04/06/2002 11:05:34

GOVERNMENT MEETING WEDNESDAY 05 JUNE, 2002

Taoiseach.

This meeting will take place over breakfast in the Sycamore room. It is scheduled to commence at 8.30 a.m. with breakfast available from 8.00 a.m.

AGENDA ITEMS



AMBASSADOR OF CANADA: Appointment (Item No. 2)
AMBASSADOR OF CYPRUS: Appointment (Item No. 3)
AMBASSADOR OF POLAND: Appointment (Item No. 4)
Approval for the above Ambassadorial appointments is sought.

GARDA SÍOCHÁNA: Appointment of Two Superintendents (Item No. 5)

The M/J,E&LR seeks approval for the appointment of two Superintendents in the Garda Siochana. He will indicate the names of the Inspectors at the Government meeting. They were placed 8th and 9th on the recent interview for promotion to Superintendent.

PERMANENT DEFENCE FORCE: Resignation (Item No. 6)

Sub-Lieutenant (Naval Rank) was appointed on 4 February, 2002, for a three year period. He has now tendered resignation of his commission wef the seventh day after the date of the decision of the Government.

AN BORD BIA: Annual Report, 2001 (item No. 7)

The overall value of food and drink exports for 2001 (€6.6bn.) shows a decline of 7.7% over 2000, due primarily to the fall in the volume of beef exports(-34%) and exports of live cattle(71% fall in volume). On the positive side, specific sectors such as pigmeat, lamb, prepared food and beverages enjoyed significant growth. The Board's Chairman anticipates that, with recovery in markets, the food and drink industry will return to overall growth in 2002.

It is of interest that cross-border trade in food and drink now stands at over €760m. and represents 30% of North-South trade; and that Bord Bia and the

Industrial Development Board have come together for a joint export marketing programme.

Future annual reports might benefit from the inclusion of tables showing food and drink exports by category, destination, volume and value.

CENTRAL BANK OF IRELAND: Report and Accounts for year ended 31 December, 2001 (Item No. 8)

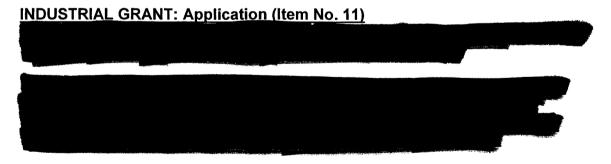
Government is asked to note the Annual Report and Accounts for last year prior to their presentation to the Houses of the Oireachtas. The key figure is the increase in profits of €42.5m. The main issue for the Bank during the year ahead will be the restructuring required as a consequence of the Government's decision in January to set up a single regulatory authority within the Central Bank framework.

HOUSING FINANCE AGENCY: Accounts and Directors' Report for the year ended 31 December 2001 (Item No. 9)

The principal objects of the HFA are to advance funds to local authorities to be used by them for any purposes authorised by the Housing Acts and to borrow or raise funds for these purposes. The most significant developments in 2001 were the increase in loan advances to €563m from €340m in 2000. The newly enacted Housing (Miscellaneous Provisions) Act, 2002, provides for an increase in the borrowing capabilities of the Agency from €1.9 billion to €6 billion.

NATIONAL BUILDING AGENCY LIMITED: Accounts and Report of the Directors, 2001 (Item No. 10)

Government is asked to note the Annual Report and Accounts for last year prior to their presentation to the Houses of the Oireachtas. The Agency's after tax profits rose by 87% to €2.1m last year. The Agency's role is to provide consultancy services to local authorities in the provision of social housing and to undertake urban renewal projects on a commercial basis.



NATIONAL STATISTICS BOARD: Report for 1999 and 2000 (Item No. 12) A note will be provided on Tuesday.

CRIMINAL LEGAL AID REVIEW COMMITTEE (BUCHANAN): Second Report (Item No. 13)

Memo to be circulated.

FAMILY SUPPORT AGENCY: Membership (Item No. 14)

M/S,C&FA will indicate the names he proposes to nominate at the meeting.

<u>DORMANT ACCOUNTS FUND DISBURSEMENTS BOARD: Membership (Item No. 15)</u>

The Dormant Accounts Act 2001 provides for a scheme to reunite account holders with dormant funds or, failing this, to allocate unclaimed money to programmes to alleviate poverty and social deprivation. Under the Act, a Board will be appointed to oversee a scheme for the disbursement of surplus dormant funds. The Chairperson of the Board will be Conleth Bradley and the other members are listed in the appendix to the aide memoire. The Chairperson is being appointed for five years. The Board is being established now in order to produce a plan for the disbursement of surplus dormant monies from May, 2003.

LIVE REGISTER: Report for May 2002 (Item No. 16) Memo to be circulated.

MEMORANDUM OF UNDERSTANDING BETWEEN AN GARDA SÍOCHÁNA AND THE HUNGARIAN NATIONAL POLICE ON CO-OPERATION BETWEEN THE IRISH AND HUNGARIAN NATIONAL POLICE SERVICES (Item No. 17)

MEMORANDUM OF UNDERSTANDING BETWEEN AN GARDA SÍOCHÁNA AND THE MINISTRY OF INTERNAL AFFAIRS OF THE RUSSIAN FEDERATION ON CO-OPERATION IN THE FIELD OF LAW ENFORCEMENT (Item No. 18)

The M/JELR requests the authority of Government for the Garda Siochana to sign the above Memoranda of Understanding (MOU).

The MOU will have effect from the date of signing until 31 December 2003. It will involve the exchange of personnel with a view to exchanging working experiences and basic strategy and police planning documents in 5 main areas.

The two Memoranda differ slightly in terms of focus as between criminal and drug related activity.

PROPOSED NATIONAL BAN ON BITUMINOUS COAL AND PETCOKE: Negotiated Agreement with the Solid Fuel Trade Group (Item No. 19)

Agreement is sought to the terms of an agreement that has been reached between the Minister for the Environment and Local Government and the Solid Fuel Trade Group. The agreement provides for a phased reduction in permitted sulpher levels in coal and petcoke, a ban on such fuel in Bray, Kilkenny, Sligo and Tralee w.e.f. 1 October 2003, and phased increases in smokeless fuel sales in these and four additional areas (Athlone, Carlow, Clonmel and Ennis) from 1 October 2002 to 1 October 2004.

The agreement reflects the outcome of a consultation process with the trade and other interests on a possible national ban on sale of bituminous coal and petcoke (an oil refining byproduct). The negotiated agreement provides for a review in 2003 and 2004 and provides that the review includes the aim of 'building on ambition' for the period beyond 2005.

We suggested that an announcement of the agreement with the SFTG could usefully be accompanied by an initiative to accelerate refurbishment of all local authority housing to include a central heating system. D/Environment report that the overall cost would be prohibitive. DSCFA have proposed an annual fund of up to €1 million be made available to tackle underlying problems such as dampness, lack of central heating and poor insulation

PUBLIC LIABILITY INSURANCE COVER (PRIVATE HOSPITALS) 2002: Approval for preparation of Legislation (Item No. 20)

MOULD COLONISATION OF INTERIOR SPACES: Establishment of a Working Group (Item No. 21)

The M/E&S is bringing to the attention of Government the situation with regard to mould colonisation of interior spaces. He is of the opinion that mould in buildings could constitute a serious health issue and highlights the lack of a developed policy on the matter.

The Minister is proposing that the Office of Public Works establish a working group to research the issue of mould in buildings further and devise a strategy for remediation in buildings and the protection of individuals. There is no indication of prior consultation with OPW or indeed any Department on this matter and the M/Finance may oppose the proposal. However, as the State will be defending a legal action in this area, it would be useful to show that an organised response to this problem is in place.

INTERIM REPORT OF THE COMMISSION ON LIQUOR LICENSING:

Recommendations (Item No. 22)

Postponed from previous meetings.

PETER RYAN 31 May, 2002. 04/06/2002 18:47:54

GOVERNMENT MEETING WEDNESDAY 05 JUNE. 2002

Taoiseach.

The Judgement from Justice McKechnie in the Des Kelly challenge on Election Expenses was perfected last Tuesday. The Order arising was expected today and the AG's Office will be meeting with the Chief State's Solicitor's Office tomorrow to consider its implications

SUPPLEMENTARY NOTE

MAIN AGENDA ITEMS

NATIONAL STATISTICS BOARD: Report for 1999 and 2000 (Item No. 12) Considerable progress was made during the two year period in expanding the range of statistical services provided by the CSO, including the introduction of quarterly national accounts and the quarterly National Household Survey.

CRIMINAL LEGAL AID REVIEW COMMITTEE (BUCHANAN): Second Report (Item No. 13)

The Criminal Legal Aid Review Committee was established by the Government to review the operation of the Criminal Legal Aid Scheme and to make recommendations as to the manner in which the Scheme might be improved so that it operates effectively and provides value for money.

In this, the Committee's second and final Report, it examined: means testing applicants for legal aid; the merit of incorporating the "criminal" provisions of the non-statutory AG's Scheme into the Criminal Legal Aid Scheme; the merit of providing the criminal legal aid service by way of contracting; the merit of providing the criminal legal aid service by way of a Duty Solicitor Scheme; the Law Society claim for a break away from the "parity with counsel system" of determining the fees payable to solicitors under the Scheme; and, the publication of an information leaflet setting out the entitlements of a legally aided person under the Criminal Legal Aid Scheme.

In relation to the implementation of a Duty Solicitor Scheme the Committee considered that this type of scheme would not complement or improve the current Criminal Legal Aid Scheme, at this time. The Committee also investigated the merit of providing criminal legal aid service by way of contracting and does not recommend the implementation of contracting for providing criminal legal aid in Ireland. With regard to Means Testing the Committee could not achieve consensus on whether means testing should apply to the grant of criminal legal aid. However, the Committee examined the matter of how best to apply means testing to the grant for criminal legal aid and came up with ten recommendations.

LIVE REGISTER: Report for May 2002 (Item No. 16)

The Live Register for May which will be published on Friday, is estimated at 155,000 and represents a decrease of 1,200 compared with the end-April figure. When seasonally adjusted the Live Register is estimated at 161,300 which is an increase of 2,300 on April.

Also included are details of the Quarterly National Household Survey which was published last week. This indicates an unemployment rate of 4.4% which is a 14,400 rise of the same period last year. The level of employment rose by 35,600 on an annual basis.

SUPPLEMENTARY AGENDA ITEMS

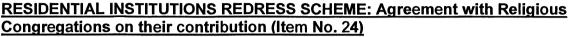
On Agenda

<u>AFGHANISTAN: Proposed Defence Forces Participation (Item No. 23)</u>Government approval is sought to offer approximately 30 Defence Forces personnel to the ISAF and to enter into discussion with the Turkish Military Authorities, who will take over as lead nation of the ISAF on 20 June 2002, on the exact nature of Ireland's assistance.

Ireland has previously indicated its willingness to participate in the ISAF. The ISAF's mandate extends to December 2002 and may be subject to renewal.

While a detailed assessment of cost can not be given without a more

extensive analysis the expected cost in the current year of participation is estimated at €300,000.



Approval is sought for the agreement attached to the Memo between the listed religious congregations (18) and the M/E&S and the M/Finance relating to contributions to the Residential Institutions Redress Scheme. On 30 January, Government was informed of agreement in principle with the congregations on the terms of their contribution to the Scheme. The agreement now reflects the negotiations which have taken place since then.

Not on Agenda

We have concerns about the following items being raised at the final meeting of an outgoing Government. Ministers have been advised that they can raise them at the table, if Cabinet is willing to deal with them.

Proposed Retirement Gratuity for Councillors

This is to reintroduce a retirement service related gratuity for Councillors at an estimated annual cost of about €2.7 million.

We have no indication that Finance have been consulted on it.

Direct Electronic Voting

This is to extend electronic voting to some additional constituencies for the Nice Referendum in the Autumn. There are no cost implications and Finance do not appear to have been consulted.

Revised Fee Level for Chairman of CIE

This Memo seeks agreement to increase the fee payable to the Chairman of CIE from €101,579 to €160,000 per annum to reflect his taking on the role of Executive Chairman and a resultant increase in work attendance from 31/2 days per week to 5 days per week. At official level, D/Finance are not raising any difficulty with the proposal. However, the M/Finance was personally involved in the negotiation fixing the original remuneration and may have some concerns.

31/05/2002 18:28:41

GOVERNMENT MEETING THURSDAY 06 JUNE, 2002

Taoiseach.

This meeting which is held in the Áras immediately after the appointment of Ministers is largely pro-forma. It should take no more than 20 minutes. It would be normal to have a media presence in advance of the meeting commencing.

AGENDA ITEMS

URGENT DÁIL BUSINESS: Approval (Item No. 1)

The Whip's Office will supply to us next week any urgent business for the Dáil for its resumption (on 18th June, 2002). The only items highlighted at present are the motion for approval of the replacement contingent in East Timor and the issue of a Bill for the Nice Referendum.

MONEY MESSAGES: Authority of Taoiseach to sign (Item No. 2)

Under Article 17.2 of the Constitution the Dáil is precluded from passing any resolution or Bill for the appropriation of public moneys unless the purpose of the appropriation has been recommended by a message from Government signed by the Taoiseach. This item re-confirms the authority from the Government authorising you to sign messages without having to refer individual messages to the Government.

APPOINTMENT OF MINISTERS OF STATE (Item No. 3)

It is usual to ask the Government to appoint the Chief Whip and any other Minister of State whose appointment was signalled in the Dáil. Other Ministers of State may also be appointed. The number of Ministers of State is set by statute (Ministers and Secretaries (Amendment) Act 1995) and at present cannot exceed 17.

It is in order, if you wish, to inform the Dáil in advance of intended nominations for appointment as Ministers of State by the Government when you indicate your nominations for Ministerial posts.

OFFICE HOLDERS: Other issues relating to (Item No. 4)

(a) <u>Attorney General</u>: If the Attorney General is in attendance you may wish to pass to him/her a prepared briefing note (attached) on their duties and other responsibilities.

(b) Remuneration of members of Government and other Office-Holders
This is necessary as the relevant statutes provide that office-holders may receive
remuneration not exceeding stated sums. It is normal at the first Government
meeting for Government to decide on this. The existing rates are:

Taoiseach	€132,761.10
Tánaiste	€103,931.10
Member of the Government (including	
the Attorney General	€89,516.10
Minister of State	€39,062.10
Minister of State to the Government (in	
addition to MoS allowance)	€5,413.35
Attorney General (if not a member of	
the Houses of the Oireachtas)	€158,567.00
Chairman of Dáil	€35,272.37

These rates, all with effect from 1 April, 2002, are in addition to the salaries payable as a member of the Oireachtas which are,

<u>Deputy</u>	
Basic	€69,050.90
1 st Long Service Increment	€71,253.89
2 nd Long Service Increment	€73,454.35
Senator	
Basic	€48,335.63
1 st Long Service Increment	€49,877.72
2 nd Long Service Increment	€51,418.05

(c) Official Transport

Under existing arrangements official transport is provided to the Taoiseach, Tánaiste, other members of the Government, the Attorney General, the Ceann Comhairle, the Minister of State with special responsibility as Government Chief Whip and the Minister of State to the Government.

