Sustaining Progress
Social Partnership Agreement 2003-2005

Baile Átha Cliath
Arna Fhoilsiú ag Oifig an tSoláthair
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Oifig Dhíolta Foilseachán Rialtais,
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Department of the Taoiseach,
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Dublin 2.
When I formally launched the negotiations on a possible successor to the Programme for Prosperity and Fairness at the PPF Plenary Meeting on the 31st of October last, I said that in light of the present economic uncertainties, we would have to jointly take hard decisions on what our immediate priorities should be and on those priorities that will need to be delivered in a more favourable economic climate.

We made similar hard choices in 1987 and they provided a solid platform for economic and social development from which all of the people subsequently benefited. While nobody wishes to go back to the bad old days, all of us have had to moderate our expectations so that we are in a good position to take advantage of the upturn in the world economy when eventually it comes.

Our shared overall goal is to continue progress towards the realisation of the National Economic and Social Council (NESC) vision for Ireland expressed in terms of:

- Economic inclusion based on full employment.
- Consistent economic development that is socially and environmentally sustainable.
- Social inclusion and a commitment to social justice and Continuing adaptation to change.

Sustaining Progress – the sixth in a series of Agreements between Government and the social partners dating back to 1987 - provides a coherent and focused strategy for managing the interlocking elements of the economy and the behaviour of economic and social policies.

I firmly believe that in this Agreement we have in place agreed strategies in a range of areas that set the way for moving forward over the next three years.

I would like to take this opportunity to express my deep appreciation of the positive contribution made by all the people who took part in the negotiations and who worked tirelessly to bring about this new Agreement.

We in Government are in absolutely no doubt that a renewed consensus expressed in this new Agreement is in the best interests of all our people and we look forward to working closely with the social partners. I also want to take this opportunity to again emphasise, with my colleagues, the Government’s continued strong commitment to pursuing our nation’s well-being and prosperity through the process of Social Dialogue and look forward to the ongoing dialogue on items of mutual interest.

Bertie Ahern, T.D.,
Taoiseach
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Overview

Background

The negotiations on a new National Agreement were formally launched on 31 October, 2002.

The National Economic and Social Council (NESC) Strategy Report, *An Investment in Quality: Services, Inclusion and Enterprise* provided a background for the negotiations.

The parties to the negotiations included the Government, employers, trade unions, farming bodies and the community and voluntary sector as follows: Irish Business and Employers’ Confederation (IBEC), Irish Congress of Trade Unions (ICTU), Construction Industry Federation (CIF), Irish Farmers’ Association (IFA), Irish Creamery Milk Suppliers’ Association (ICMSA), Irish Co-Operative Organisation Society Ltd. (ICOS), Macra na Feirme, Irish National Organisation of the Unemployed (INOU), Congress Centres for the Unemployed, The Community Platform1, Conference of Religious of Ireland (CORI), National Womens’ Council of Ireland (NWCI), National Youth Council of Ireland (NYCI), Society of Saint Vincent de Paul, Protestant Aid, Small Firms’ Association (SFA), Irish Exporters’ Association (IEA), Irish Tourist Industry Confederation (ITIC) and Chambers of Commerce of Ireland (CCI).

The negotiations have resulted in *Sustaining Progress*, covering a wide range of issues as set out below.

*Sustaining Progress* focuses on what is necessary to make the economy:

- Competitive in a changing world;
- Environmentally sustainable;
- Efficient through finding and implementing appropriate market and regulatory regimes in different areas; and
- Socially acceptable.

The shared overall goal of the new Agreement covering the period 2003-2005 is to continue progress towards the realisation of the NESC vision for Irish society in a period of considerable uncertainty, and to do this by sustaining economic growth and maintaining high levels of employment and securing living standards for all, while strengthening the economy’s competitiveness and thereby its capacity to resume trend growth in more favourable international conditions.

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Sustaining Progress is divided into two main parts:

**Part One** – Sets out the overall scope of the Agreement, together with the ten **Special Initiatives** to be progressed in the lifetime of the new Agreement. It outlines the arrangements for engagement with the social partners on these Initiatives and also the wider policy framework encompassing Macroeconomic Policy, Economic Development and Prosperity and Delivering a Fair and Inclusive Society.

**Introduction**

The introductory text (see Chapter 1, p11) sets out the overall approach to be adopted in the Agreement to underpinning national economic and social development and identifies the key tasks to be undertaken in the Agreement. The central objective is to seek, in an integrated way, to reinforce Ireland’s consistent policy framework approach and to implement and deliver policy outcomes developed under the PPF.

**Engagement with the Social Partners**

The Government has agreed to consult with the social partners as appropriate on policy proposals and the design of implementation arrangements in respect of matters covered by this Agreement. New mechanisms for engagement with the social partners in relation to the wider policy framework are proposed. This includes the establishment of a Steering Group for the Agreement, representing Government and each of the social partner pillars, with overall responsibility for the management of the implementation of the Agreement.

**Special Initiatives**

The Agreement (see Chapter 2, p21) sets out ten **Special Initiatives** to be progressed during its lifetime, focused on key issues of economic and social policy which have been identified by the parties to the Agreement. The Steering Group will agree how action is managed in respect of each of the Special Initiative themes, taking account of existing structures and activities.

- **Housing and Accommodation**
- **Cost and Availability of Insurance**
- **Migration and Interculturalism**
- **Long-term Unemployed, Vulnerable Workers and those who have been made Redundant**
- **Tackling Educational Disadvantage - Literacy, Numeracy and Early School Leaving**
- **Waste Management**
- **Care – Children, People with Disabilities and Older People**
- **Alcohol/Drug Misuse**
- **Including Everyone in the Information Society**
- **Ending Child Poverty**
Overview

Apart from the ongoing quarterly reviews, a particularly critical review will take place when the terms of the pay review fall due for consideration.

Macroeconomic Policy

The central macroeconomic objective over the lifetime of this Agreement will be to consolidate the progress of recent years and to achieve a medium term growth rate capable of sustaining high levels of employment and facilitating the evolution of a more equal society. Securing competitively low inflation, sustainable public finances, and social, economic and environmental sustainability are central to achieving this objective. Chapter 3 (see p35) sets out the key principles that will inform decisions taken in relation to macroeconomic policy during this Agreement.

Building, Maintaining and Sharing Economic Development and Prosperity

A central aim of the Agreement is to ensure that Ireland's economic structures are capable of consolidating and sharing economic development and prosperity. Agreed objectives and details of actions already underway (see Chapter 4, p43) or proposed are set out in relation to infrastructure, the environment and adaptation to continuing change.

Delivering a Fair and Inclusive Society

A central theme of this Agreement is the building of a fair and inclusive society and to ensure that people have the resources and opportunities to live life with dignity and have access to quality public services that underpin life chances and experiences. Agreed objectives and details of actions already underway (see Chapter 5, p55) or proposed are set out in relation to poverty and social inclusion, health and addressing health inequalities, equality, access to quality public services and the challenge of delivering a fair and inclusive society.

Part Two - Sets out the terms of the Draft Interim Pay Agreement for the Private Sector (pages 66 to 68) and the Public Service (pages 90 to 93) and addresses a number of related issues, including the National Minimum Wage, statutory redundancy payments, workplace partnership and industrial relations issues. It contains a wide range of measures aimed at protecting employees' rights; ensuring greater equality; improving skills; promoting health and safety; bringing about a better work - life balance; and developing integrated policies for migrant workers. Part Two also sets out the agenda for modernisation of the public service. Payment of the final two phases of the benchmarking increases and the general round increases for the public service is dependent on verification of satisfactory implementation of this agenda.
Part One

A Policy Framework for Sustaining Progress
Chapter 1

Introduction
1.1 The Agreed Objective of the Agreement

The shared overall goal for this new Agreement covering the period 2003-2005 is as follows:

To continue progress towards the realisation of the NESC vision for Irish society in terms of:
- economic inclusion based on full employment;
- consistent economic development that is socially and environmentally sustainable, social inclusion and a commitment to social justice; and
- continuing adaptation to change;

In this period of considerable uncertainty, to do this by sustaining economic growth and maintaining high levels of employment and securing living standards for all, while strengthening the economy’s competitiveness and thereby its capacity to resume trend growth in more favourable international conditions.

This goal is set within the context of the more medium-term goals set out in the recent NESC Strategy Report and the reality of a fiscal environment in which current resource constraints have implications for prioritisation and timeframes for delivery across all policy areas and programmes.

1.2 Background

In its 1999 Strategy Report, the NESC proposed a vision for Ireland. It argued that the foundations of a successful society are:
- a dynamic economy, and
- a participatory society,
- incorporating a commitment to social justice,
- based on consistent economic development that is socially and environmentally sustainable,
- which responds especially to the constantly evolving requirements of international competitiveness, understood as the necessary condition of continuing economic and social success.

The achievement of the NESC Strategy vision has several dimensions, or longer-term goals, shared by both Government and the social partners. The innovative approach adopted by Government and the social partners in the Programme for Prosperity and Fairness (PPF) sought to translate the Council’s vision into reality by seeking to identify and highlight key new policy initiatives that had been agreed as necessary to achieve these goals. More importantly, the Agreement sought to provide a focus to and basis for social partner involvement with the relevant Government Departments and Agencies in the development of polices and the solution of problems in key areas.

1.3 The NESC Vision 2002

The NESC in its 2002 Strategy Report - An Investment in Quality: Services, Inclusion and Enterprise, reiterates the vision for society outlined in 1999 but also highlights the vulnerabilities of Irish economic development and Ireland’s enduring economic and social challenge. The Report concludes that, “as a regional economy, Ireland must retain and develop high value economic activity”, meaning that we have to focus on what is necessary to make the economy:
Competitive in a changing world;
Environmentally sustainable;
Efficient through finding and implementing appropriate market and regulatory regimes in different areas; and
Socially acceptable.

The report notes that Ireland’s current situation can be understood by focusing on a number of the economic and social vulnerabilities that have arrived together:

- *A loss of competitiveness* through increasing wage and non-wage costs in the context of slower growth
- *High-tech downturn* in the US
- *Exchange rate developments* now exacerbating Ireland’s loss of cost-competitiveness
- *Unresolved internal issues*, particularly concerning land, housing and settlement
- *A sharp deterioration of the public finances*, reflecting in particular the economic slow-down and pro-cyclical policies
- *Insufficient delivery in many public services*
- *Slow progress on other changes*: Science/Technology, Lifelong Learning
- Expensive and slow progress on some key infrastructural developments
- Growing pressure on the environment from several sources
- *Increased development land and house prices*, that are influencing wage bargaining, increasing inequality, raising business costs and increasing the cost of public infrastructure
- *Pressure on the health services*, which most adversely affect those reliant on the public system
- *Pressure on the family* through long commuting times and shortages of childcare
- *Increased immigration*, which has benefited the economy significantly, can give rise to certain problems and pressures
- *Social resources and capabilities*, including those within the family, are now stretched in some areas (including urban concentrations of disadvantage and rural areas experiencing population loss, with consequential problems of rural isolation and pressure on services)
- *Environmental problems*, as evidenced in difficulties in waste management
- Rapid development may lower the aesthetic quality of the built environment
- *Centralised and rigid systems of social policy* and social services have proved unable to meet the needs of citizens and this is felt most acutely by those reliant on the public system
- Public policies to combat exclusion and inequality have progressed significantly – through the formulation of strategies and allocation of resources—but now confront real challenges of implementation
- Ireland has experienced a relatively large increase in earnings dispersion in a context in which the dispersion of earnings was already high by international standards
While Ireland continues to have a tax and welfare system that significantly reduces the degree of inequality in market incomes at any given time, and changes in the welfare system have contributed to a number of positive social developments, the overall balance of tax and welfare changes have been more favourable to those on higher incomes.” (NESC, p.41-43)

The materialisation of these economic and social vulnerabilities provides the agenda that must be addressed if Ireland is to achieve fair and sustainable economic and social progress.

1.4 The role of Social Partnership in Addressing Key National Issues

Social Partnership is a problem solving process, which has been developed in Ireland over the past fifteen years. This has been reflected in the status of the participants in the social dialogue process. It is also reflected in the acceptance that problems can best be solved in modern governance only with the active involvement of the relevant stakeholders and that, as the NESC has observed “the Government has a unique role in the partnership process. It provides the arena within which the process operates. It shares some of its authority with social partners. In some parts of the wider policy process, it actively supports the formation of interest organisations”.

At EU level also, there has been a history of participation by social partners in social dialogue. This takes place through the different methods of consultation and involvement provided for in the European Treaties and by agreement with the Commission, including through the arrangements for dialogue between labour and management at EU level and through the EU Open Method of Coordination (OMC) which provides for social partner participation in discussion on policy and exchange of good practice in such areas as poverty and social inclusion, youth, employment and education.

In Chapter 3, the broad macroeconomic challenges now facing Ireland are set out. The chapter paints a picture of considerable uncertainty in the global outlook. In that context, the NESC has recommended that partnership:

- be structured to address the most pressing vulnerabilities and problems while attending to long-term development;
- remain flexible; and
- can be most effective in focusing on concrete projects, joint action and deliberation based on experience.

NESC has also concluded that clarity is desirable on issues that can be decentralised and do not need to be on the agenda of national partnership, issues that are national, but could be addressed more effectively if there were more focus on implementation and issues that require to be in the social partnership process at national level, which might be either:

- national-level policies; or
- local or sectoral issues, but where the national-level social partners can contribute collectively and individually.

This approach has been followed in the construction of this new Agreement. Against this background, Government and the social partners are agreed that the proposed new approaches are required, in the light of this uncertain environment and a broad consensus on the need for a more streamlined and effective consultation and review process.
1.5 The Overall Approach Adopted in the Agreement to Underpinning National Development

The problems and the wider challenges in operating a consistent policy framework articulated by the NESC 2002 Strategy Report set the context in which this new Agreement has been framed. The 2002 Report reflects, at a minimum, the agreed general direction and provides a medium term planning horizon for consideration of policy issues. However, the degree of uncertainty about the economic outlook, both domestically and internationally, and the reality of a fiscal environment in which current constraints have implications for prioritisation and timeframes for delivery across all policy areas and programmes, have resulted in a different approach being taken in the development of this Agreement.

While the Government and the social partners agree on the balanced approach to national development reflected in the NESC vision and analysis, detailed actions agreed now might not remain appropriate in the light of perhaps substantially changed circumstances in the short to medium-term in respect of all of the priorities set out in those chapters.

The challenge for a new Agreement is, in the context of the Programme for Government, to continue progress while moving to a more concerted focus on implementing and delivering the expected policy outcomes and associated standards of service. Central to this approach is the development of effective monitoring and evaluation systems to allow for optimal prioritisation, the assessment of actual outcomes and the provision of clear and proven value for money.

1.6 Key National Economic and Social Development Tasks

The key national economic and social development tasks to be accomplished relate to the following priorities, as agreed between the social partners, are as follows:

- **Macroeconomic Policy**: to consolidate the progress of recent years and to achieve a medium term growth rate capable of sustaining high levels of employment and facilitating the evolution of a more equal society. Securing competitively low inflation, sustainable public finances, social, economic and environmental sustainability are central to achieving this objective (see Chapter 3);

- **Building, Maintaining and Sharing Economic Development and Prosperity**: to ensure that Ireland is provided with a level of physical and social infrastructure that is affordable and underpins economic development and participation in the fruits of that development by all sectors of our society (see Chapter 4);

- **Delivering a Fair and Inclusive Society**: to build a fair and inclusive society and to ensure that people have the resources and opportunities to live life with dignity and access to the quality public services that underpin life chances and experiences (see Chapter 5).

The objective across these chapters taken together is to seek in an integrated way to reinforce Ireland’s consistent policy framework approach and to implement and deliver policy outcomes developed under the PPF. Progress in this regard will be monitored having regard to National Progress Indicators proposed by the NESC and being further developed by the Central Statistics Office.
1.7 Engagement with the Social Partners in relation to the Wider Policy Framework

The Government has agreed to consult the social partners as appropriate on policy proposals and the design of implementation arrangements in respect of matters covered by this Agreement and that these will be advanced having regard to the NESC analysis and conclusions. In order that this process provides a basis for fruitful engagement, the Government is committed to:

- consultation with the social partners to take place in a spirit of good governance and recognising the need to involve appropriate stakeholders in the development of policy;
- providing a meaningful opportunity for social partners to input into the shaping of appropriate individual policy issues and the design of implementation arrangements;
- managing the consultation process effectively by, for example, giving sufficient notice, information and appropriate process, while recognising the need for the Government to deal with urgent matters and to reach conclusions in a timely manner; and
- reviewing the effectiveness of these arrangements within the Central Review Mechanism and to dealing with specific issues of significance that may arise.

Clearly, Government has ultimate responsibility for decision-making, within the framework of democratic accountability. Many of the issues covered by this Agreement reflect and refer back to a range of integrated Government policy strategies, some of which have been developed in consultation with the social partners, including the:

- National Development Plan
- National Spatial Strategy
- National Climate Change Strategy
- National Employment Action Plan
- National Anti-Poverty Strategy (NAPS)
- National Children’s Strategy
- National Childcare Strategy
- National Health Strategy
- Task Force on the Integration of Local Government and Local Development Systems
- White Paper on Rural Development
- White Paper: Supporting Voluntary Activity
- Taskforce Report on Lifelong Learning

While these are not necessarily agreed by the social partners, they provide a particular context for engagement between Government and the social partners in the relevant areas.
1.8 Institutional Arrangements

The institutions of social partnership have developed over the past fifteen years. In addition to the formal process of the quarterly review mechanism provided by the plenary meetings, other institutions now in place to support the process of Partnership include:

- the National Economic and Social Development Office (NESDO) encompassing NESC, the National Economic and Social Forum (NESF) and the National Centre for Partnership and Performance (NCPP);
- the Public Transport Partnership Forum, the Housing Forum, the National Anti-Poverty Strategy Consultative Committee, the Public Private Partnership (PPP) Advisory Group, National Childcare Co-ordinating Committee, the National Rural Development Forum, the Standing Committee on the Labour Market, the Forum for the Construction Industry and Comhar, the National Sustainable Development Partnership; and
- specific sectoral consultative mechanisms involving relevant social partners, such as workplace and industrial relations institutions including the National Implementation Body (NIB).

1.9 New Mechanisms

The following arrangements for engagement with the social partners in relation to the wider policy framework are proposed:

- a Steering Group for the Agreement representing Government and four representatives from each of the social partner pillars, will be established with overall responsibility for management of the implementation of the Agreement;
- the Steering Group will review, monitor and report on progress in the implementation/progression of the wider policy framework at the quarterly plenary meetings;
- social partners will be engaged by relevant Government Departments on specific policy proposals, on the basis of the agreed terms of engagement set out in the Agreement;
- any issues or difficulties in relation to engagement on issues covered by these chapters can be raised with the Steering Group. The Steering Group may make recommendations as appropriate to ensure the effective delivery of the spirit and intent of the Agreement; and
- the Steering Group will also identify, prioritise, timescale and agree those issues which require further study or examination within any of the relevant Institutional Arrangements identified in the Agreement.

1.10 Special Initiatives

In addition to setting out the overall scope of the Agreement, Chapter 2 sets out the ten Special Initiatives to be progressed in the context of a new Agreement covering what can be regarded as an interim period of particular difficulty and uncertainty. These are all major crosscutting issues, that require the mobilisation of a range of resources across sectors, organisations and individuals and at different levels of Government. In approaching such issues, the emphasis should be on working together, building consensus and adopting a problem-solving approach to finding practical solutions. Importantly, it will bring clearly into focus the need to choose between the various demands for the use of scarce resources - financial and other.
1.11 Mechanisms for Addressing Special Initiatives

Each of the Special Initiatives requires different combinations of new analyses, consultations, experimental policy initiatives, joint action by Government and the social partners and deliberation based on experience.

Customised arrangements will require to be put in place in respect of each of the themes. To facilitate a planned and co-ordinated approach to the arrangements proposed in this chapter, the Steering Group will agree how action is managed in respect of each of the themes, taking account of existing structures and activities where appropriate. The involvement of Departments and Agencies at central, regional and local level in implementation of actions will be necessary.

1.12 Review

Apart from the ongoing quarterly reviews provided for, a particularly critical review will take place when the terms of the pay agreement fall due for consideration. This will provide an opportunity to take stock of the environment, of progress achieved in relation to the overall goals of the Agreement and to consider any opportunities arising to refocus and reprioritise action as improvements in the overall economic situation and the availability of resources might allow.

In addition, the following is envisaged

- a meeting of all the parties to the Agreement, chaired by the Taoiseach, will be convened annually;

- quarterly meetings of the four Pillars, under the auspices of the Department of the Taoiseach will be held to review, monitor and report on progress in the implementation/progression of the special initiatives;

- any of the Pillars may raise an issue regarding any aspect of the operation of the Agreement with the Chair of the Steering Group for the Agreement. The Steering Group may make recommendations as appropriate to ensure the effective delivery of the spirit and intent of the Agreement; and

- the Steering Group will evaluate the effectiveness of the overall process, particularly in the context of the consensus among all the Pillars on the need for sharper and more focused engagement.
1.13 Public Service Modernisation

The quality and effectiveness of our public service institutional arrangements at national and local level in terms of evidenced-based policy making, effective implementation arrangements and ongoing monitoring and evaluation, are central to achieving the agreed objective of this Agreement.

The Programme for Public Service Modernisation set out in Part Two of this Agreement deepens the process of quality public service delivery, by ensuring a greater focus on outcomes and securing value for money. Sectoral performance indicators for change and specified outcomes have been linked to the payments arising under the Benchmarking Awards. Performance Verification Groups, including independent members, will be established to assess progress in each sector. (see Section 26, p119).

1.14 Information Systems

The strengthening of information systems to enable services to be delivered on the basis of the best available evidence and knowledge, including financial management and evaluation systems, will command a high priority so that value for money and quality of outcomes can be better assessed across the public service and service planning can be further enhanced.
2.1 Introduction

In the previous chapter, a new approach to addressing issues of key national concern is set out which involves a combination of ongoing work on implementing Ireland’s coherent policy framework, together with provision for a particular focus on a number of Special Initiatives. In Chapter 4, a framework for Building, Maintaining and Sharing Economic Development and Prosperity is set out while in Chapter 5, issues in relation to Delivering a Fair and Inclusive Society are addressed. The key elements of these chapters are as follows:

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In addition to the ongoing work on the Frameworks within the overall context set out in Chapter 1, Government and the social partners have identified a number of areas of national policy that they believe should be the subject of a sustained focus of effort from all of the parties and which should yield a significant return to the community.

What is envisaged is that the social partners will engage at senior level on each of the Initiatives identified, in a timely and focused way, so as to take stock of the elements of each theme, to clarify desired outcomes, to assess the relevant policies and institutional arrangements already in place, to identify issues requiring further study and initiatives likely to contribute to achieving the desired results.

Clearly, each of themes will require a customised approach to getting results, given their different nature and makeup. It will be for the Steering Group to decide the appropriate approach in each case, taking account of the reality of the multi-dimensional nature of the issues and the need to take an overall perspective on the use of resources. They will have to consider how best to approach issues of delivery which encompass a range of organisations at national, regional and local level.
In choosing these Initiatives, the partners were guided by the following criteria:

- are capable of making a major contribution to our quality of life;
- are amenable to being designed in a way which is both multidimensional and manageable;
- provide a focus for shared working in respect of the activities of organisations in a range of sectors by virtue of their nature and the groups on which they impact;
- allow issues of resource allocation and prioritisation to be addressed in a “whole of government” way;
- potentially encompass short, medium and longer-term perspectives;
- social partners should be able to make a unique value-added contribution to progressing these issues.

2.2 Special Initiatives to be Undertaken During the Period of the Agreement

The following Initiatives have been identified for this Agreement:

- Housing and Accommodation
- Cost and Availability of Insurance
- Migration and Interculturalism
- Long-term Unemployed, Vulnerable Workers and those who have been made Redundant
- Tackling Educational Disadvantage - Literacy, Numeracy and Early School Leaving
- Waste Management
- Care – Children, People with Disabilities and Older People
- Alcohol/Drug Misuse
- Including Everyone in the Information Society
- Ending Child Poverty.

Set out overleaf are central elements to be taken into account in determining the shape of the proposed Initiatives. In each case, the Steering Group will put in place appropriate arrangements involving all of the Pillars to develop the Initiatives further.

2.3 Housing and Accommodation

Rapid economic growth, a rising population and convergence of the average Irish household size towards the European norm are resulting in a significant demand for additional housing which is putting pressure on many facets of the economy and society. The following elements are key to an overall approach to achieving equilibrium between supply and demand in the overall housing market.
2.3.1 Affordable Housing Initiative

The parties to the pay agreement have proposed a new Initiative aimed at further enhancing the supply of affordable housing, with the objective of increasing the supply of such houses by 10,000 units. It is their intention that this Initiative be aimed at those who in the past would have expected to purchase a house from their own resources but who find that they are unable to do so in the current housing market. It is also intended that these houses would be made available for sale to a target group defined in terms of income and/or housing need on a full cost-recovery/commercial basis. Therefore, the scheme would not impact on Exchequer or General Government finances and would protect the funding which is available for the Local Authority and other social and affordable housing programmes.

