electoral (Amendment) (Political Funding) Bill 2011 includes provision that parties will face a cut of half State funding if they don't have at least 30% female and 30% male candidates at next general election. This will rise to 40% after 7 years.

Showing Leadership

Cutting the cost of Ministerial transport:

Shortly after taking office the Government agreed to changes in the provision of Ministerial transport. These changes have resulted in savings of €4 million per year.

Dáil Reform

Give Committees the power to introduce legislation:

A system under which Departments could involve Oireachtas Committees at an early stage in the development of legislation was introduced when the new Committee system was established in June. To date a number of Bills have been brought to Oireachtas Committees under this system. Examples here include the Road Traffic Bill, the Industrial Relations Bill and the Personal Insolvency Bill.

Increase in Dáil sitting time:

The number of Dáil sitting days has been significantly increased since the change of Government by reducing the length of Dáil breaks at Christmas, Easter, after bank holidays and during the summer. There have been 127 Dáil sitting days in this Government's first year in office compared with 88 Dáil sitting days in the previous year (representing an increase of 44%).

Introduce Friday sittings for Committee Reports and Private Members Business:

Under the July Reforms to the Dáil Standing Orders, Government has introduced one Friday sitting a month for backbenchers from across political parties to introduce their own Bills and debates.

Involve public representatives at an earlier stage of the legislative process:

This change has been introduced. There have already been a number of examples of this being used by Ministers.

Programme for Government Progress 2011-2012

B. Reform

Enhancing our parliamentary relationship with Europe:

The commitment to enhance the relationship with the European Parliament in conjunction with Ireland's MEPs, including regular attendance by MEPs at relevant Dáil committees was introduced when the new Committee system was established in June.

Introduce a topical issues debate:

A system of Topical Issues Debates was brought in under the July Reforms to the Dáil Standing Orders. The new system has had a very high level of participation from Ministers. The Ceann Comhairle has allowed debates on both national and local issues.

Make Dáil rules for raising urgent issues more meaningful:

This was reformed under the July Reforms to the Dáil Standing Orders. Standing Order 32 requests are no longer read out unless granted by the Ceann Comhairle.

More Effective Financial Scrutiny

Establish a Fiscal Advisory Council:

The Fiscal Advisory Council was established in June 2011 on a non-statutory basis. Legislation to put the Council on a statutory footing and ensure its independence will be included in the Fiscal Responsibility Bill, the drafting of which is being expedited in accordance with the commitment under the EU/IMF programme. The Fiscal Advisory Council is fully independent in its operations and it has committed to maximum transparency.

Cost-benefit analysis for infrastructure proposals:

As part of the Value for Money Code, a cost-benefit analysis on each project will be sent to the Central Expenditure Evaluation Unit for review prior to approval in principle by the sanctioning authority. The Central Expenditure Evaluation Unit will publish their review on their website.

Public bodies will be required to openly compete for budget resources by publishing pre-budget spending requests:

The Department of Public Expenditure and Reform published all Department's pre-Budget submissions on the website. Furthermore a series of cross cutting papers identifying other potential savings measures were also published.

Strategic Priorities and Performance Indicators:

The Revised Book of Estimates 2012 was published in February 2012 and for the first time includes performance indicators on programmes for almost every Department and Office. For the first time expenditure is not just assessed on how much is spent but on what is being delivered.

Annual Estimates cycle:

As part of the Comprehensive Expenditure Report 2012-2014, the Annual estimates cycle has been brought forward and will now be dealt with through a 'whole-of-year' process. This new process also enables greater engagement by Oireachtas Committees. These perspectives can be taken into account by Government as the Estimates allocations are considered over the remainder of the year.

The National Parliament and the European Union

Briefing by the Taoiseach in the Oireachtas before EU Council meetings:

This has been implemented and time is now allocated before and after any Council Summit for the Taoiseach to address the Dáil.

Develop outreach programmes between schools and the Oireachtas to foster a better understanding of the EU:

The *Blue Star Programme* was launched in February 2012 and will introduce participants (pupils, teachers, parents and the wider community) to the EU, what it means and how it works.

Transmission of EU documentation to the Oireachtas:

Under the Lisbon Treaty the Commission automatically sends all documents to national parliaments. In addition, as part of the EU Scrutiny Act the relevant Department provides the Oireachtas with an information note on legislative and other significant proposals from the Commission.

Europe Day:

Last year a special sitting of the Dáil was convened for Monday 9th May. The sitting focused on where the European Union should be by 2020 and what Ireland's role will be in getting there. The Government has begun work on Europe Day activities in the Oireachtas this year and we aim to build on last year's events. Details of this work will be agreed in close consultation with the Oireachtas.

Enhanced role for the Oireachtas in EU scrutiny:

The terms of reference of all sectoral Committees require each Committee to consider EU matters within the remit of the relevant Department or Departments. The EU Affairs Committee has an overarching role in considering the EU's political priorities at strategic level and will also report on the overall operation of the EU scrutiny system.

Supplement the Committee system with subcommittees:

19 subcommittees have now been established, across a wide range of areas including finance, penal reform and Dáil reform.

Oblige Minister to appear before Committees prior to meetings of the Council:

This has been in place since the Oireachtas resumed after the General Election. Committees have this power in their terms of reference and some Ministers have already appeared before their Committees.

Reforming Local Government**Re-organisation of Local Governance Structures:**

The Government decided to merge the authorities in Limerick and Tipperary. A Local Government Committee has been established to consider possible unification of Waterford City and County Councils.

Fixyourstreet.ie:

The website www.fixyourstreet.ie has been launched and is currently being piloted in the South Dublin County Council area. It is planned to expand the service to other areas during 2012.

Merge local enterprise and job support functions into a single business and enterprise unit within Local Authorities:

The Government has approved the establishment of Local Enterprise Offices in each Local Authority, supported by Enterprise Ireland, which will act as a 'one-stop shop' for micro enterprise support.

