



TUARASCÁIL ón gComhchoiste Fiosrúcháin i dtaobh na Géarchéime Baincéireachta

An tAcht um Thithe an Oireachtais
(Fiosrúcháin, Pribhléidí agus Nósanna Imeachta), 2013

REPORT of the Joint Committee of Inquiry into the Banking Crisis

Houses of the Oireachtas
(Inquiries, Privileges and Procedures) Act, 2013

Volume 1: Report
Volume 2: Inquiry Framework
Volume 3: Evidence

Oireachtas
OIR : Core Book 53

January 2016

Table of contents – by line of inquiry

R5: Clarity and effectiveness of the Government and Oireachtas oversight and role

R5d: Appropriateness of relationships between Government , the Oireachtas , banking sector and the property sector

Description	Bates Number [Relevant Pages]	Page
018 Letter from Alan Cooke Chief Executive Officer IAVI (Extract)	DOT00716 [001-002]	2-3
Letter from Sean McEniff Tyrconnell Group, July 2000 (Extract)	DOT00727 [001-003]	4-6
Letter from Taoiseach to Sean McEniff 25 July 2000 (Extract)	DOT00728 [001-002]	7-8
Memo to Taoiseach and Letter from Hooke McDonald June 2000 (Extract)	DOT00729 [001]	9
Fax message from Taoiseach to DoE enclosing letter from Ken McDonald	DOT00730 [001-004]	10-13
Minutes of Taoiseach's Meeting with Ken McDonald 20 09 2000	DOT00736 [001]	14
Letter from O'Flynn, 27th April, 2004	DOT00745 [001]	15
Briefing Note for meeting with O'Flynn 08 July 04 (Extract)	DOT00749 [001]	16
Letter from Noel O'Callaghan to Dept of Taoiseach on planning	DOT00750 [001-003]	17-19
52 Letter and enclosure from O'Flynn Construction (Extract)	DOT00751 [001-004]	20-23
Interview with Brian Dobson 26 Sep 2006 (Extract)	PUB00333 [005]	24
DCU Newswire on interview with Ahern in Summer 2011	PUB00335 [001-002]	25-26
Development (acquisition of Development land) (Assessment)	PUB00305 [001-006]	27-32
Biographies of members of CB Board (Extract)	CB00002 [002-003]	33-34
Elaine Byrne Statement (Extract)	CTX00003 [001-011]	35-45
Fine Gael Manifesto GE 2002 (Extract)	PUB00309 [002-020]	46-64
Fine Gael Manifesto GE 2007 (Extract)	PUB00310 [001-002, 004-005,080, 095-097]	65-72
FT article 29 March 2009 on crony capitalism	PUB00311 [001]	73
Green Party Manifesto GE 2002 (Extract)	PUB00312 [001,003-004]	74-76
Irish Times Ahern criticises Cowen'	PUB00317 [001-002]	77-78

Irish Times Ahern Queries Government Handling	PUB00318 [001]	79
Finance Minister's diary Oct 2007.pdf	DOF01891 [001-014]	80-93
Labour Manifesto GE 2002 (Extract)	PUB00320 [001-002,015]	94-96
Labour Manifesto GE 2007 (Extract)	PUB00321 [002-005, 008-011]	97-104
Manifesto Fianna Fail GE 2002 (Extract)	PUB00149 [002-014,026-033, 069-070]	105-127
Manifesto Fianna Fail GE 2007 (Extract)	PUB00150 [002,004,033-037, 092-095, 149-152]	128-142
Manifesto Fine Gael GE 2011 (Extract)	PUB00151 [005-009,017-021]	143-152
Manifesto Green Party GE 2007 (Extract)	PUB00152 [003,010,015,016]	153-156
Manifesto Labour GE 2011 (Extract)	PUB00153 [007,011-019, 072-073]	157-168
Manifesto Progressive Democrats GE 2002 (Extract)	PUB00154 [003-009,075-077]	169-178



THEME: R5

Clarity and effectiveness of the Government and Oireachtas oversight and role

LINE OF INQUIRY: R5d

Appropriateness of the relationships between Government, the Oireachtas, the banking sector and the property sector



10
01 SEP 2008

IRISH AUCTIONEERS & VALUERS INSTITUTE

"THE VOICE OF IRISH PROPERTY"

38 MERRION SQUARE, DUBLIN 2. TELEPHONE: +353 1 661 1794. FAX: +353 1 661 1797

29th August 2008
AC/VB

email: info@iavi.ie Internet: www.iavi.ie

An Taoiseach Mr Brian Cowen T.D.
Office of An Taoiseach
Upper Merrion Street
DUBLIN 2

Mr Brian Lenihan T.D.
Minister for Finance
Department of Finance
Upper Merrion Street
DUBLIN 2

Mr John Gormley T.D.
Minister for the Environment,
Heritage & Local Government
Dept. of the Environment,
Heritage & Local Government,
Custom House,
DUBLIN 1

Mr Michael Finneran T.D.
Minister for State for Housing & Urban Renewal
Department of the Environment
Heritage & Local Government
Custom House
DUBLIN 1

RE: RESIDENTIAL PROPERTY MARKET

Dear Taoiseach and Ministers,

The IAVI has read with great interest newspaper reports of consideration being given by the government to moves to spur activity in the housing market, as part of a packet of measures to stimulate the economy and I write to outline the views of the IAVI, which represents around 2,000 qualified real estate professionals. There is no doubt that some radical measures are called for, but the need to ensure both that such measures encourage activity without fuelling unwarranted price growth and that the Exchequer's fiscal situation is not worsened, must remain paramount in these difficult times.

It is reported that it is the intention of government to concentrate efforts on first-time buyers, including a possible expansion and restructuring of the affordable housing scheme. The IAVI is of the view that the level of transaction activity involving first time buyers in particular, and in the moderate end of the market generally, are crucial as sales in these sectors invigorate the entire market by providing the incoming buyers needed to enable others to trade up successfully.

The IAVI strongly endorses the call by the Construction Industry Federation that the Housing Finance Agency's role should be expanded in terms of ensuring liquidity for potential borrowers who are fettered by what have quickly become conservative loan criteria, with current loan-to-value ratios in the order of 80-90% in major urban areas and 70-80% in other areas now being imposed by some lenders. Such LTV ratios make it extremely difficult for first-time-buyers to secure home ownership. The IAVI believes that the HFA can play a major role in improving liquidity and that it should be directed to do so. Mortgage loans that are underwritten by the State, whether provided directly or through other bodies, would make a major difference and, in the view of the IAVI, persuade other lenders that in moving away from what may have been overly generous lending policies in recent years, they have over-corrected and that they should relax their criteria and increase available LTV ratios for suitable borrowers.

Cont./...



In terms of possible adjustments to affordable housing projects, the IAVI believes that a revitalised shared ownership scheme may provide the best solution. Existing schemes are expensive, requiring that the borrower also finance the non purchased equity via rental payments. A simpler solution would perhaps be a direct equity holding by government in such properties, without a time limit.

Such a scheme would have the potential to provide substantial windfalls for the Exchequer in future years as properties are sold on and the government's equity realised. From a buyer's perspective, the fact that they would only have to finance the majority of the purchase price, rather than 100% of it, would bridge perhaps the major gap in terms of affordability. This could provide a win-win scenario all around.

In relation to government thinking on this issue, the IAVI would strongly encourage you to ensure that whatever measures are introduced are applied to both new and second hand homes, as both market sectors are suffering enormously at present and both contribute to the upward channelling of finance, confidence and mobility. By way of exception, and in order to bring demand closer to existing supply, we suggest that there may be merit in considering the provision of full Section 23 style relief for the many existing but unsold new housing units in many cities and smaller urban areas around the country. Only when the current overhang of completed properties is cleared will builders have the confidence to build the number of new homes that are generally viewed as being required. Without that impetus, there is a danger that several years of inactivity on the house construction front could once again lead to reversing the supply / demand ratio, with far less homes being built in the medium term than will be required. The effect on property prices of such a situation would be self evident.

The IAVI lauded the changes to the Stamp Duty regime introduced in Budget 2008. We still believe that Ireland's stamp duty rates are very high by international comparison and that they are a barrier to mobility and, therefore, an impediment to competitiveness. While not pressing for immediate further reform of stamp duty on residential sales at this difficult time, we strongly encourage government to keep this matter under review with a view to a future capping of the top rate of residential stamp duty at a more equitable 6%, rather than the current penal rate of 9%. We will be making a separate Budget Submission to Mr Lenihan as Minister for Finance in regard to stamp duty on commercial transactions and on other issues. That said, we acknowledge that the changes to the banding mechanism, introduced last year and for which the IAVI had pressed for over 20 years, have brought greater equity and common sense to our stamp duty regime.

The IAVI would support, as a short term measure, the annual contribution into the National Pension Reserve Fund being diverted to fund *essential* projects under the National Development Plan. While we are supportive of the NPRF, it makes economic sense to ensure that vital infrastructural projects that can better Ireland Inc.'s competitive position for the future are not forestalled.

By safeguarding our economic future as best it can, the government would do more to protect benefits for future pensioners than channelling money into the NPRF at this time. However, such diversion can only be temporary and should be ideally reversed at a near future date, including back payments, when economic conditions will we expect permit.

Yours sincerely,



ALAN COOKE
Chief Executive

2

Dear Bertie,

Please find enclosed copy of
letter sent to Minister McCreary.
I would appreciate any support you
could give re same. Hope this finds
you in good form and needless to
say Celia and yourself are welcome
to Donegal any time.

Regards,
Sean



Tyrconnell Group

DINGLEI COUSH, BUNDORAN, CO DONEGAL.

TEL: 072-42277 FAX: 072-42385
E-MAIL: TYRCONNELL@HOTMAIL.COM
WEB: WWW.TYRCONNELL-GROUP.COM

Mr Charlie McCreevy T.D.
Minister for Finance
Leinster House
Dublin 2

7th July, 2000

Dear Charlie

I am very concerned in relation to the new legislation introduced on the 15th June, 2000 in relation to the impact that it will have on the holiday home sector in Donegal and the North West in general. The legislation provides for stamp duty of 9% on the purchase of holiday homes plus an annual 2% charge for an initial 3 years. I fail to see what impact this is going to have on the housing situation for first time buyers in this area and I can see the dramatic and harmful effect it is going to have on the holiday home sector in this area especially in relation to potential purchasers from Northern Ireland and the UK who always seen this area as an attractive location to have a holiday home. They will surely now purchase a holiday home abroad and this trend can only be bad for the overall economy of the area which has so many other economic problems and disadvantages to deal with also.

The trend to purchase property abroad instead of Ireland is apparent already and is evidenced by the aggressive advertising campaigns being ran in the property sections of the newspapers a copy of which I have attached.

I would like to arrange a meeting with you in the next few weeks to discuss the matter in more detail and get you views on the rational behind this legislation especially for this area.

Yours sincerely



**Sean McEniff
Chairman – Tyrconnell Group**

**CC: Mr Bertie Ahern T.D. – Taoiseach
Mr Noel Dempsey, T.D. – Minister for the Environment
Mr Jim McDaid T.D. – Minister for Sport & Tourism
Ms Mary Coughlan T.D.**

**Tyrconnell Group Companies – Allingham Arms Hotel, Bundoran, Co. Donegal 072-41075
Camden Court Hotel, Dublin 01-4759666 Mount Errigal Hotel, Letterkenny, Co. Donegal
074-22700 Tyrconnell Holiday Homes, Bundoran, Co. Donegal 072-42277
Donegal Adventure Centre, Bundoran, Co Donegal 072-42418 Clavinova Investments Ltd,
Bundoran, Co. Donegal 072-42277 All Ireland Holidays Ltd, Bundoran, Co. Donegal –
072-42277 McEniffs Bundoran Ltd, Bundoran, Co. Donegal 072-41257**

(3)

S320/05/05/00/A A3

Oifig an Taoisigh
Office of the Taoiseach

25 July, 2000

Mr. Sean McEniff,
Chairman - Tyrconnell Group,
Dinglei Cough,
Bundoran,
Co. Donegal.

Dear Sean,

Thank you for your note of 7 July enclosing a copy of your letter to Minister McCreevy regarding the impact on the holiday home sector of the tax changes following the recent Bacon Report.

I would like to assure you that these measures were taken after careful and detailed consideration by Government of the options available. The intention of the targeted stamp duty changes and the introduction of the anti-speculative tax is to improve affordability for first-time buyers and to discourage speculative investment, especially in the lower range of the market. These measures are not anti-investor taxes, but are focused on discouraging speculative investment, and on meeting the needs of key sectors of the population.

The new stamp duty thresholds which favour first-time purchasers over other buyers will further enhance their ability to enter the property market, will moderate the rising demand for housing, and should concentrate construction on the provision of "starter" houses.

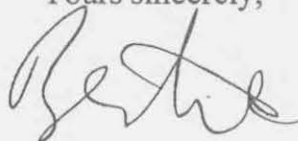
Exemptions to the anti-speculative tax will be provided for heritage properties and for listed and registered holiday homes. There will also be exemptions for specific qualifying residential investments under the Section 23, Seaside Resorts, Town and Rural Renewal and Section 50 Student Accommodation Schemes, and also for landlords who comply with requirements in relation to registration, etc. The anti-speculative tax is being introduced for a three-year period (2000-2002) and it is envisaged that this measure will then be reviewed.

The Government did not take these decisions lightly. We have however taken the view that at a time when the construction industry is working close to capacity to maintain our high levels of housing output, and when demand is forecast to continue to grow in the coming years, it is in the best interests of the economy to take appropriate measures to meet the needs of our population, and to restore balance to the housing market.

I hope this responds to your concerns and I am sure that Minister McCreevy will be in touch with you directly.

With best wishes

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bertie', written in a cursive style.

Taoiseach

5520/05/25 0010/7

ROINN AN TAOISIGH

(4)

Uimhir
RECEIVED
13 JUN 2000
M. Kelly

To : Taoiseach
From: Eoin O'Leary

Meeting with Ken McDonald and David Cantwell re Housing Market.

Officials from the Departments of the Environment and Finance and I met Mr Mc Donald and Mr. Cantwell to discuss their recent letter to the Taoiseach re the Housing Market. Mr Mc Donald and Cantwell had prepared a summary of their view which is attached under as is a letter to Minister Dempsey from the IAVI. They are strongly of the view that they have not been adequately consulted, by Government or by Peter Bacon and that further restrictions on investors in the house market are unnecessary and likely to both damage confidence in the housing market generally and to lead to further shortages in the rental sector.

Further adverse comment can be expected when the Housing Package is launched. Dept/Environment will stress the element of the package which exempts compliant landlords from the new tax measures when the package is being launched next week.

E O'Leary

13 June 2000

c.c. Secretary General to the Government, Mary Doyle, Gerry Hickey.

[Redacted box]



3

Roinn an Taoisigh
Department of the Taoiseach

Fax Message

Date: Wednesday, 30 August 2000

To: Mary O'Donoghue, D\Env

Fax: 8882688

From: John Shaw, D\Taoiseach

Return Tel: 01 6194243

Return Fax: 01 6622163

No. of pages (includ. this page): 3

Re: as discussed

Attached is letter from Ken MacDonald as discussed. Taoiseach has agreed to meet him on 21 September at 12 noon.

We would be grateful if some briefing could be provided for the Taoiseach.

We would also suggest that someone from your Dept might attend - Eoin O'Leary will probably attend from here.

TTI

DF	TIME	ADDRESS	MODE	TIME	PAGE	RESULT	PERS. NAME	FILE
30.HUG.	11:55	8882688	TES	1'02"	P. 3	OK		773

: BATCH
L : SEND LATER
S : STANDARD

C : CONFIDENTIAL
@ : FORWARDING
D : DETAIL

P : POLLING
E : ECM
F : FINE

M : MEMORY
> : REDUCTION



DEPT. OF THE TREASURY

17 JUL 2000



CONSTITUENT OFFICE

HOOKE & MacDONALD

AUCTIONEERS · VALUERS · ESTATES AGENTS

52 MERRION SQUARE, DUBLIN 2. TEL. 66 10 100 FAX. 67 66 340
EMAIL: info@hookemacdonald.ie WEBSITE: www.hookemacdonald.ie

An Taoiseach,
Bertie Ahern T.D.,
St. Lukes,
161 Lower Drumcondra Road,
Dublin 9.

13th July 2000

Re: Private Rental Sector

Dear Taoiseach,

Further to my correspondence with you last month I am grateful to you for setting up a meeting with officials from your Department and from the Departments of Finance and Environment prior to the publication of the Bacon Report and the Government response to it. Regretfully the outcome was very disappointing.

The measures decided on by the Government are already having a destabilizing effect on the Private Rental Sector and this will inevitably lead to an acute shortage of supply in this area in the very near future. Many developers are already switching away from residential development on their city centre sites to commercial development.

Genuine long term investors who had been funding the supply of accommodation in the private rental residential market are now turning away in large numbers from this sector due to the penal rates of stamp duty which have risen from zero to 9% in the last two years, and from 5% to 9% on a typical £170,000 - £250,000 property in the last month (compared to 1% in the U.K). The extra 4%, on top of the abolition of interest relief, is undoubtedly 'the straw that breaks the camels back'. The consequent very low 2%-3% yields currently available on residential investment is of no interest to investors who are now switching en masse to commercial investment and to properties overseas, with the loss of billions of pounds to the funding of the Irish housing market and economy.

It is clear from the Government action and the attitude of the Department officials that I met that the health of the Private Rental Sector in Ireland is way down the list of priorities at present. This is very sad as it is going to add to the difficulties of the thousands of people who are dependent on a steady supply of good quality accommodation each year in this sector. These people, many returning from abroad, are not in the market to buy houses, but are seeking suitable rental accommodation close to places of work and leisure.

I am now satisfied and can prove that there is absolutely no evidence in existence that these investors were in competition with first time buyers in the suburban housing market. They have been only active in the areas of strong rental demand, mainly the city centre. Some of these areas are now going to experience a new wave of urban blight - including the I.A.P areas, which have failed to take off due to the increasingly hostile climate against private investment.

The new high rates of stamp duty are also very damaging for the student accommodation sector (Sector 50). They have already caused the cancellation of a number of schemes around the country in the last two weeks. The absence of interest relief for these units, coupled with the 9% stamp duty, makes them uneconomic from an investment viewpoint. If Peter Bacon's recommendations on a sliding scale of stamp duty had been accepted by the Government then this problem could have been avoided and could still be rectified by amendments to the Finance Bill.

The Private Rental Sector is a vital area of the market and it will take considerable care and significant positive measures to repair the damage that has been caused to it in recent weeks (and two years ago). The treatment of the imminent recommendations of the Commission on Private Rented Accommodation will be particularly important in this regard - as will other necessary confidence - building measures to boost supply in this sector to meet the needs of our expanding economy.

I would welcome an opportunity to meet you and /or your officials to discuss this matter in more detail. I can make available detailed research material which could be beneficial to you when considering future policies in this area.

There is no reason why first time buyers / owner occupiers can not be greatly assisted in their aspiration of affordable home ownership while at the same time assisting tenants to have a choice of good quality accommodation in urban centres. We have a number of suggestions on how this can be achieved which can also be beneficial to the maintenance of harmony for the partners to the national agreements.

Yours sincerely



Ken MacDonald

PA LOT on Housing

11

Minute of Taoiseach's Meeting With Ken McDonald
of Hooke & McDonald Auctioneers
21st September, 2000

The Taoiseach met with Mr. Ken McDonald of Hooke & McDonald Auctioneers to discuss the housing situation on 21st September in Government Buildings. The Taoiseach was accompanied by Mr. Tom Corcoran Assistant Secretary, Department Environment and Local Government and the undersigned.

Mr. McDonald suggested a six point plan to help solve housing problems in the first time buyer and private rental markets. A copy of his proposals are attached. The Taoiseach thanked him for his suggestions and indicated that he would have them fully investigated by the relevant Ministers.

Mr. McDonald indicated that it was the general belief in the Auctioneering profession that the housing market was now beginning to cool.

Eoin O'Leary
Eoin O'Leary.
22nd September

5m
To see + for file
15/10/00

Eoin
will be over
Departmental Team
on Housing follow
this up?
[Signature]

- c.c. Private Secretary to the Taoiseach
- Private Secretary to the Minister for Finance
- Secretary General to the Government
- Ms. Mary Doyle, Assistant Secretary
- Ms. Bridget McManus Assistant Secretary Dept. Finance
- Mr. Tom Corcoran Assistant Secretary Dept. Environment and Local Government

26/09/00



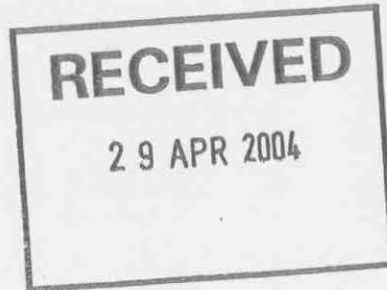
00

O'FLYNN CONSTRUCTION Co. Ltd.

Melbourne House, Model Farm Road, Cork, Ireland.

T. 021 - 4343111. F. 021 - 4343053. E. ofc@oflynnconstruction.ie

Ref: MOF/lod.



An Taoiseach Mr. Bertie Ahern, T.D.,
Department of An Taoiseach,
Government Buildings,
Dublin 2.

27th April, 2004.

Dear Taoiseach,

Thank you for launching our Ballincollig Town Centre Development on Friday last. I very much appreciate your visit given the extremely busy schedule, which you continuously have.

I was also glad of the opportunity to discuss briefly some of the issues, which affect both the Government and the Housing Industry. The principle one being that of affordability. Part V issues remain a concern for our Industry despite the Government's positive intervention with the 2002 Planning and Development Amendment Act. The recent All Party Oireachtas Committee is also a concern to us in that while we appreciate the Government's desire to improve affordability we fear the wrong measures will be taken in trying to achieve this.

You will recall I was part of a small group some years ago that interacted with you and a number of Ministers together with Jerry Hickey of your office and the Department of the Environment in relation to the Mortgage Interest Relief etc. Our group included a number of builders and I would like to enquire if you would again facilitate us with an informal meeting to discuss further some of the important issues, which face all of us going forward. Housing issues are high on the Government Agenda and my main interest is for you and your Government colleagues to be fully informed from a house builder's perspective.

Thank you again and I look forward to hearing from you.

Yours sincerely,

Michael O'Flynn
Managing Director.



Meeting with Delegation of Builders to Discuss Housing Issues

Thursday 8 July 2004 at 2pm, Taoiseach's Meeting Room

24

1. The delegation comprises:

Michael O'Flynn, O'Flynn Construction

Sean Mulryan, Ballymore Properties

Bernard McNamara, Michael McNamara & Co.

Ken MacDonald, Hooke and MacDonald

Suggested Introductory Points to Make

2. You may wish to make the following introductory points:

- I would like to welcome the delegation
- the construction industry is a very innovative and successful industry, accounting for 11% of employment of 19% of GDP
- we have seen huge progress in housing in recent years, with record output from the industry and huge public investment in social and affordable housing
- we have to continue with the policies that have brought that success but we also have to make sure that we respond to the problems that still exist, such as affordability for first-time buyers and in the rental sector and increasing the stock of social and affordable housing
- I am glad to have an opportunity to discuss important issues related to construction, and housing in particular, with people who have direct experience of the issues

Issues to be Discussed

3. The main issues the delegation wishes to discuss are set out below. Briefing from D/EHLG is at Tab A. You will note that with regard

14/9/04

Sherborough Securities Limited

75

Ms. Mary Doyle,
Assistant Secretary,
Dept. of the Taoiseach,
Govt. Buildings,
Upper Merrion St.,
Dublin 2

*in the Fraser
For draft reply please in
13/09/04
consultation with D. Swann
Heritage and Dept. Government
Her Doyle*

Dear Ms. Doyle,

I am one of the principles in a developer group seeking rezoning for lands at Laraghcon, between Clonsilla station and Leixlip Confey station, to the North of Lucan on the Maynooth suburban railway line.

14/9/04

We believe that these lands are ideally suited to a development including a sizeable element of affordable housing, with excellent rail links, already paid for, to the city.

I attach a report from DKM Economic Consultants which we have commissioned. The report argues that this site, and others like it, on good public transport links and close to the city, should be zoned for housing in preference to development in the outer Leinster counties, if the affordability problem in the Dublin area is to be addressed.

I would be pleased to discuss this matter with you at any time.

Yours faithfully,

Noel O' Callaghan.

George ✓ SB

*please discuss
✓*

*Copy sent to DoEHLG
on 14.9.04 with
request for material
for reply.*

*14.9.04
~*

SB → 14/9

Hospitality House, 16-20 South Cumberland Street, Dublin 2



Roinn an Taoisigh
Department of the Taoiseach

8 October, 2004.

Mr. Noel O'Callaghan
Sherborough Securities Limited
Hospitality House
16-20 South Cumberland Street
Dublin 2

Dear Mr. O'Callaghan,

I have been asked on behalf of Mary Doyle to thank you for your recent letter and accompanying DKM Report regarding a proposed development at Lucan, County Dublin.

As you may be aware, the Affordable Housing Initiative was included as one of the ten special initiatives negotiated with the Parties to the Pay Agreement in Sustaining Progress. This Initiative is aimed at those who in the past would have expected to purchase a house from their own resources but find they are unable to do so in the current market.

As the Agreement states, the Government are committed to an ambitious scale of delivery of affordable housing coming through this Initiative and arrangements under Part V of the Planning and Development Act, 2000.

A central Contact Group, comprised of Senior Officials from relevant Departments is one of the key structures overseeing the implementation of the Initiative. A number of additional strategies which might accelerate actual delivery, are also currently being examined as a matter of urgency by this Group.



Within the Department of the Environment, Heritage and local Government, a steering group chaired at Assistant Secretary level has also been established to oversee the implementation arrangements and to ensure that there is effective and early delivery of the Initiative. Your proposal has been forwarded to that Department for consideration in the first instance, and they will be in direct contact with you in due course.

Yours sincerely,



George Burke
Economic & Social Policy

Telephone number: 6194012.

Email address: george.burke@taoiseach.gov.ie



26

O'FLYNN CONSTRUCTION Co. Ltd.

Melbourne House, Model Farm Road, Cork, Ireland.

T. 021 - 4343111. F. 021 - 4343053. E. ofc@oflynnconstruction.ie

Ref: MOF/lod.

Mr. Gerard Howlin,
Special Adviser to the Taoiseach,
Department of the Taoiseach,
Government Buildings,
Upper Merrion Street,
Dublin 2.

16th July, 2004.

Dear Gerard,

I refer to our telephone conversation and to our recent meeting.

My colleagues and I have finalised a brief outline on the Social & Affordable Housing concept, which we outlined at our meeting. I enclose a copy of same and we would appreciate the opportunity to discuss/flesh out the proposal further should it prove to be of interest to the Government.

Yours sincerely,

Michael O'Flynn
Managing Director.

Encl.



A NEW APPROACH TO SOCIAL & AFFORDABLE HOUSING

Introduction

There is an urgent need for a new initiative in relation to the supply of Social & Affordable Housing and the main purpose of this submission is to outline a dramatic solution to immediately increase the supply of Social & Affordable Housing. The aim is to deliver 25,000 Social & Affordable homes onto the market over the next 4 years. The main purpose is to fulfil the demand from employed people who are unable to buy their first home.

Structure

By a Government Directive or Legislation a new Social & Affordable Housing Authority (SAHA) be established to receive proposals and designate land specifically for Social & Affordable Housing. The other option would be to establish a dedicated unit within each local authority to carry out a similar function. The authority would advertise seeking tenders for the supply of land for Social & Affordable housing at a given price. It would not be necessary that the land is already zoned for residential use but it should be otherwise suitable for development. As soon as the land is acquired by the authority (or developer selected by the authority) it would be deemed to be zoned for Social & Affordable housing. The land would be ideally located close to existing built up areas capable of being serviced with good public transport links and would not conflict with public open space policies in a particular area. It is likely that this land would have not succeeded in the past in attracting zoning for development but would now be considered suitable for the special circumstances in relation to the strong need that now exists for Social & Affordable housing.

Land would only be zoned where an irrevocable agreement will exist to develop the land for the said purpose. The acceptance of any proposal would be conditional on a withering provision to develop within a definite timescale and would also be subject to an agreed land sale price at the outset.

Price for Designated Land

The price paid for land would reflect the fact that it would not likely be zoned for development in the short to medium term, were it not required for this special Social & Affordable housing designation. The proposal is that a premium of €75,000 per acre be paid over and above the current use value of the land which would obviously vary from City to City and would have to be submitted as part of the application for inclusion within a zoning application. It is anticipated that the land cost per acre would be approximately €100,000 to €120,000 in Cork to €150,000 to €170,000 in Dublin.

Approval of Projects

It is proposed that land designated for Social & Affordable housing would be developed under a planning scheme, similar to that which applies within the area governed by the Dublin Docklands Development Authority. The DDDA has specific planning responsibilities for part of the Docklands area under Section 25 of the 1997 Act.

The authority produces planning schemes for designated areas through a public consultation process and following endorsement by the Minister for the Environment these planning schemes represent exempted development.

A developer may seek a certificate of compliance from the authority and once such certificate is made the development can proceed without being subject to any further planning application process or to third party appeals. The advantages of a Section 25 type planning scheme would ensure a very quick delivery of Social & Affordable housing onto the market.

Densities

It is envisaged that the housing will be predominantly 2 and 3 storeys and will not exceed 15 to the acre, which would ensure minimal development costs.

House prices

The average price of new homes under this scheme are likely to be €220,000 in Dublin and €180,000 in the rest of the Country. The Local Authorities / Housing Associations will purchase the Social Houses or developers can and it is proposed that the Affordable will be subject to similar qualification and claw-back as under the existing Part V structure. Alternatively, in some cases, developers would be open to funding and managing the Social Homes.

Land Availability

Initial research in both Cork and Dublin has been undertaken and very suitable land has been identified which would be available in the immediate term.

Target Market

A very large current demand for Social & Affordable housing in all areas especially in and around the main Cities exists and we estimate that the following numbers could be achieved over the next 4 year period :-

2005	1500 units
2006	6000 units
2007	8,500 units
2008	9,000 units.

Implementation / Housing Mix

The fact that zoning will only be granted to suitable applying projects under a range of criteria will mean that this new mechanism will deliver whatever number the authorities see fit at a fixed price from the outset. It is also envisaged that the percentage of Social & Affordable would be similar to the housing strategies for that particular area.

Conclusion

The current mechanisms for supply of Social & Affordable Housing cannot meet the pent up demand that exists and a decision by the end of September 2004, along the lines proposed, would ensure a dramatic turnaround for people on Social Housing lists and for people who cannot get on the ordinary housing ladder.

that is the only other payment, its nothing to do with this but it was a payment that was in my accounts and I did give that to the tribunal as well.

Dobson : At the time of this 38,000 that was raised for you in late 1993 and into 1994, you were minister for finance, perhaps the second most senior political position in the country. Did you have any qualms about taking this money from these individuals given the position that you occupied?

Ahern : Well I think probably I had every qualms, they wanted to run a function and I wouldn't let them. They wanted to give me the money and I refused. But they were long-standing, close, political and personal friends of mine and mainly personal friends. And on the basis that I would pay back the money, it wasn't big money either, quite frankly, and that they were under that understanding, now I had difficulty paying it back afterwards. I think the impression is that some of them are very wealthy, I mean some of them might be, some of them were probably wealthier then than they are now, quite frankly.

Dobson : But some of them were people in business, they had business interests, they were in position potentially to benefit from decisions you would make as minister for finance.

Ahern : Well, you know, all I can say on that, they didn't and never did they ask me. Em, they were not people that ever tried to get me to do something. I might have appointed somebody but I appointed them because they were friends, em, not because of anything they had given me and you know, and I think they appreciate that these were debts of honour, they gave them to me. Em, ah, I suppose on hindsight back, I wasn't to know then, em, that I would be Taoiseach that I would have more money, that my daughters would be far more self-sufficient, I didn't know these things. Em, you know, so whether I should have took it or not, but I always seen them as loans. I didn't see them as any risk other than friends at a time of need when they knew I was in difficulty, when they knew that where I was staying and how I was living was a source of conversation.

Dobson : Can I put to you on the other hand, Mr Justice Brian McCracken had to say just a couple of years later in 1997 and something with which you said you concurred? He said that it is quite unacceptable that a member of Dáil Éireann and in particular a cabinet minister should be supported in his personal lifestyle by gifts made to him personally and this is what you have to say in response to that. You said that Mr Justice McCracken, and I quote Bertie Ahern here, 'stresses a point I have repeatedly emphasised that public representatives must not be under a personal financial obligation to anyone'. Now at the very least there's an appearance there that you were under personal financial obligation to this group.

Ahern : Well, I, I don't accept that, em, Brian one bit. The difference of talking about somebody taking millions and somebody taking 100s of 1000s, em, in exchange for contracts and other matters and taking what is a relatively small contributions, em, from friends who had a clear understanding they would be paid back. I do not equate those. Em, if I was to take several 100s of 1000s pounds or several million from people where I had no association with or, em, eh, eh, people that were totally business interests, that would be totally, totally wrong. Em, perhaps you could say in politics nobody should ever take anything from anyone, perhaps that . . .

Dobson : You would have to declare it now?

DCUfm Newswire Bertie Special – Radio Interview with Barry Lenihan and Seamus Conwell

October 19, 2011 / <http://dcufm.com/84758475/2011/10/dcufm-newswire-bertie-special/>

Bertie Ahern says that it would have been ‘nice’ to lead the country during the biggest financial crisis in the state’s history.

Ahern says that he would have liked the challenge of being Taoiseach during the financial crisis while he blames the media for not keeping close attention on the economy and ‘lazy’ TDs and party members for Fianna Fail’s result in February’s general election.

In a frank interview with Dublin City University’s student radio station DCUfm, the former Taoiseach also said that he thinks people should acknowledge his governments for ‘bringing the economy up’.

Ahern said that he would not have resigned as Taoiseach in May 2008 if he had known the economy was ‘going to turn down so quick’ and that he would have liked to have been Taoiseach during the financial crisis.

‘I would have stayed on because that would have been exciting and interesting and nice,’ he said, ‘the whole thing about politics is that you’re in for tough times and tough decisions and I would have liked that kind of a challenge’.

The former Taoiseach claims that his governments don’t get enough credit for bringing economic prosperity to Ireland.

‘An economy is always up and down, we brought it up,’ he said in the interview to be broadcast this Tuesday, ‘I always claim that if people blame us for bringing down the economy, they also have to blame us for bringing it up’.

Ahern described criticism that it was his policies which left the country unable to withstand the pressures of the banking crisis as ‘unfair’.

‘My answer to them who say if we didn’t spend so much we wouldn’t have had the banking crisis: well that’s nonsense,’ he said.

‘People abroad just see these as world problems and Ireland is just another one suffering from it. They don’t see it the way we do at all,’ he added.

‘Even if we knew the banking crisis was coming I don’t think we could have done anything’.

Ahern rejected suggestions that he should have followed warnings from the Department of Finances about his economic policies, especially regarding the property bubble.

‘In fairness, the Department of Finance give you warnings about everything’, he said, ‘if we didn’t build half a million houses people would have ended up living on the side of the street and the Department of Finance would still be saying don’t build houses’.

Ahern, who tipped his ‘good friend’ Gay Mitchell to win the presidency in the summer, criticised the media for not following the economy in his final year as Taoiseach.

‘The media just stopped following the economy, there should be an investigation into it,’ he said, ‘they should have been following the economy from August 2007 but they weren’t, they were following me. I think a lot of these guys really should have looked at themselves’.

‘The government were following the economy but the media weren’t, it was a very poor job by the media really’.

Ahern also criticised 'lazy' party members and TDs for Fianna Fail's disastrous election result in February when it lost 57 seats.

'I think too many members of the party got too god damn lazy,' he said, 'they were all doing too well and they weren't prepared to get out and do the slog'.

When asked if Fianna Fail TDs were lazy too Ahern replied 'A lot of them', before adding 'I heard a lot of the TDs in the last general election, they said they were absolutely astonished and astounded when they went out and found out how angry people were. Well if you were out every week you'd know'.

Despite his party's election result, Ahern claims he 'would have won a seat in this election...I wouldn't have topped the poll this time, it was going to be a tough thing'. However, Ahern confirmed he had no interest in running.

In an extract from the DCUfm interview released previously, Ahern claimed he 'would have done alright' in the presidential election and would have sat with around 30% of the vote.

Ahern said that his former running mate Cllr. Mary Fitzpatrick has no right to feel aggrieved for the way he treated her in the 2007 general election.

Cllr. Fitzpatrick has criticised Ahern for circulating a letter on the morning of the election directing voters to give their first preference vote to Ahern and their second preference to Ahern's former constituency secretary Cyprian Brady. Brady subsequently won a Dail seat with just 939 first preference votes.

'In 2007 she was lucky to be on the ticket, said Ahern, 'she should be honoured that she was on the ticket. She had no right to think she should have won a seat. In fact, if anyone was entitled to a seat it was Cyprian'.

The former Taoiseach expressed regret for partaking in a television ad where he appeared in a cupboard promoting his weekly sports column for the News of the World.

'I didn't put any thought into it' he said, 'I mean it was kind of a stupid idea. Everybody kind of goes mad about it. It was drummed up by a handful of people'.

Ahern thinks that Enda Kenny is doing an 'ok' job since being elected Taoiseach in February.

'He is steady-as-it-goes,' he said, 'I mean he is doing ok. As time goes you'll get the belts. They made a mess of Roscommon but you'll get big issues and small issues and Roscommon isn't a big issue really, they just need to keep it steady'.

Ahern also described how he was close to former Minister for Finance Brian Lenihan, who died of pancreatic cancer last June.

'Brian was a guy who kept in touch with me most,' he said, 'He kept in touch with me a few times a week, down to me house every second week, I kept in touch with him a lot over the last few years'.

The Mahon Tribunal is expected to reject Ahern's explanations for receiving large sums of foreign currency as beyond belief but Ahern, who described this as 'trash', doesn't think the Tribunal will ruin his political legacy.

'The big things when I go around the country now, and even outside the country,' he explained, 'you're remembered about Northern Ireland, you're remembered about the infrastructure'.

While on the Mahon Tribunal Ahern said 'It's not sustainable that you can set up a structure that goes on for 14 years, it's a nonsense'.

Bertie Ahern is currently in Spain trying to broker a peace agreement between Basque separatists and the Spanish government. The interview with DCUfm was conducted as part of a broader student research project

[Click here for
Explanatory Memorandum](#)



**AN BILLE UM PLEANÁIL AGUS FORBAIRT (TALAMH
FORBRAÍOCHTA A FHÁIL) (CÚITEAMH A MHEASÚNÚ)
2003**

**PLANNING AND DEVELOPMENT (ACQUISITION OF
DEVELOPMENT LAND) (ASSESSMENT OF
COMPENSATION) BILL 2003**

*Mar a tionscnaíodh
As initiated*

ARRANGEMENT OF SECTIONS

Section

1. Short title, collective citation and construction.
2. Interpretation.
3. Assessment of compensation in respect of development land compulsorily acquired.
4. Appeal and case stated to the High Court.

SCHEDULE

RULES FOR THE ASSESSMENT OF COMPENSATION IN RESPECT OF
DEVELOPMENT LAND

[No. 41 of 2003]

ACTS REFERRED TO

Acquisition of Land (Assessment of Compensation) Act 1919	9 & 10 Geo. 5, c. 57
Ethics in Public Office Act 1995	1995, No. 22
Local Government Act 1941	1941, No. 23
Local Government (Planning and Development) Act 1963	1963, No. 28
Local Government (Planning and Development) Act 1990	1990, No. 11
Planning and Development Act 2000	2000, No. 30
Planning and Development (Amendment) Act 2002	2002, No. 32



AN BILLE UM PLEANÁIL AGUS FORBAIRT (TALAMH
FORBRAÍOCHTA A FHÁIL) (CÚITEAMH A MHEASÚNÚ)
2003

5 PLANNING AND DEVELOPMENT (ACQUISITION OF
DEVELOPMENT LAND) (ASSESSMENT OF
COMPENSATION) BILL 2003

BILL

entitled

10 AN ACT FURTHER TO REGULATE BY THE PRINCIPLES OF
SOCIAL JUSTICE AND TO DELIMIT BY LAW THE
EXERCISE OF THE RIGHT OF PRIVATE OWNERSHIP
AND THE GENERAL RIGHT TO TRANSFER,
15 BEQUEATH AND INHERIT PROPERTY, SO FAR AS
THOSE RIGHTS AFFECT THE ASSESSMENT OF COM-
PENSATION PAYABLE BY PLANNING OR OTHER
LOCAL AUTHORITIES IN RESPECT OF DEVELOP-
MENT LAND COMPULSORILY ACQUIRED, WITH A
20 VIEW TO RECONCILING THE EXERCISE OF THOSE
RIGHTS WITH THE EXIGENCIES OF THE COMMON
GOOD, AND TO PROVIDE FOR RELATED MATTERS.

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

1.—(1) This Act may be cited as the Planning and Development
(Acquisition of Development Land) (Assessment of Compensation)
Act 2003. Short title,
collective citation
and construction.

25 (2) This Act and the Planning and Development Acts 2000 and
2002 may be cited together as the Planning and Development Acts
2000 to 2003, and shall be construed together as one Act.

2.—In this Act—

Interpretation.

30 “current use value”, in relation to land, means the amount which
would be the open market value of the land if the open market value
were calculated on the assumption that it was and would remain
unlawful to carry out any development in relation to the land other
than exempted development;

35 “development land” means land the open market value of which
exceeds its current use value;

“government stock” means the public stocks, funds, and securities
(other than National Bonds or Land Bonds) of the Government;

“local authority” means a local authority for the purposes of the Local Government Act 1941;

“open market value”, in relation to land, means the amount which the land if sold in the open market by a willing seller might be expected to realise.

5

Assessment of compensation in respect of development land compulsorily acquired.