In responding to the proposal, the Government is committed to an ambitious scale of delivery of affordable housing for the target group through this new affordable housing initiative and the other affordable housing coming through arrangements under Part V of the Planning and Development Act, 2000 as amended. Government will ensure that the necessary actions are taken before the end of this Agreement to secure the achievement of this objective with measurable progress to be made by the mid-term review.

In focusing on the affordable housing Initiative, it is intended that it will not detract in any way from the continuing efforts to maintain a high level of overall housing supply which brings greater stability to the market and greater opportunities particularly for first time buyers, nor shall it detract from the emphasis on delivering a broad range of initiatives for lower-income groups and those with social and special housing needs, which are described below.

2.3.2 Social and Affordable Housing Provision

There will be a review of the effectiveness of programmes designed to assist low-income groups, including those with social housing needs and special housing needs, such as elderly, disabled and homeless people and travellers. The recently published Assessment of Housing Need, which shows increased numbers on the waiting lists of local authorities, provides greater clarity on the specific housing needs of an increased number of applicants for social housing. In the light of this assessment, Government will seek to ensure that it makes the best use of resources available to meet these needs. For example, it is anticipated that the resources available in 2003 will allow for the needs of about 12,000 households to be met through the various social and affordable measures.

Specific attention will be paid to ensuring greater progress in implementation of the Traveller Accommodation Programme. The challenges involved seem particularly appropriate to the spirit of the Social Partnership Agreement. Therefore, there will be a priority focus within this Special Initiative on identifying and addressing the barriers encountered to-date in the implementation of the Traveller Accommodation Programme, so as to push forward implementation within the lifetime of the Agreement.

Action to tackle homelessness through the implementation of the Integrated Strategy on Homelessness, the Youth Homelessness Strategy and the Homelessness Preventative Strategy, and the associated Local Authority Homeless Action Plans, so as to ensure a continuum of appropriate care and services for these vulnerable groups, including those leaving care. The level of priority for these strategies will be maintained.
Support efforts of local authorities to improve estate management, by providing funding for projects under the Housing Management Initiatives Grants Scheme, and through the work of the Housing Unit, further promoting best practice in the management of the public and social housing sector.

Continue to support and develop the role of the voluntary and co-operative housing sector in the provision of social and affordable housing.

2.3.3 Private rented sector

The private rented sector plays an important role in the provision of affordable accommodation and the Government is committed to continuing to modernise and develop this sector, based particularly on the Commission on the Private Rented Residential Sector report in 2000. Legislation to be published in the first half of 2003 will provide for measures approved by Government on foot of this report, including the establishment of the Private Residential Tenancies Board on a statutory basis and reforms in relation to matters such as security of tenure, registration of tenancies, notice to quit periods, rent reviews and dispute resolution.2

Consideration is also being given to developing Public Private Partnership (PPPs) arrangements to encourage increased supply of affordable rented accommodation, initially involving a pilot programme focused on households in need of rental assistance.

2.3.4 Next Steps

The Government will work with the social partners to ensure that an integrated approach is maintained to delivering results across the various elements of housing policy. The Housing Forum, as established under the PPF, will continue to provide the social partners with an opportunity to contribute to housing policy development by the Department of the Environment and Local Government.

During 2003, a comprehensive study on housing will be undertaken by the NESC.

2.4 Cost and Availability of Insurance

The cost and availability of insurance has an impact not just on the operation of businesses but also on the budgets of individuals and families. The following elements will be taken into account so as to effectively address the current difficulties:

Implement the Government’s Action Plan with the objective of bringing about a reduction in insurance costs by the Industry to the benefit of consumers and businesses alike;

Establishment of a Ministerial-Level Oversight Committee, to be chaired by the Tánaiste, and comprising the Minister for Justice, Equality and Law Reform, the Minister for Transport and the Motor Industry Assessment Board (MIAB)/Personal Injuries Assessment Board (PIAB) Chairperson, to progress implementation of the Action Plan;

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2 The proposed approach envisages successive four-year tenancy periods which would be available to tenants whose tenancy has not been terminated in the first six months. Tenancies would be further protected through a graduated scheme governing notice to quit (from four to sixteen weeks) depending on the length of tenancy in each of the four-year periods.
Establish the Personal Injuries Assessment Board (PIAB) on an interim basis, pending preparation of the legislation necessary to set up a Statutory Board;

Undertake a joint study by the Department of Enterprise, Trade and Employment in conjunction with the Competition Authority in order to identify and subsequently take action on any anti-competitive practices or other constraints on competition in the non-life (motor, employers and public liability) insurance market;

Identification and early implementation of any necessary changes in legal and court practice to complement these initiatives; and

Promote and facilitate models of commercial practice that might reduce cost pressures in regard to business insurance.

2.5 Migration and Interculturalism

Government and the social partners agree on the desirability for the development of a comprehensive policy framework on migration (immigration and emigration). This would incorporate issues which properly fall to Government, acting in accordance with national and international law, including regulation of inflows into the State. It will also incorporate issues on which the Government will consult with the social partners – specifically, economic migration and the labour market, integration issues, racism and interculturalism and issues affecting emigrants. The policy framework will encompass the agreement of the parties to the Pay and Workplace Agreement in relation to work-related aspects.

Arising from the conclusions and recommendations of the Task Force on Emigrants Abroad, a coherent set of initiatives will be developed in consultation with the relevant interests.

The National Action Plan against Racism will be published by end 2003 and measures agreed by Government implemented.

An anti-racism intercultural programme at every level of the education system will be implemented in line with the recommendations of the National Action Plan on Anti-Racism. This will build on existing initiatives and focus on curriculum, training and support issues. Literacy and language training for adult minority linguistic groups will also be expanded as resources become available.

2.6 Care – Children, People with Disabilities and Older People

Existing demands and future demographic change present significant challenges to the traditional patterns by which Irish society supported those in need of care. A strategic approach to providing an infrastructure of care services should seek to achieve the proper balance between the respective roles of families, the State, the private sector and voluntary organisations.

Care demands generally relate to three key target groupings; children, people (of all ages) with disabilities and older people.

A strategic approach would include:

(i) identifying the various care requirements;

(ii) exploring the potential of differentiated models of care (including providers, regulatory and standards issues etc.);
(iii) identifying and addressing manpower and physical infrastructure issues; and
(iv) identifying options for the medium to long-term funding of care provision.

The outcome of commitments of previous National Programmes and the work of various associated Committees, Government Departments, Agencies and Statutory Bodies have contributed in varying degrees to this approach.

Development of this work will continue under this Agreement through a range of agreed actions in relation to the target groups as follows:

2.6.1 Childcare

As part of the broader strategy for development of childcare provision:

- Each County Childcare Committee will identify local need for childcare, establish annual targets and assist in the development of childcare services in each county, to meet identified need;
- The current National Childcare Strategy will be augmented by the development of a further stream to achieve the objective of making childcare affordable for working parents in low-paid employment by increasing the provision of good quality childcare: this will be in addition to the continuation of existing measures and supports;
- FÁS will continue to ring-fence childcare places under Community Employment schemes (CE); and
- FÁS will continue to implement traineeships in childcare at both work-ready and higher levels.

The Family Support Agency will develop and promote its information remit, in particular:

- information for parents focusing on the importance of parenting and good parenting practice; and
- information to assist persons in balancing their work and family life.

The Department of Social and Family Affairs will review the contribution being made by the Department’s income support system to people reconciling work and family life; and

The Department of Social and Family Affairs, in consultation with relevant interests, will prepare a national programme focussing specifically on the development of family policy and supports to mark the 10th Anniversary of the International Year of the Family.

2.6.2 Care of People with Disabilities

- The Department of Health and Children will carry out a strategic review of existing service provision, in consultation with relevant interests, with a view to enhancing health and personal social services to meet the needs of people with disabilities.
- The development of Standards of Service in respect of people with disabilities, which is underway by the National Disability Authority, will be completed. Pilot implementation of these standards will commence as soon as possible in parallel with a consultative process involving the social partners.
- The Government will, within six months, complete a review of the waiting lists for residential care for people with disabilities. The review will inform further work under this initiative.
An Action Plan will be developed in 2003 for the implementation of the Code of Practice on Sheltered Occupational Services for people with disabilities following a transition period of one year. The transition period will involve briefing workshops for service providers and training programmes for staff on a number of aspects of the Code, most particularly in the area of Person-Centred Planning. A financial allocation has been made for this task to be commenced in 2003.

2.6.3 Care of Older People

A study to examine the future financing of long-term care in Ireland will be published early in 2003. A working group, including relevant interests, will be established to examine the strategic policy, cost and service delivery issues associated with the care of older people.

Consideration will be given to the implementation of pilot programmes of care in respect of older people.

2.6.4 Ensuring the supply of Care Workers and associated Professional Health Service Workers

The work of the PPF Working Group to examine the skills of health workers, including the role and skills of care workers, will continue and report within 18 months.

Consideration will be given to a structured role for volunteers in the provision of care services and the promotion of same during the lifetime of this Agreement.

2.7 Supporting the Long Term Unemployed, those who have become Redundant and those in Low-Skilled Employment

The objectives are to equip people with the skills to give them access to good quality and secure employment over their lifetime and to continue the re-integration of the long-term unemployed and disadvantaged groups into the open labour market, with a focus on progression opportunities. In particular, the actions proposed are designed to complement those agreed in the Section on Pay and Workplace issues in relation to redundancy and to education and training.

Action must be focused on:

- making work pay;
- targeting low-skilled workers and the low-paid for training and further education to support their progression to better-quality and better-paid jobs;
- meeting the needs of workers who lose their jobs because of restructuring in the economy;
- fostering family-friendly employment practices and supporting women returners; and
- working to achieve the highest possible levels of employment in light of the NAPS target of eliminating long-term unemployment by 2007.
The elements to be taken into account will include the following interventions:

2.7.1 Combatting Long-Term Unemployment

- The preventative strategy outlined in the National Employment Action Plan will be extended to all persons on the Live Register for longer than 6 months on a phased basis starting in the Dublin region.
- The new High Supports Process, aimed at helping those experiencing particular employability barriers, will be implemented in five pilot areas this year involving a training fund of up to €2,500 per person.
- Further targeted measures will be developed over the lifetime of this Agreement in consultation with the social partners to support labour market integration of women returners, people with disabilities and other vulnerable groups. The recently launched Workforce Gateway for Women Initiative is aimed at supporting and further developing services for women wishing to return to work.
- The Government will examine how the positive role of the Community Employment Scheme and other schemes such as the Jobs Initiative, the Social Economy Programme and the Back-to-Work schemes can best meet the needs of both the long-term unemployed and communities, taking account of the various reviews currently underway. A cross-Department group is at present examining options for consideration by the Government. The group will continue to liaise with the social partners during this work.
- Government will continue to seek to address any barriers or disincentives to taking up employment.

2.7.2 Addressing the needs of those who have been made redundant

- FÁS will continue to play an active role in respect of company layoffs and closures. In co-operation with the industrial development agencies and local organisations, FÁS has developed a process for engagement with redundant workers which is put in place as required and can be adapted to meet the needs of a particular situation.

2.7.3 Addressing the needs of low-skilled workers

- FÁS will continue to provide training for low-skilled workers through a number of programmes such as skills training, community training, bridging foundation and traineeships. FÁS will continue and develop its broader supports for companies providing training for employees. The Competency Development Programme will be launched in early 2003 with a budget of €4.5 million, focused on the prioritised needs of people in employment.
- Priority will be given to expanding access to education and training for those in employment, particularly for those with less than upper second level education. The Back to Education Initiative, providing flexible part time options, will be further expanded in line with resources: the objective set out in the National Development Plan is to have 20,000 extra places per year by 2006.
The e-learning services, FÁS Net College (www.fas-netcollege.com) – an innovative, low cost delivery method – will provide “24 hour-7 day” access to courseware.

In 2003, co-operative action will take place between the Department of Education and Science/FÁS and employer representative bodies to address the learning needs of young people who leave school early and have taken up employment within available resources and reflecting the experience of a recently initiated pilot scheme in the Dublin area.

2.8 Tackling Educational Disadvantage – Literacy, Numeracy and Early School Leavers

Tackling the issue of educational disadvantage requires a multidimensional and integrated approach. Education plays a fundamental role in providing full access to life chances and in avoiding and breaking the cycle of disadvantage. A key focus of education policy is to prioritise investment in favour of those most at risk and to optimise access, participation and outcome at every level of the system for disadvantaged groups. Literacy and numeracy skills are a prerequisite for learning and for social and economic participation. Key NAPS targets are to:

- Halve the proportion of pupils with serious literacy difficulties by 2006;
- Reduce the proportion of adults aged 16-64 with restricted literacy levels to 10-20% by 2007; and
- Ensure that participation rates to completion of upper second level education or equivalent increases to 90% by 2006.

Critical attention will be paid to literacy and numeracy both in school and for adults of all ages. Systematic monitoring of literacy attainment levels and assessment and remediation strategies in primary schools will be implemented, supported by targeted initiatives to address the specific needs of disadvantaged schools. Initiatives will be implemented to prevent and address early school leaving, taking account of the framework set out in the NESF Report on Early School Leavers. The range of initiatives focused on school retention and completion will be reviewed to ensure optimum synergy and integration, advised by the Educational Disadvantage Committee. The Educational Welfare Board will be brought into operation and adult learning opportunities will be particularly targeted at those in disadvantaged communities in rural and urban areas.

The document Student Councils: A Voice for Students sets a framework for the establishment and operation of student councils in line with the provisions of the Education Act 1998.

Building on the Youth Work Act 2001, the National Youth Work Development Plan will be progressed and implemented on a phased basis, as resources are made available.

The extent of compliance with the terms of the Protection of Young Persons (Employment) Act 1995, which provides for proactive information provision, inspection of workplaces, and prosecution where appropriate, will be evaluated.

A workplace basic education and literacy/numeracy/Information and Communication Technologies (ICT) programme will be implemented as part of this, building on the recommendations of the National Adult Literacy Agency report on a Workplace Basic Education Strategy and the Report of the Task Force on Lifelong Learning. Pilot initiatives will be implemented in targeted sectors where there are vulnerable workers, in partnership with trade unions.
2.9 Waste Management

NESC said in its Report that it believed the effective management of the waste problem is one of the highest priorities in Ireland for the next three years. The Report said that:

- the effective management of waste needs to incorporate both regulatory and spatial institutions;
- there is currently a lack of co-operation within and between regions in addressing the waste management crisis, with the problem seemingly being passed from one agent to another;
- overly optimistic recycling targets may mask the need for a more concerted incineration and landfill policy;
- increased producer responsibility is limited by the fact that much of the resulting waste stream is imported from abroad;
- there is a tension between an enhanced civic culture, in which citizens would take more responsibility, and the incentive to free-ride;
- the drive to tackle waste management ought to encompass all of civil society and incorporate not only waste management companies and local authorities but also enhanced producer and consumer responsibility; and
- there needs to be a set of institutions with sufficient power of delivery to ensure a satisfactory outcome.

There has been a significant effort in recent years to identify an effective policy response to this issue. A policy framework has now been put in place, as reflected in the Government’s policy statement of March 2002. The Government will publish in 2003 a national overview of regional waste management plans, which will include appropriate measures to speed up implementation.

An integrated approach to waste management is required that would involve full and speedy implementation of local authority waste management plans and the National Hazardous Waste Management Plan, rapid expansion of the national recycling effort and the introduction of initiatives to ensure that individual economic sectors take responsibility for their own waste. Appropriate landfill bans on materials such as packaging need to be introduced to maximise the efficient use of resources and eliminate unnecessary landfilling. Levies or other economic instruments need to be considered where appropriate.

Government will, under this theme, work with the social partners to develop a shared understanding of the actions necessary to underpin the effective management of the waste management problem.

2.10 Improving the Health of the Nation – Tackling Alcohol and Drug Misuse

This theme has been selected because of its importance to the quality of life and well-being of the population, both in the short-term and importantly in the longer-term.

In 2000 Ireland ranked second highest among EU Member States in terms of per capita alcohol consumption. A pilot study showed that alcohol was a factor for 25% of those attending a hospital A&E Department. Alcohol is estimated to be associated with at least 30% of all Irish road accidents and 40% of all fatal accidents. Alcohol misuse is a significant risk factor in suicide and alcohol disorders are a main cause of admissions to psychiatric hospitals. Marriage counselling services
reported that alcohol misuse was a primary presenting problem in up to 25% of cases. Alcohol has also been identified as one of the factors contributing to crisis pregnancies.

Clearly, therefore, the adverse effects of alcohol extend beyond physical health issues to mental, social and financial problems. There is a continuum of problems that can affect everyone in the community, especially young people. Measures to reduce alcohol-related harm must address both the supply and demand side, and need to be concerned with regulating availability and providing deterrence. A Strategic Task Force on Alcohol was established in January 2002 and its Interim Report was published in May 2002.

Tackling the problem of drug misuse as set out in the National Drugs Strategy must remain a high priority. An Annual Report on the nature and extent of the drug problem and the progress being made in achieving the objectives set out in the Strategy is due to be published in early 2003. The Critical Implementation Path for the 100 actions under the Strategy, which indicates how each action is to be implemented by the relevant Agency/Department, including timescales, will also be published in early 2003. The Strategy itself is due to be reviewed in 2004.

Government will under this theme work with the social partners to develop a consensus on the most effective strategies to deal with these major societal problems.

2.11 Including Everybody in the Information Society

Government is committed to securing and maintaining a leading position for Ireland in the global information society through the implementation of the recommendations set out in New Connections – the Government Information Society Action Plan.

The growing influence of information and communication technologies in our daily lives is transforming the way we interact and do business. As more and more economic and social activities, such as education, commerce, learning and entertainment, move to digital forms of delivery, people who cannot access ICT are potentially at a growing disadvantage. The Government’s strategy to realise the potential of the Information Society prioritises the development of an inclusive information society and recognises individuals, communities and businesses as key stakeholders in this regard. This extends beyond raising awareness and providing points of public access to the Internet. Measures are needed to build the capacity necessary to support inclusive Information Society development, to facilitate access and to actively promote participation. The Government and the Social Partners will work to develop coherent strategies to promote participation among those on low-income and late adopters.

In its approach to the delivery of public services, the Government will explore all access channels and all technologies, including where possible mobile telephony, to ensure that no person is excluded by virtue of their personal, economic or social circumstances. This model of service delivery is being put in place around the Public Service Broker – the central access point for all public services – and will be used for both direct and intermediated access e.g. telephone contact centres and one-stop-shops. This will ensure that the benefits of eGovernment are clearly available, through integrated service centres, to those who are not in a position to avail of direct access to services delivered through the Internet.
The process for the delivery of on-line services is equally relevant to the business community as outlined in Chapter 4. Three key infrastructures form part of the necessary basis for progress as an Information Society:

- **telecommunications infrastructure**: developing the capacity necessary for delivery of advanced telecommunications services;
- **legal and regulatory environment**: ensuring a secure and a predictable legal framework for electronic transactions that provides the necessary confidence for both business and consumers; and
- **eGovernment**: a key leadership role for Government in driving wider engagement with ICTs through its own business processes and service delivery arrangements.

As indicated in Chapter 4, the Government is committed to the rolling out of the necessary infrastructure identified in its Broadband Action Plan, as outlined in *New Connections* (in partnership with the private sector). The development of eCommerce strategies by domestic and internationally trading companies will be encouraged and an efriendly regulatory framework will be further developed. To stimulate development of eCommerce, the Government will prioritise the development of a unique business services identifier to facilitate improved access to public services by the business community. The Government will support the accelerated roll out of eGovernment services for business in their dealing with State Agencies as envisaged in *New Connections*.

Procurement capacity across the public sector will be developed through the use of efficient procurement practices and processes, and by the adoption of effective procurement-related ICT. In this regard, the Government will prioritise the implementation of systems to support online receipt of tenders as a further development of the e-tenders facility already in place.

### 2.12 Ending Child Poverty

The analysis in the *NESC Strategy Report 2002* emphasises that the significance of childhood conditions is greater than ever before. The objective in the NAPS is to reduce the numbers of children who are consistently poor to below 2% by 2007 and, if possible, eliminate consistent poverty.

#### 2.12.1 Combatting educational disadvantage and social exclusion

The society of the future will be a more difficult one for early school leavers to negotiate. If we are serious about tackling educational disadvantage and procuring social inclusion, we must address disadvantaged conditions in childhood, which are known to increase the likelihood of early school leaving and poor school performance. The productivity of people over their working lives is significantly linked to the quality of their childhood and early schooling.

#### 2.12.2 Developing new responses to on-going social and cultural change

Social and cultural changes are creating new hazards to children’s well-being which demand new responses. These include a decline in the birth rate to below the replacement rate, changing family patterns, children as a significant consumer market (including as users of the electronic media), a greater awareness of the exploitation of children (past and present) and diminished neighbourhood ties.
2.12.3 Policy Approach

The policy approach targets services as well as income to ensure a better start for every child. The strengthening of services from which children benefit can do much to foster their well-being and development. The approach will be evaluated on outcomes for children. The precise definition of these outcomes will be drawn up and adopted in consultation with all those with responsibility for delivering upon them.

**Health:** Better medical and health services within the community for young children and their parents.

**Pre-schoolage:** Priority to early education and childcare facilities for disadvantaged families in the context of a joint approach between the Departments of Education and Science and Justice, Equality and Law Reform.

**Primary school:** Ensuring every child obtains a threshold of numeracy and literacy.

**Neighbourhood amenities:** Accelerated provision of play environments for local communities.

**Parenting:** Wider availability of parenting support services for families at risk.

**Income:** Importance of Child Income support arrangements, including examining the effectiveness of, for example, merging the Child Dependent Allowance (CDA) with the Family Income Supplement (FIS).

In clarifying the institutional framework through which the desired outcomes are to be secured, the social partners will work closely at a national level with the National Children’s Office, the National Children’s Advisory Committee, the Combat Poverty Agency and the Non-Governmental Organisations (NGOs) targeting child poverty. They will seek to strengthen and promote co-ordinating, monitoring and delivery structures at the local level in order that more of the solutions to problems might come from where the problems are, and where much of the expertise for solving them lie. The structure and operation of the County Childcare Committees will be examined as an interesting template to spur the parallel development of local structures ensuring a fair start for every child.
Chapter 3

Macroeconomic Policy
3.1 Overall Objective

The central macroeconomic objective is to consolidate the progress of recent years and to achieve a medium term growth rate capable of sustaining high levels of employment and facilitating the evolution of a more equal society. Securing competitively low inflation, sustainable public finances and social, economic and environmental sustainability are central to achieving this objective.

3.1.1 Context

Over the first two years of the PPF, annual GNP is estimated to have grown by an average of 7.7%. On an annual basis, employment expanded by almost 77,000 in the year 2000 and by a further 49,000 in 2001 facilitated in part by substantial inward migration. This substantial growth translated into a further improvement in the unemployment rate - as measured by the Quarterly National Household Survey (QNHS, CSO), unemployment fell from 5.7% of the Labour force in 1999 to an average 4.6%3 in 2002. Living standards, assisted by Budget measures, have continued to improve for both those in employment and those dependent on income support.

International economic activity continues to be sluggish amid uncertainty about the timing and pace of any pick-up. A period of consolidation is now required in order to protect the hard won economic and social gains by being prudent in economic policy management and in the management of the public finances. As a small country, which is highly integrated into the global economy in terms of trade and investment links, economic conditions in Ireland are crucially determined by the international economic environment and our ability to trade in this environment.

The full implementation of the new Agreement, including the special initiatives identified in the previous chapter, is predicated upon a recovery in Irish economic performance with growth picking up towards potential over the Agreement period. GNP is expected to average 3% growth over the period 2003-2005 on the basis of a favourable international environment, sustained improvements in productivity, renewed domestic and international competitiveness, and the effective tackling of supply side constraints.

Achieving the goals set out in this Agreement within the timescale envisaged depends on attaining the levels of growth indicated above. Should economic growth exceed this level, and subject to the key principles set out below, additional resources will be distributed in a balanced way to accelerate progress across the priority objectives of the Agreement, particularly social inclusion. However, if economic growth falls below the projected level, it will be necessary to re-prioritise or make more gradual progress in order to adhere to these key principles while emphasising the need to protect the most vulnerable people. This aspect will be kept under review by the Steering Group.