Official transport is not provided to other Ministers of State. Instead, Ministers of State are provided with civilian drivers and travelling expenses (at the judicial rate) for their own transport, when being used on official business. [Former Presidents and Taoisigh are provided with transport consistent with their needs]. Unless the Government decides otherwise, these arrangements will continue to apply.

Official transport for outgoing Ministers will continue to be provided until the end of the day on 6th June.

(d) <u>Ministers' Personal Staff: Terms and Conditions</u>

Ministers should be reminded that under existing conditions, advisors should not be appointed by any Minister from outside the Civil Service without prior consultation with the Minister for Finance and the Taoiseach. In accordance with the Public Service Management Act, 1997, appointments are made following Government approval by Government Order.

Appointments are normally coterminous with the term of office of the appointing Minister.

(e) <u>Ministers' Private Offices: Arrangements for constituency business</u> Under existing conditions, members of the Government may appoint a person to act as personal assistant with responsibility for constituency affairs, subject to the terms and conditions applying to the appointment of advisors etc. Further, the maximum staff (including personal secretaries and personal assistants, if any) to be utilised for Ministers constituency affairs should be six, unless otherwise agreed by the Minister for Finance.

Other Issues

A special Government session will take place in Farmleigh, where some of the issues highlighted below, can be considered early in the next Government, possibly on 12 June.

Conflict of Interest

This can be considered in detail at the special session, but Ministers should be reminded that they have a duty to keep faith with the public trust placed in them by the manner in which they carry out their official responsibilities. In particular, where a Minister with functional responsibility for a proposal coming before Government where a potential conflict of interest might arise on his/her part, should seek your advice as to whether another Ministerial colleague might be asked to progress the policy.

Cabinet Handbook

You may wish to briefly refer to the provisions of the Cabinet Handbook which aim to help in the smooth running of Government business and it is essential that they are complied with in the preparation and submission of memoranda for Government meetings.

MINISTERS TO MEET SECRETARIES GENERAL OF DEPARTMENTS: Arrangements (Item No. 5)

It is desirable that all Ministers meet their respective Secretary Generals on the morning following the appointment of the Government.

<u>CIVIL SERVICE AND LOCAL APPOINTMENTS COMMISSIONS: Chairmanship (item No. 6)</u>

This is a standard practice of appointing the incoming Ceann Comhairle to be the Chair of the Civil Service Commission and the Local Appointments Commission.

PE	TER RYAN	
31	May, 2002.	

10/06/2002 16:52:34

GOVERNMENT MEETING TUESDAY 11 JUNE, 2002

Taoiseach,

Arrangements are continuing for this meeting in Farmleigh. It should be noted that this will be the first formal Government meeting to take place in Farmleigh since it reopened. The Press Office will issue a Photocall Notice to the media on Monday. It is their intention that the only media presence will be photographers at the start of the meeting.

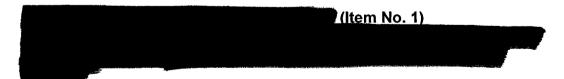
The meeting will begin at 9.00 a.m. Breakfast will be available from 8.30 a.m. and a buffet lunch will be available at the conclusion of the meeting at approx. 11.45.

The meeting will commence with a presentation from Officials in D/Finance on Ethics Obligations followed by a Q&A if any arise. It is intended that the meeting proper will commence following the presentation.

Nice Treaty

M/Foreign Affairs has indicated that he is willing to make a presentation to Government next Tuesday (18 June) on the Nice Treaty. The presentation at which the Minister will be accompanied by officials will last 20 to 25 Minutes. The Minister would envisage making a number of such presentations in the run up to the referendum on the Treaty this Autumn.

AGENDA ITEMS



FOURTH PROTOCOL TO THE TREATY OF AMSTERDAM: Council Decision (Item No. 2)

It is proposed that Ireland will participate in the adoption and application of Council Decision concerning an agreement between the EU and the administrative region of Hong Kong on the readmission of persons residing without authorisation. It is intended to devise rapid and effective procedures for the identification and return of persons, in a spirit of cooperation.

The Memo indicates that it is intended to sign the Agreement at the JHA on 13/4 June but that an Oireachtas Motion will be required before then

PROTOCOL ON THE ACCESSION OF THE EUROPEAN COMMUNITY TO THE EUROCONTROL INTERNATIONAL CONVENTION: Signature by Ireland (Item No. 3)

The Eurocontrol Convention (1960) has been revised and consolidated over the last four years. The revised Convention provides for a more effective air traffic management, policy and decision-making structure for Europe, with the overall objective of increasing airspace capacity and reducing Air Traffic Control delays. When brought into force, the revised Convention, will also provide for the necessary institutional reform within Eurocontrol.

Approval is sought for signature of the Final Act in Brussels later this month. Legislation to give effect in Ireland to the revised Convention is being prepared.

NATIONAL MILLENNIUM COMMITTEE: Final Report (Item No. 4)
A note will be provided on this item in the supplementary briefing on Monday.

PAY POLICY (Item No. 5)

A separate note is attached on this issue.

7	June,	2002	

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GOVERNMENT MEETING TUESDAY 11 JUNE, 2002

Taoiseach,

SUPPLEMENTARY NOTE

MAIN AGENDA ITEM

NATIONAL MILLENNIUM COMMITTEE: Final Report

This Aide Memoire notes the final report of the National Millennium Committee. The Report details the activities of the Millennium Programme and recommends that the Millennium Office and Programme be formally closed. It further recommends that outstanding projects and their financial allocations which fall to be completed in 2003 be assigned to the appropriate Department/Agency for completion.

SUPPLEMENTARY AGENDA ITEMS

EXPENDITURE MANAGEMENT REPORT: May 2002

The Government is asked to approve cutbacks or deferments in current and capital expenditure this year amounting to €311m (details are set out in the Table attached to the Memo). The Minister also asks the Government to agree that additional expenditure pressures, amounting to €259m, should not be approved - see Section 11.

Section 10 sets out details of a net total of €250m additional liabilities that have arisen and which the Minister accepts must be met. A net reduction of €61m in budget expenditure would result from the Minister's proposals.

The M/Finance points out that the voted spending figure for end-May 2002 is showing a year-on-year increase of 27% compared to the planned increase of just 14% for the year as a whole. He states that while current spending to end-May is just below the spending profiles submitted by Departments at the start of the year, action is required now to ensure delivery of this year's Budget targets, not least because the €150m included in the Budgetary arithmetic for costs arising from the Benchmarking Body's report may be insufficient.

Amongst the proposed cutbacks are items that will further slow down the NDP infrastructure programme.

LAYING DOWN MINIMUM PROVISIONS ON THE CONSTITUENT ELEMENTS OF CRIMINAL ACTS AND PENALTIES IN THE FIELD OF DRUG TRAFFICKING: Draft Council Framework Decision

The M/JE&LR requests the authority of Government to give political agreement to the above draft Council Framework Decision at a meeting of Justice Ministers on Thursday and Friday next. The objective of this Framework Decision is, in particular, to target illicit drug trafficking by providing a common EU definition of drug trafficking to be punishable in all Member States with minimum rules in relation to punishment and prosecution. Indication of political agreement would in effect mean acceptance of the text. Ireland has entered a Parliamentary Scrutiny Reservation.

This Memorandum was not submitted to all Departments for observations prior to going to Government. However, the views of the AG and the Department of Health and Children have been sought on the draft Framework Decision as negotiations have evolved.

DESMOND KELLY AND MINISTER FOR THE ENVIRONMENT IRELAND AND THE ATTORNEY GENERAL: Update

RESTORATION OF BILLS TO THE DÁIL ORDER PAPER
A Dáil Motion is required to restore legislation (which automatically lapsed on the dissolution of the 28th Dáil) to the Order Paper. This Aide Memoire lists the legislation which Ministers want restored and also indicates the legislation which they do not intend to restore.

PETER RYAN

10 June, 2002.



14/06/2002 18:44:20

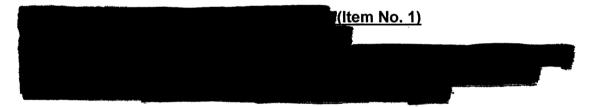
GOVERNMENT MEETING TUESDAY 18 JUNE, 2002

Taoiseach,

Nice Treaty:

A short presentation on the Nice Treaty will be given in advance of the meeting by Department of Foreign Affairs officials (Dermot Gallagher, Bobby McDonagh and David Cooney). The presentation will take approximately 15 minutes followed by a 5 minute Q&A session. A separate note will be forwarded to you on this issue.

AGENDA ITEMS



PERMANENT DEFENCE FORCE: Appointments (Item No. 2)

Approval is sought for the appointment of twenty-six Cadets to be Officers of the PDF in the rank of Second-Lieutenant, with effect from 1 July, 2002.

SPECIAL CRIMINAL COURT: Appointment of Judge (Item No. 3)

The M/JELR seeks approval to remove, due to retirement, the Hon. Mr. Justice Robert Barr of the High Court from membership of the Special Criminal Court with effect from 28 June, 2002. The Minister will make his recommendation for his successor at the meeting.

AN POST: Annual Reports and Accounts, 2001 (Item No. 4)

The Government is asked to note the Report of the Directors and Audited Accounts of An Post for 2001. The Accounts relate to the activities of An Post and its subsidiaries and related companies, other than those of the An Post National Lottery Company. The An Post had a loss before tax of €6.7m in 2001 compared to a profit of €9.78m in 2000. Turnover increased by 9.1%. However, expenditure rose by 12% overall, with a significant increase in pay and pensions of 13%.

<u>DIGITAL MEDIA DEVELOPMENT LTD: Annual Reports and Accounts, 2001</u> (Item No. 5)

It is the opinion of the C&AG that the financial statements give a true and fair view of the Company's affairs at 31 March, 2001, however, he is also of the opinion that the Company did not comply in all material aspects with the provisions of the Prompt Payments Act, 1997, during the period in question.

NATIONAL ECONOMIC AND SOCIAL FORUM REPORT NO. 25: Equity of Access to Hospital Care (Item No. 6)

This is the first time the Forum has undertaken work in the health area. The Report is intended to contribute to the wider and public debate on improving the healthcare system and the need to give greater priority attention to addressing the inequalities in health status between different groups in society. The focus is on access to acute hospital care. The Forum believes that the Health Strategy, along with the Primary Care strategy, can achieve greater equity of access to healthcare for the most vulnerable groups. However, it highlights a number of concerns including inequities in time spent waiting on consultant appointments and clarifying and codifying entitlements for those with and without medical cards. The key concern is on the public/private mix issue. Recommendations include an independent investigation of alternative structures, examples of which are operating in other countries. The recommendations are not costed.



REVENUE COMMISSIONERS: Seventy-ninth Annual Report (Item No. 7) The Report records progress in 2001 against the objectives in Revenue's Strategy Statement. Significant improvements have been achieved in customer service, including the Revenue On-line Service (ROS), and in relation to organisational restructuring.

In relation to Exchequer receipts, net receipts last year amounted to just over €28 billion - an increase of €812 million on the previous year but some €2.6 billion below the Budget estimate. The reasons for that are given as GDP growth being some 2.5% below the original budget estimate, the foot and mouth threat and the knock-on effects of the slowdown in the US economy.

The breakdown of the €2.6 billion shortfall in the Budget target is as follows: (i) direct tax receipts €718 million; (ii) indirect tax receipts €1,684 million; and (iii) capital taxes €205 million.

1994-1999 STRUCTURAL FUND PROGRAMMES: Progress Report on closure (Item No. 8)

The M/Finance is seeking a concerted effort across all relevant Departments to submit final claim documentation in respect of the 1994-1999 National Development Plan and other EU-funded programmes dating to that time so that payment can be received in 2002. The total amount outstanding is €381.2 million, which is significant in view of the extremely tight overall budgetary position this year. All documentation must be submitted to the EU Commission by end-October 2002 to ensure payment in 2002.

In the case of most of the funds involved, the initial final deadline for submission of documentation in support of claims is 30 June, 2002. In most cases, it is understood that an extension of time is possible, but if documentation is not submitted by 31 March, 2003 at the latest, the funding commitment will be automatically lost to Ireland (a similar cut-off point applies to all other Member States).

The Minister is also concerned about a sum of €29.8 million in potential underspends. He asks that every effort be made by Departments to ensure that this money is spent. Secretaries General are asked to report monthly on progress.

EXPENDITURE MANAGEMENT REPORT: May 2002 (Item No. 9)

This item was postponed at the last meeting to facilitate discussions with relevant Departments with a view to identifying spending programmes to be cut in the year ahead.

DERMOT MCCARTHY

14 June, 2002.



17/06/2002 18:53:48

GOVERNMENT MEETING TUESDAY 18 JUNE, 2002

Taoiseach.

SUPPLEMENTARY NOTE

SUPPLEMENTARY AGENDA ITEMS

NICE TREATY

The M/FA will bring a Memo to Government arising out of discussions at the Cabinet Committee on European Affairs, following consultation with the Attorney General, outlining 3 options for wording of the second Nice Referendum. He will make his preferred option known at the meeting.

TRANSFER OF FUNCTIONS AND RENAMING OF DEPARTMENTS

The Orders for the transfer of functions will be made effective from 18 June with the Orders for the renaming of Departments effective from 19 June. This is to avoid any complications over the transfer of functions. Further Orders for the transfer of heritage functions will be made at next week's meeting.

AER LINGUS GROUP PLC: Consolidated Accounts and Report of the Directors for year ended 31 December, 2001

Aer Lingus Group recorded an operating loss of €50.4m in 2001 compared with an operating profit of €75.5m in 2000. The net result after exceptional items and tax is a loss of €139.9m compared to a profit of €71.6m in 2000.

The Report notes that the Aer Lingus Survival Plan together with aggressive cost management and a recovery in the volume of sales due to fare promotion initiatives and an upgraded internet facility has resulted in a reduction of operating losses projected in the Survival Plan by €28.3m to €50.4m.

While it is clear that some stability has emerged as a result of the progress on the Survival Plan, the company is still in a vulnerable position due to its weak balance sheet. Considerable management action and initiative will be required in 2002 to fully implement all aspects of the Plan in full and on time and also to continue to meet revenue and operating targets.

AER RIANTA CUIDEACHTA PHOIBLÍ THEORANTA: Annual Report and Accounts for year ended 31 December, 2001

Group turnover for Aer Rianta increased by 3%. Group profit after tax fell from €45.6m in 2000 to €11.6m. in 2001.

The Minister reluctantly proposes to accept the directors' recommendation not to pay a dividend in respect of 2001 given the increasing level of borrowings and the financial gearing of the Group, as well as the major scale of the ongoing capital development programmes at the State airports.

Aer Rianta has been requested to produce, as a matter of priority, a paper of a strategic nature on the short to medium term situation facing the company, which will be discussed by the Department of Public Enterprise and the Department of Finance.