3.—Section 2 of the Acquisition of Land (Assessment of Compensation) Act 1919, as amended by section 69(1) of the Local Government (Planning and Development) Act 1963 and as applied by section 265(3) of the Planning and Development Act 2000 to every case (other than a case under the last mentioned Act or the Local Government (Planning and Development) Act 1990) where any compensation will be payable by a planning authority or any other local authority, is amended, in cases where the land in respect of which compensation is payable is development land, by the substitution for the rules therein set out or inserted of the rules set out in the Schedule to this Act.

10

15

Appeal and case stated to the High Court.

4.—(1) A party to an arbitration to which this Act applies may appeal to the High Court on a point of law from the decision of an arbitrator.

(2) An arbitrator may state a case for the opinion of the High Court on any question of law arising in an arbitration to which this Act applies.

20

SCHEDULE

RULES FOR THE ASSESSMENT OF COMPENSATION IN RESPECT OF DEVELOPMENT LAND

25

1. No allowance shall be made on account of the acquisition being compulsory; but the provisions of these rules shall not affect the assessment of compensation for disturbance or any other matter not directly based on the value of the land.

2. In the case of land acquired by a claimant after 4 October 2003 the compensation shall, subject to the provisions of these rules, be 125 per cent of the current use value of the land.

30

3. In the case of land acquired by a claimant on or before 4 October 2003 the compensation shall, subject to the provisions of these rules, be the greater of the amount assessed under rule 2 or an amount determined by adding together—

35

(a) (i) the cost of acquiring the land (including the cost of any loan entered into for the purpose), in a case where the land was acquired by the claimant through a bargain at arms length, or

40

(ii) the amount which would be assessed by an arbitrator applying the rules in force prior to the passing of this Act as the open market value of the land on the date of its acquisition by the claimant, in a case where the land was acquired otherwise than through a bargain at arms length, and

45

(b) the amount, if any, assessable in respect of the cost of improvements carried out (other than work consisting only of maintenance, repairing, painting and decorating), which have added to the value of the land, and

5 (c) an amount representing a return on investment in the land, calculated on the assumption that any amounts assessed under paragraphs (a) and (b) had, since the time of acquisition of, or improvements to, the land (as the case may be), been invested in securities yielding an annual rate of return on that investment which was 2 per cent higher than could have been achieved by investing (and, where appropriate, reinvesting) the monies in any of such issues of government stock as were available for purchase at the relevant time or times.

15 4. The compensation shall not in any event be assessed as exceeding the open market value of the land on the date of the acquisition to which these rules apply.

20 5. In determining the current use value of land, for the purposes of rule 2, or the open market value of land, for the purposes of rule 3(a)(ii)—

(a) regard shall, where relevant, be had to any restrictive covenant entered into by the planning or other local authority when the land was compulsorily acquired,

(b) no account shall be taken of —

25 (i) any part of the value of the land attributable to subsidies or grants available from public moneys,

(ii) any depreciation or increase in value attributable to—

30 (I) the land, or any land in the vicinity thereof, being reserved for any particular purpose in a development plan, or

(II) inclusion of the land in a special amenity area,

(iii) any increase in the value of the land that is attributable to —

35 (I) any unauthorised structure on, or unauthorised use of, the land, or the use of the land or of any structure thereon in a manner which could be restrained by any court, or is contrary to law, or is detrimental to the health of the occupants of the structure or to the public health or safety or the environment,

40 (II) any improvements (including the provision or an improved provision of water supplies or sewerage facilities) or other public works of construction, demolition, extension, alteration, repair or renewal, or the existence of proposals for the execution by or on behalf of a public body of any such improvements or other public works, or

(III) the possibility or probability of the land or other land becoming subject to a scheme of development undertaken by any person, including any public body, and

(c) all returns and assessments of capital value for taxation made or acquiesced in by the claimant may be considered. 5

6. (1) Where land is, and but for the compulsory acquisition would continue to be, devoted to a purpose of such a nature that there is no general demand or market for land for that purpose, the compensation may, where reinstatement in some other place is bona fide intended, be assessed on the basis of the reasonable cost of equivalent reinstatement. 10

(2) In the case of a compulsory acquisition of buildings, the reference in sub-rule (1) to the reasonable cost of equivalent reinstatement shall be taken as a reference to that cost not exceeding the estimated cost of buildings such as would be capable of serving an equivalent purpose over the same period of time as the buildings compulsorily acquired would have done, having regard to any structural depreciation in those buildings. 15
20

Year	Part A: Biographies of Members of the CBI Board of Directors (1999 to 2002), the CBFSAI Board of Directors (2003 to 2009) and the Central Bank Commission (2010 to 2013)
	<p>No relevant records found.</p> <p><i>Gerard Danaher</i></p> <p>Mr Danaher is a Senior Counsel. He is a former member of the Independent Radio & Television Commission. He is the Honorary Consul for Croatia.</p> <p><i>Friedhelm Danz</i></p> <p>Mr Danz is a German-born businessman and is a former Chairman and Chief Executive of the meat company, Agra Trading.</p> <p><i>Roy Donovan</i></p> <p>Mr Donovan is a former Chairman of Lisney & Co., Estate Agents. He is a former Member of the Economic & Social Committee of the EU.</p> <p><i>John Hurley</i></p> <p>Mr Hurley is Secretary General of the Department of Finance.² Prior to that he was Secretary General, Public Service Management and Development, in the Department of Finance, and Secretary General, Department of Health. Mr Hurley is a member of the Advisory Committee of the National Treasury Management Agency and the Council and Executive Committee of the Economic and Social Research Institute. He is a member of the Implementation Group of Secretaries General established by the Government to oversee the Strategic Management Initiative. He has also been Chairman of the Top Level Appointments Committee which make recommendations to the Government and to Ministers on appointments to Secretary General and Assistant Secretary level posts in Government Departments, and a Board member of the European Institute of Public Administration, Maastricht, the Louvain Institute for Ireland in Europe and the National Centre for Partnership. In addition, he was also a member of the Executive Board of the World Health Organisation, Geneva. He has also chaired the Consultative Committee on the new Financial Management System for the Civil Service and the Human Resources Subgroup established under the Strategic Management Initiative.</p> <p><i>Jim Nugent</i></p>

² Mr Hurley was appointed as Secretary General in early 2000. However, the 1999 Annual Report (published in May 2000) refers to him as occupying that role.

Year	Part A: Biographies of Members of the CBI Board of Directors (1999 to 2002), the CBFSAI Board of Directors (2003 to 2009) and the Central Bank Commission (2010 to 2013)
	<p>No relevant records found.</p> <p><i>Martin O'Donoghue</i></p> <p>Mr O'Donoghue is a Professor of Economics in Trinity College Dublin.</p> <p><i>Eoin Ryan</i></p> <p>Mr Ryan is a Senior Counsel.</p>
2000	Biographies as per relevant entries above.
2001	<p>Biographies as per entries above save for appointment of John Hurley as Governor and appointment of Michael McBennett.</p> <p><i>Michael McBennett</i></p> <p>Michael McBennett is currently President of the Irish Bioenergy Association (IrBEA) and Director of FBD Trust Ltd.</p>
2002	Biographies as per relevant entries above.
2003	<p>Biographies as per entries above save for appointment of Liam Barron, Tom Considine, John Dunne, Liam O'Reilly, Brian Patterson and Deirdre Purcell and replacement of Donal Byrne, Jim Nugent and Michael McBennett.</p> <p><i>Liam Barron</i></p> <p>Mr Barron has been the Deputy Director General of the Bank and Secretary to the Board since 1995. During his career in the Bank, he has held a wide variety of management positions. Most recently, he has been responsible for financial markets, payment and settlement systems and financial operations. He was formerly responsible for information technology and banking supervision.</p> <p>He is currently serving as the founding Chairperson of the European System of Central Banks' Budget Committee, which reports directly to the Governing Council of the European Central Bank. He has also represented the Central Bank of Ireland on other ESCB committees and on committees of the EU Commission and the Bank for International Settlements.</p>

**Statement to the Oireachtas Committee of Inquiry into the Banking Crisis in
Ireland**
Elaine Byrne

In the invitation to appear before the committee I was asked to address:

- Narrative on how the property sector and banking sector interacted with government, elected representatives and the State during the period prior to the banking crisis in Ireland;
- Narrative on the nature of the relationships between the property sector, banking, government, elected representatives and the State;
- What, if any, controls or structures exist to regulate any such relationships;
- Whether being a small country is a factor, or not, in terms of any such relationships.

1. Historical Context – Culture of Deference Firmly Established before the Boom:

I will address these issues by focusing on political donations. At the heart of the four corruption Tribunals in Ireland over the past three decades (Hamilton, McCracken, Moriarty, Mahon) were serious concerns about how political action was funded. These Tribunals, particularly McCracken and Moriarty, exposed a deferential culture by regulatory authorities toward the banking sector between the 1970s and 1990s. It also identified a deferential culture by banks toward politics and vice versa. An absence of political will to enforce regulatory compliance was a recurring theme within the Tribunals. I will give just two examples of this.

1. Central Bank Inspectors examined the Guinness & Mahon (G&M) loan book in 1976 and 1978. The Inspectors expressed concern that ‘Guinness & Mahon was facilitating a tax avoidance scheme... [which] was tantamount to facilitating tax evasion.’¹ The Central Banks Inspectors discovered that one of its own directors had a loan of IR£416,000 which was secured by an IR£230,000 offshore deposit in the Caymans. The response by the Central Bank was to trust a promise made by the (de facto) G&M chief executive who promised that the bank would wind down its loan business to Irish residents which was backed by offshore deposits. This promise was not kept.

Twenty years later, the McCracken Tribunal discovered the consequences of this deference. Ansbacher was the largest incidence of tax evasion in the history of the state. Revenue subsequently yielded over €112 million in unpaid taxes and penalties from 200 Ansbacher accounts. This tax evasion was enabled by non-action by the Central Bank, Revenue Commissioners, company law regulators and prosecuting authorities. Although the *Finance Act, 1986* empowered Revenue to inspect non-residence declarations held by financial institutions, it did not do so, for instance.

2. Charles J. Haughey’s indebtedness to AIB spiralled from IR£188,844 to IR£1,143,839 between 1975 and 1979. The Moriarty Tribunal noted that AIB

'exhibited a marked deference in its attitude' towards the leader of Fianna Fáil.² On his election as Taoiseach in December 1979, Mr Haughey's personal overdraft was seventy-seven times his IR£14,717 gross annual salary. Mr Haughey's financial advisor negotiated an IR£393,000 write down of the Taoiseach's debt. The Tribunal described this 'somewhat unorthodox' bank discount, which amounted to a third of Mr Haughey's overall arrears, as conferring 'a substantial benefit on Mr Haughey in circumstances referable to his political office' and as 'an indirect payment.'³ Moreover, the Moriarty Tribunal estimated that Mr Haughey received at least IR£9,106,369 in donations between 1979 and 1996.⁴ The McCracken and Moriarty Tribunals revealed a distinctive overlap between prominent financial donors of Mr Haughey and individuals within the banking and property sectors.

The purpose of these two brief history lessons from the Tribunals is to illustrate that a culture of deference between State authorities, political parties, elected representatives, supervisory authorities, banking institutions and the property sector was already well established by the 1990s. This culture of deference operated in a context where political parties and individual politicians were especially financially vulnerable.

2. Disclosed Political Donations to Political Individuals and Political Parties: 1997, 2002 and 2007 Elections:

What follows is a short explanation of political funding legislation as a means of describing the nature of the relationship between politics and the property and banking sectors. The purpose of which is to demonstrate that it is impossible to present a complete picture of how political parties financed their 1997, 2002 and 2007 election campaigns. Not all donations were legally required to be disclosed. The disclosed donations do nonetheless infer a pattern, as illustrated in the appendix.

The Electoral Act, 1997 was established in response to controversy arising from unorthodox political donations which came to public attention during the course of the Hamilton (Beef) Tribunal. It emerged that some political individuals and political parties were reliant on donations from the beef industry in the late 1980s and early 1990s. This relationship between the beef industry and politics created the public perception that a quid pro quo existed. In other words, that political donations facilitated policy decisions which benefited the beef sector.

The 1997 Act established new rules for the disclosure of political donations. For the first time in the history of the Irish State, political donations, over a certain limit, were required to be disclosed. The threshold for disclosure of donations to political individuals (including candidates to Dáil, Seanad, Presidential and European elections) was €634.87. The threshold for disclosure of donations to political parties was €5,078.95. There was no limit as to how much could be donated.

The Electoral (Amendment) Act, 2001 maintained the disclosure limits under the 1997 Act but introduced a limit as to how much could be donated. The threshold

for disclosure of donations to political individuals remained at €634. However, donations must not exceed €2,539 in any given year by the same donor. The threshold for disclosure of donations to political parties remained at €5,078. However, donations must not exceed €6,349 in any given year by the same donor. Also of significance was the prohibition of foreign donations in circumstances where the donor was not an Irish citizen. *The Electoral Act, 1997* and the *Electoral (Amendment) Act, 2001* required that political individuals (including candidates) and political parties must submit an annual statement of donations and elections expenditure to the Standards in Public Office Commission. I compiled this data from the Standards Commission to construct the three graphs in the appendix.⁵

2.1 Disclosed Donations to Political Individuals:

Figure 1 represents all disclosed donations to political individuals between 1997 and 2009. The period includes the 1997, 2002 and 2007 general elections. In doing so, it must be clearly acknowledged that this figure represents disclosed donations as opposed to undisclosed donations, i.e. donations under the €634.87 threshold. There are a number of observations that can be extrapolated from this data:

- Disclosed donations to political individuals significantly increased in election years.
- Fianna Fáil representatives attracted almost twice as many disclosed donations as all other parties combined during the 2002 and 2007 general elections.
- That Fianna Fáil candidates were the beneficiary of more disclosed donations than candidates from other parties is not surprising because proportionate to other parties, Fianna Fáil traditionally runs more candidates. Of the 466 candidates that ran in the 2002 election, 22 per cent were from Fianna Fáil. Nonetheless, during that election year, Fianna Fáil received two-thirds of all the funding disclosed which means that candidates from that party were in receipt of seven times more disclosed donations than a non-Fianna Fáil candidate.
- It is not possible to breakdown the sources of the disclosed donations (as is the case for party donations) as donations tend to be from individuals without reference to business addresses.
- Political individuals attract significantly more disclosed political donations than political parties, notwithstanding the 2001 amended rules which introduced a higher donation limit to political parties (€6,349) compared to political individuals (€2,539).
- Disclosed donations to political individuals in 2007 amounted to €855,995. Excluding subscriptions from the salaries of elected representatives to their parties, disclosed donations to political parties in 2007 amounted to just €43,693. It appears that it was more attractive to donate to political representatives than political parties.

2.3 Disclosed Donations to Political Parties:

Figure 2 represents all disclosed donations to political parties between 1997 and 2009. There are a number of observations that can be extrapolated from this data:

- Since the introduction of the *Electoral (Amendment) Act, 2001* – which introduced a limit on the value of donations to be disclosed – a pattern emerged whereby all political parties disclosed under the limit.
- The disclosed donations by all political parties amounted to €753,523 in 2001, the year before the 2002 election. In contrast, disclosed donations by all political parties amounted to €17,000 in 2006, the year before the 2007 election. These figures exclude politicians donating to their political parties.
- There appears to be a deliberate policy by political parties of soliciting donations below the disclosure thresholds. This is perhaps due to the relatively small difference in the maximum donation that can be accepted by a political party (€6,349) and the amount that must be disclosed (€5,078).
- Fine Gael returned a nil disclosure to the Standards Commission from 2001-09. Fianna Fáil, Fine Gael and Labour disclosed a zero return in disclosed donations for 2009, the year all three parties ran substantial local, European, by-election campaigns and a Lisbon Treaty referendum.

It is impossible to present a complete picture of how political parties were financed. Of the €10.1 million spent by parties and candidates in the 2007 general elections, €1.3 million was disclosed with no information available as to the origin of the remaining €8.8 million. The €10.1 figure does not encompass all that was spent at the 2007 election.

The legislation requires that election expenditure is only accountable for the period between the dissolution of the Dáil to polling day, usually three to five weeks. Electioneering prior to this period is not accounted for. Election campaigning for the 2007 election was well underway before May 2007. For instance, the pre-election statement of intent between Fine Gael and Labour, known as the “Mullingar Accord,” was inaugurated in 2004 and accompanied by a billboard campaign.

2.3 Disclosed Donations to Fianna Fáil by Sector:

Figure 3 represents all disclosed donations to Fianna Fáil (excluding donations to political individuals) between 1997 and 2007. This amounted to €1,819,210. Eighty per cent of this figure was donated between 1997 and 2001. Subsequent to the 2001 Act, the maximum donation a party could receive was limited to €6,349. As already outlined, this is an incomplete picture of how Fianna Fáil was funded because there was no statutory obligation to disclose donations below the legal threshold of €5,078. Nonetheless, the figures do infer trends regarding the sources of political donations.

- **35 per cent (€635,970)** of Fianna Fáil's disclosed donations were from property and construction interests. Fianna Fáil received substantial donations in 1998 for the specific and stated purpose of campaigning on the 1998 Good Friday Agreement referendum. When these are excluded, disclosed donations from property and construction interests amount to 39 per cent (€545,818).⁶ A list of property companies and developers who donated to Fianna Fáil can be accessed on the Standards Commission website.
- **20 per cent (€367,109)** were from business interests.
- **13 per cent (€245,801)** were from individuals.
- **9 per cent (€160, 239)** were from hotels and catering.
- **7 per cent (€122, 688)** were from the motor sector.
- **7 per cent (€126, 240)** were from the food and drink industry.
- **5 per cent (€90,190)** were from banks and financial services. This figure does not include donations by individuals who were donating in a personal capacity and who were associated with the banking sector.
- **4 per cent (€70,972)** were from professional services such as solicitors firms and auctioneers.
- **34 per cent (€89,162) of the Progressive Democrats** €262,241 disclosed donations came from the property sector.

It appears that the Property Barons of the 1990s and 2000s replaced the Beef Barons of the 1980s. The Opposition did not disclose any donations from property interests. Fine Gael disclosed €197,914 in donations between 1997 and 2000 from a variety of businesses and individuals but did not disclose donations above the legal threshold from 2001-09. Almost two thirds of the Labour party's €392,255 disclosed donations came from the trade union movement. Sinn Féin were in receipt of €1,299,608 in disclosed donations in this period – much of it from the salaries of elected representatives (North and South) and organisations such as “Friends of Sinn Féin Australia” and “Friends of Sinn Féin America.”

3. Policy:

Irish legislation was criticised by the Council of Europe Group of States Against Corruption (GRECO) in 2009 for failing to account for ‘behaviour of those persons who are close to power and who try to obtain advantages from their situation by influencing the decision-maker.’⁷ Reliance on political donations from a particular sector may facilitate a perception of undue influence by donors over policy making. This undue, but not illegal, influence by vested interests over regulation and policy-making arises where elites have access to insider information, which they utilise, for their private benefit. This informal misuse of power occurs where personal relationships, patronage, lobbying, political favours and political donations unduly influence the decision-making process even if no laws are broken.

Did donors from the property sector have a vested interest in the formulation of policy? Was the decision-making capacity of political parties eroded by a conflict of interest? Were key political decisions insulated from critical debate because they

were executed within a closed and cartelised system that facilitated regulatory capture?⁸

What did Honohan, Regling and Watson, Nyberg and Wright have to say?

The Honohan, Regling and Watson, Nyberg and Wright reports offered limited analysis into policymaking process outside of the financial sector. The Honohan report dedicated six paragraphs to tax incentives aimed at the construction sector. Regling and Watson briefly described the problems of policy analysis, design and implementation as “unusually severe,” pointing in particular to weaknesses in tax policy. Nyberg had five paragraphs on “Advice on Economic Policy.”

Honohan found that the ‘significant factors contributing to the unsustainable structure of spending in the Irish economy, ‘were due to the ‘Government’s procyclical fiscal policy stance, budgetary measures aimed at boosting the construction sector, and a relaxed approach to the growing reliance on construction-related and other insecure sources of tax revenue.’⁹ Tax reliefs, incentives schemes and income tax exemptions for developers and investors included:

multi-storey car parks, student accommodation, buildings used for third-level educational purposes, hotels and holiday camps, holiday cottages, rural and urban renewal, park-and-ride facilities, living over the shop, nursing homes, private hospitals and convalescent facilities, sports injury clinics and childcare facilities.¹⁰

Regling and Watson noted that such tax reliefs, ‘directed to the property sector, often in particular regions of the country... contributed to a more general misallocation of resources as some of the tax concessions seem to have been granted on an ad-hoc basis in a not fully transparent way.’¹¹

These incentives were not necessarily bad; they brought much needed investment to specific areas of the country. The problem was that they went on too long. As Wright has acknowledged in his testimony to the Banking Inquiry, these policies should have been “grandfathered” or ended earlier. Why were reliefs extended twice over the period of their implementation?

For instance, the *Finance Act, 1994* and Chapter 1, Part 9 of the *Taxes Consolidation Act, (TCA) 1997* provided for accelerated capital allowances for hotels. Although this special provision for hotels was terminated in Budget 2003, the *Finance Act, 2003* included transitional arrangements that allowed for the continued availability of 100 per cent write off over 7 years provided certain conditions were met. This arrangement was further extended in the Finance Acts 2004 and 2005. The *Finance Act, 2006* effectively extended the transitional period by introducing a phase-out period. A report by Peter Bacon for the Irish Hotels Federation has asserted ‘the tax allowance scheme allowed hotels to access both equity and debt finance easier than would be the case otherwise.... the total value of tax allowance related to hotels that have not been open 7 years at end 2009 would be just over €1.5 billion.’¹²

Other incentives of note include the 2000-07 Special Incentive Tax Rate for developers. This sought to free up land for development by taxing proceeds from

the sale of land at 20 per cent instead of the higher rate of up to 42 per cent. Moreover, in 2002, Part V of the *Planning and Development Act, 2000* was amended to allow developers to negotiate their way out of providing 20 per cent social and affordable housing in any development through a land swap, payment to the council or building equivalent social and affordable housing elsewhere.

It would be helpful if the Banking Inquiry considered the following:

- A list of the tax reliefs and incentives granted by the Government to developers and investors between 1997 and 2007.
- What was the cost of these reliefs and incentives?
- Why were these tax incentives extended beyond their natural life span?
- Did the structure of local government funding facilitate a financial dependency on development levies? Did this reliance on such levies (worth nearly €600 million in 2005 and €700 million in 2006) influence erroneous planning decisions?
- How many politicians, or their close associates, received interest-free loans or mortgages on favourable terms or loans received outside of normal lending practices?

4. Eight Reforms to Regulate such Relationships:

1. Independent audit of the capacity and operational ability of oversight agencies - CAB, ODCE, GBFI, Central Bank, Revenue, Competition Authority and other agencies charged with the prevention, detection, investigation and prosecution of white-collar crime. This approach was taken by the UK Attorney General. The 2008 De Grazia Review appraised the Serious Fraud Office (SFO) in relation to two US agencies: the US Attorney's Office for the Southern District of New York and the Manhattan District of Attorney's Office, two well-established bodies prosecuting serious and complex economic crime. The 34 recommendations focused on operations, capability, governance and external relationships;
2. Introduce monetary awards for whistleblowers. In the US, the *Dodd Frank Act, 2010* established the Office of the Whistleblower. The Act expanded powers first introduced under the *Sarbanes-Oxley Act, 2002*. The Securities and Exchange Commission is authorised by the US Congress to provide monetary awards ranging between 10 and 30 per cent of the money collected in cases where high-quality original whistleblower information leads to a Commission enforcement action of over \$1 million in sanctions;
3. Introduce a register of liabilities. Australia, Finland, New Zealand, Poland, Spain and Canada require politicians to publicly disclose any debts they may have. Ireland only has a register of assets;
4. The Standards Commission Annual Report 2013 contains twenty recommendations on reforming the Ethics and Electoral Acts. I submitted an additional six recommendations on the Draft Guidelines on Party Finance in my submission to the Standards Commission in 2013;

5. Political parties to publish accounts under the Guidelines on Party Finance in advance of the 2016 general election. The delay by government in introducing these guidelines means that parties are not obliged to publish accounts under these new guidelines until after the 2016 election;
6. The establishment of an independent commission to decide how political activity in Ireland is funded. The principle that politicians should not regulate themselves is well established - political actors do not decide constituency boundaries. Ireland's rules on political funding disproportionately favours incumbents and political parties;
7. Introduction of a web-based centralised information platform to coordinate consultations with individuals, stakeholders and lobby groups. This would serve to report on input received on policy and detail how decisions were made. It would improve the openness and transparency of engagement in policy making by all actors. Stakeholder and lobbying interaction is recorded by Health Canada within the Consultation and Stakeholder Information Management System (CMIMS): <http://www.hc-sc.gc.ca/home-accueil/rto-tor/index-eng.php>
8. Stop blaming our small population or geographical size for bad governance.

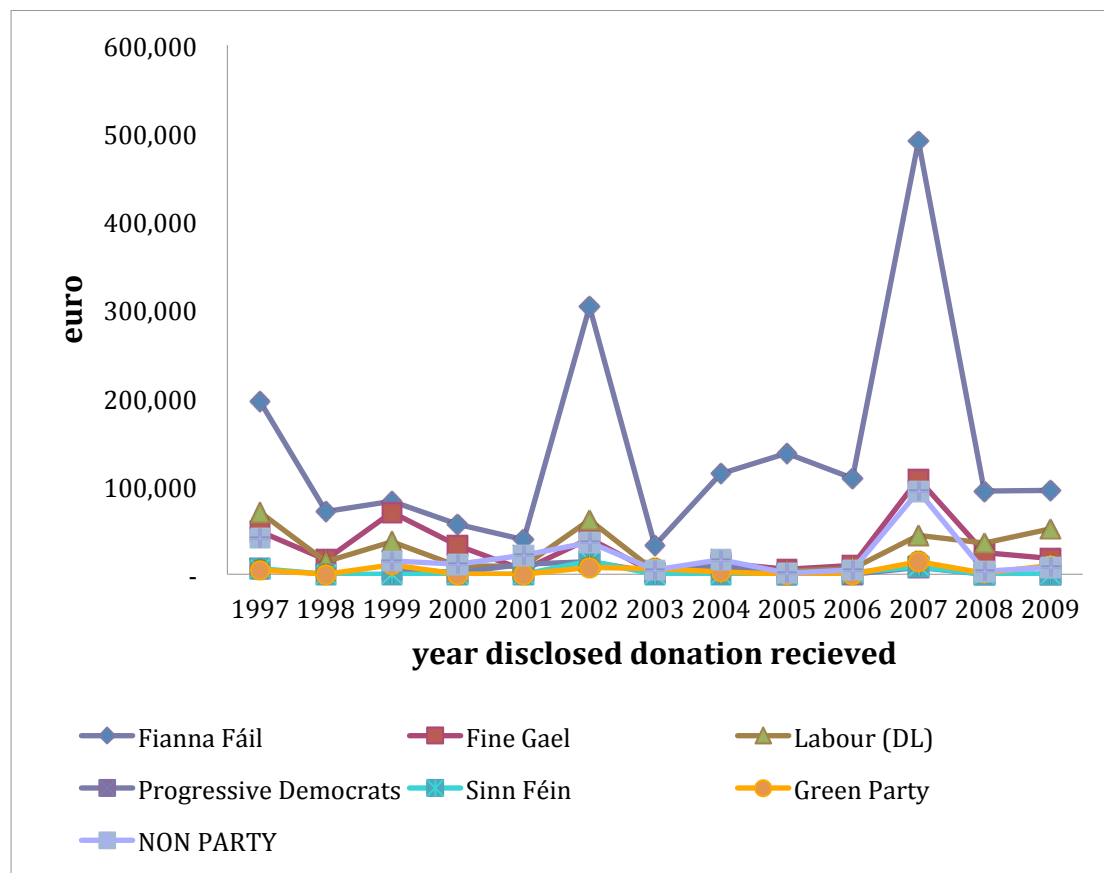
5. Whether being a small country is a factor, or not, in terms of any such relationships:

The population size of a country is not a determining factor in measuring governance effectiveness. Academic research shows that poor governance is correlated with the quality of institutions, lower levels of investment and growth, inequality, education, democratization, colonial heritage, religion and an absence of legislative controls. In Ireland's case, substantial levels of regulation combined with a high degree of state ownership enabled considerable political discretion.¹³ These conditions were at the heart of the majority of governance scandals since the foundation of the state.

Table 1 ranks the governance score of seventeen selected countries in 2008. The Transparency International Corruption Perception Index (CPI) is a compilation of corruption scores which ranks countries from least corrupt (1) to most corrupt (166). The World Bank measures good governance using six different indicators. Four are presented here. The best possible rank for good governance is 100. Although Transparency International and the World Bank use different aggregation methods, they are highly correlated. The population size of the 17 countries is also provided. This is a crude exercise but it demonstrates that countries with a smaller or larger population size rank both higher and lower than Ireland in the good governance stakes. Indeed, the table suggests that countries with a smaller population tend to have better governance than countries with larger populations. "Being a small country" is a bogeyman argument – a lazy explanation - as to whether a country will have poor governance. Lots of small countries escaped the economic collapse unscathed. Lots of big countries did not.

6. Appendix

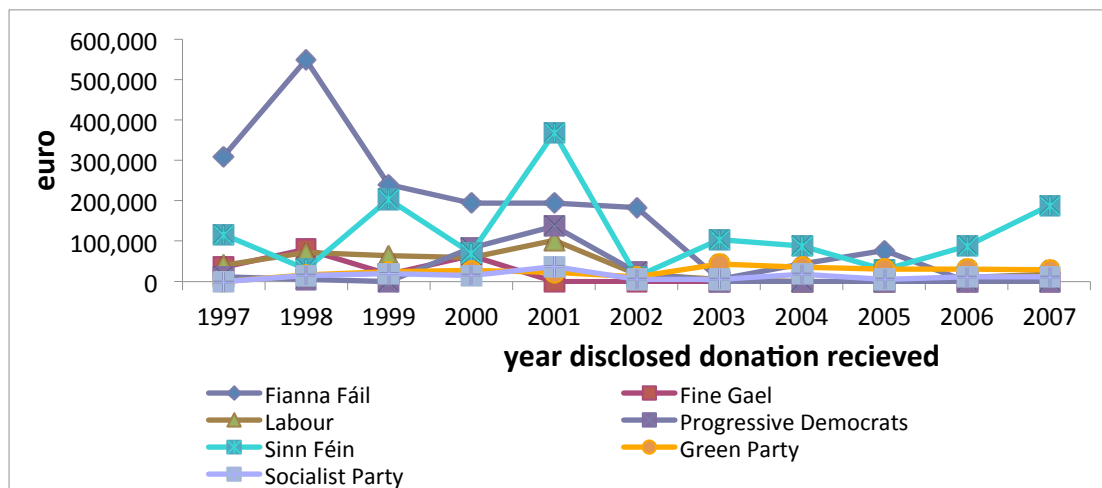
Figure 1: Disclosed Donations by Political Individuals 1997-2009



Source: Author's analyses from Public Offices Commission Annual Reports 1998-2001 and Standards in Public Office Commission Annual Reports 2002-10.

Notes: Total Figures rounded to the nearest euro. 1998-2000 figures converted from punt to euro. DL merged with Labour in 1999.

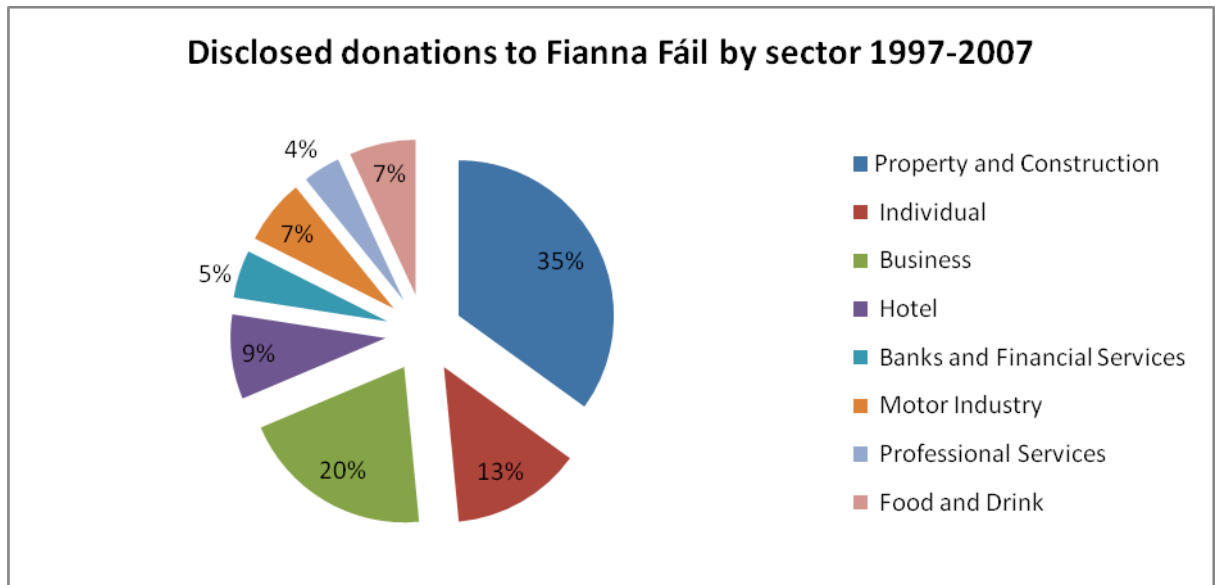
Figure 2: Disclosed Donations by Political Party 1997-2007



Source: Author's analyses from Public Offices Commission Annual Reports 1998-2001 and Standards in Public Offices Commission Annual Reports 2002-08.

Notes: Total Figures rounded to the nearest euro. 1998-2000 figures converted from punt to euro. Australian and US dollars also converted to euro. Converted on the first of January of the year of disclosure using currency converter: www.wolsink.com/currencyconv.php. Total figures exclude monies a) returned to donors and b) returned because monies exceeded disclosure limit. Labour figures include small number of Democratic Left (DL) donations. DL merged with Labour in 1999. Donations received during 1998 were given on foot of the Good Friday Peace Agreement outlined in endnotes.

Figure 3: Disclosed Donations to Fianna Fáil by Sector 1997-2007



Source: Author's analyses from Public Offices Commission Annual Reports 1998-2001 and Standards in Public Office Commission Annual Reports 2002-08.

Choosing the kind of Ireland we want

**Introduction by
Michael Noonan, TD
Leader, Fine Gael**



This general election is not just about choosing a government. Far more importantly, it is about choosing the kind of Ireland we want for the future. The people now have the opportunity to choose between two kinds of Ireland.

In this election, Fine Gael offers the people a radically different vision to that of Fianna Fáil and the PDs.

For the past five years we have suffered from a government that has no particular vision at all – other than to cling on to power for as long as it possibly can.

They have no coherent view of the future they want to create for Ireland – except to wish for more of the same, to hope against hope that the good times will keep on rolling.

Their approach is driven by a fixation of looking after their friends among the rich and powerful – hoping that some of the wealth and privilege they lavish on the top of our society will somehow, willy-nilly, trickle downwards and solve all our problems

Over the past five years, Fianna Fáil and the PDs have squandered our boom.

We in Fine Gael do have a vision. And the reason we seek to be in government is to be able to make that vision happen.

First:

Fine Gael's vision is of a forward-looking Ireland, that plans its future with care.

- An Ireland that knows we must constantly extend our capabilities, all the time moving up the value-added chain, if we are to compete successfully in a fast-changing world.
- An Ireland that pays as much attention to raising the quality of our lives as to raising our standard of living.
- An Ireland that recognises both the need to change and the need to hold on to what is valuable from our past.

Second:

Fine Gael's vision is of a compassionate Ireland, fair and even-handed to all.

- An Ireland built on a sense of community – not one that has room only for individual selfishness.
- An Ireland that develops the full potential of every citizen – not one that divides people into haves and have nots, then widens the gap between them.
- An Ireland where everybody has a right to the best education, to put a roof over their head, to be looked after properly when they are sick, to enjoy their old age with dignity.

Third:

Fine Gael's vision is of a generous Ireland, that seeks to give to the outside world.

- An Ireland that keeps its commitment within the rules of the European Union, becoming once again a respected voice in contributing to the growth and expansion of the EU.

- An Ireland that champions the cause of countries less well-off than ourselves.

- An Ireland that stands up for our belief in a peaceful and just world order.

So the choice is stark: it is between an Ireland that is short-sighted, selfish, unfair and inward-looking and an Ireland that is forward-looking, compassionate and generous.

It is a choice between a philosophy that says money is all that counts, and one that puts money in the wider context of quality of life.

This manifesto gives an overview of the kind of Ireland Fine Gael believes in. Under 14 key headings, it sets out what we think needs to be changed, our vision of what we desire, and in each case the first six steps Fine Gael will take in government to make the vision a reality.

Later in the campaign we will publish a detailed Programme for Government which will include all of our specific proposals. But for now I invite you to focus on the vision of the Ireland we want to create. Because the choice in this election is, above all, a choice between two very different kinds of Ireland.

I hope you will share our vision, and choose to vote for Fine Gael.

Michael Noonan
April 2002

A Forward-Looking Ireland

Getting the economy back on track

A world-class education for all

Putting our children first

Moving environmental quality to the centre of our lives

Getting our transport moving

Agriculture at the heart of rural regeneration

Getting the economy back on track

What we must change

Fianna Fáil and the PDs have managed our economy badly:

- They have let public spending get totally out of control. Compared to a promise to keep growth to 4% a year, their actual annual spending growth averaged 15%. Then, as the boom slackened, they went on spending even faster last year, the growth hit a completely unsustainable 23%. This demolished an Exchequer surplus of €3bn in 2000, and public finances are now on course for a €6bn deficit in 2004.
- Not only have they spent excessively, they have spent badly. Budgets have been over-run (in some cases by several hundred per cent), there has been no pursuit of value-for-money, there have been many procurement scandals and irregularities. Often, despite massive spending, there has been no visible improvement in services.
- They have proved incapable of delivering infrastructural improvements to keep pace with the needs of the economy. The result has been a devastating negative impact, both on our national competitiveness and on the quality of life of everyone.
- They have pursued a narrow tax strategy under which many have not shared in the benefits of progress.
- They have failed to reform public service pay structures and will bequeath substantial pay problems to a new government.

Fine Gael's vision for the future

- **Public spending is back under control.**
- **Increased revenue from a slower growth rate is targeted on improving public services.**
- **Value-for-money is always delivered across a reformed public service.**
- **There is timely investment in the infrastructure needed to underpin growth.**
- **Everyone has long-term certainty about the levels of tax rates.**
- **Social partnership maintains competitiveness, with flexibility to respond to change.**
- **A competitive environment stimulates high-quality services.**
- **Everyone benefits from exceptional surpluses**

Fine Gael's first 6 steps to realise this vision

1. Hold current spending growth to nominal growth in GDP plus 2%, subject to a current budget surplus of at least €2bn. Major spending to be only in the context of far-reaching reform. Appoint a cabinet Minister to lead a value-for-money drive. Reform the public sector to embrace reorganisation, performance related pay, merit-based promotion and quality benchmarking.
2. Freeze rates of income tax, capital gains tax, corporation tax and value-added tax for the life of the government.
3. Accelerate implementation of the National Development Plan by 25% funding through public/private partnerships by 2006, and by inviting the National Pension Reserve Fund to fund projects where the financial return satisfies the trustees. To speed up land acquisition, a capital gains tax exemption will apply to land acquired by CPO provided agreement is reached quickly.
4. Put greater emphasis in Social Partnership agreements on maintaining competitiveness and on flexibility to change. Improvements in public services and social protection will be the foundation of a new contract.
5. Stimulate a competitive environment to improve service quality, through strengthened Regulators and the Competition Authority.
6. When there are exceptional surpluses, give everyone a stake in economic success through a national profit-sharing scheme. Every taxpayer will get a minimum share issue in years when a bonus applies; taxpayers will get an extra bonus in proportion to the tax they pay. When real GDP growth is over 5%, raise the amount put aside in the National Pensions Reserve Fund from 1% to 1.5%. When real GDP growth exceeds 5% we will raise the amount put aside from 1% to 1.5%, the extra 0.5% to cover general contingencies in addition to the 1% for the pension reserve fund.

A world-class education for all

What we must change

Fianna Fáil and the PDs have wasted the past five years in fighting fires, coping with internal strife in the education system.

Almost nothing has been done to address two basic problems – the need to make education genuinely open to all, and the need to equip our young people with the right mix of skills so they and our economy can thrive in a changing world.

Despite many pilot programmes over 20 years, the advantages of education are still not evenly spread. This is especially so at third-level, where entrance is still restricted to the better-off. But all through the system, those from lower-income backgrounds suffer:

- It is they who are most likely to drop out of the system, largely because failure to get the basics right is not properly dealt with by remedial teaching.
- It is they who are likely to start off formal education at a disadvantage, through lack of pre-schooling.

Fianna Fáil and the PDs have failed to recognise the need to strengthen local management and the capacity for innovation at school level. They failed also to develop proper systems of professional development for our teachers and others in the school system, or to develop systems of accountability. Above all, they failed to take responsibility for those left behind.

Because of their short-term focus in education as in every other sphere, Fianna Fáil and the PDs have not put enough effort into reforming our education to match a changing world. Our education system was the bedrock of the Celtic Tiger's success; it cannot continue to be so unless it keeps pace with change. In particular, the sharp fall-off of interest in science and related subjects needs to be urgently addressed.