3.1.2 Looking forward

Consolidating and building on the economic and social progress attained in recent years, in order to renew the necessary external and domestic confidence in the competitiveness of the economy and its potential for continued growth, will require adherence to the following key principles:

- managing the public finances in a way that ensures a sustainable match between resources and expenditure and that avoids imposing an unfair burden on future generations;

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3 Refers to year-on-year average ending Qtr3 2002.
regaining and sustaining Ireland’s competitiveness in its cost dimension and in all its other dimensions;

especially as the economy returns to full potential, restoring balance in the public finances, with current public expenditure growing no faster than GNP, and the Debt:GNP ratio continuing its gradual decline, thus underpinning budgetary sustainability and keeping the public finances close to balance for the period 2003-2005;

within that budgetary framework, maintaining a high level of infrastructure investment focused on improving the productive capacity of the economy;

addressing structural deficits and supply side weaknesses that limit the capacity to achieve strong economic growth and thereby sustain high employment;

promoting and maintaining competition across all sectors of the economy to ensure maximum efficiencies and lowest cost goods and services for the citizen;

ensuring that an appropriate balance between consumer and producer interests is at the centre of policy making by promoting greater consultation and transparency in formulating legislation and regulation;

renewing focus on the quality and quantity of new and existing regulations (including enforcement) so as to minimise burdens, to reduce market entry barriers and to increase entrepreneurship and innovation;

taking account of the need to reduce pressures on the environment and respect Ireland’s international obligations;

establishing appropriate regulatory arrangements for the economy which are designed to achieve competitiveness gains while safeguarding the public interest, in particular with regard to maintaining “services of general interest” and the need to ensure infrastructural investment; and

focusing on what is necessary to enable the economy to retain and expand high value-added economic activity, while supporting the goal of a society that is more socially inclusive and environmentally sustainable.
3.2 Public Expenditure

Public expenditure will be managed in a cost-effective way and with a focus on key priorities and value for money so as to support the overall goals of this Agreement, subject to being consistent with the strategy on the overall balance and a tax level that will facilitate the level of economic growth necessary to maintain high levels of employment.

3.2.1 Context

Over the strong growth period of the first two years of the PPF and continuing into 2002, public expenditure rose very sharply - the rate of increase in spending in 2001 and 2002 totalled almost 40%. Much of this increase in spending was focused on the health and education sectors. Capital investment under the National Development Plan (NDP) increased significantly - an average increase of 142% over the period 2000-2002 compared to the average over the corresponding period 1997-1999.

However, with the marked slowdown in economic growth, a public finance deficit of 0.7% of GDP on a General Government basis is now foreseen for 2003. While the expectation is that economic performance will pick up during the Agreement period, the prospect is that GNP growth may not exceed an annual average of the order of 3%. In this context and on the basis of the NESC Strategy Report 2002 recommendations, the pace of planned growth in public expenditure is being adjusted to a level consistent with the overall sustainability of the public finances at a tax level that will facilitate the level of economic growth necessary to maintain high levels of employment and progress infrastructure and social provision towards realisation of the NESC vision for Irish society.

3.2.2 Looking Forward

Public expenditure policy under this Agreement, in terms of overall composition and balance, will, subject to the overriding objective of keeping the public finances close to balance for the period 2003-2005, be informed by the following key points:

- improving the efficiency and effectiveness of public expenditure by a greater focus on priorities, service standards, transparency and results secured;
- targeting priorities by reallocating existing expenditure from lower to higher priority programmes, with a particular focus on growth oriented policies and actions, and by eliminating programmes that are no longer effective in serving economic or social priorities;
- exploring new and innovative service delivery options and evaluating the role of user charges in effective service delivery on the basis set out in the NESC Strategy Report 2002;
- sustaining public infrastructural investment, both directly and in partnership with the private sector, at a significant level;
- the continued targeting of resources and prioritisation of commitments at those most in need, sustaining social protection and inclusion expenditure at a level that addresses the key social deficits by continuing to protect and enhance the living standards of the disadvantaged and improving the delivery of social cohesion objectives;
- value for money is as important in industrial and development policy as in any other area of public expenditure (including tax expenditures) and must be subject to rigorous evaluation; and
- developing a stronger and more transparent monitoring and evaluation culture, and a sharper focus on evidence-based policy making.
3.3 Taxation

The objective is to ensure that the tax system facilitates a level of economic growth sufficient to maintain high levels of employment and quality public services, is fair and able to adapt to changing economic circumstances.

3.3.1 Context

The PPF achieved the target increases of 25% or more in take home pay. For certain categories of taxpayer, this target was exceeded. The gap between the standard rate band for a single person and that of a married one-earner couple continues to narrow, amounting in the present tax year to €9,000 compared to almost €18,000 in 1999. Following Budget 2003, no more than 29.8% of income earners are expected to pay tax at the higher rate in the tax year 2003. This compares with a figure of 32.6% in 1999. In addition, those on incomes equivalent to 90% of the statutory minimum wage figure (annualised) are not liable to income tax even though the minimum wage increased in October 2002. The move to the more equitable system of tax credits was completed in April 2001. Corporation tax on trading income has been reduced to 12.5% from 1 January 2003.

3.3.2 Looking forward

The scope for changes in the tax system to facilitate economic growth and employment creation will continue to be considered, as will the incentives for those on low incomes to take up employment. At the same time, the need to pursue responsible fiscal policies and to maintain the public finances in a healthy condition will guide all taxation policy decisions, as will the following points:

- the need to promote the competitiveness and economic growth required to secure high levels of employment and quality services and to address agreed social priorities;
- to the extent that there is any scope for personal tax reductions, progress will continue to be made over the three budgets contained within the lifetime of this Agreement towards removing those on the minimum wage from the tax net, moving towards the target where 80% of all earners pay tax at not more than the standard rate;
- tax expenditures will be kept under review and will be amended or terminated if necessary in the light of changing economic and social priorities. Government is committed during the lifetime of this Agreement to ongoing review of the scope for widening the tax base, subject to the key national economic, social and environmental principles identified. In this context, the NESC will finalise its Report on strategic options for the future of the tax and welfare system;
- tax policy will take account of the need to promote environmentally sustainable development, subject to national economic, social and environmental objectives;
- using the potential of the existing tax credit system to more effectively target changes and to pursue further improvements in the tax regime over the lifetime of this Agreement, if economic circumstances permit;
- in keeping with Ireland’s obligations under the Kyoto Protocol to reduce greenhouse gas emissions and the announcement in the Budget regarding the development of a general carbon tax, there will be full consultation with the social partners having regard to the potential implications for jobs, competitiveness and social inclusion;
The Government is fully committed to making the necessary resources available to vigorously pursue actions to ensure that everyone is tax compliant; and

The Government will be pressing for the maintenance of the current VAT regime in relation to labour intensive services and construction in whatever common EU VAT system may emerge in the future.

### 3.4 Competitiveness and Inflation

Renewing competitiveness both within the domestic economy and on the international stage is central to the overall macroeconomic policy of sustaining non-inflationary, economic growth and high levels of employment.

#### 3.4.1 Context

The increase in inflation, one of the key pressures on competitiveness during 2001 and 2002, was increasingly attributable to sharply rising domestic costs and profit margins associated with very tight labour market and strong demand conditions. Such conditions, combined with inadequate competition and continuing restrictive practices, supported a bidding up of the prices of fixed factors such as property prices and rents and provided opportunity for exceptional increases in some profit-margins especially in some service sectors. Bringing inflation down as quickly as possible towards levels comparable with our trading partners’ performance must be a top priority if jobs are to be secured.

Exposure to the recent appreciation of the Euro against the Dollar and Sterling is much greater in Ireland than in other Eurozone countries, given the pattern of trade. The exposure is greater in some parts of the traded sector than others. This current economic reality and the absence of a (post EMU) monetary exchange rate option bring to the fore the vital necessity of renewing competitiveness domestically and on the international stage. The recent deterioration in some key competitiveness dimensions must be quickly reversed to enable the economy to consolidate and build on the economic and social gains of the past decade and be in a strong position to fully maximise its share of the benefits from the global economic upturn when it comes.

#### 3.4.2 Looking forward

Renewing competitiveness both domestically and internationally will require action under a broad range of policies outlined in this Agreement and under the following broad policy headings:

- a **fiscal policy** that contributes to stable non-inflationary growth;
- a **wage determination and incomes policy** that keeps Irish output costs internationally competitive and ensures that a wage price spiral does not become embedded in the economy;
- a **competition policy** that supports the strengthening of competitive forces across the economy and the removal of constraints on competition and market entry;
- an **infrastructural capacity and planning policy** outcome through the effective implementation of the NDP that sharply diminishes infrastructure deficits, which add to economic and social costs;
- a regulatory policy that provides for the screening of new and existing regulations in terms of their impact on the economy and society, that establishes the framework whereby regulatory arrangements can be optimised for particular market sectors, and renews the focus on reducing the burden being imposed through regulation on the citizen and business, including small and medium enterprises;

- labour market policies that act to match labour market supply with demand and address skills and labour shortages, including policies to help those experiencing social exclusion to re-enter the labour market, policies to encourage female labour force participation, policies that encourage workers to remain in the labour force and appropriate policies on immigration;

- promoting and investing in Lifelong Learning within available resources through the implementation of the Task Force Report on Lifelong Learning and the White Paper on Adult Education;

- an agricultural policy that responds to the pressures emanating from the World Trade Organisation (WTO) and further Common Agriculture Policy (CAP) Reform, by promoting investment, sustainable development and structural change;

- securing and maintaining a leading position for Ireland in the global information society through the implementation of the recommendations set out in New Connections - the Government Information Society Action Plan;

- capacity-building policies that enhance innovation and upskilling, support productive investment, particularly the newer higher value forms of investment, and improve research and development capacity; and

- integrated competition and social inclusion policies that recognise the reciprocal relationship between competitiveness and social inclusion, whereby competitiveness helps to generate the resources to enhance social inclusion, while increased social inclusion enhances competitiveness.
4.1 **Overall Objective**

The overall objective of this chapter is to ensure that structures in the economy are capable of consolidating and sharing economic development and prosperity.

4.1.1 **Context**

The current more difficult economic situation defines the context in which key deficits in the structure of the economy and new technology opportunities and other opportunities arising in the global economy must now be addressed, while maintaining social cohesion. Our dependence on international competitiveness means that public policy must achieve both a sustainable economic strategy and widespread and rapid adaptation in the face of changing world economic circumstances.

4.1.2 **Sustainable Development**

Development must be sustainable in social, economic and environmental terms. The Government’s policy for sustainable development seeks to meet these three objectives on an equal footing and in a way that is mutually reinforcing. Action will continue to be guided by the principles set out in *Sustainable Development: A Strategy for Ireland and Making Ireland’s Development Sustainable: Review, Assessment and Future Action* (Ireland’s Report to the World Summit for Sustainable Development, August 2002). Economic sustainability is addressed in both Chapter 3 and this chapter. Environmental issues are addressed in this chapter (below). In terms of overall sustainability, the point is made elsewhere that economic and social development and environmental protection go hand-in-hand in the achievement of sustainable development at home and abroad. Chapter 5 sets out a range of policy areas in which action is being progressed in the social inclusion area. Issues in relation to social capital are currently being examined by the NESF. A policy framework for support of volunteering and unpaid work is being developed. The need to broaden the concept of progress indicators in line with the NESC Strategy Report 2002 recommendations is recognised.

4.1.3 **National Spatial Strategy (NSS)**

The NSS is the key policy framework under which future infrastructure provision will be planned over a 20-year planning horizon. The main objective of the NSS is to achieve more balanced regional development along with a better quality of life for everyone, as well as vibrant urban and rural areas and a better environment, supported by more effective planning.

The NSS will be rolled out through regional and local authorities, starting with the preparation and adoption of regional planning guidelines. Integrated planning frameworks will be put in place for gateways and hubs and the NSS will be integrated with county and city development plans. Urban and rural areas are intrinsically interdependent and it follows that a strong, spatially balanced urban structure must be matched by specific strategies for rural areas and strengthened rural communities.

Infrastructure provision will be planned and prioritised within the context of the NSS and regional development goals. The balance between prioritising existing infrastructural deficiencies and appropriate pre-provision to encourage balanced regional development will need to be addressed. The 2003 mid-term review of the NDP will be used as an opportunity to reprioritise projects during the life of this Agreement and the final years of the NDP to 2006.
4.1.4 Public Enterprise

The Government is committed to ensuring that the commercial semi-State sector provides services of world-class quality at competitive prices to the consumer. This includes seeking to secure a viable long-term future for State companies without ideological preconceptions: the issue of the most appropriate form of ownership or structure for State companies will be approached on a case-by-case basis. The objective is to achieve optimum service delivery and value for the public, with public enterprise being managed in a spirit of social partnership, while giving the maximum commercial freedom to semi-State companies, subject to the fulfilment of national strategic and balanced regional policy objectives and ensuring appropriate arrangements for provision of services of general interest.

In progressing this commitment, the Government is committed to active engagement with the social partners.

4.1.5 Contents

Agreed objectives and details of actions already underway or proposed by Government are set out in the remainder of this chapter in relation to:

- **Infrastructure**
  - Funding
  - PPPs
  - Procurement
  - Construction Industry
  - Broadband
  - Transport
  - Ports
  - Energy
  - Sustainable Energy

- **The Environment**
  - National Climate Change Strategy
  - National Emissions Ceiling Directive
  - Water Services

- **Adaptation to Continuing Change**
  - Knowledge-based Economy and Society
  - Lifelong Learning
  - Regulation
  - Entrepreneurship
  - Small Business
  - Tourism
  - Promoting North/South Partnership
  - External Relations – EU and the Wider World
4.2 Infrastructure

Objective

To ensure that Ireland is provided with a level of physical and social infrastructure that is affordable and underpins economic development and participation in the fruits of that development by all sectors of our society.

Despite the wide range of issues relating to specific infrastructural and utility sectors, a small number of common elements can be identified, that provide a framework for effective future action to address these deficits, such as the need to:

- ensure that the necessary investment takes place in a cost-effective manner and to ensure in this context that public procurement policies and practices on construction are guided by the need for greater transparency and effective competition (including fixed price tendering, where appropriate) in the contract award process;
- ensure a high quality or standard of service in infrastructure, public services and regulation;
- achieve the necessary regulatory, institutional and organisational change, including any necessary improvements in the oversight, planning and approval systems;
- ensure balanced regional development and progressive implementation of the NSS;
- ensure that development is sustainable in social, economic and environmental terms; and
- develop the scope for greater private sector provision through PPPs and other appropriate arrangements on a basis that involves substantial and appropriate risk transfer and appropriate pricing policies.

Key actions

4.2.1 Funding

Investment in infrastructure will be sustained at the existing significant levels of expenditure over the lifetime of this Agreement in order, in particular, to advance implementation of the NDP infrastructure programme.

Revised arrangements for managing capital spending will be introduced. These will require each Department to provide details of capital projects it proposes to initiate during 2003 and which are planned for the following four years. Departments will also be required to provide an end-year report showing the actual expenditure outturn and outputs delivered. The new arrangements will allow Government to pursue the scope for making greater use of multi-annual funding envelopes for medium-term capital programmes.

Infrastructure must be paid for, whether through general taxation by today’s generation or future ones, or through charges for access to infrastructure. Capital investment must be managed within the overall parameters of the Stability and Growth Pact - this will, in particular, require that budgetary policy takes full account of any non-Exchequer financing that is not being remunerated by access charges. Within these parameters and the overall funding available for investment, Government will seek to use the fullest possible range of funding and procurement options, including the scope for
greater private sector investment and potential ways of remunerating that investment, to promote
the efficient and effective provision of infrastructure, enhance competitiveness and promote the
public good.

The National Development Finance Agency (NDFA) will advise State Authorities on the optimal means
of financing their infrastructure projects and, in certain circumstances, may provide finance for such
projects either directly or otherwise, including through special purpose companies that can securitise
revenue from user charges.

4.2.2 Public Private Partnerships (PPPs)

Following from the recommendation of the NESC and a provision in the PPF, a comprehensive
framework for PPPs was negotiated between the Government and the social partners. The
agreed Policy Framework for Public Private Partnerships sets out a statement of principles for the
development of PPPs and assesses the scope, goals and benefits of PPPs. It also outlines the social
partners’ involvement in the process and arrangements for co-ordination and review.

The Central PPP Unit in the Department of Finance will develop, in consultation with the social
partners, detailed guidance in 2003 on PPPs to State Authorities. These guidelines will provide a clear,
consistent and coherent process for State Authorities when developing projects under PPP
arrangements.

4.2.3 Procurement

Procurement capacity across the public sector will be developed through the use of efficient
procurement practices and processes and by the adoption of effective procurement-related
Information and Communications Technologies (ICTs).

Comprehensive construction procurement guidance for public projects will be developed by the
Department of Finance with the assistance of the Government Contracts Committee (GCC). The GCC
will, in framing policy for publicly-funded construction contracts, consult all key stakeholders,
including the Forum for the Construction Industry (FCI). The views of the FCI will continue to be an
important input into the evolution of best practice construction procurement policy for the public
sector to further promote value-for-money, efficiency, transparency and sustainability.

The Government will seek to minimise bid costs by standardising contract forms, conditions and
procedures at tender stage and for construction and will issue guidelines to improve the efficiency
of the bid process. It is also proposed to review, in light of the outcome of the current initial pilot
projects, the question of a client contribution to PPP tender bid costs during the period of this
Agreement to determine their effect on the market. The Government will prioritise the
implementation of systems to support online receipt of tenders as a further development of the
tender facility already in place.

4.2.4 Construction Industry

It is important to have an efficient, safe and competitive construction sector and to maximise
capacity, efficiency and competition within the indigenous construction sector. Product and process
innovation and the encouragement of buildability within the industry will be encouraged. The
Government recognises the valuable role of the Forum for the Construction Industry (FCI) in proactively addressing issues related to capacity, efficiency and productivity in the construction sector. The output from the FCI will continue to be an important input into the evolution of procurement policy for the construction sector. The joint CIF/ICTU initiative on safety in the construction industry will continue during this Agreement.

4.2.5 Broadband

Government is committed to the rolling out of the necessary infrastructure identified in its Broadband Action Plan, as outlined in New Connections (in partnership with the private sector); to maintaining a regulatory regime that encourages the telecoms sector to roll out new services through appropriate regulatory mechanisms (the recent Policy Direction, issued by the Minister for Communications, Marine and Natural Resources, sets the future policy context in that regard); to exploring the potential for aggregation of public sector telecommunications business to encourage greater private sector investment in infrastructure; and to transposition of the EU Electronic Communications Regulatory Package into Irish law as soon as possible with a view to eliminating any remaining barriers to convergence of technological platforms.

4.2.6 Transport

Government will maintain the current investment programme under the NDP to expand bus and rail-based public transport systems. It will proceed with reform of the public transport sector to enhance service delivery to customers, having regard to the views of the Public Transport Partnership Forum (PTPF) and the role of competition in securing efficiency and choice. Implementation of Quality Bus Corridors (QBCs) and other traffic management measures will be progressed, a national Taxi Regulator will be established and the development of LUAS will continue, as will the evaluation of options for the procurement of a Metro in Dublin.

The Government will also maintain a high level of investment in the National Roads Development Programme in line with the provisions of the NDP. Investment in the upgrading of national roads is based on a policy of providing a high quality service on the national primary network. The investment is set to the aim of achieving dual carriageway/motorway standard on the major inter-urban routes. The NDP also provides for substantial investment in the rest of the national primary network and in selected national secondary roads. The Government will bring forward in 2004 a new policy for public transport schemes in rural Ireland.

The PTPF established under the PPF will continue as a mechanism for consultation on public transport matters generally with the various partnership pillars.

4.2.7 Ports

The Government will complete in 2003 a High Level Review of the State port companies dealing with the governance, regulation, structures and financing of ports’ investment needs and private sector involvement.

The objective of policy in this area is to develop, in line with available resources, adequate infrastructure at ports to cope with growth in throughput and facilitate competitive shipping services in line with assessments of capacity requirements to 2007 and to facilitate the co-ordination and integration of maritime transport within the total transport chain.
To facilitate action on the high level review and to give a comprehensive and structured mechanism to facilitate feedback on service provision, efficiency and cost effectiveness from port users, customers and stakeholders, a National Port Users’ Forum will be introduced in 2003. The goal of the Forum will be the achievement and maintenance of a quality service in Irish ports by enlisting the full support and commitment of all the parties involved.

4.2.8 Energy

Action on energy infrastructure will focus on the ongoing provision of a high quality electricity infrastructure to underpin continuing economic growth and the demands of a modern economy. A particular priority will be to take appropriate action to ensure that generation capacity continues to meet growth in demand, in the context of an increasingly liberalised market and independent regulatory framework. During 2003, the Government will bring forward electricity transmission planning legislation to overcome planning problems in the delivery of electricity transmission projects.

The Electricity Bill 2003 will deal with remaining regulatory and restructuring issues in relation to the electricity industry and will include a universal service obligation, so that all customers enjoy the right to be supplied with electricity of a specified quality at reasonable prices. In addition, a licensed Public Electricity Supplier, part of ESB, will continue to act as supplier of last resort and its tariffs will be subject to regulatory control by the Commission for Energy Regulation (CER).

4.2.9 Sustainable Energy

To assist in meeting our emission targets under the Kyoto Protocol, the Government will continue to implement the policies outlined in the Green Paper on Sustainable Energy. The Government will support achievement of the Green Paper target of an additional 500MWs of renewable energy before the end of 2005 through the Alternative Energy Requirement market support mechanism. The Government will publish a consultation paper on the appropriate support measures for delivery of the targets for renewable energy to 2010.

4.3 The Environment

The objectives of policy on the environment are to promote sustainable development through ensuring the necessary balance between environmental, economic and social aspects of development and maintain a high quality environment as a source of competitive advantage by supporting our food and tourism industries, by developing a leading position in environmental technologies and by making Ireland an attractive location for people to work and live.

4.3.1 National Climate Change Strategy

The measures identified in the National Climate Change Strategy, and any additional measures included by Government as part of the Strategy following the current review of its implementation, will be progressed, including cross sectoral measures such as supporting forestry, carbon energy taxation, emissions trading and other flexible mechanisms. The design and implementation of these measures will be delivered in a coherent manner, will focus on least cost measures and will take account of national economic and social objectives. The current review process provides for stakeholder involvement via Comhar on which all pillars are represented.
4.3.2 National Emissions Ceiling Directive

Following public consultation and approval by the Government, a Strategy, which takes account of national economic, social and sustainability objectives, will be put in place to ensure compliance with the National Emissions Ceiling Directive and the Gothenburg Protocol.

4.3.3 Water Services

The current successful River Basin Catchment Strategy against eutrophication will be extended by promoting and assisting the establishment of integrated local authorities-led River Basin Management projects, which will provide a major input to the implementation of the EU Water Framework Directive. Affected parties will be given due notice of changes required to comply with new limit values.

Implementation of the Urban Wastewater Treatment Regulations will be progressed. The elimination of substandard water quality in private group water schemes will be a particular focus in rural areas. The Government is committed to full and effective implementation of the Nitrates Directive. Detailed proposals will be developed as a matter of urgency in consultation with farming organisations and other interests.

4.4 Adaptation to Continuing Change

4.4.1 Knowledge-based Economy and Society

It is important that Ireland makes the necessary adjustments towards becoming a knowledge-based society by focusing its priorities on human capital, research, development and innovation and niche areas of competitive advantage including ICTs and Biotechnology, within the framework of an Enterprise Environment and by maximising the potential of eCommerce and eGovernment.

The strategic emphasis is on fostering research and development and the creation of a climate of innovation, including building the research capability and excellence required in enterprise and third level institutes to underpin competitiveness into the future and improving the environment for business expenditure on science, technology and innovation. Within available resources, significant funds will continue to be invested under the various third level Research and Development initiatives. Government will contribute to a broad range of initiatives required to reverse declining interest in science amongst students and the population generally, including promotion of science at primary and secondary level and the Government will also support the development of ICT capacity at primary and secondary level schools.

Industries targeted for future investment here will add high-value, quality employment opportunities. “New Economy” industries offer particular potential in this regard. Action will be taken to strengthen Irish-owned enterprises that can compete on an international basis, including small-scale businesses and traditional industries. Existing Foreign Direct Investment (FDI) enterprises will be supported in sustaining and upgrading the nature of activity undertaken in the Irish subsidiary.

The development of eCommerce strategies by domestic and internationally-trading companies will be encouraged and an e-friendly regulatory framework will be further developed. To stimulate the development of eCommerce, the Government will prioritise the development of a unique business services identifier to facilitate improved access to public services by the business community.
A Knowledge Society Foresight exercise will be progressed under the aegis of the Information Society Commission with appropriate participation by the social partners.

4.4.2 Lifelong Learning

The objective is to actively promote lifelong learning over the entire lifespan. The Government and the Social Partners agree that those recommendations of the Report of the Taskforce on Lifelong Learning as agreed by the social partners, together with the White Paper on Adult Education, now provide the strategic framework within which lifelong learning should be progressed. Work on implementing the recommendations of the Task Force will be progressed as a strategic priority as resources permit, overseen by a Steering Committee chaired by the Department of Enterprise, Trade and Employment. The National Adult Learning Council provides a mechanism for social partner participation in this policy area.