PSO CONTRACTS LINKING FIVE REGIONAL AIRPORTS WITH DUBLIN

The Minister/PE has accepted the recommendation of an Assessment Panel in relation to a public tender process conducted by his Department for suitable air carriers to operate five Irish Public Service Obligation air routes. The Minister has decided to award contracts as follows to run for a period of 3 years from 22 July 2002:

Subvention for 3 yrs:

- €6,967,369 - €8,412,882 - €9,969,600 - €14,361 10 EuroCeltic – Sligo route EuroCeltic – Donegal route Aer Arann – Knock route Aer Arann – Knock route €14,361,100 Aer Arann – Galway Route -**€16,317,100** Total: €56.028.051

The Aide Memoire indicates that D/Finance was consulted on the financial implications which will likely be approx. €5m. above the provision in the Programme.

PRIVATE MEMBERS MOTION: Programme for Government

Min/Finance will discuss at meeting.

FOURTH PROTOCOL TO THE TREATY OF AMSTERDAM: Council Regulation on European enforcement order for uncontested claims and matrimonial matters

The above option/discretion is a streamlining of existing Regulations. It will simplify the recognition and enforcement of non-contested claims in other EU jurisdictions. The main thrust of the second part of the memorandum is that it will also cover non-matrimonial children, this is in keeping with existing Irish Law. There will be minimal staffing implications involved.

<u>DELEGATION OF POWERS AND DUTIES TO THE MINISTER OF STATE AT THE DEPARTMENT OF THE TAOISEACH</u>

This Order will delegate your powers and duties in relation to the Central Statistics Office to the Chief Whip as is normal.

HOUSING (MISCELLANEOUS PROVISIONS) ACT, 2002: New offence of criminal trespass

The Minister/E&LG wishes to signal his intention to commence the greater part of the Housing (Miscellaneous Provisions) Act 2002, including section 24 which amends the Criminal Justice (Public Order) Act.

The previous Minister met with the Irish Traveller Movement, Pavee Point and the National Traveller Womens' Forum in May 2002 and agreed to bring their views on the issue to the attention of the Government in advance of the commencement order being made. The Traveller organisations have cited concerns on issues concerning consultation, slow progress in providing Traveller accommodation and decreasing number of areas where they can camp. While progress in providing accommodation has been difficult, a total of €80.75m has been spent on providing new and refurbished accommodation in the period 1996-2001. A further €23m has been allocated for 2002. The cost of cleaning up the sites of largescale encampments is also considerable with approximately €357,000 spent on the Dodder, Firhouse and Fairways areas.

ELECTORAL (AMENDMENT) (NO. 2) BILL, 2002: Des Kelly High Court Case This arises from last week's meeting. M/E&LG seeks approval for the drafting and circulation of a Bill to extend the deadline for the submission of statements of election expenses from the General Election to the Standards in Public Office Commission from 56 to 90 days with provision for a further increase by regulation to a period not exceeding 150 days.

Notice of the appeal must be furnished by tomorrow (18 June).

17 June, 2002.



21/06/2002 17:29:11

GOVERNMENT MEETING TUESDAY 25 JUNE, 2002

Taoiseach,

AGENDA ITEMS

AER LINGUS GROUP PLC: Consolidated Accounts and Report of the Directors for year ended 31 December, 2001 (Item No. 1)AER LINGUS GROUP PLC: Consolidated Accounts and Report of the Directors for year ended 31 December, 2001 (This item was on the agenda for last week but was not reached).

Aer Lingus Group recorded an operating loss of €50.4m in 2001 compared with an operating profit of €75.5m in 2000. The net result after exceptional items and tax is a loss of €139.9m compared to a profit of €71.6m in 2000.

The Report notes that the Aer Lingus Survival Plan together with aggressive cost management and a recovery in the volume of sales due to fare promotion initiatives and an upgraded internet facility has resulted in a reduction of operating losses projected in the Survival Plan by €28.3m to €50.4m.

While it is clear that some stability has emerged as a result of the progress on the Survival Plan, the company is still in a vulnerable position due to its weak balance sheet. Considerable management action and initiative will be required in 2002 to fully implement all aspects of the Plan in full and on time and also to continue to meet revenue and operating targets.

AER RIANTA CUIDEACHTA PHOIBLÍ THEORANTA: Annual Report and Accounts for the year ended 31 December, 2001 (Item No. 2) (This item was on the agenda for last week but was not reached).

Group turnover for Aer Rianta increased by 3%. Group profit after tax fell from €45.6m in 2000 to €11.6m. in 2001.

The Minister reluctantly proposes to accept the directors' recommendation not to pay a dividend in respect of 2001 given the increasing level of borrowings and the financial gearing of the Group, as well as the major scale of the ongoing capital development programmes at the State airports.

Aer Rianta has been requested to produce, as a matter of priority, a paper of a strategic nature on the short to medium term situation facing the company, which will be discussed by the Department of Public Enterprise and the Department of Finance.

EQUALITY AUTHORITY: Annual Report for the period 1 January 2001 to 31 December 2001 (Item No. 3)

The Annual Report includes details and commentary on the range of activities that the Equality Authority was involved in during 2001 – e.g. Information Dissemination; Casework Activity; Codes of Practice; Implementation of Measures to Generate New Approaches to Equality; Mainstreaming Equality Issues in the Public and Private Sectors; Resource An Equality Focus within Policy Formulation; Contribution to a Wider Culture of Equality in Society and Co-operation with the Equality Commission for Northern Ireland - including joint ventures and events. The Equality Authority's caseload has increased from 119 cases in 2000 to 961 new cases in 2001.

EQUALITY AUTHORITY: Financial Statements for the period 18 October 1999 to 31 December 2000 (Item No. 4)

These are the first Financial Statements of the Equality Authority since it replaced the Employment Equality Agency in October 1999. The Comptroller and Auditor General, due to pressures of work, was unable to complete the audit process to coincide with the Annual Report for 2000 being laid before the Houses of the Oireachtas in July 2001.

MERGERS AND TAKE-OVERS (CONTROL) ACTS 1978 TO 1996 (SECTION 15); Annual Report for 2001 (Item No. 5)

The Report details the number and nature of investigations carried out by the Competition Authority of proposed mergers or take-overs referred to it by An Tánaiste.

PERMANENT DEFENCE FORCE: Appointment (Item No. 6)

Approval for the appointment of an officer to the PDF as Watchkeeping Officer in the Executive Branch of the Naval Service, in the rank of Sub-Lieutenant, is sought, for a period of three years, with effect from 22 July, 2002.

PERMANENT DEFENCE FORCE: Appointments (Item No. 7)

Approval is sought for the appointment of three officers of the PDF in the rank of Sub-Lieutenant, with effect from 22 July, 2002.

GARDA SÍOCHÁNA: Appointment of one Superintendent (Item No. 8) Approval for the appointment of one Superintendent is sought. The Minister for Justice, Equality and Law Reform will indicate the name of the person selected

at the Government meeting and requests that the appointment take effect from the date following the Government meeting.

REVIEW OF THE FREEDOM OF INFORMATION ACT 1997 (Item No. 9)

Following discussion at the meeting on 11 June, it was agreed that a review of the operation of the Freedom of Information Act with regard to its impact on the efficiency on decision-making should be undertaken by a group of Secretaries General chaired by the Secretary General to the Government with the terms of reference and a timescale for this exercise to be considered further. This Memo proposes the establishment of a High Level Group to undertake this review.

ESTABLISHMENT OF A RESIDENT MISSION OF THE REPUBLIC OF CHILE IN DUBLIN: Approval (Item No. 10)

The Min for Foreign Affairs seeks the approval of Government to the establishment of a resident mission of the Republic of Chile in Dublin.

Ireland has had formal diplomatic relations with Chile since 1992. The Irish Ambassador in Argentina is accredited to Chile. This is a routine matter. The M/FA's view is that the request of the Republic of Chile should be acceded to.

Approval to terminate the assignment of District Judges and and to the Dublin Metropolitan District, making them Movable Judges, (and to appoint four Ordinary Judges of the District Court and to assign them to the Dublin Metropolitan District is sought.

The statutory maximum number of ordinary judges of the District Court has increased by two, from 50 to 52. Two vacancies arose due to the retirement of Judge and Judge and Judge and Judge assigned to the Dublin Metropolitan District.

The Minister will make known the names of the persons recommended for appointment at the Government meeting.

CIRCUIT COURT: Appointment and Assignment of Judge (Item No. 12)

Approval to appoint Judge Seán Ó Donnabháin, an unassigned Judge to the Cork Circuit and to appoint one Judge of the Circuit Court to be an unassigned Judge is sought. The appointment arises following the retirement of Judge on 12 May, 2002.

The Minister will make his recommendation (for the unassigned Judge) at the meeting.

ARBITRATION BOARD AND ADJUDICATOR UNDER THE CONCILIATION AND ARBITRATION SCHEME FOR THE CIVIL SERVICE: Re-appointment (Item No. 13)

Approval is sought for the re-appointment of the current Board members and Adjudicator, as agreed with the panel of staff representatives for the Civil Service, for the period ending 30 June, 2003.

FOURTH PROTOCOL TO THE TREATY OF AMSTERDAM: Council Regulation on European enforcement order for uncontested claims and matrimonial matters (Item No. 14)

The above option/discretion is a streamlining of existing Regulations. It will simplify the recognition and enforcement of non-contested claims in other EU jurisdictions. The main thrust of the second part of the memorandum is that it will also cover non-matrimonial children, this is in keeping with existing Irish Law. There will be minimal staffing implications involved.

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND THE COUNCIL AMENDING DIRECTIVE 76/207/EEC ON THE IMPLEMENTATION OF THE PRINCIPLE OF EQUAL TREATMENT FOR MEN AND WOMEN (Item No. 15)

The purpose of this Directive is to update the 1976 Equal Treatment Directive which provides for equal treatment for men and women in relation to employment. It was not possible to submit the text to Government prior to its adoption by the Council because of the late receipt of the text and late decision to add it to the Council agenda. It does not differ in any significant respect to the position communicated to Government in March, 2002.

AVIATION INSURANCE SCHEME (Item No. 16)

The M/Transport is requesting again, an Order extending the designated 'period of difficulty' for three months up to 30 September 2002 so that he can continue to offer indemnity insurance to airlines and others in the industry. Pricing policy will be reviewed for the extended period. The scheme was introduced post 11 September 2001 because the commercial insurance industry withdrew cover for terrorist acts.

Both Ryanair and Cityjet have subsequently returned to the commercial market to obtain cover and smaller airports no longer need the scheme. Nonetheless the Minister considers it should be continued for a further three months. He cites the continuing uncertainty in the market, the need to ensure that Irish airlines are not at a disadvantage vis-a-vis other EU states and as against North American and Far-East competitors and the desirability of allowing reasonable time for current discussions on a mutual insurance scheme to develop. He states that he does not propose that the indemnity scheme would continue beyond the date the EU Commission eventually terminates its support for such interventions.

International discussions to create a mutual insurance fund are continuing, but widespread support is not certain and some major countries have expressed reservations.

Finance and other interested Departments are not recorded as having been consulted formally on the Memo and have raised concerns with the continuance of the Scheme previously.

PSO CONTRACTS LINKING FIVE REGIONAL AIRPORTS WITH DUBLIN (Item No. 17)

The M/Transport has accepted the recommendation of an Assessment Panel in relation to a public tender process conducted by his Department for suitable air carriers to operate five Irish Public Service Obligation air routes. The Minister has decided to award contracts as follows to run for a period of 3 years from 22 July 2002:

Subvention for 3 yrs:

 EuroCeltic – Sligo route
 €6,967,369

 EuroCeltic – Donegal route
 €8,412,882

 Aer Arann – Knock route
 €9,969,600

 Aer Arann – Knock route
 €14,361,100

 Aer Arann – Galway Route
 €16,317,100

 Total:
 €56,028,051

The Aide Memoire indicates that D/Finance was consulted on the financial implications which will likely be approx. €5m. above the provision in the Programme.

TREATY OF NICE: Ratification (Item No. 18)

Following extensive discussion at last week's meeting, the M/FA intends submitting a revised Memo which, in addition to the Nice Referendum will also seek approval for the establishment of a Referendum Commission.

ECONOMIC AND BUDGETARY STRATEGY 2003 - 2005 (Item No. 19)

This will be covered in a Supplementary Note on Monday.

COMMISSION ON LIQUOR LICENSING: Second Interim Report (Item No. 20)

Approval for publication is sought without endorsement of the recommendations. The Commission's recommendations relate primarily to exemptions, trading hours (no change proposed) and licences for Nightclubs, Theatres and Interpretative Centres\Museums etc.

The Commission also recommends that following the decision of the Director of Equality Investigations in relation to children in licensed premises, legislation be introduced to provide legal certainty that licensees can either not allow children on the premises, or restrict the hours during which children can be present. The key issues of the number of licenses and access to licenses in suburban areas of highly increased population are not addressed in this report but presumably will be covered in the Commission's final report due by end-year.

The Minister intends to begin work on comprehensive codification\consolidation of the entire liquor licensing code. Departments will be consulted on the content of this legislation, including proposals arising from the Commission's report.

(Item No. 21)

SUPPLEMENTARY AGENDA

Appointment of Four Ordinary Judges of the High Court

Approval is sought for the appointment of four ordinary Judges to the High Court. The statutory maximum number of ordinary judges of the High Court has increased by two, from 24 to 26. One vacancy exists following the retirement of the Hon. Mr. Justice and Judges of the Hon. Mr. Justice with effect from 28 June, 2002. These appointments will bring the number of Judges in the High Court to the statutory maximum of 27. The number increases to 28 when the President of the Law Reform Commission is a High Court Judge, as is currently the case.

The Minister will make known the names of the persons recommended for appointment at the Government meeting.

MEMORANDUM FOR GOVERNMENT ON GOVERNMENT APPROVAL FOR DEFENCE FORCES PARTICIPATION IN THE UN AUTHORISED STABILISATION FORCE (SFOR) IN BOSNIA AND HERZEGOVINA AND IN THE UN AUTHORISED INTERNATIONAL SECURITY PRESENCE IN KOSOVO (KFOR)

The M/Defence requests the authority of Government to continue to provide Defence Force contingents in Bosnia and Kosovo for a further 12 months from June 2002.

The PDF contingent in Bosnia will gradually be phased out from Jan 2003 and the transport unit in Kosovo will be replaced by an Infantry Battalion of 250 personnel.

Projected costs are 2002 €4.83m. and 2003 €5.36m. The Minister for Defence predicts that the costs will be met from his Department's existing Vote.

PETER RYAN					
<u></u>	June,	2002.			



24/06/2002 18:23:55

GOVERNMENT MEETING TUESDAY 25 JUNE, 2002

Taoiseach,

SUPPLEMENTARY NOTE

SUPPLEMENTARY AGENDA ITEMS

ECONOMIC AND BUDGETARY STRATEGY 2003 - 2005

Approval is sought for budgetary strategy over the coming 3 years. This makes provision for small budgetary deficits over the period 2003-2005. Of most significance, it is proposed that Ministers should prepare their pre-Budget Estimates for 2003, 2004 and 2005 on the basis of an overall reduction of €900m in the 2003 cost of the Existing Level of Service.

No provision will be made in these pre-Budget Estimates for any policy initiatives, on the basis that all further policy adjustments to expenditure will be considered in the context of the 2003, Budget-Day envelope.