Public Sector Reform**Reduction of Public Service numbers:**

The Public Service Reform Plan contains a target reduction of 23,500 between 2010 and 2015. The 2011 targets have been met.

A Strategic Centre**Reduce the size of the Department of the Taoiseach and transform it into the equivalent of a Cabinet Office:**

A significant number of staff were transferred to the Department of Public Expenditure and Reform. In addition, a new EU Affairs Division was established, together with an Office of the Tánaiste and a Programme for Government Office.

Programme for Government Progress 2011-2012

B. Reform

Bring new talent and skills into the Department of Finance:

The Department has brought in 35 specialists in a number of key areas (economics, finance, banking and human resources) using a variety of methods such as secondment from private and public sectors as well as direct recruitment. There are plans to further augment the Department's skill levels in 2012.

Managing Performance:

A new simplified performance management development form has been implemented across the civil service for the 2012 cycle.

Open Government

Reform of top-level appointments committee:

New terms for TLAC appointees were announced in November 2011. In addition the membership of TLAC was overhauled with a chairperson and a majority of members taken from the private sector.

Waste

Establish shared back-office operations:

Shared services have been identified as a key element of the Public Service Reform Plan. The Government has agreed a strategic approach to shared services delivery; a Shared Service Manager has been appointed to the Reform and Deliver Unit in the Department of Public Expenditure and Reform.

State Bodies:

The Government will by the end of 2012, rationalise, abolish or amalgamate 48 identified Agencies; and nominate another 46 Bodies for critical review by the end of June 2012.

Empowering the Civil Service

Mobility in the Public Service:

The Government has established the Senior Public Service to centrally manage and deploy top public servants.

2. Programme for Government Progress 2011-2012

C. Fairness

KEY HIGHLIGHTS

HEALTH SERVICES

- Changes to the HSE – new board, new relationship with the Department and more direct ministerial responsibility
 - Special Delivery Unit set up to deal with problems in hospital emergency departments
 - Work on legislation for the extension of free GP care to patients on long term illness scheme, the first phase of the introduction of universal free access to GP services
 - Extra funding for mental health services
 - Extension of the cervical cancer vaccination programme
 - Consultation on Carers' Strategy to commence shortly
-

EDUCATION SERVICES

- Free preschool year maintained
 - Reform of Junior cycle underway
 - Project Maths being implemented, along with bonus points for higher level maths
 - New national literacy and numeracy strategy
 - Broadband in schools – new investment to have all second level schools connected to high speed broadband by 2014
 - Funds allocated to provide 100,000 new schools places over the next five years
-

DEBT DISTRESS/ HOUSING/ SOCIAL SOLIDARITY

- Comprehensive strategy for dealing with mortgage distress (Keane Report) published and being implemented

- Mortgage interest relief increased for first-time buyers in 2004-2008
 - Personal Insolvency legislation published
 - Pilot mortgage to rent scheme underway
 - Progress made in resolving the difficulties with unfinished estates
 - 2,000 properties made available through NAMA for social housing
 - €645 million saved through fraud prevention and control
 - Ireland's first affordable energy strategy published
-

JUSTICE

- New legislation to help the Gardaí investigate white collar crime and to protect whistleblowers
- Judges pay reduced, following a constitutional referendum
- New domestic violence legislation
- Legislation on Legal Services published – biggest reforms in a century
- citizenship application process improved – new citizenship ceremonies introduced
- New national addiction strategy proposals published

Commitments Delivered

Health Service Reform

Introduction of Universal Health Insurance:

Government has established a UHI Implementation Group and a Universal Primary Care Group to play a central role in the introduction of UHI.

Risk equalisation in insurance market:

In 2011 Government agreed to the extension of the existing interim Risk Equalisation Scheme for another year, pending introduction of a permanent scheme in 2013. This is to protect community rating, which helps make insurance more affordable for older people. The Government has approved proposals for a permanent Risk Equalisation Scheme with effect from 2013.

Special Delivery Unit:

A Special Delivery Unit (SDU) became operational in September 2011, targeting a reduction in the high numbers waiting on trolleys in Emergency Departments and introducing a 12 month maximum waiting time for scheduled care.

Assuming responsibility for health policy:

A number of significant steps have been taken to ensure that the responsibility for health policy and for implementing the ambitious programme of reform and cost control rest clearly with the Minister. Some examples include: the institution of a new relationship with HSE; the creation of an interim board with direct interaction with the Minister; and assuming responsibility for national operational Parliamentary Questions.

Health Service Executive (HSE) will cease to exist over time:

Government has agreed to introduce a new governance structure for the HSE for 2012, as a first step to it ceasing to exist.

Primary Care

Universal Primary Care will be introduced in phases so that additional doctors, nurses and other primary care professionals can be recruited:

The Health (Provision of General Practitioner Services) Act 2012 will be commenced in March. This will allow a wider range of registered medical practitioners to provide medical services to eligible persons under the General Medical Services Scheme. In 2011 we commissioned researchers to develop an interactive model to inform workforce planning for Universal Primary Care, and this model is now available.

Free GP care:

As part of the phased introduction of free GP care, the Department is carrying out preparatory work on the introduction of new legislation underpinning the extension of free GP services to patients with certain long term illnesses. Funding has been committed to implement this initiative.

GP services:

The Health (Provision of General Practitioner Services) Bill 2011 has been enacted. This will allow a wider range of registered medical practitioners to provide medical services to eligible persons under the General Medical Services Scheme.

Mental Health:

An additional €35 million was provided for Mental Health services in Budget 2012. This funding will enable the HSE to enhance the multidisciplinary composition of existing community mental health teams and focus on key priorities in mental health, including the implementation of Reach Out.

Universal Hospital Care

Universal Health Insurance White Paper:

The UHI Implementation Group has been tasked with assisting the Department in drafting a White Paper by the end of 2012.