When the new framework of national qualifications is developed and initiated, the National Qualifications Authority of Ireland and the awarding councils will prioritise implementation of policies and mechanisms to validate workplace learning. Priority will be given to implementing flexible part-time access to education and training, to addressing the needs of those who are most disadvantaged and at risk of poverty, particularly travellers, lone parents, people with disabilities, older adults, the unemployed and those with the lowest educational and skill levels, building on the work of the Educational Equality and similar initiatives and developing an integrated web enabled database of adult learning options.

A National Office for Equity of Access to Third Level Education is being established to facilitate and monitor participation of under-represented groups in third level education. The Department of Education and Science will work closely with the Higher Education Authority (HEA) and the National Office to progress the strategy outlined in the Report of the Action Group on Access to Third Level Education with a view to achieving the targets for mature students, students from social economically disadvantaged backgrounds and students with disabilities.

The priority skill needs of the economy will continue to be identified through the Expert Group on Future Skills Needs and relevant education and training provision will be assessed in light of its recommendations. Investment will continue to be concentrated on meeting skill needs, building on the work of the Expert Group and the Report of the Task Force on Physical Sciences. There will be continued investment in the provision of places, equipment and infrastructure in critical areas such as ICT, science and technology. This will be complemented by supporting investment under the various third-level Research and Development initiatives.

4.4.3 Regulation

The agreed objective is to ensure that whenever regulation is justified, it is prepared in a fully transparent way that maximises public participation in its formulation; that it is clear and that it achieves its objectives; that it is not overly burdensome and is properly enforced; and that it has no unintended effects and is regularly reviewed.

Regulatory reform will continue to be informed by ongoing developments at the National and EU level, and by internationally accepted overarching principles of good regulation, including necessity, proportionality, subsidiarity, transparency, accountability, accessibility and simplicity.
The Government will publish a *White Paper on Regulation* in 2003 and will engage in structured consultation on any legislative and other actions arising from that White Paper. Regulatory Impact Assessment (RIA) will be introduced in all Government Departments. There will be a renewed emphasis on sectoral regulatory reforms, including reforms in the networked industries and infrastructural sectors and in particular markets such as liquor licensing, financial services and the construction-related, legal and healthcare professions. There will also be a renewed emphasis on creating a better regulatory environment for enterprise, especially small and medium enterprises, in light of the importance of this sector to the economy and the EU’s Lisbon objectives.

### 4.4.4 Small Business

The Government recognises the central role that small business plays in the future growth of the enterprise base. The Government will work to ensure that the conditions for small business and entrepreneurship remain competitive and the stimulation of small business creation will remain a central feature of enterprise policy. In addition, support will be introduced to improve the growth capability of small and medium size enterprises (SMEs) through improvements in technology transfer, productivity, competitiveness and management.

Strengthening the technological capacity of small firms will involve active encouragement of means of transferring significant research, technological development and innovation investment, currently being implemented, into new entrepreneurial initiatives. Any barriers in that regard will be identified and removed.

The Government will continue to work closely with small business organisations through the Small Business Round Table and other fora to ensure that the voice of small business is heard throughout Government.

The Government also acknowledges that the full potential of the EU internal market has yet to be realised and that Irish firms, particularly small firms, still face barriers in accessing some markets in EU countries. The services sector will be a key factor in economic growth in the future. The Government undertakes to give a high priority to this area and particularly in the context of our EU Presidency in 2004, to eliminating the remaining barriers to trade and improving access to markets for the services sector.

### 4.4.5 Entrepreneurship

Entrepreneurial activity is vital to our national capacity to create wealth, to encourage innovation and to continuing adaptation and greater efficiency in the economy.

The Government recognise the importance of fostering an enterprise culture and in fostering and supporting entrepreneurship. Specific initiatives in support of entrepreneurship will be taken, including, in particular, to support entrepreneurship by women and in the social economy.

Government action will include a focus on better regulation and will encourage enterprise to apply ecommerce applications in firms. The Government will support the accelerated roll out of eGovernment services for business in their dealings with State agencies as envisaged in *New Connections*. 

The development of social finance initiatives in recent years has contributed to developing social capital in a way that benefits the whole community. Most of the projects assisted by these initiatives support the development of community infrastructure and social provision at local level. Government will examine ways to support expanded activity of new funds in consultation with the relevant interests.

4.4.6 Tourism

A major review of tourism policy, which will set out a new policy direction for the renewed development of the sector, has been initiated. The review will include an assessment of the performance, competitiveness and potential of the sector and the key determinants of both an industry and Government strategy for the future development of Irish tourism. The final element of updated structures for the delivery of Government tourism policy will be put in place with the establishment of the new National Tourism Development Authority – Fáilte Ireland – in early 2003.

The Government will also continue to endeavour to use available resources to best advantage in supporting the marketing and promotion of Irish tourism. In particular, it will seek to broaden our tourism source markets, to increase our share of the Continental European Market, to foster expansion and competition on air and sea routes and to foster product development, including the question of enhanced national conference facilities.

4.4.7 Promoting North/South Partnership

The Government will continue to promote North/South and all-island consultation, co-operation and common action in all areas of mutual interest, including through the work of the North/South Ministerial Council and the Implementation Bodies.

Together with the Northern Ireland Administration, the Government will proceed with the establishment of a North/South Consultative Forum, with the participation of the social partners, in accordance with the North/South Ministerial Council Plenary decision of June 2002, following consultation with the social partners and other interests.

The strengthening of North/South partnership in all economic and social sectors is an essential part of the Good Friday Agreement. Therefore, while the structures of social partnership exist in this jurisdiction, they are framed within the context of an all-island dimension in strategic policy objectives. The social partners will continue to make a valuable contribution to North/South partnership, especially through participation in the North/South Consultative Forum, but also a range of other actions and objectives already agreed by the social partners to strengthen North/South Partnership at all levels, which will be progressed during the current Agreement.

4.4.8 External Relations - EU and the Wider World

The objective is to ensure that the challenges and opportunities provided by the upcoming enlargement of the European Union, possible Treaty changes and the new round of WTO negotiations can be addressed in a coherent and coordinated way, and in a way that both protects and promotes Ireland’s and the European Union’s interests, while also promoting fairness and the interests of the people in the world’s poorest countries.
Ireland will continue to participate actively in the EU and other international fora. It will provide an effective Presidency of the EU in the first half of 2004, support the enlargement process and the accession/integration of ten new Member States on 1st May 2004. It will actively participate in the World Summit on the Information Society to develop a common vision on the Information Society, including the role of ICTs in development co-operation. In its approach to the negotiation on the Doha Development agenda, Ireland will work to ensure a balanced and successful outcome that reflects the Doha undertaking to improve the effective participation of least-developed countries in international trade on a fairer and sustainable basis, while protecting our vital national interests.

International trade has experienced far-reaching structural change in recent years. These changes have far-reaching implications for Ireland because of its heavy dependence on trading internationally, with 6 out of every 10 jobs dependent on exports. The Trade Advisory Forum provides a mechanism for engagement with relevant interests on how these challenges will be met going forward.

Underpinning our approach to the wider world is the recognition that economic and social development and environmental protection go hand-in-hand in the achievement of sustainable development at home and abroad; and active support for sustainable development in the developing world. Ireland shall continue to play a role in ensuring that the combating of HIV/AIDS remains a top priority on the international agenda. Meeting the UN target of 0.7% of GNP expended by 2007 on overseas development assistance remains Government policy. Ireland will also seek regular monitoring of the EU commitment at the Barcelona European Council to achieve an average Overseas Development Assistance (ODA) expenditure among EU Member States of 0.39% of GNP by 2006. The Government has concluded that, in principle, the total cancellation of the debts of the Heavily Indebted Poor Countries is a politically acceptable objective and one that it would support.
Chapter 5

Delivering a Fair and Inclusive Society
5.1 Poverty and Social Inclusion

Objective

The core objective is to build a fair and inclusive society and to ensure that people have the resources and opportunities to live life with dignity and have access to the quality public services that underpin life chances and experiences.

5.1.2 Key Principles

The framework for addressing poverty, social inclusion and equality concerns is extensive, incorporating a set of legislative and institutional arrangements and policy measures. Within the overall objective, the specific focus now is to ensure that these established mechanisms operate effectively. Specifically, action is now required to:

- implement the key social inclusion and equality strategies already in place;
- target resources and effort on these key policies and sectors to ensure that the strategic objectives will be achieved;
- identify emerging causes of exclusion or inequality;
- put in place the data framework to support evidence based policy making, as well as the critical evaluation, monitoring and review of social inclusion programmes and initiatives; and
- review and revise social inclusion programmes and initiatives, as appropriate, and in consultation with the relevant Actors.

5.1.3 National Anti-Poverty Strategy (NAPS)

The NAPS explicitly recognises the multi-dimensional and dynamic nature of disadvantage and provides the framework to address poverty and social exclusion and to protect vulnerable groups. It commits to building on what has been achieved to date so as to move to a new phase in the development of a more inclusive society. This commitment is reflected in the setting of an objective of reducing, and ideally eliminating, poverty in Ireland; a specific target of eliminating long-term unemployment; and a new benchmark for the lowest social welfare payments of €150 by 2007 (in 2002 terms). The challenge now is to achieve the targets set out in that Strategy in light of changed circumstances and to ensure real and significant progress in relation to implementation. The emphasis must be on delivery and the challenges that that presents. The overall approach set out in the NAPS is to:

- sustain economic growth and employment;
- provide levels of income support to those relying on social welfare sufficient to sustain dignity and avoid poverty, while facilitating participation in employment, and to achieve economic independence, if possible;
- address the needs of groups at high risk of poverty with specific needs;
- tackle the causes of inter-generational poverty;
- support disadvantaged communities; and
provide high quality public services to all.

Breaking the cycle by providing levels of support to those relying on social welfare sufficient to sustain dignity and avoid poverty, while also facilitating participation in employment for those people who are in a position to achieve economic independence is central.

It remains Government policy to meet the target for the lowest social welfare rates and appropriate child equivalence levels as set out in the revised NAPS by 2007, on the basis set out in the Strategy. During the period of the Agreement, increases in the rates will be made in order to achieve this target.

The final phase of the planned multi-annual increases in Child Benefit rates will be completed in 2004 and 2005.

The Social Inclusion Consultative Committee will involve the social partners and anti-poverty experts in the ongoing review of the National Anti-Poverty Strategy as appropriate, in the context of the “NAPSincl” process.

The Department of Health and Children is committed to putting in place a range of community-based services required to address the needs of a small but challenging group of children with significant needs. The Special Residential Services Board and the Social Services Inspectorate will be established on a statutory basis in early 2003.

5.1.4 Pensions

The Government has decided, having regard to the recommendations in the National Pensions Policy Initiative (NPPI) Report to increase social welfare pensions over a 5-10 year period to 34% of average industrial earnings, that the level of social welfare pension will be improved to reach a target level of €200 by 2007 in line with the commitment in the Programme for Government. Progress will also be made towards implementing the commitments to implementation of improvements in Widow(er)'s Pensions and to increase the level of qualified adult allowance for pensioner spouses to the level of the old age (non-contributory) pension.

The Government considers the development of the pensions system as a priority as it is concerned to ensure that people can, as far as possible, maintain their pre-retirement standard of living. In this regard, the Pensions (Amendment) Act, 2002 provides for the introduction of Personal Retirement Savings Accounts (PRSAs) which will be available to the public early in 2003. The PRSA is a low-cost, flexible pension product that will be used to further Government policy to increase supplementary pensions coverage.

A Government-sponsored information and awareness campaign to promote and encourage supplementary pensions provision amongst workers will be undertaken by the Pensions Board in 2003.

A review of the qualifying conditions for Old Age (Contributory) and Retirement Pensions, incorporating proposals for the development of the existing Homemaker’s Scheme, will be published in 2003.
5.2 Health and Addressing Health Inequalities

Government and social partners agree that, within the general policy framework of the National Health Strategy *Quality and Fairness* and the associated NAPS objective to reduce the inequalities that exist, the very substantial resources now being invested in the health services be used effectively to achieve measurable health and social gain. The longer-term sustainability of the health services needs to be protected by ensuring that the best possible structures and systems, including the effective exploitation of ICTs, are in place to underpin future investment in the health services as economic growth picks up and additional resources become available. Significant structural reform of the health services over the period of this Agreement will also improve the scope for progressing implementation of the Strategy, with monitoring and evaluation being central to its successful implementation. The learning from community participation in the context of the Primary Care Strategy will be used to inform models of participation appropriate to the Health Strategy.

It is recognised in *Quality and Fairness* that Primary Care has a central role to play in the delivery of health and personal social services in a modern health system and that the health needs of the vast majority of people should be capable of being met by Primary Care Services. The model set out is based on multi-disciplinary team work, including mechanisms for the involvement of the community. The Government is committed, within resource constraints, to advancing the implementation of the strategy *Primary Care: A New Direction*.

5.2.1 Structural Reform

The work already underway in the Audit of Structures and Functions, the Commission on Financial Management and Control and the National Task Force on Medical Staffing will be brought to a conclusion. Following Government consideration of these reports, a programme of structural and systemic reform will be developed which reflects the key principles outlined above, aimed at achieving high performance, quality of care and value for money in the health service. Implementation of these reforms will be driven by the need to free up the maximum level of resources so that these can be re-allocated to front line delivery services.

5.2.2 Rehabilitation Facilities

The Department of Health and Children is further considering, in consultation with relevant Health Agencies and in the context of needs assessment, the potential for providing additional rehabilitation facilities (such as the recently-proposed Rehabilitation Centre for Munster). Provision of such additional facilities would, inter alia, ease pressure on the acute hospital system.

5.2.3 Information

The strengthening of information systems to enable services to be delivered on the basis of the best available evidence and knowledge, including financial management and evaluation systems, will command a high priority so that value-for-money and quality of outcomes can be better assessed by the Department of Health and Children and service planning can be further enhanced.
5.2.4 Health Impact Assessment

Health Impact Assessment (HIA), a process which takes social determinants of health into account, will be developed so that relevant policies, strategies and legislation undergo a comprehensive process of health proofing so that their impact on the physical, mental and social well-being of the population is positive.

5.2.5 Health Promotion and Education

Health promotion and education activities will be further developed, in partnership with the community, targeting specific areas such as smoking, healthy eating, substance abuse, sexual health and other lifestyle changes. Workplace health promotion, mental health promotion and the area of men’s health have been identified as three areas for further strategic development.

5.2.6 Access to Primary Medical Care

Those recommendations of the CEO’s Report on the Medical Card Scheme, which address issues such as barriers to the uptake, information deficits and transparency in relation to income guidelines, will be implemented in the lifetime of this Agreement.

5.2.7 Eligibility

As part of the implementation process for the National Health Strategy, a review of all existing eligibility legislation is ongoing in the Department. Arising from this review, legislation will be drafted to clarify and simplify eligibility and entitlements to health services in line with the goals and objectives set out in the National Health Strategy.
5.3 Equality

Equality is a key goal which must underpin activity in all policy areas in order to ensure a fair and inclusive society with equal opportunity. A comprehensive framework of equality legislation, institutions and mechanisms is now in place. This framework comprehends the Employment Equality and Equal Status Acts, together with the infrastructure which gives effect to them – the Equality Authority and ODEI – Equality Tribunal, as well as the National Disability Authority which supports mainstream policy and standards of service for people with disabilities. It is essential that this Framework is kept up-to-date and relevant.

The key elements of the equality framework are:

- the dissemination of information and increasing awareness of the protections available and the duties imposed under equality legislation;
- the continued development of opportunities to embed equality policy and practice as a core value in Irish society;
- support for key positive action measures and their implementation and monitoring;
- new legislation to take account of EU developments;
- maintenance of a strong infrastructural framework to underpin the drive to eliminate discrimination, foster equal opportunity and support mainstreaming; and
- to prioritise key statistical needs.

5.3.1 Key Actions

The review of the discriminatory grounds under equality legislation will be completed.

The Second Progress Report on the implementation of the recommendations of the Task Force on the Travelling Community will be published in mid-2003. This will also inform the development of a more focused approach to implementing the Task Force’s recommendations.

New approaches to promoting tolerance and understanding between the settled and Travelling communities will be considered.

An integrated strategy to improve the participation and achievement of Travellers at every level of education, co-ordinated by the high-level designated official and supported by enhanced data-gathering, will be implemented.

Gender balance on State Boards will be reviewed with a view to establishing how best to secure a minimum of 40% female representation on such Boards.

A five-year National Women’s Strategy will be developed. The scoping work for this will be done in 2003.

Measures to prevent violence against women and to support victims of such violence will continue within the framework of the National Steering Group on Violence against Women and within the equality framework. This will include the further provision of health and personal social services for victims, as well as support for the regional planning committees.
The Government will bring the consultation process on the *Disability Bill* to a conclusion as soon as possible. A Disability Bill will be published by Autumn 2003, with a view to its enactment by end 2003. Implementing the proposed legislation will require an integrated and concerted cross-departmental approach and action. It is hoped to have the *Education for Persons with Disabilities Bill* enacted by Summer 2003.

A management information system will be developed to track the participation of different groups in Further Education to support targeting of resources and evidence-based decision making. The impact of the current funding strategy on the participation of different groups within the Back to Education Initiative will be carefully monitored. The Department of Education and Science will continue to invest in enhancing the data available to improve the participation of disadvantaged groups in school and in higher education.

### 5.4 Access to Quality Public Services

Access to quality public services has a major role to play in building a fair and inclusive society and is reflected in the NAPS commitment to move towards a more formal expression of entitlements across a range of public services. The NESC stated that it "sees the challenge of economic and social rights as involving the challenge of creating effective institutions and policies for social and economic services. This implies that we focus on the connection between rights and standards." The Council also emphasises the complex philosophical, political, legal and practical issues involved in the identification, creation, legislation and vindication of rights, especially social and economic rights. Accordingly, in this Agreement, particular emphasis is placed on ensuring that standards of public services are identified, monitored and achieved. This will require further substantive improvements in the effective delivery of quality public services, ensuring that the full potential of online service delivery is realised, and the active involvement of all the social partners. It will also require a renewed focus on setting and achieving standards for the delivery of public services and monitoring progress.
5.5 Challenge of Delivering a Fair and Inclusive Society

The Framework in place for addressing poverty, social inclusion and equality concerns is extensive, incorporating a set of legislative and policy measures and institutional arrangements. The challenge going forward is to ensure real and significant progress in relation to implementation. Important elements in this overall approach include a move to evidence-based policy-making, better data and information, effective proofing, and a range of tools to help monitoring and evaluation.

5.5.1 Key Actions

The review of social inclusion programmes and initiatives will take into account the work and views of the Interdepartmental Task Force on the Integration of the Local Government and Local Development Systems and the County/City Development Board (CDB) process.

The Department of Community, Rural and Gaeltacht Affairs will ensure that actions targeted at disadvantaged areas, such as the RAPID and CLÁR programmes, operate effectively. To this end, the social partners will be consulted in any major reviews of these programmes.

The Department of Community, Rural and Gaeltacht Affairs will work, with other Departments and Agencies at national and local level, and following consultation with the social partners, to align more closely the schemes and processes across the rural and urban community and local development programmes, including initiatives to deal with the misuse of drugs in disadvantaged areas, in order to maximise the impact, coherence and effectiveness of these programmes, support community development and delivery of a fair and inclusive society.

The Government will continue, within available resources, to support the Community and Voluntary sector as set out in the White Paper Supporting Voluntary Activity.

The National Rural Development Forum, established under the White Paper on Rural Development, will continue to examine rural problems, including issues such as depopulation, and advance recommendations to address these.

The CSO will develop, under the guidance of the National Statistics Board (NSB) and the Cabinet Committee on Social Inclusion, a framework for social and equality statistics. The NSB will work with a range of interested parties, including the social partners, in developing this initiative.

The CSO will take a lead role in the development of the potential of administrative data across Government Departments and Agencies in conjunction with the Senior Officials Group on Social Inclusion.

The National Longitudinal Study of Children in Ireland and other appropriate research aimed at monitoring changes in the family and family life on an ongoing basis will inform policy development.

The Office for Social Inclusion will develop a Data Strategy as provided for in the NAPS.

A set of national progress indicators will be developed by the CSO building on Benchmarking the PPF (NESC 107) and National Progress Indicators (NESC 108) reports.
5.5.2 Mainstreaming of Equality and Evidence-based Policy-making

Proofing of policies and services in the public sector to avoid unanticipated negative impact on any of the groups protected under the equality legislation, to ensure policy coherence and best use of resources, will build on the experience of gender-proofing under the NDP, the Working Group on Equality Proofing and experience of poverty-proofing.

Gender mainstreaming will continue to be progressed through the work of the NDP Gender Equality Unit in the Department of Justice, Equality and Law Reform, the Equality for Women Measure and implementation in other policy areas.

The National Children’s Office will continue to bring a better focus and greater impact to Government activity in relation to children.

An Ombudsman for Children will be appointed in line with the provisions of the *Ombudsman for Children Act, 2002.*
Part Two

Pay and the Workplace
Private Sector Pay (Interim Agreement for 18 Months) and Related Issues
Section 1: Private Sector Pay (Interim Agreement for 18 Months) and Related Issues

Introduction

1.1 The parties are entering into this Agreement in recognition of the significant value of the Social Partnership process and the contribution it can make to providing a degree of confidence and stability in an uncertain economic environment.

1.2 The parties recognise that a competitive enterprise sector will underpin and sustain employment and standards of living. It is accepted that the current global downturn is affecting all enterprises and presenting new challenges, documented in the recent NESC Strategy Report, which must be overcome if competitiveness and employment are to be maintained.

Key Principles Underpinning the Agreement

1.3 It is accepted that the rapid pace of change in the business environment demands ongoing adaptation and the parties are committed to full co-operation with normal ongoing change and the need for continued adaptation and flexibility to maintain and improve competitiveness and to increase productivity and employment. The implementation of this Agreement at enterprise or industry level will take full account of the implications for competitiveness and employment and the need for flexibility and change, compatible with modern organisation, design, efficiency and business processes. The implementation of this Agreement will take account of the need to develop a first class work environment which facilitates employee advancement, improves job security, promotes equal opportunities, increases training, productivity, flexibility and good working conditions which benefits everyone involved in the work process.

1.4 The parties are agreed on the importance of confidence in regard to wage developments. Specifically, employers expect unions to adhere to the terms agreed and unions expect the terms agreed to be applied to their members.

1.5 This Agreement:

- Provides that no cost-increasing claims by trade unions or employees for improvements in pay or conditions of employment, other than those provided in Clauses 1.7, 2.1 and 4.1 will be made or processed during the currency of the Agreement;

- Commits employers, trade unions and employees to promoting industrial harmony; and

- Precludes strikes or other forms of industrial action by trade unions, employees or employers in respect of any matters covered by this Agreement, where the employer or trade union concerned is acting in accordance with the provisions of this Agreement.

Date of Implementation and Duration

1.6 Except where otherwise agreed at local level, this Agreement shall come into force on the expiry of the Pay Agreement under the Programme for Prosperity and Fairness in each individual employment or industry and shall last for eighteen months.
Pay

1.7 It is agreed by the parties that basic pay shall be increased by the following amounts:

- 3% of basic pay for the first 9 months of the Agreement as it applies in each particular employment or industry;
- 2% of basic pay for the next 6 months of the Agreement as it applies in each particular employment or industry; and
- 2% of basic pay for the final 3 months of the Agreement as it applies in each particular employment or industry.

1.8 Clause 1.7 shall be negotiated between employers and unions through normal industrial relations machinery, due regard being had to the economic, commercial and employment circumstances of the particular firm, employment or industry, whether arising from exchange rate movements or otherwise. The need for co-operation with normal ongoing change and for continued adaptation and flexibility accepted by the parties may include necessary measures to sustain competitiveness and employment on the implementation of Clause 1.7. An employer may claim inability to pay the terms of the Agreement in circumstances where this would result in serious loss of competitiveness and employment and proceed with this claim in accordance with paragraph 1.10 below.

1.9 The parties are agreed that engagement at local level in relation to issues in dispute must be meaningful and undertaken in a spirit of making every effort to reach agreement at the earliest possible stage.

1.10 Where the parties cannot reach agreement through negotiations on any matters covered by this Agreement after local discussion, these will be referred to the Labour Relations Commission (LRC) and, if unresolved, shall jointly be referred to the Labour Court or, where appropriate, to other agreed machinery. The process will be as follows for separate categories of dispute which the parties envisage could potentially arise:

(i) If a dispute arises as what constitutes a breach of the Agreement, after local discussion, the matter will be referred to the LRC and, if unresolved, it shall jointly be referred to the Labour Court under Section 20(2) of the Industrial Relations Act, 1969, and the parties will accept the outcome.