Fine Gael's vision for the future

- **Everyone can go as far in education as their talents will take them, without money being an obstacle.**
- **Everyone leaves school with the competence in literacy, numeracy and information technology to participate fully in their community.**
- **Good teaching is prized, with regular renewal and professional development for teachers.**
- **We achieve world-class standards in the skills and knowledge needed in a fast-changing future.**
- **Education is the fountainhead of innovative business and service.**
- **Education does not end after school or college, but continues throughout life.**

Fine Gael's first 6 steps to realise this vision

1. Place a new focus on literacy and numeracy and the sciences. Will increase the scale and quality of remedial intervention and set targets to monitor progress in rectifying reading problems. Implement the recommendations of the Task Force on the Physical Sciences to ensure our economy has the right skills for continued growth.
2. Strengthen the capacity of schools to develop services by devolving a larger budget to them, and set up a school improvement process where they can draw on technical support from a new Educational Development Authority.
3. Reform the system for processing school building projects to halve the current 6 year wait. Reform will include increased capital allocation, new design and build contracts, use of public/private partnerships and devolution of power to Boards of Management.
4. Introduce an education youth wage contract for those at risk of early school leaving, and an education credit account of €6,000 for early school-leavers which they can use at any later time.
5. Raise income eligibility for higher education grants and increase maintenance grants by 80%, with higher payments for lower incomes.
6. Create a legal right for parents to an assessment of a child who exhibits significant learning difficulties, and a legal right to appeal if resources provided do not match the needs identified.

Putting our children first

What we must change

One of the greatest strengths in the Irish tradition has always been the way we cared for our children, focusing family life on preparing them to reach their individual potential as adults. Under Fianna Fáil and the PDs, the Celtic Tiger has put this tradition under serious stress.

- It is now the norm for both parents to work, often not from choice but to meet a mortgage.
- Traffic congestion makes for longer days away from home, added to by housing patterns that create longer journeys.

To this new age, Fianna Fáil and the PDs have been slow to respond. They have let things get worse by perpetuating an administrative maze that fragments services for children across seven government departments, and by badly thought-out policies that in effect (though not in intention) are hostile to children.

They have failed to see that today's economy has opened up a gap that our traditional values demand must be filled.

Fianna Fáil and the PDs do not realise that one of our top national priorities must be to close that gap, and to create again in Ireland the kind of nurturing that all parents want their children to have.

Fine Gael's vision for the future

- **A child-centred community, that always puts first the needs of young people as they grow towards being the citizens of tomorrow.**
- **More room and support for parenting, with a more active role for fathers.**
- **Quality childcare and pre-school options for part- or full-day in every community which suits the needs identified by parents.**
- **The young build "assets" in their lives to help them cope, instead of reacting only to crisis.**
- **Safe play and youth activities are available in every community.**
- **Participation in decision-making by young people is standard practice.**
- **Young people who get in difficulty always have a way back.**

Fine Gael's first 6 steps to realise this vision

- 1. Strongly support the role of parents – through longer maternal leave, financial support for paternal leave, and enhancing the tax position of stay-at-home parents.**
- 2. Fund childcare and pre-schooling through a €1200 capitation grant and a 20% tax credit on childcare expenses. Provide community child centres, and ensure world-class standards in childcare, both public and private.**
- 3. Nurture all children equally – through free medical services for all, defeating educational disadvantage, putting remedial services at the heart of education, safe community play and recreation areas for all, and educating to cope with alcohol, tobacco, drugs and aggression.**
- 4. Focus the State's input – by streamlining services through fewer departments, and an independent Children's Commissioner to watch over their interests.**
- 5. Introduce a National Entitlement Card for all those over 18.**
- 6. Give young people in trouble a way back – with a local mediation service for early intervention, alternatives to custody for juvenile offenders, and immediate support to those who stop taking drugs.**

Moving environmental quality to the centre of our lives

What we must change

Fianna Fáil and the PDs have a deplorable record in balancing the needs of the environment with our desire for continuing growth and prosperity.

- They have manifestly failed to bring sustainability into the development of economic policy.
- They have failed to set real targets for energy consumption, on the use of renewable resources, on water quality and water leakages, on greenhouse gas emissions.
- Their incineration proposals are a short-sighted, inappropriate and inadequate response to the growing threat to our national quality of life.
- They have consistently failed to implement EU environmental law and regulations, thereby bringing Ireland repeatedly to the European Court for unfavourable judgements.

Fine Gael's vision for the future

- **Environmental quality is a yardstick in every area of public policy, and sustainability is a central element in national planning and development.**
- **A vigorous policy of reduce, re-use and recycle will help achieve the zero waste objective – removing the need for incineration.**
- **Energy intensity of consumption is cut significantly.**
- **Ireland meets its international obligations on emission of greenhouse gases, and speedily applies EU law and regulations.**
- **Reliance on renewable sources of energy is increased significantly.**

Fine Gael's first 6 steps to realise this vision

1. Make recycling into a viable industry with capital grants and subsidies.
2. Give priority to waste reduction, by moving incentives to the point of waste generation rather than at the end of the pipe.
3. Discourage excessive packaging and encourage return of packaging and products at the end of their life.
4. Eliminate altogether the discharge of untreated sewage into inland waterways and the release of phosphorus into the water system.
5. Set up a National Waste Management Authority to develop a coherent strategy for the country, an independent Research Agency to guide policies, and a Waste Commissioner to report to the Oireachtas within six months on the operation of the Waste Management Act and on alternative disposal methods for residual waste.
6. Citizen participation to ensure there is a balanced assessment of waste management alternatives.

Getting our transport moving

What we must change

Under Fianna Fáil and the PDs, our transport system is in total chaos.

We have only to look around us, anywhere in the country on any day of the week, to see the failure to match our infrastructure to our recent fast economic growth.

- Journey times to work or to shop take longer each month, as more and more of the road system is engulfed by congestion.
- Public transport is slow, inefficient and costly – manifestly failing to fulfil its proper role as an attractive alternative to private cars.
- The capital city has degenerated into constant gridlock, with no single body providing overall management of an increasingly complex environment.
- Rural regeneration and proper regional development is held back by inadequate infrastructure.

There have been no shortage of proposals and ambitions for transport from Fianna Fáil and the PDs, but a dismal record on actually getting things done.

For five years they failed to see that transport policy needs to be co-ordinated from a single source. They have failed completely to move on introducing competition to our public transport system, which is an obvious part of any complete solution.

They have been oblivious to the damage our inadequate transport system is wreaking on the quality of life of every citizen.

Fine Gael's vision for the future

- **The average urban journey time is cut, and goes on getting shorter.**
- **Public transport delivers high quality and keen value through vigorous competition.**
- **Road space is used to facilitate easy movement for the greatest number of people, with priority for public transport based on demonstrated performance.**
- **Integrated low-cost fares for public transport, with cashless access by everyone through a smart card.**
- **All paved surfaces for pedestrians, cyclists and motorists are maintained at a high standard.**

Fine Gael's first 6 steps to realise this vision

- 1.** Appoint a single Minister for Transport, to cut out the overlap and lack of focus that results from transport matters being spread across different Departments.
- 2.** A Dublin Transport Authority to deliver key infrastructures, manage traffic throughout the greater Dublin area, enforce the law through a new traffic corps, and introduce competition in public transport. An interim regulator will be immediately appointed to open up competition in Dublin bus services by inviting tenders for 20% of public routes. Car pools will be allowed to use certain quality bus corridors. Free use of Dublin buses during the off-peak periods (10.00am to 4.00pm).
- 3.** An independent commission to licence competition in public transport outside Dublin.
- 4.** Set targets to cut journey times on inter-urban rail, and replace all substandard trains within three years.
- 5.** Underpin a vibrant regional policy by strengthening the transport infrastructure outside urban areas. A new investment programme for county roads will bring them up to meet quality benchmarks in every part of the country.
- 6.** A new programme for regional airport development.

Agriculture at the heart of rural regeneration

What we must change

Pressure continues to mount on the European Union to align its agricultural prices to "world price" and to dismantle substantial parts of its agricultural support system.

This approach has not produced any worthwhile gains for developing countries, where world trading arrangements impoverish domestic producers.

The new EU policies have placed an increasing emphasis on heavy regulation of agriculture. The complexity has diverted too much time and effort into barren compliance.

Fine Gael's vision for the future

- A competitive farming sector as the cornerstone of vibrant rural regeneration.
- Farm families have a decent living and can invest in developing the industry, and young people have the confidence to make their future in farming.
- Ireland's reputation for high-quality safe and healthy food is maintained and enhanced
- The organic food sector plays a key role in farm prosperity.
- A thriving farming community is seen as central to protecting and enhancing our landscape and physical environment.
- Rural Ireland continues as a precious part of our national life and culture.

Fine Gael's first 6 steps to realise this vision

1. Lead a more muscular policy at WTO to maintain a competitive agriculture within the EU, and to yield results to the developing world.
2. Simplify the increasing regulation of agricultural subsidies and premia payments and make penalties more proportionate to the importance of infringement.
3. Broaden area-based rural initiatives to encompass key services in transport, communications, health, education and housing.
4. Introduce prompt payment rules to agriculture payments and develop clear and transparent systems of payment for livestock on a verifiable quality basis.
5. Reform agricultural education to reflect today's conditions and reinforce links with technological and third-level institutions.
6. Implement the second part of the Installation Aid Scheme for young farmers by introducing low-interest development grants, and remove the work unit ceiling.

A Compassionate Ireland

Ending the two-tier health service

Sharing the benefits fairly

An active and independent later life

Safety on our streets and in our homes

Affordable housing in a vibrant community

Ending the two-tier health service

What we must change

Despite five years of prosperity, Ireland has a deplorably underdeveloped primary care system.

Despite five years of prosperity, we still have to suffer an outrageous form of apartheid in our two-tier health service.

Despite five years of prosperity, there is a serious shortage of capacity in our hospitals and convalescent facilities.

Despite five years of prosperity, Fianna Fáil and the PDs have failed to develop proper management and information technology systems.

Despite five years of prosperity, there are deep-seated problems in the management of human resources within the health system, which has seen many qualified people leave their chosen profession.

It is unforgivable that this government has squandered five years. Reform should by now be well underway.

Fine Gael's vision for the future

- **Comprehensive primary care is available in your own community and money is not a barrier to access.**
- **Access to care in public hospitals is based only on medical need.**
- **No one has to wait more than 6 weeks for a diagnosis or wait more than 6 weeks for treatment in core specialities.**
- **The health service is patient-centred, with the rights of patients recognised and protected.**
- **Improvements in lifestyle contribute to better health and lower costs.**

Fine Gael's first 6 steps to realise this vision

1. Strengthen substantially our investment in primary care by helping GPs to develop their practices and improving access by doubling the income limit for medical cards, and extending free GP services to the lowest paid 60%; all children up to 18 (and beyond while in full time education); all persons over 65; all those with serious disability.
2. End the two-tier system in public hospitals through an insurance-based system of access to care based on medical need. The State will pay the insurance premium to cover a core basket of essential hospital services.
3. Increase the number of beds in the different care settings to meet key shortages and ensure sufficient medical and nursing staff to meet patient need.
4. Develop an annual health check for everyone, to identify illness early and to identify lifestyle options to improve health.
5. Establish a Health Ombudsman to oversee the rights of patients and a Surgeon General to overcome vested interests and to report directly to the Dáil.
6. Reform the management of health resources to get better value and amalgamate some health boards.

Sharing the benefits fairly

What we must change

Over the past five years, Ireland has become a much less fair society.

- The gap between the haves and the have nots has widened.
- Rampaging house prices have made it impossible for many families to own their own home.

This has not happened by chance. The clear, deliberate priority of Fianna Fáil and the PDs in each of their Budgets has been to favour the better off.

In income tax, in capital gains tax, in capital acquisitions tax and in the savings schemes, most benefit has been given to those who already have a substantial stake.

It has been a policy of survival of the fittest. This policy has certainly succeeded in fuelling stock values, house prices and land prices. It runs the boilers at full speed and never minds who gets caught in the backwash.

Fine Gael's vision for the future

- Consistent child poverty eliminated.
- Relative-income poverty significantly reduced.
- All barriers to taking up employment in tax and social services removed.
- The proportion of earners paying the top rate of tax halved.
- Tax and welfare policies take full account of the varying pressures that occur at different stages of a family's life.
- Equity of treatment for families of different make-up and situation.

Fine Gael's first 6 steps to realise this vision

1. Confront exclusion by a wide-ranging reform in health and education designed to ensure fair access for low-income families to these services.
2. Back up these reforms by maintaining the rate of Social Welfare increases ahead of inflation, providing free meals in all schools in disadvantaged areas, paying the family income supplement through the tax system to ensure it reaches all families who are entitled to it, and qualifying all widowers and widows for the married person's tax credits and tax bands and allowances.
3. Give families financial support at key stages in their life cycle when financial pressures on the family are greatest. See "Affordable housing" (page 28) and "An active and independent later life" (page 24).
4. Back up these supports with others targeted at key life stages – including a birth grant of €300, child payments to all in full-time education up to the age of 22, including widows and widowers under 66 in free schemes, giving dependent spouses a full pension in their own right.
5. Reform the tax system to redress the imbalances created over the past five years – including a new 30% rate of income tax to take moderate earners out of the top tax bracket; relief for single-income families whose position has been eroded by individualisation; exemption from income tax for the minimum wage; and the indexation of bands and allowances. Individual investors in Eircom will be allowed to offset their losses against income tax, at the standard rate.
6. Set a target to eliminate consistent child poverty completely by 2007.

An active and independent later life

What we must change

The number of people aged 75 and over will grow by 24,000 in the next 15 years. In the 15 years after that it will grow by a further 94,000.

Over the past five years of unprecedented prosperity, Fianna Fáil and the PDs have paid little attention to the real needs of older citizens. Still less have they begun to gear up services to cope with the challenge of an ageing population.

It is a declared aim of public policy to promote active retirement and to help people live for as long as possible in their own homes and their own communities. But on the ground, Fianna Fáil and the PDs have done little to make it a reality.

Their attitude is summed up in the situation regarding carers. Currently families and neighbours provide over 85% of the care required by dependent, elderly or disabled persons.

However more than half of all full-time carers at present receive no State support whatsoever.

Fine Gael's vision for the future

- Retirement marks a new phase of opportunity in a person's life.
- Primary and acute care offer timely intervention, without the stress of crudely rationed services.
- Financial and care options allow a person to control their care choices.
- Family care is recognised financially and as a partner with State services.
- A range of accommodation is available in a community setting.

Fine Gael's first 6 steps to realise this vision

1. A tax-free trust fund, into which people who continue working after retirement will be able to put aside money for their later use.
2. To promote preventive care, more services will be provided through GP surgeries and in the community. This will reduce the need for hospital or long-term care. Strong links will be built between improved facilities in hospital and in community care.
3. A contributory old age pension of €200 by 2006. GP services will be free to all over 65. Additional geriatricians will allow for the expansion of health services.
4. In hospitals priority will go to key procedures that support independence, with the aim of dramatically reducing waiting time. Rehabilitation and step-down facilities will ensure that older people are cared for in appropriate settings.
5. Caring will be supported by a non-means tested grant for independent living of up to €2,500 a year; by relaxing the means test for Carer's Allowance and entitling persons on social welfare to 50% of that allowance; by ring-fencing respite beds and developing a guarantee of respite to give carers a break. The Home Help budget will be doubled and out-of-hours services developed.
6. A maximum waiting time will be set for fittings like rails, ramps, alarms and bathroom facilities; to clear the present arrears the approval requirements will be eased so that up to €3,800 can be spent on the GP's recommendation.

Safety on our streets and in our homes

What we must change

Fianna Fáil and the PDs came to power on the slogan of zero tolerance. This slogan has now become a hollow joke. It is a sad fact that in many areas our laws are simply not being enforced. This has contributed to the very high level of unreported crime.

- Violence on our streets is growing.
- The viciousness of attacks is increasing.
- The age profile of those involved is getting younger.
- The need to fund a drug habit is a serious cause of crime, yet only 5,000 of the 13,500 drug addicts in Dublin are currently receiving treatment.
- Over-consumption of alcohol is a major contributory factor to public disorder and aggression.

Fianna Fáil and the PDs have quite simply failed to get to grips with these problems.

Fine Gael's vision for the future

- Public confidence that a fair and effective justice system will protect us.
- Gardaí visibly working to prevent crime.
- Early intervention with young people from disadvantaged backgrounds cuts the numbers who get sucked into crime.
- Prison is used only as a last resort when other ways have failed.
- Victims have clear rights in law and their needs are addressed.
- Corruption and fraud are prosecuted as severely as other serious crimes.

Fine Gael's first 6 steps to realise this vision

1. A concerted campaign to stamp out street violence – using expanded close circuit television, night courts, rapid response and high visibility policing, higher standards from private security firms, reforms in the Public Order Act, proper night schedules for public transport, a statutory identity card.
2. Safe Community Partnership Funds, setting aside special resources to support work in local communities to create safe environments.
3. Consultative policing committees at council level, where local Gardaí report back to local representatives and their communities.
4. A prison service board with a clear mandate, an independent prisons inspectorate and an independent parole board.
5. Expanded use of restitution orders, community service orders, probation orders, extended supervision, and diversion programmes. This will involve a much-expanded probation and welfare service, and more emphasis on rehabilitation and restorative justice.
6. Statutory protections for the victims of crime, including the right to be kept informed of the progress of an investigation and the right to submit a victim's impact statement to the court before sentencing.

Affordable housing in a vibrant community

What we must change

Ireland has all that is needed to create good living conditions both urban and rural – a low level of population, adequate land supply, a strong economy and high levels of public revenue.

But under Fianna Fáil and the PDs, it has all gone so wrong. They have displayed no ability to deliver a coherent strategy for infrastructure. Weaknesses in the planning system have abandoned large parts of the country to patterns of growth led by developers, while government infrastructural plans have been endlessly bogged down.

Under Fianna Fáil and the PDs, we still do not have a national spatial strategy – though all logic and common sense dictates that any National Development Plan should be based on it.

Under Fianna Fáil and the PDs, we always seem to be just one more plan away from action on transport.

Under Fianna Fáil and the PDs, it takes twice as long to bring infrastructural projects from planning to delivery as in other countries.

Fine Gael's vision for the future

- **A good home, in a neighbourhood that works, is within the reach of every family.**
- **A quality rented sector offers fair rents and security of tenure, with equitable support for the cost of rents.**
- **First-time buyers on modest incomes can afford to buy a home of their own.**
- **When new houses are built, the essential facilities for education and community service are built at the same time.**
- **The concept of the sustainable neighbourhood is the focus of housing strategy.**

Fine Gael's first 6 steps to realise this vision

- 1.** Identify "Gateway Centres" for development, to take the pressure off existing growth centres and become the catalyst for development of clusters or necklace towns.
- 2.** Build strong sustainable communities by regenerating neighbourhoods with key services and infrastructure. We will appoint a Minister for regional development, and invest in water and sewage networks to sustain growth in smaller villages.
- 3.** Set up a National Housing Agency to short-circuit delays in delivering water and drainage services, and to integrate local authority housing strategies. Its target will be to rapidly expand the output of social and affordable housing.
- 4.** Bring house purchase back within the reach of families on ordinary incomes through a house deposit saving scheme, double mortgage relief for the first five years, increased income ceilings to €50,000 for shared ownership and affordable housing, and increased income ceilings for shared ownership subsidy.
- 5.** A new framework for the rented sector, with a right to a lease after 6 months tenancy, a rent tribunal to adjudicate on fair rents, and more than double tax relief on rent.
- 6.** Complete the national spatial strategy to establish the essential framework within which development will occur across the country.

A Generous Ireland

Living up to our responsibilities as a developed nation

Playing a full part in Europe

Building on the achievements of the Good Friday Agreement

Living up to our responsibilities as a fully-developed nation

What we must change

Ireland has now taken its place as one of the fully developed nations of the world. This status brings with it new responsibilities, but so far Fianna Fáil and the PDs have shown little sign that they realise it.

For instance, they pursued an expensive and time-intensive global campaign to win for Ireland one of the rotating seats on the UN Security Council. Having achieved that aim, their lack-lustre performance in the potentially-valuable position showed up all too clearly their lack of a long-term strategy for Ireland in the world.

Under Fianna Fáil and the PDs, Ireland sends confusing signals to the outside world. For instance, we have increased significantly the amount Irish taxpayers devote to overseas development aid. At the same time the government continues to support and indeed to lead an EU trade policy that is inimical to the interests of the very countries we support with our aid.

Ireland's neutrality is another issue on which Fianna Fáil and the PDs seek to have it both ways. Having given a solemn pledge before the last election not to enter the Partnership for Peace without first consulting the people in a referendum, they not only signed Ireland up without holding a referendum, but also systematically sought to suppress debate on the issue in Parliament.

On that showing, people are indeed right to worry that Fianna Fáil and the PDs might eventually compromise our neutrality completely, without giving citizens an opportunity to discuss the matter thoroughly.

Fine Gael's vision for the future:

- **The Irish people share a clear view as to the role of their country on the world stage.**
- **Ireland becomes known as a force for peace and reconciliation throughout the world.**
- **Ireland is seen as a friend by the developing world, not only as a dispenser of aid but as a champion of fair trade.**
- **On military neutrality, Ireland follows a clearly thought-out policy that has been arrived at by the people having carefully considered our place in modern Europe.**
- **Ireland is the champion within the EU of an immigration policy that balances the need to eliminate human trafficking with the need for a fair process that welcomes new people to share our prosperity.**

Fine Gael's first 6 steps to realise this vision

- 1.** Build a clear foreign policy based on solidarity with the outside world and seek to build cross-party support for it, in the interests of long-term consistency.
- 2.** Increase the budget for overseas development aid to 0.7% of GNP by 2007, reflecting our growth in prosperity.
- 3.** Develop an integrated approach to developing countries through a trade policy that is in the interests of both European farmers and those in the developing world, and become the champion for that policy at EU level.
- 4.** Initiate a full national debate on Ireland's neutrality – beginning with a White Paper that examines what are the circumstances, if any, in which we would change the policy of not entering into binding commitments to mutual defence.
- 5.** Develop a consistent policy on immigration to Ireland under which we welcome an agreed number of people through an open, fair and hassle-free process.
- 6.** Champion at EU level a policy on immigration that balances the need to eliminate human trafficking with an openness to welcome new people through a transparent process.

Playing a full part in Europe

What we must change

Since we entered the EEC in 1973, Ireland had consistently pursued a pro-Community policy. We gained many friends from promoting the interests of Europe as a whole and our diligent application of European law. This approach brought us influence among our partners out of all proportion to our size, and financial supports that transformed our economy and our lives.

In five short years, Fianna Fáil and the PDs have destroyed that reputation.

- Irish policy positions have become narrow and selfish, short-sightedly pursuing only what delivers immediate benefit.
- Especially on the environment, Fianna Fáil and the PDs have dragged our feet in applying EU norms. This results in Ireland being regularly brought to the European Court, with unfavourable judgements against us every time.
- Ministers are casual about European commitments, with some hardly bothering to attend the Council of Ministers at all. They have even tried to make high-level European appointments on the basis of cronyism.
- Some Ministers have been allowed to speak out publicly against Europe, in the full glare of international publicity. One even bragged he had voted "no" on Nice.
- Fianna Fáil and the PDs, through their inept and lazy handling of the Nice referendum, have brought on Ireland the blame for holding up the expansion of the EU.
- Under Fianna Fáil and the PDs, Ireland has become "*the bad boy*" of Europe.

Fine Gael's vision for the future

- Ireland once again plays a full and active role in Europe, both in day-to-day matters and in shaping the EU's future development.
- Ireland once again becomes a role model in how a small country can defend its interests in an EU of bigger states, through a consistent policy of promoting the interests of Europe as a whole.
- Ireland's new reputation as a selfish, greedy country is decisively put to rest – for ever.
- Ireland is seen by fellow Members as one of those who always work to facilitate agreement and solidarity across the EU.
- Ireland sets a headline in the speedy application of all EU law.
- Ireland benefits, financially, commercially and politically, from its enthusiastic participation in the European Union.

Fine Gael's first 6 steps to realise this vision

1. Secure the clear support of the Irish people for EU enlargement by a vigorous campaign to secure the ratification of the Nice Treaty explaining its importance to Ireland and to Europe as a whole, and that enlargement inevitably involves changes in the EU's decision-making process to make way for new members. The success of this campaign by a united, fully-committed government is crucial to our entire future in Europe.
2. Help to shape a citizen's Europe by promoting more democratic ways of selecting the Commission.
3. Support the setting up a second Chamber of Member States to better represent the increasing diversity across Europe.
4. Seek to match new competences for the EU with clear boundaries to its powers, always pursuing the ideal of economic, social and political solidarity.
5. Support an enforceable Charter of Fundamental Rights and of the values and duties of the European Union to its citizens.
6. Support full Irish involvement in EU decisions on peace and security, participating in appropriate missions but reserving the right to decide on a case by case basis whether to participate.

Building on the achievements of the Good Friday Agreement

What we must continue

An important element in the significant progress that has been made on Northern Ireland in recent years has been the continuity in policy between the major parties in this jurisdiction.

The cross-party consensus has centred on two long-held Fine Gael principles:

- Firstly, the rejection of violence as a means of achieving the unity of the Irish people.
- Secondly, the requirement that there can be no change in the status of Northern Ireland without the consent of a majority of the people there.

These principles form the basis of the Good Friday Agreement. They were also the basis of Fine Gael's approach in government from 1994-1997. During that period, the Joint Framework Document and the ground rules for the negotiations involving the Northern Ireland parties and the British and Irish Governments were agreed, and Senator George Mitchell was appointed to chair the negotiations. Just as Fianna Fáil and the PDs in government have built on these foundations over the past five years, a Fine Gael-led government will continue to build on the Good Friday Agreement. Priority will be given to the achievement of the decommissioning of all paramilitary arms, a process which was to have been completed within two years of the referenda endorsing the Agreement.

Fine Gael's vision for the future

- The Irish and British Governments continue to work closely together to achieve the full implementation of the Good Friday Agreement.
- Arms disappear forever, both as a reality and as a threat.
- Develop the areas already identified as appropriate for enhanced North South co-operation.
- The two traditions on the island achieve genuine parity of esteem.
- Promote bilateral co-operation between Dublin and London on all matters of mutual interest.

Fine Gael's first 6 steps to realise this vision

1. Implement all aspects of the Good Friday Agreement.
2. Fully support all the institutions set up under the Agreement.
3. Give priority to achieving the decommissioning of all paramilitary arms – a process which was to have been completed within two years of the referenda endorsing the Agreement.
4. Focus particularly on the work of the North South Ministerial Council and develop the areas already identified as appropriate for North South co-operation.
5. Develop the British-Irish Inter-Governmental Conference, which was established to promote bilateral North South co-operation between Dublin and London on all matters of mutual interest.
6. Equally, work to bring to full fruition the British-Irish Council, which was established to promote the harmonious and mutually beneficial development of the totality of relationships among the peoples of these islands.

Costings

The gross cost of the detailed measures underlying this Manifesto and our full Programme for Government document to follow will, when all are fully implemented, amount to €5.7 billion in a full year.

The net cost of the taxation reductions will, in a full year, amount to €1.9 billion.

Capital Projects estimated at €8 billion over 5 years are also proposed in conjunction with our manifesto proposals.

The principal components of this new investment in developing the kind of Ireland we want are;

	Current €m (per year)	Capital €m (Over 5 years)
Health	1,400	1,500
Housing	200	1,500
Social, Family and Community Affairs	1,100	—
Active & Independent Old Age	900	100
Youth, Children, Education & Sport	1,100	1,500
Enterprise, Regional Development Infrastructure, Agriculture & Marine	280	2,500
Justice, Local Government, Environment, & Overseas Development	750	550

These proposals fit within the envelope outlined in our Economic Framework "Just Economics", and have been costed with the assistance of the Department of Finance and from information provided by individual Government Departments.

fine gael 

General Election
Manifesto
2007

2007

Foreword/Réamhrá

ENDA KENNY

The Fine Gael manifesto is a clear, comprehensive agenda covering the key areas of Irish life: the health services, crime, taxation, jobs, education, transport, energy, agriculture and the environment. It is designed, specifically, to provide public services to match the economy and to end the scandalous waste of taxpayers' money.

Our agenda is ambitious and achievable. For example, health includes 2,300 more acute beds; a comprehensive child health plan; plans to restore our hospitals as places of healing, not sources of infection; screening and prevention programmes to make and keep the general population well and Urgent Care Centres to take the pressure off A&E. Justice includes a new, tougher approach to sentencing. Education includes access to a year's pre-school.

Critical to the Fine Gael manifesto is the restructuring of the tax code to support, what we believe, is the most important institution in Ireland: the family. By supporting those who stay at home to care for children or the elderly, or those who want to buy their first home or trade up, we are giving Irish families a real choice. These reforms signal a clear difference of values between Fine Gael and other political parties and indicate our priorities in the next government.

By spending money wisely to create better services in the make-or-buy areas of living, we intend to improve, significantly, the quality of life for all Irish people. The Irish people have built this economy through their hard work and ingenuity, often at a huge personal cost through the pressures of commuting and balancing working and living. It's time they began to feel the economy's benefits in their lives day to day. Quite simply, the Irish people deserve better. This manifesto is designed to give them better.



fine gael 
www.finegael.ie

Is clár cuimsitheach soiléir é forógra Fhine Gael ina gcuirtear san áireamh príomhnithe saol na hÉireann: seirbhísí sláinte, coir, cáin, postanna, oideachas, taisteal, fuinneamh, talmhaíocht agus an timpeallacht. Tá sé curtha le chéile go speisialta chun seirbhísí poiblí a chur ar fáil a fhreastalóidh ar an ngeilleagair agus a chuirfidh deireadh le cur amú gránna airgead na gcáiníocóirí.

Is clár uailmhianach indéanta é. Mar shampla sa chóras sláinte feictear 2,300 níos mó leapacha ar fáil, plean cuimsitheach do shláinte na bpáistí, pleananna chun ár n-ospidéal a athnuachan mar láithreacha leighis, ní ionaid na ngalar, cláir scagtha agus chosctha le muintir na tíre seo a choinneáil i mbarr a sláinte agus Ionaid Cúram

Práinneacha chun an brú a bhaint den A&E. Feictear dearcadh nua níos déine maidir le gearradh pianóis i gcúrsaí dlí. Tá fáil ar bhliain réamhscolaíochta san oideachas.

Is cuid bhunúsach de fhorógra Fhine Gael é an córas chánach a athstruchtúru chun tacaíocht a thabhairt do phríomhinstitiúid na hÉireann, dar linn, an teaghlach. Is rogha dáiríre atáimid ag tabhairt do theaghlach: iad siúd a fhanann sa bhaile chun aire a thabhairt do pháistí nó do shean daoine nó dóibh siúd atá bhfuil ag iarraidh a gcéad theach a cheannach nó margadh a dhéanamh faoi theach. Is léiriú suntasach é ar an difir idir luachanna Fhine Gael agus na páirtithe polaitiúla eile agus ár gcuid tosaíochtaí sa chéad rialtas eile.

Le hairgead a chaitheamh go ciallmhar chun seirbhísí a chur ar fáil sna gnéithe is tábhachtaí dár saol tá fúinn caighdeán slí maireachtála a fheabhsú go mór do chách. Tá geilleagar na tíre seo tógtha de bharr dúthracht agus éirim pobal na hÉireann in ainneoin an chostais phearsanta gearrtha orthu féin idir brú taistil agus ag fhreastal ar dhá thrá: obair agus slí beatha a bhaint amach. Tá sé in am dóibh tairbhe a bhaint as an ngeilleagair ina saoil féin. Go bunúsach tá tuilleadh tuillte acu. 'Sé bun agus barr an fhorógra seo ná é sin a thabhairt dóibh.

Enda Kenny
Enda Ó Cionnaith

KEY THEMES AND HIGHLIGHTS

Fine Gael will set new priorities to deliver public services and a quality of life to match our strong economy. In government, Fine Gael will:

1. Create health services that work, ensuring that cost and capacity don't prevent people from getting treatment that is high quality, timely and close to home. That means:

- Planned expansion of vital capacity (2,300 Acute Beds, 1,500 Convalescence).
- Free Health Insurance for every child under 16.
- Free GP visits for every child under 5.
- Confront the rise of suicide.
- Extend medical cards to 100,000 more families.
- Clean hospitals.
- Reform to ensure money follows patient.

2. Make our communities safer by focusing on victims' rights and making life a lot tougher for criminals. That means:

- 2,000 more Gardai on our streets.
- Consistent sentences from judges.
- Bail harder to get and electronic tagging if needed.
- No prison remission without earning it.
- Best practice policing - when and where they're needed.
- New rights for victims

3. Spend taxpayers' money well, getting maximum value and sacking any Minister who spends carelessly. That means:

- Put Minister's reputation on the line.
- Link money to performance and strategic change.
- Public project scrutiny at critical gateways.
- Every agency openly accountable.

4. Support families as they deal with challenges of modern Ireland and transform education by incentivising innovation in schools to meet pupils' needs and focusing on outcomes. That means:

- Targeted tax relief for single income family/carers.
- Reformed stamp duty to help first time buyers and growing families.
- Improved support for those caring for the elderly.
- Extend medical cards to 100,000 more families.
- Confront the rise of suicide.
- Increase the Old Age Pension to €300.
- Support for one year pre-school.
- Ensure educational support for children with disabilities and special needs.
- School Excellence Fund to achieve pupil goals, more teachers, improving literacy and numeracy.
- Upgrade science and technology at every level.

5. Build an environmentally-sustainable society, with renewable energy, transport, green housing and reduce our impact on global warming. That means:

- Mandatory blends of biofuels in all petrol and diesel.
- Reduced taxes on biofuel and lower emission cars.
- Public facilities must match new housing.
- Increased investment in public transport.
- Help householders achieve best energy standards in all new and refurbished homes.
- Prioritise energy investment to achieve more renewables.
- Leading by example by reducing every Government agency's carbon footprint by 2% each year.

KEY THEMES AND HIGHLIGHTS

6. Lower the cost of living on working families, making childcare, housing, and healthcare more affordable. That means:

- Curb public price increase to inflation or lower.
- Reform regulators who pass on prices too easily.
- Improve competition in key sectors.
- Cut stamp duty.
- Support pre school education and childcare.
- Free medical insurance for all under 16.
- Free GP visits for children under 5.
- Sell State land where appropriate for the provision of more social and affordable housing.

7. Cut taxes for all taxpayers, with a focus on relief for families and first-time homebuyers, and ensure Ireland's strong economy and jobs are not put at risk by complacency or lack of competitiveness. That means:

- Cut 20% tax rate to 18%.
- More support for single income families and home carers.
- Inflation proof bands and credits to protect from stealth tax.
- Cut stamp duty to help first time buyers and growing families.
- Fast track infrastructural priorities.
- Cut regulatory burden by 25%.
- Upskill the workforce through greater provision of third level education and on-the-job training.
- Invest in science and research in a way that supports new and existing industries.
- Extend broadband throughout the country and build a Next Generation network by 2012.

8. Manage Ireland's immigration system in a way that is good for immigrants and good for the Irish by establishing clear rights and responsibilities for immigrants. That means:

- Appoint a Minister for Immigration Affairs.
- Immigrants should be free from discrimination and have their contribution to the country recognised.
- Ensure that Irish laws are understood by and adhered to by immigrants.
- People who come to this country to commit serious crime are not welcome and will be dealt with severely.
- We must protect Irish jobs and the rights of those who come to work here.

9. Protect rural Ireland to ensure vibrant communities, a modern and sustainable farming industry and an equitable distribution of wealth throughout the country. That means:

- Help farmers to grow and develop their enterprises, through targeted State supports; investment in food research and development and enhanced training and education.
- Promote alternative locally-based employment for rural dwellers, particularly part-time farmers.
- Lead the sustainable development of the maritime sector, maximising the quality of life in coastal regions.
- Promote viable rural transport links, sustainable housing in areas of rural depopulation and a better distribution of national development through the National Spatial Strategy.

10. Promote peace on the island, work with our European partners and strengthen our international reputation. That means:

- Build on the historic agreement reached in Northern Ireland and do everything possible to realise the full potential of a lasting settlement.
- Support Ireland's role in the European Union while promoting reform of decision making structures and greater dialogue between the EU and its citizens.
- Combat terrorism and extremism by working with our international partners and promoting human rights.
- Meet our international environmental commitments and work against climate change.

SUPPORTING SMALL BUSINESSES

Small business has been the forgotten child of Irish industrial policy. This will not remain the case with Fine Gael in Government. We recognise that multinationals have made a huge contribution to Ireland's economic recovery. But we know that to sustain Ireland's growth, we need to move beyond the era of making things invented elsewhere. We need an Irish industrial renaissance, driven by Irish entrepreneurs.

We have an 8-point plan to help small business owners and managers to keep their companies growing and competitive.

LOWER TAXES

- We will cut income taxes for all taxpayers.
- We will keep the current low rates of Corporation Tax and Capital Gains Tax.
- We will develop tax measures to encourage investment in high-tech, export oriented Irish firms.

A CAP ON STATE CHARGES

- Charges imposed by State bodies - waste disposal, postage, motor tax etc. - have increased in excess of the general rate of inflation over the last decade, forcing consumers and business to pay for inefficiencies and out-dated work practices.
- Fine Gael will cap charges by state bodies at the rate of inflation. Any requested increases beyond the rate of inflation will require a Public Interest Report be presented to the Dáil.

TIGHTER CONTROL ON UTILITY COSTS

- We will give stronger powers to regulators, particularly in energy and telecoms to deliver competition and lower prices.
- We will put in place a Consumer Charter for Utilities that will, among other things, compensate households and businesses that lose utility service for more than three hours in a 24 hour period by forcing providers to deduct the cost of one day's service from the bill. This will apply to electricity, gas, telephone, internet and cable TV providers.

LESS REGULATORY RED TAPE

- We will cut the administrative burden (red tape) on companies by 25%, focusing on reducing the number and complexity of information requests connected with:
 - Employment law
 - Tax administration
 - Health and safety law
 - Statistical collection
 - Importing/exporting
 - Regulatory enforcement

UNIVERSAL, NEXT GENERATION BROADBAND

- We will immediately extend broadband access across the country.
- We will create a new, high speed, open access, Next Generation network by 2012.

Fine Gael - Financing the Manifesto Commitments

Our manifesto commitments are fully costed and affordable in the context of the prudent budgetary assumptions drawn from the most authoritative economic sources. The Economic and Budgetary Framework agreed with Labour provides for continued government surpluses, and a reduction in net debt to below 7% of GDP by 2012.

Agreed Fine Gael – Labour Economic and Budgetary Framework

	2007	2008	2009	2010	2011	2012		
Current Spending								
Baseline Voted Current Exchequer Spending	37,165	40,020	41,950	44,467	47,046	49,634		
Agreed FG-Lab Commitments on Health/Crime		404	808	1,211	1,615	2,019		
Allocation for Additional Strategic Priorities		458	1,517	1,917	2,408	2,890		
Total Voted Current Exchequer Spending	37,165	40,882	44,275	47,595	51,070	54,542		
Non-Voted (Central Fund) Spending	4,425	4,406	4,609	4,800	4,900	5,000		
Total Current Exchequer Spending	41,590	45,288	48,884	52,395	55,970	59,542		
Current Receipts								
Baseline Exchequer Tax Revenue	49,075	53,190	57,176	61,457	66,059	71,005		
Agreed FG-Lab Tax Commitments (net)	-230	-1,050	-1,470	-2,060	-2,746	-3,433		
Exchequer Non-Tax Revenues	565	594	612	630	650	670		
Current Exchequer Resources	49,410	52,734	56,318	60,027	63,962	68,242		
Current Budget Balance								
as a % of GNP	7,820	7,446	7,435	7,632	7,993	8,699		
	4.8%	4.3%	4.0%	3.9%	3.8%	4.0%		
Capital Budget Balance								
as a % of GNP	-8,597	-9,562	-10,063	-10,440	-10,601	-12,089		
	-5.3%	-5.5%	-5.4%	-5.3%	-5.0%	-5.5%		
Exchequer Balance								
as a % of GNP	-777	-2,116	-2,628	-2,808	-2,608	-3,390		
	-0.5%	-1.2%	-1.4%	-1.4%	-1.2%	-1.5%		
GGB Adjustment								
	2,823	3,343	2,767	3,031	3,237	3,458		
General Government Balance								
as a % of GDP	2,046	1,227	139	223	629	68		
	1.1%	0.6%	0.1%	0.1%	0.3%	0.0%		
Memo Items							Average	
	2007	2008	2009	2010	2011	2012	2003-2007	2008-2012
Real GDP Growth	5.3%	4.6%	4.1%	4.1%	4.1%	4.1%	5.0%	4.2%
Growth in Net Voted Current Spending	13.2%	10.0%	8.3%	7.5%	7.3%	6.8%	9.8%	8.0%
General Government Balance as a % of GDP	1.1%	0.6%	0.1%	0.1%	0.3%	0.0%	1.1%	0.2%
Net Debt (net of National Pension Fund) as a % of GDP	10.6%	9.3%	8.6%	8.0%	7.2%	6.7%	17.8%	8.0%

Tax Commitments

Cost of Agreed Fine Gael – Labour Tax Reforms

Tax Commitments	Cost in 2007 Terms
Standard Rate Cut	1,023
Band Restructuring (indexation plus one-income family measures)	1,247
Indexation of Personal Credits to Earnings	450
Increase in Home Carers' Credit to PAYE Credit (€ 1,760)	80
Stamp Duty Reform	460
Exclusion of Biofuels from Excise Duty	120
Recognition of "Civil Unions" for Tax Purposes	25
Gross Cost of Tax Reforms	3,405
Net Cost of Tax Reforms (Net of Tax Buoyancy)	2,384

The agreed Fine Gael – Labour tax reforms cost a net total €2.4 billion in 2007 terms, and will be delivered over the lifetime of a 5-year Government. This will result in an annual average gross tax relief package of €680 million each year.

Capital Spending Commitments

The projected capital balance in the Economic and Budgetary Framework is identical to Department of Finance projections for 2007-09, and for the entire period reflects our commitment to the spending targets set out in the NDP 2008-12 and to invest 1% of GNP in the National Pension Reserve Fund (NPRF) on an annual basis. All of our manifesto capital spending commitments will be financed out of these allocations.