Hospitals

Hospitals trusts and networks:

The Minister has announced the establishment of two hospital groups in the West of Ireland, centred around Limerick and Galway hospitals. The intention is to roll out hospital groups for rest of the country in 2012.

Co-location of Hospitals:

The existing project agreements expired on 31 March 2011. No new agreements will be undertaken.

Tax incentives for private hospital developments:

The tax incentives for private hospital developments have been abolished.

Care of Older People and Community Care

Investment in care for older people:

The HSE's National Service Plan has committed to additional spending through Fair Deal, equivalent to circa 1,200 extra beds. A review of the Fair Deal system is taking place.

Capital Developments in Health

Cystic Fibrosis Unit:

St Vincent's University Hospital is the designated National Adult Referral Centre for patients with Cystic Fibrosis. The new 100 bed unit at St Vincent's Hospital is designed to provide a state of the art, clinical building which will include up to date isolation facilities with accommodation for people with cystic fibrosis and others requiring such facilities. The new unit is due to open in June 2012.

Mental Health

Mental health services:

An additional €35 million will be invested in mental health services to support the further

implementation of *A Vision for Change*. This will be targeted at enhancement of our child, adolescent and adult community teams as well as suicide prevention and counselling services. Approximately 400 extra staff will be recruited to support this.

€5 million of this budget will be used to fund the national rollout of the Primary Care Counselling Project, which will be managed by the National Counselling Service.

Other Health Priorities

Cervical Cancer Vaccination:

An extension of the cervical cancer vaccination programme began in September 2011. The 'catch-up' programme was launched in the nation's schools, so that all girls in 6th year and 1st year would be able to avail of the vaccine.

National Carers Strategy:

A draft carers' strategy has been completed, with a view to consultation with carers' representatives shortly.

Victims of Thalidomide:

The Minister for Health met with both the Irish Thalidomide Association and the Irish Thalidomide Survivors Society in 2011 and will continue to engage in discussions over the coming year.

Bioethics

Expert Group to examine the A, B and C -v- Ireland judgment:

The Government submitted an Action Report to the Committee of Ministers of the Council of Europe on 13th January 2012 in relation to the A,B, and C -v- Ireland judgment of the European Court of Human Rights. The Action Report conveys that an Expert Group has been established and will report back to Government within six months with options on how to implement the judgment of the European Courts.

Early Childhood and Education

Fee pre-school year in Early Childhood Care:

The universal free pre-school year has been maintained and funding was increased for 2012 to cater for changed demographics due to increased birth rates since 2007.

Improving Outcomes

Review of Junior and Leaving Certificates:

Work is underway on reforming the Junior Cycle in second level schools with changes commencing from 2014. Reform will address the issues of curriculum overload and rote learning, promote increased creativity and innovation and support development of key skills including literacy and numeracy.

Reform of Maths and Science teaching at second level:

Roll-out of Project Maths is underway. This will be fully implemented in the Junior Cycle by 2015 and the Senior Cycle by 2014.

Making Literacy a National Cause

National Literacy Strategy:

Implementation has commenced on a suite of reforms. These include: a lengthening of initial teacher education courses; increased time for literacy and numeracy in schools; and a significant extension in the use of assessment and testing in reading and mathematics as part of the Literacy and Numeracy Strategy.

21st Century Schools

ICT in schools:

The national roll-out of high speed (100 Mbps) broadband to second level schools will be completed over three stages, with 250 schools to be connected by September 2012, a further

200 to be connected next year and the remaining 200 schools to be connected in 2014.

Building Schools for the Future

School Building Projects:

Government committed over €2 billion for education infrastructure as part of the Medium Term Infrastructure and Capital Investment Strategy. This investment will provide for 100,000 school places over the next five years. 56 major projects are going to construction in 2012:

- 26 new schools at primary level
- 12 major extensions at primary level
- 9 new schools at second level
- 9 major extensions at second level

Phasing out of school prefabs:

The Government will invest €35 million in 2012, to allow schools to replace prefabs with permanent classrooms. This investment will allow one-third of all schools with prefabs to complete such work, and will reduce our rental bill by €5 million a year.

Patronage

Patronage and pluralism in schools:

We launched the Forum on Patronage and Pluralism in the Primary Sector in April 2011. The Forum has had significant engagement with the public and stakeholders through written submissions and public sessions. New policy approaches are in place leading to decisions on patronage of new primary and second level schools.

Pluralist system of patronage at second level:

Educate Together, which is a patron of 60 multi-denominational primary schools, has been formally recognised as a second level school patron.

Third Level Reform

Multi-campus Technical University in the South East:

The criteria for establishment of multi-campus Technological Universities have been published by the Higher Education Authority.

Merge existing accreditation authorities:

The Qualifications and Quality Assurance (Education and Training) Bill 2011 has been published and introduced to Seanad Éireann.

Lifelong Learning

Expand Training Options:

Over 450,000 education and training places are being provided in 2012. €20 million is being provided under the National Training Fund for a new Labour Market Education and Training Fund. This fund will be specifically targeted at the long-term unemployed, and will deliver upwards of 6,500 places in 2012.

A call has been issued for a further roll-out of the Springboard initiative to increase part-time higher education opportunities for unemployed people. A new competitive tendering process for Springboard is now underway.

Housing and Distressed Mortgages

Increasing mortgage interest relief to 30% for First Time Buyers in 2004-08:

The commitment to increase the relief for first time buyers who purchased in 2004-2008 was met in Budget 2012.

This Government is committed to helping distressed homeowners to weather the recession, and to ensuring that Ireland has a sustainable housing policy.

A Housing Policy Framework was published in June 2011. The overall strategic objective will be to enable all households to access good quality housing appropriate to household circumstances

and in their particular community of choice. The report of the Interdepartmental Group on Mortgage Arrears (Keane Report) was published in October 2011.