(ii) If a dispute arises out of a claim of inability to pay by an employer, the onus will be on the employer to convince the union of the case and provide supporting arguments and full disclosure of information to the union. At LRC stage, assessors may be appointed from a pool, agreed with the employers and the unions, to examine the economic, commercial and employment circumstances of the employment involved and the LRC may also draw on the assistance of IBEC/CIF and ICTU representatives, where appropriate. The parties commit to full co-operation with the assessors and the employers commit to full disclosure of information to the assessors. In the event of no agreement being reached, the matter will be referred to the Labour Court under Section 20(2) of the Industrial Relations Act, 1969, and the report of the assessor will form part of the report of the LRC to the Court and will be given serious weight by the Court. The onus will be on the employer to convince the Court of their case. The Court will issue findings only in respect of whether the employer can or cannot pay the terms of the Agreement at all and the parties will comply with the findings. All information disclosed as part of this process shall be treated on a confidential basis by all parties in receipt of such information.
(iii) Should a dispute arise out of a claim by an employer that it is not possible to pay the terms of the Agreement in full and/or that some cost offsetting measures are necessary to do so, the parties will proceed as in paragraph (ii) above except that the Court will issue its recommendation to the parties under Section 26(1) of the Industrial Relations Act, 1990. Where a decision is taken to reject the Labour Court recommendation, a three week cooling off period will apply during which every effort shall be made by the parties to resolve the issues. No strike or other forms of industrial action will be threatened, sanctioned or taken by trade unions or employees during the cooling off period and until appropriate ballots have taken place and due notice given to the employers. Reference can be made during such a period to the National Implementation Body.

(iv) Where there is disagreement as to what constitutes normal ongoing change, after local discussion, the matter will be referred to the LRC and, if unresolved, it shall jointly be referred to the Labour Court for adjudication under Section 20(2) of the Industrial Relations Act, 1969, and the parties will accept the outcome.

1.11 The National Implementation Body, representing Government, IBEC/CIF and ICTU, will meet monthly or otherwise as may be agreed, to ensure delivery of the stability and peace provisions of the Agreement. Where particular difficulties arise or are anticipated, the NIB may be convened at short notice. Where particular problems emerge, the NIB may make recommendations to the social partners by way of further procedural changes necessary to ensure the effective delivery of the spirit and intent of the Agreement.

1.12 The parties, their officials and members accept as essential, adherence to the spirit and intent of the Agreement and will communicate these commitments, obligations and responsibilities in good faith.

1.13 The Government undertakes to adequately resource the Labour Relations Commission and Labour Court so as to enable them to meet the commitments arising under this Agreement through processing claims in a timely manner and effectively utilising the assessment facility provided for at paragraph 1.10. The timeliness with which claims under this section of the Agreement are processed will be reviewed, including organisational arrangements, on an ongoing basis and will involve consultation with the parties.

Section 2: Statutory Minimum Pay

2.1 It is agreed to put to Government a position accepted by both ICTU and IBEC that the National Minimum Wage be adjusted to €7 per hour with effect from 1 February, 2004.

2.2 The parties agree that no repercussive claims related to or following on from the application of the National Minimum Wage will be made by trade unions or employees.

Section 3: Redundancy Payments

3.1 The Redundancy Payments Acts will be amended to implement the recommendations that have been agreed in the Report of the Redundancy Review Group. In the context of this Agreement, it is agreed by the Government that it will enhance statutory redundancy terms to provide for 2 weeks pay per year of service, with the abolition of differentiation by age and to retain the bonus week in the calculation of payments. The rebate of 60% of the statutory redundancy payment from the Social Insurance Fund will apply to this revised level of statutory payment.
3.2 It is acknowledged by the parties to this Agreement that the above adjustment is intended to provide a basic statutory minimum redundancy payment for all workers covered by the Acts. It will not be used to increase the cost of redundancy payments as may be already provided for by agreements at enterprise level.

3.3 The parties agree that no repercussive claims related to or following on from this adjustment to the statutory minimum provisions for redundancy payments will be made by trade unions or employees. Where a dispute about the appropriate level of redundancy payment arises directly from this adjustment of statutory provisions, both parties will refer the matter for interpretation by the Labour Court and be bound by its recommendation on the matter.

Section 4: Pension and Sick Pay Schemes

4.1 Unions are not precluded by Clause 1.5 from making claims for the introduction of pension or sick pay schemes where none exist or from making claims for the improvement of such schemes where these are substantially out of line with appropriate standards in comparable employments.

4.2 Having regard to the cost and other implications of pension and sick pay schemes, negotiations on these matters shall be governed by the capacity of the enterprise to absorb the cost involved and, additionally, in the case of sick pay schemes, the implications for attendance.

4.3 Agreements under Clauses 4.1 and 4.2 may therefore include appropriate phasing and other arrangements (which may exceed the timescale of this Agreement) to take account of these considerations.

Section 5: Partnership at the Workplace

5.1 In this context, the parties to the Agreement recommit themselves to extending and deepening the partnership process at the workplace in accordance with commitments under previous national agreements. It is intended that the National Centre for Partnership and Performance will play an increasing role in supporting this process.

National Centre for Partnership and Performance

5.2 The Government, employers and unions believe that co-operative working relationships are the key to managing change, higher performance and a better workplace. The National Centre for Partnership and Performance will work with IBEC and ICTU in supporting the deepening of partnership and performance in the workplace, including through:

- the establishment of a Forum on the Workplace of the Future to foster in-depth discussion of how workplaces can best adapt to competitive pressures, improve the delivery of services and respond to the changing needs and preferences of employees;

- a joint action project with FÁS to promote a learning culture in Irish organisations;

- the development and dissemination of case studies of best practice in the area of partnership and performance;

- the development of a national training strategy to assist those involved in organisational change through partnership;

- the preparation of guidelines on the different forms of employee financial involvement;
- a project aimed at improving practices and procedures in relation to information, consultation and participation rights, in the context of the Information and Consultation Directive; and
- the promotion of existing joint partnership training materials as developed with IBEC and ICTU.

**Worker Participation (State Enterprises)**

5.3 Under the Programme for Prosperity and Fairness, a review was undertaken by the Labour Relations Commission of the operation, effectiveness and coverage of the mechanisms established under the Worker Participation (State Enterprises) Acts, 1977 and 1988. The aim of the review was to inform decisions affecting the future of Worker Directors in the context of the sale of any semi-State companies covered by the Acts.

The review has now been completed and will be published following consideration by the Government.

**Section 6: Affordable Housing Initiative**

6.1 The parties to the Pay Agreement have proposed a new initiative aimed at further enhancing the supply of affordable housing, with the objective of increasing the supply of such houses by 10,000 units. It is their intention that this initiative be aimed at those who in the past would have expected to purchase a house from their own resources but who find that they are unable to do so in the current housing market. It is also intended that these houses would be made available for sale to a target group defined in terms of income and/or housing need on a full cost-recovery/commercial basis. Therefore, the scheme would not impact on Exchequer or General Government finances and would protect the funding which is available for the Local Authority and other social and affordable housing programmes.

6.2 In responding to the proposal, the Government is committed to an ambitious scale of delivery of affordable housing for the target group through this new affordable housing initiative and the other affordable housing coming through arrangements under Part V of the Planning and Development Act, 2000, as amended. Government will ensure that the necessary actions are taken before the end of this Agreement to secure the achievement of this objective, with measurable progress to be made by the mid-term review.

**Section 7: Anti – Inflation Initiative**

**Introduction**

7.1 In the context of the agreement on pay and the maintenance of employment and competitiveness, the Government along with IBEC and ICTU, will work together to help exert downward pressure on inflation, particularly over the next 18 months.

7.2 Sharply increased inflation, well above the EU average, has already had adverse effects on consumers and business alike and would undermine future economic stability. There is a need to avoid high inflation becoming embedded in the economy, and the risk that it would persist even as the Euro strengthens against sterling and the dollar. International uncertainty around oil prices and currency movements is another pressing reason to attempt to deal with the causes of excessive domestically generated inflation.
While the weakness of the Euro from its inception until recently has been the most significant external factor in driving inflation, most of our present problems are attributable to rising domestic costs and profit margins associated with a very tight labour market and strong demand. Such conditions, combined with inadequate competition and continuing restrictive practices in certain sectors, support a bidding up of the prices in areas such as property prices and rents, and provide the opportunity for exceptional increases in some profit margins especially in certain service sectors.

It is acknowledged by the Government, IBEC and ICTU, that some of these problems can only be tackled over the medium term. Nevertheless, an explicit and co-ordinated set of policies could help to slow down the present rate of domestically generated inflation.

Implementation and Monitoring

The Government agrees that proposals for action will be co-ordinated by a specially convened group, which will draw up a detailed action plan and will monitor its progress. IBEC and ICTU have prepared a range of measures which they will pursue through this group.

The group will comprise representatives from the Departments of the Taoiseach, Finance and Enterprise, Trade and Employment, together with two representatives each from IBEC and ICTU. Representatives of the Competition Authority and the Office of the Director of Consumer Affairs will also be invited to participate, as appropriate. The group will present regular reports to the Taoiseach, the Tánaiste and Minister for Enterprise, Trade and Employment and the Minister for Finance and, in particular, will submit a report reviewing progress, six months after the ratification of this Agreement.

Annex

Anti – Inflation Initiative

Proposals for Action from IBEC and ICTU

IBEC and ICTU have agreed the following proposals and recommendations for an anti-inflation initiative. They complement the initiatives on social and affordable housing and the private rental sector included in Section 6 above and Chapter 2.

1. **A Target Driven Approach**

   - The parties are agreed that bringing inflation down as quickly as possible towards levels comparable with our trading partners’ performance and towards the Eurozone average must be a top priority if jobs are to be secured. The parties agree to demonstrate their strong commitment to achieving this target by promoting and communicating it in order to influence the behaviour of consumers, business and employees in moving towards lower inflation.

   - Public policy, both at central and local government level and the actions of employers and trade unions should be framed with this inflation target in mind and its progressive achievement over the period of this Agreement.
The Pay Agreement

- Trade unions and employers will respect the terms of the pay agreement, having particular regard to the common objectives of improving competitiveness and living standards by bringing inflation under control.
- Government, in implementing the public service pay agreement, should seek to minimise its effect on inflation by actively pursuing the modernisation programme as agreed to achieve better value for money in public service delivery.

2. Public Expenditure

It is desirable that demand should evolve in a sustainable way consistent with the growth potential of the economy. Public spending growth has the potential to drive excess demand in the economy. The parties to this Agreement undertake to support the Government in its determination to ensure longer-term stability in the public finances by avoiding excessive increases in current spending. In particular, they agree that:

- Where certain priority areas need additional resources (e.g. health), every effort shall be made to secure these resources through reallocation and through the elimination of programmes that are no longer effective.
- There is a need to identify and develop delivery mechanisms for services and infrastructure on the basis of securing better value for money.

In addition, the parties attach particular importance to the agreed programme of modernisation and change in the public sector and attach great significance to the process of verification of performance, which it contains.

3. Stronger Competition, Controlling Inflation and Other Control Measures

Strong competition in the economy exerts downward pressure on prices, encourages responsiveness to customer demands and also promotes innovation. Competition is weakened either through inappropriate State regulation or through collusion among private companies.

Greater competition in protected sectors, including the professions, can contribute to reducing inflation. The Competition Authority and the Director of Consumer Affairs should be given specific additional priorities and tasks to boost this counter-inflationary policy including:

- More aggressive implementation of competition policy, including dealing with sheltered sectors where unnecessary barriers to entry exist.
- Accelerating the studies of professional services, which were initiated by the Competition Authority at the request of the Government on foot of the OECD Review of Ireland’s regulatory regime. The findings of these studies should be published on a phased basis beginning in May 2003.

Tackling Excessive Prices

Investigations will be undertaken in sectors where price increases do not appear justified by market conditions. These surveys should, in particular, be targeted at sectors which were identified in the Forfás euro changeover report where “levels of competition for the supply of certain services in Ireland are most likely below desirable levels”.

Where such investigations reveal evidence of excessive price levels, the Government will be asked to give detailed consideration to introducing measures, including temporary price controls where appropriate, pending realisation of more acceptable markets and real competition.

4. **Business Resilience**

A healthier indigenous small business sector could also act to exert downward pressure on inflation. Accordingly, it is agreed that Enterprise Ireland and other appropriate agencies should be requested to:

- Intensify their programmes aimed at increasing the level of trade in indigenous business with Eurozone members; and
- Assist small business in utilising hedging strategies against significant currency fluctuations.

5. **Fiscal and Budgetary Policy**

Increases in indirect taxes and charges can impact directly on the consumer price index. During the course of this Agreement, Government policy in relation to these taxes and charges should have regard to the strategic importance of the inflation target set out in paragraph 1. Specifically:

- The forthcoming review of local government funding should take account of both the public expenditure objectives set out at paragraph 2 and the need to ensure an appropriate and equitable mix of funding sources.
- Budgetary policy over the life of this Agreement should have regard to and seek to reinforce the agreed inflation target.
- Government should also have regard to the inflation target in setting policy for those services where there is effective state control of prices.

6. **Action on insurance costs**

Action to combat the excessive rise in insurance costs has already been identified in Chapter 2 of this document. In the particular context of this anti-inflation initiative, Government should accord a high priority to this policy area.

7. **Public information campaign**

It is recognised that markets work more efficiently with fuller information and that consumer price awareness may have been lessened over recent years. Accordingly, the parties propose the following communication initiatives:

- A public information campaign should be conducted to stimulate price awareness among consumers.
- Service providers, including professional services and suppliers of goods, especially in sheltered sectors of the economy, should be obliged to display prices clearly and fully and so allow comparisons to be made.
- The implementation group proposed in paragraph 8 below should be provided with all available information to analyse and monitor the sources and causes of excessive inflation. The group will consider the value of publication of its results.
8. **Implementation and Monitoring**

Both IBEC and ICTU will proactively support and give prominence to the above commitments in their interaction with their respective members. They recommend that the Government should establish a dedicated implementation and monitoring group comprising representatives of employers, trade unions and Government.

**Section 8: Information, Consultation, Employee Representation and Employer/Employee Dialogue**

8.1 The parties to this Agreement note the ongoing debate within the European Union on the development of representation and recognition rights and the potential obligations that may be placed on Member States and on the Institutions of the EU. These are provided for in the European Charter of Fundamental Rights and in various Directives relating to employee rights in respect of such matters as collective redundancies, transfer of undertakings, health and safety, information and consultation rights etc. Notwithstanding the following, the trade unions reaffirm their continuing commitment to building on the measures outlined below and to promoting statutory trade union recognition in Ireland.

8.2 In the area of representational rights, it is important to note that there have been ongoing significant developments in relation to the level and intensity of mandatory engagement in the workplace. This has been effected by means of a series of legislation - the Protection of Employment Act (collective redundancies) and the Transfer of Undertakings Regulations requiring employers to inform and consult with workers and their representatives in the matter of forthcoming collective redundancies and transfers of undertakings.

8.3 The Transnational Information and Consultation of Employees Act provides for the provision of information and consultation of employees by means of Works Councils on transnational issues in Community-scale undertakings and groups of undertakings. Complementing this legislation, the Information and Consultation Directive, which must be transposed into Irish law by March 2005, establishes a framework for informing and consulting employees and their representatives in enterprises, public and private, on ongoing developments across a range of business, employment and restructuring issues. The implementation of this Directive will have a significant impact on the level and scope of mandatory interaction in the workplace.

8.4 Further legislation will be enacted to provide rights to information and consultation of employees and their representatives in companies which incorporate under the European Company Statute.

8.5 Proposals are under consideration at EU level to provide information and consultation rights to employees and their representatives in European co-operatives and associations and in the cases of cross border mergers and takeovers.

8.6 There have also been developments on foot of Labour Court recommendations in relation to the representational rights of individuals. These and the evolving case law of the Court will further inform developments.

8.7 The continuing development of the level and intensity of engagement in the workplace will be the subject of ongoing consultation and development with the social partners.
Further Development of Employee Representation

8.8 It is agreed by the trade union and employer organisations that there is a need to enhance the effectiveness of the procedures put in place in the Code of Practice on Dispute Resolution and the Industrial Relations (Amendment) Act, 2001.

8.9 The following measures have been agreed for this purpose:

- the introduction of an indicative overall time-frame targeting 26 weeks - with provision for up to a maximum of 34 weeks where necessary - for the processing of cases under the Dispute Resolution Code and Act to the point of issuance of a determination, save when an extension is agreed by the parties;
- the amendment of Section 2 of the Act to provide that engagement by the Court could now take place on the basis of a breach of the time-frames within the Code, the exhaustion of the time-frames or the indication at any time by the Labour Relations Commission that it is unable to assist the parties. These provisions would be substituted for the existing Section 2(1)(b), while preserving the remainder of the Section;
- the amendment of Section 3 so as to allow the Court to combine both the preliminary and substantive hearings, where it considers this to be appropriate;
- the removal of the provision in the Act for the Labour Court to review a determination, prior to seeking enforcement of a determination by the Circuit Court, by deleting section 9 and amending section 10 to provide for an entitlement for the trade union or excepted body to apply to the Circuit Court for the enforcement of a determination immediately - or on expiry of whatever implementation period is provided for in the determination;
- the introduction of a new Code setting out the different types of practice which would constitute victimisation arising from an employee’s membership or activity on behalf of a trade union or a manager discharging his or her managerial functions, or other employees, drawing, as appropriate, for consideration, on relevant definitions in existing Codes and legislation and best practice;
- the amendment of the Act to provide that the Labour Court should have regard to breaches of the Anti-Victimisation Code and where appropriate should provide for redress in making its determinations; and
- transitional provisions will be developed to allow for the processing of cases in current disputes where access to the Code of Practice on Dispute Resolution as at the date of agreement is not available.

8.10 The Government undertakes to resource the Labour Relations Commission and Labour Court so as to enable them to process claims in a timely manner. The timeliness with which claims under this section of the Agreement are processed will be reviewed on an ongoing basis in consultation with the parties.
8.11 It is agreed that over a period of 5 weeks from the ratification of the Agreement, the Government, in consultation with trade union and employer representatives, will develop proposals for enhancing the existing procedures. The Bill to give effect to these proposals will be published at the earliest possible date in the first half of 2003.
Workplace Relations and Environment
Section 9: Introduction

9.1 The parties to this Agreement recognise the key importance of adapting the world of work in line with Ireland’s competitive and social vision, as well as changing work patterns and preferences. Building on the work carried out under previous agreements, they have agreed the following package of legislation, Codes and programmes aimed at:

- protecting employees’ rights;
- ensuring greater equality;
- improving skills;
- promoting health and safety;
- bringing about a better work-life balance; and
- developing integrated policies for migrant workers.

Section 10: Workplace Legislation and Codes

Information and Consultation Directive


10.2 Subjects upon which employees must be informed and consulted include:

- recent and probable development of the undertaking’s or the establishment’s activities and economic situation;
- the situation and probable development of employment within the undertaking and any anticipatory measures envisaged, in particular, where there is a threat to employment; and
- decisions likely to lead to substantial changes in work organisation or in contractual relations.

Consultations with the social partners have been initiated and are ongoing.

Implementation of three EU Employment Related Equality Directives

10.3 The three Directives provide a general framework for combating discrimination on grounds of racial or ethnic origin in both the employment and non-employment areas (Race Directive), as well as a general framework for the prohibition of discrimination in relation to employment on grounds of religion or belief, disability, age or sexual orientation (Framework Employment Directive); and update certain aspects of the 1975 Equal Pay and the 1976 Equal Treatment Directives which provide for the prohibition of discrimination in relation to employment on grounds of gender (Gender Equal Treatment Directive).
10.4 The Government will:

- implement the three Directives in an integrated manner by way of primary legislation amending the Employment Equality Act, 1998, and the Equal Status Act, 2000; and
- publish the legislation by Summer, 2003, with a view to its implementation at the earliest possible date.

It is intended to ensure that the provisions of the Directives will apply to all nine grounds covered in the 1998 and 2000 Acts.

**Pensions – Equality Legislation**

10.5 The drafting of the legislation addressing the equality aspect of occupational pensions will be progressed in consultation with the Pensions Board in 2003, with a view to enactment in early 2004. The proposed legislation will provide for the implementation of Council Directives 2000/43/EC (Race Directive) and 2000/78/EC (Employment Directive). The proposed legislation will provide a general framework for combating discrimination on such grounds as gender, marital status, family status, sexual orientation, religion, age, disability, race and the traveller community ground. The Pensions Act, 1990, already prohibits discrimination between men and women.

**Implementation of EU Teleworking Agreement**

10.6 The existing Code of Practice between employers and trade unions will be updated by them within three months of ratification of the Pay Agreement to reflect the provisions of the EU Teleworking Agreement. The Code provides valuable guidance on key issues that need to be addressed in introducing an e-working policy in firms and organisations, e.g. identification of jobs suitable for e-working and e-worker identification, practical considerations such as home office, method of communications, reporting arrangements and health and safety. The Code also provides a useful overview of the legislation affecting employees’ rights and employers’ obligations. It is noted that the implementation of the Teleworking Agreement in Member States will be reviewed at European level.

**Transfer of Undertakings Directive 2001/23/EC**

10.7 The new consolidated Directive aims to clarify the scope of the earlier 1977 Directive in the light of the extensive case law developed by the European Court of Justice since the 1977 Directive was implemented, relating, in particular, to the safeguarding of employees’ rights in the event of transfers of undertakings, businesses or parts of businesses and the ‘contracting out of services’ by the employer.

10.8 The Government is committed to transposing the mandatory provisions of the consolidated Directive by means of Regulations, by March 2003. The Government will consult the social partners on the optional provisions (e.g. pension interests of transferred employees) of the consolidated Directive. The Government will then consider what requires to be implemented by way of primary legislation.
Access to Part-Time Work

10.9 The Government will request the Labour Relations Commission to develop a Code of Practice, in conjunction with the parties to the Pay Agreement, on access to part-time work in line with the provisions for consultation and evaluation as set out in Section 13 of the Protection of Employees (Part-Time Work) Act, 2001.

Section 11: Gender Pay Gap

11.1 The PPF provided for a consultative group, chaired by the Department of Justice, Equality and Law Reform and including the Department of Enterprise, Trade and Employment and the social partners, to perform a number of actions.

11.2 It is noted that the ESRI Report on Male/Female Wage Differentials has been completed and that work is ongoing in relation to the following agreed actions:

- consideration of the recommendations of the ESRI Report including the case for a sectoral analysis in both the public and private sectors; and
- developing proposals for action/s to address issues identified in the Report for consideration by Government.

It is agreed that this work will continue.

Section 12: Work/Life Balance Programmes

Maternity Review

12.1 The Government will publish the Maternity Protection (Amendment) Bill before end-April 2003 and aim to have the legislation enacted by the end of 2003. The Bill will implement the outstanding agreed recommendations of the Maternity Protection Review Group to allow: expectant mothers to attend a complete set of ante-natal classes without loss of pay; a right to fathers to paid time off to attend two ante-natal classes; an adjustment of working hours or breaks for breastfeeding mothers for four months after the birth; termination of additional maternity leave in the event of illness subject to the agreement of the employer; splitting the period of maternity leave in the event of the hospitalisation of the child providing the employer agrees; and absence from work on additional maternity leave to count for employment rights (except remuneration and superannuation benefits), such as seniority and annual leave.

Adoptive Leave

12.2 The Government will publish the Adoptive Leave (Amendment) Bill as soon as possible with a view to its enactment by the end of 2003 in conjunction, if possible, with the Maternity Protection (Amendment) Bill. The Bill will apply the appropriate outstanding agreed recommendations of the Maternity Protection Review Group to adoptive leave. The social partners will be kept informed of progress in preparing the Bill which will cover such matters as: allowing adopting parents limited time off pre-adoption without loss of pay; termination of additional adoptive leave in the event of
illness subject to the agreement of the employer; splitting the period of adoptive leave in the event of the hospitalisation of the child providing the employer agrees; and absence from work on additional adoptive leave to count for employment rights (except remuneration and superannuation benefits), such as seniority and annual leave.

Parental Leave

12.3 The Government is committed to strengthening the Parental Leave Scheme in line with the agreed recommendations of the social partners arising from the Working Group on Parental Leave. This will require amending primary legislation to provide for a range of improvements including a statutory entitlement to take the 14 weeks parental leave in separate blocks of a minimum of six continuous weeks, or more favourable terms with the agreement of the employer (as provided for in Section 7(1)(b) of the Parental Leave Act, 1998); an increase in the maximum age of the eligible child to 16 years, in the case of children with disabilities; that an employee who falls ill while on parental leave and as a result is unable to care for the child be entitled to benefit from sick leave for the duration of the illness; provision for statutory codes of practice on the manner in which parental and force majeure leave might be taken and the manner in which an employer can terminate parental leave; continuity of service to be preserved and protection provided for employees from penalisation for proposing to exercise or having exercised entitlements to be ensured under the Parental Leave Act by including provisions similar to Sections 15 and 16 of the Carers Leave Act, 2001. The parties are also agreed on raising the maximum age of the eligible child from 5 to 8 years, and provision for this will be included in the amending legislation.

12.4 The steps necessary to give effect to the following agreed Review Group recommendations:

- that “the issue of force majeure leave in respect of same sex partners be addressed”; and
- that “a workable legal formula will be developed to extend parental leave entitlements to persons acting in loco parentis in respect of an eligible child”

will be examined.