ENVIRONMENT AND LOCAL GOVERNMENT (PERFORMANCE OF CERTAIN FUNCTIONS) BILL 2002

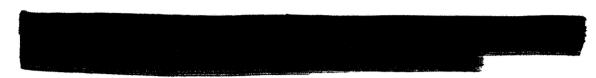
Approval is sought for the publication of a Bill to allow the M/E&LG to perform statutory consultative functions in relation to the built and natural heritage in both planning and environmental licensing matters. These functions are to be transferred from the M/Community, Rural and Gaeltacht Affairs as part of the Heritage function. The Bill is to be read in the Seanad on Wednesday and pass all remaining stages in the Dail on Thursday.

This Bill will set aside the preclusion in the Planning and Development Act from the M/E&LG exercising any power or control in relation to any matters coming before planning authorities or An Bord Pleanala.

The effect will be to allow the Minister through Duchas to comment

on planning proposals that involve significant issues for nature conservation and habitats and the built and archaeological heritage.

CLINICAL INDEMNITY SCHEME



<u>APPOINTMENT OF A SPECIAL ADVISER: (Department of the Environment and Local Government) ORDER 2002</u>

Approval is sought by the M/E&LG to appoint Mr. Pat Daly as his Special Advisor with effect from 6 June, 2002, by means of a Government Order. The appointment will terminate not later than the date on which the Minister ceases to hold office or until the formation of the 30th Dail, whichever is sooner.

PETER RYAN

24 June, 2002.



28/06/2002 16:59:13

GOVERNMENT MEETING TUESDAY 02 JULY, 2002

Taoiseach.

AGENDA ITEMS

AMBASSADOR OF SWEDEN: Appointment (Item No. 1)

Approval is sought by the M/FA for the appointment of Mr. Nils Daag as Ambassador of Sweden to Ireland.

CONTROLLER OF PATENTS, DESIGNS AND TRADE MARKS: Annual Report for the year ended 31 December, 2001 (Item No. 2)

The number of patents granted in 2001 increased from 456 to 551. The Office is taking significant steps to improve its procedures for granting patents and removing lapsed applications. In relation to trade marks, 4,600 applications were considered. Progress continues to be made in reducing the backlog of applications for patents and trademarks. It would be useful to have clarification of how this has impacted on the average time lapse between filing of a new application and its first consideration although it does seem to have reduced significantly given the enhanced level of customer service.

There has been extensive deployment of technologies reflecting a progressive and pro-active approach to service improvement.

While the Patents Office does not have a role at present in relation to internet domain names, it is important that all possibilities to prevent misuse are explored. The Bertieahern.com experience has shown that the WIPO dispute resolution procedure, while helpful, is not adequate as it is oriented on protecting designations or names which have <u>commercial use</u>. There is a need for international agreement on this issue so that official designations, even if not used for commercial purposes, can be properly protected as domain names.

We understand that D/ET&E are engaged in an international consideration of this matter and we would be anxious to signal support for progress in this area.

INDUSTRIAL DEVELOPMENT AGENCY (IRELAND): Report and Accounts for the year ended 31 December, 2001 (Item No. 3)

Exceptional circumstances caused by the significant global economic slowdown, particularly in the dot.com and IT sectors, together with September 11th, impacted significantly on the IDA's results for 2001. The IDA ended the

year with a net loss of 4,021 in IDA assisted jobs in overseas companies. This was the first such loss in 15 years, despite a positive performance in other sectors.

IDA has set in train a process of change within the Agency to focus more intensively on the knowledge and skills' strengths in the economy and on more balanced regional growth.

ETHICS IN PUBLIC OFFICE ACTS 1995 AND 2001: Extending the application in the Public Sector (Item No. 4)

It is proposed to extend and update the application of the Ethics in Public Office Acts to posts in public sector bodies.

The current regulations to the Act, following consultations with Departments, lists the designated directorships and designated positions in public sector bodies to which the Act applies. There are over 100 such bodies listed in the schedule, one falls under the aegis of this Department, the position of the Director of NESC.

The Department of Finance, in recognising that it is some time since the regulations were updated, propose to consult all Departments by September with a view to updating and extending the current list and will be asking Departments to set appropriate thresholds in each body at and above which positions are to be prescribed.

With regard to bodies under the aegis of the Department of the Taoiseach we will be looking at the directorships and positions in the NESF and the NCPP as they will be amalgamating with NESC to form the National Economic and Social Development Office (NESDO). The Information Society Commission will also be considered (these bodies were brought to the attention of the Department of Finance in 1998).

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND THE COUNCIL AMENDING DIRECTIVE 76/207/EEC ON THE IMPLEMENTATION OF THE PRINCIPLE OF EQUAL TREATMENT FOR MEN AND WOMEN (Item No. 5) Carried over from last week's meeting.

The Directive updates the 1976 Equal Treatment Directive which provides for equal treatment for men and women in relation to employment. It was not possible to submit the text to Government prior to its adoption by the Council because of the late receipt of the text and late decision to add it to the Council agenda. It does not differ in any significant respect to the position communicated to Government in March, 2002.

WORK PERMITS: Report to Government, March, April and May 2002 (Item No. 6)

This Aide Memoire updates the position in relation to the granting of Work Permits between March and May. A total of 10,510 work permits were issued during this period. Latvia continues to be the largest single source country accounting for 11% of permits granted.

Following initial complaints from employers at the new requirement to engage with FAS before applying for a Work Permit, the system is now acceptable to the great majority of employers. It is intended that the processing time for all applications will be 15 days by end-June.

A number of issues arise from the Aide Memoire in relation to policy on the granting of work permits and indeed wider immigration policy. The Aide Memoire notes that we will experience significant non-labour immigration from the source countries on the grounds of family reunion etc. It is also worth highlighting that at a time when a large number of participants on the Community Employment Scheme are completing their contracts, it would be unacceptable if employers were ignoring the availability of these persons and seeking non-EEA personnel on Work Permits.

Given the slowdown in growth and our relative economic performance, it would seem a worthwhile time to re-consider policy in relation to work permits both in an economic context and also by reference to the immigration pressures (integration, spatial strategy etc.) created by the Asylum Seeker system. You may wish to consider establishing a working group to consider these issues and report back to Cabinet.

(Item No. 7)

COMMISSION ON LIQUOR LICENSING: Second Interim Report (Item No. 8)
Carried over from last week's meeting.

Approval for publication is sought without endorsement of the recommendations. The Commission's recommendations relate primarily to exemptions, trading hours (no change proposed) and licences for **N**ightclubs, Theatres and Interpretative Centres\Museums etc.

The Commission also recommends that following the decision of the Director of Equality Investigations in relation to children in licensed premises, legislation be introduced to provide legal certainty that licensees can either not allow children on the premises, or restrict the hours during which children can be present. The key issues of the number of licenses and access to licenses in suburban areas of highly increased population are not addressed in this report but presumably will be covered in the Commission's final report due by end-year.

The Minister intends to begin work on comprehensive codification\consolidation of the entire liquor licensing code. Departments will be consulted on the content of this legislation, including proposals arising from the Commission's report.

ECONOMIC AND BUDGETARY STRATEGY 2003-2005 (Item No. 9)

Carried over from last week's meeting.

Approval is sought for budgetary strategy over the coming 3 years. This makes provision for a relatively small budgetary deficit over the period 2003-2005. Of most significance, it is proposed that Ministers should prepare their pre-Budget Estimates for 2003, 2004 and 2005 on the basis of an overall reduction of €900m in the 2003 cost of the Existing Level of Services.

No provision will be made in the pre-Budget Estimates for any policy initiatives, on the basis that all further policy adjustments to expenditure will be considered in the context of the 2003, Budget-Day envelope.

PETER RYAN

28 June, 2002.



01/07/2002 18:00:54

GOVERNMENT MEETING TUESDAY 02 JULY, 2002

Taoiseach.

AGENDA ITEMS

SUPPLEMENTARY NOTE

MAIN AGENDA ITEM

WORK PERMITS: Report to Government for March, April and May 2002

In addition to the note already provided on this issue, while not directly relevant to the work permits issue, it might be worth noting that Community Employment is included on the agenda for the meeting of Cabinet Committee on Social Inclusion on Wednesday 3 July. We understand that the Tanaiste intends attending the meeting. CE is an Active Labour Market Programme targeted at the long term unemployed but is also supporting an important range of community services some of which, such as those relating to drugs programmes, disadvantaged or RAPID areas, are prioritised activities. D/ETE are urgently considering the situation in relation to CE at the moment and this would include the issues around work permits. FAS is also undertaking its own internal review of CE which will also inform the future policy direction of ALMPs.

SUPPLEMENTARY AGENDA ITEMS

TRANSFER OF FUNCTIONS RELATING TO SUPPORT FOR COMMUNITY AND VOLUNTARY ACTIVITY AS THEY RELATE TO THE COMBAT POVERTY AGENCY AND COMHAIRLE

This joint aide memoire relates to the transfer of functions for community and voluntary activity as they relate to the Combat Poverty Agency and Comhairle. There is an agreement between the relevant Ministers that certain functions and funding relating to the two agencies, currently residing with D/SFA should transfer to D/CRGA.

An inter-departmental working group jointly chaired by the two Secretaries General is being established to identify the functions, budgets and activities of the two agencies which are now appropriate to the M/CR&GA and will report within three months. An action plan for the implementation of necessary organisational changes will be outlined before 1 January, 2003. It is intended to include any legislative amendments necessary in the December, 2002 Social

Welfare Bill. The Ministers have also agreed to a similar transfer of functions in relation to the EU Programme for Peace and Reconciliation with immediate effect.

REPORT OF THE PUBLIC SERVICE BENCHMARKING BODY

A separate note was provided to you on this issue.

LIVE REGISTER MANAGEMENT REPORT: JUNE 2002

The Live Register for June which will be published on Friday, is estimated at 164,300 and represents an increase of 9,300 compared with the end-May figure. This is an increase of 23,400 compared with the end-May figure last year. This relatively large increase is due to the temporary inflow of staff from the educational sector.

When seasonally adjusted the Live Register is estimated at 163,600 which is an increase of 2,300 on May.

OIREACHTAS SCRUTINY OF EU BUSINESS

The Minister for Foreign Affairs is unable to attend tomorrow's meeting and has asked that you might introduce this item.

The Aide Memoire outlines the new system of scrutiny of EU business which has been agreed interdepartmentally and submitted to the Oireachtas. The new procedures became operational today. However, the Oireachtas has yet to agree how it will implement the system.

The new system is designed to enhance democratic accountability by providing an open, transparent and accountable system of Parliamentary scrutiny. These measures will play an important role in addressing the concerns of people about the Nice Treaty and the European Union as a whole, as raised in the National Forum on Europe and elsewhere. The implementation of this system will ensure that Ireland has one of the more advanced systems of Parliamentary scrutiny in the EU.

<u>DEFENCE FORCES PARTICIPATION IN THE INTERNATIONAL SECURITY</u> ASSISTANCE FORCE IN AFGHANISTAN (ISAF)

Approval is sought for agreement to provide seven members of the Defence Forces for one year from 5th July 2002 to serve with the ISAP in Kabul, Afghanistan and if the Minister considers desirable to increase the number to a maximum of twelve.

PETER RYAN

1 July, 2002.



To: Taoiseach

From: Philip Kelly

c.c. Secretary General McCarthy

Memorandum for the Government Benchmarking Report

A copy of the Memorandum from the Minister for Finance is attached.

Given the wide acceptance that the full cost, €1.1 Billion, of the Report's recommendations will have to be met - albeit over the longest period the Exchequer can negotiate - it seems the strategy now must be to ensure that the union side can deliver the maximum acceptance among its constituent groups and, as per your weekend remarks regarding "cherry picking", that any renegade groups are faced down sternly by Government and their union counterparts. This may be the case with the teachers (ASTI), the INO or the CPSU.

It would be preferable to keep the debate on whether the Exchequer can afford the full cost and over what time frame so as to reduce the focus on the individual pay recommendations. Secondly, it will be important to provide an early initiation of discussions on all aspects of the Report. Such talks could commence between both sides over coming weeks although they would be without a timeframe for conclusion and inevitably stretch into the Autumn.

and be subsumed into the talks on a new programme. You will meet the Social Partners with the Tánaiste and the Minister for Finance at the PPF Plenary in Dublin Castle, on 25th July, when a formal invitation to enter talks on a new agreement in the Autumn could be issued.

One issue which remains to be decided is at **what point the first 25% payment is made**. Clearly, we need confirmation that the unions are accepting the report. For instance, does this mean:

- (a) that a single public service union could exercise a veto; or
- (b) that such acceptance would have to comprehend full agreement on phasing and the modernisation agenda.

In the case of (a), this would be unacceptable to the majority of unions and so a decision not to be pay those unions who reject the Report might have to be taken. Of course, it is possible that say CPSU or INO who are due to ballot their members in September could reject the deal but abide by ICTU's general acceptance - as happened in the case of the PPF.

In the case of (b), this comprehensive agreement in detail may only be reached in say December in the final stages of talks on a new programme, and could mean that the 25% would, based on logistics, be paid out in 2003 which may be undesirable

from a budgetary point of view.

As regards the proposed Press Release, firstly, the core message regarding "cherrypicking" needs to be strengthened and given greater prominence. Secondly, the real benefit of coverage to date is that despite somewhat weaker language that we would like to have seen (pg 64/65), substantial play has been made of the conditionality that must exist between payment and modernisation. We have moved forward on an incremental basis only and can by no stretch of the imagination be said to have had a "radical change programme". In fact, it would be better if we signalled in the Press Release the intention to commence such a radical programme to ensure better value for money and improved public services in return for the benchmarking awards.

Given the imminence of Autumn talks, there is therefore real urgency about developing the employer sides' agenda - setting down the specifics which individual managements want to achieve in each area of the Public Sector.

July, 2002



26/06/2003 09:49:51

GOVERNMENT MEETING WEDNESDAY 10 JULY, 2002

Taoiseach.

AGENDA ITEMS

AMBASSADOR OF AUSTRIA: Appointment (Item No. 1)

Approval is sought by the M/FA for the appointment of Dr. Harald Miltner as Ambassador of Austria to Ireland

AMBASSADOR OF THE PEOPLE'S REPUBLIC OF CHINA: Appointment (Item No. 2)

Approval is sought by the M/FA for the appointment of Mr. Sha Hailin as Ambassador of the People's Republic of China to Ireland.

AMBASSADOR OF ISRAEL: Appointment (Item No. 3)

Approval is sought by the M/FA for the appointment of Mr. Daniel Megiddo as Ambassador of Israel to Ireland.

AMBASSADOR OF PORTUGAL: Appointment (Item No. 4)

Approval is sought by the M/FA for the appointment of Mr. Fernando d'Oliveira Neves as Ambassador of Portugal to Ireland.

GARDA SÍOCHÁNA: Appointment of one Superintendent (Item No. 5)

The M/JE&LR seeks approval for the appointment of one Superintendent. He will indicate the name of the person selected at the Government meeting

SOCIAL WELFARE APPEALS OFFICE 2002: Annual Report (Item No. 6)

The Social Welfare Appeals deals with approx. 16,000 appeals per year. The number of appeals received in 2001 was down by 9% to 16,961 from 17,650 in 2000. Appeals relating to unemployment and sickness schemes account for 75% of appeals received. More appeals were received from women than men and a higher proportion of women had fully or partly successful outcomes of their appeals.