Day-to-Day Spending Commitments

As set out in the Economic and Budgetary Framework, our spending commitments on day-to-day public services and social welfare will come under three headings:

	2007	2008	2009	2010	2011	2012
Current Spending						
Baseline Voted Current Exchequer Spending	37,165	40,020	41,950	44,467	47,046	49,634
Agreed FG-Lab Commitments on Health/Crime		404	808	1,211	1,615	2,019
Allocation for Additional Strategic Priorities		458	1,517	1,917	2,408	2,890

Baseline Voted Current Exchequer Spending

Many of our manifesto commitments are incremental in nature, and reflect a commitment to the continuation or expansion of existing programmes. In the agreed Fine Gael - Labour Economic and Budgetary Framework, we used the Department of Finance's cost estimates for delivering such ongoing and incremental improvements to public services ("Baseline Voted Current Exchequer Spending") for 2007-09. The baseline growth rate in voted current spending is then set at 6.0%, 5.8% and 5.5% for 2010, 2011 and 2012 respectively, resulting in an annual average of 6% for 2008-12.

These projections by the Department of Finance for 2007-09, and our own estimates for 2010-12, provide for:

- The rising cost of delivering existing public services, including the impact of public sector pay agreements and the rising cost of procured goods and services;
- Commitments in the National Development Plan and the latest Social Partnership Agreement, Towards 2016 (e.g. the commitment to increase the level of Ireland's Overseas Development Assistance to 0.7% of GNP by 2012);
- Budgets of €1.1 billion and €2.7 billion available for allocation in 2008 and 2009 respectively to support emerging public services and welfare priorities; and
- An additional €3.1 billion to cover incremental expansion of existing programmes across a range of areas for the period 2010-12.¹

Agreed Fine Gael - Labour Commitments on Health / Crime

As part of our preparation for Government with Labour, we have set out a number of agreed spending commitments in the areas of health and policing. In our joint Health and Crime statements, Fine Gael and Labour committed to fund additional day-to-day spending on these priority services. When delivered in full, these improvements will cost €1.6 billion in 2007 prices (€2.0 billion in 2012 prices).²

¹ This assumes average cost inflation for existing services of 3.5% for the 2008-12 period.

² This assumes average cost inflation of 5%. This is higher than our estimate of cost inflation across the public sector (3.5%), reflecting the higher rates of inflation for health-related expenditure.

Cost of FG/Lab Spending Commitments on Health and Crime (€millions)

Spending Commitments	Full Cost in	Incrementally delivered in:				
	2007 Prices	2008	2009	2010	2011	2012
Extend Medical Card Coverage to 40% of pop.	330	84	168	253	337	421
Free GP Visits for under 5s	32	8	16	25	33	41
Ongoing Costs for Extra 2,300 Acute Beds	600	153	306	459	613	766
Subvention for Health Insurance for under 16s	100	26	51	77	102	128
A&E Commitments (including Step Down Beds)	180	46	92	138	184	230
Reaching Recovery - Agreed Agenda on Mental Health	251	64	128	192	256	320
Increasing Garda Strength to 15,000	89	23	45	68	91	114
Total	1,582	404	808	1,211	1,615	2,019

Additional Fine Gael Strategic Priorities

In our manifesto, we have also promised to deliver new programmes, and / or a step-change in the resources allocated to existing programmes above the baseline increases provided for above, across a range of areas. The cost of these commitments is set out in detail below. We have also provided for a Contingency Reserve to cover the costs of other emerging welfare and public service priorities.

Cost of Additional Fine Gael Current Spending Priorities (€millions)

Spending Commitments		Full Cost in	Incrementally delivered in:				
		2007 Prices	2008	2009	2010	2011	2012
Education	<i>Pre-school Education Initiative</i>	162	20	77	115	154	192
	<i>Schools Excellence (Primary)</i>	100	10	48	71	95	119
	<i>Schools Excellence (Secondary)</i>	100	10	48	71	95	119
	<i>Expansion of Educational Disadvantage programmes</i>	73	17	35	52	69	87
	<i>Increase in School Capitation</i>	72	17	34	51	68	86
	<i>Enhanced Higher Education Grants</i>	65	15	31	46	62	77
	<i>Other</i>	191	45	91	136	182	227
Total		763	135	363	544	725	906
Social Cohesion and Welfare	<i>Increase State Pension to €300 per Week</i>	425	0	0	172	363	539
	<i>Childcare credits</i>	200	25	95	143	190	238
	<i>Individual Means Test for Carers</i>	140	33	67	100	133	166
	<i>Cost of Disability Payment</i>	94	22	45	67	89	112
	<i>Fund for Community Creche Support</i>	50	12	24	36	48	59
	<i>Paternity Leave / Extension of Parental Leave</i>	28	7	13	20	27	33
	<i>Rate Exemption for Childcare - Refund to LAs</i>	3	1	1	2	3	4
Total		940	100	245	539	852	1,151
Health (on top of joint initiatives with Labour)	Health Screening	100	6	51	77	102	128
Housing	SSIA-Type House Deposit Savings Scheme	189	40	90	135	180	224
Justice (on top of joint initiatives with Labour)	<i>Anti Social Behaviour Fund</i>	50	13	26	38	51	64
	<i>1st Time Offenders' Programme</i>	50	13	26	38	51	64
	<i>Other</i>	8	2	4	6	8	10
Total		108	27	55	82	110	137
Green Energy / Climate Change	R&D, Biofuel Subsidies and Renewable Grants	29	7	14	20	27	34
Other	Marine, Broadcasting, Agriculture, Defense	101	34	55	77	98	119
Contingency			108	645	443	314	190
Total			458	1,517	1,917	2,408	2,890

Ireland plans crackdown on crony capitalism

By Quentin Peel and Lionel Barber, March 17, 2009, Financial Times

http://www.ft.com/intl/cms/s/0/cd0dd46c-1283-11de-b816-0000779fd2ac.html?nclick_check=1#axzz3duXZjtsp

Ireland is planning to introduce tough legislation to clamp down on crony capitalism and excess bank lending in the wake of the property bubble that has hammered its leading banks, Brian Lenihan, finance minister, told the Financial Times on Monday night.

The measures will include a ban on cross-directorships and on chief executives becoming chairmen, as well as the creation of a central bank commission to incorporate the regulation of banking, to replace the present autonomous regulator.

“There is a problem in all small countries with too many incestuous relationships,” Mr Lenihan said. “We have decided to establish a central bank commission which will have comprehensive regulatory as well as monitoring powers, and will have the power to direct restrictions on lending.”

He said he would submit a memorandum to the Irish cabinet next week on the measures, and advertise for a bank regulator in the near future.

The planned Irish move is a response to the damaging scandal that hit Anglo Irish Bank, when it was revealed in December that Sean FitzPatrick, a long-time chief executive who moved to become chairman in 2005, had hidden €87m (£80m, \$112m) of personal loans from the bank’s auditors by temporarily transferring the amounts to an Irish building society just before the year-end. Mr FitzPatrick resigned along with other board members.

The bank was nationalised in January and is now the subject of investigations by the director of corporate enforcement, the regulator and the Irish central bank. With bad loan losses set to increase across the industry, Mr Lenihan was keen to reject any suggestion that deposits in Irish banks are not safe, insisting that “we have [the European Central Bank in] Frankfurt behind us rather than the Bank of England, which makes them super-safe”.

Membership of the eurozone “has the great benefit of ensuring the stability of the monetary, financial and banking system”, he said. “But the price is the higher exchange rate against sterling. The damage is coming through the real economy.”

Mr Lenihan, who was appointed finance minister last year to succeed Brian Cowen when he became prime minister, said the Irish economy had “fallen off a cliff” because of the “classic property bubble”, with growth dropping from 6 per cent in 2007 to minus 1 per cent last year, and a forecast minus 6.5 per cent in 2009.

Additional reporting by John Murray Brown



**“When you have cut down the last tree and polluted the last river,
you will know that you cannot eat money”**

Green Party Manifesto

Election 2002

An Comhaontas Glas, The Green Party in Ireland, is working towards a society which values self-sufficiency, where the diversity of all human and natural life is respected and where decisions are made compassionately, with integrity, and at the most effective, community-based level of democracy.

The seeming prosperity of the so-called Celtic Tiger can still be turned to the advantage of all people and the space in which we share. We must create, not just meaningful jobs, but the means to get to those jobs; not just new high tech industries, but more hospital beds, more housing and an end to hospital and housing waiting lists. The basics of life: clean air, water and food are in limited supply. A new respect must be found for human rights and diversity, for life-long education, and for the democratic process itself. Violence and militarism must be opposed and the United Nations must be supported as the primary forum for the protection and promotion of the Earth and its inhabitants.

If ever Ireland needed a change in political thinking, it is now. Progress has been measured by the quantity rather than the quality of economic activity, which ignores the growing gap between rich and poor and remains apathetic to the long-term side effects of dumps, pollution and habitat destruction.

Industrial Age alley cat

The Celtic Tiger has been behaving like an Industrial Age alley cat. The current Tribunals are slowly revealing that not only were the established parties pursuing corrupt policies, but that many of the politicians who supported them were and are corrupt and dishonest.

Green Party/Comhaontas Glas elected representatives have been to the fore in insisting that corrupt practices in land rezoning and cronyism are investigated.

The Cost of Economic Growth

It is cold comfort for the government to declare that the economy is growing. For most people this means longer travelling distances, more cars on the road, rising house prices and higher childcare costs as both parents are forced into the labour market to finance huge mortgages. Even more unforgivable is the fact that over 5000 people are homeless in Ireland today [Focus Ireland, 2002] and that Ireland has one of the highest rates of child poverty in the OECD (Unicef, June 2000).

A Need for Green Politics

Low voter turnout and young peoples apathy towards politics is a very worrying trend. It reflects a basic cynicism and mistrust created not just by corrupt politicians and corrupt politics, but by arrogant politicians who ignore public opinion (e.g. Hugh O'Flaherty case) and who renege on Manifesto promises to the electorate (e.g. Fianna Fáils promised referendum on Partnership for Peace).

There is a need for a new politics, which seeks to inspire and put credibility back into the political process while also setting out how humans can live well without destroying the natural world. There is an urgent need for Green Politics.

Economics as if People Mattered

Quality of Life is suffering. Despite rapid economic growth, we still have great poverty, inequalities in access to education and healthcare, illiteracy, homelessness and a sharp deterioration in our living space.

Finance

Tracking Quality of Life

Measuring the amounts of money being spent in the form of gross national product and gross domestic product fails to differentiate between money spent on improving life and money spent repairing damage. New tracking measurements to monitor changes in quality of life, community development and environmental well-being are essential.

Financial incentives and sanctions are needed to direct investment into creating an equitable, stable and sustainable society, particularly in the areas of healthcare, childcare, housing, education, and environmental well-being.

The fraudulent behaviour of some financial institutions demands radical reform of the financial sector. Legislation promoting comprehensive financial responsibility will be a priority for the Green Party/ Comhaontas Glas in Government.

The Green Party/ Comhaontas Glas will introduce a range of financial measures to ensure eco-friendly economic policies, more social banking and investment, greater investment in local government and true equality in earning power.

In Government, the Green Party will

- Transfer the bias in the collection of taxes from taxes on income to eco- taxes. This will mean different - not more - taxation;
- Increase the proportion of tax take by 0.5% of GDP per annum through additional taxes other than personal taxation (e.g. corporation tax, tax on industrial fuel etc.)
- Weight expenditure on transport in favour of public transport, non-private motor car use, pedestrianisation, and cycleways;
- Legislate to confer favoured status on a non-profit directed financial sector, e.g. the Credit Union Movement;
- Introduce a 5% Social Solidarity Levy on the profits of banks and financial institutions;
- Ensure that ethical investment is adhered to in all areas of government activity;
- Increase expenditure on Community Development;
- Establish fiscal measures to assist parents who wish to care for their own children;
- Reverse the damage done by Individualisation with a phased introduction of Refundable Tax Credits for all.

Ahern criticises Cowen

IRISH TIMES 02-01-2011

Aoife Carr

Former Taoiseach Bertie Ahern has criticised Brian Cowen for failing to communicate with the public during the economic crisis and questioned the Government's handling of the EU-IMF bailout.

In an interview with the *Irish News of the World* today for which he also writes a column, Mr Ahern said Mr Cowen should have kept the public informed saying "these aren't state secrets after all."

"I always took the view, and maybe it's a difference in style, that you go out there every day and you talk to the media and do your bit... When I went, the guys took a different view... they wouldn't go out very often and do the daily doorsteps... If you ask me, my view is you're better doing it my way, but he opted not to do that," he said.

Mr Ahern also expressed doubt as to whether the Government had "examined all the options" to try and avoid the EU-IMF bailout.

Mr Ahern announced last Thursday evening that he would not run for Dáil Éireann at the next general election.

The announcement brought an end to a Dáil career that began in 1977 and saw him serve as taoiseach from 1997 to 2008, winning three general elections in succession.

Asked by reporters if he intended to run for the Presidency, he replied: "I don't know. I honestly haven't decided that." Asked if he was ruling out running, he said: "No, not tonight, everyone would love to be in the Áras. Only one person will end up there."

Asked if he had any regrets, he said: "If I had seen the banking crisis coming. Nobody advised me, no economist, all those people now writing books saying 'I told you so' – none of them."

On Anglo Irish Bank, he said: "I can honestly say that not once did anyone or any delegation that came in to see me ever say, 'Watch out for Anglo' . . . I wish they had have."

Describing the office of Taoiseach as “the highest and the ultimate civic responsibility”, Mr Ahern said it had been his “great honour” to be entrusted with it for over a decade.

“I am proud of what I have achieved in politics and I am prouder still to have had the privilege to have worked with and for so many fine, patriotic and extraordinary people.

“It is not given to anyone in life who tries and tries again not to sometimes fail. Years of apparently great success then, are apparently tainted by great failures now, but the truth is more complex and in time it will be viewed more dispassionately. The raw emotion of real shock means it is too soon to take stock.”

Referring to the “great economic storm” currently under way in Ireland, he warned against excessive pessimism. “Some gains have been lost, but in truth many remain. I dearly wish there was no crisis. I realise that it would have been better if some things had been done differently, but I will not denigrate the good that has been done,” he added.

<http://www.irishtimes.com/news/ahern-criticises-cowen-1.869485>

AHERN QUERIES GOVERNMENT'S HANDLING OF FINANCIAL CRISIS

IRISH TIMES 03-01-2011

Harry McGee

On the EU-IMF bailout, Mr Ahern contended that he had been aware as early as last May, when Greece was forced to seek international assistance, that Ireland could be in trouble.

He questioned whether the Government had examined all options back then. "Were there not things they could have done from May to November to try and avoid the bailout?" He said it was his view that the Government should have announced the €6 billion in cuts in May or June, and not October.

"If we had said to the markets . . . there were things we were going to do, it could have made a difference," he said.

Mr Ahern also claimed that his experience would have helped Ireland through the crisis if he had stayed on after 2008.

"I think I would have been good if I was there throughout the crisis. I'm not saying I would have prevented the economic recession. I do think my long experience and the good contacts I had around the world would have been helpful. But it wasn't to be."

A senior Minister responded yesterday by saying that Mr Ahern was trying to rewrite history for himself.

The Minister, who spoke on the condition of not being identified, said that it was a bit rich from a leader who found it impossible to make any decision.

"As a person who was at the pinnacle for so long, it's very difficult for him to accept that he was a major contributor to the present crisis," he said.

<http://www.irishtimes.com/news/ahern-queries-government-s-handling-of-financial-crisis-1.1081625>

10:30 AM 10:30 AM O.O.B. (TANAISTE)

11:30 AM 11:30 AM MEETING WITH OFFICIALS - RE: PBO

12:00 PM 12:00 PM APPOINTMENT

12:30 PM 12:30 PM (APPROX) VOTE ON PRIVATE MEMBERS

09:00 PM 09:00 PM COMPETITORS BANQUET, BRIDGE HOUSE, TULLAMORE - (Script / Informal)

Friday, September 28

01:00 PM 01:00 PM PRIVATE FUNCTION

Saturday, September 29

06:30 PM 06:30 PM (FOR 7.00PM) OPEN AN ART EXHIBITION FOR MARK DWYER IN THE GEORGIAN HOUSE & GARDENS, PERRY SQUARE, LIMERICK (Script)

Sunday, September 30

02:00 PM 02:30 PM LAUNCH BRAINWAVE'S BOOKLET "INFORMATION ON WOMEN" & LAUNCH A CHARITY WALK AT THE HARRIERS

04:30 PM 04:30 PM "SEVE TROPY" - PRESENTING THE PRIZE ON THE FINAL DAY OF THE GOLF, THE HERITAGE GOLF CLUB, KILLENARD (Script)

Monday, October 1

11:00 AM 11:00 AM MASS IN HOLY FAMILY CHURCH, TUBBER FOLLOWED BY THE OFFICIAL OPENING OF ST MANCHAN'S NATIONAL SCHOOL (Script)

03:00 PM 03:00 PM GATEWAY IMPLEMENTATION FORUM IN OCC HQ

04:00 PM 04:00 PM ATM INDECON MIDLANDS GATEWAY EVENT

Tuesday, October 2

09:00 AM 09:00 AM MINISTERIAL MEETING IN SYCAMORE ROOM

09:45 AM 09:45 AM MEETING WITH TAOISEACH, MINISTER HARNEY & MINISTER GORMLEY

10:15 AM 10:15 AM GOVERNMENT MEETING

02:00 PM 02:30 PM CHAIRMAN OF REVIEW BODY OF HIGHER REMUNERATION IN THE PUBLIC SECTOR

02:30 PM 08:30 PM DAIL

02:30 PM 02:30 PM PETER QUINN

03:00 PM 03:00 PM HELEN CASSERLY

03:30 PM 03:30 PM COURTESY CALL - THE ISRAELI AMBASSADOR MR ZION EVRONY + NADAV COHEN & COLIN SHEENA

04:15 PM 04:29 PM LEADERS QUESTIONS

04:29 PM 04:29 PM O.O.B.

05:00 PM 05:00 PM (APPROX) SECOND STAGE OF THE MIFID BILL

05:30 PM 05:30 PM PP (FOR INFORMATION)

Wednesday, October 3

10:30 AM 08:30 PM DAIL

10:30 AM	10:44 AM	LEADERS QUESTIONS
11:00 AM	11:00 AM	MEETING MICHAEL & JIM TREACY
11:29 AM	11:29 AM	O.O.B.
02:00 PM	02:00 PM	CABINET COMMITTEE ON HEALTH
04:00 PM	04:00 PM	BISHOP MICHAEL SMITH, FR HUGH CONNOLLY, PRESIDENT OF MAYNOOTH & MONSIGNOR DERMOT FARRELL

Thursday, October 4

09:00 AM	09:30 AM	KEYNOTE ADDRESS AT THE INSURANCE INSTITUTE OF IRELAND, INDUSTRY LEADERS SUMMIT, FOUR SEASONS HOTEL (Script)
10:00 AM	10:30 AM	BRIEFING FOR O.O.B. IN WHIPS OFFICE
10:30 AM	04:45 PM	DAIL
10:30 AM	10:30 AM	O.O.B. (TANAISTE)
11:00 AM	11:00 AM	(APPROX) SECOND STAGE OF THE MIFID BILL
11:00 AM	11:00 AM	TOM PARLON, CIF
11:30 AM	11:30 AM	VISIT TO DAIL - ST MARY'S SECONDARY SCHOOL, EDENDERRY (FOR INFORMATION ONLY)
11:30 AM	11:30 AM	FINTAN DRURY
12:30 PM	12:30 PM	MIN MAC MEETING
02:00 PM	02:00 PM	P J MARA
02:30 PM	02:30 PM	PIERRE DANON OF EIRCOM

03:00 PM 03:00 PM MEET OFFICIALS - RE: ELS ISSUES

04:00 PM 05:30 PM BILATERAL WITH TAOISEACH

08:15 PM 08:15 PM OPENING AN EXHIBITION BY BERNADETTE MADDEN, AT
DUNAMAISE ARTS CENTRE, CHURCH ST, PORTLAOISE, CO
LAOIS

Friday, October 5

11:00 AM 11:00 AM RIADA HOUSE

05:30 PM 05:30 PM JOE MOONEY'S RETIREMENT (FOR INFORMATION)

08:00 PM 08:00 PM OFFICIAL OPENING OF DNS HARDWARE, CLARA ROAD

09:00 PM 09:00 PM CDC MEETING IN TULLAMORE COURT HOTEL

Saturday, October 6

Sunday, October 7

01:00 PM 01:00 PM LUNCH HOSTED BY OFFALY GAA CO BOARD AS "THANK YOU"
TO SPONSORS OF NEW STAND FOLLOWED BY THE FOOTBALL
COUNTY FINAL

Monday, October 8

01:30 PM 04:10 PM DEPART CASEMENT / ARRIVE LUXEMBOURG

04:45 PM 04:45 PM CABINET COMMITTEE ON EU AFFAIRS (FOR INFORMATION)

05:00 PM 05:00 PM EUROGROUP

08:30 PM 09:10 PM DEPART LUXEMBOURG / ARRIVE CASEMENT

Tuesday, October 9

ECOFIN (FOR INFORMATION)

09:00 AM 09:00 AM MINISTERIAL MEETING IN SYCAMORE ROOM

09:45 AM 09:45 AM MEETING WITH TAOISEACH, MINISTER HARNEY & MINISTER GORMLEY

10:15 AM 10:15 AM GOVERNMENT MEETING

02:30 PM 08:30 PM DAIL

02:30 PM 02:30 PM VISIT TO DAIL - DURROW (CO OFFALY) ACTIVE RETIREMENT GROUP (FOR INFORMATION ONLY)

02:30 PM 02:30 PM MEET WITH OFFICIALS - RE: HAY REPORT/ HIGHER REMUNERATION GROUP

04:00 PM 04:00 PM SECRETARY GENERAL

04:15 PM 04:29 PM LEADERS QUESTIONS

04:29 PM 04:29 PM O.O.B.

05:30 PM 05:30 PM PP

Wednesday, October 10

10:30 AM 08:30 PM DAIL

10:30 AM 10:44 AM LEADERS QUESTIONS

10:30 AM	10:30 AM	MEETING WITH OFFICIALS RE. IMF/WORLD BANK ANNUAL MEETING
11:29 AM	11:29 AM	O.O.B.
11:30 AM	11:30 AM	VISIT TO DAIL - NORTH COAST INTEGRATED COLLEGE (FOR INFORMATION)
12:00 PM	12:00 PM	SEAN DORGAN
12:30 PM	12:30 PM	COLIN HUNT
02:00 PM	02:00 PM	CABINET COMMITTEE ON HOUSING, INFRASTRUCTURE & PPPs (FOR INFORMATION)
02:30 PM	02:30 PM	PRE-BUDGET MEETING - ICMSA
03:15 PM	03:15 PM	PRE-BUDGET MEETING - SIMI
04:00 PM	04:00 PM	PRE-BUDGET MEETING - MACRA NA FEIRME
04:45 PM	04:45 PM	PRE-BUDGET MEETING - IBEC
08:00 PM	08:00 PM	FF EVENT

Thursday, October 11

10:00 AM	10:30 AM	BRIEFING FOR O.O.B. IN WHIPS OFFICE
10:30 AM	10:30 AM	O.O.B. (TANAISTE)
10:30 AM	04:45 PM	DAIL
11:30 AM	11:30 AM	GOVERNOR HURLEY
02:30 PM	02:30 PM	PRE-BUDGET MEETING - CHAMBERS IRELAND

03:15 PM 03:15 PM PRE-BUDGET MEETING - IRISH SENIOR CITIZENS PARLIAMENT

04:00 PM 04:00 PM PRE-BUDGET MEETING - IFA

04:45 PM 04:45 PM PRE-BUDGET MEETING - IRISH TAXATION INSTITUTE

08:00 PM 08:00 PM LAUNCH OF THE BBBS PROGRAMME, THE COURT HOTEL,
O'MOORE ST, TULLAMORE (Script)

Friday, October 12

12:00 PM 12:00 PM MEETING MARK McCORMACK IN CONSTITUENCY OFFICE - RE:
PORTARLINGTON GAA CLUB LANDS

02:30 PM 02:30 PM MEETING JIMMY KEENIHAN & NED DALY IN CONSTITUENCY
OFFICE

06:00 PM 06:00 PM LAUNCH LAKELANDS & INLAND WATERWAYS AT
CLONMACNOISE MONASTIC (Script)

09:00 PM 09:00 PM BIRR COMHAIRLE CHEANTAIR MEETING IN COUNTY ARMS
HOTEL

Saturday, October 13

10:00 AM 12:00 PM APPOINTMENTS IN CONSTITUENCY OFFICE

05:00 PM 05:00 PM SPEAKING AT DUBLIN ECONOMIC WORKSHOP, PARKHOTEL,
KENMARE

Sunday, October 14

Monday, October 15

11:00 AM	11:00 AM	PRE-BUDGET MEETING - ISME
11:45 AM	11:45 AM	PRE-BUDGET MEETING - IRISH HOTELS FEDERATION
12:30 PM	12:30 PM	MEETING WITH OFFICIALS - RE: PBO
02:00 PM	02:00 PM	PRE-BUDGET MEETING - IRISH EXPORTERS ASSOCIATION
02:45 PM	02:45 PM	PRE-BUDGET MEETING - IRISH BANKING FEDERATION
03:30 PM	03:30 PM	PRE-BUDGET MEETING - THE CONSULTATIVE COMMITTEE OF ACCOUNTANCY BODIES-IRELAND
04:30 PM	04:30 PM	SARAH O'CALLAGHAN
05:00 PM	05:00 PM	MARK McCORMACK
05:30 PM	05:30 PM	FINTAN DRURY

Tuesday, October 16

09:00 AM	09:00 AM	MINISTERIAL MEETING IN SYCAMORE ROOM
09:45 AM	09:45 AM	MEETING WITH TAOISEACH, MINISTER HARNEY & MINISTER GORMLEY
10:15 AM	10:15 AM	GOVERNMENT MEETING
02:30 PM	09:30 PM	DAIL
03:15 PM	04:15 PM	ORAL PQS
04:15 PM	04:29 PM	LEADERS QUESTIONS
04:29 PM	04:29 PM	O.O.B.
05:30 PM	05:30 PM	PP

08:00 PM 08:00 PM OFFICIAL OPENING OF VALIDSOFT OFFICES IN CASTLE BUILDING, TULLAMORE (Script)

Wednesday, October 17

10:00 AM 11:00 AM BILATERAL - MINISTER M HANAFIN

10:30 AM 08:30 PM DAIL

10:30 AM 10:44 AM LEADERS QUESTIONS

11:29 AM 11:29 AM O.O.B.

01:00 PM 01:00 PM LAUNCH OF GREEN PAPER ON PENSIONS, GOVERNMENT BUILDINGS

02:00 PM 02:00 PM BRIEFING WITH OFFICIALS - RE: PBO

03:00 PM 03:30 PM BRIAN GOGGIN OF BOI & K CARDIFF

03:45 PM 07:00 PM DAIL - MOTION & COMMITTEE & REMAINING STAGES OF MiFID

04:00 PM 04:00 PM CABINET COMMITTEE ON EU AFFAIRS (FOR INFORMATION)

06:00 PM 06:00 PM FF SOCIAL AND FAMILY AFFAIRS POLICY GROUP IN THE PARTY ROOMS (FOR INFORMATION)

Thursday, October 18

10:00 AM 10:30 AM BRIEFING FOR O.O.B. IN WHIPS OFFICE

10:30 AM 10:30 AM O.O.B. (TANAISTE)

10:30 AM 04:45 PM DAIL

11:00 AM 12:00 PM DAIL - COMMITTEE & REMAINING STAGES OF MiFID

12:00 PM 03:30 PM PAIRED

03:00 PM 03:00 PM PUBLICATION OF PRE-BUDGET OUTLOOK, GOVERNMENT
PRESS CENTRE

Friday, October 19

Saturday, October 20

11:00 AM 11:00 AM FF NAT EXEC MEETING, GRESHAM HOTEL

04:15 PM 04:15 PM RECORD A PIECE FOR WINNING STREAK IN RTE

Sunday, October 21

Monday, October 22

Tuesday, October 23

09:00 AM 09:00 AM MINISTERIAL MEETING IN SYCAMORE ROOM

09:45 AM 09:45 AM MEETING WITH TAOISEACH, MINISTER HARNEY & MINISTER
GORMLEY

10:15 AM 10:15 AM GOVERNMENT MEETING

02:30 PM 10:30 PM DAIL

02:30 PM 02:30 PM COLIN HUNT

03:00 PM 03:00 PM MIKE MURPHY (BERMUDA) & MARY WALSH, PARTNER, PWC

04:15 PM	04:29 PM	LEADERS QUESTIONS
04:29 PM	04:29 PM	O.O.B.
05:00 PM	05:00 PM	(APPROX) DAIL - MOTION RE: PRE BUDGET OUTLOOK
05:30 PM	05:30 PM	PP

Wednesday, October 24

10:00 AM	10:00 AM	EDDIE SULLIVAN
10:30 AM	08:30 PM	DAIL
10:30 AM	10:44 AM	LEADERS QUESTIONS
10:30 AM	11:30 AM	BILATERAL - MINISTER M CULLEN
11:29 AM	11:29 AM	O.O.B. (MOTION: RE: SUPPLEMENTARY ESTIMATE (REFERRAL TO CTTEE) (WITHOUT DEBATE))
12:30 PM	01:30 PM	BILATERAL - MINISTER J GORMLEY
02:00 PM	02:00 PM	CABINET COMMITTEE ON SOCIAL INCLUSION, CHILDREN & INTEGRATION
03:30 PM	03:30 PM	PETER MALONE, CHAIRMAN, NRA
03:45 PM	07:00 PM	DAIL - MOTION RE: PRE BUDGET OUTLOOK
04:00 PM	05:00 PM	BILATERAL - MINISTER M MARTIN
05:00 PM	06:00 PM	BILATERAL - MINISTER M HARNEY
06:45 PM	06:45 PM	PBO - WRAP UP SPEECH
07:10 PM	07:10 PM	MEETING SENATOR LABHRAS O MURCHU IN LH

Thursday, October 25

10:00 AM 10:30 AM BRIEFING FOR O.O.B. IN WHIPS OFFICE

10:30 AM 10:30 AM O.O.B. (TANAISTE)

10:30 AM 04:45 PM DAIL

11:15 AM 11:15 AM (AFTER O.O.B.) MoS CONOR LENIHAN

11:20 AM 11:20 AM SEANAD - SECOND STAGE OF MiFID BILL (TAKEN BY MoS NOEL AHERN)

12:15 PM 12:15 PM PRE-BUDGET MEETING - COMMUNITY & VOLUNTARY PILLAR

01:30 PM 01:30 PM PRE-BUDGET MEETING - SMALL FIRMS ASSOCIATION

05:15 PM 05:15 PM PRE-BUDGET MEETING - ICTU

Friday, October 26

CONSTITUENCY DAY

08:30 AM 08:30 AM MEET TOM O'DONOVAN, O'DONOVAN & COWEN SOLICITORS, TULLAMORE

05:00 PM 05:00 PM MEETING DEPUTY MICHAEL FINNERAN AT RIVERSIDE AVENUE, CIRCULAR RD, ROSCOMMON

06:00 PM 06:00 PM PRE CONFERENCE DINNER IN ST NATHY'S COLLEGE

08:00 PM 08:00 PM OFFICIALLY OPEN THE DOUGLAS HYDE CONFERENCE IN ST. NATHY'S COLLEGE, BALLAGHADEREEN (Script)

10:00 PM 10:00 PM FF SOCIAL FUNCTION, HESTER'S BAR, CASTLEREA

Saturday, October 27

12:15 PM 12:15 PM MEET CLLR DOLAN & CON WARD, TULLAMORE CONSTITUENCY OFFICE

Sunday, October 28

Monday, October 29

BANK HOLIDAY

Tuesday, October 30

11:00 AM 11:00 AM BILATERAL - MINISTER B LENIHAN

12:30 PM 12:30 PM ROY DONOVAN

02:00 PM 03:00 PM BILATERAL - MINISTER E RYAN

03:00 PM 04:00 PM BILATERAL - MINISTER E O CUIV

Wednesday, October 31

09:00 AM 09:00 AM MINISTERIAL MEETING IN SYCAMORE ROOM

09:45 AM 09:45 AM MEETING WITH TAOISEACH, MINISTER HARNEY & MINISTER GORMLEY

10:15 AM 10:15 AM GOVERNMENT MEETING

12:30 PM 02:30 PM SEANAD - COMMITTEE & FINAL STAGES OF MiFID BILL (TAKEN BY MoS B O'KEEFFE)

02:00 PM	03:00 PM	BILATERAL - MINISTER M COUGHLAN
02:30 PM	09:35 PM	DAIL
03:00 PM	04:00 PM	BILATERAL - MINISTER S BRENNAN
03:45 PM	03:59 PM	LEADERS QUESTIONS
04:00 PM	05:00 PM	BILATERAL - MINISTER D AHERN
04:44 PM	04:44 PM	O.O.B.
05:15 PM	05:15 PM	DAIL - MiFID BILL
06:00 PM	06:00 PM	BRIEFING BY GARDA COMMISSIONER IN SYCAMORE ROOM

Thursday, November 1

09:00 AM	09:00 AM	BILATERAL - MINISTER N DEMPSEY
10:00 AM	10:30 AM	BRIEFING FOR O.O.B. IN WHIPS OFFICE
10:30 AM	04:45 PM	DAIL
10:30 AM	10:30 AM	O.O.B. (TANAISTE)
11:45 AM	11:45 AM	SEANAD - STATEMENTS ON PRE-BUDGET OUTLOOK
12:40 PM	12:40 PM	VOTE ON PRIVATE MEMBERS
01:15 PM	01:15 PM	ATTEND LEINSTER SOCIETY OF CHARTERED ACCOUNTANTS LUNCHEON, WESTIN HOTEL, WESTMORELAND ST (Script)
02:30 PM	02:30 PM	PRE-BUDGET MEETING - CIF
03:45 PM	05:15 PM	VISIT BY AN TAOISEACH & TANAISTE TO DCU INSTITUTE OF SPORT CENTRE

OUR VALUES

This election is about values. In 2002, the Irish people have fundamental choices to make about the type of country we want to live in, about the type of society we want for our children, about the type of environment we want to bequeath to our children and grandchildren. The options we choose depend on the values we espouse.

In 2002, Irish society is catching its breath after almost a decade of unprecedented economic success. Economically, we have the potential to continue to build our prosperity. With the right Government policies, we can look forward to the prospect of at least another decade of strong economic growth and high levels of employment. Or we can make the wrong choices, and blow this opportunity.

This prospect of growth also holds out the possibility of improving the quality of life for all our citizens. Making Ireland a more competitive economy and a better place to live will require a Decade of Investment in public services and infrastructure, and a strong commitment to quality public services for all our citizens. Or we can continue to neglect public services and let them, and our quality of life with them, wither on the vine.

We can also make Ireland a fairer society. With energy and commitment, we can tackle homelessness, we can rescue our ghettos, we can end the misery and death of drug addiction, we can tackle poverty. Or we can continue to ignore these problems and pretend that they don't really exist.

The outgoing Government inherited an economy in the middle of an unprecedented boom, and an exchequer which was coming into surplus for the first time in 25 years. They blew the lot. They squandered the boom on tax cuts for the privileged, rather than improve quality of life for all, or invest in the future of our public services. The result has been crisis in hospitals and schools, congestion and failure in every conceivable form of infrastructure, and an ever more divided society.

This has not been an accident. This Government has been guided by a combination of crude Thatcherite ideology, as expressed by the Tánaiste and the Minister for Finance, and the populist complacency of the larger Government Party. It has been a recipe for mismanagement and neglect.

The condition of the public finances at the end of this failed administration is vastly worse than the healthy situation they inherited. Charlie McCreevy has cooked the books to avoid the appearance of borrowing. But the outgoing administration has run down services for the

people to finance tax cuts for the rich. Ireland in 2002 now spends less on essential public services than any other member state of the European Union. The politics of Harney and McCreevy are the politics of the short-term and the quick buck.

This Government stands condemned, above all, however, for its negligence, and for its sheer lack of ambition. More often than not, when this Government has had choices, it has chosen to do nothing. Never has an Irish Government had such resources. Never have such resources been met by such little action.

The results are there for all to see. We languish well down the United Nations development league table by comparison with other European countries, and even that is on the basis of figures which almost certainly overstate our level of development. This appalling waste of human potential is the responsibility of a Government that always prefers to do nothing.

Labour's values are different. Ours are the politics of vision and ambition for Ireland. Our approach to Government is driven by frustration with the untapped human potential in Irish society, and a determination to unleash it. We believe that Ireland can be a better place to live, and we are determined to make it so.

Labour believes that the State has a vital role to play in Irish society, as an agent of economic development, and as an engine of social change. The Labour Party stands for a fundamental change in Irish society and for the protection of the dignity and liberty of the individual. As a political force our aim is to achieve a society founded upon the principles of freedom, equality, community and democracy. We bring to these tasks a proud record of achievement since our foundation.

In these aims Labour works in tandem with our sister parties in these islands and in the European and international social democratic and socialist movement. We are committed to international peace and co-operation, especially on the continent of Europe, towards overcoming the legacies of past conflict and towards securing a decent existence for all of our peoples.

For more than a century, the peoples of Europe have looked to social democratic parties to provide a decent quality of life and economic fairness. As globalisation has driven a new wave of economic change and opportunity, it has brought with it uncertainty, and in some cases gross injustice. These new forces driving global capitalism pose a significant challenge to the nation state and to international political institutions. Unchecked by democratic control, global capitalism has a potential to do severe damage to the social and economic rights of the individual. Thus, over the past decade, the peoples of

Europe have looked again to social democratic parties, seeking to harness the benefits of new prosperity to the advantage of the whole community. Unlike the civil war parties, Labour has not been compromised by cosy economic relationships with the representatives of global or national capital. We will stand firm on the side of the liberty and dignity of the individual.

Labour believes that the simplistic economic individualism of Harney and McCreavy is a recipe for unfairness and a poor quality of life. There are some things in life which are best provided collectively, jointly funded by citizens through the state. The failure of this Government to invest in public services illustrates this only too well. In transport, education, health care, social services and so many other areas, this outgoing Government has shown by its neglect how many problems in modern life are best addressed through citizens acting collectively, with the state as the driving force. And when they do so, we all move forward together.

Money alone will not deliver high quality public services. They also require drive and commitment on the part of Government. The outgoing Government has made it clear that they regard public services with disdain. Labour in Government will drive forward with both investment and reform, because we believe in the importance of high quality public services.

We are also committed to strategic long-term thinking. This Government has taken an economy with the healthiest exchequer accounts for a generation, and blown it. It was Labour in Government that helped to lay the foundations for our economic success, and we will do so again. Our last term in office was characterised by a firm commitment to economic prudence and stability. We will continue to pursue sustainable and prudent growth within the parameters applying to Ireland as a member of the EU and the Euro area. We are committed to sustainable expansion in incomes and employment, with sound economic policies, and an unshakable commitment to social justice. In the long term, the two are inextricable. The Labour Party is determined to see not simply development and wealth creation for its own sake, but also a socially just distribution of resources.

A deadening cynicism has taken hold in Irish politics. Political activity is seen to be irrelevant or self-serving. The Labour Party's answer to that cynicism is to reclaim the space of citizenship and political activity by advocating a strong, principled and ideological commitment to the rights of the individual as a citizen and as a member of the community. We reject the influence of business in funding political parties. We reject the cynical and self-interested call of those who offer "value for your vote". We will replace the right-wing agenda of the civil war parties and of the junior micro-party in the

outgoing Government, which is based on the status of the individual as a member of an economy, a client or a dependent, with our rights-based approach of the individual as a citizen and a member of society and of the community.

For politics to be trusted and relevant, politicians must deliver for people. Labour has made it clear in our pledge card what our immediate priorities will be in Government and we will deliver on those commitments.

We are committed to the principle that all human beings are born free and equal in dignity and rights, in the words of the Universal Declaration of Human Rights. Freedom and equality are the birthright of all human beings, but those rights are jeopardised for a vast proportion of the population of the world and for a significant number of people within our State. Our status as a developed country carries with it an essential duty to assist the less developed nations of the world. This duty is owed as of right and is not a matter of charity or as an optional extra as resources and expedience allow.

We will strengthen Ireland's international commitment – within Europe, by facilitating enlargement of the EU and contributing to the reform of its institutions, and globally by strengthening our commitment to and participation in international law and judicial fora, and our role in international co-operation and conflict prevention as peacekeepers and peace enforcers under UN mandates and as part of UN or RRF Forces. Our Defence Forces will be strengthened to continue to play a prominent part in spearheading the drive for international peace and security.

We are proud of the contribution we have made to the peace process. We will continue to pursue our historic role as campaigners for social and economic justice and as brokers of peace and reconciliation in Northern Ireland.

We in the Labour Party are ambitious for Ireland – we see this country as having the potential to create a truly just and socially progressive society. We will overcome the legacy of five wasted years of dissipating the prosperity and the opportunity to create a better quality of life for everyone. The failed outgoing administration has little or nothing to show for the boom years. We in contrast will work strenuously to build a truly fair and prosperous society. The Labour Party is rightly and proudly ambitious for Ireland. On polling day, we are asking you to join with us in striving for those ambitions.

Tackling the Housing Crisis

Under the failed outgoing administration, house prices have more than doubled, rents have doubled, the numbers on council housing lists have doubled and homelessness has doubled. Under the outgoing Government, home ownership has been put beyond the means of most young couples. Their housing policies have been a dismal failure.

Radical new solutions are needed to solve the housing crisis and to ensure that our people will have a right to good quality, secure homes at affordable prices. Only the Labour Party is committed to the radical reforms which are needed in housing.