National Framework Committee for Work/Life Balance Policies

12.5 The parties agree that the work of the National Framework Committee for Family Friendly Policies established under the PPF will continue under a new committee. The Committee will support and facilitate the development of family friendly policies at the level of the enterprise through the development of a package of practical measures that can be applied. One of the tasks of the Committee will be to examine how best to improve access to family friendly working arrangements in order to realise the potential benefits that these arrangements would offer from both an equality and competitiveness perspective. The activities of the Committee will be supported by a specific budget.

Workplace Childcare

12.6 Building on the Partnership process at the local level, the parties agree that a Partnership sub-committee, with representatives of Government, ICTU and IBEC, be established under the Equal Opportunities Childcare Programme (EOCP), with a secretariat provided under the Programme.
The sub-committee will consider recommendations on how to improve the availability of quality childcare for working parents and how the supply of pre and after school care can be accelerated. In particular, the committee will examine and make recommendations on the feasibility of establishing workplace childcare arrangements such as those listed below:

- provision of specific supports to facilitate employers and unions to work together to both design and implement a range of childcare supports appropriate at the level of the enterprise/s.
- greater targeting of resources towards promoting the active participation of employers in developing and providing childcare initiatives, in consultation with the unions.

**Fully Inclusive Social Insurance Model**

12.7 A Working Group was established under the PPF to produce proposals for the development of a fully inclusive social insurance model which would facilitate combining work and family responsibilities in the context of changing working and social patterns.

12.8 It is recognised that many of the issues identified by the Working Group require further examination. The Working Group will complete this examination and prepare a report.

**Section 13: Equal Opportunities**

**National Framework Committee for Equal Opportunities at the Level of the Enterprise**

13.1 The parties agree that the National Framework Committee for Equal Opportunities at the Level of the Enterprise established under the PPF will continue in operation. The work of the Committee will include: developing and disseminating practical supports for the equal opportunities workplace, supporting individual projects and engaging with equality planning and equality reviews. The activities of the Committee will be supported by a specific budget.

**Disability**

13.2 The Government will bring the consultation process on disability legislation to conclusion as soon as possible. A Disability Bill will be published by Autumn 2003, with a view to its enactment by the end of 2003.

**Training Policy for People with Disabilities**

13.3 In June 2000, as part of the Government policy of mainstreaming of services for people with disabilities, responsibility for vocational training services for certain people with disabilities transferred from the Department of Health and Children to the Department of Enterprise, Trade and Employment. The Department of Health and Children retained responsibility for rehabilitative training.

13.4 Rehabilitative training focuses on the development of an individual’s core personal capacities i.e. life-skills, social-skills etc. to each individual’s level of capability.
13.5 Since the mainstreaming of services, the Department of Health and Children has been pursuing a policy of ensuring that within each Health Board there is sufficient rehabilitative training provision, both numerically and qualitatively, to meet the demand for such training. Since June 2000, an additional 500 rehabilitative training places have been provided nationally. Accreditation by the National Accreditation Committee is an essential requirement of public funding for all rehabilitative training service providers. A rehabilitative training policy document will be produced and circulated as part of the Department’s 2003 Business Plan.

13.6 Vocational training is training in a specific employable skill to a predetermined level of certified competence. FÁS will maintain the number of vocational training places for the disabled in 2003 at 2002 levels.

13.7 The Department of Enterprise, Trade and Employment, under the Government’s restructuring of mainstreaming services to people with disabilities, will continue to develop policy for vocational training and employment of people with disabilities on a three dimensional basis involving:

- developing the skills of people with disabilities to enable them to access employment;
- stimulating awareness amongst employers of the contribution which people with disabilities can make to their businesses and encouraging companies to more actively consider recruiting people with disabilities; and
- providing specific employment supports for people with disabilities and employers.

13.8 The Department’s objective over the next period will be to consolidate the significant value added in advancing the employment and training agenda since assuming policy responsibility for vocational training and employment of people with disabilities. To this end, the Department will pursue a policy of ensuring the maximum effectiveness and efficiency in the delivery of programmes for people with disabilities. In this regard, and in the overall context of Government policy of mainstreaming services to people with disabilities, the Department has commissioned a review of Vocational Training provision for people with disabilities. The review will, inter alia:

- assess the FÁS role in supporting, managing and monitoring training provided by specialist providers;
- examine the nature and extent of supports used by the various providers to assist people with disabilities to progress to employment;
- consider the potential for increased training of people with disabilities in a more integrated way; and
- identify areas where improvements can be made in operational procedures.

13.9 A FÁS review of the National Supported Employment Programme will be concluded at an early date with a view to identifying areas where the Programme can operate more effectively. The provision for 2003 amounts to €6.65m which will allow for up to 900 places, depending on the phasing of uptake.
13.10 Policy in relation to these areas will be carefully re-evaluated in the light of the outcomes of these reviews in order to maximise the potential for improving overall effectiveness and efficiency of labour market services for people with disabilities. Discussions with key actors will be held on an on-going basis as part of the reviews process.

13.11 FÁS will prioritise, so far as possible, all training and employment supports for the disabled within its available resources.

13.12 The Workway project, which was initiated under the PPF, is currently underway and aims to increase awareness around the issue of employment of people with a disability. The year 2003 has been declared the European Year of People with Disabilities and the parties note that the Workway project will end in the first quarter of 2004. This should subsequently be reviewed to establish the most appropriate mechanism to ensure that it makes a sustainable contribution to improving the employment opportunities of people with a disability.

13.13 The Department of Enterprise, Trade and Employment will conclude by mid-year its consideration of existing sheltered employment models and will, subject to available resources, develop actions and a policy framework aimed at enhancing the potential of sheltered employment to provide better employment opportunities for people with disabilities.

Section 14: Workplace Learning

14.1 The Government, IBEC and ICTU note the necessity of proactively addressing the issue of learning in the workplace, which impacts upon the employability of individuals and the competitiveness of enterprises. IBEC and ICTU have a key role in the development and implementation of appropriate measures.

14.2 The parties are agreed on the following key areas for action:

- the implementation within available resources of the recommendations of the Taskforce on Lifelong Learning as agreed by the social partners;
- the development of innovative action through initiatives such as Skillnets and the adult literacy budget;
- to ensure that the National Training Fund achieves its full potential in supporting training in the workplace; and
- the development of an appropriate framework on competencies and qualifications.

14.3 The Government, IBEC and ICTU will work with existing and future partnership initiatives with a view to progressing the area of Workplace Learning.

14.4 The evolving situation in the national framework of qualifications is of particular importance for the area of workplace learning. Adequate structures for access, transfer and progression through Education and Training systems are of particular importance for the area of Workplace Learning. Furthermore, the validation approaches of the two awards Councils need to facilitate the validation of workplace learning.
Section 15: Health and Safety at Work

15.1 It is agreed that, as provided for in the PPF, all Health Boards will continue to earmark funding for health promotion to be delivered at the level of the workplace - these activities to include:

- preventative health screening (in particular for cancers and heart disease); and
- measures to combat smoking and alcohol abuse at the level of the enterprise.

15.2 The parties to this Agreement also support the measures agreed in the review of the Safety, Health and Welfare at Work Act, 1989, which will be implemented during 2003.

15.3 The Construction Safety partnership and its associated joint initiatives have made a significant contribution to improving safety performance within a large segment of the construction industry. These initiatives will be developed with the aim of improving the safety performance of the entire industry.

Section 16: Hidden Economy Monitoring Group

16.1 This Group, which includes representatives of the Revenue Commissioners, the Department of Social and Family Affairs, CIF, IBEC and ICTU, will continue to meet as appropriate to monitor developments and review the effectiveness of measures to combat tax evasion and social welfare fraud.

Section 17: Pensions

17.1 The parties to this Agreement share the objectives of the parties to the PPF in relation to pensions, namely that all retired people should have adequate incomes; that the level of coverage of occupational pension schemes should be increased; and that the social partners will co-operate to promote improvements in the coverage of pension schemes towards the agreed National Pensions Policy Initiative (NPPI) target of 70% of the total workforce over age 30.

17.2 The parties recognise that while there have been significant increases in the number of workers covered by occupational and other pension schemes, coverage as a proportion of our greatly-expanded workforce is still only just over 50% and that almost half the workforce has no entitlement at all to any pension other than a social welfare pension.

17.3 The parties also recognise that there are two new developments which give cause for concern:

(i) due to the exceptionally prolonged period for which equity markets have now yielded poor returns to pension funds, the position of many funded schemes is now difficult and in some cases a cause for concern,

(ii) the emerging realisation that the current level of contribution to Defined Contribution schemes is, in many cases, inadequate.

17.4 In the light of these significant concerns, the parties recognise that appropriate measures must be taken to ensure the protection of all existing pension arrangements, the introduction of new occupational and/or personal pensions for nearly half the workforce and the improvement of many of the pension schemes to which the other half of the workforce belongs.
17.5 The parties are agreed that in order to promote the achievement of the above objectives and aspirations, they will actively co-operate both at national level, (e.g. through the auspices of the Pensions Board) and at workplace level, between employers and unions, through regular discussion and dialogue on pension matters. Both unions and employers are committed to promoting the introduction of occupational schemes for those employees without access to such schemes, subject to the costs involved not undermining competitiveness and employment in enterprises. Furthermore, nothing in this programme shall impede the improvement of schemes, where employers and/or employees concerned are willing and able to meet the costs.

17.6 The recent CSO Survey of Pension Coverage (Quarterly National Household Survey 1st Quarter, 2002) has provided statistics which will enable the Pensions Board and others to measure and track the trends in coverage. It will also enable the extent and effects of the introduction of PRSAs to be monitored. The full Survey should be repeated at regular four-year intervals, commencing in the first quarter of 2006; and the first two questions (providing overall coverage figures) should be asked every second year commencing in the first quarter of 2004. Having a full report in 2006 will also link in with the Minister’s statutory obligations (as per the Pensions Act, 2002, Part X), to report on the development of occupational and other pensions three years after the introduction of PRSAs.

17.7 The NESC in developing its work programme will be requested to examine strategic options for appropriate research in the area of pension provision, taking account of demographic and other trends.

Public Service Pensions

17.8 Following Government consideration of the Report of the Commission on Public Service Pensions, a Working Group was established under the Programme for Prosperity and Fairness (PPF) to advise on the implementation of the relevant Government decisions. The parties are agreed on the need for the completion of the Report of the Group by 1 April, 2003. Any changes in public service pensions decided on by Government, will be implemented as quickly as possible.

Section 18: Migrant Workers

Immigration and Labour Market Co-ordination

18.1 As part of formulating economic immigration policy, the Government will assess the likely demand for overseas labour in the years ahead and attempt to do so on the basis of skilled and unskilled labour. Ireland is required, of course, to meet its additional labour needs to the greatest extent possible from within the European Economic Area, soon to be enlarged by the addition of ten new EU Member States.

18.2 Recognising the need for more systematic consultation at national level regarding economic immigration in the future, a review will be held, over a period of 12 weeks from the ratification of the Agreement, by Government, in conjunction with the parties to the Pay Agreement, with a view to developing options with a particular focus on labour supply and workplace issues, as an input to Government economic immigration policy. This will include consideration of the work permits and related systems.
18.3 As part of ensuring that the granting of permission to employ personnel from outside the EEA has regard to the availability of suitable personnel in the local labour market, the Government side will seek to put in place consultative mechanisms where local labour and business interests can contribute their perspective to the FÁS assessment of local conditions and changing labour market realities. The recently improved public access to information on the scale and distribution of work permits will also contribute in this regard.

Racism in the Workplace

18.4 In view of the culturally diverse nature of Irish society and the number of non-Irish nationals currently working here, preventing racism in the workplace is extremely important. Congress and IBEC are committed to building on the agreed Code of Practice against racism in the workplace. It is also agreed to build on the success of the Anti-Racism Workplace weeks and on the material published to support those workplace activities by developing further anti-racism measures to be agreed between IBEC, the CIF and ICTU, in conjunction with the Department of Justice, Equality and Law Reform, the Equality Authority and KNOW Racism, as appropriate.

Review of Employment Agency Act, 1971

18.5 A review, in consultation with the social partners and others, of the need to adapt the Employment Agency Act, 1971, or the necessity for new legislation, will be undertaken. This review will consider the most appropriate approach to the regulation of agencies and their recruitment and placement activities in Ireland and will be initiated before Summer 2003.

18.6 In order to effect an early update of penalties under the above Act, the opportunity is being availed of in the drafting of the Fixed Term Contracts Bill to provide that the level of fines for operating without an agency licence will be substantially increased.

18.7 The review will take account of the ongoing discussions within the EU on a Draft Directive on Temporary Agency Workers.
Public Service Pay and Related Issues
Section 19: Public Service

Modernisation and Flexibility

19.1 The increasing demand for improvements in the provision of public services requires a flexible approach to working practices by individual public servants, management and unions. This entails the removal of unnecessary demarcations, the adoption of more modern approaches to work and the promotion of innovative ways of meeting the demand for services. It is also necessary that managers have the flexibility to adapt procedures to respond to particular pressures, which may vary from sector to sector, and to ensure that work methods are suited to the efficient delivery of services.

19.2 The report of the Public Service Benchmarking Body noted that change is accepted as an essential and ongoing criterion of survival, growth and prosperity in the private sector. The report identified flexibility of working as a key requirement in the achievement of greater efficiency and effectiveness in the public service. In light of the importance of this issue, the parties to this Agreement will cooperate with flexibility and modernisation as provided for in Sections 20 to 26.

Stable Industrial Relations Climate

19.3 The parties recognise the importance of stable industrial relations and are committed to maintaining a well-managed industrial relations environment to minimise disputes affecting the level of service to the public. A stable industrial relations climate has important benefits for the general public and the public service itself. These benefits include the provision of uninterrupted services, improved productivity and staff morale, increased public confidence and the maintenance of Ireland as a desirable location for foreign direct investment.

19.4 Many public services differ from services which are provided by the private sector in that they are essential services which the public cannot obtain from alternative sources. Providers of essential services and their staff, therefore, have a special responsibility to ensure that they have well developed communication channels and to seek to resolve problems before they escalate into industrial disputes. If the problem cannot be resolved then it is agreed by all parties to take up all available dispute resolution mechanisms (both statutory and non statutory).

19.5 The parties are agreed on the importance of confidence in regard to wage developments. Specifically, employers expect unions to adhere to the terms agreed and unions expect the terms agreed to be applied to their members.

19.6 This Agreement:

- Provides that no cost-increasing claims by trade unions or employees for improvements in pay or conditions of employment, other than those provided for in clauses 19.18 and 19.19, will be made or processed during the currency of the Agreement;
- Commits employers, trade unions and employees to promoting industrial harmony; and
- Precludes strikes or other forms of industrial action by trade unions, employees or employers in respect of any matters covered by this Agreement, where the employer or trade union concerned is acting in accordance with the provisions of this Agreement.

1 The term “public service” does not include commercial State sponsored bodies.
19.7 The parties are agreed that engagement at local level in relation to issues in dispute must be meaningful and undertaken in a spirit of making every effort to reach agreement at the earliest possible stage.

19.8 Where the parties cannot reach agreement through negotiations on any matters covered by this Agreement after local discussion, these will be referred to the Labour Relations Commission and, if unresolved, these shall jointly be referred to the Labour Court or, where appropriate, to other agreed machinery. Where a Conciliation and Arbitration Scheme applies the referral shall be to the Conciliation machinery under the Scheme and if unresolved shall be referred jointly to the Arbitration Board acting in an ad hoc capacity.

19.9 If a dispute arises as what constitutes a breach of the Agreement after local discussion the matter will be referred to the Labour Relations Commission and, if unresolved, it shall jointly be referred to the Labour Court under Section 20(2) of the Industrial Relations Act, 1969, and the parties will accept the outcome. Where a Conciliation and Arbitration Scheme applies the referral shall be to the Conciliation machinery under the Scheme and, if unresolved, shall be jointly referred to the Arbitration Board, acting in an ad hoc capacity, and the parties will accept the outcome.

19.10 Where there is disagreement as to what constitutes normal ongoing change, after local discussion the matter will be referred to the Labour Relations Commission, and if unresolved, it shall jointly be referred to the Labour Court for adjudication under Section 20(2) of the Industrial Relations Act, 1969, and the parties will accept the outcome. Where a Conciliation and Arbitration Scheme applies the referral shall be to the Conciliation machinery under the Scheme and, if unresolved, shall be jointly referred to the Arbitration Board, acting in an ad hoc capacity, and the parties will accept the outcome.

**NIB and the Public Service**

19.11 The Agreement at paragraph 1.11 of Section 1 provides for the continuation of the National Implementation Body (NIB) to ensure the delivery of the stability and peace provisions of this Agreement. A subgroup of the NIB will be established to review progress on all aspects of this Agreement in the public service and to consider any issues arising out of the implementation of the Agreement. It will meet monthly or as otherwise may be agreed.

**Code of Practice on Dispute Procedures**

19.12 The parties are committed to agreeing voluntary codes of practice to address in particular the maintenance of essential services. These codes should reflect the Code of Practice *(Dispute Procedures Including Procedures in Essential Services)* prepared by the Labour Relations Commission (S.I. No. 1 of 1992).

19.13 Discussions will take place as a matter of urgency within each sector, under the auspices of the appropriate negotiating machinery, on the adoption of a voluntary code of practice for that sector. The parties are committed to these codes being agreed by September 2003. A copy of each agreed code should be lodged with ICTU, the Department of Finance and the Labour Court/Arbitration Board as appropriate. In the event of the parties encountering problems in agreeing the code of practice, the matter should be referred to the Labour Relations Commission or Conciliation and Arbitration machinery where appropriate and, if necessary, the Labour Court or Arbitration Board acting in an ad hoc capacity.
Public Service Monitoring Group

19.14 A Public Service Monitoring Group (PSMG) was set up under the Programme for Prosperity and Fairness (PPF) to oversee implementation of the public service pay agreement. The PSMG deals with any overarching issues that arise in implementing these agreements as well as any other issues which both sides agree would help to improve the operation of public service pay and industrial relations arrangements. The PSMG will continue to meet on a regular basis under this Agreement.

General

19.15 The parties, their officials and members accept as essential, adherence to the spirit and intent of the Agreement and will communicate these commitments, obligations and responsibilities in good faith.

19.16 In this context, the parties to the Agreement recommit themselves to extending and deepening the partnership process at the workplace in accordance with commitments under previous national agreements. It is intended that the National Centre for Partnership and Performance will play an increasing role in supporting this process.

All other aspects of the Agreement apply equally in the Public Service.

Public Service Pay

Pay Increases

19.17 This Agreement shall come into force on the expiry of the Pay Agreement under the Programme for Prosperity and Fairness and will last eighteen months.

19.18 It is agreed that pay increases shall be calculated on the basis of:

A pay pause of 6 months to be followed by:
- 3% from 1 January, 2004
- 2% from 1 July, 2004
- 2% from 1 December, 2004

Payment of Benchmarking Increases

19.19 It was agreed under the adjustment to the PPF in December 2000 that one-quarter of the increases recommended by the Public Service Benchmarking Body would be paid with effect from 1 December, 2001. This will be paid on ratification of this Agreement. It has now been agreed that the balance of the increases recommended by the Public Service Benchmarking Body will be paid under this Agreement on the following basis:

- 50% of the increases from 1 January, 2004 and 25% from 1 June, 2005.
19.20 The Public Service Benchmarking Body said that “In two cases exceptionally – the Defence Forces and teaching at primary and second level – certain allowances are deemed part of basic pay and were treated as such when the Body considered the recommendations for those sectors of the public service. Other allowances fall to be adjusted in accordance with normal custom and practice”. It is agreed that allowances will be treated in accordance with this recommendation. Where adjustments arise they will be made on the basis of the phasing set out in paragraph 19.19.

19.21 The Public Service Benchmarking Body’s Report recommended that the payment of this portion of the awards should be dependent on real and verifiable outputs from modernisation and flexibility changes.

19.22 The payment of the final two phases of the benchmarking increase and the general round increases as set out above is dependent, in the case of each sector, organisation and grade on verification of co-operation with flexibility and ongoing change, satisfactory implementation of the agenda for modernisation set out in Sections 20 to 26, maintenance of stable industrial relations and absence of industrial action in respect of any matters covered by this Agreement. Payment is dependent on verification of satisfactory achievement of these provisions as set out in Section 26.

19.23 The provisions above including the phasing specified will apply to any increases that arise from the Craft Parallel benchmarking process and the related processes for the Non-nursing grades and the General Operatives.

**Benchmarking**

19.24 The parties are agreed that the benchmarking exercise under the PPF was an important initiative in developing a better system of pay determination in the public service. The parties agreed that this process is an appropriate way of determining public service pay rates in the future. Importantly, the process allowed for an evaluation of public service jobs and pay as compared with the private sector. It was accepted when establishing this process that cross-sectoral relativities were incompatible with such an approach and the parties agree that such relativities no longer apply and that as stated in the Report of the Public Service Benchmarking Body “The Body’s recommendations on remuneration of the benchmarked grades have the effect of severing all previous pay links and establishing new absolute levels of pay at each of those grades.”

19.25 Over the period of this Agreement, the parties will engage in consultations, in the light of the experience of the benchmarking exercise, in relation to matters such as:

- the terms of reference of a further benchmarking exercise;
- the modus operandi of a further benchmarking exercise; and
- the establishment and timescale of a further exercise.

These issues will be settled in the context of the discussions on whatever arrangements on pay and conditions are to be put in place on the expiry of this Agreement.
Delivering Quality Public Services
Section 20: Commitment to Modernisation

Commitment to Modernisation of the Public Service

20.1 The ambitious vision which underpins this Agreement and the benchmarking approach in general can only be realised through significant improvements in the efficiency and effectiveness of public service delivery. A key determinant of national well-being, competitiveness and social inclusion will be the further development of a public service which:

- is quality, performance and results driven;
- achieves value-for-money;
- is focused on the needs of its customers;
- is accountable;
- responds flexibly and rapidly to change; and
- promotes equal opportunities.

20.2 Significant progress has been achieved over recent years in modernising the public service. The Strategic Management Initiative in the Civil Service and similar frameworks in other sectors have led to better services for the public and an improved workplace environment for public service staff. However, progress has been variable between sectors and between organisations within each sector.

20.3 Over the period of this Agreement there will be limited scope for further increases in public expenditure. This means that the capacity of the public service to meet the challenge of increasing demand for high quality services depends on an acceleration of the pace of modernisation and change across all sectors of the public service. The parties therefore reaffirm their full commitment to the further development and accelerated implementation of modernisation frameworks in each sector of the public service in order to secure the flexibility required to achieve the highest international standards.

Modernisation Themes

20.4 In the context of advancing modernisation over the period of this Agreement, several key themes which are common to each sector of the public service are described briefly in the paragraphs below. Specific modernisation agendas agreed for delivery within the Civil Service, Health, Education and Local Government sectors are outlined in Sections 22 to 25.

Stable Industrial Relations

20.5 The parties recognise the importance of stable industrial relations and are committed to maintaining a well-managed industrial relations environment in order to minimise disputes affecting the level of service to the public. This will have benefits for both the general public and the public service itself.

Flexibility

20.6 The parties are committed to increased flexibility to ensure that public services are delivered in a manner which more closely reflects the needs of its customers. Co-operation with ongoing flexibility and change is dealt with in more detail in Section 21.
Performance/Accountability

20.7 It is essential that modern and appropriate performance and accountability systems are in place, at individual, team and organisational levels to ensure that the full potential contribution of all those who work in the public service can be realised and to ensure that resources are used effectively in line with defined national priorities. Robust performance and financial management systems are essential in this regard. Where these are not already in place, the parties agree that appropriate performance management systems will be introduced so that developed performance management systems will be fully operating in each sector of the public service by 1st January, 2005.

Recruitment

20.8 The provision of high quality, value-for-money services requires all public service organisations, wherever they are located, to have access to people with necessary skills and expertise, and to have them available in a timely and efficient manner. This requires greater flexibility to recruit and promote staff in accordance with the needs and circumstances of each individual organisation. In particular, open recruitment beyond existing levels must take place to enable the public service to widen the pool of skills and experience from which it can draw. Legislation to reform recruitment and appointment processes in the public service will also be introduced.

Partnership

20.9 The partnership approach has been a useful mechanism to help secure delivery of change and modernisation in organisations where it has become well-established. The parties are committed to building upon the structures that have been established, and to further embedding and refining the process across the public service, in order to deliver real improvements in performance at organisational level, involve staff in the change and modernisation process and improve the working environment.

Efficient Use of Resources

20.10 The NESC (Strategy Report, 2002) has emphasised the importance of achieving better value for public expenditure through better planning, more accountability, basing decisions on priorities and developing an evaluation culture. It has also concluded that achievement of this objective requires accelerated progress on public service modernisation.