THE PENSIONS BOARD: Annual Report 2001 (Item No. 7)

At December, 2001, 97,931 pension schemes were registered with the Board covering 670,498 people. Comparable figures for 2000 are 86,348 and 629,801, (an increase of 6.4%). In 2001, the Board continued to focus on the areas of compliance and the clearance of arrears. During 2001, the Board initiated 75 new investigations into issues concerning occupational pension schemes. At year-end there were 108 open investigations.

Under the Pensions (Amendment) Act, 2002, the Board will have regulatory responsibility for Personal Retirement Savings Account activities.

PROPOSAL FOR LEGISLATION TO ESTABLISH A SYSTEM OF STATUTORY REGISTRATION FOR HEALTH AND SOCIAL CARE PROFESSIONALS (Item No. 8)

The purpose of this Bill is to establish a system of statutory registration for 14 separate health and social care professions, including physiotherapists, occupational therapists, social workers etc. While already regulated within the public health service, there is no regulation of these professions in the private sector. Under the terms of the Bill, the M/H&C will be empowered to include additional professions into the regulatory system over time.

The structure will consist of an over-arching Council, where each of the professions will be represented, along with representatives from the public and private/voluntary health sector, the education sector and persons representing the interest of the general public, as well as one Registration Board per profession. The Council will supervise the activities of the Boards to ensure consistency and will administer the Fitness to Practice mechanisms.

We consider the greater representation of non-professionals on the Council as adequate, with only 14 of the 24 members being representative of the professions.

It is not envisaged that the administrative burden on individual practitioners would be excessive. No indicative figure has been outlined in terms of a registration fee, and there would be some concern that the level of fee would not prohibit entry into the profession.

There would also be concern that over time, the Registration Boards would raise the entry requirements for the professions, thus limiting new entrants and decreasing levels of competition.

It is proposed in the Memorandum that the draft Heads of the Bill will be submitted to the High Level Group on Regulation, chaired by this Department. We will consider if it may be more appropriate for the Heads to be examined by a small working group. The D/H&C has already agreed to consult further with the Competition Authority as the proposals are developed.

PETER RYAN

5 July, 2002



09/07/2002 18:30:22

GOVERNMENT MEETING WEDNESDAY 10 JULY, 2002

Taoiseach,

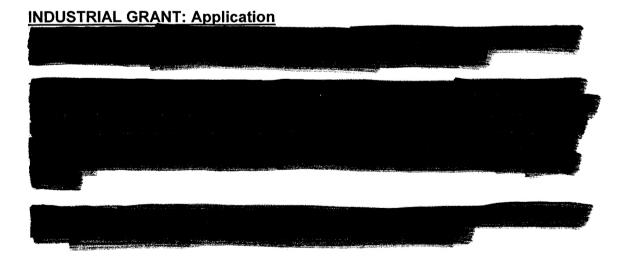
SUPPLEMENTARY NOTE

SUPPLEMENTARY AGENDA ITEMS

<u>APPOINTMENT OF SPECIAL ADVISERS (TAOISEACH) ORDER, 2002</u> These refer to appointments in the Department.

DECISION OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN UNION ON THE CONSEQUENCES OF THE EXPIRY OF THE EUROPEAN COAL AND STEEL COMMUNITY (ECSC) TREATY ON INTERNATIONAL AGREEMENTS CONCLUDED BY THE ECSC This is a technical item.

Fifty years after it came into effect, the European Coal and Steel Community (ECSC) Treaty will expire on 23 July, 2002. However, the ECSC concluded a number of international agreements. These agreements had no provision for the eventual expiry of the ECSC. The memorandum seeks authority for Ireland to agree to transfer the rights and obligations in these international agreements to the European Community.



<u>CABINET COMMITTEES: Membership, Terms of Reference and Reporting</u> Arrangements

Approval is sought for the membership, terms of reference and reporting arrangements for the Cabinet Committees on

- Housing, Infrastructure and Public Private Partnerships.
- Social Inclusion, Drugs and Rural Development,
- Children.
- the Health Strategy,
- European Affairs, and
- the Information Society

WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT: National Report

Approval is sought for the draft of Ireland's report to the Summit and for its publication. The Summit will be held in Johannesburg in August/September. It will review progress since the adoption of Agenda 21 in Rio in 1992. Ireland's draft report reviews and assesses progress in this country since then. In brief, while good progress has been made in a number of areas - including the adoption by Government of a formal Sustainable Development Strategy in 1997 - the strong economic growth of recent years has placed growing pressures on the environment in areas such as waste management, climate change (including meeting our Kyoto Protocol target for CO2 emissions), threats to natural resources and incidence of water pollution.

Progress in agreeing the Plan of Implementation for the Summit at international level has been slower than expected, with major differences remaining between the EU, USA and the approx 130 developing countries represented by the Group of 77 plus China. US opposition in this area is well published. The most contentious issues are trade and development funding, targets and timetables for implementation especially re. poverty eradication (including water and sanitation, renewable energy and health), chemicals, natural resources and biodiversity. The outstanding issue for Ireland has been agricultural subsidies, where we have supported France's defence of the primacy of the Doha process for trade-related negotiation purposes.

EXPENDITURE MANAGEMENT REPORT: June 2002

The end – June 2002 Exchequer Returns show an Exchequer Surplus of €507m compared to a surplus of €3,311m for the same period in 2001. Taxes for 2002 are no higher than 2001 and the actual rate of increase in net voted expenditure for end June 2002 is showing a year on year increase of 22%. The 2002 Estimates provided for a 14% increase.

Taxation revenue received up to the first few days of July is unchanged from 2001. However, the Budget sought an 8.6% increase in taxes for the year as a whole. While receipts are expected to improve during the remainder of 2002, it is anticipated that a tax revenue shortfall in the region of €500 will arise.

The M/Finance is proceeding on the basis that, where a Minister has not by now proposed acceptable equivalent savings, the measures listed in the Appendix to the Expenditure Management Report for May 2002 will, in accordance with the Government decision of 18 June, be implemented with immediate effect. The Minister has written to colleagues emphasising the importance of adopting a disciplined approach to public expenditure that delivers a year end spending outturn in line with the target set out in the Budget.

TREATY OF NICE: White Paper and Information Guide

In the absence of the M/FA I understand that his Office will be asking that you might take this item.

Approval is sought for the publication of the updated White Paper and summary Information Guide on the Treaty of Nice. This revised version of the June 2001 White Paper includes material in relation to the Future of Europe debate and the enlargement negotiations. Factual reference to the Seville Declarations, the National Forum on Europe and new arrangements for improved Oireachtas scrutiny of EU business are also included.

The summary Information Guide to the Treaty of Nice has been substantially revised with a view to making it more user friendly and readable in presentation. It also contains additional 'general' explanatory information on issues such as QMV, Enlargement, IGC, the Institutions of the EU etc.

The M/FA intends to launch the White Paper as soon as possible. The current intention is to circulate the summary Information Guide to households in early September, possibly to coincide with the Oireachtas Debate on the Referendum Bill. A circulation in advance of this date would likely not achieve the desired impact. There appears to be no reason, however, why the Information Guide could not be placed on the 'Nice Treaty' page of the Department of Foreign Affairs website in advance of the general circulation in September.

The DFA have now set up a briefing arrangement (in the run up to, and the debate on, the Referendum Bill in September). The intent would be to provide factual briefing on a daily basis to all Ministers. This of course will not substitute for the political campaign.

The Referendum Commission, to deal with the Referendum, was established today (Tuesday 9th July, 2002).

COMMUNICATIONS, MARINE AND NATURAL RESOURCES (DELEGATION OF MINISTERIAL FUNCTIONS) ORDER, 2002

In the absence of the M/C,M&NR his Office are making arrangements another Minister to take this item.

This order delegates the powers and duties specified in the following legislation to MOS Browne: Geological Survey Act; Foreshore Acts; Minerals Development Acts; Forestry Acts; Fisheries Acts; Petroleum and Other Minerals Development Acts; Continental Shelf Act; Gas Acts and Dumping at Sea Act.

<u>CHANGES IN TITLES AND RESPONSIBILITIES OF MINISTERS AND DEPARTMENTS: Orders</u>

These orders transfer the functions of the M/C,R&GA in relation to Heritage to the M/E≶ the functions of the M/SFA in relation to the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region to the M/C,R&GA and the functions of the M/C,R&GA in relation to where archaeological objects may be deposited under the National Monuments (Amendment) Act 1994 to the M/A,S&T. The Heritage Order can be now signed as the President has signed the appropriate Bill to allow the functions to be transferred to the M/E&LG.

DERMOT MCCARTHY
9 July, 2002.

16/07/2002 11:35:41

GOVERNMENT MEETING WEDNESDAY 17 JULY, 2002

Taoiseach.

AGENDA ITEMS

AMBASSADOR OF AUSTRALIA: Appointment (Item No. 1)

Approval is sought by the M/FA for the appointment of Senator John Joseph Herron as Ambassador of Australia to Ireland.

AMBASSADOR OF BRITAIN: Appointment (Item No. 2)

Approval is sought by the M/FA for the appointment of Mr. Stewart Eldron CMG OBE as Her Britannic Majesty's Ambassador to Ireland.

AMBASSADOR OF THE GRAND DUCHY OF LUXEMBOURG: Appointment (Item No. 3)

Approval is sought by the M/FA for the appointment of Mr. Jean-Louis Wolzfeld as Ambassador of the Grand Duchy of Luxembourg to Ireland.

PERMANENT DEFENCE FORCE: Appointments (Item No. 4)

Approval is sought by the M/Defence for the appointment of six Cadets to be Officers of the PDF in the rank of Ensign, with effect from 12 September, 2002, to fill vacancies for Executive and Engineer Branch Officers in the Naval Service.

PERMANENT DEFENCE FORCE: Appointment (Item No. 5)

Approval is sought for the appointment of an Officer of the PDF in the rank of Sub-Lieutenant, with effect from 22 July, 2002.

SENIOR PROFESSOR IN THE SCHOOL OF THEORETICAL PHYSICS: Proposed Appointment (Item No. 6)

The M/E&S seeks approval for appointment, by the President of the Governing Board of the School of Theoretical Physics, of Prof. Werner Nahm as Senior Professor in the School. This appointment is proposed to take effect on or after 1st October, 2002. This appointment will restore the number of Senior Professors in the School of Theoretical Physics to its authorised complement of three.

It seems highly unusual that an appointment such as this is still subject to Government approval, not to mention requiring the President to act. An amendment to the 1940 Act under which the appointment is made should be considered.

BOARD OF ESB: Appointment (Item No. 7)

Approval is sought by the M/C,M&NR for the approval of the appointment of Mr. Padraig McManus (incoming Chief Executive) to the Board of the ESB for the period 17th July, 2002, to 16th July, 2007. Mr. McManus succeeds Mr. Ken O'Hara (outgoing Chief Executive), who resigns from the Board with effect from 14 July, 2002.

ELECTRICITY SUPPLY BOARD: Annual Report and Accounts for the year ended 31st December, 2001 (Item No. 8)

The report reveal a group operating profit of €199 million, down from €302 million in 2000. However, post tax profit (€135 million) was up on 2000, due to an exceptional charge arising in that year.

Borrowings decreased by €48 million in 2001. However, the funding of the increased capital investment programme now required to renew and upgrade the network and invest in new generation capacity will result in an increase in borrowing over the next five years. A total investment of €4 billion will be required.

The M/C&NR and the M/Finance are concerned at the absence of a dividend provision in the accounts and have indicated that they will be seeking a significant dividend when the 2002 half-yearly accounts are submitted. ESB had indicated that it could not legally pay a dividend from the 2001 accounts as its reserves are negative. The details of the dividend required in 2002 are to be discussed with the company in the coming weeks.

BORD NA MÓNA: Annual Report and Accounts for year ending 27 March 2002 (Item No. 9)

The report notes that in 2001/2002, Bord na Móna continued its healthy financial performance of previous years with a profit of €16.33m compared with €8.44m the previous year resulting in a net increase in profit of 94% when compared with the 2000/2001 figures. Turnover was up 5.6% on the previous year (€227.6m) with growth in the Energy, Horticulture and Environmental sectors which offset a decrease in the Fuels sector. There was a decrease in borrowings of almost 50% due to strong cash flow figures (€40.9m). The diversification policy of the company has reduced the dependence on the sale of peat for electricity

generation. The Board and management carried out a review of strategy and believe its implementation will require expertise in locating, acquiring and integrating acquisitions, an area in which the company have a good track record, e.g. in 2000, the Brightwater Group.

ENTERPRISE IRELAND: Report and Accounts for the period 1st January to 31st December (Item No. 10)

The report states that Enterprise Ireland exceeded its business targets over the period covered by its Business Strategy 1999-2001. A new strategic plan will be published in the autumn. Total employment in Enterprise Ireland client companies was 148,116 at end of 2001.

<u>DIRECTOR OF EQUALITY INVESTIGATIONS: Annual Report for the period 1 January to 31 December (Item No. 11)</u>

The Equal Status Act 2000 extended the remit of the Office to the non-employment area including access to premises, provision of goods, banking and transport. During 2001, 1114 cases were referred to the Director's Office. Of these 260 were referred under the employment equality legislation and 42 decisions/recommendations were issued. The remaining 854 were referred under the Equal Status Act and 25 decisions/recommendations were issued. 11 were resolved by mediation and 16 were closed without resolution.

OFFICE OF THE DIRECTOR OF TELECOMMUNICATIONS REGULATION: Annual Report for the year ended 30 June 2001 and Accounts for the period 2000 to 2001 (Item No. 12)

The Director's report outlines the progress made during the period under review in opening up the market to greater competition - in particular via progressing the local loop unbundling agenda and introduction of 3G mobile telephony. Further significant progress has been made since: the 3G competition has been completed and Eircom has introduced retail and wholesale DSL products. However, the price of these DSL projects is considerably above what is available to consumers in the UK and elsewhere in the EU. The creation of an eSociety and promotion of eCommerce is still seriously hindered in Ireland by the absence of an affordable flat-rate internet access offering. This needs to be addressed urgently, either by the new Communications Regulation Commission (shortly to replace the Director) or in the context of the transposition (required by July 2003) of the new EU communications directive into Irish law.

NATIONAL TREASURY MANAGEMENT AGENCY: Report and Accounts, 2001 (Item No. 13)

The Report details the domestic and international activities of the NTMA. The General Government Debt (GGD) stood at €42.1bn. at end of 2001, an

increase of €1.8bn. on 2000. The main items accounting for this net increase were:

- €775 million belonging to the Social Insurance Fund was switched from Exchequer notes to bank deposits and other assets in order to earn a higher rate of interest. The borrowings to replace this are added to the GGD;
- Increase of €720 million in Local Government sector debt in 2001 (mostly provided by the Housing Finance Agency (HFA) and;
- Debt incurred to provide temporary loan facility of €628 million to HFA in 2001 for ongoing lending to local Government Sector as above.