Based on recommendations in the Report, the Government put in place a framework to implement solutions to the problem of mortgage arrears. The framework consists of a Steering Group, chaired by the Head of the Division, with senior representation from the other relevant Departments and the Central Bank.

Individual work streams focus on: personal insolvency law reform, mortgage to rent, mortgage advisory functions and engagement with the banks in relation to the development and implementation of their Mortgage Arrears Resolution Strategies (MARS). These working groups report to the Steering Group.

Significant progress has been achieved in the following areas:

- an initial General Scheme of Personal Insolvency Bill has been published, including a Personal Insolvency Arrangement proposal to address the treatment of unsustainable secured debt in a non-judicial framework;
- work has been advanced with a bank and social housing association to implement a pilot mortgage-to-rent scheme to test the practicalities of such an initiative;
- the Central Bank has received mortgage arrears resolution strategies and implementation plans for mortgage lenders and these will be subject to further consideration and engagement;
- work is underway on the steps required to provide the mortgage advisory function.

Mortgage Interest Supplement:

As part of Budget 2012, the minimum contribution for the purposes of the Mortgage Interest Supplement was increased by €6 to €30 per week for a single person from 1 January 2012. The minimum contribution payable by couples is €35 per week. People receiving Mortgage Interest Supplement will be granted a waiver from the new €100 Household Charge.

Ghost estates:

The National Co-ordinating Committee on Unfinished Housing Developments was established in June, and has brought together representatives of residents, the Department, local authorities, developers, bankers, and National Asset Management Agency (NAMA) to resolve the issue of unfinished estates.

Social Housing

Staged purchase scheme to increase social housing stock:

Agreement has also been reached with NAMA to make available 2,000 properties for the purpose of social housing through leasing arrangements with local authorities and housing associations. Work is ongoing with local authorities to deliver as many of these as possible to families who need them.

Homelessness

Tackling homelessness:

A 'money follows the client' approach for the delivery of services for people experiencing homelessness was announced in November 2011. This will allow service providers to focus on the delivery of independent accommodation for homeless people and families, resulting in a move away from the heavy dependence on emergency accommodation in hostels and private B&Bs.

A protocol has been put in place with Dublin City Council for the provision of targeted homeless services in the Greater Dublin region, where homeless numbers are most acute. This approach will eventually be extended nationally.

Housing

Adequately control mortgage lending risks:

Enhanced powers for the Central Bank to supervise credit institutions and to take enforcement action were set out in the Central

Bank (Supervision and Enforcement) Bill 2011. In addition, the Central Bank has updated its Banking Supervision Policy (June 2011) to set out its approach to ensuring that the banks have an effective system in place to identify, measure, monitor and control credit risk as part of their overall risk management strategy.

Justice and Law Reform

White collar crime:

The Criminal Justice Act 2011 implements crucial reform to facilitate Garda access to essential information, documentation and electronically held information to assist in the investigation of white collar crime. The Act also renders it a criminal offence to fail to furnish to the Gardaí information which could prevent the commission of white collar crime or to assist the Gardaí in an investigation into white collar crime. It also introduces important new measures to protect whistleblowers. The Act provides vital assistance to the Gardaí in the completion of investigations which are current as well as providing assistance to them in investigations undertaken in the future. The Act was first successfully invoked in court proceedings in September 2011.

Criminal Law Reform

Female genital mutilation:

The Criminal Justice (Female Genital Mutilation) Bill 2011 is currently at Committee Stage in the Oireachtas.

Sentencing and Penal Reform

Community Service Orders and the Fines Act 2010:

The Government committed to the full implementation of the Fines Act. Funds have been allocated this year to the Courts Service to facilitate the delivery of the IT system essential for the full implementation of the Fines Act 2010

and in particular, for the payment of fines by installments and through attachment of earning orders.

The Criminal Justice (Community Service) (Amendment) Act 2011 was enacted in August 2011. It imposes an obligation on the courts, when considering imposing a sentence of 12 months or less, to first consider requiring the offender to undertake community service. As a result of the Act there was an increase in the number of Community Service Orders made in the last quarter of 2011.

Review of Thornton Hall:

The Thornton Hall Review Group was established in April 2011 and the Government accepted in principle the Group's recommendations in July. The reduced capital envelope this year will not allow the Prison Service to proceed with the construction of Thornton Hall or Kilworth Prisons in 2012. The Government intends to revisit the timeframe for the implementation of the recommendations of the Thornton Hall Report in 12 months, and remains very much committed to addressing the twin problems of overcrowding and poor physical conditions within the prison estate. Consideration is also being given to the construction of a replacement prison in Cork as part of an overall strategy to reduce overcrowding.

Drugs

National Addiction Strategy:

The National Substance Misuse Strategy Steering Group was established to identify actions that could be used to deal with the harms caused by alcohol use and misuse. The Group launched their Report on 7 February 2012 and it is intended that an Action Plan to implement its recommendations will be presented to Government this year. This Action Plan along with the National Drugs Strategy will comprise the overall National Substance Misuse Strategy which is expected to be completed in Summer 2012.

Rehabilitation services:

Clients can usually access methadone provision within one month of assessment in Dublin and we now have a major focus on increasing the availability of services outside Dublin. An increased number of detox facilities have also come on stream in a number of locations.

A major expansion is taking place in the provision of needle exchange services to over 60 community pharmacies at various locations outside Dublin.

There also has been a major expansion in the provision of needle exchange services in approximately 65 community pharmacies at various locations outside Dublin.

Drug Treatment Court Programme:

The catchment area of the Drug Treatment Court was extended significantly with effect from July 2011. A review of the court commenced in early 2012 with a view to completion by Q3, 2012.

Law Reform, Courts and Judiciary

Encourage and facilitate use of mediation:

The general scheme of the Mediation Bill 2012 was published on 1st March. The objective of the Bill is to promote mediation as an alternative to court proceedings thereby reducing legal costs, speeding up the resolution of disputes and relieving the stress involved in court proceedings.