- ❑ We will build 50,000 social housing units over a 5-year period and will commence the process of land acquisition, design and planning immediately on entering Government.
- ❑ Legislation will be introduced to provide for the final abolition of ground rents.
- ❑ We will speed up the implementation of the homelessness strategy.
- ❑ Labour will establish a National Housing Authority. The Authority will have overall responsibility for co-ordinating the housing strategies of local authorities and for providing the professional and managerial supports needed by local authorities to meet their housing targets. The NHA will oversee the production of housing supply to meet the housing needs of the population as identified in the housing strategies. To this end, the NHA will have the power to enter into long and medium-term contracts with the private construction industry to deliver the affordable housing which will be needed over the next decade. This approach will ensure that housing supply is directed to meet need and that stability is ensured for the home construction industry.
- ❑ Local authorities will be required to assemble land banks for their own housing programmes, for voluntary housing schemes and for private sector building under the fair price certification system. The 20% maximum requirement for social and affordable housing will become a mandatory requirement for all local authorities.
- ❑ Labour will increase the thresholds for participation in the shared ownership scheme.
- ❑ Labour will introduce legislation to establish a Housing Market Commissioner, to ensure that high standards of building quality are maintained in house construction, that the house buyer is protected against sharp practices by builders or estate agents and that a system of Fair Price certification is established to which a house

purchaser can refer.

- ❑ Rogue developers will be hit with legal sanctions where they fail to complete estates. Under our legislation they and their associated companies will be refused permission for further developments.
- ❑ The right to reasonable access to housing will be included in a constitutional amendment Bill on economic, social and cultural rights.
- ❑ Labour will widen the role of the non-profit housing sector. We will ensure that voluntary and co-operative housing bodies are supported and encouraged to increase the proportion of dwellings which they provide.
- ❑ A new Housing Benefit will be introduced to replace existing Rent Allowances and to end the disincentive to work in the present system.
- ❑ Because the delivery of our housing programme is dependent on proper infrastructure, the national spatial plan will integrate housing provision with infrastructural needs.
- ❑ In addition the operation of some management companies at the behest of developers is a matter of concern and requires legislative regulation.
- ❑ Labour will substantially increase the provision of purpose-built student accommodation.
- ❑ We will take measures to tackle the failure to provide adequate accommodation for members of the Traveller community.

Labour condemns the failure of the outgoing Government to implement the modest measures provided for in the Report of the Commission on the Private Rented Sector. We will introduce legislation to regulate the private rented sector and to encourage investment in the provision, on a long-term basis, of good quality affordable private rented accommodation.

- ❑ Tenants' security of tenure will be enhanced.
- ❑ We will take legislative measures to promote affordable rents.
- ❑ A Housing Court will be established on the model of the Labour Court/Employment Appeals Tribunal to resolve disputes between landlord and tenants. It will have a Mediation Service and will have the power to determine disputes.
- ❑ The current system of registration of landlords will be scrapped and replaced with a system of prior licensing and inspection.
- ❑ Landlords will be given quick redress where there is abuse of a tenancy agreement.

This legislation will be accompanied by measures to treat the private rented sector as a business and to encourage investment in the long-term provision of good quality, well-managed private rented accommodation.

PREFACE

The Ireland I grew up in during the 1950s and early 1960s was a failure. The newly independent State was economically incapable of sustaining its people, who emigrated in their thousands at enormous human cost, and its society was insular, static and often stultifying.

Ireland today is vastly different. Economic growth and prosperity have changed the face of our country. The prosperity dreamt of by the founders of the Irish state has been achieved. Ireland now is a far more open and tolerant society.

Ireland is no longer the failed entity of the past, but we have more work to do.

Ireland has a successful economy, but a society under strain. Hard working families across Ireland live life on a treadmill – a never-ending and ever more grinding cycle of traffic, work, and responsibility. Sections of our people continue to suffer disadvantage and deprivation. One in nine of our children live in poverty, and in some schools, one in three suffers severe literacy difficulties. Growing anti-social behaviour makes life miserable for vulnerable people and their communities. There are signs, particularly among our young people, of a society ill at ease with itself and in need of a fresh sense of purpose.

We cannot take our economic success for granted, but neither can we be content with economic success alone. We must measure ourselves too by the quality of our civilisation – by the kind of Ireland we create and bequeath to our children. We must seize the opportunity afforded to us by peace and prosperity to build an Ireland that I call the Fair Society.

The Fair Society is built on a prosperous and sustainable economy, personal liberty and social solidarity.

At the heart of the Fair Society is the idea of human potential. We are all born with gifts and abilities, which we develop over the course of our lives. Our human potential is sometimes expressed in the extraordinary, sometimes in the apparently ordinary, but it is through the development of that potential that we individually and collectively flourish.

To be a socialist is to recognise in each of us, the common humanity that binds all of us. The Nobel prize-winning philosopher-economist, Amartya Sen wrote that 'a common characteristic of virtually all the approaches to the ethics of social arrangements that have stood the test of time is to want equality of something'. To do otherwise, is to place one person on a different level to another – it is to deny our common humanity.

In the Fair Society, the talents and potential of all are equally valued, and society is structured so as to allow for the development of that immense human potential. As Richard Tawney wrote: 'A society is free in so far and only so far ... as its institutions and policies are such as to enable all members to grow to their full stature'. It is the task of government to confront the arbitrary interests and the concentrations of power which hold people back, and through positive measures ensure that all have the opportunity to fulfil their potential – to bridge the gap between our circumstances, and what is within us to become.

Labour is the authentic Irish expression of the great European socialist and social democratic movement. For a century, our movement has worked to improve the lives of hard working families and to protect the vulnerable in our society. Our values of democracy, equality, community and solidarity are unchanging. In common with our sister parties across Europe, we constantly debate and reassess the best means and policies through which our values can be given expression in a rapidly changing world.

Labour is a party brimming with ideas. Since I became Labour Leader, our party has continuously developed policies which apply our values to the needs of modern Ireland and to the problems confronting people in their daily lives. This manifesto reflects the outcome of that work. It outlines twenty of the most important challenges facing Irish society, and sets out concrete and realistic means of addressing them.

Our economic strategy is based on the necessity to build a new platform of competitive advantage for Ireland, based on investment in people, infrastructure and ideas. We are firmly committed to fiscal stability, and in government will adhere to the terms of the EU Stability and Growth Pact, but that is not enough to ensure continued prosperity. We have concentrated particularly on the importance of knowledge in driving growth and prosperity. We reject the notion that inequality is good for economic growth, but rather see an inextricable link between life-long learning and long-term growth and prosperity.

For this reason, and for its intrinsic value, education is at the core of the Fair Society. The Fair Society erects no barriers between any child, irrespective of income, and the attainment of knowledge to the limit of their potential. Equally, the Fair Society commits itself to life-long learning for all as a means of enhancing prosperity, enriching individual lives, and overcoming the unjust legacy of past inequalities. To achieve that goal, a significant shift in our society towards a 'learning culture' is required. Accordingly, the maintenance and extension of universal free education, from our pre-schools to our universities, is one of Labour's core values. Introducing at least one year of free pre-school education is one of my five key commitments for change in this election. We must also radically overhaul our concepts, attitudes and systems for training, up-skilling and adult learning.

The Fair Society is built on a strong public realm – the place in the life of our community where we meet each other as equal citizens, sharing rights and obligations, and providing common services. The place where we debate with each other, elect a government and hold it to account. Our democracy is suffering from a deep sense of cynicism among our people, and the Oireachtas, which should be at the heart of our democracy, is losing its relevance. This manifesto sets out a comprehensive set of measures to reform the Dáil, to end the waste of taxpayers' money, and to transform government more generally, making it more accountable and ensuring that local and national governance delivers high quality public services to our people. Our commitment to public services is grounded in our conviction that, acting collectively, people achieve more than when acting alone. Government must be an agent of progressive social reform and the provider of high quality services, particularly in areas where excellence and equality of access are ethically and socially necessary.

Nowhere is this more urgent than in health. Labour's approach to health is based on the principles of excellence, equality and value for money. We must rescue the health service from its deep-seated crisis, beginning with a substantial expansion in capacity. I am committed to providing 2300 extra hospital beds. Labour is utterly opposed to the major extension of for-profit medicine being proposed for Ireland, and will scrap the present coalition's plan for superprivate clinics. We are committed to the development of a system of universal health insurance, so that resources are directed to addressing the needs of all patients on an equal basis: 'the money follows the patient'. The proposals in this manifesto would make substantial progress towards this goal, including free health insurance for all children up to age sixteen.

Labour's commitment to equality is at the heart of our existence as a party. Labour has always been at the forefront of the fight for greater equality and human rights in Ireland. This manifesto commits the Labour Party to continuing that work in government, legislating to protect the rights of people who are experiencing discrimination in our society. Passing our Civil Unions Bill will be a priority for Labour in government.

We are committed to tackling social and economic inequality, and to spreading the opportunities of modern Ireland to all our people, through reform and enhancement of the social welfare code. We are proposing a range of social

welfare measures, including a concerted effort to tackle child poverty, and because I believe that our society must respect and care for those who care for others, I am committed to abolishing the means test for carers. Labour in government will invest in those communities which are afflicted by multiple and cumulative disadvantage through our 'Fair Deal' initiative. We will extend the hand of solidarity too, to those Irish people who emigrated from our shores and have fallen on hard times in the UK and elsewhere.

Labour recognises the vital importance of the communities in which we live, and is committed to the values that underpin community life, including mutual respect and service to others. Ireland's communities are strong, but our community values are being eroded by two decades of the 'devil take the hindmost', and by patterns of development that have placed the needs of property over the needs of people and the building of communities. In a range of areas, including transport, planning and land use, and in our proposals on sport, culture and the arts, we are bringing forward measures to enhance and strengthen community life. My commitment to our 'Begin to Buy' scheme reflects that priority.

Our proposals on policing are centered on the importance of genuine community policing. We want to build a modern and effective Garda force, where Gardaí work in communities they know, serving people they know. Through my commitment to increase the number of community Gardaí, and by building partnerships between communities and those who police them, we can tackle the plague of low level crime and anti-social behaviour that is so destructive of community life.

Government, alone, however, will not enhance restore community life, or create the environment in which our young people will grow and flourish. As a people, we must also commit ourselves to the values of mutual respect and service, and apply them in the conduct of our lives.

Global warming now ranks alongside global poverty as one of the greatest challenges facing humanity. It is a challenge that will motivate and mobilise a new generation of people to engage with politics. It is also a challenge that Labour instinctively understands and responds to, because global warming reflects the failure of markets to address the broader social and environmental impact of economic activity. It is, at its heart, an ethical challenge to which we must all, as a society and as individuals, respond. Labour is committed to working with our partners in Europe for global action on climate change, while taking the measures necessary to reduce carbon emissions in Ireland.

We believe, too, that Ireland must honour its commitment to the world's poor, and achieve without further delay the UN target for ODA of 0.7 per cent of GNP. Our ODA bill will put this commitment on a statutory footing. This is one element in a shift towards an Irish foreign policy that is rights-based, that respects international law, that promotes human rights and development and that gives concrete expression to Labour's ideals of international solidarity.

I believe in government as a powerful agent for change. I believe that Ireland can have a strong economy, and a strong society – the Fair Society. My five commitments for change are the first things Labour in government will do to achieve this goal, and this manifesto sets out a wider ranging agenda for change.

That change will not be possible unless Labour is in government. So if you, like me, believe in a Fair Society, then join us, campaign for the ideas in this manifesto, vote Labour, and make that change.



Pat Rabbitte TD
Leader of the Labour Party

COMMITMENTS FOR CHANGE

Over the last few months, Pat Rabbitte has outlined five 'Commitments for Change' that Labour in Government will implement. This is personal commitment by Pat – it is not the totality of what Labour will do, but five commitments for change that will make a difference.

1. More beds in clean hospitals

My commitment is to provide 2,300 more beds in hospitals that are clean. We need more beds to deal with our health needs. We need our hospitals to be cleaner so that you can be sure that going into hospital doesn't mean catching MRSA.

2. Pre-school education for all our children

My commitment is to provide pre-school education for all our children. To give our kids the best chance they can is the wish of all parents, and we all know that the start they get is crucial to that. It will support hard working families and will amount to five half-days of pre-school education, provided free of charge to all children.

3. More Gardaí on the beat in neighbourhoods

My commitment is to ensure that there are more Gardaí on the beat in neighbourhoods. Hard working families are entitled to live in peaceful law-abiding communities. I am convinced that changes in the manning, deployment and organisation of the Garda Síochána would have a hugely positive impact on people's quality of life and on the rates of crime and anti-social behaviour.

4. Abolish the means test for carers

My commitment is to abolish the means test for carers. Carers in our communities provide unpaid help for a family member or friend with a disability. And while nearly half of these carers have no paid employment and one third of them give more than 43 hours of unpaid time per week, less than a fifth receive financial assistance from the state for their invaluable and tireless work. It is time to recognise their selfless commitment.

5. Enable more people to begin to buy a home

My commitment is to enable more people to begin to buy a home. I have developed a new idea to help people get onto the property ladder. It is a new scheme that will provide a means for more people with a job to begin to buy their own home. This new proposal is called 'Begin to Buy'.

What Labour will do

Budgeting for Growth and Stability

Labour will manage the public finances in a manner which promotes economic stability and sustainable non-inflationary growth. Our approach to fiscal policy will be based on fiscal discipline and stability, investment in better public services, higher capital spending, the attainment of better value for money in public spending, and progressive tax reform.

Fiscal Discipline and Stability

Fiscal discipline and stability are essential to maintaining economic growth and higher employment, while also being a formal requirement of EMU membership.

Our approach to fiscal policy in government will be situated in the context of our over-riding commitment to the EU Growth and Stability Pact, to which Ireland is committed as part of our adoption of the euro. This means respecting the requirement that, over the course of an economic cycle, the General Government Balance will, on average, not exceed 1 per cent of GDP.

We will avoid pro-cyclical fiscal policies that increase inflation and reduce long-run competitiveness. There is a requirement to slow growth in day-to-day spending down from the present unsustainable rate towards the rate of growth in the economy.

We will maintain sufficient flexibility in the public finances to prevent a sharper than expected slowdown in growth breaching our EMU commitments, and without the need for cutbacks in public investment and services.

Under this approach, Ireland's national debt will continue to decline significantly as a percentage of national income.

Better Public Services

Labour is committed to high quality public services as an essential element in building a Fair Society. We will deliver substantial improvements to public services through a combination of investment and reform.

- We guarantee to implement the following five commitments for change set out by Party Leader Pat Rabbitte:
 - Planning and building 2300 additional acute in-patient hospital beds within the lifetime of the National Development Plan, the maximum possible number to be completed within the lifetime of the next government
 - Increasing the number of Community Gardaí to 1500
 - Providing one year of free pre-school education for every child
 - Abolition of the means test for carers
 - Establishing a 'Begin to Buy' scheme to allow people who are working to buy a stake in a home.
- These spending commitments represent a modest proportion of the total amount of resources that are likely to be available over the next five years.
- **Allocation of additional resources for further public service improvements will be determined in the context of annual budgetary planning, subject to our over-riding commitment to economic stability and our EMU obligations. The tax and spending commitments given in this manifesto are subject to the over-riding requirement for fiscal stability as expressed by the terms of the Stability and Growth Pact.**
- We are committed to increasing Ireland's Official Development Assistance (ODA) to meet the UN target of 0.7 per cent of GNP. Accordingly, we will legislate to establish an ODA fund, into which 0.7 per cent of GNP will be paid annually (in a manner similar to the payments to the NPRF). In this way, ODA contributions will be accounted for as a charge on the Central Fund.
- We will fulfil existing government policy commitments across a range of public services areas, including those set out in the Social Partnership Agreement, *Towards 2016*.

Higher Capital Spending

In order to address a range of economic and social infrastructural deficits, and to lay the foundations for future growth and prosperity, Ireland will be required to maintain a high level of capital spending over the next decade.

- Labour will increase capital spending to the levels set out in the National Development Plan.
- At the same time we will introduce a new framework for delivering infrastructure on time and on budget, as set out elsewhere in this manifesto.
- We will also invest 1 per cent of GNP in the National Pension Reserve Fund (NPRF) annually over the lifetime of the government.

Better Value for Money

Poor management of public expenditure has diminished confidence in public services as a means of delivering a better quality of life and a more equal society. As a party committed to the concept of high quality public services, Labour has already published detailed proposals for delivering better value for money in our document entitled *The Buck Stops Here*.

This set out more than forty specific recommendations to improve strategic management of government priorities, enhance Oireachtas scrutiny of spending, modernise the expenditure management capacity of the civil and public service, and set out clear lines of accountability for Ministers and civil servants. These proposals are set out in detail elsewhere in this manifesto in the section entitled 'Reinventing government'

Tax Reform for Economic and Social progress

Over the term of office of the next government, economic growth will generate substantial exchequer resources. In that context, Labour will implement the following progressive tax reforms:

A More Progressive and Family Friendly Income Tax Code

Labour will enhance the incomes of hard working families who have suffered from the "rip off" experience by delivering progressive income tax reform. We will also provide income tax reforms that recognise the work done by carers in the home, and which support the life choices of all families, including parents and other carers, in achieving their own preferred balance between paid work and unpaid care. To achieve these aims, we will introduce the following measures:

- **A 2-point cut in the standard rate of tax from 20 per cent to 18 per cent.**
- An increase in personal credits in line with wage growth. This will increase the personal and married credits to €2,000 and €4,000 respectively by 2012. Combined with a cut in the standard rate of tax, the increase in personal tax credits will ensure that no employee earning less than €10.30 per hour (€400 per week assuming a 39 hour week; €20,900 per year) will pay income tax.
- **An increase in the home-carers' credit to the level of the PAYE credit (to €1,760), with a doubling of the income disregard for eligibility for this credit to €10,160.**
- Indexation of the standard rate band to wage increases on an annual basis, in a way that provides the same increase for one and two-income families. Wage indexation alone will increase the standard rate band by €6,000 for singles, and will increase the transferable band by €12,000 for one- and two-income families. This will halt the present policy of continually widening the gap between the tax treatment of one- and two-income families.
- **On top of indexation, we will provide an additional €5,000 increase in the transferable band for one-income and two-income families, to be offset by a cut in the extra standard rate band for the second earner from €25,000 to €20,000.**

A Fairer Stamp Duty Regime

It is the role of government to help families buy their homes, not to get in their way. The present stamp duty structure has become inequitable because of the failure of government to adjust tax thresholds as house prices rose, and because of the structure of the tax which applies each progressive rate to the whole house price not just to the excess above the previous threshold. The result is high stamp duty payments on much more modest homes than was originally intended. In government, we will introduce a fairer system of stamp duty on residential properties that helps make housing for all families more affordable.

Specifically, we will:

- **Raise the zero stamp duty threshold for first time buyers from €317,500 to €450,000 with duty paid only on the excess over this threshold.**
- **Restructure the stamp duty system for other buyers as follows:**
 - **No stamp duty up to €100,000**
 - **On the next €350,000 a 5 per cent rate will apply**
 - **On the balance a 9 per cent rate will apply**
 - **These changes will be a priority for Labour in government and will be introduced as a single measure.**

A Tax-Supportive Environment for Employment and Exports

We recognise that a competitive tax regime has been, and will remain, vital in encouraging employment, entrepreneurship, investment and exports. We recognise the need to maintain incentives for work, and to maintain Ireland's attractiveness as a location for mobile investment and skilled labour.

Accordingly we will:

- **Maintain the existing rates of Corporation Tax.**
- **Maintain the existing rates of Capital Gains Tax.**
- **Restrict growth in charges by state bodies at the rate of inflation. Any requested increases beyond the rate of inflation will require a specific Public Interest Report to be presented to the Dáil.**
- **Examine further tax measures to make investment in high-tech, export-oriented Irish firms more attractive to investors.**
- **Review the operation of the Tax Credit for Research and Development in Ireland to see how it can be made more attractive to smaller, Irish-owned companies that are seeking to develop new products and services.**

A Greener Tax System

As set out elsewhere in this manifesto, Labour is committed to comprehensive and urgent action to tackle climate change. As part of this broader plan, we will take the following fiscal measures:

- **We will rebalance VRT in a revenue-neutral fashion to favour lower-emission vehicles.**
- **We will abolish excise duty on biofuels produced from renewable energy crops, in conjunction with other measures to stimulate the development of a market in biofuels.**
- **We will introduce a stamp duty credit linked to a sustainability rating structure (reducing prices of energy efficient buildings in built up areas).**

A More Equitable and Efficient Tax System

Under Fianna Fáil and the PDs, the Irish tax system has been distorted to facilitate systematic avoidance of taxation by wealthier individuals in Irish society. The spectacle of millionaires paying little or no tax is both profoundly unfair and corrosive of public confidence in the tax code. We will ensure that the tax system is administratively simpler, more transparent and fairer.

- We will establish a Commission on Taxation to examine tax schemes on an on-going basis, whose work will include:
 - Subjecting tax breaks to scrutiny of their costs and benefits.
 - Assessing compliance levels for different tax headings and revenue powers needed to protect the tax system; and
 - Presenting an evaluation of the tax burden and compliance costs for taxpayers.
- **We will put in place a tax-payers advocate, situated in the National Consumer Agency, to ensure that PAYE workers in particular get all the tax credits to which they are entitled.**
- We will cap the benefit that any one individual can derive from cumulative tax breaks on investments outside of his/her principal occupation so that very wealthy individuals cannot use such schemes to avoid paying a reasonable share of their income in tax.
- We will extend tax relief at source to additional areas such as bin charges and medical expenses.
- We will provide for equal tax treatment for couples in Civil Unions.

Decentralisation

The introduction of the decentralisation programme flew in the face of all established procedures for ensuring sound decision-making and the government's own National Spatial Strategy. It threatens both to waste taxpayers' money and damage public services. There is a real danger that major property commitments have been entered into which will only offer partial service and create wasteful duplication. It has also undermined morale and operating efficiency in the public service.

This approach has damaged the potential for a rational and coherent decentralisation programme based on consultation and fair procedures. Labour proposes to create a framework where the best elements of the present decentralisation programme can be secured and further potential opportunities developed for the future. In government, Labour will adopt the following approach:

- An Immediate audit will be undertaken of the existing proposals. We shall proceed with those which have a sound business case, and a good regional fit. Decentralisation should be voluntary and based on genuine consultation.
- Where the specific proposals are found wanting, we will seek to identify alternative opportunities for decentralisation which have the potential to succeed given a sensible and well planned timescale. This must be part of a wider strategy for balanced regional development.
- We will reverse the decision to move some of the core policy planning units of government departments away from Dublin city as it would undermine the continuing effectiveness of policy development. It is our clear preference that 'stand alone' business units be moved under the decentralisation programme. We are also opposed to the moving of specialist posts which results in the loss of vital expertise or wasteful duplication of posts. We recognise the particular position of staff in state agencies.

CONTENTS

Forward by An Taoiseach	03
Overall Summary	04
Looking Back, Moving Forward	06

MAKING IT HAPPEN

• Economic and Budgetary Background	08
• Delivering good and effective government	10

PEACE

• Introduction	14
• Building a Lasting Peace	15
• Ireland and the European Union	18
• Defence	23

PROSPERITY

• Introduction	25
• Delivering Strong Growth and a Healthy Economy	26
• Sustaining Full Employment	29
• Improving the Conditions of Employment	31
• Keeping Ireland at the Cutting Edge (IT and research policy)	33
• Developing the Regions	35
• Agriculture	37
• Rural Development	41
• Improving the Quality of Island Life	43
• Tourism	45
• Transport, Infrastructure & Public Enterprise	47
• Marine and Natural Resources	52

PROGRESS

• Introduction	55
• Building an Inclusive Society	56
• Providing for Pensioners, today and in the future	58
• Health	60
• Children	62
• Education	64
• Disability and Caring	66
• Housing	68
• Environment	71
• Crime	73
• Sport	75

• Culture	77
• Gaeilge	79
• Promoting Gender Equality	82
• Supporting Diversity and Tolerance	84
• Asylum & Immigration	86
• Drugs	88
• Local Development	90
• Pursuing the Closure of Sellafield	94

FOREWORD BY AN TAOISEACH

Since 1997, Fianna Fáil has led a Government which has helped our country to achieve a lot. Real progress has been achieved on problems which we have struggled with for generations.

The era of mass unemployment and emigration has been brought to an end and we finally have in place the foundations for building a just and lasting peace on this island.

On the basis of the ambitious programme which we set before the people in 1997, we have worked hard to implement our promises and we are proud of what we have achieved - but we also know that there is a lot more that remains to be done.

This manifesto sets out an agenda for the years ahead to protect and build upon our recent peace, prosperity and progress. Over the next few weeks we will publish further documents relating to key issues.

We are now taking our message to the people. That message is that our country has achieved a lot and can, with the right policies, achieve much more in the years ahead.

OVERALL SUMMARY

Over the last five years, Fianna Fáil in Government has worked hard to deliver on its promises to the Irish people. The era of mass unemployment and emigration has come to an end and there has been an historic breakthrough for peace.

We are proud of our achievements, but no Government could be expected to achieve everything it aspires to do in one term. We believe that the last five years have provided the essential foundation for building a lasting peace, prosperity and progress – but we also believe that there is much more still to be done.

In this election the people are faced with a clear choice, between ambitious yet responsible policies or a return to the failed approaches of the past. This Manifesto sets out our detailed agenda for the years ahead – with clear priorities on how we can:

- Build lasting peace and reconciliation on this island
- Protect and expand prosperity for all
- Achieve sustained progress on important issues such as health, pensions and education
- Deliver more effective and responsive public services.

PEACE

Amongst the full range of achievements since 1997, it is the historic breakthrough for peace represented by the Good Friday Agreement that we are most proud of. But the work of building a just and lasting peace is not yet over.

Our vision of an Ireland at peace, also involves an Ireland which takes its place amongst the nations of the earth as an active and committed worker for international cooperation and development. This includes our participation in the European Union, United Nations and other international bodies. It also includes helping to support the world's poorest and most vulnerable peoples.

- We will use all of our political strength to broaden and deepen peace and reconciliation on this island.
- We will seek to promote the cause of peace internationally and will ensure that Ireland becomes one of the world's top 5 development aid donors.
- We will work to ensure that Ireland remains a full and active participant at the heart of the European Union.

PROSPERITY

In 1997 we promised the people a new era of prosperity. In the place of 'growth without jobs' and high personal taxation, we have delivered the historic advance of over 370,000 new jobs as well as record tax reductions and one of the Europe's strongest financial situations. Under Fianna Fáil Ireland has been the world's most dynamic economy, with prosperity reaching far beyond traditional areas and sectors.

But the work must go on: irresponsible policies could return us to the failed model of the 1980s when Ireland led the world in indebtedness. Prudent economic policies and investment in the long-term security of our prosperity are absolutely vital. Our

programme for the next five years is based on maintaining Ireland as a strong, dynamic economy and ensuring that we build lasting prosperity for all.

- We will maintain the Budget close to balance or in surplus in accordance with the Stability and Growth Pact.
- We will introduce a radical new way of funding and delivering major capital programmes through the establishment of a National Development Finance Agency which will, in the first instance, concentrate on roads, public transport, health facilities and schools.
- We will consolidate the spectacular reduction in taxation since 1997 and complete our programme of corporation tax reduction.
- We will invest in research and information technologies as a key to our future prosperity.
- We will develop the social, economic and physical infrastructure of rural Ireland.
- We will actively support the development of the regions.
- We will implement a comprehensive integrated transport policy.

PROGRESS

Fianna Fáil believes that the great challenges of building peace and prosperity, have at their core the objective of achieving real and sustained social progress. We have worked hard to use this period of national opportunity to invest in vital social services and to lift well over 200,000 people out of poverty.

But we know there is a lot more to do. That's why we are committed to an ambitious agenda to ensure social progress including the ending of consistent poverty in our country, the expansion of employment opportunities and the development of world-class public services.

- We will work to end consistent poverty in our country.
- We will reach a level of at least €200 per week for all old-age pensions.
- We will protect our National Pension Reserve Fund from the irresponsible and short-sighted raiding proposed by others.
- We will seek to negotiate a new Partnership Agreement.
- We will complete our programme of increasing Child Benefit.
- We will reduce class sizes for the junior years in primary schools and implement a programme to achieve at least minimum modern standards for all school buildings.
- We will implement our Health Strategy to permanently end waiting lists and achieve a world-class health system for all.
- We will end waiting lists for care services for people with disabilities.
- We will recruit an extra 2,000 Gardai and target them against street crime and drugs.
- We will work to develop disadvantaged rural and urban communities.
- We will promote diversity and tolerance.
- We will promote the sporting and cultural life of the nation.

LOOKING BACK, MOVING FORWARD

Last year, we in Fianna Fáil celebrated our seventy-fifth anniversary. We remembered the challenges of our young republic and marked our growing self-confidence as a nation. We celebrated an Irish democracy which is governed by the rule of law and a vision of Ireland which is enterprising, progressive and inclusive. We saluted not just a political party but a movement which reflects the aspirations and hopes of *all* Irish people. As we once again put an ambitious programme before the people we continue to draw on the Party's record of building peace, prosperity and progress in our country.

Since 1926, Fianna Fáil has been a catalyst for broadening the world of Ireland. During the 1960s, our *Programmes for Economic Expansion* transformed the economic direction and dynamic of our country. Our vision of free secondary education and radically expanded 3rd-level provision ensured that the door of opportunity was opened for our country. Our policies promoted a more equitable and accessible system of services and support. In 1965, Fianna Fáil initiated the ground-breaking talks on Northern Ireland and in 1973, we led Ireland into the EEC.

In doing this, we drew on the idealism of our founders and raised the expectations of new generations.

New directions are always challenging and often uncomfortable. But the people have trusted Fianna Fáil to lead them towards a new Ireland. Their support was vindicated in a succession of achievements that transformed the nation. With a weak and ineffective Government leaving Ireland in serious economic difficulties, it was Fianna Fáil which again led Ireland back to recovery, stability and growth. We pioneered social partnership, an approach which has well outpaced the aggressive ideological policies found elsewhere. We led Ireland through the increasingly complex world of the European Union and again, the Irish people embraced our vision that a new Ireland could develop with confidence only in a broader world.

Over the last five years, Fianna Fáil has again led Ireland through a period of unprecedented prosperity and growth. We ended the era of mass unemployment and created over 370,000 new jobs. We raised pensions to historic levels and dramatically increased investment in vital public services such as health, education and social supports. We provided for the first long-term strategic plan to improve our infrastructure and our quality of life. We consolidated an economy that is still the envy of the world.

And, in our proudest achievement, we achieved an historic breakthrough for peace – restoring the ceasefires and negotiating the *Good Friday Agreement*

which ended decades of violence and civil strife on our island. We kept our word to the Irish people. We created something that was real and tangible and once again, Fianna Fáil delivered.

It was the dream of Wolfe Tone and Robert Emmet that Ireland should take its place among nations. Fianna Fáil has always been committed to this ideal and worked to ensure that Ireland makes an active and positive contribution to the European Union, the United Nations and other international bodies. We have also always believed that our Nation has responsibilities to poorer countries – and we are proud to be the Party which has ensured that Ireland has, during our term, become one of the top aid donors in the world.

Over the last five years, we have led an Ireland which is exciting and dynamic. But it is also a changed Ireland where our people want to secure what we have achieved, build on it and move forward. We believe that the work is only beginning to make sure that our country builds and protects lasting peace, prosperity and progress.

Our Republican philosophy is derived from a belief in the people and has at its core a social vision where Government works hard to deliver for the people. Our aim in building and sustaining a vigorous and innovative economy is to improve the standard of living and quality of life of all our people, and to make Ireland the flourishing country that generations of patriots dreamed of – and we want that Ireland to be a peaceful and pluralist place.

It is in this spirit that we set out before the people our programme for the next five years and ask them for their support.

Making It Happen

Economic and Budgetary Background

- During our term of office we have worked hard to deliver real and sustained economic progress. Our taxation and investment decisions have been crucial in delivering average GDP growth rates of close to 10% per annum – a record for any OECD country. Not only has the size of our economy increased substantially, we have created over 370,000 new jobs and invested in the development of key public services such as pensions, health and education.
- Because of our responsible budgetary policies, we have made significant inroads into reducing the burden of debt on Government finances. This year we will pay a full €1 billion less in interest payments on the national debt than in 1997 – money which is helping deliver major increases in health, education and other key public services.
- We have also implemented policies to ensure that our fiscal and economic circumstances are sustainable over the long-term. Most importantly, the National Pension Reserve Fund, is ensuring that Ireland will be able to pay decent pensions even when the population ages significantly, as it is projected to do.
- The evidence is that this economy has the capacity, with the right policies, to continue to grow significantly, generating more jobs and helping to fund further significant improvements in public services. Budget 2002 contained a very conservative GDP growth projection for the medium term of around 5%. While less than the recent spectacular growth rates of recent years, this remains well ahead of projections for most of the OECD and gives us the capacity to keep on a stable and upward economic growth path.
- The international economic outlook has improved in recent months. We can expect to reap the benefit of this. Inflation will fall during the year and employment prospects can be expected to improve. The challenge is to position ourselves so that we can take maximum advantage of these circumstances in both economic and budgetary terms.
- The achievement of strong growth is, of course, dependent on renewed world growth and no adverse economic shocks. They also depend on the right policies continuing to be pursued domestically, particularly on maintaining competitiveness and sensible budgetary policies.
- We believe that the clear and obvious lesson of the times that Ireland has left behind is that we cannot tax and spend our way to employment and better services. In fact, the surest way to cause unemployment and undermine the public finances would be to implement unsustainable spending plans or to try to return to the days of high taxation.

- In 1997 we put before the people our priorities for the development of services. During our time in Government we have been guided by these priorities and we have actually gone beyond our commitments in many cases. For example, our increases in pensions, health and education have gone well beyond our 1997 promises.
- In this Manifesto we have again set out our priorities for public spending and we are confident that we will deliver on them.
- This Manifesto is predicated and dependent on continued growth in the economy. Fundamental to its successful implementation and the benefits it will bring to our economy and society is the management of budgetary policy in accordance with the EU Stability and Growth Pact. As such, we will maintain the Budget close to balance or in surplus.

Delivering Good and Effective Government

Over the past five years, we have implemented a wide range of initiatives to improve the responsiveness and effectiveness of government as well as to ensure that the holders of public offices operate within a strong ethical code. Over the next five years, we want to build further on this work, ensuring that the public can know that their government is working in their interests efficiently, effectively and informed by the highest personal standards.

Integrity in Public Life

First and foremost, politics is about public service. Elected office is the highest honour any citizen can achieve. We recognise the need to continually work to build public confidence in public affairs. Public life needs the talents and energy of people who passionately care about their community and their country. We firmly believe that events of the past must be dealt with fully and openly.

With this in mind, Fianna Fáil has already initiated the most thorough and far-reaching enquiries into the conduct of public business in the past, not only in the history of this State, but in the recent history of most democratic countries. **We are determined to act on all the issues arising from the enquiries and Tribunals. We will see these through, and our democracy will be the healthier for it.**

Over the last five years, the Fianna Fáil/PD Government has governed with integrity in the public interest.

- Through our legislative record, we have laid down a fair and honest basis for politics. During the lifetime of this Government, we have not only prescribed high standards, but also established serious penalties for breaching them. We will keep these regulations under review.
- We have already promoted a comprehensive and radical reform of the local government system in Ireland, including a strong ethical code.
- Fianna Fáil in Government will build on this and through both legislation and other action, we will aim to restore public confidence in political life and increase public participation in our democracy.
- Fianna Fáil will introduce legislation to regulate the role of lobbyists in public affairs and to provide a registration system.
- Within two years, Fianna Fáil will initiate a wide-ranging review of both the range of ethics measures passed in this last 28th Dail, as well as of the Ethics in Public Office Act (1995). We will examine how well these measures are working in practice, at both national and local level, and, where it is necessary improve upon them. We will do so on an all-party basis and seek to make them more effective.
- We will introduce a Proceeds of Corruption Act modelled on the Proceeds of Crime legislation, to further target white collar crime and corruption in both public and private sectors.
- We have passed eight Acts to strengthen our laws against abuses of public office and increase transparency.
- Under legislation which the Fianna Fáil/PD Government introduced all political donations must be deposited in a special account. Parties are required to furnish and audit accounts and likewise, the allowances of

Party Leaders are now audited. We have also passed tough new legislation to eliminate any potential financial influence on decision-making and to prevent corruption. A cap has been placed on donations to political parties. Fianna Fáil do not believe that, as has been established by recent experience, there is any validity in artificial distinctions between personal and corporate donations.

Proven Partnership

More than any other party, Fianna Fáil has opened up public policy to public participation. Fianna Fáil pioneered the concept of Social Partnership and has continued to deepen the process of consultation: extending it to initiatives such as the Health Strategy – which involved this country’s largest ever public consultation.

During the last five years we again negotiated a successful partnership agreement, *The Programme for Prosperity and Fairness*, which has been the most comprehensive and ambitious of the Agreements.

- We will seek to negotiate a new partnership agreement to follow the PPF. Our core objective in negotiating the new agreement will be to ensure that recent progress is protected and built upon. In particular, we want to ensure that work continues to extend prosperity and progress to more and more communities.
- We believe that the great achievement of the partnership process has been to serve as a foundation for national development. It is vital that partnership be responsive to changing fiscal and economic situations, domestically and internationally, as they arise.

Strategic Planning

We believe that a culture of strategic planning is central to effective initiatives. The lack, for example, of a comprehensive plan for infrastructural development has meant that many badly needed projects have been delayed for a number of years. The National Development Plan marks a major departure from this old approach. A similar story could be told in relation to areas such as childcare, housing and local development.

The expansion of strategic planning and the provision of multi-annual funding has made sure that;

- planning and resource allocations are more integrated and predictable
- accountability is more clearly achievable
- Departments and Agencies are in a position to respond more comprehensively and achieve greater value for money.

Semi-State Sector

Fianna Fáil is determined to ensure that commercial semi-State companies which employ tens of thousands of workers, will continue to provide essential services of world-class quality at a competitive price to the consumer. We will:

- secure a viable long-term future for all State companies in whatever form is most appropriate for the enterprise concerned, without ideological preconceptions.

- Ensure that all public enterprise is managed in the spirit of social partnership, with a view to achieving optimum service delivery and value for the public.
- Support the maximum commercial freedom of semi-State companies, subject to the fulfilment of national strategic and balanced regional policy objectives.
- Encourage PPPs where this can speed up investment, increase competition and keep down prices to the benefit of the public; where it will result in greater efficiency in the delivery of services; and where it can draw on expertise and manpower resources from home and abroad not currently available in sufficient strength.

An Efficient Enabling Process

- We will fully implement our published proposals for Dáil reform that will establish for the Oireachtas, a continuous and more effective oversight of public affairs, including the capacity to conduct cost-effective investigations into serious failures in the implementation of public policy, where this can be done on a non-partisan basis.
- We will build a greater culture of review of public spending by publishing regular evaluations of key spending programmes. As part of this, each Department will publish key indicators for each major programme against which progress will be assessed. Reviews will be conducted independently and will be published within three months of completion. We will also ensure that that Departments publish Annual Reports within four months of the previous calendar year. These reports would set out how departments have fallen behind, as well as met levels of services which have been targeted within agreed timetables.
- Over the last five years we have developed a new model for designing, developing, financing and running major projects called Public-Private Partnerships (PPP). PPPs have already been applied to projects such as the Maritime College in Cork and will feature in the new LUAS lines in Dublin. We will substantially increase the use of, and opportunities for PPP approaches in order to achieve results on time and yield value for money.
- We will establish the National Development Finance Agency.
- We will establish a new integrated Department of Transport.
- We recognise the central importance of the Freedom of Information Act in ensuring transparent and accountable public administration. We will ensure that the Act covers all significant areas of public services, involving both those currently in place and such new services as may be established in the future.

eGovernment

We believe that Government can work better, at all levels, and in particular in its direct work with individual citizen through utilizing the potential of Information Communication Technologies. Over the past five years we have moved the eGovernment agenda forward significantly. We established OASIS, BASIS, Revenue Online Service and the EFORMS platform amongst others. €109m has been made available to a wide range of agencies to support 150 eGovernment projects.

- We believe that there is major scope for further expanding the range and quality of online services.
- We will ensure that all public services capable of electronic delivery are available through a single point of contact by 2005 at the latest. The Public Sector Broker will include flagship services to citizens like motor taxation, driving licenses, passport services and other registrations services.

Delivering Value for Money

An essential part of good government is ensuring that the people's money is used efficiently and effectively on the issues which matter to them. We have carried out a wide range of initiatives to improve the oversight and management of public funds.

- We will publish regular value for money audits of key government spending programmes.
- As part of this we will put in place a streamlined process of public expenditure reviews. We will publish a timetable of reviews within six months and publish all key reports.
- The National Development Finance Agency will ensure that public projects are developed to maximise both quality and value for money.

Supporting Good Citizenship

It is a core part of our republican beliefs that the state should seek to fully its citizens in public issues. It is an unfortunate part of the modern world in most countries that civic engagement has lessened as economic development has progressed. Through the operation of specific funding programmes, we have sought to support volunteerism and it is a core part of our local development work that there be a constructive engagement with communities.

Our major expansion in funding for local sports and youth facilities which we have implemented has been driven by a wish to support what has been termed 'social capital'.

- We recognise the importance of encouraging participation in the electoral process. Only one element of this is the day of the week on which polling may be held. In the past various changes to the day of polling were advocated as a spur to turnout. There is, as yet, no firm evidence that moving polling to another day would increase turnout. However, we believe that there are much wider issues which should be examined and are sufficiently important issue to merit detailed study. We will seek, on an all-party basis, to agree an agenda on this, including Constitutional changes to allow the introduction of polling on more than one day, possible both Friday and Saturday.
- We will seek to ensure that all State agencies and funding programmes recognise the importance of fostering community spirit.

PROSPERITY

In 1997 we promised the people a new era of prosperity. In the place of high unemployment, negative growth and high personal taxation, we have delivered the historic advance of over 370,000 new jobs as well as record tax reductions and one of the Europe's strongest fiscal situations. Under Fianna Fáil Ireland has been the world's most dynamic economy, with prosperity reaching far beyond traditional areas and sectors.

But the work must go on: irresponsible policies could return us to the Failed model of the 1980s when Ireland led the world in indebtedness. Responsible budgetary policies and investment in the long-term security of our prosperity are absolutely vital. Our programme for the next five years is based on maintaining Ireland as a strong, dynamic economy and ensuring that we build lasting prosperity for all.