NATIONAL PENSION RESERVE FUND COMMISSION: Report and Accounts for the period 2/4/2001 to 31/12/2001 (Item No. 14)

The report outlines the establishment of the commission (independent of Government), and fund, the legislative background, the investment strategy, the return on investment and the arrangements regarding investment management and global custody. €6,515m (being the net proceeds of the sale of the former Telecom Eireann and 1% GNP for 1999 and 2000 plus interest) was transferred from the Temporary Holding Fund for Superannuation Liabilities into the National Pension Reserve Fund. €972m, 1% of GNP for 9 months of 2001, was also paid into the Fund. Prior to the appointment of investment managers the fund was held entirely in cash and earned interest, net of expenses, of €228m (equal to a 4.4% annualised return) up to 31 December 2001 and on that date moneys held totalled €7,715m.

ACCEPTANCE OF AMENDMENTS TO THE CONVENTION ON THE INTERNATIONAL MARITIME ORGANISATION (Item No. 15)

Authority is sought for the acceptance by Ireland of the Amendments to the Convention on the IMO as adopted on 7 November 1991. The purpose of the amendments is to formally institutionalise the "Facilitation Committee" to enable it to consider matters within the scope of the IMO concerned with the facilitation of international maritime traffic. There are no implications for Ireland (financial, constitutional or legislative) in accepting the proposal.

IMPRISONMENT FOR FINE DEFAULT AND CIVIL DEBT: Publication of Research (Item No. 16)

This Research was commissioned in advance of the proposed Enforcement of Fines Bill (whose purpose is to end, as far as practicable, imprisonment for inability to pay fines and to provide new ways of enforcing fines) to obtain qualitative information on the circumstances of people who end up being imprisoned for non-payment of fines and to help in the formulation of proposals for inclusion in the proposed legislation. The main findings of the Report are that most of those committed for fine default or civil debt are male, two thirds

are in relation to road traffic/motoring offences, 60% are unemployed and half of those imprisoned are sentenced to less than 10 days with almost three quarters begin discharged within five days.

The conclusions show that offenders tend not to have the capacity to pay the fines if payment is required in full or there has been an accumulation of fines, lack of payment by instalment is also an obstacle to payment and payment by instalment was the favoured alternative to imprisonment (also community service) and attachment of earning may be of little use as few are likely to be in permanent employment and those dependent on social welfare may be close to the poverty line.

The M/JE&LR intends to include in the Enforcement of Fines Bill a provision to provide for payment of fines by instalment and to examine how the means assessment approach of the Courts could be strengthened as well as how alternatives to imprisonment could be used.

MATERNITY PROTECTION (AMENDMENT) BILL: General Scheme (Item No. 17)

Approval is sought to have a Bill drafted on the lines of the General Scheme attached to the Memo. The purpose of the Bill is to implement the recommendations of the Working Group on the Review and Improvement of the Maternity Protection legislation, other than those already implemented.

The main elements of the Bill provide for:

- paid time off for expectant mothers to attend one complete set of ante-natal classes:
- an employee who has given birth within the previous four months and is breastfeeding to be allowed either an adjustment in working hours or breastfeeding breaks;
- termination of additional maternity leave in the event of illness;
- an employee to be able to return to work early in the event of the hospitalisation of the child and to avail of the remainder of her leave entitlement at a later date in one continuous block;
- an employee's absence from work on additional (unpaid) maternity leave to count for all employment rights associated with the employment.
- a father's entitlement to maternity leave in the event of the death of the mother.

Implementation of the Bill will have cost implications for the State as an employer and for private sector employers. However, these costs were taken into account in the agreement of recommendations by the working group which included representation from IBEC, D/Finance and the Health Service

Employer's Agency. The Departments of Finance, E,T&E and S&FA have raised concerns over financial and other issues which are partly addressed.

<u>PUBLIC TRANSPORT ACCESS TO DUBLIN AIRPORT: Short term Measures (Item No. 18)</u>

This Report recommends that a steering Group should be set up by the Dublin Transportation Office to ensure implementation of a

- (a) Quality Bus Network as soon as possible and at the latest by end 2003;
- (b) Northwest and Southwest Flyer services
- (c) marketing campaign by Aer Rianta to facilitate public transport and promote the reduction of private car use by passengers and employees alike.

If implemented it would increase the bus market share to 25% from 21% and there would be a 7% approx. reduction in peak hour vehicles, reduced queues junctions in the vicinity of the Airport and improved journey times.

Investment costs would amount to €5.7m and gross annual operating costs could be €1.5/€2m. The Forum believe that the benefits will outweigh any cost implications.

OFFENCES AGAINST THE STATE (AMENDMENT) BILL, 2002: General Scheme (Item No. 19)

This Bill gives effect to the European Union's Framework Decision on combating terrorism, which was taken in response to the terrorist attacks in the US on 11 September. It will also enable Ireland to meet a number of commitments resulting from UN Security Council resolution 1373. The State is obliged to give effect to the Framework Decision by the end of 2002.

The Bill defines a terrorist act, ensures that the offences of directing a terrorist group and participating in its activities are punishable and provides that certain other offences are to be regarded as offences linked to terrorist activities, when undertaken for the purpose of committing one of the acts defined as a terrorist act. It requires member States to ensure that inciting, aiding and abetting and attempting to commit offences defined as terrorist offences are punishable.

The penalties that terrorists and terrorist related offences attract are defined. The Bill also requires member States to establish jurisdiction over terrorist offences in specific circumstances and allows member States to take jurisdiction in respect of terrorist offences committed in other member States.

Resolution 1373 imposes a number of specific requirements of States directed at the financing of terrorist acts. It also provides that States shall ensure that any person that participates in financing, planning, preparation or perpetration

of terrorist act or supporting terrorist acts is brought to justice, and that such terrorist acts are established as serious criminal offences in domestic laws and that the punishment reflects the seriousness of such acts.

We understand the Office of the Attorney General will consult closely with the Department of Justice, Equality and Law Reform on the drafting of the Bill and taking account of any new proposals which may arise as a consequence of consideration of the report of the committee established to review the Offences Against the State Acts and also consideration of measures to tackle the financing of terrorism. The Chief State Solicitor has some drafting observations which will be incorporated later.

REPORT OF THE COMMITTEE REVIEWING THE OFFENCES AGAINST THE STATE ACTS, 1939 TO 1998 AND RELATED MATTERS (Item No. 20)

This review of the Offences Against the State Acts arose from an undertaking by the Government in the Good Friday Agreement.

The Minister now wishes to publish the final report of the Committee. It is possible that measures arising in the Report and directly relevant to the Offences Against the State (Amendment) Bill 2002, as outlined above, may be incorporated in the Bill later.

The Minister will consider the recommendations in the report and bring proposals to Government in due course.

DERMOT MCCARTHY

12 July, 2002

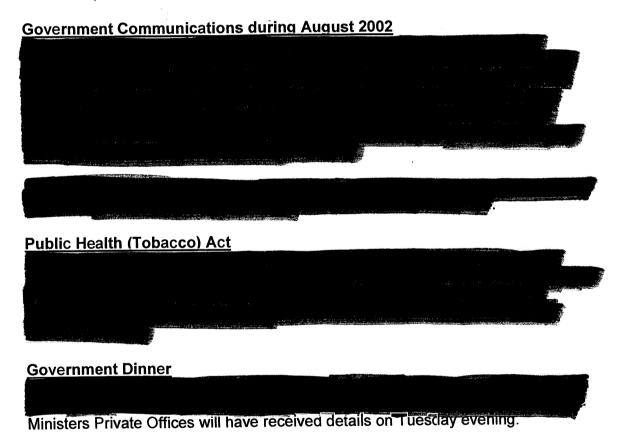


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GOVERNMENT MEETING WEDNESDAY 17 JULY, 2002

SUPPLEMENTARY NOTE

Taoiseach,



SUPPLEMENTARY AGENDA ITEMS

INDEPENDENT RADIO AND TELEVISION COMMISSION: Annual Report and Accounts for the year ended 31 December, 2000

The report notes that during 2000 the Commission commenced a licensing process for new radio services; one in Cork city and two in Dublin; Lite FM was

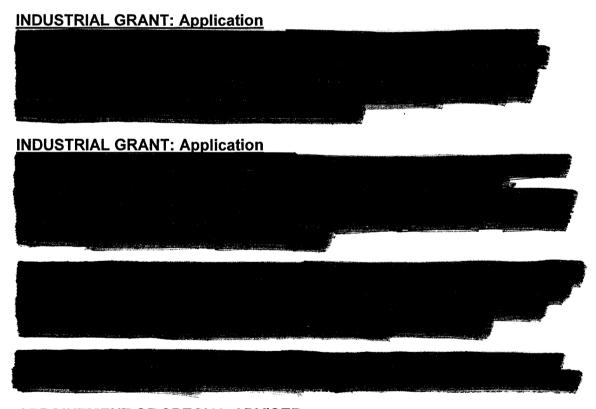
launched; 14 community radio services were in operation and six hospital/institutional stations were licensed to operate. The 1999 Joint National Listenership Research survey was published and indicated growth in the independent local sector.

BROADCASTING COMPLAINTS COMMISSION: Annual Report for the year ending 31 March, 2001

The Report outlines the details of the 14 complaints that were heard by the Commission from 1 April 2000 to the 31 March 2001, of which 3 were upheld and 11 rejected.

RTE INDEPENDENT PRODUCTION UNIT: Annual Report for 2001

The report outlines the funding provided by RTÉ for the commissioning of independent television programmes and provides details of the independent programmes commissioned by RTÉ in 2001.



APPOINTMENT OF SPECIAL ADVISER

Approval is sought for the appointment of Mr. Jimmy Fegan, as Special Advisor, with effect from 6th June, 2002. The appointment will terminate not

later than the date on which the M/E&S ceases to hold office or until the formation of the 30th Dáil, whichever is the sooner.

THE 2003 SPECIAL AND COMMEMORATIVE STAMP PROGRAMME

The M/C,M&NR seeks approval for 45 special and commemorative stamps. Among the commemorative stamps being recommended on this occasion are: Special Olympics - 4 stamps, Rising of 1803 - 3 stamps, and Introduction of Luas - 2 stamps (to be deferred until 2004 if the project does not meet the target deadline of 2003).

The proposals for the programme arise from recommendations made by An Post, prepared on the basis of a report from the Philatelic Advisory Committee, which is representative of the full spectrum of Irish society. This follows a trawl for suggestions from many organisations and from all Government Departments. The stamp designs will be submitted to Government in due course.

NATIONAL SPATIAL STRATEGY

Illustrates how the process of balanced regional development should unfold in each of the eight Regions under the NSS and identifies the critical factors for each Region on which their enjoyment of balanced regional development will depend. It also illustrates how the larger towns, including county towns, the medium to smaller sized town and the rural areas in each, including villages, fit in with the national structure of Gateways, Hubs and the proposed national transport framework. The Minister proposes having the Strategy published around October, 2002.



REPORT OF THE FORUM ON THE SUB POST OFFICE NETWORK

The Government is asked to note the content of the Report of the Forum and that the Minister proposes to make the report available to An Post management and the Irish Postmasters' Union. While the measures recommended in the Forum Report will contribute to the overall viability of the post office network, cost reductions, the conversion of post offices to agencies, together with new business developments, will have a more significant impact.

<u>REVIEW OF WESTERN DEVELOPMENT COMMISSION: Purpose, functional area and operation</u>

It is the intention of the M/C,R&GA to announce later this week his plan to review the purpose, functional area and operation of the Western Development Commission. The Minister will make the Commission aware of the review at a meeting on 23 July.

<u>CENTRAL BANK AND FINANCIAL SERVICES AUTHORITY OF IRELAND BILL.</u> <u>2002: ECB Opinion</u>

Approval to respond to the ECB Opinion on the above Bill is sought and to note the Minister for Finance's intention to make amendments to the Bill at Committee Stage, including a provision that the Central Bank and IFSRA will report directly to the Revenue Commissioners any suspicions of money laundering of the proceeds of criminal revenue offences that come to their attention in the course of supervisory duties.

The main issues raised by the ECB are in relation to the corporate governance structure of the Central Bank, the powers of the Governor in relation to Budget funding and staffing of the Regulatory Authority and the operation of the Registrar of Credit Unions. The M/Finance considers that the ECB concerns can be addressed through a combination of refinements to the original scheme and will decide in due course on the timing and arrangements for informing the ECB of the Government's response to their opinion.

CENTRAL BANK AND FINANCIAL SERVICES AUTHORITY OF IRELAND IFSRA [NO. 2] BILL, 2002

This Bill incorporates important aspects of the Government's response to the Ansbacher Report in relation to the future corporate governance and statutory oversight regime applying to Irish financial institutions. The Bill seeks to:

- Establish a statutory Financial Services Ombudsman and Industry and Consumer Consultative Panels,
- Provide for the licensing of certain mortgage lenders and of non-consumer moneylending.
- Strengthen the corporate governance and statutory oversight regime applying to Irish financial institutions by implementing the changes recommended in the Report of the Review Group on Auditing relating to the auditing of entities regulated by the IFSRA, providing that IFSRA and financial institutions are required to report suspicions of money laundering of the proceeds of criminal revenue offences to the Revenue Commissioners as well as the Gardai and imposing a general obligation on IFSRA to take action, subject only to confidentiality obligations imposed under EU law, when it finds evidence of breaches of statutory duty (including in relation to tax evasion) by financial institutions,

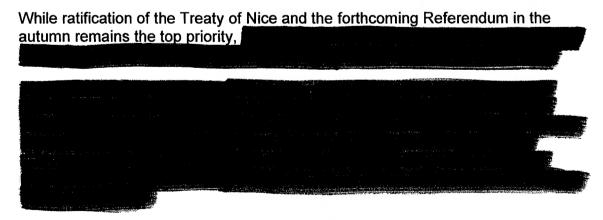
- Implement the recommendations of the Report on Strategic Issues in the Banking Sector that the M/F no longer has a role in relation to mergers and acquisitions in the banking section.

The Minster proposes to engage in public consultation, bring forward the CBFSAI No. 1 Bill and consult with the ECB.

IRELAND'S PRESIDENCY OF THE EUROPEAN UNION: 1 January to 30 June, 2004

The M/FA seeks agreement that the two European Council meetings during our Presidency be held in Brussels, that the number of informal Council meetings be limited to seven and recognition that an efficient and effective Presidency will require additional resources.

Consideration will need to be given to the public dissemination of the decision to hold the two European Council meetings during our Presidency in Brussels. The Declaration agreed at Nice in December 2000 and the perspective of the enlargement of the European Union has clearly informed thinking. There is also a shared understanding among member States that all formal European Council meetings will take place in Brussels from 2004. (Indeed, since the finalisation of the Memorandum, Italy - Presidency during second half of 2003 - has approached the Belgian authorities asking if they would agree to have the two formal Council meetings in Brussels.) Holding formal European Council meetings in Brussels does not prevent a member State from holding informal Council meetings, seminars and colloquia in the member State. Events associated with an IGC may also be held in the Presidency host State.