Enforcement mechanism for District Court maintenance orders:

The Civil Law (Miscellaneous Provisions) Act 2011 implements reforms across a wide range of areas including the enforcement of District Court maintenance orders.

Domestic violence legislation:

The Domestic Violence Act (1996) was amended in July by the Civil Law (Miscellaneous Provisions) Act 2011. The amendment stipulates that a parent may now apply for a safety order

against the other parent of their child, even where the parents do not live together and may never have lived together. This ensures that the full protection of the law is available where access to a child is an occasion of intimidation or even violence between disputing parents. Consolidation of the Act and consideration of further reforms are awaiting the publication of a Law Reform Commission report on the matter.

Legal services regulation:

The Legal Services Regulation Bill 2011, which gives effect to key commitments to structural reforms of the legal sector is currently making its way through the legislative process and should be enacted during 2012. As envisaged in the Programme for Government, this will make legal costs more transparent.

Passports, Citizenship, Immigration and Asylum

Efficient processing of citizenship applications:

Improved systems were put in place to allow for more efficient processing of applications. The backlog which existed in March 2010 has now been significantly reduced and efforts are ongoing to improve waiting time and efficiencies further. Statutory provision for the new citizenship ceremonies was included in the Civil Law Miscellaneous Act 2011. To date 43 Citizenship Ceremonies have been held.

Equality and Social Protection

Social welfare rates:

Primary weekly social welfare payment rates were protected in Budget 2012. The state pension, carers' allowance, blind pension, widow and widowers' pension, jobseekers benefit and allowance etc were all unchanged.

Fuel poverty:

In November 2011, the Government published Ireland's first Affordable Energy Strategy which is

aimed specifically at making energy more affordable for low-income households in Ireland.

Eliminating poverty traps

Jobseekers Allowance:

The Government started implementing its policy on 'rights and responsibilities' with reduced rates for those who fail to engage with job activation from April 2011. These measures encourage jobseekers to improve their skills, in order to avoid the risk of becoming long-term unemployed, and help them to progress into sustainable employment on a long-term basis. To date, over 500 people have had their payments reduced. The typical reduction for a single person on the €188 per week standard rate is a reduction to €144 per week.

A Zero Tolerance Approach to Welfare Fraud

Fraud:

The Government announced a new Fraud Initiative aimed at putting in place a range of actions to combat fraud and abuse of the social welfare system. Savings of €645 million have been achieved across Department of Social Protection (DSP) schemes through fraud prevention and control measures in 2011. DSP officials reviewed some 982,000 individual claims for social welfare payments.

Getting Better Value for Money

Transfer of staff:

From 1 October 2011 the Community Welfare Service (CWS) and the Community Welfare Officers providing it, formally transferred to the DSP. The CWS appeals system has been integrated with the Social Welfare Appeals Office (SWAO) to introduce a consolidated appeals process. Ten Appeals Officers from the CWS joined the SWAO bringing the total number currently serving as Appeals Officers to 39. The

matter of providing additional staff will be kept under continuous review.

People with Disabilities

Disability resources:

An allocation of €1 million in additional funding has been made to address the needs of children with autism this year, with a further €1 million following over each of the next two years - €3 million in total. This funding will be used to address waiting times for specialist therapy services for children who have been diagnosed with autism and on developing Early Intervention Teams.

A Value for Money Review of Disability Services is due for completion in the first half of 2012 and the Report of the Expert Reference Group on Disability Policy will be submitted for Ministerial and Government approval within the same time frame.

2. Programme for Government Progress 2011-2012

D. Progress

KEY HIGHLIGHTS

CHILDREN/ FAMILIES/ OLDER PEOPLE

- Preparations for Children's' Rights referendum on target
 - New Department of Children established
 - Children First Bill to be published shortly
-

NORTH SOUTH/ EAST WEST RELATIONS

- Continuing progress in Northern Ireland, underpinned by the historic visit by Queen Elizabeth
 - Preparation fully underway for Decade of Centenaries, including substantial North/South and East/West co-operation
-

FOREIGN AFFAIRS

- Successful Global Irish Economic Forum held with 250 key decision makers
 - Review of White Paper on ODA underway
 - Ireland's reputation and engagement in Europe transformed
-

TRANSPORT/ INFRASTRUCTURE

- LEAP card implemented for public transport users
- Major reforms of the taxi industry introduced
- Extra funding provided for repair of regional and local roads
- Funding for the linking of Luas lines and extension to Broombridge secured

- Review of rural transport services published

AGRICULTURE/ ENERGY/ ENVIRONMENT

- Decision on state assets disposal and restructuring of the energy market
- Review of Climate Policy published
- REFIT 3 renewable energy supports launched
- Food Harvest 2020 being implemented and progress report published

Commitments Delivered

Children, Families and Older People

Child & Family Support Agency:

The new Department of Children & Youth Affairs was formally established on 2 June 2011 with responsibility for child welfare and protection, family support, adoption, youth affairs, early years care and education, the National Education Welfare Board and the Irish Youth Justice Service. A taskforce has been established to advise on and oversee the establishment of a new Child & Family Support Agency in 2013. The first three reports including reports on governance arrangements and vision for the new Child & Family Support Agency will be published shortly. A separate budget sub-head has been established within the HSE to facilitate transition.

Children First guidelines and reform of adoption law:

Work on the development of legislation for Children First is a priority project. The Heads of the Children First Bill will be brought before the Oireachtas Joint Committee during the current Dáil term.

Work is progressing on the Adoption (Tracing and Information) Bill in conjunction with the Attorney General's Office and the Adoption Authority of Ireland.

The schemes of the Criminal Justice (Withholding Information on Crimes Against Children and Vulnerable Adults) Bill 2011 and the National Vetting Bureau Bill 2011 were published in July 2011 and subsequently considered by the Oireachtas Committee on Justice, Equality and Defence. Each of these Bills, in final form, will be published before Easter 2012 and, when enacted, will contribute significantly to child protection measures in this State.