DELIVERING STRONG GROWTH AND A HEALTHY ECONOMY

The core of our programme for the years ahead is to sustain strong economic growth, high productivity, full employment and rising living standards. Maintaining healthy public finances and keeping down personal and business taxes is critical to this. Within those constraints, our available resources will be concentrated on improving the quality of public services, and further delivering further real improvements to pensioners and people on low incomes.

Our policy is to further develop the Irish economic model, combining the most positive and distinctive features of our own experience, with the dynamism, investment and light regulation characteristic of the US economy and the social solidarity and inclusive participation characteristic of the European economy. We are committed to maintaining a favourable business environment, so that we can continue to attract mobile capital investments and technology, associated with high paying jobs.

A Lot Done Since 1997

- The last five years under a Fianna Fáil-led Government have seen the Irish economy outperform all others, with GDP growth averaging 10% per year. Our policies of sound public finances, social partnership, tax reform and reduction created the confidence that has led to this outstanding result.
- Irish living standards in real terms now match the EU average – a full decade ahead of the target set by the last Government.
- Over 370,000 new jobs have been created; Unemployment has fallen from 10% to 4%.
- Inward investment has, on a per capita basis, been five times the EU average.
- The Exchequer finances moved into sustained surplus.
- The national debt has fallen in both relative and absolute terms. The debt/GDP ratio was one of the highest in Europe and has now fallen to under 35% (the second lowest in the EU) and ensuring that this year we will pay €1 billion less in debt interest payments than in 1997.
- A highly ambitious National Development Plan is in place – with funding coming primarily from domestic resources rather than EU grants.
- Fianna Fáil has fulfilled the main tax reduction pledges in its 1997 Election Manifesto – delivering significant tax reductions for all groups. The standard rate was reduced from 26% to 20% and the top rate from 48% to 42%.
- Just as important has been our programme to take people out of the tax net and to reduce the number of people paying high marginal rates of tax.
- 690,000 low-paid people are now out of the tax net, while 370,000 people have being taken off the top rate of tax.
- The standard rate of tax has been reduced between 1989 and 2002 from 35% to 20% and the top rate from 58% to 42%. 30 out of 31 reduction points have been carried out by Fianna Fáil Ministers of Finance.
- We have developed Europe's most favourable tax system for the low-paid, as the EU has acknowledged.
- We have also reduced high marginal tax rates on all workers.
- Income tax reform has greatly reduced the disincentive to work.

- The introduction of tax credits has greatly increased the fairness of tax changes.
- We cut capital gains tax in half from 40% to 20%, but increased the yield from €168m in 1997 to €882m in 2001.

An Agenda for the Years Ahead

Maintaining healthy public finances

- Fianna Fáil believes that one of the great lessons of recent Irish history is that responsible fiscal policies lie at the heart of the generation of both job opportunities and the resources needed to fund good public services.
- Arising from our membership of the Euro, a number of Treaty obligations must be fulfilled. Under the EU Stability and Growth Pact, the basic commitment is to respect the medium term objective of close to balance or in surplus and to take corrective action when there is an actual or expected divergence from this objective. All Member States are also committed under the Treaty to avoid excessive deficits at any time. The requirement of close to balance or in surplus does not distinguish between current or capital spending. This is the overriding framework for budgetary policy and must and will be respected by Fianna Fáil in government.

Providing for the future

- Providing for future liabilities is an essential part of sustaining confidence in our economic management. Fianna Fáil will continue to set aside, as required by law, 1% of GNP to provide for future pension obligations. We will not entertain any proposal to divert these funds to current use.

Keeping down Inflation

- Fianna Fáil regards it as essential to maintain low inflation, in order to ensure our continued competitiveness. Fianna Fáil will support increased competition particularly where direct benefits will accrue to consumers.

Public Expenditure

- Notwithstanding major progress achieved since 1997, continued investment in essential improvements in public infrastructure and social services is required over the next few years. These are necessary, if dynamic growth is to be maintained. Fianna Fáil's aim will be to achieve as rapidly as we can a high European standard of public services, having proper regard to variations in our particular circumstances (for example, key differences in demographic profile).
- We also have to recognise that a dynamic economy (not weighed down by heavy costs) provides the fastest means of generating the necessary resources for rapid physical and social improvements.

Financing Major Developments

- Over recent years we have put in place a comprehensive series of plans to develop our infrastructure as well as key public services. The public capital programme has been moved from a position where it was involved primarily in maintenance rather than serious development.
- It is increasingly clear that new methods of financing major capital development programmes is required. This must take account of the need to maximise efficiency, delivery and value for money across complex, multi-annual programmes.

- We will establish, under the auspices of the NTMA, a new National Development Finance Agency (NDFA) to finance major public projects and to evaluate all financing aspects of PPP projects. This vehicle will finance both commercial and non-commercial type projects.
- We envisage that the NDFA will initially focus on three primary areas:
 - National Roads
 - Public Transport
 - Health facilities (hospitals and facilities for older people and people with disabilities)
 - Schools
- The establishment of the NDFA will ensure maximum value for money in the financing of development projects. It will also enable the Government to apply commercial standards in evaluating financial risks and costs associated with projects, thereby ensuring that the best financing package is availed of in each instance.
- The NDFA will also be able to compete with private sector financing of PPP projects, thus ensuring maximum value for money .
- Funds raised through the NDFA will replace direct Exchequer funding to the maximum extent possible.

Taxation

- Fianna Fáil policy over the next five years will be to consolidate the spectacular reduction in the tax burden achieved since 1997.
- Where the fiscal situation allows for further reductions, the emphasis in tax policy will be on:
 - Keeping those on low incomes and the minimum wage out of the tax net;
 - Achieving the situation where 80% of taxpayers pay only the standard rate;
 - Completing the reduction of the standard rate of corporation tax to 12½ % in 2003;
- We will seek to use the full potential of the new tax credit system to effectively target further changes.
- We will work to ensure that everyone is tax compliant.

SUSTAINING FULL EMPLOYMENT

Fianna Fáil in Government, having reduced unemployment to the lowest level in the history of the State, by creating over 370,000 new jobs between 1997 and 2001, will aim to sustain a situation as close as possible to full employment. Over the next five year period, we envisage that numbers at work may increase to 2 million people or over. In order to progress as a society, we will be seeking a maximum proportion of skilled, well-paid and flexible forms of employment, both full and part-time, for the benefit of everyone seeking paid employment.

A Lot Done Since 1997

- Under this Fianna Fáil-led Government, employment has reached its highest level in the history of the State.
- With unemployment falling to around 4% from around 10% in mid-1997, Ireland has for the first time achieved close to full employment, and has an unemployment rate comparable to the US and well below most EU countries.
- We have attracted a quarter of a million people into the labour force.
- We have brought about a substantial reversal of emigration. Since 1996, over 120,000 people have returned to Ireland.
- Long-term unemployment is down to barely over 1% as a result of our targeted policies. Down from 86,000 to 24,000.
- Corporation tax has been dramatically reduced from 36% in 1997 to 16% in 2002.
- The National Minimum Wage has been introduced, in accordance with a Fianna Fáil 1997 Election pledge.
- FÁS has played an active role in helping unemployed people find suitable work and training, and continues to have a significant budget of €650m in 2002.
- We have continued to have success in attracting high levels of foreign direct investment, one of the principal bases of the Irish economic model.
- Ireland entered the EURO at a very competitive rate.
- The volume of exports, with the assistance of active Government promotion, has doubled since 1997.
- Over 100 social economy enterprises have been approved to date, benefiting the economic and social development of disadvantaged communities, and approximately 600 jobs created.
- In 2002 Ireland ranked first in the world as the world's top globalised economy (A.T. Kearney Consultants Survey).

An Agenda for the Years Ahead

- To keep Ireland one of the best places in the world to carry on business, and to further sharpen our competitiveness.
- We will encourage the Irish operations of multinationals to engage in high value added activities that are likely to be retained during periods of global rationalisation, and also to take a long-term strategic view.
- We will complete the process of lowering corporation tax paid by all businesses to 12½% in 2003.
- We will keep down personal tax levels so as to encourage the incentive to work, with a particular emphasis on further relieving the burden for the lower paid.
- We will continue to encourage pro-actively a better spread of jobs throughout the country and, where necessary to facilitate this, we will provide the infrastructure to make regional locations more attractive for industry.

- Changes in the level of the minimum wage will reflect both increases in the cost of living, and be designed to maximise the incentive to work, without detrimentally affecting employment levels.
- We will carry out a fundamental review of training and employment supports to ensure that they focus on the needs of the most marginalized and disadvantaged groups to help them to progress to the open labour market.
- We will establish a training fund of up to €2,500 per person for unemployed people facing very serious barriers to employment.
- We will extend, on a permanent basis, the Employment Action Plan to all persons on the Live Register for longer than 6 months and to other marginalized and disadvantaged groups.
- The very successful Small Business Task Force, the implementation of which helped small firms to grow strongly, will be relaunched to give a fresh impetus to the important role of small business in Ireland.
- We will continue to engage in active export promotion, especially in newer markets in Central and Eastern Europe (with enlargement adding 75m people to the Single Market, which will then comprise 450m people), the Middle East, South-East Asia and Latin America.
- As one of the most successfully globalised countries in the world, we will continue as labour market conditions require, to attract home from abroad Irish people and other EU nationals with skills and experience to fill the vacancies created by a growing economy. The Department of Enterprise, Trade and Employment will administer a transparent and rapid response immigration process.
- We will implement the National Development Plan so as to provide the modern infrastructure, education and training, needed to sustain increased employment in all parts of the country.
- We will seek to resolve potential issues, difficulties and conflicts in the spirit of social partnership.
- FÁS will continue to provide training and employment, especially for unemployed people or people entering the labour market.
- We will conduct a National Skills Audit to highlight the strengths and gaps in the country's qualification base, and adjust training accordingly.
- Fianna Fáil recognise and will develop the value of the social economy through the further creation of social economic enterprises.
- FÁS will continue to provide resources for training people with disabilities in order that they may play as full a part as possible in employment.

IMPROVING THE CONDITIONS OF EMPLOYMENT

Improving labour and employment conditions has been at the heart of Fianna Fáil's contribution in government for 70 years. The achievement of high quality working conditions today, while retaining the flexibility necessary to the successful operation of a modern economy, is an entirely feasible target, best achieved by Government working in close consultation with the social partners.

A Lot Done since 1997

- Fianna Fáil is particularly proud of the successful implementation of its 1997 campaign pledge to bring in a National Minimum Wage (€6.35 in 2002), which is one of the highest in Europe, not only without detriment to employment, but, if anything, increasing employment in net terms, by making it more attractive to take up.
- Part-time workers under new legislation can no longer be discriminated against. The purpose of the Employees (Part-Time Work) Act, 2000 is to facilitate the development of part-time work on a voluntary basis and to contribute to the flexible organisation of working time in a manner that takes into account the needs of both employees and employers.
- The number of part-time workers now represents almost a fifth of total numbers at work, with women accounting for three-quarters of those in part-time employment.
- The Carer's Leave Act, 2001, allows employees to leave their employment temporarily for a period of up to 15 months (65 weeks) to provide full-time care for people in need of constant attention. This is combined with the new Carer's Benefit Scheme, designed to facilitate and support employees who wish to leave the workforce temporarily to take up caring duties at what is often a particularly sensitive and trying time.
- An agreed Code of Practice on Sunday working in the retail sector was secured in 1998 under the Organisation of Working-Time Act, 1997, which is acceptable to workers and their employers.
- Substantial staffing and resource increases have been provided for the Health and Safety Authority, the State body charged with the day-to-day implementation of our health and safety laws. A Construction Safety Partnership Plan has been agreed. Codes of practice in respect of work in confined places, and the prevention of accidents to children and young persons in agriculture have been introduced.
- Codes of Practice have also been introduced to prevent Workplace Bullying, following the report of a taskforce entitled 'Dignity at Work'. A Charter has been endorsed by the social partners, and the Health and Safety Authority have established a Bullying Response Unit.
- Industrial Relations legislation has been amended to facilitate the resolution of disputes, where negotiations do not take place, as a result of difficulties arising in relation to the baggage handlers' dispute at Ryanair.
- The Labour Inspectorate has been expanded, to oversee compliance with the broad range of employment rights legislation, including the Minimum Wage.

An Agenda for the Years Ahead

- The Safety, Health and Welfare at Work Act of 1989 will be updated, following the review of the Health and Safety Authority. The legislation will include an innovative approach to the application of a range of penalties to a graduated range of offences, with new maximum penalties up to €130,000.
- The Statutory Redundancy Scheme will be comprehensively reviewed with a view to implementing key improvements.
- A fundamental review will be undertaken of the functions of the Employment Rights Bodies, which have a role in resolving industrial relations disputes, mediating between employers and employees, and making decisions about employment rights. This is with a view to clarifying both for the public at large and for employers and employees the principle under which issues or cases are referred to the Labour Court, the Labour Relations Commission, the Employment Appeals Tribunal, and Rights Commissioners, and to help streamline the appeals process.
- Under its new strategy, FÁS will engage with redundant workers and people facing the prospect of long-term unemployment to ensure that the period out of work for a substantial number of people is kept to a minimum.
- Fianna Fáil will continue to support women who wish to participate in the labour force; a continuing increase in the provision of affordable childcare facilities, and the obligation on firms to provide 'family friendly' work arrangements. Training for women returning to the workforce will be provided.
- We will strengthen the parental leave scheme in line with the recommendations of the social partners.
- In view of the gradual ageing of the workforce in prospect and the increase in life expectancy, Fianna Fáil will review ways in which retired people can be encouraged, where they so wish, to extend their working lives without financial penalty and in conditions which suit their personal lifestyle wishes.

HOUSING

Fianna Fáil remains committed to a high level of home ownership, with public provision for the least well off, while recognising the need to encourage a wide variety of accommodation options to cater for different needs. Fianna Fáil in Government will seek to maintain over the next 5 years the record level of new house completions achieved during the current term in office.

The supply of new homes, with targeted schemes for lower income groups, is the key to keeping the price of homes at an affordable level for potential first-time buyers entering the housing market. While recognising the role of the investor in the housing market, Fianna Fáil is determined that this should not be at the expense of making conditions impossible for first-time buyers.

A Lot Done Since 1997

Our record in the housing area over the last 5 years is unparalleled. Right across the housing spectrum, we have introduced radical changes and supported their implementation with unprecedented resources.

- In every year of this Government, housing output has reached a new record level. Last year's record 52,000 completions was 50% up on 1997. Overall, 230,000 new houses have been built since 1997.
- We introduced the most radical initiative in the housing sector in the history of the State under which up to 20% of residential land must be provided to the local authority at the lower "agricultural" (rather than residential) value for the provision of social and affordable housing.
- More than €1.7 billion is being provided for housing this year, almost 3½ times what it was in 1997. Overall, €9 billion is to be invested under the National Development Plan.
- We have brought the local authority housing programme to its highest level for a generation. 7,000 local authority houses were started last year and 5,000 were completed. Overall, the housing needs of some 11,000 households were met last year, the highest level since 1986.
- We have made major progress on the €2.5 billion Ballymun Regeneration Initiative with the first of the new homes now completed and occupied. Regeneration programmes are also underway in inner city housing complexes in both Dublin and Cork.
- We have also set a new record in the voluntary housing sector where, last year, thanks to the improved funding which we have made available, 1,250 new voluntary houses were provided for elderly, disabled and homeless people.
- We established a Commission on the Private Rented Sector and legislation to give effect to the Commission's comprehensive report is now being prepared.
- The funding for the Disabled Person's Grant, the Essential Repairs Grant, the Special Housing Aid for the Elderly and the Shared Ownership Scheme have all been significantly improved. For example, we have doubled the effective maximum Disabled Person's Grant to €20,320. And the grant can now cover up to 90% of the cost of the works, compared to two-thirds previously.
- We're addressing the difficult problem of homelessness in a planned way through a new Integrated Strategy which we're supporting with record funding. And we're also not just being reactive – we have now put in place a Preventative Strategy to target those at risk of homelessness and help to stop them falling into

that situation in the first place. Together, these plans have the capacity to end homelessness in the years ahead.

- We've passed new legislation in relation to traveller accommodation, all local authorities have drawn up plans for accommodating travellers in their areas and the numbers of traveller families accommodated has increased by 22% since 1997. Indeed, last year alone, some 350 traveller households were provided with accommodation, the highest number ever in any one year.

An Agenda for the Years Ahead

Fianna Fáil in Government will continue its multi-stranded approach to addressing housing needs right across the spectrum. This will involve sustaining the record levels of house building we have achieved, continuing the record level of funding we are providing for the wide range of social, affordable and voluntary housing initiatives and addressing the needs of specific groups such as the elderly, the disabled and travellers, through appropriate targeted measures.

- To ensure a continued record level of housing supply, a key factor in stabilising house prices, we will extend the Serviced Land Initiative, make more efficient use of housing land and make further Special Development Zone designations as required.
- We will commit to a further expansion of the various social housing programmes so that we reach a target of meeting the housing needs of 15,000 households per annum.
- We will continue our strong record of financial support for the voluntary housing sector so that the ultimate target of 4,000 accommodation units per annum envisaged under the National Development Plan can be reached.
- We will implement the most significant ever package of reforms in rented accommodation sector, arising from the report of the Commission on the Private Rented Sector, including the establishment of a new statutory Private Residential Tenancies Board. This will provide the basis for a more professionally operated private rented sector, with greater security of tenure for tenants.
- We will consider the introduction of legislation to regulate the establishment and operation of apartment complex management companies.
- We will ensure that the comprehensive Homelessness Strategies now in place are implemented in full, taking pre-emptive steps to ensure that high risk groups do not become homeless in the first place and that for those who do find themselves homeless, that we have a full range of services – emergency accommodation, health, welfare, education and training – available to assist them.
- We will ensure the full implementation of local authority Traveller Accommodation Plans.
- We will adapt the New House Grant to reflect the requirements of the National Climate Change Strategy.
- We will introduce a carefully targeted and focused scheme which will conserve and improve our older housing stock.
- We will maximise the use of vacant space in buildings for residential accommodation, particularly measures to respond to the “empty nest” situations where large family homes are now occupied by only one or both parents.
- We will take further steps to streamline the approval procedures for local authority house building projects.

Contents

Introduction by An Taoiseach	iii
The Next Steps Forward for an Ireland that is Peaceful, Proud and Strong	02
Peace and Unity	03
Foreign Affairs	08
European Affairs	12
Defence	14
Irish Language and the Gaeltacht	17
Arts & Culture	20
Civic Life	23
The Next Steps Forward for a Dynamic, Sustainable and Progressive Economy	28
Finance and the Economy	29
Keeping Ireland Working, Jobs, Skills and Advanced Research	34
Social Partnership and the Public Sector	41
Transport	44
Energy	49
Communications	52
Environment	55
Tourism	62
Agriculture, Food & Forestry	66
Marine and Natural Resources	74
The Next Steps Forward for Opportunity, Security and Quality of Life for Every Community	78
Community	79
Balanced Regional Development	83
Local and National Sports Facilities	86
Housing	87
Justice	95
Islands	105
The Next Steps Forward to a Future that is Healthier, Fairer and More Inclusive	108
Health	109
Education	121
Children	129
Improved Pensions and Better Supports for Older People	134
Social Affairs	137
Disability	140
Asylum, Immigration & Integration	143
Economic and Fiscal Framework	146

Introduction by An Taoiseach

The time has now come for the people to decide on Ireland's future. It is a moment of unique opportunity and of historic choice. **Peace and prosperity are no longer dreams, they are here and now.**

Fianna Fáil believes in a future of sustained prosperity nationally, and strong communities locally, where it is good to grow up and safe to grow old. We want to continue working with the Irish people to give Ireland the social, environmental, transport, communications and tourism infrastructure our economy needs and our people deserve.

As part of Our Next Steps Forward we will:


- **Lower taxes**
- **Put 4,000 extra teachers in place**
- **Hire 2,000 extra Gardaí**
- **Open Local Injury Clinics around the country**
- **Increase the State Pension to €300 per week**
- **Invest for the future by rolling out the National Development Plan**

These are some of the specific steps which will secure our prosperity and allow us to use it as a base to build a better Ireland. Our Next Steps Forward are affordable today, tomorrow and in the long run.

We will also continue to be unwavering in our work for peace and justice on this island. As the prerequisite for every element of our nation's progress, peace is our first priority and our highest obligation.

Today Ireland's strong economy and full employment give us grounds for confidence. But in a world of higher interest rates, rising energy costs and intense competition from emerging economies we cannot be complacent. We must ensure that Ireland is one of the most attractive places in the world to live, to learn, to work and to invest.

A strong economy is essential for what we want to do. It will enable us to achieve our vision of an Ireland of opportunity where in every region - from childhood to old age - Irish people can realise their potential, contribute to their community and be genuinely proud of their country.



Bertie Ahern



Finance and the Economy

The Foundations

Fianna Fáil in government has led the transformation of Ireland's economy. We have moved from being a high-unemployment, high-tax and low public investment country to having the lowest unemployment, lowest taxes on workers and highest rate of public investment in Europe.

We reject the shallow ideologies of right and left, believing that a strong economy, the promotion of individual enterprise and increasing investment in public services are fundamentally linked objectives. The record of the last ten years shows that this approach works:

- **Unemployment has been reduced to an historic low, with long-term unemployment now at only 1.3%.**
- **A systematic programme of income tax cuts has been implemented, reducing the top rate from 48% to 41% and the lower rate from 26% to 20%.**
- **Investment in public services has been step-changed, with dramatic increases in the State Pension, child benefit and the numbers of teachers, Gardaí, doctors and nurses at work.**
- **Investment in public infrastructure has been set at the highest level in Europe as a percentage of national income.**
- **A fund now totalling €19 billion has been created to ensure that we can continue to pay decent pensions in the years ahead.**

All of this has been achieved while delivering budget surpluses in nine of the last ten years. Today a full €1 billion per year less is paid in debt interest than was paid in 1997 – money which is supporting a sustained level of higher investment in public services. In government, Fianna Fáil will continue to implement policies that deliver sustainable expansion allowing Ireland to exploit the opportunities presented in good times and to withstand pressure during times of international economic weakness.

Fianna Fáil will always put responsibility first. All the commitments made in this manifesto are dependent on our country's continuing prosperity, something which we will never put at risk. The long-term interests of Ireland are our priority and will never be sacrificed for short-term gain.

A sound economy is the bedrock of social progress. It is an absolute prerequisite for all our ambitions – in health, enterprise, welfare or education. To that end, Fianna Fáil in government will defend prosperity with unrivalled determination. The consequences of that determination are clear: if Ireland ever faces into a global economic downturn we will act prudently, as before. We will deliver this country through any downturn with healthy fundamentals intact – that is, to maintain the lowest unemployment, lowest taxes and highest growth in Europe.



The Next Steps Forward for Finance & the Economy

Sound budgetary management is essential if Ireland is to continue enjoying low taxes and high levels of spending on public goods and services. All of our proposals for the next five years have been framed within the context of a very clear set of assumptions which show exactly how we will approach fiscal and economic decisions over a full term of government.

Our programme will involve us taxing, spending and borrowing less than the opposition – but while we are promising less, we will deliver more.

Economic Principles

Long-term responsibility is the foundation on which our economic policy is built. We will not mortgage our country's future for short-term gain. Our economic policy must accept the reality that we cannot and should not compete on the basis of low wages. If we are to compete effectively and in a sustainable way, we will have to do so through even greater competitiveness in knowledge-driven industries. This is the best and only serious guarantee of high employment and high wages.

Our guiding economic principles for the next five years are:

- **We will aim to achieve further significant, sustainable growth with our programme based on an average growth rate of 4.5%.**
- **We will operate a responsible fiscal policy characterised by broad budget balance and a declining debt burden.**
- **We will deliver the National Development Plan in full, on time and within budget to raise our productivity, to enhance our competitiveness and to secure our future prosperity.**
- **We will invest in increasing the productive capacity of the economy, particularly in terms of ensuring high-levels of high-quality employment.**

Budgetary Policy

Sound budgetary management is essential if Ireland is to continue enjoying low taxes and high levels of spending on public goods and services. Our guiding principles for fiscal policy for the next five years are to:

- **Keep the budget in broad balance and fully within our commitments under the Stability & Growth Pact.**



- **Retain the flexibility to deal with any future shocks.**
- **Set aside a minimum of 1% of GNP per annum to provide for the future pensions of today's workers.**
- **Implement a series of significant and sustainable increases in key public services such as pensions, health and schools.**
- **Keep the overall tax burden low and implement further changes to enhance the rewards of work while increasing the fairness of the tax system.**

Building the Public Wealth

Once our current prosperity is safeguarded, policy must seek to build for the future by raising our productive capacity and in so doing improve our potential to enjoy a better quality of life. That is the context in which the new National Development Plan was framed. With a total cost of €184 billion over seven years, the Plan involves a major acceleration of Government capital investment.

The period to 2013 represents a major window of opportunity in resource terms to tackle, in particular, our infrastructure deficits before other expenditure pressures begin to emerge. At present Ireland has six persons of working age for every older person. This will gradually disimprove over the medium-term so that by 2050 we will have ratio of just two to one. The implications of this are that public spending on pensions, health and long-term care in Ireland will increase from some 10½% of GDP in 2004 to almost 20% of GDP in 2050. Clearly, we now have a unique opportunity to give Ireland the infrastructure it needs and deserves if we are to sustain our current prosperity into the future while simultaneously enhancing quality of life. We must not allow that opportunity to pass us by.

Fianna Fáil believes that the full implementation of the NDP must be the first priority of the next administration and should take precedence over short-termist promises or gestures. The NDP will make our economy and our society stronger and will substantially increase the probability that our good fortune will benefit future generations. It will protect and sustain our prosperity, not threaten it.

Ireland is now an income-rich country. However, we are still poor in terms of our public wealth due to decades of under-investment in infrastructure.

- **To correct this imbalance, Fianna Fáil in government has committed to investing 5.4% of GNP in public infrastructure through the NDP.**
- **This will be implemented through a coordinated, multi-annual programme which is subject to rigorous value for money and quality oversight.**
- **Through sound management of the economy, Fianna Fáil will ensure that this**



resource commitment is maintained over the lifetime of the next government. Closing the infrastructure gap as expeditiously as possible has significant benefits and will enhance quality of life and economic competitiveness for generations to come. We will deliver the public infrastructure which this country needs if it is to sustain and consolidate the gains of the past decade.

Competitiveness and Innovation

Ireland's future prosperity is critically dependent on our ability to trade with the world.

Fianna Fáil will underpin Ireland's success as a highly-productive, trading nation by the following measures:

- **Through the National Development Plan, we will invest over €8.2 billion in Science, Technology and Innovation. This investment will transform the type of R&D and innovation taking place across our enterprise sector.**
- **Our ongoing investment in education and training will ensure that our workforce is equipped with the necessary skills to enhance our productivity and competitiveness.**
- **Under Transport 21, our national infrastructure will be overhauled and upgraded with positive consequences for business costs and productivity.**
- **On return to office, we will instigate a review of the entire economic regulatory environment. This review will be designed to ensure that the existing regulatory regime is operating efficiently, is balancing the needs of users with the requirements of producers and is not imposing excessive costs on the economy.**
- **Recognising the importance of small business to our economy, Fianna Fáil will continue to support and enhance the Business Expansion and Seed Capital Schemes.**
- **We recognise the vital role played by low taxes in our economic success. We guarantee that the 12.5% rate of corporation tax will not be changed.**
- **We will resolutely oppose any attempt to introduce tax harmonisation within the European Union, either directly or through technical measures.**

Under Fianna Fáil, Ireland's dynamic and flexible economy will continue to be one of the most attractive locations in the world to invest, to employ and to do business in.



A Fair Tax System

We have overhauled the taxation system over the past ten years through dramatic and sustainable cuts in rates and increases in tax credits.

However further progress can be made in making the system even fairer. Subject to the controlling economic and fiscal framework, Fianna Fáil in government will implement the following specific approach to tax:

- **Our first priority remains low and middle income earners – therefore our first task will be to use tax credits and bands to keep low income earners out of the standard rate band and average earners out of the higher band.**
- **PRSI, as currently devised, is not a fair tax as it is not levied on incomes above €48,800. Consequently, it is most lightly borne by those on the highest incomes. To eliminate this inequity, Fianna Fáil will abolish the PRSI ceiling for full rate payers and reduce the rate at which this tax is levied from 4% to 2% over the lifetime of the next administration. We will also reduce the rate of PRSI paid by the self employed to 2% from 3%. These moves will eliminate remaining inequality in the income tax system and enhance its progressive nature. The Social Insurance Fund will be reimbursed by the Exchequer for the cost of this reform.**
- **Once these commitments are met, any additional resources will be targeted at further enhancing the rewards of work. Specifically, we are committed to reducing the standard rate of income tax to 18% and the higher rate of income tax to 40% over the lifetime of the next government if economic resources allow.**
- **We will introduce measures to further weight VRT in favour of cars with lower emissions.**

Supporting Home Ownership While Protecting House Values and Jobs

Fianna Fáil is determined to help first-time buyers directly and substantially without disturbing market conditions, driving increases in house prices, and putting the more than 260,000 jobs in construction at risk.

Our approach is good for certainty, good for affordability, good for society and good for the economy.

As the Housing chapter explains in more detail, in government we will

- **legislate immediately to abolish stamp duty for all first-time buyers and make this change retrospective for all deeds presented for stamping to the Revenue Commissioners on or after 30th April 2007.**
- **Implement major changes in mortgage interest relief for first-time buyers and those who bought a house in the past seven years.**



Housing

One third of all houses in Ireland have been built since Fianna Fáil came into Government in 1997.

Housing output is now running at over 93,000 homes per annum compared with under 34,000 in 1996. In order to provide housing to meet the needs of our young and growing population, we are now building houses at a level five times greater than the European average.

Fianna Fáil recognises that the economic success has created difficulties for first time buyers and we have been pro-active in taking steps to help those who have found it difficult to purchase their own home.

Working on the twin fronts of providing social housing and tackling affordability, we have:

- **Doubled the money provided for social housing to €2billion per annum, twice the level of 6 years ago.**
- **Upped output from the local authority housing programme in 2006 to its highest level in 20 years – 6,500 homes.**
- **Required builders to provide a portion of affordable and social houses when developing housing schemes.**
- **Established the Affordable Homes Initiative to provide 10,000 affordable homes by using State lands, and the Affordable Homes Partnership to accelerate the delivery of affordable housing in the Greater Dublin area.**
- **Provided for the housing needs of almost 65,000 households through our various social and affordable programmes over the period of the Government.**
- **Put in place sufficient funding and accommodation to deal with emergency homeless need in Dublin.**

We have also improved tax reliefs and the stamp duty regime for first time buyers and introduced comprehensive new laws to protect those who depend on the private rented market.

The Next Steps Forward on Housing

The number of people seeking housing in Ireland will continue to be high in the next five years. A range of actions are required to ensure that the housing provided is capable of meeting the diverse needs of our population. This is why we are now proposing a series of Next Steps Forward on housing.



Overall Objectives

We will adopt flexible housing policies which recognise that a new Ireland needs to be responsive to the changes in the way we live today. Our overall housing objectives for the next five years are to:

- **Maintain a high level of housing construction, based on sound planning and a diversity of provision.**
- **Expand delivery of social and affordable housing options to meet the needs of 90,000 households. This expansion will assist in ensuring continued high housing output to take up any slack arising from the expected slight slowdown in overall housing completions.**
- **Plan strategically for the needs of a changed population to reflect a more dynamic population which moves more often, includes many new migrant and supports the elderly in their own home.**
- **Achieve a further significant fall in homelessness.**
- **Bring a new focus on quality in the provision of housing.**

Supporting Home Ownership While Protecting House Values and Jobs

Fianna Fáil has worked hard to support home ownership, through a near trebling of housing supply, major improvements in the availability of social and affordable housing and significant increases in mortgage interest relief. We have ensured that first-time buyers pay no stamp duty on new homes or on second hand homes costing under €17,500, while reduced rates apply for second hand houses costing more than that.

We are determined to help first-time buyers directly and substantially without disturbing market conditions, driving increases in house prices, and putting the more than 260,000 construction jobs at risk.

Our approach is good for certainty, good for affordability, good for society and good for the economy.

In government we will implement a series of measures to help young people and families both to buy their first home and to meet their mortgage repayments.

Specifically we will:

- **Legislate immediately to abolish stamp duty for all first-time buyers and make this change retrospective for all deeds presented for stamping to the Revenue Commissioners on or after 30th April 2007.**



- **Increase in Budget 2008 the ceiling on mortgage interest relief for first-time buyers and those who bought a house in the past seven years, from €8,000 to €10,000 for single people and from €16,000 to €20,000 for couples or widowed persons.**
- **As income taxes are reduced, we will keep the rate of mortgage interest relief at 20% for all home owners.**
- **From 1 Jan 2008, mortgage interest relief will be worth up to €167 per month for a single person and €333 per month for a couple or widowed person. A couple or widowed person with a joint mortgage of up to €400,000 over 33 years at an interest rate of 5% or a single person with a mortgage of up to €200,000 will be able to claim interest relief on the full amount of interest on their loan.**
- **Under our proposals the maximum relief available to a single person under a Fianna Fáil government will be €2,000, while for a couple or a widowed person it will be €4,000.**

A Step Change in the Provision of Affordable Housing

In addition to the Affordable Housing Schemes already introduced, Fianna Fáil believes that there needs to be a step change in the provision of affordable homes in areas where affordability problems have resulted in large numbers of young people seeking homes far from their place of work.

We will take two major initiatives to increase the provision of affordable houses to 5,000 houses per annum above existing commitments. We will:

- **Extend the remit of the Affordable Homes Partnership.**
- **After only one year in existence the Affordable Homes Partnership, operating in the Greater Dublin Area, has been every successful in engineering land swaps for affordable housing, in identifying new lands for the provision of affordable housing, and in providing clear, good quality information to people interested in acquiring affordable housing.**
- **We will extend the remit of the Partnership nationwide to cover areas where affordability is a problem to accelerate the provision of affordable housing.**
- **Introduce new incentives for the provision of Affordable Housing.**



- **Urban renewal tax incentives have proved extraordinarily successful in upgrading the centres of towns and cities throughout the country. Having done their job the urban affordable houses in specified locations.**
- **We will put in place an appropriate tax incentive scheme to operate in these areas in association with the Affordable Homes Partnership.**

Social Housing

In Government we will:

- **Ensure that all local authority housing is subject to the highest standards of design and that good community facilities are provided, especially for younger people.**
- **Bring a renewed focus on the regeneration of problem estates. Ballymun has shown how it can be done and Fianna Fáil will provide the resources to tackle substandard estates in other areas of the country. The new Sustainable Communities Fund will be resourced in supporting communities preparing for regeneration projects and in assisting them to tackle anti-social behaviour.**
- **Expand the paths to home ownership to assist the maximum number of people in gaining a stake in their own home.**

Management Companies

In order to address the many real problems which have emerged with the operation of management companies, in government we will:

- **Introduce legislation to govern the management of apartment complexes and other similar developments. This will set out the rights and duties of management companies and agents as well as tenants. The objective will be to ensure transparency and accountability for all concerned and the protection of home-owners investment in their property.**
- **Clearly set out the duties of local authorities in relation to the provision of services for all residential developments.**



Economic and Fiscal Framework

Fianna Fail will always put responsibility first. The long-term interests of Ireland are our priority and will never be sacrificed for short-term gain. We believe that our spending and taxation commitments are the right policies for Ireland. They are also sustainable and will be delivered, in a strong economic environment, alongside responsible budgetary outturns. The following conservative assumptions underpin our economic and fiscal framework:

- **Average economic growth of 4.5% per year in real terms**
- **Average economic growth of 7% per year in nominal terms**
- **Average earnings growth of 4.5% per year**
- **Employment growth of 2.5% per year**
- **Average increase in base current expenditure of 6% per year**
- **Average rate of return on the National Pensions Reserve Fund of 7% per annum**

Our policies of targeted spending increases and tax reforms are fully affordable against this economic backdrop. Our detailed economic and fiscal framework which we are publishing in full shows that we can deliver the National Development Plan, deliver on our spending and taxation policies and return an excellent, responsible budget performance. Specifically:

- **We will return an average budget surplus of 0.5% of GDP over the 2007-2012 period**
- **The General Government Debt will decline to 18.5% of GDP by 2012**
- **The net debt will be reduced to less than 3% of GDP by 2012**



Economic & Budgetary Framework 2007-2012

Receipts and Expenditure	2007	2008	2009	2010	2011	2012
<i>Receipts - Current</i>						
Tax Revenue	49,170	52,956	57,034	61,425	66,155	71,249
Non-Tax Revenue	565	594	612	630	650	675
Total	49,735	53,550	57,646	62,055	66,805	71,924
<i>Expenditure - Current</i>						
Net Voted	37,277	39,513	41,884	44,397	47,061	49,885
Non-Voted	4,425	4,406	4,609	4,841	5,082	5,330
Total	41,702	43,919	46,493	49,238	52,143	55,215
Current Budget Balance	8,033	9,631	11,153	12,817	14,662	16,709
<i>Receipts and Expenditure - Capital</i>						
Receipts	1,483	1,477	1,513	1,456	1,470	1,510
<i>Expenditure - Current</i>						
Net Voted	7,548	8,537	8,954	9,059	9,187	10,573
Non-Voted	2,552	2,662	2,784	2,915	3,054	3,204
Total	10,100	11,199	11,737	11,973	12,242	13,777
Capital Account Balance	-8,617	-9,722	-10,224	-10,517	-10,772	-12,267
Exchequer Balance before Manifesto	-584	-91	928	2,300	3,891	4,442
Manifesto Net Spending Commitments	44	888	1,333	1,788	2,313	2,875
Manifesto Net Taxation Commitments - Indexation	0	280	683	1,124	1,632	2,224
Manifesto Net Taxation Commitments - Reforms	0	841	1,148	1,591	1,853	1,996
Exchequer Balance	-628	-2,100	-2,235	-2,202	-1,907	-2,652
Adjustment to reach GGB	2,822	3,342	2,766	2,867	2,984	3,077
General Government Balance	2,194	1,242	531	665	1,077	425
GGB/GDP	1.2%	0.6%	0.2%	0.3%	0.4%	0.2%
General Government Debt/GDP	22.8%	21.6%	20.8%	20.0%	19.1%	18.5%
NPRF/GDP	11.4%	12.3%	13.1%	14.0%	14.8%	15.7%
Net Debt/GDP	11.4%	9.3%	7.7%	6.0%	4.3%	2.9%



Net Spending Commitments above NDP	2007	2008	2009	2010	2011	2012
Pensions to at least €300 per week*		76.1	162.7	266.0	381.9	512.6
ODA to 0.7% of GNP*		77.2	164.4	264.5	378.3	511.5
4,000 Teachers		42.0	87.8	133.0	177.3	200.3
2,000 Gardai		48.4	63.2	79.3	106.4	135.8
Double Primary School Capitation*		7.6	16.7	27.7	40.8	56.5
Free 3rd-level fees for part-time students (means-tested)		25.4	26.9	28.5	30.3	32.1
Second-level Funding Equalisation		9.0	9.0	0.0	0.0	0.0
Personal pensions for spouses in their own right*		16.1	33.6	52.7	73.5	96.0
Increase number of child psychologists in NEPS to 200		0.6	1.2	1.9	2.6	3.6
Maternity Leave - Additional 5 weeks paid		13.3	27.9	42.4	57.6	73.5
Double Respite Care Grant		6.0	14.0	24.5	38.3	56.2
Extend National Fuel Allowance Scheme to eligible carers		3.0	3.2	3.4	3.6	3.8
Free public transport for emigrant pensioners		5.0	5.3	5.6	6.0	6.3
Extending GP Services		15.0	15.9	16.9	17.9	18.9
2000 Hospital Consultants		70.0	148.4	236.0	333.5	441.9
500 New Public Hospital beds (1500 in total)		92.5	129.9	171.3	217.4	268.3
Local injury clinics		9.6	11.9	14.4	17.2	20.2
Step-down facilities		20.0	21.2	22.5	23.8	25.2
Children - 3 months before NTPF		5.0	5.3	5.6	6.0	6.3
Personal Health Check		70.0	111.5	118.2	125.3	132.8
Housing Measures - Stamp Duty and Mortgage Interest Relief	44.1	81.1	87.3	94.0	101.3	109.1
Community Development Fund		30.0	30.0	30.0	30.0	30.0
Landmark Peace Monument		5.0	0.0	0.0	0.0	0.0
Europe Day events		0.3	0.3	0.3	0.3	0.3
Emigrant Welfare*		1.6	3.6	6.1	9.1	12.7
Peace and Reconciliation*		0.2	0.4	0.6	0.8	1.0
Anti-Sectarianism		0.1	0.1	0.1	0.1	0.1
1916 Museum		9.5	10.1	2.2	2.4	2.5
Museum of Irish Literature		00.	0.0	7.3	7.7	2.5
General Contingency		148.6	141.0	132.8	124.0	114.6
Total Net Expenditure Increase	44.1	888.1	1,332.7	1,787.9	2,313.2	2,874.7

Note: * refers to cost of proposals above increase in base



Taxation Commitments	2008	2009	2010	2011	2012
Indexation					
Index Bands, PAYE and Personal Credits	400	975	1,605	2,331	3,177
Net Cost of Indexation	280	683	1,124	1,632	2,224
Tax Reforms					
Abolish PRSI Ceiling	-270	-318	-342	-369	-397
Halve A Rate PRSI	660	775	835	899	969
Reduce Self-Employed PRSI to 2%	202	237	255	275	296
Marginal Cut	155	255	275	296	319
Standard Cut	410	620	1,175	1,465	1,578
Home Carer Credit	45	70	75	81	87
Gross Total Tax Reforms	1,201	1,640	2,273	2,647	2,851
Net Total Tax Reforms	841	1,148	1,591	1,853	1,996
Annual Net Package Tax Indexation and Reforms	1,121	709	884	770	735
Net Total Indexation and Reforms	1,121	1,830	2,714	3,485	4,220

FINE GAEL'S 5 POINT-PLAN FOR RECOVERY

1. GROWTH AND JOBS

Fine Gael's number one priority in Government will be **JOBS**. The ESRI believes that 100,000 jobs can be created over 5 years by Ireland returning to 3% growth. As outlined in our jobs policy, Working for Our Future, Fine Gael will ensure this happens by investing in key infrastructure and establishing the right conditions for private sector job growth. Our goal is to make Ireland, as it was in the late 1990s, one of the best countries in the world for doing business. (See section 15)

Fine Gael believes the jobs crisis is the biggest challenge facing Ireland:

First, because of the social misery it is causing: Over the last three years 300,000 people have lost their jobs - the biggest fall in employment in the OECD - while 100,000 mostly young people will emigrate over the next two years. Emigration must not become a permanent feature of Irish life.