PLANNING AND DEVELOPMENT ACT 2000: Review of Part V Arising from the Government's Programme, a review of Part V of the Planning and Development Act has been commenced with a view to the outcome being

reported back to Government in the Autumn. Set out in the Aide Memoire are the various key options that will be considered. It might be noted that any change to Part V will require primary legislation and that the review, to be done in-house over the next two months, will only involve consultations with key stakeholders - a public consultation is not being proposed owing to the urgency of the matter and the time available. Given the sensitivity of this issue, it might be more appropriate to take the extra time to undertake a wider consultation.

STATISTICAL INFORMATION ON SOCIAL WELFARE SERVICES

The report relates to recipients and beneficiaries expenditure under the various Social Welfare Programmes and information on financing and rates of payment. Expenditure to 1.4m beneficiaries was financed, 53% by the Exchequer and 47% by the Social Insurance Fund.

<u>DELEGATION OF MINISTERIAL FUNCTIONS TO THE MINISTER OF STATE</u> AT THE DEPARTMENT OF EDUCATION AND SCIENCE

These orders delegate certain powers and duties of the M/Education to MOS de Valera and MOS Lenihan.

TASK FORCE ON THE PHYSICAL SCIENCES: Report and Recommendations

A Memo will be brought to
Government in the Autumn setting out an implementation strategy for the Task
Force's recommendations together with key funding issues and crossDepartmental responsibilities.

Carrying out the Strategy will cost circa €178m plus annual recurring costs of €66m. The need to change attitudes and explore new ways of doing things will be as important as financial investment and wholehearted support is vital across the sectors - politics, education and industry. Results of the 50 submissions received by the Task Force can be grouped into six Action Areas: School Planning and Resources, Equity, Teaching and Learning, Curriculum and Assessment, Promotion of science education at Third Level from which the conclusions and recommendations are based. A period up to 1 September has been allowed for interested parties to consider the Report.

<u>DESIGNATION OF MAJOR SPORTS AND CULTURAL EVENTS TO BE</u> <u>PROVIDED ON FREE-TO-AIR TELEVISION SERVICES</u>

Approval is sought for an Order to be made under the Broadcasting (Major Events Television Coverage) Act 1999 to enable the Minister for CM&NR to draw up a list designating certain events to be made available on free-to-air

services. The Television Without Frontiers Directive provides that Members States may designate certain events as being of major importance to be available on free-to-air services, however they are not under any obligation to draw up list of events. Only four Members States to date have published a list - Italy, Germany, United Kingdom and Austria.

<u>AER LINGUS USAGE OF IMMIGRATION AND NATURALISATION SERVICE</u> (INS) FACILITIES AT DUBLIN AND SHANNON AIRPORTS

COMMUNITY EMPLOYMENT

The proposal is that the issues around any changes in CE be considered in more detail by the Cabinet Committee on Social Inclusion.

The options set out are 1) Minimal Change, which would continue with a relatively cheap and flexible means of providing services, but does nothing to address the more strategic issues. 2) FAS to continue implementing the programme as a labour market instrument but to establish institutional links with the Local Authorities to provide a level of service on prioritised needs. This would include examining eligibility and participation criteria. This would also effectively end further mainstreaming. This option would continue FAS's key role in the delivery of services. 3) A more radical redirection to separate the labour market and local services roles and budgets with the D/Community, Rural and Gaeltacht Affairs, so that Department would have the primary role in providing community services. This option involves the greatest institutional change. In the short term the commitment to restructuring would be reiterated and community services provision is being examined by relevant Ministers.

16 July, 2002



25/07/2002 15:38:40

GOVERNMENT MEETING FRIDAY 26 JULY, 2002

Taoiseach,

Preparation of Strategy Statements for 2003-2007

Each Department is required to prepare a Strategy Statement by early December for the three year period 2003-2005. This Department has prepared updated Guidelines for Ministers and for Secretaries General on the preparation of Strategy Statements. These will be circulated for observations during August prior to seeking Government approval in early September.

The Strategy Statement process is an opportunity for dialogue between Ministers and their Departments about priorities over the next three years. It should be used to decide how the capacity of a Department in terms of financial allocations, staffing, structures and systems can best be deployed to ensure that targets in the Programme for Government, the NDP etc. can be achieved. Strategy Statements should also demonstrate how Departments are co-operating together to tackle cross-cutting issues, for example in areas like infrastructure, Europe and social inclusion.

A Department's Strategy should be submitted to a Minister by early December.



AGENDA ITEMS

AMBASSADOR OF THE REPUBLIC OF AZERBAIJAN TO IRELAND: Appointment (Item No. 1)

AMBASSADOR OF BRUNEI DARUSSALAM TO IRELAND: Appointment (Item No. 2)

AMBASSADOR OF CHILE TO IRELAND: Appointment (Item No. 3)
AMBASSADOR OF THE STATE OF ERITREA TO IRELAND: Appointment (Item No. 4)

AMBASSADOR OF THE UNITED REPUBLIC OF TANZANIA TO IRELAND: Appointment (Item No. 5)

Approval is sought for the following:

Mr. Hassan Omar Gumbo Kibelloh, Ambassador of Tanzania,

Mr. Pengiran Haji Yunus bin Pengiran Haji Mahmud, Ambassador of Brunei Darussalam.

Mr. Rafael Ibrahimov, Ambassador of Azerbaijan,

Mr. Ghirmai Ghebremariam, Ambassador of Eritrea - non resident.

Mr. Alberto Yoacham, Ambassador of Chile - resident in Ireland.

PERMANENT DEFENCE FORCE: Appointment (Item No. 6)

Approval is sought for the appointment of an officer to the PDF as Marine Engineer Officer in the Engineering Branch of the Naval Service, in the rank of Sub-Lieutenant for a period of three years.

RESERVE DEFENCE FORCE: Appointment (Item No. 7)

Approval is sought for the appointment of a former officer of the PDF to be an officer of the RDF, in the rank of Lieutenant-Commissioner.

CONCILIATION AND ARBITRATION SCHEME FOR MEMBERS OF THE PERMANENT DEFENCE FORCE: Re-appointment of Adjudicator (Item No. 8)

Approval is sought for the re-appointment of Ms. Niamh Stewart, BL, as Adjudicator under the terms of the C&A Scheme for members of the Defence Forces for the period ending 30 June, 2003. The Adjudicator deals with smaller claims which do not involve significant expenditure. Claims involving pay or other major issues are dealt with by the Arbitration Board.

GARDA SÍOCHÁNA: Senior Appointments (Item No. 9)

The M/J,E&LR will indicate the names of the persons selected at the Government meeting.

GARDA SÍOCHÁNA COMPLAINTS BOARD: Appointment of one ordinary member (Item No. 10)

This arises from the resignation of Mr. Rory Brady, SC, upon his appointment as Attorney General. The Minister will make his nomination at the meeting.

INNER BAR: Applications for admission (Item No. 11)

The A.G. has cleared 14 applications, following the normal consultation process. There was one further application which the A.G. feels should not be granted at this time.

SPECIAL ADVISER: Appointment (Items Nos. 12-16)

Approval is sought for the appointments of the following Special Advisors, on the usual conditions:

Mr. Maurice Roche, Mr. John O'Brien and Mr. Oliver O'Connor, to the Tánaiste with effect from 6th June, 2002.

Mr. Frank Lahiffe to the M/T with effect from 21st June, 2002.

Ms. Sinead McSweeney to the M/J,E&LR with effect from 7th June, 2002.

Tony Cotter to the M/A,S&T with effect from 6th June, 2002.

Mr. Gerry Steadman to the M/FA with effect from 6th June, 2002.

DEPARTMENT OF ARTS, HERITAGE, GAELTACHT AND THE ISLANDS: Annual Report 2001 (Item No. 17)

The Annual Report records the progress of the Department during 2001. It will be published in September.

DEPARTMENT OF AGRICULTURE, FOOD AND RURAL DEVELOPMENT: Annual Report for 2001 (Item No. 18)

The Annual Report records the progress of the Department during 2001. It includes a separate chapter on the Department's successful campaign in response to the Foot and Mouth crisis.

DEPARTMENT OF SOCIAL AND FAMILY AFFAIRS: Report for 2001 (Item No. 19)

The Report covers the Department's activities in 2001 dealing with both policy and operational developments. Government has increased spending on Social Welfare from IR4.5bn in 1997 to €9.4bn in 2002 - an increase of two thirds in five years.

AQUACULTURE LICENCES APPEALS BOARD: Annual Report for 2001 (Item No. 20)

The Board independently determines appeals against decisions of the M/CM&NR on applications for aquaculture licences. During 2001, 76 appeals were received, 38 appeals, relating to Ministerial decisions were determined and 26 appeals were withdrawn by the appellant. Two applications for judicial review were made with the High Court ruling in favour of the Board in one case and the other case still awaiting a hearing.

COMPETITION AUTHORITY: Annual Report for 2001 (Item No. 21)

There were 222 new complaints in 2001. The majority of these were in relation to abuse of dominance and cartels. No new legal proceedings were started in 2001. During that year, the Authority prioritised the 'Cartel Immunity

Programme' which encourages self-reporting by offenders in return for immunity from prosecution by the DPP.

December 2001 saw the publication of the Competition Bill (which was subsequently enacted and came into operation on 1 July, 2002) which gives greater independence and operational capacity to the Authority, with the Chairman as an accountable person for PAC purposes.

COMBAT POVERTY AGENCY: Fifteenth Annual Report, 2001 (Item No. 22)
The Report outlines the work of the Agency in 2001, the final year of its Strategic
Plan. The Agency's total expenditure for 2001 was €10.15m. A sum of €2.05m was
expended on grants to community based projects, €252,896 was spent on
research and €417,963 was spent on information, education and resource
material. Expenditure under the EU Programme for Peace and Reconciliation,
which the CPA jointly manages with Area Development Ltd, was €5.458m. The

financial accounts included in the Report have not been certified by the Comptroller and Auditor General. Financial accounts will be resubmitted once they have been certified.

CÓRAS IOMPAIR ÉIREANN: Accounts for the year ended 31 December, 2001 (Item No. 23)

The Report shows that all of CIE's core activities, rail, city bus and provincial bus services, recorded increased losses compared with the previous year. Increased losses of 40% suburban rail, 18.8% mainline rail, 64% Bus Átha Cliath and 73% Bus Éireann. CIE attribute the losses to increased payroll costs, increased service levels and increased infrastructural maintenance and work in the Rail Safety Investment programme. The overall loss to the Group in 2001 was €7.8m, after State Subventions of €245.1m.

FORFÁS: Report and Accounts for 2001 (Item No. 24)

The Report highlights that competitiveness remains the bedrock for building future economic success. Ireland was relatively well placed to withstand the economic downturn in late 2001 even though the impact was felt quickly here because of the size of the information technology sector. The enterprise sector has demonstrated the capacity to compete successfully at home and abroad and Ireland is expected to maintain growth but at reduced levels. For the first time in a decade full time employment in companies under the remit of the Forfás agencies declined (by 1.1%). Policies to promote development of the BMW Regions are having an affect, with employment growth running at a higher level (2.8%) than the rest of the country. (2.4%).

INTERTRADEIRELAND: Annual Report and Accounts for 2001 (Item No. 25) InterTradeIreland is answerable to the North South Ministerial Council (NSMC) and is jointly funded by the Northern and Southern Administrations. The principle functions cover co-operation on business development North and South. Some of InterTradeIreland's major promotional activities in 2001 included:

- * An Equity Network project to stimulate the use of private equity to accelerate business growth in the SME sector,
- * North South placement programmes which link third level institutions and business in marketing and technology transfer,
- * Digital Island to bring an all island approach to digitalisation,
- Events and Forums to raise awareness of benefits of all-island cooperation
- * Competitiveness Report InterTradeIreland made a significant contribution to an all-island report on competitiveness

Total payments to InterTradeIreland in 2001 from the Southern Exchequer amounted to €3.1 m, approx €6.5 m less than the amount allocated, reflecting the fact that the Body was completing the implementation of its corporate structure and recruitment campaigns and also the general political situation impacting on the implementation of the Good Friday Agreement.

SHANNON FREE AIRPORT DEVELOPMENT COMPANY LTD: Report and Accounts for 2001 (Item No. 26)

In 2001, the company assisted in the creation of 1,810 (gross) new industrial jobs. However, employment declined by 698 jobs in the Shannon Region during the same period. In response to the impact of foot and mouth and September 11th on tourism, Shannon Development intensified its tourism efforts and established a broadly based Tourism Action Force, involving tourism interests from the Shannon Region and the West of Ireland.

VOLUNTARY HEALTH INSURANCE BOARD (VHI): Report and Accounts for the year ended February, 2002. (Item No. 27)

Key information in the Report includes: membership at the year end was 1.54m (1.33% increase on previous year); premium income was €596.6m (8.85% increase on previous year), and claims amounted to €520.5m (10.42% increase on previous year). An unexpired risk reserve of €15.3m was created to cover liabilities arising from under estimation by VHI of increased costs arising from business written since September 2001 and this coupled with increased charges levied by private hospitals, effected profit after tax (€14.7m, a decrease of 47.88% on previous year).

LIVE REGISTER MANAGEMENT REPORT: July, 2002 (Item No. 28)

The Live Register for July which will be published on Friday, 2 August is estimated at 172,000 and represents an increase of 7,700 compared with the end-June figure. This is an increase of 24,900 compared with the end-July figure last year. This relatively large increase is due mainly to the temporary inflow of people who do not qualify for holiday pay in the last two weeks of the month.

When seasonally adjusted the Live Register is estimated at 164,900 which is an increase of 1.500 on June.

NATIONAL STATISTICS BOARD: Report for 2001 (Item No. 29)

This is the fourth report in a series that sets out the progress made last year in implementing the *Strategy for Statistics*, 1998-2002. The main focus of the Board this year is on developing a new Strategy covering the period 2003 to 2007. In that context, the Board plans to provide Government with its broad view of how statistics need to be developed, so that the CSO and other data producing agencies may address data issues in a more strategic rather than reactive way.

AGRICULTURE AND FOOD (DELEGATION OF MINISTERIAL FUNCTIONS) ORDERS, 2002 (Item No. 30)

TRANSPORT (DELEGATION OF MINISTERIAL FUNCTIONS) ORDER, 2002 (Item No. 31)

These orders delegate certain powers and duties of:

The M/Transport to MOS McDaid (Road Traffic, including Road Haulage and the Irish Aviation Authority), and the M/A&F to MOS Aylward, (Animal Health and Welfare and Customer Service) and MOS Treacy (Food and Horticulture).

GOVERNMENT STRATEGY FOR ROAD SAFETY 1998-2002: Fourth Progress Report (Item No. 32)

The Minister for Transport asks his colleagues to note the contents of the above Report. It shows that 13% reduction in the number of road deaths last year is still well short of the target set in 1997 of reducing road deaths by at least 20% by 2002. The figures on serious injuries are more positive - down 43% in 2001 on 1997 levels as against a 20% target by 2002.