National Positive Ageing Strategy:

Work on developing the Strategy is ongoing and taking place within the constraints posed by the

present fiscal situation. It is a priority for Government to complete and publish the Strategy as soon as possible within the above constraints.

Reform the pension system:

The Social Welfare and Pensions Act 2011 provided for the phased increase of State pension age. This will begin with the standardisation of State pension age at 66 years in 2014, increasing to 67 years in 2021 and to 68 years in 2028.

In the forthcoming Social Welfare and Pensions Bill, the Government intends to introduce a number of changes to defined benefit pension provision to help ensure its sustainability, enhance the security of member benefits and increase equity between members of defined benefit schemes.

Arts, Culture and Sport

Policy formulation:

The Department will continue to set and develop policy in respect of the functions that are its direct responsibility and will ensure that the agencies implementing policy are accountable, transparent and fit for purpose. The Department is currently examining the evaluation systems it has in place, with a view to enhancing arrangements.

Touring of Arts in Ireland:

A further €740,000 has been allocated by the Arts Council to enable 33 arts organisations and artists tour in venues nationwide in 2012. This is in addition to €750,000 which had previously been committed. A further €125,000 has been allocated to four artists and organisations to assist with their advance touring plans for 2013.

Building private support of the Arts in Ireland:

Arising from a report produced by an informal consultative /representative group of Arts and philanthropic interests, we are examining a pilot-scheme which would form an incentive to leverage funding from the private sector along the lines of a successful pre-pilot approach

taken in respect of a specific arts organisation/venue at the end of last year. The Arts Council is also engaged in developing a capacity building programme for philanthropy in arts organisations.

Culture Night:

Culture Night 2011 took place on 23 September 2011 in a record 30 towns and cities throughout the island of Ireland, showcasing the best of our artistic and cultural heritage and facilities. It is estimated that upwards of 200,000 visitors participated in the event in 2011, with over 150 cultural venues in Dublin alone welcoming visitors until late in the evening. It is proposed to designate the week of St Patrick's Day as the International Week of Irish Culture, thereby building on solid foundations already in place.

Local authority Arts Officers:

Arts Officers are in place in all local authority areas. Meetings are held by the Minister with Arts Officers' Groups on a regular basis to encourage improved co-operation and development of arts strategies in each local authority area.

NAMA properties which may be suitable as local facilities for art and culture:

Engagement is ongoing with NAMA in relation to assets of interest from a cultural perspective. The re-opening of the Lighthouse Cinema in Smithfield is a case in point. We will continue to liaise with NAMA in this regard and on issues of advice/appropriate reuse, where applicable.

Sports funding:

In 2011, €4.52 million was allocated to 111 local authority sports projects with a focus on participation. In addition, funding was secured for two new rounds of sports capital funding with the first in 2013 to enhance modest sporting facilities throughout the country. Government approval was also received for a strategy for the incremental development of the National Sports Campus and partnership agreements have been, or will very shortly be, concluded in this regard with the IRFU, the FAI, the GAA and the Irish Hockey Association.

Foreign Affairs, ODA and Defence

Restore Ireland's standing as a respected and influential member of the European Union and as part of the wider international community:

A number of structural reforms and policy initiatives were undertaken to significantly enhance Ireland's efforts to rebuild our international reputation.

The Department of Foreign Affairs and Trade was also assigned responsibility for trade promotion, to ensure greater coordination across Ireland's political and economic diplomacy.

A successful second Global Irish Economic Forum was held in October 2011, where over 250 key decision makers came together to discuss how they could contribute to the Government's priorities of economic renewal, job creation, and the restoration of Ireland's reputation abroad. In February, we participated in the high level *Invest in Ireland* conference for potential new investors, hosted by President Bill Clinton in New York.

Recalling Ireland's Ambassadors to develop new approach to promoting Ireland:

The *Promoting Ireland Abroad* conference with Irish Ambassadors and Heads of Mission was convened on 1-2 June. The Taoiseach and Tánaiste met with the full team of senior overseas representatives from Department of Foreign Affairs; Irish business leaders; and heads of Irish economic agencies to determine what is working, and what was to be improved, in our international economic promotion activity. Heads of Mission were thoroughly briefed on the outlook for Ireland's economy in the coming years and what is expected of the State's foreign policy and diplomatic networks in repairing Ireland's reputation and promoting our interests abroad.

Review White Paper on Overseas Development Aid:

The review of the White Paper on Overseas Development Aid is underway and a report setting out the future priorities for the aid

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programme will be published before the end of 2012. The review is examining changes in the national and international context in which the aid programme is being implemented.

Position Shannon airport to become an international hub for the storage and distribution of emergency humanitarian supplies:

A feasibility study regarding the proposal is expected to be launched in the second quarter of 2012 and will assess the overall viability of developing humanitarian facilities at Shannon.

Implement the Defence Forces Medical Services Review:

The recommendations of the PA Consultants Report on the restructuring of the Medical Corps have been designed to meet the demands and needs of the Defence Forces and implementation is progressing. A competition for the appointment of Doctors to the Defence Forces Medical Corps is underway and offers of appointment have been issued to two doctors.

Review of the Red Cross:

The Programme for Government provides for the initiation of a detailed legal review of the basis, structures and governance of the Red Cross in Ireland to improve its functioning in the light of changing circumstances. A draft Order that would amend the Irish Red Cross Order 1939 is currently being examined by the Office of the Attorney General. When the text of the draft order has been settled, draft legislation will be brought to Government for approval. A comprehensive review of all Red Cross legislation, and in particular the primary legislation, will then be commenced in accordance with the commitment given in the Programme for Government.