Second, because we will never fix the deficit unless we get the economy growing. The Government has no jobs plan. Its only strategy is to pump tens of billions of Euros into the banks, cut the deficit largely through job-destroying tax increases, and hope for the best. Yet no country has ever taxed or cut itself back to recovery.

Fine Gael has a clear, credible jobs plan. We will create over 45,000 additional work experience, training, and internship opportunities, and increase total employment by at least 100,000 jobs by:

- 1. Focusing on budget cuts rather than job-destroying tax increases.** The international evidence is clear: Tax hikes raise the unemployment rate by three times more than spending cuts.
- 2. Investing in the future.** Our NewERA plan will invest an extra €7 billion in energy, communications and water to give Ireland the world class infrastructure it needs to compete. Since it will be funded in significant part through the sale of non-strategic state assets it will not increase the Government deficit. NewERA will give Ireland a high-speed broadband network with speeds in the top 5 of the OECD, a "smart" energy grid that will allow us to meet national targets for renewable energy and carbon reduction, and a water system that doesn't waste tens of millions every year through leakages.
- 3. Supporting small and medium businesses.** We will establish a new partial loan guarantee scheme which will give small businesses the credit they desperately need. We will overhaul public procurement so that small companies can bid for business, and give tenants the right to have their commercial rents reviewed irrespective of any upward only or other review clauses. We will reduce costs by opening up the closed parts of the economy to competition and target a €500 million reduction in red tape for business.
- 4. Focusing on key growth sectors.** These include **education** (we will introduce a new more focused strategy to attract international students); digital media (we want Ireland to become a world class player in digital gaming); tourism (we will abolish the travel tax if the airlines agree to re-open closed routes); and food (Fine Gael will introduce a number of proposals to position Ireland as the "Green Food Island").

2. FAIR DEFICIT REDUCTION

As stated in our banking policy, Credit Where Credit is Due, Fine Gael will reduce the budget deficit to 3% by 2014. We want Ireland by 2016 to be borrowing only for investment purposes. Unless the deficit is brought under control in this way, interest costs will cripple Ireland.

Under a Fine Gael Government, tax increases will constitute at most one-third of our measures to reduce the deficit, with any tax increases focused on areas which have a minimal impact on jobs. **We will not increase income taxes, the 12.5% rate of corporation tax or taxes on jobs (employers' PRSI).** We will, however, either eliminate or restrict all of the tax shelters and tax exemptions that allow the better off to avoid paying their fair share of taxes. (See section 18)

Fine Gael believes that the IMF/EU bail-out deal has not and will not restore investor confidence in our country, and must therefore be renegotiated to reduce the interest rate and to ensure a fairer sharing of the cost of fixing Ireland's broken banks. The current deal is bad for Ireland – and bad for Europe.

- **Bad for Ireland.** The financial markets are closed to Ireland principally because investors are concerned that any more capital injections into the banks – the cost so far is €100 billion – will sink the Irish economy.
- **Bad for Europe.** Our EU partners want Ireland to return to the financial markets as soon as possible. However, it is difficult to see how this can happen unless the market's concerns about the banking bailout are addressed directly.

Fine Gael favours spending reductions over tax increases not for ideological reasons, but because the experience of other countries shows that tax hikes raise the unemployment rate by three times more than spending cuts. Some argue that there is no further room for savings in Government spending. We disagree:

- **First, Ireland's total spending ('General Government') as a percentage of GNP is still higher than the EU average, even after recent budget cuts.**
- **Second, a great deal of spending over the last few years has been wasted.** Many state institutions, the HSE being the most obvious, have seen huge increases in their budgets but relatively little improvement in their services.
- **Third, Canada and Sweden in the 1990s showed that it is absolutely possible to cut spending while still growing the economy and protecting frontline services.** The secret of their success was to ensure that cuts were introduced as part of a comprehensive reform of public services. This is exactly the approach which Fine Gael is adopting.

By cutting down on waste and inefficiency Fine Gael will keep the Old Age Contributory and Non-Contributory Pension at its current level. Working-age payments to carers, the blind and the disabled will also be maintained. We will minimise further reductions in job-seekers' payments and other working-age social welfare payments by getting more people back to work, and by reducing the massive levels of fraud and administrative cost in the current welfare system.

3. SMALLER BETTER GOVERNMENT

Fine Gael is convinced that the public sector has a crucial role to play in Ireland's future. We reject totally the idea that its contribution to Ireland can or should be captured in a narrow profit and loss statement. Public service is about enriching the lives of people and helping the most vulnerable in our society, not about making a profit. But as Fine Gael's *Reinventing Government* document outlines, reform is essential. (See section 19)

- **Government must become smaller.** Ireland's fiscal crisis means there is simply no other choice. Government has to deliver better value in order to reduce the deficit, avoid job-destroying tax increases and protect frontline services
- **Government must perform better.** All too often state institutions have prioritised the interests of the providers and the insiders over the public interest.

A Fine Gael Government will cut costs and increase productivity through a root and branch reform programme which will generate savings of over €5 billion, or 1 euro in every 10 spent by public bodies. To do this Fine Gael will among other things:

- 1. Cut the number of politicians by 1/3rd and reduce back office staff working in government departments.** Our goal is to reduce total public service headcount by 30,000 by 2014 compared to 2010. There will be no compulsory redundancies. We will also set a salary cap of €200,000 for everyone.
- 2. Abolish 145 state bodies and companies.** This will include the gradual dismantlement of the HSE and FÁS, and the creation of a single, more powerful Competition, Consumer and Utilities Commission to champion the consumer, rather than the big monopolies.
- 3. Implement a majority of the non social-welfare recommendations from the McCarthy Report.** We will also follow Canada and Sweden by undertaking a full comprehensive spending review which will eliminate non-priority programmes.
- 4. Establish new shared services for Human Resources, Information Technology and Legal Services.** This will allow 10% to be cut from the administration budgets of all departments and public bodies; and
- 5. Deliver at least 80% of the spending savings recommended by the Local Government Efficiency Review,** e.g., through more shared services.

Fine Gael will reform Ireland's hugely over-centralised model of government. A Fine Gael Government will give frontline staff greater freedom in how they do their job and ensure that citizens have more control over services delivered to them. We will give local authorities more responsibilities and more control over their own funding. We will create a "one stop shop" for all entitlements and introduce Personal Budgets for individuals, particularly in health, so they can choose the services they want and need.

We will also open up government and make it more accountable. All appointments at senior level will be opened up to external competition, with one-third of appointments reserved for external candidates for a 5-year period. The annual work objectives of the top 1,300 civil servants will be published online. There will be no "golden handshakes" for those who fail to deliver.

4. A New Politics

Fine Gael's New Politics is the most ambitious programme for political reform since the 1930s. Our view is simple: Politicians cannot ask others to change and make sacrifices if they are not prepared to do the same. Fine Gael will reduce the total number of Oireachtas members by a third by abolishing the Seanad and cutting the number of TDs by 20. In addition ministers' salaries will be reduced, political expenses fully vouched for and severance payments for ministers axed. No political pensions will be paid to sitting TDs and no retired politician will get a political pension until the national retirement age. Politics must be about service to the public, not financial gain for politicians. (See section 17)

A Fine Gael Government will hold a referendum on **CONSTITUTION DAY** within 12 months of assuming office at which the people will be asked to approve the abolition of the Seanad and other changes to the articles of the constitution covering the institutions of the state – principally the Executive, the Dáil, the Presidency and the Judiciary. This referendum will not address the articles dealing with rights/social policy.

Fine Gael believes that an over-powerful Executive has turned the Dáil into an observer of the political process rather than a central player and that this must be changed. We will:

- **Amend the constitution to give Dáil committees full powers of investigation.** The Abbeylara Supreme Court decision currently limits the ability of Dáil committees to hold investigations into crucial issues of public concern, such as the banking crisis.
- **Reduce the number of committees and give key committees constitutional standing.** The Dáil needs fewer but stronger committees, resourced properly.
- **De-politicise their work.** Chairs of committees will be assigned on a more proportional basis, while legislation will typically be introduced in a heads of Bill format to increase the chance of cross-party support.
- **Initiation of legislation and guillotines.** We will give committees the power to introduce legislation, while a new 10 Minute Rule will allow backbench TDs to introduce their own Bills. We will also tackle the huge over-use of guillotines to ram through non-emergency legislation.

Fine Gael believes there must also be a real shift in power from the state to the citizen.

- **Fine Gael has already published an Open Government Bill.** It will significantly strengthen Freedom of Information; establish a "whistleblowers charter"; register all lobbyists; and create a new Electoral Commission.
- **We will establish a Citizens Assembly, along the lines of those used in the Netherlands, to make recommendations on electoral reform.** We will also introduce a petitions system for the Dáil.
- **We will strengthen local government.** We will move many of the functions currently being performed by agencies back to Local Government and ensure that all property-related revenues are part of the income stream of Local Government.
- **Fine Gael will reduce the voting age to 17 and give eligible citizens the right to vote at Irish embassies in the Presidential election.** If this experiment is deemed a success Fine Gael will consider extending this practice to general elections.

5. Healthcare for All

FairCare is the most ambitious plan for health reform since the establishment of the state. Longer waiting times, a record number of patients on A&E trolleys and huge hikes in insurance premiums all point to a system in desperate need of change. *FairCare* will end Fianna Fail's and Mary Harney's privatisation strategy and address two key challenges:

- **High but Inefficient Spending:** Between 1997 and 2009 spending on health more than quadrupled. While spending per capita is in line with Germany, France and Sweden, the 2009 Euro Health Index Consumer (EHIC) ranks Ireland only 24th for value for money. The Netherlands is 4th in Europe as a whole and 1st in the original EU 15.
- **A Demographic Time-bomb:** Our population is one of the youngest in Europe. Without reform, health spending, according to the VHI, will have to increase to €37 billion by 2020 to meet greater demand from an ageing population. Ireland's tax take now is only €33 billion!

FairCare will gradually dismantle the HSE and replace it with a system of Universal Health Insurance (UHI) starting in 2016, based on the very efficient Dutch model of healthcare. Ireland will have a strong public health system in which the State guarantees equal access for all to quality healthcare with the insurance companies administering the system. Once UHI is introduced the unfair and inefficient two-tier health system will be eliminated. Every citizen will have private health insurance with the state paying for children/students and those on medical cards. It will subsidise those with low income. Public hospitals will remain under public ownership but will be given much more freedom to run themselves. (See section 13) Prior to the introduction of UHI Fine Gael will introduce a series of reforms to make the system more efficient and fairer. This will allow us to minimise the impact of budget cuts on frontline services.

1. **Cost Savings:** Fine Gael will reduce the headcount by 8,000 through natural retirement and a voluntary redundancy programme. We will pay hospitals for the number of patients they treat rather than giving block grants (Money Follows the Patient) which will increase productivity by up to 10%. We will accelerate the transfer of chronic disease management from hospitals to primary care. This will save several hundred million once introduced and help fund the construction of more primary care centres throughout the country. We will cut drugs costs further through various reforms.
2. **Driving towards free GP care for all:** As part of our preparation for UHI, we will look at a number of ways to widen access to free GP care as finances permit, including increasing the number of people who have a GP Visit Card. Fine Gael will also enter discussions with the insurers to see how cover for GP care can be extended by them to their clients at reasonable cost. We will open up the General Medical Services (GMS) contract to all suitable qualified doctors to increase competition and reduce costs.
3. **Reduced Waiting Lists:** We will establish a Special Delivery Unit (SDU), reporting directly to the Minister, to better manage waiting lists. A similar approach in Northern Ireland significantly reduced waiting lists.
4. **A More Competitive Insurance Market:** Fine Gael will introduce risk equalisation to make the system fairer, tackle the VHI's dominant market position, and encourage new entrants into the market.

3. Banking and Debt Distress

Banking is built on trust. But reckless lending by – and to – Irish banks during the property boom, encouraged by an irresponsible Government that put its election prospects over the stability of the Irish economy, means that Irish banks have lost the trust of depositors, investors and society at large.

And the response of the banks and the Government to the crisis has made matters worse. Committing €100 billion of taxpayers' money to the banks so that they can repay their foreign debts while starving the Irish economy of credit has made the recession far deeper than it needed to be.

The current IMF-EU bail-out plan signed has not – and will not – restore confidence in Ireland, because at its heart is a commitment to continue the failed banking policies of the present Government.

A Fine Gael Government will make our banking system an engine of economic recovery by restoring public and market confidence in its financial health, management competence and ethical integrity.

3.1 A Fairer Sharing of the Cost of Restructuring and Funding Irish Banks

Re-negotiating the EU-IMF Programme of Support: Borrowing up to €25 billion in additional funds from the EU / IMF at 5.8% to cover additional bank losses from fire-sales of loans and other bank assets at rock-bottom prices, as this Government has agreed, will push Irish Government debt towards unsustainable levels and hinder economic recovery, threatening the stability of the entire euro area.

A Fine Gael Government will seek a mandate from the Irish people to renegotiate a more credible, fairer package that is better for Ireland and Europe.

A Transparent Assessment of the Capital Needs of Irish Banks: We will defer further recapitalisations of Irish banks until the completion of the Prudential Capital Assessment Review, which is expected to be available within weeks of the formation of a new Government. It makes sense to know the size of the hole in the banks before committing further taxpayer resources. This might also make it possible for the stronger banks to reduce the taxpayers' exposure by raising private capital.

European Support for Bank Recapitalisation: We will seek to re-negotiate the terms of reference of the European Financial Stability Fund (EFSF) and / or European Financial Stability Mechanism (EFSM) to allow them to take equity stakes in systemically important European banks, such as AIB and Bank of Ireland. A similar option is that Ireland could buy "insurance" from the EU against the risk that losses in Irish banks will be significantly greater than projected under the PCAR exercise.

Agreed Procedures for Restructuring the Debts of Troubled Banks: Fine Gael in Government will force certain classes of bond-holders to share in the cost of recapitalising troubled financial institutions. This will be done unilaterally for the most junior bondholders (owners of preference shares, sub-ordinated debt and similar instruments), but could be extended – as part of a European-wide framework – for senior debt, focusing on insolvent institutions like Anglo Irish and Irish Nationwide that have no systemic importance.

A More Sustainable Funding Solution for Irish Banks: Irish banks need to shrink their balance sheets to reduce their dependence on volatile non-deposit funding sources. We will seek to collaborate with U.S. regulatory authorities to collate the dollar assets of Irish banks (up to \$50 billion) that could be used as security to secure funding from the U.S. Federal Reserve.

Long-Term EU Funding for Irish Banks: Rather than selling assets at fire-sale prices with the losses covered by already over-stretched Irish taxpayers, we will negotiate with the EU/ECB to fund – on a

longer-term basis – the transfer at par value of relatively-secure Irish bank loan books – such as tracker mortgages – into a “warehouse” or Special Purpose Vehicle. This might involve the EU funds buying long-term bonds to fund such entities. This would shrink the Irish banks to a size where they can fund most of their remaining loan books through deposits, helping to address market concerns about their long-term liquidity position.

3.2 Re-Building a Competitive, Well-Managed, Privately-Owned Banking System

Putting the Government Back in Charge of Restructuring the Banking Sector: We will establish and staff with the necessary expertise a new banking policy division in the Department of Finance to manage, from one central point, the efforts of the Central Bank, the NTMA and the banks’ management themselves to repair the Irish banking system.

Promoting New Leadership and Management in the Banks: A Fine Gael Government will accelerate the replacement of directors and senior managers in the Irish banks. To expedite this change-over we will openly construct a pool of globally experienced, turn-around managers and directors to be inserted into key executive and non-executive positions in banks receiving taxpayer support.

Banks Should Squeeze Their Costs before Their Customers: The cost-income ratios of AIB and Bank of Ireland are still out of line with comparable European banks. A Fine Gael Government will direct any mortgage provider in receipt of State support to present it with a plan within 100 days of coming into Office of how it intends to cut its wage bill and other costs – over and above existing plans – in a fair manner by a sufficient amount to forego a 25 basis point increase on their variable rate mortgages. This plan should include a new, lower pay cap for senior staff and a verifiable commitment to suspend all bonus payments until the banks are no longer in receipt of State support.

Returning Viable Banks to Private Ownership: Fine Gael will complete the sale of EBS to a new, private owner, and will support the new institution as a lynchpin for building a third force in Irish banking to compete against AIB and Bank of Ireland in the business and personal banking markets. We will consider selling AIB to a large, foreign bank in order to bring access to new funding and capital for Irish enterprises, and to address market concerns about the threat to the national finances from the banking system. We will seek to retain Bank of Ireland under domestic ownership and control, and will give individual Irish citizens an option to buy the State’s shares at a strike price that, at the very least, recovers the investment made by taxpayers.

Shutting Down Dead Banks: Anglo Irish Bank and Irish Nationwide have no further role to play in the Irish economy. A Fine Gael Government will wind up both institutions by the end of 2011, by transferring their remaining assets and deposits to other financial institutions or other asset recovery vehicles as appropriate. Further losses incurred in this process will be shared with remaining bondholders.

A Healthy Credit Union Movement: Fine Gael recognises the important role of credit unions as a volunteer co-operative movement and the distinction between them and other types of financial institutions. In Government, we will establish a Commission to review the future of the credit union movement and make recommendations in relation to the most effective regulatory structure for Credit Unions, taking into account their not-for-profit mandate, their volunteer ethos and community focus, while paying due regard to the need to fully protect depositors savings and financial stability.

3.3 Supporting New Lending to Firms and Households

Mortgage Lending to First Time Buyers: The housing market will not be recover unless First Time Buyers have access to mortgage credit to enter the market. Working with the regulatory authorities and the industry, a Fine Gael Government will encourage new funding for Irish mortgage lending again by drawing

a line under past practices and creating a new brand or status around the Irish mortgage market that puts the quality of Irish mortgages beyond any question in international markets. With this aim in mind, and drawing from best international practice, we will introduce new universal Mortgage Indemnity Insurance ('negative equity insurance') that provides security for prudent lenders and borrowers against future risks of negative equity.

Making Sure Banks Deliver on their Lending Promises: We will direct the new Credit Review Office to publish a delivery audit of the commitments by AIB and Bank of Ireland to make available a total of €12 billion in additional lending to small and medium enterprises in 2010 and 2011.

A Partial Business Loan Guarantee to Support Job Creation: To get banks lending again to industry and entrepreneurs, a Fine Gael Government will implement a temporary, partial credit guarantee scheme that will provide a level of insurance to the banks against losses on qualifying loans to job-creating firms.

Micro Finance Start-Up Fund: Drawing from funding from the NPRF and private institutional funds, we will construct a €100 million Microfinance Start-Up Fund which will provide start-up loans and equity to new businesses. Private not-for-profit organisations like First Step, Chambers of Commerce or Local Business Units in the City and County Councils could apply for capital from the Fund for investment in local start-ups, as part of a necessary move away from non-repayable grants.

Financing for High-Tech, High-Potential Firms: We also support the development of a more dynamic, venture capital industry in Ireland by attracting top-tier venture financing and investment companies to Ireland, as recommended by the Report of the Innovation Taskforce. To begin, we will seek negotiations with Silicon Valley Bank to entice it to establish offices in Ireland. We will also fix the regulatory problems to allow private pension funds to invest more in Irish business.

3.4 Supporting Families and Businesses in Debt Distress

Debt Responsibility: A Fine Gael Government will expect every family and every business to do everything possible to service their debts, and will not ask others to pay the debts of the reckless and dishonest. A mass Government-imposed mortgage debt forgiveness scheme would close down new lending for First Time Buyers and further raise interest rates for families on variable rate mortgages. Where, however, families and businesses have made best efforts and find themselves unable to service their debts, we will support them through the recession and help re-integrate them back into the economy.

Helping Families in Mortgage Arrears: We will ensure that funding for the means-tested Mortgage Interest Supplement scheme can adequately cover families in need by capping the interest charged by lenders benefitting from this scheme at the ECB base rate plus 1%, or the contracted mortgage rate, whichever is lower. To improve uniformity of access and speed of processing applications, we will centralise its administration under our proposed single Payments and Entitlements Service.

Banning Penalty Interest on Re-Structured Mortgages: We will legislate, if necessary, to stop mortgage lenders charging penalty interest rates (or forcing families to give up their low-cost tracker mortgage rates) on mortgages that have been rescheduled (i.e. the payment term lengthened) where the borrower has co-operated with the lender in agreeing a new, sustainable re-payment plan.

Mortgage Interest Relief: We will increase mortgage interest relief to 30% for First Time Buyers in 2004-08 (from the current sliding scale of 20% to 25% depending on the year the mortgage was taken out), financed in part by bringing forward the abolition of relief for new buyers from June 2011.

Deferred Interest: We will require banks in receipt of State support to give homeowners every chance to renegotiate the terms of their mortgage to avoid repossession during difficult times. For example, as recommended by the Mortgage Arrears and Personal Debt Group (November 2010), we will require

all mortgage lenders to offer distressed home-owners a Deferred Interest Scheme (DIS) that enables borrowers who can pay at least 66% of their mortgage interest (but less than the full interest) to defer payment of the unpaid interest for up to five years.

Trading Down: For some mortgage holders that are in negative equity, trading down would produce a reduction in mortgage debt and more affordable monthly payments. We will work with the Financial Regulator and the industry to facilitate trading down and “negative equity mortgages” by borrowers in this situation. Such options would have to be in the customers’ best interest.

Using Pension Savings to Ease Debt Distress: Many middle-aged home-owners and / or owners of small businesses have generally-funded personal pension schemes, but are facing difficulties in servicing mortgages or other current financial obligations. A Fine Gael Government will amend pensions legislation to allowing defined contribution pension savers to access funds early, subject to reasonable limits, to meet their current business and personal responsibilities (while taxing the draw-downs).

A New Insolvency Regime for the Financially Responsible: Bar the most extreme cases, bankruptcy reflects the failure of the system. Where common sense is applied to most debtors’ circumstances, there is no need or point to making someone a bankrupt. The sale of non-essential assets should be a part of any arrangement made between a debtor and their creditors. Once the ability to provide for creditors from the income of the debtor through a Debt Settlement Agreement is taken into account and the proceeds from the sale non-essential assets are distributed there should be no need to go any further in most cases.

But where this is not possible, Irish bankruptcy laws must be updated. They currently are unpractical, unused, excessively costly and overly penal. A Fine Gael Government will fast-track the reforms needed to bring us into line with best international standards, focusing on the following elements:

- Reducing the time to discharge from bankruptcy from six years to one for “**honest bankrupts**”, defined as one that has materially complied with the Tax, NAMA and Companies Acts among others;
- **A Non-Judicial Debt Settlement System** that will change bankruptcy from a judicial to an administrative process, with filings being made with a new Debt Settlement Office within the Courts Service without the need for legal representation;
- **New Commercial Voluntary Arrangements (CVAs)**, which are legally binding arrangements between the directors of a company and their creditors (at least 75%) that would protect the debtor from interest charges and the threat of enforcement during the period of the life of the CVA;
- **A Limited Residence and Personal Assets Safe Harbour** that will permit a bankrupt to ring fence from the bankruptcy process ownership of a principal private residence (within limits based on size, value and family numbers) and specified personal assets not to exceed €40,000 in value; and
- **A Prohibition against Discrimination against Discharged Bankrupts** to ensure that former bankrupts are treated fairly in their applications for credit or other services.

3.5 Making NAMA a Credible Vehicle for Recovery

A new Fine Gael Government will make a number of changes to the way NAMA works to help reduce taxpayer exposures and to kick-start the economy.

Stopping Further Asset Transfers to NAMA: We do not believe that transferring the land and development loans of Irish banks of less than €20 million to NAMA is in the best interests of the Irish economy, and will seek a mandate from the Irish people to renegotiate this element of the Programme of Support from the IMF and EU. As an alternative, we will force Irish banks to take loss provisions against these loans similar to the haircuts that would have been applied by NAMA. This offers the advantage of forcing the banks to recognise their potential losses, as well as significant upside potential for new investors in Irish banks. It also provides a more manageable administrative system for loans of this relatively small scale.

Kick-Starting the Property Market: Getting the property market functioning properly again is a condition of strong economic recovery. This will require NAMA to dispose of property assets secured from developers in default of their loans into the private sector as quickly as possible. We are open to considering new types of investment vehicles – such as U.S. style Real Estate Investment Trusts – that can help create a new, liquid investment market in commercial property for Irish pension funds and smaller investors.

Reintroducing Diversity and Competition into the Property Market: We will force NAMA to outsource management of at least 70% of its assets to 3-4 competing private asset management companies.

Exposing NAMA to Public Scrutiny: A Fine Gael Government will strengthen the transparency of NAMA's operations and its management of the assets paid for by the taxpayer. The details of all non-performing loans acquired by NAMA will be available for scrutiny on a Public Register, including the names of the creditors, the price paid by the taxpayer for the loans and the actions taken by NAMA to recover the loans. Persons that have defaulted on loans acquired by NAMA will be banned from ever purchasing any asset from NAMA.

3.6 Never Again Will Banks Be Allowed to Ransom the Irish State

Punishment for Financial crimes: Fine Gael will ensure that rogue bankers are pursued for their crimes and that the full rigours of the law will apply to them, and the courts will have the powers necessary to impose appropriate fines and jail sentences. We will enact a new consolidated and reformed anti-corruption law to punish white collar crime and end the impunity from consequences for corporate behaviour that has threatened the economy. We will ensure that the Office of the Director of Corporate Enforcement has sufficient resources to tackle White Collar Crime

Stronger Regulation of Financial Institutions: We will strengthen the financial regulatory regime by funding the planned increase in staffing levels. We will, before the end of 2011, commission an independent benchmarking of the quality of Ireland's reformed banking supervision regime as against best global practice.

Higher, Loss Absorbing Bank Capital to Protect Taxpayers and Depositors: We will raise core equity capital requirements for systemically important banks on a permanent basis. This will provide a greater buffer against banking losses before external intervention is required. To be counted as capital, "hybrid" debt instruments issued by Irish banks, such as sub-ordinated bonds, must include clear mechanisms for taking losses, either through write-downs or conversions into equity, without winding down the entire bank.

Structural Reforms to Make Banking Safer: We will legislate, consistent with emerging EU frameworks in this area, to give the Financial Regulator additional "bank resolution powers" to take over and wind down banks that threaten financial stability, with losses being absorbed by investors and bond-holders before the taxpayer. Fine Gael will consider new legislation to separate more risky, speculative financial activities from the traditional banking activities of taking deposits and lending to enterprise. Fine Gael will also intervene directly to stop banks from encouraging risky lending in the way they pay senior executives.

Bank Levy / Dividends: As banks return to profitability and private ownership, we will target additional contributions from the sector to repay the Irish taxpayer for the cost of the bank bail-outs. Initially, these contributions will be in the form of dividends, but will over time be restructured into an additional bank levy on the types of transient funding sources of the Irish banks that have caused so much instability.

The Green Party in Government.....it's time

Since its foundation twenty five years ago the Green Party, and the green movement in general, has had an increasing influence on Irish politics.

Each increase for the Greens in the polls has been followed by half-hearted attempts by successive governments to court a Green vote. But the threats faced now are too urgent and it is clear that the Green Party needs to be in Government to bring about the necessary changes.

Of all the environmental threats faced by human-kind, global warming has always had the potential to be the most devastating. Scientists have been in agreement about this for many years but vital time has been wasted by a political establishment unwilling to face facts.

What is certain is that we have to act now if we want to minimise the impact. We must cut our emissions as part of a global effort to stop the planet passing a tipping point, beyond which climate change would become a catastrophic runaway phenomenon.

This requires a political will that the other political parties have sorely lacked. Ireland, under successive governments, has drifted lazily into a massive oil-dependency, blithely ignoring the many renewable energy alternatives all around us.

But the crisis requires more than just new energy sources. The haphazard sprawl of development that passes for planning in this country must end. Despite the warnings, we continue to build a country that is increasingly dependent on cars and roads.

Ireland needs proper decentralisation – of power and of development – not simply a dispersal of civil servants. Fianna Fáil and the PDs dutifully produced a National Spatial Strategy, followed by a completely unconnected plan to send whole Government departments to various ministers' constituencies.

Political change is required across all Government departments, whether it's providing better public transport services, improving building standards or ensuring that jobs, shops, schools and hospitals are provided close to where people live. Not only would these policies reduce carbon emissions and reduce our dependence on oil, they would produce a better quality of life for everyone.

Who do you trust to take the climate change challenge seriously – the party that said all along that this was happening or the parties that denied it? Who do you trust to stand up to the vested interests – parties that depend on donations from big business or a party that refuses to allow itself to be bought?

The policies outlined in this manifesto are informed by principles held dearly by our members and supporters - particularly the need to cherish all people regardless of gender, race, belief, wealth or ability. We do not treat equality as a separate issue. All of our policies strive to achieve an equality of opportunity for all people in all walks of life.

And that is why we say to you now - if you want Green - Vote Green.

Section 2: Taxation and Social Policy (continued)

- discontinue reliefs that are costly, unproductive and unjustifiable;
- review the terms of the cap on tax relief annually on the basis of its projected effects in the coming year;
- examine the viability of introducing rules to ensure that high-earners do not continue to avoid tax through residency loopholes.

Income Taxes

The Green Party will:

- index-link tax credits and bands to provide workers with protection from the effects of inflation and to avoid taxation by stealth;
- reduce employers' and employees' PRSI contributions and fund this with the revenue generated by levies on pollution;
- introduce refundable tax credits where possible so that those who do not use some or all of their tax credits receive the equivalent in a cash payment from the State;
- **increase the standard rate of Capital Gains Tax from 20% to 25% to reduce the inequity whereby those who benefit from capital gains pay less tax than many of those who work and pay tax on their earnings.**

Value Added Tax

Last year VAT, which disproportionately affects low earners, accounted for over 30% of total revenue. We will fund VAT reductions with revenue generated by levies on pollution.

The Green Party will:

- reduce both VAT rates by 1%;
- reduce the 21% VAT rate on activities with environmental benefits and on certain essential goods and services, e.g. where it affects the ill, elderly or those with a disability;
- ensure that reduced VAT rates are passed on to customers;
- give charities a refund on VAT paid on donations in order to support their positive contribution to Irish society.

Business and taxation

The Green Party believes that the Irish economy must develop its indigenous base and that tax reliefs for businesses should be structured so that the establishment of strong indigenous enterprise is rewarded.

Capital allowances cost the Exchequer €1.6bn in 2002 (the latest year for which a figure is available at time of writing) in tax foregone. In many cases, their value to society in economic, social and environmental terms is dubious.

The Green Party will:

- **structure corporate tax reliefs and capital allowances in such a way that Research and Development, employment-generating activities, socially responsible activities, and sustainable and environmentally-friendly activities are rewarded;**
- replace commercial rates with a Site Value Tax (see below);
- reintroduce the Bank Levy for 5-year period capped at €200m per annum since banks have benefited disproportionately from Ireland's economic development at the expense of individuals and indigenous enterprises – the two biggest banks currently make about €3 billion a year.

Encouraging efficient land-use

At present, a decision to rezone land can generate large sums of money for the landowner. At the same time, local authorities and, increasingly, local businesses and the ordinary taxpayer are left to bear the expense of creating and maintaining the services and infrastructure that give the site its value. The Green Party will change this.

The Green Party will:

- replace commercial rates with an annual Site Value Tax on all land, except primary homes, agricultural land and State property that is used for non-administrative purposes, based on the value that a particular piece of land would have if there were no buildings or improvements on it;
- **establish a Windfall Tax on development land, as recommended by the Kenny Report,** to ensure that part of windfall gains made by owners of development land as a result of rezoning and service provision by local government will be returned to the community on the sale of a site.

Reducing carbon emissions

Under the Kyoto Protocol, the taxpayer will pay over €500m for carbon credits between 2008 and 2012, largely due the Government's failure to take measures to reduce carbon emissions.

The Green Party will:

- introduce a carbon levy - on the basis of current emissions levels, a €20 per tonne levy would raise at least €510m in revenue and reduce Ireland's financial liability under the Kyoto Protocol;
- use this revenue to reduce PRSI contributions of employees and employers, to reduce VAT and to increase social welfare provision to counteract "fuel poverty";
- investigate introducing personal carbon allowances to replace the carbon levvy:

Section 4: Housing and Development

Increasing prices are a major problem for young homebuyers and those who need to move to larger homes. The increasing number of those on housing lists and of those in receipt of the rental supplement shows that the property boom is not delivering for the needs of ordinary people. Practices such as land speculation and the hoarding of zoned land have distorted the housing market and impeded the provision of affordable housing.

The Green Party will:

- enshrine in law the principle of housing as a right, as has been done in France;
- set up a Housing Authority, under the auspices of the Department of the Environment, whose objective will be to shape and influence the development of housing policy through research, market analysis and information and advice;
- **ensure that local authorities will compulsorily purchase development land prior to rezoning, at agricultural or existing use value plus 25%, for the purpose of providing social or affordable housing** or for sale at full market value to private developers;
- review existing stamp duty rates and abolish stamp duty for older persons who are 'downsizing' and extend relief for first-time buyers who wish to purchase the same property;
- shift the tax burden from labour to 'smart' taxes on the site value of land excluding agricultural land and primary homes (see "Taxation and Social Policy");
- give pre-emption rights to local authorities to purchase property at point of sale and make more active use of existing compulsory purchase powers;
- empower local authorities to designate 'brown field' sites in need of redevelopment;

Social and Affordable Housing and Homelessness

Ireland is producing markedly less social housing today than in the past. In 2002 social housing accounted for only 10% of total housing output.

The Green Party will

- **ensure the delivery of 10,000 social and affordable housing units a year**, until the housing waiting lists are cleared, by insisting on up to one third social and affordable housing provision within new developments;
- limit developers from using land or financial transfer to opt out of building social housing units within new residential schemes;
- integrate local authority housing for people with disabilities into as many housing schemes as possible;

- reduce from 50% to 25% the contribution made by home owners in local authority estates undergoing regeneration if they wish to avail of the upgrade to the exterior of their house, in particular when this leads to greater energy efficiency;
- meet the demands and timescales of the Make Room campaign in addressing for once and for all the scourge of homelessness in Irish society.

Management Companies and Taking Estates in Charge

The Green Party will

- guarantee that local authorities will not allow the creation of management companies as part of the planning permission conditions for traditional estates;
- create a regulatory body to oversee the use of management companies;
- ensure that management agents are strictly policed by the National Property Services Regulatory Authority;
- introduce new procedures for taking estates into charge by local authorities, including penalties on developers if they fail to bring the estate up to the necessary standard within the prescribed time.

Private Rented Sector

The Green Party wants to see renting in the private sector come to be regarded as a legitimate and sensible housing choice .

The Green Party will:

- give tenants security of tenure of one month for every five month's occupation;
- encourage institutional investors such as pension funds, trade Unions, credit unions, etc. to become involved in the sector;
- require landlords to register with our proposed Housing Authority with their properties having to reach minimum standards before a licence will be issued to rent a dwelling;
- shorten the period over which landlords can claim tax back on renovating their properties from 8 to 4 years;
- limit rent increases to a 5% increase above inflation;
- target all new tax incentives on not-for-profit housing and allow the not-for-profit sector to compete with the private sector for tenants.

Section 4: Housing and Development (continued)

Joined-up Thinking in Urban Planning

The Government continues to set the agenda for a developer-led approach to planning that ignores the social, economic and environmental consequences of rising private transport dependence and energy consumption. The current urban planning framework is disjointed.

The Green Party will:

- require local authorities to have Masterplans to specify the forecasted transport, education, community service capacity requirements and to inform the Department of Education of new zoning decisions and changes to County Development Plans that have implications for future educational needs;
- amend the Planning Act to guarantee the provision of educational facilities within new growth areas by requiring developers to either supply the necessary land, pay development contributions to finance schools or build the necessary schools as a condition of planning permission;
- create a Strategic Planning Unit within the Department of Education to coordinate the development of new and existing schools and place a statutory obligation on the Department to review its school building programme each time a local authority rezones land or gives planning permission to a residential development;
- **require local authorities to zone specific areas within their Development Plans in locations that will gain from *Transport 21* investments** to establish a clear link between additional private gains, such as higher house prices, and to give local authorities an additional income stream to fund supporting infrastructure and services;
- require businesses to take responsibility for their own transport problems with Mobility Management Plans becoming a key requirement for planning approval in all urban areas;
- amend the Planning and Development Act 2000 to allow County Development Plans lay down standards on energy efficiency and the use of renewables;
- revise the Open Space Standards so that all green spaces provide social and ecological benefits, e.g. events, meetings and play;
- make it an explicit element of the planning framework that environmental consequences must be factored into decision-making, e.g. Development Plans, zoning decisions;
- provide urban micro-forests in all large open spaces within new residential areas and ensure that landscaping plans enhance biodiversity;
- give local authorities licencing powers over sex shops and lap dancing clubs .

Planning for People

This Government has put limits on public participation in the planning system that did not exist before. This has resulted in distrust of the planning system.

The Green Party will:

- **establish a new National Planning Advisory Agency, as a counter balance to the Strategic Infrastructure Bill, to inform the public about large planning applications in their local area and provide technical services on national and local planning policy to the public;**
- **remove the €20 Planning Participation Fee and all administrative rules that act as a barrier to open participation in the Irish planning system;**
- ensure the focus of residential planning is to create long-term sustainable communities;
- produce new Residential Guidelines based on good urban design principles
- allow appeal to An Bord Pleanála of proposed developments by State or local authorities.

Landscape Planning

The Green Party will implement the terms of the European Landscape Convention, ratified by Ireland in March 2007, by developing the following policies and legislation in cooperation with the Heritage Council and other stakeholders in the professional and NGO spheres.

- A National Landscape Policy and a Landscape Ireland Act
- A Policy and Act on Urban Parks and Green Spaces
- Create parks and landscape services in all local authorities on a phased basis
- Integrate landscape management into the NDP 2007-2013.

Rural Planning

The Sustainable Rural Housing Guidelines are fraught with difficulties and show that the Government does not take seriously either the problem of rural transport or the impact of development in areas without sufficient local water or waste water treatment services.

The Green Party will:

- encourage local authorities to buy or to Compulsorily Purchase land-banks around villages and provide serviced sites at cost to residents so that shops, schools, etc., are located within walking distance;
- promote rural planning policies that give preference to those who make an economic contribution to the rural community in which they wish to live;

JOBS

Put jobs and growth first. That means renegotiating the EU-IMF deal to include a jobs strategy, to share the debt burden with bondholders, to reduce the interest rate, and to leave room for Ireland's economy to grow.

Build on our strengths. Labour has specific plans for job creation in Ireland's agri-food industry, tourism, renewable energy, creative industries, clean technology, and retail; for turning scientific research into jobs; and for developing new markets for Irish exports.

Invest in jobs and training. Labour's €500 million Jobs Fund will fund new ideas to grow jobs in strategic sectors of the economy, while our plan for a Strategic Investment Bank will provide credit to grow businesses and build vital infrastructure. The Jobs Fund will also provide 60,000 new education and training opportunities to help those out of work to get back into employment.

Make next generation broadband happen. Labour's plan brings together private sector funding in an innovative co-op to build a high-speed, next generation broadband network.

REFORM

Change politics. Labour's job in government is to serve the best interests of the Irish people. Labour will abolish the Seanad, end cronyism on State boards, and make Ministers and public servants accountable for their decisions.

A new Constitution. Labour will ask a people's convention to draw up a new Constitution setting out the aspirations, the values and the rules that Irish people want to live by now.

Open up government. Labour will extend the right to Freedom of Information, require political lobbyists to be publicly registered, and introduce legal protection for whistleblowers.

Reform public service. Labour has a plan to make the public service more flexible, work better, and to get better value for money.

FAIRNESS

Keep taxes fair and balanced. Under Labour in government, no one earning less than €100,000 will pay more income tax. Labour's plan to close the gap in our public finances is split 50:50 between spending cuts and new revenue-raising measures.

A fairer, more affordable health system. Labour will reform the unfair two-tier health system to reduce the cost of delivering care, and use those savings to extend universal access to essential medical care. We will start by making access to primary care, such as GPs, more affordable.

Make literacy a national cause. No child should leave school unable to read and write. Labour has a plan to improve child literacy for the first time in a generation.

Equality is for everyone. Labour will hold a referendum on gay marriage rights.

Labour does not accept that the EU/IMF deal provides a workable basis for restoring the Irish economy. Labour in government will engage with the EU and the IMF to renegotiate the deal, so as to achieve fair and realistic terms for Ireland and for the Irish people.

RESTORE THE BANKING SYSTEM

The EU/IMF deal provides funding to support a process of downsizing and restructuring in the Irish banking system, so as to restore international confidence and ensure that the system can fund itself – i.e. that the banks will be able to function without support from the ECB. Labour will apply the following principles to the restructuring and down-sizing of the banks:

banks will have to provide detailed plans on how this will be achieved, including the number of SME lenders to be involved in achieving the targets, how many new SME clients will a bank achieve, and how much will be focused onto existing clients.