20.11 Over the course of this Agreement there will be a renewed effort to ensure that maximum value is achieved from all public expenditure in terms of defined outputs and outcomes. In particular, this will include improved financial and management information systems; better expenditure evaluation systems; stronger links between evaluation and resource allocation at all levels; identifying and developing delivery mechanisms for services and infrastructure on the basis of value-for-money, and strengthening mechanisms for ensuring accountability for performance outcomes to the Government and the Oireachtas. The parties to this Agreement will co-operate fully with the modernisation and change required to ensure that these objectives are achieved.
Customer Service

20.12 The parties to this Agreement are committed to improving the level of customer service and accept that all public services should be designed and delivered based on the needs of the individual citizen, business, or community. Organisations across the public service face the challenge of demonstrating their ability to deliver high quality performance outcomes. This requires individual organisations to set and achieve goals, to develop measures for assessing their success and to provide detailed information on their own performance. It also requires a greater devolution of responsibility to enable innovation and collaboration at local level, balanced by effective reporting mechanisms.

20.13 Building on the progress achieved by the Quality Customer Service initiative and other sectoral initiatives, all public service organisations over the course of this Agreement will be required to commit publicly to service standards for their customers. Performance will be evaluated against these standards and the results published in annual reports or another appropriate format. Improvements in customer service will be a particular focus of the partnership structures going forward.

Better Regulation

20.14 Better Regulation involves an ongoing commitment to improving the processes by which we make laws and regulation, consult on their design, assess their impacts and enforce them.

20.15 Better Regulation can contribute to improving the efficiency and effectiveness of the public service as well as improving the performance of the economy and consumer welfare. Whenever regulation is justified, it should therefore be prepared in a fully transparent way which maximises public participation in its formulation; it should also be clear and should achieve its objectives. Furthermore, it should be properly enforced, should have no unintended effects, should be regularly reviewed and should not reduce the competitiveness of the economy.

National Policy Statement

20.16 The Government is committed to publishing a National Policy Statement on Better Regulation in 2003. This White Paper will identify a set of core principles which will inform future decision-making in relation to regulatory institutions and structures and the need for, and content of, specific regulations.

Regulatory Impact Analysis

20.17 A model of Regulatory Impact Analysis (RIA) will be introduced on a pilot basis in a number of Government Departments during 2003. RIA is a tool which will help meet the growing demand for evidence-based policy making and greater transparency and accountability. A key element of RIA will be the impact on competitiveness. Its introduction will also strengthen policy-making and analytical competencies across the public service. In the light of the experience of the pilot phase, a model of RIA which is appropriate to the Irish context will be introduced.
Modernising our Laws and Regulations

20.18 Well-drafted, easily understood and accessible regulation can reduce the difficulties and costs of compliance for both businesses and citizens. Building on progress in recent years and utilising the provisions of the Statute Law (Restatement) Act, a structured programme targeted on areas where the benefits to business and the citizen are likely to be greatest will be pursued to achieve these improvements in regulations.

eGovernment

20.19 The parties recognise the importance to Ireland of the development of eGovernment as outlined in New Connections (the Government’s Action Plan to realise the potential of the Information Society). The goals of eGovernment include:

- facilitating better citizen access and interaction with the public service by realising the potential of information and communication technologies (ICTs);
- building collaborative knowledge-based structures focused on serving both citizens and the public service; and
- facilitating continuous adaptation and improvement in service delivery by fully utilising ICTs to deliver public services seamlessly and across traditional boundaries.

The parties are committed to the further development of eGovernment on this basis.

Development and Training

20.20 Flexibility in the public service is dependent on the adaptability of skills of staff. Enhancing performance is equally dependent on the knowledge, skills and other competencies of staff being developed to the levels needed to undertake their jobs to best effect and to enable them to realise their potential, enjoy greater job satisfaction and advance their careers. The parties are committed to continued training and development for all staff.

Equal Opportunities

20.21 The public service is strongly committed to equality of opportunity in its employment practices and will continue to build on the significant progress which has been made in regard to policies on equality and diversity in order to promote equal opportunity in all aspects of civil and public service employment. In this context, consideration will be given to widening access to family friendly initiatives. Any changes in the equality legislation during the lifetime of the Agreement will be implemented by the civil and public service employers to maintain comprehensive equal opportunities, policies and practices.

20.22 Equality of opportunity is an essential part of Human Resource Management in the public service. Human Resource Management in the public service must continue to be progressive, ensuring that staff are treated in a fair and impartial manner, while at the same time offering services to the public which must take full account of the increasingly diverse nature of our society.
20.23 Civil and public service employers will implement agreed codes of practice for the employment of people with disabilities and promote employment opportunities for people with disabilities in line with the Government’s 3% employment target.

Performance Verification

20.24 The Public Service Benchmarking Body (PSBB) recommended that implementation of three-quarters of the pay increases recommended by it should be made conditional on delivery of real and verifiable outputs in relation to modernisation and flexibility. In this context, NESC noted that “in a difficult public finance situation, such a large step-adjustment in public pay warrants a step-increase in flexibility and self-adjustment towards new systems of continuous improvement”.

20.25 The PSBB recommended that an appropriate validation process be established to ensure that agreements would be implemented in accordance with their terms. The parties, having accepted the Report of the PSBB, agree to the establishment of a mechanism to verify that all sectors, organisations and grades in the public service deliver outputs in line with the provisions of this Agreement. This mechanism will be established in accordance with Section 26.

Section 21: Modernisation and Flexibility

21.1 The parties to this Agreement will co-operate with flexibility and modernisation.

21.2 Previous national agreements have also provided for co-operation in the areas of modernisation and flexibility. This Agreement clarifies and redefines the nature of the co-operation to be provided to meet the current requirements. The pay increases provided for in this Agreement take account of the flexibility and change covered in this framework. It is agreed by the parties that implementation of such initiatives in the areas of flexibility and change will not give rise to claims for increased rewards for staff in the form of promotions, regradings, allowances or other benefits.

21.3 The following paragraphs set out examples of specific areas of flexibility and change which are covered by this Agreement. However, these examples are not exhaustive.

Principles of Organisational Change

21.4 Work should be organised in a manner that ensures the provision of high quality public services. This may require change in existing structures and working methods to ensure that services are provided in the most efficient and effective way. The parties to the Agreement accept the following principles:

- Full co-operation with the introduction of new schemes and initiatives and changes to existing schemes which are a routine feature of the work of public service organisations.

- Work demands may lead to a need to change the way in which work is organised involving a redistribution of tasks among staff and more flexibility in regard to reporting.

- There will be situations where existing work procedures must be adapted to respond to work requirements and traditional methods of performing particular tasks will have to be changed.
Team working and cross functional working

21.5 There will be situations where work can be discharged in the most effective manner by assigning particular tasks to a group comprising people in different grades and disciplines. The operation of such a group may require variations in traditional reporting relationships involving members of the team reporting to another member in a different discipline or cross organisational working. As already provided for under the terms of previous agreements, all of the parties will co-operate fully with initiatives in these areas and it remains open to management to implement such initiatives in accordance with the provisions of this Agreement.

New Technology and eGovernment

21.6 Co-operation with the use of new technology will continue. It is accepted that the use of new technology may necessitate significant change in work processes in order that the benefits of technology will be maximised.

21.7 eGovernment projects are a growing feature of work in the public service and have the potential to provide existing, combined and new services to the public in a more effective and efficient way. There will be full co-operation with the design and implementation of these projects. Where necessary, appropriate and timely training will be provided to staff.

Atypical working arrangements

21.8 Some areas of the public service have reached agreements on a range of atypical working which facilitates staff, for example worksharing and term time working. Agreements are also in place in some areas covering arrangements for the use of part-time or contract staff and the outsourcing of work. To give greater clarity and flexibility in regard to these arrangements, it is accepted that, where not already agreed, the work pattern may be such that specific work processes can be performed most effectively by part-time staff.

21.9 It is also accepted that there will be situations where the need to respond to temporary pressures may require the employment of temporary staff or outsourcing of work. In particular, where there is a temporary and/or non-recurring requirement for work which is not part of the core work (for example data capture of manual records as part of the introduction of new technology), management may, at its discretion, have the work undertaken by contractors. Unions will be notified in advance of initiatives of this kind in accordance with paragraph 21.12 below.

Attendance Patterns

21.10 The standard working week of most public servants will remain unchanged. However, in order to provide a satisfactory level of service to the public, there is a need in certain areas for changes to the standard working day in order to provide services outside the traditional “9 to 5” pattern. The parties are committed to discussions to establish how this can best be achieved, where required. These discussions will explore relevant issues including the scope for voluntary arrangements and flexible working.
Redeployment of staff

21.11 Redeployment of staff may be necessary on occasion to respond to urgent work demands.

Management of the introduction of Change and New Development

21.12 In accordance with the partnership approach, unions will be informed in advance of all new significant workplace-related initiatives, the reasons for them and the proposed implementation date. Notification will be given in advance and in sufficient time to allow discussions with the union(s) concerned to take place. Such discussions will cover the nature of the changes involved, the reasons for them and any impact on staff. The discussions will be approached in a partnership manner and will be concluded in time to allow the changes to be introduced by the date specified. Subject to this, it is accepted that management have the right to implement changes in accordance with the provisions of the Agreement.

Sectoral Modernisation Agendas

Section 22: Modernisation of the Civil Service

Evaluation of Progress

22.1 The Evaluation of the Progress of the Strategic Management Initiative/Delivering Better Government (SMI/DBG) in the Civil Service by PA Consulting in 2002 concluded that the Civil Service is a more effective organisation than it was a decade ago and much of this change can be attributed to SMI/DBG. However it also concluded that implementation remains incomplete and that accelerated progress, particularly in the areas of Human Resource Management, Financial Management and Information Systems Management, is required in the period ahead.

22.2 The Evaluation also concluded that the modernisation process needs to be re-energised and re-positioned and that it is necessary to articulate a new Vision which reflects the changing external environment and the new challenges which will face the Civil Service in the future.


22.3 Following consideration of the Evaluation, the Government has asked the Implementation Group of Secretaries General to prepare a new Vision Statement, Strategy and Action Plan for the Civil Service for the period up to 2007. This new Vision Statement, Strategy and Action Plan, which will be developed in consultation with staff and trade union representatives, will outline the next phase of the modernisation programme in the Civil Service. It will build upon initiatives already underway in the following areas:

- Strategic Planning Process
- Human Resource Management
- Financial Management
- Quality Customer Service
ICTs and eGovernment
Openness, Transparency and Accountability
Regulatory Reform
Policy Analysis Capability

22.4 In relation to the development of the Quality Customer Service initiative, all Departments and Offices will publish a charter of service standards and report on performance against these standards in their annual report.

22.5 The parties commit themselves to co-operation with this next phase of modernisation and change in the Civil Service, and in particular, to modernisation in accordance with the paragraphs which follow.

Modernisation of Human Resource Management (HRM) Practices

22.6 The Public Service Management Act, 1997, introduced the broad framework for modern management practices in the Civil Service. Legislation will be introduced by December 2003 to bring these new practices into effect by updating the Civil Service Regulation Act, 1956. These reforms will enable the Secretary General of a Department to perform all functions pertaining to appointments, performance, discipline and dismissal of Civil Servants below Principal Officer level and provide that staff, at and above Principal Officer level (other than those appointed by Government) may be dismissed by the Minister, only on the recommendation of the Secretary General.

22.7 The parties also agree, in the context of the legislation referred to above, to extend the scope of the Unfair Dismissals Acts to cover Civil Servants, to widen the range of disciplinary sanctions, and to have a fuller range of sanctions available in serious cases of underperformance. The scope of the existing Grievance Procedure including the issues that can be referred to a third party will also be reviewed by the parties.

22.8 Consultations on the nature of the changes involved will take place between the parties.

Public Service Management (Recruitment & Appointments) Bill

22.9 To facilitate more effective recruitment to the Civil Service the recruitment and appointment processes will be reformed. A new Public Service Management (Recruitment & Appointments) Bill will be introduced by Summer 2003 to replace the Civil Service Commissioners Act, 1956. The existing Civil Service Commission will be replaced by new management structures which will be provided for in the draft legislation and which will maintain the high standards of probity which has characterised the current system of recruitment. These will include the appointment of Commissioners for Public Service Appointments who will be responsible for the probity of the recruitment process through the use of suitable Codes of Practice and a licensing regime. The legislation will also provide for the establishment of the Public Appointments Service, which will be the centralised recruitment and selection body for the Civil Service and other public service bodies within its remit. Individual Departments and other public service bodies which are licensed to do so by the Commissioners will be able to recruit directly as well as through the Public Appointments Service. The new regime will not affect existing common grading and pay. The new system of recruitment will be reviewed following the enactment of the legislation.
Addressing Skills Shortages and Strengthening Recruitment Practices

22.10 Greater use of open recruitment and improved competitive promotions are fundamental to the ongoing development of a modern and dynamic Civil Service which is capable of matching the very best practice in human resource management. The parties also recognise the importance of providing adequate career opportunities for staff in this regard. Building on existing flexibilities provided under the PPF, open recruitment will be introduced for appointments above existing entry levels and one-year contracts will be extended to all new recruits to the Civil Service starting on 1 January, 2004.

22.11 In recent years, it has become clearly evident that, in a number of areas of the Civil Service, certain skills and expertise are in short supply despite a number of initiatives to rectify the situation. The parties accept that situations arise where open recruitment at various levels in the Civil Service may be required in order to acquire these skills and expertise on an ongoing basis, which are not sufficiently available in the Civil Service, for example, where these needs are met by consultants or contractors. This applies particularly in the IT area, but also in a number of specialist (such as financial management and HRM) and professional disciplines. The following specific measures have been agreed between the parties in this respect.

(i) Beginning with the IT, HR and financial management areas open recruitment will be introduced in those areas as part of the solution to address skills shortages and ultimately ensure delivery of a quality service to the public.

(ii) Any need for open recruitment will be identified and communicated to the relevant union/uni ons with a view to reaching agreement on the matter speedily.

(iii) The trade unions are committed to co-operating with such open recruitment in circumstances where there is a need for it.

(iv) In the event that the parties have difficulties on such issues, a third party adjudication mechanism will be established immediately after ratification of this Agreement. This mechanism will make a final decision on any matter referred to it within a two month period.

(v) There will be a review of these arrangements within 12 months to ensure that significant progress is made.

(vi) In addition, the Civil Service may recruit in any year a number of staff at the level of Higher Executive Officer, Assistant Principal and Principal Officer (and equivalent grades) equal to the number of staff in those grades who had resigned from the Civil Service in the previous year to take up positions in the private sector or elsewhere in the public sector.

(vii) Where posts, which are normally filled by promotion, are filled under the terms of the above arrangements by open competition, they will be regarded as fulfilling the requirements to fill posts by interdepartmental competitions and will also count towards the fulfilment of quotas of posts to be filled by open recruitment at lower levels where appropriate.

22.12 Furthermore the parties commit themselves to complete the review of arrangements for transfers and direct recruitment to provincial locations by end-2003 and, following completion, to the introduction of revised arrangements.
22.13 The Staff Officer transfer arrangements will be amended from one in five to one in four with effect from the next interdepartmental competition. A review will also take place with a view to increasing the proportions assigned from the interdepartmental panel in the following two interdepartmental competitions, in line with the principles set out in this Agreement.

**Improvements in promotion systems**

22.14 It is agreed that discussions will take place so that greater use of competitive, merit-based promotions within Departments will be introduced and progressed over the life of the Agreement in order to provide wider career development opportunities for Civil Servants.

22.15 Progress in this regard must be based on competitive selection methods used in Departments demonstrating best practice in this area. Specific measurable progress is to be made within individual Departments on a progressive basis over the life of the Agreement. It is recognised that this will require discussion at Departmental level and will need to take account of existing arrangements.

22.16 In the case of grades that are covered by the Executive Officer dual promotion structure, the following arrangements will apply:

(i) Discussions will take place with a view to concluding an agreement on extending the proportion of competitive merit-based promotions within Departments by mid-2004 and their introduction at the first opportunity thereafter;

(ii) Where competitive promotion systems do not apply in Departments they will be introduced and progressed over the life of the Agreement.

22.17 The following has also been agreed:

(i) All existing service requirements in respect of eligibility for promotion will be reduced by one year subject to a minimum of two years service, by mid-2003;

(ii) The proportion of posts filled under mobility provisions of interdepartmental promotion competitions will be increased from 33.3% to 40% from the beginning of the next competitions to be held under the existing arrangements for interdepartmental promotion schemes. This proportion will be increased to 50% from the date equating to the commencement of the next subsequent competition for promotion to Principal level. In this context, provision, will be made where feasible for a scheme of regional interdepartmental competitions outside the Dublin area to be in place as early as possible;

(iii) Discussions concerning the filling of Principal and equivalent level posts in the administrative, professional and technical grades on an interdepartmental cross stream reciprocal basis will be completed and a promotion scheme agreed by mid-2004;

(iv) Discussions will take place and be completed on a timetable for interdepartmental competition(s) for like professional and technical grades by mid 2004; the proportion of posts which will be filled from such competitions will, initially be set at 25%. This proportion will be increased on a progressive basis, over a series of such competitions with a view to reaching 50%; and

(v) There will be discussions with a view to identifying means of developing promotional pathways for support staff who have no such opportunities.
22.18 In the event that problems arise in direct discussions in relation to the manner in which any of the above provisions are to be implemented, the issues involved will be processed with the aid of a facilitator, and if necessary, referred to third party adjudication in order to assist the parties meet the objectives identified above.

**Performance Management**

22.19 Completing the Evaluation of the Performance Management and Development System (PMDS) in the Civil Service and addressing the issues arising must remain a priority. Accordingly, the parties commit to the completion of the PMDS Evaluation Framework within the first half of 2003 and to progression of the Evaluation of PMDS in the Civil Service to ensure full implementation of year two issues as outlined in General Council Report 1368 by end-2004 and year three issues by end-2005. In particular, this will include full integration of the PMDS with human resources policy and processes, including assessment systems.

**Development and Training**

22.20 Flexibility in the Civil Service is dependent on the adaptability and skills of the staff. The Civil Service is committed to enhanced training and development for all staff to support the further development of the Performance Management and Development System, improved levels of service delivery and enhanced policy analysis, development and implementation. As provided for in the PPF, the target spend on training and development in the Civil Service will be 4% of payroll by 2003. Significant progress is being made in achieving this target.

22.21 A Civil Service training and development strategy for the medium term will be developed in 2003 by CMOD in consultation with Departments/Offices and the unions. The strategy will set out a vision for the future of training and development in the Civil Service for the next five years. The objective must be to ensure that training and development is better targeted at job related needs and individual and team performance while helping staff with their work and career aspirations and assist in implementing a learning culture in the Civil Service.

**Code of Standards and Behaviour**

22.22 The Civil Service Code of Standards and Behaviour sets out the principles which should govern the behaviour of staff in the Civil Service and the standards required of Civil Servants in the discharge of their duties. In the context of advancing the development of Codes of Conduct generally in public bodies as provided for in the Standards in Public Office Act 2001, the parties agree that early implementation of the Civil Service Code is important. In that context, following consideration of the Code by the relevant Oireachtas Committee, the parties will have discussions with a view to early implementation.

**Partnership**

22.23 The recommendations of the Review of Partnership in the Civil Service will be considered by a Sub-Group of General Council which will present proposals for the development of partnership to General Council.
**eGovernment**

22.24 The parties commit to full co-operation with the further development and implementation of eGovernment policy as outlined in *New Connections*, the Government’s Action Plan to realise the potential of the Information Society, including organisational and structural change which is required.

**Equality**

22.25 Equality of opportunity is an essential part of Human Resource Management in the Civil Service. Policies dealing with equality issues in the Civil Service have been announced and are being implemented by Departments. The parties agree to continue to work to promote equality of opportunity for all Civil Service staff in accordance with these policies.

22.26 Consideration will be given to widening access to family friendly initiatives. The Government has allocated funds for a Civil Service Childcare Initiative to provide créches throughout Ireland for the children of Civil Servants. This Initiative will continue to be implemented in partnership with the Civil Service unions.

22.27 This year, 2003, has been designated as European Year of People with Disabilities. The Government’s 3% target for the employment of people with a disability in the Civil Service has a key role to play in creating employment opportunities which might not otherwise be available. Following a study by independent consultants, the Department of Finance is currently drawing up proposals with a view to developing action plans to ensure that the Government’s policy is implemented as effectively as possible. Particular consideration will be given to improving monitoring arrangements.

**Section 23: Modernisation of the Health Service**

**Context**

23.1 The Health Strategy, “Quality and Fairness”, contains a clear and comprehensive statement of sectoral modernisation objectives for a transformation of the health and personal social services. The key principle guiding the change agenda overall is aligning the delivery of services to the preferences and requirements of service users and the need for accountability in relation to very substantial investment levels.

**Stable Industrial Relations Environment**

23.2 The parties to this Agreement recognise the paramount importance of a stable industrial relations climate. The need for stability is all the greater in the context of implementing the Health Strategy, which envisages improving and extending services, underpinning investment, and the requirement for modernisation, change and reform. A decisive initiative is essential to transform the poor industrial relations of the past to structures, processes and conduct which are closely aligned with the vision contained in the Health Strategy of the health service being an employer of choice. This will require major changes by both sides and an unequivocal commitment by all stakeholders to a culture of co-operation, collaborative working and partnership in the management of the industrial relations climate in the health sector.
23.3 The parties accept that the recommendations of the May 2001 Review of Industrial Relations in the Health Service, carried out by the Advisory, Development and Research Service of the Labour Relations Commission, point the way forward.

23.4 The parties are committed to the promotion and practice of a partnership characterised by a commitment, on their part, to dispute resolution through the use of due process. In order to achieve this objective the parties hereby commit themselves to the following measures to ensure industrial relations matters are dealt with effectively and efficiently:

(i) A small, strategic, problem-solving group comprised of top level sectoral representatives, from unions and management, will meet quarterly to monitor and oversee developments at a macro-level in the evolution of the industrial relations environment in the health service. This will include reviewing progress in the proposed new approach to the management of industrial relations, to identify and consider appropriate responses to major potential emerging difficulties ahead.

(ii) The National Joint Council (NJC) will in future be the primary forum for the management of industrial relations in the health service. Its procedures will be revised to ensure the attendance and active participation of representative Chief Executive Officers, relevant trade union leaders and senior Department of Health and Children officials. The joint secretaries will agree and make arrangements for the conduct of business between meetings and the Council will be given administrative support. A formal register of claims with national implications will be maintained and agreed minutes of the NJC and its subcommittees will be kept and circulated. The reconstitution of the NJC will support enhanced co-ordination of industrial relations in the health sector with the State's third party industrial relations machinery. Appropriate resources will be provided in order to allow the NJC adequately fulfill its proposed new role. Priority items for the future work programme of the NJC include the Action Plan for People Management under the theme “Promote Improved Employee Relations and Industrial Relations in the Health Sector”.

(iii) It is recognised that greater clarity is required in relation to the appropriate allocation of responsibilities, as between local and central management in the management and resolution of disputes, consistent with the principles of the Strategic Management Initiative, the recommendations of the LRC review and the arrangements set out in the Action Plan for People Management in relation to partnership and improved industrial relations.

(iv) Arising from the constant pace of change and innovation the parties recognise the vital importance of, and commit to, early notification and discussion, where possible, in advance of changes being made at individual employment level. In that context, disputes that arise at individual employment level, covering pay, pay related and operational issues (e.g. employment levels, alterations to activity levels etc.) should be assessed jointly and prioritised in accordance with the provisions of paragraph 23.4 (vii) so that they are dealt with by the parties locally and/or nationally as appropriate.

(v) To achieve this aim both sides commit themselves to the deployment of senior local representatives to engage on local issues in order to maximise the potential for agreement at that stage. The involvement of senior local representatives is collectively viewed as imperative to ensure that issues can be addressed immediately and any agreements reached are implemented quickly and adhered to consistently.
(vi) In the event of a grievance arising, and where a staff member(s) is/are working under protest, a meeting with senior management will be held within three working days of the request being received.

(vii) The framework for processing issues at both national and local level will therefore involve:
- each stage having stated time limits;
- real engagement/negotiation on the issue before referral to external parties; and
- where agreement is not possible speedy referral to the Labour Relations Commission, the Labour Court or other independent third party where appropriate.

23.5 It is agreed that no form of industrial action will be either initiated or threatened while issues are being progressed through the above framework.

23.6 It is recognised that difficulties with the implementation of agreements have caused tensions in workplace relations. Management and unions at both national and individual employment level will ensure that discussions take place in a timely fashion, negotiation teams have authority, third party referrals are processed promptly and comprehensive communication takes place with all relevant managers and union members. Both sides recognise the importance of proper training for all those participating in the negotiation process.

23.7 Partnership in the health service clearly has a key role in helping to deliver on the objective of better industrial relations. The mainstreaming of partnership in the health service will help realise its full potential in driving and managing the change and modernisation process. This will, in turn, ensure that a broad range of issues amenable to resolution through a partnership approach are not permitted to develop into industrial relations difficulties impeding the capacity of industrial relations structures in the health service to focus on resolving priority issues. Progress in implementing the detailed actions set out in the Action Plan for People Management to significantly improve the capacity for people management in the health service will help transform the climate within which employee relations are managed.