REPORT TO THE UNITED NATIONS ON THE NATIONAL PLAN FOR WOMEN 2002 ON THE IMPLEMENTATION OF THE BEIJING PLATFORM FOR ACTION AND, AS AN OUTCOME OF THE CONSULTATION PROCESS ON THE NATIONAL PLAN FOR WOMEN, THE DEVELOPMENT OF A NATIONAL WOMEN'S STRATEGY (Item No. 33)

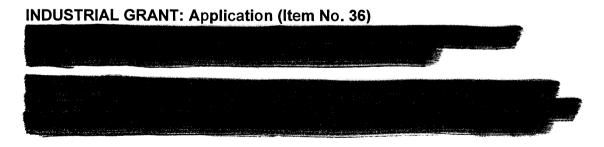
The Minister wishes to publish and submit to the UN the Report to the UN on the National Plan for Women 2002 and to publish a report *Towards a National Women's Strategy* which provides an account of the views of women on progress which were received as a result of a consultation process undertaken earlier this year. The Minister also asks that Departments take both reports into account in formulating future policy and legislation and that the Department of Justice, Equality and Law Reform give particular consideration to the recommendation of the Steering Committee for the Consultation Process that a National Women's Strategy 2003-2010 should be developed.

NATIONAL ECONOMIC AND SOCIAL COUNCIL (NESC): Statement on its forthcoming strategy (Item No. 34)

The NESC is at present undertaking its three yearly review of economic and social policy and is due to produce the new Strategy document by end October. The report will inform the negotiations on a possible successor to the PPF, as set out in the Programme for Government. The Council agreed in June that it would make an interim statement on its new Strategy Report and it has now presented the Statement to Government. The Statement reports on the main themes being analysed and outlines the approaches being adopted.

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (EESC): Nomination of Irish Members (Item No. 35)

The Government is being asked to approve the allocation of seats among the social partner pillars for the purpose of renewal of the Irish membership of the EESC and to agree to the submission of the list of nominations to full and alternate membership of the EESC, to the General Secretariat of the EU Council of Ministers. The current distribution achieves the balance among the groupings within the EESC tripartite structure referred to in paragraph 3 of this memorandum (i.e. 3 employers, 3 trade union, and 3 representatives of various interests).



REFERENDUM ON 26TH AMENDMENT OF THE CONSTITUTION: Statement for Information of Voters (Item No. 37)

Approval is sought for a motion to be moved after the Fifth stage of the Constitution Amendment Bill prescribing the statement to be included on Ballot papers in relation to the Nice Referendum.

COMMITTEE ON COURT PRACTICE AND PROCEDURE: Publication of Reports (Item No. 38)

The 26th Report relates to issues arising from the early release of Philip Sheedy from prison, including procedures for assignment of cases to judges and transfer of cases between judges. The Report finds that there are no issues of practice which need to be addressed substantively but that greater clarity was needed in some respects. It should be noted that this Report was submitted to the M/J,E&LR in June, 2000 and the delay in its release may attract some media attention.

The 27th Report, submitted in February, 2002, relates to the development of electronic courts and the establishment of a commercial court in Dublin. The President of the High Court has indicated that the proposal for a commercial court would be implemented as part of a wider reform of the High Court in the next Law Term.

COMPANIES BILL, 2002: Approval to draft General Scheme (Item No. 39)The Government is asked to approve the drafting of a general scheme of a Companies Bill that will reform and restructure the companies code along the lines of the 195 recommendations of the First Report of the Company Law Review Group with the aim is to maintain creditor and shareholder protection by consolidating all existing legislation into a single Companies Act.

IMPLEMENTATION OF THE NATIONAL CRIME COUNCIL'S CRIME IN IRELAND REPORT (Item No. 40)

Approval is sought, in response to recommendations from the National Crime Council, to establish an expert group on crime statistics to make recommendations on the collation and presentation of information relating to reported crime and to conduct a biennial national crime victimisation survey. This Department gave observations that the Quarterly National Household Survey previously carried a module on crime and victimisation which could be repeated and perhaps the need for a separate national crime victimisation survey is negated. This would also preempt the outcome of ongoing deliberations by the National Statistics Board; the CSO and the Steering Group on Social and Equality Statistics on priorities for social statistics into the future.

The Minister has responded that close and ongoing consultation will be maintained with relevant bodies in order to avoid duplication of work.

REPORT ON THE WORKING GROUP ON THE ADMINISTRATIVE INDIVIDUALISATION OF SOCIAL WELFARE PAYMENTS (Item No. 41)

The Working Group was established under the PPF. It recommends that administrative individualisation be introduced on the basis that the qualified adult allowance rate be paid directly to the spouse with the personal rate being paid to the main beneficiary and that splitting of payments would be on a consensual basis. The new arrangements would be introduced on a phased basis beginning with new claims of contributory old age pension and retirement pensions commencing on 1 October 2002. Any additional resource implications will need to be discussed with D/Finance on the issues of Full Individualisation, the M/FA accepts that this was outside the remit of the Group but that it is an issue which will need to be advanced.

STAFF OF MINISTERIAL PRIVATE OFFICES AND POLITICS (Item No. 42)

A decision is sought confirming that all Ministerial and Attorney General Private office staff holding temporary unestablished positions and whose tenure is coterminous with that of the relevant Minister/Attorney General, be exempt from the general rules governing civil servants and politics. A previous Government decision exempted Personal Assistants and Special Advisers in Minister's Office.

MODERNISATION OF HUMAN RESOURCE MANAGEMENT PRACTICES IN THE CIVIL SERVICE (Item No. 43)

The proposals will provide that staff at Principal Officer level and above may be dismissed by the Minister on the recommendation of the Secretary General while Secretaries General will perform all functions in relation to appointments, performance, discipline and dismissals of Civil Servants below Principal Officer level (with exceptions in relation to the appointment of unestablished Civil Servants and in relation to Ministerial Private Office appointments). It is also proposed to provide for a greater range of disciplinary sanctions including dismissal of Civil Servants in cases of serious underperformance and to extend the scope of the Unfair Dismissals Act to cover Civil Servants.

This Department is fully supportive of these proposals. While it is expected that there will be some resistance from the civil service unions, it is desirable that these proposals are approved by Government in order to form part of the management agenda for the negotiations on Benchmarking and any talks on a successor to the PPF.

Approval is sought for the proposed reforms of Human Resource Management in the Civil Service and to the commencement of consultations with the civil service unions. The Public Service Management Act, 1997, introduced the broad framework for modern management practices in the Civil Service with the power to manage staff being devolved from Government to Ministers and Secretaries General. For these practices to come into effect, the Civil Service Regulation Act, 1956, needs to be updated.

CLOSURE OF THE 1994-1999 STRUCTURAL FUNDS PROGRAMME: Progress Report (Item No. 44)

Ministers are being asked to give highest priority to the closure of the 1994-1999 Structural Funds Programmes in light of the existing slippage of target dates. In order for Ireland to receive an estimated €380m in receipts this year, final reports relating to closure must be with the EC before end October.

ECONOMIC REVIEW AND OUTLOOK 2002 (Item No. 45)

The growth forecasts for 2002 have been reduced from the Budget Day estimates for GDP of 3.9% to 3.6% and for GNP from 3.5% to 3.0%. (**EMBARGO: Friday, Midday.** The ESRI forecast this week estimates GDP growth at 3.4% and GNP at 2.9%).

Amongst the other key points is that, if sustained, relatively higher price and wage inflation compared to our major trading partners will present a serious threat to national competitiveness, especially in the context of an appreciating euro. Also of particular note is that the economy's capacity to realise the full potential of a global recovery will be restricted if the euro continues to gain in value.

NATIONAL DEVELOPMENT FINANCE AGENCY BILL, 2002: Draft Scheme of Bill (Item No. 46)

The Government is asked to give approval for the establishment of a National Development Finance Agency (NDFA). The NDFA will provide financial advice to all State Authorities, assess optimal means of financing different project structures and provide alternative financing for non-PPP infrastructure projects. Of particular note is that all borrowings by NDFA will likely be counted as part of the General Government Balance for EU accounting purposes. Having regard to the ceiling of 5.5% of GNP that can be spent on capital projects and the fact that we are at that ceiling now, it would seem that NDFA will in practice have very limited capacity to borrow in the short to medium term.

A number of Departments have raised concerns over State Aid implications from the proposals on which the M/Finance will take legal advice in the context of the preparation of the legislation.

COUNCIL OF EUROPE'S COMMITTEE FOR THE PREVENTION OF TORTURE AND INHUMAN OR DEGRADING TREATMENT OR PUNISHMENT (CPT): Response to observations (Item No. 47)

This arises following a recent visit to the State by the CPT which asked that immediate steps be taken to end the holding of mentally ill prisoners in padded cells and to ensure their transfer to an appropriate establishment. The CPT has set a deadline of the end of August for the State's response. The approval is sought to give an undertaking to the CPT which addresses the particular concern of holding mentally ill prisoners in padded cells in Mountjoy and Cork prisons for prolonged periods while awaiting transfer to the Central Mental Hospital and the delay in giving treatment to those who need in-patient care. The undertaking provides for special observation cells and also a service level agreement (to be completed by the end of the year) between the Prison Service and the authorities responsible for the Central Mental Hospital (East Coast Area Health Board).

We are concerned that this item was not circulated to relevant Departments for observations. Although D/H&C is in broad agreement with the contents, the D/Finance are preparing a note for their Minister's use at the meeting highlighting the substantial cost implications of the proposals.

FRAMEWORK FOR THE DEVELOPMENT OF IMMIGRATION POLICY AND FOR THE PREPARATION OF NEW IMMIGRATION LEGISLATION: Progress (Item No. 48)

This Aide Memoire updates Government on the four strands of the review of Immigration Policy:

- Cross-Departmental Group on Immigration
- public consultation and immigration gathering process
- study of international legislation and practice in the field of immigration
- review of practices in the Immigration & Citizenship Division of the D/J,E&LR.

It is intended that the review will lead to the preparation of new immigration legislation in line with the commitment given in the Programme for Government. Clearly a streamlining and updating of the Immigration system will also be of huge assistance in continuing to deal with the asylum issue.

It should be noted that the results of the public consultation process and study of international practice will be published.

GARDA SÍOCHÁNA PERFORMANCE AND ACCOUNTABILITY REVIEW (Item No. 49)

Approval is sought for the Report on the Performance and Accountability Review of the Garda Síochána and for the preparation of Heads of a Bill to give effect to the legislative proposals outlined in Chapter 6 of the Report.

The Report proposes a clarification of the respective roles of the Minister for Justice, Equality and Law Reform and the Garda Commissioner and recommends a structured framework for setting performance objectives and for ensuring accountability. While the distinction between policy and implementation is useful in the framework, in practice such a fine distinction will be difficult to maintain.

The Report proposes a performance and accountability framework under which the Commissioner is required to prepare Corporate Strategy and Annual Police Plans taking account of the Minister's policing strategy and to agree them with the Minister. Performance Indicators will be agreed and the Commissioner will have to report on progress in his Annual Report. The Commissioner would become the Accounting Officer.

It is recommended that the respective roles of the Minister and the Commissioner, should be clearly provided for in a new Garda Siochána Act. The drafting of this Bill will proceed concurrently with the drafting of the Heads of a Bill providing for the Garda Inspectorate.

These proposals are worthy of support and, taken together with the other proposed reforms, should improve the accountability of the Garda Siochána.

Note: On Wednesday 31st July an in-depth report on structures will be presented to the Garda SMI Review Group. We have sought advance briefing as the report may call for the closure of (urban) Garda stations.

IMPLEMENTATION OF A PENALTY POINTS SYSTEM (Item No. 50)

This is an update of progress in relation to the delivery of the penalty points system. The Minister is concerned that the full implementation of this system would mean that it would not be operational until the end of next year. He considers that the penalty points system should be progressed by applying it to the most serious of offences, together with the supporting fixed charge system. There may be some legal constraints with such an approach. The M/J,E&LR did not see an advance copy of this Aide Memoire and we have been unable to clarify whether they have any difficulty with the compromise which the Minister is proposing. The continuing carnage on our roads gives force to the Minister's proposal.

PROVISION OF A RAPID TURNAROUND FACILITY AT DUBLIN AIRPORT AND EXAMINATION OF INDEPENDENT TERMINAL (TERMINAL 2) (Item No. 51)

The M/Transport asks the Government to agree that if necessary, and in accordance with the AG's advice, he may issue a statutory direction to Aer Rianta within 14 days to provide a Rapid Turnaround Facility in time for the 2003 tourism season. The facility will be a new temporary, but fully functional pier. If the Board refuses to comply with a direction or prevaricates, the Minister is of the view that the removal of the Board would be called for.

The Government is also being asked to agree that the Minister should publicly seek expressions of interest from any parties who may wish to provide an independent terminal at Dublin Airport. The Minister considers that it is necessary to put a hold on any irrevocable commitments by Aer Rianta in relation to their proposed new permanent pier while the "expressions of Interest" phase is in hand to guard against the possibility that proposals emerging for the latter could be prejudiced by the siting of the new pier. If that proves not to be the case, the Minister believes that the new permanent pier should then proceed. Consultants employed by Aer Rianta have stated that this proposed permanent new facility could not be provided earlier than April 2004 and would thus miss the 2003 tourist season.

INVESTMENT BASED NATURALISATION: Report of the Review Group (Item No. 52)

Approval is sought to publish the report of the Review Group on Investment Based Naturalisation in Ireland which was received in the D/J,E&LR in May, 2000 and recommends that it was inappropriate and unnecessary to re-introduce the investment based naturalisation scheme which was abolished in April, 1998. Government is also asked to note that the M/J,E&LR has no plans to reintroduce the scheme.

The majority of the Review Group recommended that the option of re-introducing an investment based naturalisation scheme on a statutory basis be retained.

IRISH FERTILIZER INDUSTRIES (IFI) (Item No. 53)

IFI has serious funding problems. Unless a buyer is found to take over the business there are only two options – for the shareholders (the Government and ICI) to fund the business or to close the business. The Company is now effectively insolvent without shareholder funding.

IFI and its two shareholders have investigated the prospects of sale of the business as a going concern. A meeting with a Finnish producer of fertilizers is arranged for next week, however, it is possible that any sale may require large injections of capital by the shareholders into the Company. However, State Aid issues arise in this regard.

The Tánaiste has stressed that inadvertent disclosure of the information in the Aide Memoire could lead to an early and uncontrolled wind-up of IFI.

CONTRACT FOR THE AQUATIC AND LEISURE CENTRE AT ABBOTSTOWN: Request for Judicial Review (Item No. 54)

The M/A,S&T is updating Government on a judicial review lodged in the High Court concerning the award of the tender for the Aquatic and Leisure Centre at Abbotstown. CSID, M/A,S&T and the AG are named as respondents.

AGENCY SERVICES PROVIDED BY AN POST TO THE DEPARTMENT OF SOCIAL AND FAMILY AFFAIRS (Item No. 55)

The M/S&FA is updating Government of her intention to increase the agency fee paid to An Post for the delivery of social welfare payments. The EU Commission indicated in May that it would not raise any objection to an increase, provided that it is clearly linked to inflation or wage increases and that there is no change to any other aspect of the contract. There are clear financial implications from this proposal and the proposal is of sufficient importance that it should have come to Government as a Memorandum (not an Aide Memoire) and then only after consultation with relevant Ministers/Departments.

July,	2002.