Northern Ireland

Full Implementation of the Good Friday Agreement and St. Andrew's Agreement:

Over the past 12 months, high-level political engagement with the Northern Ireland Executive,

the British Government and leaders of political parties in Northern Ireland has focussed on progressing the implementation of the Agreements. Institutional Meetings of the North South Ministerial Council (NSMC) have been revived, while full implementation of the Agreements is being actively pursued to include effective operation of the NSMC. Greater economic co-operation both inside and outside the NSMC framework is being pursued, with a view to advancing job creation North and South.

Ireland in Europe

Europe 2020:

Ireland's National Reform Programme (NRP) was submitted at the end of April in tandem with the Stability Programme Update as part of the new European Semester. There is ongoing engagement with the Commission on matters relating to the EU2020 Agenda.

An Gaeilge agus an Ghaeltacht

20-Year Strategy for the Irish Language:

Progress has been made in implementing the 20-Year Strategy, including approval by Government of the priority drafting of the Gaeltacht Bill. The Government also re-established the Cabinet Committee on the Irish Language and the Gaeltacht to bring a greater strategic focus to Irish language policy development and implementation.

Official Languages Act 2003:

A public consultation process on the review of the Official Languages Act 2003 was completed in January 2012 with approximately 1,400 survey responses and 240 submissions received.

Climate Change

Climate Change Bill:

A review of the Climate Policy was published in November 2011. Following this a three pronged approach is being undertaken in order to develop the necessary policy:

- An independent study is being undertaken by the secretariat to the National Economic and Social Council;
- A public consultation, initiated on 29 February, will enable all stakeholders to engage in the policy development process; and
- Sectoral mitigation progress will be pursued through the Cabinet Committee on Climate Change and the Green Economy based on positive engagement with the relevant Departments where progress must be made if we are to meet our legally-binding EU targets.

Energy

Off-shore drilling:

In October 2011, the Government announced the awarding of thirteen new Licensing Options in the Irish offshore. The Options are for a two-year period during which time the exploration companies will have to complete an agreed work programme.

ReFIT III:

In November 2011, Government received formal notification from the European Commission in relation to the State Aids submission for Renewable Energy Feed-in Tariff for biomass technologies (REFIT III). The technologies supported will include Combined Heat and Power (CHP) from Anaerobic Digestion and Biomass as well as Biomass Combustion including the co-firing of biomass in peat powered stations. In January 2012 formal notification for REFIT II (on-shore wind) was also received.

Meath-Tyrone power lines:

An Expert Commission was established in July 2011 to review and report on a case for, and the cost of, undergrounding all or part of the Meath-Tyrone 400KV power line. The Report was published in January 2012.

Sustainable Waste Policy

National Waste Policy:

A number of key measures have been taken to deliver a new waste policy which adheres to the Waste Framework Directive and which seeks to maximise the resource potential within the sector, including:

- Approval by Government of a new approach to waste policy including an increase in the landfill levy to drive diversion of material away from landfill and to assist in compliance with Ireland's EU obligations thus avoiding potential fines of up to €41 million per annum.
- Publication of a discussion document for public consultation on the development of a new National Waste Policy and a proposed restructuring of the household waste collection market.

Peat

Peatlands and turf cutting:

The Government established a Peatlands Council and a compensation scheme for turf cutters. There is ongoing dialogue with stakeholders to ensure cessation of turf-cutting on designated Special Areas of Conservation raised bogs.

Communications

Review and update intellectual property legislation:

The Patent, Trade Marks and Designs (Fees) (Amendment) Rules 2012 and the Industrial Designs (Amendment) Regulations 2012 came into effect on 1 February. The new amended rules and regulations provide for a more user-friendly process for those intent upon protecting their IP rights. The Patents (Amendment) Act 2012 No.1 of 2012 has been passed to enable Ireland's ratification of the London Agreement which aims to reduce the cost to applicants of the European patent process.

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Maintain the regime with regard to the Heineken Cup:

Following detailed consideration of all the factors it was decided not to designate the Heineken Cup and the Six Nations as live and free-to-air. In making this decision the Government noted that a balance had to be struck which ensured the financial viability of sports as well as the maximum access for viewers.

Transport

Enhance public transport service provision:

The Leap Card was launched in late 2011 and will be further enhanced over the course of 2012, with an expected 120-130,000 users by the end of 2012. Real Time Passenger Information (RTPI) was introduced in 2011 in Dublin and Cork and will be rolled out in Galway in 2012.

Transport system:

Funding has been provided to link up the two Luas lines and to extend the service to Broombridge, finally connecting up the rail services in Dublin. Funding is also being provided for safety related rail works, the completion of 4 new rail stations, Quality Bus Corridor (QBC) improvements, the construction of the new Marlborough St. Bridge, replacement buses and smarter travel works/upgrades in Dublin and the regional cities.

Road repairs:

An extra €60 million was provided to local authorities to repair regional and local roads in 2011. Core road restoration and improvement funding has been maintained in 2012 to allow for some further restoration of the network.

Regulation of taxis:

A Taxi Regulation Review was carried out in 2011, with a Report published at the end of January. Work has now commenced on the implementation of its recommendations.

National Cycle Policy:

Cycling infrastructure funding has been secured under the multi-annual capital funding framework

to 2016. Initiatives like Bike Week, smarter travel workplaces and Green Schools are also supported.

Rural transport network:

A review of the provision of rural transport and how best to more effectively integrate the service provided by various parties was published in early February 2012 and work is now under way on the implementation of its recommendations. €9.77 million has been allocated for the Rural Transport Programme in 2012.

Agriculture

WTO negotiations:

We are engaged in bilateral exchanges with other countries to ensure that any changes in EU policy or in WTO negotiations do not place the Irish agri-food sector at a competitive disadvantage. Efforts in this area will continue in 2012.

Food Harvest 2020 (FH2020):

We published the first progress report *Milestones for Success* on 21 July 2011 which set out over 50 actions achieved in the previous year on 'acting smart', 'thinking green' and 'achieving growth' the key themes of FH2020. In addition, the Minister and the High Level Implementation Committee (HLIC) have set themselves over 40 actions to be achieved by July 2012, as well as milestones for 2013 and 2015.