23.8 The parties agree that such a new approach to industrial relations is required to complement and secure the future of the partnership approach and structures, which are at the heart of the Health Strategy “Quality and Fairness”. This includes both sides’ commitment to the related Action Plan for People Management and to the modernisation and change process in the health sector generally.

Matching Working Patterns to Service Needs

23.9 More efficient user-centred and quality health service delivery is conditional on major changes in current forms of work organisation and in particular on extended hours of service. The health service must become more accessible and “customer friendly” with healthcare provision service-led and designed around public need.
23.10 The parties accept that the continued provision of many health services on the traditional 9am - 5pm “office hours” basis is inconsistent with the vision contained in the Health Strategy. An extended time span, during which the normal daily hours will be worked, leading to extended hours of service (e.g. 8am - 8pm) will be introduced to underpin the provision of significantly more accessible services to the public. The parties are committed to discussions, with a strong local focus, where appropriate, to establish how this can best be achieved. These discussions will explore relevant issues including the scope for voluntary arrangements and flexible working. Other out of hours services may be required and in these cases the parties will discuss the appropriate grade/skill mix and other arrangements necessary.

Implementation of Improved Skill Mix in the Health Service

23.11 Skill mix is at the core of the requirement for the redesign of jobs, development of new ways of working and the determination of the quality and cost of health care. Enhanced skill mix benefits patients, empowers health personnel to reach their full potential, maintains skill levels and also helps secure a more rational utilisation of available healthcare personnel through a close matching of skills to functions and service needs.

23.12 The established boundaries between existing grades should not be allowed to inhibit the future development of skill mix improvements and expanded multi-disciplinary team working. There has been significant agreement between the parties in the past to initiatives concerning skill mix. It is recognised that, following evaluation, there is a need to mainstream existing developments (e.g. health care assistants). There will be co-operation with the introduction of new skill mix initiatives on the understanding that these will be informed by the knowledge and expertise of the particular professions (e.g. nursing, health and social care, etc.) involved.

Delivering a Modern People Management Service

23.13 The parties recognise that, as stated in “Quality and Fairness”, significant and abiding improvements in health care delivery require fundamental change in underlying HR management systems.

Common Recruitment Pool

23.14 The common recruitment system for Clerical/Administrative grades has been in place for over twenty years. The system provides for the filling of certain posts (at Grade IV to VII level) by competition confined to employees of Health Boards, Local Authorities, VECs, Institutes of Technology and certain other health and local government agencies (known as the “Common Recruitment Pool”).

23.15 It is accepted that a more intensified focus is required on the modernisation of human resource management, the continued promotion of open recruitment procedures and the continued promotion of the health, local authority and education sectors as employers of choice.

23.16 In recognition of the nature of the “Common Recruitment Pool” system, the relevant parties agree to conduct a cross-sectoral review of recruitment issues pertinent to the grades, including greater accessibility and the introduction of a graduate entry level. The review will commence immediately and will report with recommendations within twelve months.
The Public Service Management (Recruitment and Appointments) Bill

23.17 The Public Appointments Service provided for under the Public Service Management (Recruitment and Appointments) Bill will be the centralised recruitment and selection body for senior management posts in the health sector. The Bill will also provide for the appointment of Commissioners of Public Service Appointments who will be responsible for the probity of the recruitment process through the use of suitable Codes of Practice and a licensing regime. The Bill allows for the extension of the role of the Commissioners for Public Service Appointments to the health sector. Early consultations with the relevant unions in the sector will take place on the draft legislation.

Performance Management

23.18 A model of performance management, integrated with service planning and human resource planning, is currently being developed for the health service. This process will be expedited and the rollout of a performance management scheme accelerated to successfully align effective utilisation of human resources with strategic and operational performance priorities.

23.19 The parties will work energetically to develop and agree an appropriate national uniform system of performance management for the health service. This should be based on the process for the introduction of performance management detailed in the Action Plan for People Management to help units and teams improve performance. The model should encompass the integration of service planning, human resource planning and organisation goals with personal development (e.g. rollout of competency frameworks, the provision of appropriate resources and personal development planning), leading directly to improved services to customers and the public.

Organisational and System Reform

23.20 The reform of healthcare requires ongoing change and development of services and the skills that are required to deliver them. There is also a requirement for systems and structural change. Significant organisational and institutional reform is an intrinsic part of the overall Health Strategy agenda.

23.21 The parties agree to approach these changes, as with the other issues set out above, in a spirit of co-operation with an emphasis on maximising consultation, discussion and agreement in order to secure implementation of the necessary improvements, while recognising the overall responsibility of Government to take the policy decisions involved.

Section 24: Modernisation of the Education Sector

A - The Higher Education Authority (HEA) Sector

24.1 All staff employed in the HEA sector agree to ongoing co-operation with, and adoption of, new and more flexible work patterns arising from the broadening of roles and responsibilities of third level educational institutions and the challenges facing them from the ever more diverse student base. It is accepted that the change agenda will include measures arising from the implementation of:

- institutional planning and strategic development;
specific initiatives arising from Quality Assurance and the developing ethos of continuous quality improvement and service delivery;

- changing structures and reporting relationships arising from new research institutes and other organisational developments; and

- performance development and management to ensure alignment of performance and effort with organisational goals and strategies.

24.2 These changes will be implemented through local consultation and discussion.

B - Institutes of Technology

(i) All Staff

Performance Management and Development

24.3 Institutes will introduce a structured system of performance management and development in line with the HEA sector to ensure alignment of performance and effort with organisational goals and strategies. This will involve:

- the setting of individual annual targets in agreement with the immediate superior;
- the annual review of the outcome;
- the identification of development needs and agreement on a programme of development; and
- a review of the delivery of the agreed development measures.

(ii) Academic Staff

Flexible Modes of Delivery

24.4 It is agreed that courses of study may be delivered in flexible modes (including modularised and semesterised forms) where they are deemed appropriate by the Institute’s course approval process. The introduction of such modes of delivery will be processed in accordance with the partnership process.

24.5 To facilitate such delivery it is agreed that the weekly norm of class contact time may be varied, for specified periods, by up to 3 hours in prior consultation with the Lecturer. This arrangement may be extended above the 3 hours by agreement with the Lecturer.

Teaching and Research Projects and Other Approved Projects

24.6 The teaching load may be reduced to facilitate work on research projects or other approved projects to meet Institute needs and in consultation with the Lecturer.
Quality Assurance

24.7 Agreed Quality Assurance arrangements currently provide for student evaluation of course delivery. In that context it is now proposed that each Lecturer will carry out a formal survey of their students at least once per academic year using a standard template agreed by the Institute. Each Lecturer will provide a summary of the survey referred to above under each of the headings in the survey to the Head of the Department/School/Course Committee; sensitive information will be reported only to the Head of Department/School as appropriate. It is agreed that staff and students will be provided with an opportunity to provide feedback on course delivery and provision using an agreed template.

Service to Students

24.8 It is agreed that staff will provide adequate cover to deal with examination rechecks, reviews and appeals in order that students will be dealt with in a timely manner and will not be disadvantaged. The detailed arrangements for this service will be agreed locally between management and staff.

24.9 Staff will provide adequate and regular supervision to postgraduate students during the course of research projects.

(iii) Administrative/Management Grades

24.10 Staff will co-operate with the introduction of modularisation and/or semesterisation.

24.11 Work arising from the provision of additional courses and undertaken during the normal working day will form part of normal duties.

24.12 It is agreed also that full co-operation will be given to the introduction of new or enhanced information technology systems.

Common Recruitment Pool

24.13 The common recruitment system for Clerical/Administrative grades has been in place for over twenty years. The system provides for the filling of certain posts (at Grade IV to VII level) by competition confined to employees of Health Boards, Local Authorities, VECs, Institutes of Technology and certain other health and local government agencies (known as the “Common Recruitment Pool”).

24.14 It is accepted that a more intensified focus is required on the modernisation of human resource management, the continued promotion of open recruitment procedures and the continued promotion of the health, local authority and education sectors as employers of choice.

24.15 In recognition of the nature of the “Common Recruitment Pool” system, the relevant parties agree to conduct a cross-sectoral review of recruitment issues pertinent to the grades, including greater accessibility and the introduction of a graduate entry level. The review will commence immediately and will report with recommendations within twelve months.
(iv) Technical and Support Staff

24.16 Staff will co-operate with the introduction of new structures and any new reporting arrangements that may result from such restructuring. Staff will co-operate with the introduction of shift work and with the introduction of modularisation and/or semesterisation.

24.17 Work arising from the provision of additional courses and undertaken during the normal working day will form part of normal duties.

24.18 It is agreed also that full co-operation will be given to the introduction of new or enhanced information technology systems.

C - Vocational Education Committees (VECs) (other than schools)

Common Recruitment Pool

24.19 The common recruitment system for Clerical/Administrative grades has been in place for over twenty years. The system provides for the filling of certain posts (at Grade IV to VII level) by competition confined to employees of Health Boards, Local Authorities, VECs, Institutes of Technology and certain other health and local government agencies (known as the “Common Recruitment Pool”).

24.20 It is accepted that a more intensified focus is required on the modernisation of human resource management, the continued promotion of open recruitment procedures and the continued promotion of the health, local authority and education sectors as employers of choice.

24.21 In recognition of the nature of the “Common Recruitment Pool” system, the relevant parties agree to conduct a cross-sectoral review of recruitment issues pertinent to the grades, including greater accessibility and the introduction of a graduate entry level. The review will commence immediately and will report with recommendations within twelve months.

The Public Service Management (Recruitment and Appointments) Bill

24.22 The Public Appointments Service provided for under the Public Service Management (Recruitment and Appointments) Bill will be the centralised recruitment and selection body for senior management. The Bill will also provide for the appointment of Commissioners of Public Service Appointments who will be responsible for the probity of the recruitment process through the use of suitable Codes of Practice and a licensing regime. The Bill allows for the extension of the role of the Commissioners for Public Service Appointments to the education sector. Early consultations with the relevant unions in the sector will take place on the draft legislation.

Legislative Requirements

24.23 Staff will co-operate with the implementation of legislative and statutory provisions as they arise. In particular they will co-operate with any new management arrangements arising from the implementation of the Vocational Education (Amendment) Act, 2001, including revised reporting, accounting and financial procedures as required by the Act.
24.24 Staff will co-operate with new management structures designed to co-ordinate and supervise the extending range of responsibilities of VECs.

**Information Technology**

24.25 It is agreed also that full co-operation will be given to the introduction of new or enhanced information technology systems.

**Performance Management and Development**

24.26 It is agreed that the VECs may introduce a structured system of performance management and development to ensure alignment of performance and effort with organisational goals and strategies. This will involve:

- the setting of individual annual targets in agreement with the immediate superior;
- the annual review of the outcome;
- the identification of development needs and agreement on a programme of development; and
- a review of the delivery of the agreed development measures.

**D - Teachers (First and Second Level)**

**Parent/Teacher Meetings**

24.27 The existing agreed commitments under the PCW provide for:

(i) the holding of parent/teacher meetings of locally agreed duration on the basis of their being held half-within and half-without normal school time; and

(ii) the holding of one staff meeting per term of locally agreed duration on the basis of its being held half-within and half-without normal school time.

24.28 In respect of the existing agreed commitments, it is agreed that they will be completely implemented and in operation for the school year 2003/2004.

24.29 In respect of parent/teacher meetings, the parties agree to enter immediate discussions, to be concluded by end 2003, with the education partners, with a view to extending the existing agreed commitment, by the school year 2004/2005, in a way which provides flexible, formal parent/teacher meetings at times convenient to parents and teachers and which minimises disruption to students’ tuition time and to their parents.
Standardised School Year

24.30 Schools are required to provide tuition on a fixed number of days per annum but are free to decide on holiday periods and mid-term breaks on an individual basis. This has led to variation in the closure times of schools, which causes problems for families where children are attending different schools. It is agreed that, in so far as it is possible, national guidelines will be formulated with a view to standardising the mid-term breaks and holiday periods at Christmas and Easter. The new arrangements will be in operation from the school year beginning September 2003. The Department of Education and Science will have discussions with all interested parties to establish how best these arrangements can be developed and implemented before these guidelines are issued.

Modernisation and Legislative Change

24.31 It is agreed that the modernisation programme of School Development Planning as agreed in the PPF will continue to be implemented and embedded in the school system.

24.32 The submissions of teachers to the Public Service Benchmarking Body set out the significant contribution that teachers are making to the modernisation of the education system, particularly through the implementation of curricular and legislative change. It is agreed that co-operation with this modernisation will continue, particularly in respect of the implementation of the Education Act, 1998, and the Education Welfare Act, 2000.

In-Service Training Arrangements

24.33 The need to provide in-service training for teachers on a variety of issues is accepted and programmes of delivery are well established. The delivery of in-service training during normal school time, even with the provision of substitution, is a cause of disruption in schools and affects the quality of teaching service delivered to students. It is agreed that the present position is unsatisfactory and that alternative arrangements for delivery of in-service training need to be developed and agreed. The Department of Education and Science, the School Management Authorities and the Teacher Unions will address this issue with a view to agreeing new arrangements for delivery of in-service training, which will lessen the impact of in-service training on the operation of schools.

E - All Sectors

Code of Practice

24.34 The parties will enter discussions on a voluntary Code of Practice in relation to terminal examinations in accordance with paragraphs 19.12 and 19.13 of the Public Service Pay Agreement.
Partnership

24.35 The parties will continue to approach on-going modernisation in the sector through partnership. Partnership will be supported by staff, unions and management and will become a central and mainstreamed feature in the day-to-day operations/business of institutions. In particular, partnership will be aimed at managing and responding to the challenges of change in the workplace, improving performance, influencing the development of future policy and strategic planning, and facilitating and improving quality and flexibility in the delivery of services. Every effort will be made to resolve issues through the partnership process.

Section 25: Modernisation of the Local Government Sector

Change in the Local Authority Sector

25.1 The local authority sector routinely undertakes new functions and adopts new methods and facilities for carrying out its functions and providing a better service to its customers and the communities it serves.

25.2 Better Local Government – a Programme for Change (BLG) was published in 1996 and set out a new policy framework for the local authority sector. Implementing Better Local Government is an ongoing process which is being pursued in a variety of ways by different local authorities depending on their particular circumstances and the demands facing them. Strategic Policy Committees and Corporate Policy Groups are in place in all local authorities. The traditional separate staff reporting streams (the dual structure) have been dismantled and replaced by a unified management system serving town and county with all staff deployed on a programme based structure reporting on a cross-disciplinary basis under a programme manager at Director of Services level. The modernisation process in local government under the PPF revolved around a roll-out of the SMI process, including the implementation of PMDS at sectoral level.


Partnership

25.4 Local partnership committees have been successfully operating in each local authority and are intrinsically involved in the modernisation process at local level. An independent review of the partnership process has been completed and its recommendations agreed by the Local Authority National Partnership Advisory Group. Issues highlighted by the review include the continued need for partnership facilitators to drive the process at local level and greater use of the existing partnership structures within each authority. The use of the partnership approach to develop and implement projects using Public Private Partnerships has been an essential element in their success and the continuing application of such an approach is seen as a key element in the delivery of such projects.
Change Going Forward

25.5 Local authorities are committed to progressing further the core principles of Government policy in relation to the local government sector. The focus will continue to be on serving the customer better and further enhancing local democracy and this agreement will have to be seen as building upon the changes already provided for under Better Local Government and as part of PPF. The key elements of this Agreement are the putting in place of a stable industrial relations environment, the finalisation of a code of practice for the maintenance of essential services during times of industrial unrest, the management and measurement of performance, including the need to put in place quantitative and qualitative measurement indicators to ensure that the changes agreed can be measured and achievement verified.

Local Government National Council

25.6 The Local Government National Council, which was established to oversee the processing of all industrial relations claims with national implications, will become functional by the end of March, 2003. To this end, the union side will finalise their discussions about the composition of the Staff Panel and Spheres of Influence agreements and have these agreements ratified by ICTU by that date. From the end of September, 2003, no claim will be processed in the local government sector unless it has first been lodged through the Local Government National Council.

Serving the Customer Better

25.7 The key to providing members of the public with the maximum access to local authority services is to continue to extend the opening hours of offices and other public facilities. This will give rise to the need for greater flexibility in attendance patterns and to a need for atypical forms of employment and will allow for greater flexibility with regard to staff redeployment and reassignment.

Performance Management and Development System

25.8 Improved standards of service follow from a strong focus on the needs of customers, the setting of challenging standards in service delivery, and making the best use of available resources. Implementing a PMDS system based on clarity of roles and responsibilities and on developing the knowledge, skills and other competencies of individuals will, therefore, be a priority. The aim is that PMDS will apply to all employees at every level. This will require all employees to give their full involvement and participation in its development and implementation.

Common Recruitment Pool

25.9 The common recruitment system for Clerical/Administrative grades has been in place for over twenty years. The system provides for the filling of certain posts (at Grade IV to VII level) by competition confined to employees of Health Boards, Local Authorities, VECs, Institutes of Technology and certain other health and local government agencies (known as the “Common Recruitment Pool”).
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Information Technology

25.13 To underpin the other elements of the overall BLG programme and the implementation of e-Government initiatives, the ICT Vision for local government was launched in May 2000. That document sets out the potential use of technology as a catalyst to help achieve the overall objectives of the SMI process. It proposed a number of key pilot projects to begin to realise the objectives:

- the development of intranets in all local authorities;
- the implementation of a new system to support the planning process; and
- the move to an electronic form of procurement for all goods and services in local government.

25.14 Significant progress has been achieved in all of the above and the parties are committed to concrete plans for further roll-out during 2003 of the various applications to local authorities around the country.

Section 26: Performance Verification

Verification

26.1 Paragraph 19.22 of the Public Service Pay Agreement provides that payment of the final two phases of the benchmarking increases and the general round increases is dependent, in the case of each sector, organisation and grade, on verification of satisfactory achievement of the provisions on co-operation with flexibility and ongoing change; satisfactory implementation of the agenda for modernisation set out in Sections 20 to 26, and the maintenance of stable industrial relations and absence of industrial action in respect of any matters covered by this Agreement.
26.2 The parties have agreed to put appropriate arrangements in place to verify that the conditions for the payment of these increases have been met.

Performance Verification Groups

26.3 Performance Verification Groups (PVGs) will therefore be established for each sector not later than one month after ratification of this Agreement. Each PVG will have an equal number of management, trade union and independent members. The independent members will have relevant expertise and will include, where appropriate, representatives of the customers of the sector. In addition, each group will have an independent Chair.

26.4 The Chairs of the PVGs for the Civil Service, Education, Health and Local Government sectors and representatives of both management and trade unions in each of these groups will meet to ensure consistency of approach across the sectors. They will also agree the reporting template, procedures and timetable to be used by the sectoral PVGs in assessing and verifying progress in relation to performance at sectoral, organisational and grade level. Each sectoral PVG will make an assessment of progress, at the latest, one month in advance of each of the payment dates specified in the Agreement (apart from the first 25% of the increases recommended by the PSBB).

26.5 The assessment procedures will be as set out below.

Action Plans

(i) Each PVG will inform the Secretary General responsible for the relevant sector and the appropriate sectoral partnership committee of the reporting format to be used for action plans to achieve the agreed performance targets.

(ii) The appropriate partnership committee will agree the action plan for the relevant area and submit it to the PVG for approval.

(iii) The PVGs will assess the action plans to confirm whether they meet the requirements of the Agreement, and conform with the reporting format, timetable and procedures mentioned above.

(iv) If the PVG considers that an action plan is unsatisfactory it will be referred back for review through the partnership process.

(v) When approved by the PVG, an action plan will, where appropriate, be communicated by the partnership committee to each head of organisation (Health Board Chief Executive Officer, County Manager etc.) within the relevant sector for implementation.

Progress Reports

(vi) Heads of organisations will prepare progress reports and submit them to the appropriate partnership committee.

(vii) The partnership committee, having considered the reports from heads of organisations, will submit them together with a report on the sector to the Secretary General responsible for the sector.
Assessment of Verified Progress

(viii) The Secretary General responsible for the sector will submit the reports to the PVG together with
his/her assessment of progress achieved.

(ix) Before reporting to the PVG the Secretary General will inform the appropriate National Council of
the assessment of progress which he or she intends to convey to the PVG. Where the Secretary
General considers it likely that his or her report on the assessment of verified progress achieved
would not warrant implementation of a pay increase, the matter will be discussed by the relevant
National Council before the report is finalised and if he or she still intends so to report will
convey any union side comments to the PVG.

(x) The PVG will decide on the basis of the reports submitted to it if the level of progress achieved
during the period warrants the payment of the relevant pay increase(s). It will be open to the
PVG, if it considers it desirable, to request the Secretary General to reconsider the report, or
aspects of it before a final decision is taken by the PVG. In this event, the Secretary General will
inform the relevant National Council of the response he or she intends to make and will include
any union side comments in the response to the PVG.

(xi) If the PVG decides in any case that the making of a payment is not warranted, the relevant
Secretary General will refer the matter to the relevant National Council for discussion before
he or she takes a final decision.

(xii) In the event that a trade union considers that the decision made by a Secretary General is not in
conformity with the terms of the Agreement, it may have recourse to the provisions of paragraph
19.9 of the Public Service Pay Agreement which deals with breaches of the Agreement.

26.6 Each sectoral PVG will maintain close contact with each of the organisations under its remit
throughout the reporting period. Departments which have other public service bodies under their
aegis will fulfil the role of quality assuring outcomes where a PVG does not exist or does not have
a direct role in relation to the bodies in question.

26.7 The Public Service Monitoring Group and the Public Service Sub-Committee of the National
Implementation Body will oversee implementation of these arrangements.

Note

In the Civil Service the existing partnership structures are at Departmental rather than at sectoral level. Accordingly, in
the case of the Civil Service, the verification process will operate at Departmental level as was the position in relation to
the Quality Assurance Groups under the PPF. Sectoral Reports required in accordance with the above procedure will be
made by the Secretary General, Public Service Management and Development, Department of Finance and the references
to National Councils above will mean the General Council in the case of the Civil Service.
# Glossary of Abbreviations Used

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CAP</td>
<td>Common Agricultural Policy</td>
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<td>CDB</td>
<td>City/County Development Board</td>
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<td>CDA</td>
<td>Child Dependant Allowance</td>
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<td>CE</td>
<td>Community Employment</td>
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<td>CER</td>
<td>Commission for Energy Regulation</td>
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<td>CLAR</td>
<td>Ceantair Laga Ard-Riactanais</td>
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<td>CMOD</td>
<td>Centre for Management and Organisation Development</td>
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<td>CSO</td>
<td>Central Statistics Office</td>
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<td>DBG</td>
<td>Delivering Better Government</td>
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<td>EEA</td>
<td>European Economic Area</td>
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<td>EMU</td>
<td>European Monetary Union</td>
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<td>EOCP</td>
<td>Equal Opportunities Childcare Programme</td>
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<td>ESRI</td>
<td>Economic and Social Research Institute</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAS</td>
<td>Foras Aiseanna Saothair</td>
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<td>FCI</td>
<td>Forum for the Construction Industry</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FIS</td>
<td>Family Income Supplement</td>
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<td>GCC</td>
<td>Government Contracts Committee</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GNP</td>
<td>Gross National Product</td>
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<td>HEA</td>
<td>Higher Education Authority</td>
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<td>HIA</td>
<td>Health Impact Assessment</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<td>ICT</td>
<td>Information Communications Technology</td>
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<td>LRC</td>
<td>Labour Relations Commission</td>
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<td>MIAB</td>
<td>Motor Industry Assessment Board</td>
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<td>NAPS</td>
<td>National Anti-Poverty Strategy</td>
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<td>NCPP</td>
<td>National Centre for Partnership and Performance</td>
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<td>NDFA</td>
<td>National Development Finance Agency</td>
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</table>
NDP  National Development Plan
NESC  National Economic and Social Council
NESDO  National Economic and Social Development Office
NESF  National Economic and Social Forum
NGOs  Non-Governmental Organisations
NIB  National Implementation Body
NJC  National Joint Council
NPPI  National Pensions Policy Initiative
NSB  National Statistics Board
NSS  National Spatial Strategy
ODA  Overseas Development Aid
ODEI  Office of the Director of Equality Investigation
OMC  Open Method of Co-Ordination
PCW  Programme for Competitiveness and Work
PIAB  Personal Injuries Assessment Board
PMDS  Performance Management and Development System
PPF  Programme for Prosperity and Fairness
PPPs  Public Private Partnerships
PRSA  Personal Retirement Savings Account
PSBB  Public Service Benchmarking Body
PSMG  Public Service Monitoring Group
PTPF  Public Transport Partnership Forum
QBCs  Quality Bus Corridors
QNHS  Quarterly National Household Survey
RAPID  Revitalising Areas by Planning, Investment and Development Programme
RIA  Regulatory Impact Assessment
SMEs  Small Medium Enterprises
SMI  Strategic Management Initiative
VECs  Vocational Education Committees
WTO  World Trade Organisation