Exempt farm diesel from further increases in the carbon tax:

A double income tax deduction was provided for farmers, in respect of carbon tax increases in Budget 2012.

Expansion of the Agri-Environment Options Scheme (AEOS):

A new AEOS scheme was launched in 2011 with an annual financial allocation of €25 million providing a maximum payment per farmer of €4,000 per annum. Farmers who had completed their Rural Environmental Protection Programme (REPS) contracts by 30 April 2011 were eligible to join the new AEOS scheme.

Strengthen legislation on animal cruelty and animal welfare:

The Animal Health and Welfare Bill 2012 has been finalised and approved by Government. A new code of practice for animal welfare organisations has been introduced and a dedicated hotline for reporting cases of animal cruelty has been set up. The Welfare of Greyhounds Act 2011 has been enacted.

Costal Communities, Fisheries & Marine Environment**We will negotiate the best possible deal for fishermen in the review of the Common Fisheries Policy:**

Government has been actively participating in negotiations on CFP reform and has set out its position very clearly at the European Council and bilaterally to Commissioner Damanaki. Work on the CFP will intensify in the coming months in the lead up to Ireland's Presidency of the EU in 2013 and in that context, Ireland is placing priority on negotiations and discussions with the Danish Presidency other Member States and the Commission.

Support the development of sustainable aquaculture and fish farms:

New aquaculture and companion foreshore licence templates have been introduced and the first application for a 15,000 tonne deep sea salmon fish farm has been submitted to the Department of Agriculture, Food and Marine for consideration.

Sea Fisheries Sustainability Impact Assessment:

A sea fisheries sustainability audit was completed in November 2011, circulated to Dáil members and debated in the Dáil. This procedure will continue to be followed in upcoming years.

Planning**Educational Impact Assessment:**

A new Memorandum of Understanding has been agreed between the Department of Education and Skills, Department of the Environment, Community and Local Government and the City and County Managers' Association (CCMA) in relation to the acquisition of sites for schools by local authorities.

3. Commitments Under Review

Banking and Re-Negotiation of the IMF/EU Programme of Support

Possibility of compulsory burden sharing for unguaranteed and unsecured senior bond holders:

Compulsory burden sharing for unguaranteed and unsecured senior bond holders in wind-down bank requiring additional capital was considered in first half of 2011. Government discussions with the Troika resulted in a change in the policy approach with the priority now to seek a reduction in the cost to Irish taxpayers of the long-term financing of the bail-out of Anglo Irish Bank's creditors. The troika is currently preparing a technical paper to further advance this issue. The Government cut the cost to the taxpayer of recapitalising the covered banks from an initial estimate of €35 billion in the Programme of Support to €16.5 billion, through a combination of avoiding asset firesales, burden-sharing with junior bondholders and securing private capital investment.

The Central Bank and Credit Institutions (Resolution) Act 2011 was passed by the Oireachtas and puts in place a special resolution regime for future bank insolvencies.

Increasing Exports

Exempt from VAT service companies that export more than 90% of their output:

Legal advice is that such an extension is at present not provided for under the VAT Directive, and as such the Government will not be pursuing the commitment further.

Supporting SMEs

Upward only rent reviews:

Despite exhaustive work by Government, including the preparation of draft legislation, it has not proved possible to develop a targeted scheme to tackle this issue, which would not be vulnerable to legal challenge or require compensation to be paid to landlords. NAMA has advised that it has a policy guidance for dealing with tenants' difficulties arising from upward only rent reviews which they have also published.

Examine the feasibility of introducing – on a revenue neutral basis – a Single Business Tax for micro enterprises:

Analysis carried out to date indicates that the measure cannot be delivered in the form described. Work is ongoing with the Revenue Commissioners to develop alternatives.

Third Level Reform

Grangegorman:

In relation to DIT's Grangegorman campus development, while exchequer infrastructure investment is being postponed for the lifetime of the investment framework and planning will take place towards an initial Public Private Partnership project, for possible completion in 2017.

4. List of Government Legislation enacted since March 2011

Road Traffic Act 2011

Finance (No. 2) Act 2011

Social Welfare and Pensions Act 2011

Ministers and Secretaries (Amendment) Act 2011

Foreshore (Amendment) Act 2011

Medical Practitioners (Amendment) Act 2011

Biological Weapons Act 2011

Electoral (Amendment) Act 2011

Public Health (Tobacco) (Amendment) Act 2011

Residential Institutions Redress (Amendment) Act 2011

Defence (Amendment) Act 2011

Finance (No. 3) Act 2011

Child Care (Amendment) Act 2011

Civil Law (Miscellaneous Provisions) Act 2011

Communications Regulation (Postal Services) Act 2010

Criminal Justice (Community Service) (Amendment) (No. 2) Act 2011

Criminal Justice Act 2011

Environment (Miscellaneous Provisions) Act 2011

European Financial Stability Facility and Euro

Area Loan Facility (Amendment) Act 2011

Insurance (Amendment) Act 2011

Central Bank and Credit Institutions (Resolution) Act 2011

Road Traffic (No. 2) Act 2011

Welfare of Greyhounds Act 2011

Access to Central Treasury Funds (Commission for Energy Regulation) Act 2011

Road Transport Act 2011

Irish Film Board (Amendment) Act 2011

National Tourism Development Authority (Amendment) Act 2011

Health Insurance (Miscellaneous Provisions) Act 2011

Appropriation Act 2011

Criminal Law (Defence and the Dwelling) Act 2011

Financial Emergency Measures in the Public Interest (Amendment) Act 2011

Local Government (Household Charge) Act 2011

Social Welfare Act 2011

Property Services (Regulation) Act 2011

Nurses and Midwives Act 2011

Patents (Amendment) Act 2012

Water Services (Amendment) Act 2012