- Labour will seek to agree more effective alternatives to the transfer of further portfolios of smaller property loans to NAMA (NAMA2), given the difficulties this will create in the management of such loan-books.
- Labour is opposed to further fire-sales of bank assets which impose greater losses than necessary. We do not support the NAMA3 asset warehousing proposal as a solution that can be implemented in a timely manner. Labour will explore all options to minimise the cost of re-structuring, including asset insurance models, and to increase the availability of affordable funding to the banking system in the interim period to provide the real economy with credit.
- Labour will seek to dispose of the public stakes in the banks as soon as possible at the best possible return to the taxpayer. Labour believes that a restructured banking system should include a specialist state-owned, but strictly independent, investment bank, focused on funding investment to support the strategic needs of the Irish economy, including project finance for infrastructure and growth capital for firms. Such a bank would be capitalised from the funds remaining in the NPRF and should form an ongoing part of the financial system in Ireland's open and innovative economy.

Labour will insist that an adequate pool of credit is available to fund small and medium-sized businesses

- Labour believes that bank bondholders should share in bank losses. Depositors must be fully protected. Labour will seek to ensure that burden sharing with bondholders is part of a renegotiated deal.
- Labour will insist that an adequate pool of credit is available to fund small and medium-sized businesses in the real economy during the re-structuring and down-sizing programme.
- Labour will ensure that, at the end of the process, a strong and robust banking system exists that will serve the needs of the real Irish economy. The

- Labour will insist on restructuring of bank boards, to ensure replacement of directors who presided over failed lending practices. Labour will ensure that the regulator has sufficient powers of pre-approval of bank directors and senior executives.

STRONG, COHERENT DECISION-MAKING

Effective decision making in this process demands better decision-making structures, in contrast to the fragmented and sometimes contradictory approach that has been in evidence during the crisis to date. Labour will create a strong integrated decision-making structure, which while respecting the statutory roles of the different agencies, will incorporate all relevant agencies, with effective inclusion of appropriate advice, led by senior Ministers.

GETTING VALUE FOR THE TAXPAYER FROM NAMA

Labour has been consistently opposed to the NAMA project, because it presented an unacceptably high and irreversible risk to the taxpayer. Labour in government will seek to curtail any further transfers of assets to NAMA, and will seek alternative solutions to the transfer of large portfolios of smaller property loans.

Effective operations and decision making by NAMA are critical to the future of the Irish economy, in respect both of curtailing losses to the State, and in ensuring that the property market in Ireland functions normally. The prices at which assets are sold by NAMA is critical. Labour will also insist on the highest standards of transparency in the operation of NAMA, and will work to limit the costs associated with the agency

such as in respect of professional fees. Labour will insist on the fullest recovery of losses from the developers whose loans have been transferred to NAMA and who do not meet their obligations.

NEVER AGAIN

Ireland's banking crisis clearly demonstrates how Fianna Fáil's philosophy of free-for-all, light-touch regulation, without proper checks and balances risks social and economic catastrophe.

Labour will restore the soundness and credibility of the Irish banking sector so that it can again play its valuable social and economic role – a safe haven for savings, a facilitator of payments, a responsible lender for productive investment and important family purchases.

In the future, regulation must be based not only on sound principles, but on clear, enforceable rules backed up by stringent oversight and sanctions where necessary. The Central Bank should be charged with monitoring balance sheet growth at financial institutions under its jurisdiction, and in the financial system as a whole, and on the sustainability of the funding mix, reporting annually to the Minister for Finance and recommending remedial action if necessary.

Once the banks are put on a sound footing, efforts should be made to accelerate a move to the Basel III

regime with more onerous capital and reporting requirements.

Long before the most recent banking crisis, Irish banks established a track record on over-charging their customers. Irish consumers need a reinforced watchdog with real teeth and the will to take on the bankers. Fianna Fáil have hived off the consumer protection function of the Financial Regulator to the National Consumer Agency. It is essential that its quasi-judicial role in terms of investigating wrongdoings and imposing sanctions is not watered down.

Enhanced coordination is needed between the Financial Services Ombudsman, the Office of the Director of Corporate Enforcement, the National Consumer Agency, and the Head of Financial Regulation at the Central Bank. There should be a one-stop-shop portal for consumers with issues with financial service providers rather than having to navigate these myriad bodies.

PAYING FOR THE CRISIS

Over time, the banking sector must pay a fair contribution to cleaning up the mess for which it is responsible. When the Irish banking system has been put back on its feet, fully recapitalised, and able to access interbank markets, Labour will introduce a bank levy based on the size of a bank's liabilities (other than shareholders' capital).

Labour will insist on the fullest recovery of losses from the developers whose loans have been transferred to NAMA

SPECIAL RESOLUTION REGIME FOR FAILED BANKS

Because of the important role that banks play in the wider economy, they cannot just be wound up in the same way as other businesses when they are bankrupt. This should not mean, however, that taxpayers are on the hook for banks' debts. Ireland should work with our European Partners to develop a comprehensive new Special Resolution Regime that ensures protection of banks' depositors, but allows for appropriate burden sharing with other creditors.

AN END TO BONUS CULTURE

Bonuses in the financial sector have grown out of all proportion with their social and economic value and have encouraged risk-taking that is ultimately borne by the taxpayer. All remuneration schemes at banks subject to state support should undergo a fundamental review to ensure an alignment of interest between banks, their staff and the taxpayers who have borne such a heavy burden to keep them open.

REGIONAL ENTERPRISE FUNDS

Opportunities should be explored (for instance through JEREMIE, run by the EIF) for the launch of a Regional Investment Fund by re-focusing some of our remaining structural funds which have yet to be drawn down from Brussels. This would be a revolving fund where the money can be re-invested.

GETTING CREDIT FLOWING TO SMALL & FAMILY BUSINESSES

Across Ireland, viable, profitable, well-run businesses are going to the wall because they can't access credit. Labour will introduce an SME Working Capital Guarantee Scheme which would ensure that viable small and family businesses can get the loans they need.

Labour will insist on a full and proper investigation into the blanket bank guarantee

A STRONG MUTUAL AND CREDIT UNION SECTOR

Labour is committed to maintaining a mutual and community component in our financial system. Ireland's credit unions have a rich tradition and a track record of providing loans in communities and workplaces across the country. The credit union movement has an important role to play in Ireland's future financial architecture and the movement deserves support in its endeavours to increasingly modernise and professionalise the sector. This will involve a fair and impartial review of credit union regulation.

INQUIRY INTO THE BLANKET BANK GUARANTEE

The blanket bank guarantee was the most disastrous policy decision in the history of the state. Labour will insist that a full and proper investigation into this decision and the events leading up to it is completed and that there are public hearings by the relevant Oireachtas Committee.

ADDRESSING FINANCIAL EXCLUSION

Labour is committed to tackling the problem of financial exclusion through measures such as the introduction of basic bank accounts. We also believe that a new partnership should be sought to provide banking services through the Post Office Network.

THE FUTURE OF THE IFSC

Labour supports the future development of the IFSC as a source of future growth in high value employment, subject to appropriate regulation, including the development of Green financial services and Islamic banking.

Jobs

Fiscal Stability, Investment And Competitiveness

TIME FOR CHANGE

Labour believes that the growth forecasts in the Four-Year Plan are broadly achievable, provided that the right policies are put in place. Ireland can achieve high export growth, and see a return to growth in the more job-intensive domestic economy.

The Fiscal Strategy set out in the EU/IMF deal, however, involves excessive austerity, which will put growth and job creation at risk. Labour is proposing a strategy that will maximise investment and growth.

One Ireland
jobs, reform, fairness

02



THE FIRST STEPS

- Extend the deadline for achieving the 3% of GDP deficit target to 2016
- Implement a net adjustment of €7.1 billion in the period 2012-2014
- A fair and balanced approach to achieving savings
- A new strategic approach to achieve better public spending
- Establish a Strategic Investment Bank to invest in the Irish economy using resources in the National Pension Reserve Fund



ENSURING FISCAL STABILITY AND GROWTH

As a result of the mismanagement of the economy by Fianna Fáil, Ireland is dependent on the IMF/EU loan facility to fund the fiscal deficit. Labour has consistently supported the objective of restoring fiscal stability, in line with our obligations as a member of the Eurozone, and as a necessary requirement for economic stability and long-run growth. Labour does not accept, however, that the fiscal strategy devised by the discredited Fianna Fáil government and included in the EU/IMF deal provides a basis for economic recovery or for maximising long-term growth. In particular, the excessive austerity in the Fianna Fáil plan, endorsed by Fine Gael, poses an unacceptable risk to economic recovery.

Labour does not accept that the fiscal strategy devised by the discredited Fianna Fáil government provides a basis for economic recovery

Labour believes that the average GDP growth rate set out in the four-year plan is achievable, provided that pro-growth policies are adopted. These include action to enhance competitiveness, to ensure adequate flows of credit, to promote investment and an appropriate fiscal strategy. The Fianna Fáil/Fine Gael austerity programme does not allow sufficient room for economic growth and employment creation. The scale and nature of the cuts being proposed also pose risks to medium and long-term economic growth and to social cohesion. Labour will

therefore seek to renegotiate the fiscal strategy in the IMF/EU deal.

LABOUR'S PRIORITIES FOR THE FISCAL YEAR 2011

In respect of the fiscal year 2011, Labour will negotiate with the EU and the IMF to ensure that adequate resources are available in 2011 to fund key jobs strategies and reforms in the health sector. We believe these funds should be provided from cash balances, and not through further expenditure cuts.

It is clear that the Universal Social Charge was not properly thought through, and that it is having a dramatic impact on the incomes of many families. The charge has been introduced at a time when other taxes are increasing, as well as household bills like VHI fees. This is causing particular hardship to some families, including working widows and elderly people. Labour will conduct a detailed review of the impact of the USC to identify the families that have been hardest hit, and will reform the tax accordingly. We will fund these changes by extending the 10% rate of USC on incomes over €100,000 to include employees' incomes over €100,000, and by changes to capital taxes.

FISCAL STRATEGY FOR 2012 – 2014

Labour proposes a net fiscal adjustment in 2012-2014 of €7.1 billion, so as to allow adequate room for jobs and recovery. Labour will complete the reduction in the deficit to below 3% of GDP by no later than 2016.

Labour believes that the composition of the adjustment should be fairer and more balanced, including fairer taxation and on-going investment in education and other vital services, which are essential to social solidarity and to long-term economic growth.

NEW PRIORITIES IN CAPITAL EXPENDITURE

Ireland needs to take a new approach to public and private capital investment that reflects the new realities of the economy and the constraints on public resources, while also incorporating the new funding that will be available through Labour's Strategic Investment Bank.

Labour in government will commission a new study of Ireland's investment needs (similar to the 2006 ESRI study), and draw up a National Development Plan covering the seven-year period 2012-2019.

In the initial years, when resources will be most heavily constrained, Labour will prioritise investment in education, in health, in science and technology and in job-creation.

Labour will insist that major capital projects are subjected to proper cost-benefit analysis and evaluation, improving future productivity and growth prospects, and that the value-for-money obtained is significantly enhanced compared to the most recent period.

Labour's strategy is to support the development of an investment economy, while maximising the return to the public from major programmes of investment.

A COMPREHENSIVE SPENDING REVIEW AND WASTE AUDIT

Given the need for fiscal consolidation, it will be necessary to curtail current expenditure in the immediate future. While this will involve difficult decisions, it will also afford the opportunity to reform the public service to enhance efficiency and eliminate waste. Rather than adopting a piece-meal, cheese-paring approach Labour will insist on a properly planned multi-annual expenditure strategy.

To this end, Labour will conduct a Comprehensive Spending Review and Waste Audit that will examine all areas of public expenditure. This will be markedly different to the 'Bord Snip' exercise, in its purpose and in the way it is conducted.

The Comprehensive Spending Review and Waste Audit will be a major exercise in strategic budgeting and will involve a fundamental assessment of all spending programmes, examining their objectives and how those objectives are achieved. The purpose of strategic budgeting is to find the most cost effective ways to provide services to the public and to improve future growth and productivity. It will take account of the changing needs of modern Ireland, and will be conducted on a 'whole of government' basis.

Learning from the experience in other countries, the spending review will be led, not by external consultants, but by government Ministers and the Secretary General of each Department, co-ordinated from the centre of government. It will adopt a three-year time horizon, resulting in a plan for public expenditure for the period 2012-2014. This exercise should be an immediate priority for government and will be concluded in time to feed into Budget 2012.

As part of this exercise, Labour will include a 'surrender and re-grant' clause, whereby Departments that propose savings in one programme would be able to propose re-cycling of some of those savings into other priority areas, subject to a 'reducing ceiling' on aggregate budgets. The 'reducing ceiling' means that non-pay budgets will be required to be reduced by at least 2% per annum over three years on an aggregate basis – the percentage savings achieved will vary across departments in line with policy priorities. Labour will also seek to enhance the local flexibility

available to public service managers in how they deploy their budgets to achieve maximum efficiency and service quality.

CULLING QUANGOS

Non-Commercial Semi-State Bodies or quangos have mushroomed in recent years. Labour is concerned about the value-for-money being achieved by these bodies and by the lack of accountability associated with them. The Comprehensive Spending Review and Waste Audit will include a full evaluation of all quangos, with each body being required to justify its continued existence outside of its parent department. Remaining quangos will be required to be properly accountable to the Oireachtas. Labour is proposing a series of amalgamations of quangos relating to utilities regulation, equality, industrial development and broadcasting that will both save money and achieve greater policy coherence.

REFORMING SOCIAL PROTECTION

In order to close the fiscal deficit, it is vital that we reduce the cost of Fianna Fáil's failure to address the problem of unemployment. Labour is proposing a series of strategies to tackle the growing problem of long-term unemployment, and in doing so to reduce the associated expenditures on social welfare. We will also launch an all-out campaign to tackle the problem of welfare fraud.

LEADERSHIP FROM THE POLITICAL SYSTEM

At a time when savings are being sought across the public service, the political system must also show leadership. Labour is proposing a cap on all Ministerial and public sector salaries, corresponding reductions in the salaries of Ministers of State,

Labour will conduct a Comprehensive Spending Review and Waste Audit that will examine all areas of public expenditure

reductions in the number of paid chairs of Oireachtas Committees and abolition of the Oireachtas allowance paid to Ministers who have constituency offices staffed by civil servants. Labour is proposing reform in the transport arrangements for Ministers including a reduction in the number of Garda drivers.

The arrangements for Ministerial pensions and severance packages have rightly been the cause of public outrage. Labour will ensure that in future these arrangements are set by an independent person, such as the Comptroller and Auditor General.

REDUCING THE PUBLIC SERVICE PAY BILL

As part of the process of fiscal consolidation, it is necessary to reduce the public service pay bill. Our proposals are based on a reduction of 18,000 in public service numbers in the period 2011-2014. Public employment ceilings will be re-assessed during the Comprehensive Spending Review and Waste Audit to ensure that the maximum savings are being achieved and that frontline services are being protected.

Labour will work the Croke Park Agreement. It is essential that the agreement should result in savings to the Exchequer and that the pace of implementation of the Agreement be accelerated.

STRATEGIC EXPENDITURE PRIORITIES

In order to achieve recovery and reform, it will be necessary to re-allocate resources to areas of strategic priority. This means achieving more savings in order to re-invest in reform and development. Labour's adjustment proposals provide for resources to fund a €500 million annual jobs package. As part of Labour's health strategy, the cost of providing health care in Ireland will be driven down, with €489 million being provided to ensure a major shift towards primary care. Additional resources will be provided in key areas of education and criminal justice to drive reform.

FAIR TAXATION 2012-2014

Labour has long argued for a fair and balanced tax structure in Ireland and we will seek to renegotiate the EU/IMF deal to achieve this objective. It is an important principle of taxation that those who have the most, must contribute the most, and that revenue-raising must begin with reform, rather than constantly delaying it as Fianna Fáil have done.

Labour does not support further impositions of income tax on people on middle and modest incomes in the period 2012-2014. We propose no increases in income tax for people earning less than €100,000. We will extend the 10% USC rate to employee incomes over €100,000.

Labour will insert a new provision in the tax code to ensure that high earners (tax units with incomes over €250,000) must comply with a Minimum Effective Tax Rate to be set at 30%. This will impose a fair restriction on the capacity of high earners to reduce their tax bills through tax planning.

Labour in government introduced the 12.5% corporation profits tax rate, and we will insist that it remains in place. Reforms to the regime for off-setting corporate losses against Corporation Tax can be adopted to increase the yield from the tax without affecting Ireland's attractiveness as a location for inward investment.

Labour will prioritise the elimination of unnecessary tax expenditures, as we have been proposing for many years. These include the legacy property reliefs, and phasing down of the amount of interest that can be offset against rental income for tax purposes to 25%.

Labour believes that the total quantum of tax relief currently in place for pensions is no longer supportable, and that the distribution of relief at present is not fair or equitable. Labour will target a further reduction of €500 million in the total amount of relief, but rather than simply standardising the rate of relief, Labour favours an approach that retains strong incentives for people to invest in pensions while also making the system fairer. This will include capping the tax relief on pension contributions from both employers and employees, reducing the maximum tax-free lump sum, reducing the maximum pension fund and including pension tax relief in the minimum effective tax rate.

Labour favours the introduction of new progressive structures for Capital Taxes. In respect of Capital Gains Tax and Capital Acquisitions Tax, the first €50,000 over the

threshold will be taxed at 30% and the balance at 35%. These measures will raise €236 million in a full year. The change in Capital Acquisitions Tax will be introduced in 2011 to finance changes in the Universal Social Charge.

Labour believes that appropriate tax rules have a role to play in protecting our environment. Labour will increase the carbon tax to €25 per tonne, with an offset of €40 million to fund fuel poverty measures. Labour supports a broadly based tax on packaging as proposed by Comhar that will raise €60 million.

Labour is proposing a 1% increase in the standard rate of VAT that will raise €310 million in a full year. Labour's proposals include modest increases in excise on wine and cigarettes. Labour will prioritise action to reduce losses to the Exchequer from smuggling through stronger revenue enforcement.

Labour accepts that it will be necessary to introduce a site value charge, in order to prevent higher taxes on work. The Government has not, however, carried out sufficient work to allow such a charge to be introduced in the short-term. Further detailed study will be required to devise a fair basis for such a charge that takes account of the value of property in different regions, the need to exempt some categories of homeowners, and the need to take account of those who have recently paid large sums in stamp duty or who are in negative equity. Any charge of this sort, therefore, cannot be set in place before 2014. Accordingly, Labour will publish a Green Paper by the end of 2012 on how the charge can be structured in a fair and efficient manner. As an interim measure, Labour will increase the second homes levy by €300 to yield €95 million.

Labour will take action to deal with the scandal of tax exiles, and will further strengthen revenue action to reduce tax evasion

Labour will insist on action being taken to deal with the scandal of tax exiles, and we will further strengthen revenue action to reduce tax-evasion.

INVESTING IN JOB CREATION

Throughout the crisis, Labour has been clear that cuts alone will not solve the problem. Ireland needs a strategy for jobs and growth, and the lack of action on jobs has made the crisis in the public finances and in the banks even worse. While difficult decisions are needed, we also need a strategy to grow our way out of our predicament.

Despite the financial crisis at home and abroad, we are living in a period of opportunity for the Irish economy. In the advanced economies, economic growth is now increasingly driven by what is known as the 'knowledge economy', with new technologies driving economic growth both in knowledge-intensive sectors, and more widely across the whole economy. At the same time, the global trading system is expanding, and the emerging economies such as China and India present enormous opportunities for Irish companies. Export growth in Ireland is picking up, and competitiveness has improved. What we need now is a coherent strategy to take advantage of the opportunities that are available to us.

LABOUR'S JOBS FUND

Labour's fiscal strategy provides for a €500 million Jobs Fund to finance a series of pro-jobs initiatives that involve elements of current expenditure. The fund would be administered by a Cabinet sub-committee. Proposals from Departments, agencies and other bodies, including the private sector, would be considered on the basis of their contribution to an overall jobs strategy and would be funded accordingly. The agencies thus funded would not be immune from making efficiencies in their budgets – funding from the Jobs Fund would be dependent on demonstrated additionality to existing operations.

STRATEGIC INVESTMENT

To achieve growth, the Fianna Fáil casino economy must be replaced with by the investment economy. The Irish banking system has not provided the kind of investment finance that is required to meet Ireland's investment needs. To fill the gap, Labour is proposing the establishment of a Strategic Investment Bank.

The Strategic Investment Bank will be established in two phases. It will be set up initially as a vehicle to invest the remaining funds in the National Pension Reserve Fund in projects that will enhance infrastructure and boost growth in the Irish economy. It will be fully

independent and will invest on a commercial basis.

Over time, and when market conditions normalise, this vehicle will be developed into a functioning bank that takes deposits and raises long term financing. Labour believes that the Strategic Investment Bank should be an essential component of the re-structured banking system. The bank would be set up as an independent commercial operation, using €2 billion of the National Pension Reserve Fund as capital. It would operate on a strict arms-length basis from government. Irish citizens and the Irish Diaspora would be encouraged to make deposits in the bank, and to purchase Citizen's Bonds, which would be a way to invest in the recovery of the Irish economy, and would be of different maturities. The bank would attract funding from a number of sources, including consumer deposits and wholesale markets (once market conditions normalise).

The Strategic Investment Bank would be a key lender to SMEs and innovative firms. The Enterprise Agencies would develop relationships with the Strategic Investment Bank to facilitate introductions of high-potential firms. Investment decisions, however, would remain the exclusive preserve of the bank. The Strategic Investment Bank would also support investment in large infrastructure projects.

IMPROVING COMPETITIVENESS

Competitiveness has improved during the past three years, but we need to ensure that, as growth returns, these gains are not eroded. In particular, it is important that costs in the protected sectors of the economy do not undermine the capacity of the traded sector to compete. To maintain and enhance competitiveness, Labour is proposing the following measures:

Wage Policy

Labour believes that negotiated wage policies can potentially be an important tool of macroeconomic policy in a small open economy. We will explore options for developing such an agreement, which may include national and/or sectoral wage norms. Labour believes that investment and job creation can be enhanced through structured multiannual agreements that incorporate wage restraint.

Wage competitiveness should not be confused with a low wage agenda. Labour is opposed to the reduction in the minimum wage agreed by Fianna Fáil with the European Union and the IMF and we will reverse it. The national minimum wage affects fewer than 3% of the work force, who are on the lowest rung of the labour force ladder. Labour will reform the JLC system, but this cannot be used as the basis to undermine the rights and conditions of employment of vulnerable workers.

Competition Policy

Labour will support robust competition policy and enforcement. We support structural reform in the professions to drive down the cost base for the traded sector.

Utilities Regulation

Labour will enhance the quality and effectiveness of utilities regulation in Ireland. We favour a properly planned consolidation of the number of regulators, to make more effective use of regulatory skills. Labour will retain the Competition Authority as a separate entity.

Labour believes that the Strategic Investment Bank should be an essential component of the re-structured banking system

DEALING WITH GHOST ESTATES

Ghost estates are a bitter reminder of the planning failures of the past. They are a headache for residents of these estates, and for the wider community. The Minister for the Environment will bring forward, as a matter of urgency, a coherent plan to resolve the problems associated with ghost estates. This plan will be developed in cooperation with NAMA and local authorities, and will include, where appropriate, the demolition or completion of part built dwellings; the acquisition of properties by social landlords; or the sale of properties on the open market where this is possible, and where it is not, the disposal of dwellings by innovative means such as rent to buy and co-operative home ownership programmes.

**LOOKING TO THE FUTURE:
PLANNING FOR COMMUNITIES**

Labour will reform how we plan for residential development, to prioritise liveable communities, and a healthier, safer environment.

Labour will link planning permission for residential developments to the provision of public transport, healthcare, recreational areas, shops and facilities. As part of this, local authorities will be required to carry out an 'Educational Impact Assessment' for all new zonings for residential development to ensure an adequate supply of school places.

To make the planning process more democratic, Labour will amend the recent Planning and Development Act (2010) to allow for detailed public submissions on zoning, and to rebalance power towards elected representatives. Local authorities will be required to carry out a flood risk report in the preparation of their City and County Development Plans, and will also be legally required to manage flood risk through sustainable planning and development.

Labour will reform how we plan for residential development, to prioritise liveable communities, and a healthier, safer environment

Labour will pass legislation to allow local authorities take housing estates 'in charge' after three years, and substantially increase existing penalties for those who break planning laws.

**HIGH QUALITY, ACCESSIBLE
SOCIAL HOUSING**

Working within existing resources, Labour will introduce a staged purchase scheme to increase the stock of social housing, while achieving the best possible value for public investment. Under the terms of this scheme, leased dwellings will revert to the ownership of local authorities and housing associations at the end of the leasehold period.

Labour will also enable larger housing associations and local authorities to access private sector funding for social housing by issuing 'social housing bonds', secured on the value of their existing housing stock when market conditions allow.

We will direct the Housing Finance Agency to design and oversee the implementation of this funding mechanism, drawing on best practice in the many other countries where bonds are used to fund social housing projects.

In government, Labour will extend the remit of the Private Residential Tenancies Board to regulate social tenancies, as well as the private

rented sector. This will bring much needed regulation to social housing tenancies, which currently undermine tenants' rights and force landlords to engage in expensive court procedures if they wish to terminate a tenancy.

In addition, we will amend the Housing (Miscellaneous Provisions) Act (1992) to require all local authorities and housing associations to register with the Department of the Environment if they wish to access government subsidies or other supports for social housing provision. Social landlords will be required to make annual returns to the Department to demonstrate their compliance with specific financial, housing management and governance standards. Landlords that fail to meet these standards will not be eligible for any Exchequer support.

In recent years the standard of social housing management has improved significantly but unfortunately anti-social behaviour remains a problem for many. In government we will address the issue of anti-social behaviour by introducing a twelve month probationary tenancy for all new tenants in social housing estates. If tenants or members of their households engage in anti-social behaviour during this period the tenancy will be terminated.

SUPPORTING PRIVATE RENTING TENANTS

Labour will establish a tenancy deposit protection scheme to put an end to disputes regarding the return of deposits, and ensure that changes to rent are linked to local market averages.

The number of people in receipt of rent supplement, and its cost, have more than doubled in the past decade.

Labour will reduce expenditure on rent supplement by making recipients' contribution to their rent a proportion of their income rather than a flat amount as is currently the case. This reform will incentivise recipients to negotiate lower rents with participating landlords.

To further reinforce recipients' negotiating power the maximum amounts of rent supplement payable in different localities will no longer be made publicly available on the Health Service Executive website. Labour will also instruct the HSE to deduct withholding tax from all rent supplement payments to promote tax compliance among landlords.

Labour will also reform the Rental Accommodation Scheme so that claimants' pay an increasing proportion of their rent as their income increases, and set the maximum contribution with reference to the total rent paid to the landlord.

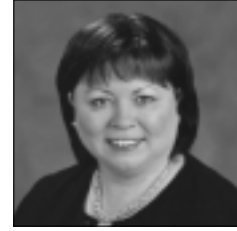
HOMELESSNESS

Despite improvements in policy making, service development, and very substantial public investment, the numbers of homeless people remained high throughout the economic boom and have recently begun to rise as the economy has declined.

Labour will establish a tenancy deposit protection scheme to put an end to disputes regarding the return of deposits

In line with our Comprehensive Spending Review, Labour will alleviate the problem of long-term homelessness by introducing a 'housing first' approach to accommodating homeless people. Labour will lease-purchase or enable social landlords to build adequate numbers of long term dwellings for homeless people and fund support staff to enable them to successfully maintain these tenancies over the long term. In this way we will be able to offer homeless people suitable, long term housing in the first instance and radically reduce the use of hostel accommodation and the associated costs for the Exchequer.

Introduction



Mary Harney TD

Dear Voter

People elect politicians to get things done.

What we do depends on the mandate we are given. We are now putting a comprehensive and innovative manifesto before the people.

Our policies will

- keep jobs coming and keep taxes low
- deliver real resources for public services
- transform transport
- end waiting lists and strengthen our health services
- support older people with secure pensions.

Each person's vote counts at this election. It will make the difference to our standard of living, our quality of life and the type of leadership the country needs.

This has been the most successful Government in the history of the State. The Progressive Democrats have shown that we can make coalition Government work.

We have transformed Ireland from mass unemployment to full employment, from emigration to opportunity at home, from negativity to enterprise and confidence.

We have shown just what we can achieve when we have confidence, fresh thinking and enterprise.

We must make sure to continue with high employment and low tax, and avoid policies that would send us backwards.

We must build on this foundation to deliver solutions for transport, education, strong regional development and technology.

We must support our communities and tackle crime with a fair balance between rights and responsibilities.

There are great challenges ahead to continue our progress.

Let's keep up the good work in Government.

I ask you to give your support to the Progressive Democrats.

A handwritten signature in black ink, appearing to read 'Mary Harney'.

Mary Harney, T.D.

Budgetary Policy: 2003-07

1 INTRODUCTION

The Progressive Democrats want to protect Ireland's prosperity.

The PD-inspired policies of the last five years have brought this country unprecedented success:

- there are almost 400,000 more people at work
- the rate of unemployment is down from 10% to 4%
- long-term unemployment is effectively eliminated
- emigration is ended.

And economic success has generated the resources to finance a massive increase in social spending - on health, education, pensions and child benefit, for example.

As a country we have achieved a huge amount and we can achieve a great deal more. We have now built a platform for progress, a basis for further major social and economic advancement over the next five years. But it is vital that we do not take risks with our economy: there is no room for complacency.

The Progressive Democrats in government will pursue a clear and coherent set of policies to protect our national prosperity and guarantee the future success of the Irish economy:

- (i) We will ensure prudent management of the public finances because sound fiscal policy is the essential base for sound economic policy.
- (ii) We will keep taxes low in order to keep employment high.
- (iii) We will promote competition wherever appropriate to enable the Irish economy and the Irish people to achieve their full potential.
- (iv) We will seek maximum value for public expenditure and ensure that resources are converted into results.

We approach the economic challenge of the next five years with both caution and confidence.

We are cautious because of the uncertain international climate. But we are confident because we believe in the energy and enthusiasm of the Irish people and their ability to achieve great things for this country and because our policies have been tried and tested and have been shown to work.

2. IRISH ECONOMIC OUTLOOK

The Progressive Democrats believe that the Irish economy can grow at an average rate of 5% in real terms in the period 2003 to 2007, with inflation averaging 3% per year.

This assumes a broadly favourable international outlook over the lifetime of the next government. We expect interest rates to remain around their present levels. We believe that the economic recovery already under way in the US will be sustained and that recovery will get under way in Europe very soon. We envisage average growth rates of 3.5% in the US, 3% in the UK and 2.5% in Euroland over the next five years.

We see strong economic growth in Ireland over the next five years - though not at the exceptional pace of the last five. The Irish economy is now close to full employment and its capacity to expand is more limited. However, we believe that a more moderate growth rate of the order of 5% in GDP is both reasonable and sustainable in the Irish context. This would still represent a very strong performance by international standards

We will use some of the resources generated by this prosperity to implement further responsible reductions in taxation. Our priority, however, will be to invest in improving social services and increasing levels of social provision.

3. OVERALL BUDGETARY POLICY

A prudent approach to budgetary policy is essential for the long-term health of the Irish economy.

Poor management of the public finances cost this country dearly in the past and we paid a heavy price in terms of unemployment, emigration and poverty. It is important that the mistakes of the past are not repeated.

The Progressive Democrats are giving three clear guarantees on fiscal policy if returned to government after the forthcoming general election:

- One, we guarantee that there will be no borrowing to fund current spending.
- Two, we guarantee that there will be no increases in direct taxation.
- Three, we guarantee that there will be no raiding of the National Pension Reserve Fund to finance any government spending programmes.

The Progressive Democrats are absolutely committed to the fiscal independence of the Irish state. We believe that the best protection for that independence is to operate within the agreed European rules on budgetary policy and not to put our fiscal sovereignty at risk by breaching them.

4. CURRENT REVENUE AND CURRENT EXPENDITURE

Growth in current government expenditure must be kept in line with growth in current government revenue if we are to maintain prudent control of the public finances.

The Progressive Democrats are assuming an underlying, annual average rate of growth in taxation revenue of the order of 8% over the lifetime of the next government, in line with nominal growth in the Irish economy.

Tax revenues will be further boosted by the cash-flow gains to the Exchequer resulting from the changes to corporation tax announced in Budget 2002.

On the basis of these revenue projections we propose that gross voted current government expenditure grow at an average rate of around 8% per year over the lifetime of the next government.

This will mean that gross current spending will be some €14bn higher in 2007 than it is now.

Ireland is an expanding economy with an expanding population and a substantial increase in public expenditure is required to cope with that expansion over the next five years. Our priorities will be:

- to invest in the health service
- to support people with disabilities and those who care for them
- to provide better pensions and better care for older people
- to modernise and improve our education system, and
- to build a cohesive and inclusive society.

We recognise also that increases in expenditure have not always translated into improvements in services. Accordingly, we will strengthen and reform public sector management systems to ensure that we can convert existing and future resources into results more efficiently and more effectively.

The Progressive Democrats will not engage in auction politics. Buying the votes of every interest group is not consistent with the sound management of the public finances.

5. CAPITAL INVESTMENT

A huge programme of capital investment is needed to address Ireland's infrastructural deficit.

The Progressive Democrats in government will increase substantially the current levels of investment in our public infrastructure. Great progress has been made over the last five years; but the pace and scale of investment has to be increased if we are to provide this country with the kind of physical infrastructure appropriate to a modern and vibrant European economy.

We need to invest in roads, in railways, in housing, in our health and educational systems. We must redress our infrastructural deficit if we want this country to achieve its full potential in terms of economic growth and improved quality of life.

The challenge facing the new government is to redress that deficit without resorting to massive tax increases, without damaging the stability of the public finances, and without risking our long-term financial security by raiding the National Pension Reserve Fund.

The Progressive Democrats in government will put increased Exchequer resources into the public capital programme. We are prepared to borrow for capital purposes but we will ensure that such borrowing is kept to a minimum in order to keep Ireland well inside EU prudential limits on the general government balance. However, we do not believe that this money will be sufficient for the magnitude of the task involved.

Accordingly, we will pursue a threefold strategy to increase the pace and the scale of capital investment in public infrastructure:

- First, in competitive sectors we will shift the burden of investment from the public sector to the private sector.
- Second, we will give the private sector a greater role in the design, management and financing of public infrastructure projects.
- Third, we will use the sale of state assets to raise extra funds for public capital projects.

The overall impact of our strategy will be to make substantial extra funding available for infrastructural investment while maintaining the stability of the public finances.

6. NATIONAL TRANSFORMATION FUND

The Progressive Democrats will establish a National Transformation Fund (NTF) to help finance the most ambitious public capital investment programme in the history of the state.

The new fund will be administered on behalf of the government by the National Treasury Management Agency. It will derive revenue from:

- the sale of state assets where there is no longer a case for such assets remaining in public ownership
- windfall gains accruing to the Exchequer such as income from the sale of licenses and other once-off items.
- the excess foreign reserves of the Central Bank.

The Central Bank of Ireland holds foreign reserves which will become available to the European Central Bank (ECB) as reserves of the euro system. It is accepted that the total reserves held by national central banks are in excess of the reserve requirements of the ECB. Agreement on the apportionment of these reserves will be reached in the next few years.

We believe that the capacity is there to generate up to €6bn for the fund during the lifetime of the next government.

Money from the NTF will be used as extra finance for the public capital programme. It will be additional to the funding provided by the Exchequer under the existing public capital programme.

The NTF, combined with an increased Exchequer contribution, and private finance will enable us to invest up to €40bn in public capital projects over the next five years. This is the scale of investment required to transform our national infrastructure.

The creation of the NTF will allow for real long-term planning of the public capital programme. It will put an end to the current stop-go system whereby decisions to start major projects in any particular year depend on the state of the public finances in that particular year. This factor has been a huge constraint on the development of our national infrastructure over the last two decades.

The creation of the NTF will also allow for an expanded capital programme to be funded without recourse to increased taxation and will reduce the need to borrow for capital purposes.

7. NATIONAL PENSION RESERVE FUND

The National Pension Reserve Fund is a prudent investment in the future of our country.

This investment is required if we are to make prudent provision for future pension liabilities. The Pension Reserve Fund is there to ensure that the government will be able to afford to pay its employees their pensions in future years.

It is important that this issue is addressed now. Failure to provide for future liabilities could cause serious difficulties for this country down the line.

We reject as utterly irresponsible any attempt to raid the fund to finance public spending programmes. There can be no political interference in the management of the fund and all investment decisions made by trustees must be made independently and must be made in the interests of the fund's beneficiaries. Raiding the fund could even endanger public sector pensions in future years.

The Progressive Democrats in government were party to the establishment of the pension fund and we are strong supporters of the concept.

8. BUDGETARY SUMMARY

The Progressive Democrats will ensure a prudent approach to budgetary policy over the next five years.

We will deliver responsible reductions in taxation, as detailed below, through a series of modest tax packages. And we will deliver substantial improvements in public services through prudent increase in public expenditure.

Our proposals will ensure:

- i that we run a substantial current budget surplus in each of the next five years
- ii that we keep the general government balance (GGB) close to, or in surplus over the next five years, in accordance with our EMU obligations
- iii that the restructuring of the state's asset portfolio is used to reduce the need for Exchequer borrowing to finance infrastructural investment.

These are sound fiscal policies that will provide a sound basis for the continued growth of the Irish economy.

Housing:

PRACTICAL POLICY TO MEET GROWING DEMAND

1. INTRODUCTION

The Progressive Democrats believe in practical solutions for the consumer and for social justice. Accordingly, we aim to provide good quality affordable housing through a comprehensive housing policy to meet the growing housing demands over the period 2002–2007.

The overall priority of the Progressive Democrats in Government in the housing area since taking office has been to increase housing supply and to tackle house price inflation. Since 1997, we have built some 225,000 new houses and reduced house price inflation per annum from around 40% to 5-6% currently.

Housing is included in the National Development Plan for the first time because the Progressive Democrats are committed to ensuring that the housing needs of an expanding and changing population are met in a comprehensive fashion. The Plan provides the framework for an integrated investment strategy to facilitate the provision of over 500,000 houses required to meet demand over the next ten years.

For the Progressive Democrats in the next government every possible measure will be taken to increase the supply of housing going forward. Failure to address our housing needs effectively would impose significant costs and constraints upon Ireland's economic growth, competitiveness and social development.

2. POLICY ACTIONS

We will increase the record levels of housing output to meet the continuing strong demand for housing.

We will ensure that the overall social housing output for 2002–2007 will meet the needs of 100,000 households.

We will provide the necessary infrastructure investment to facilitate the level of housing output required to meet current and anticipated levels of demand.

We will increase resources for servicing residential land along with increased resources for public transport and roads combined with a framework to ensure that such investment is undertaken in a planned and coherent fashion.

We will extend the use of Strategic Development Zones (SDZs) for housing to provide certainty in regard to the timing and the amount of housing to be provided in these areas. The early development of these sites will also provide local communities with access to social and affordable housing.

We will extend the withering of planning applications from two to the normal five years and undertake an immediate review of the operation of Part V of the Planning and Development Act 2000 to ensure continuity of high levels of housing output nationally.

We will increase social housing output by increasing the local authority housing programme with funding for 40,000 starts, front loaded to meet existing demand more quickly.

We will expand voluntary housing activity with funding for 18,250 voluntary housing dwellings and provide funding for the provision by local authorities of 7,600 affordable houses and for 6,800 households to acquire homes under the shared ownership scheme.

We will continue the drive to improve the physical condition of our social housing stock and implement area based regeneration initiatives to restore the physical fabric of established areas and to support local communities, most notably the redevelopment of Ballymun and a number of local authority estates throughout the country.

We will provide more resources for the Remedial Works Scheme which targets the improvement and upgrading of low cost, pre-1960 dwellings and run down local authority housing estates.

We will ensure that all local authority dwellings have central heating.

We will increase the eligibility limits and the subsidy levels will be upgraded annually for the Shared Ownership, Affordable housing and Voluntary housing schemes.

The Progressive Democrats will implement legislation for security of tenure as recommended by the Commission on the Private Rented Residential Sector.

We will accelerate the implementation the Government's homeless strategy as well as the national strategy for the provision of Traveller accommodation under the Housing (Traveller Accommodation) Act 1998.

3. HOUSING OUTPUT

The number of new homes built last year reached a new record level of 52,602, up 5.6% on the previous record achieved in 2000. This was the fifth consecutive year of record housing output under this Government. Total output for 1997 was 38,842.

Despite more difficult economic conditions last year, the housing sector still continued to perform well, boosted by Government support and particularly high levels of output under the local authority and voluntary housing programmes. We are building houses at a rate of over 13 per 1,000 population which is by far the highest rate of house building in Europe.

Output in the Greater Dublin Area (GDA - Dublin City and County, together with Counties Kildare, Meath and Wicklow) was also positive last year with output of 16,498 up 6% on 2000, and the highest level of output ever produced in the Greater Dublin Area.

Looking to future prospects for the housing sector, there are a large number of extant planning permissions for residential development. Provisional figures available to the Department of the Environment and Local Government show that in the period from the start of 2000 to the end of the 3rd Quarter 2001, a total of 150,000 residential units were granted permission nationally, including around 45,000 units in the GDA.

It is important that the momentum that has been achieved in the house building sector in the last few years is maintained and that builders press ahead with their programmes.

4. PRIVATE RENTED RESIDENTIAL SECTOR

A considerable boost had been given to the house building sector in Budget 2002, targeted specifically at increasing output in the private rented sector and thereby moderating rent increases. These measures:

- restore mortgage interest relief for investment in the private rented residential sector from the beginning of the year, for purchase, improvement or repair of rented residential properties.
- adjust the Stamp Duty system to increase the supply of rental accommodation, remove barriers to activity in the second hand market and simplify the system.
- amend to the "Section 50" Student Accommodation Scheme (introduced in the 1999 Finance Act) including the extension of the deadline for the scheme by 2½ years to 30 September 2005.
- amend the Town and Urban Renewal Scheme so that new build or refurbishment projects which have already been designated for the residential (owner-occupier) incentive will now qualify for the Section 23 residential investor relief.

These Budget interventions provide substantial opportunities to the house building sector to continue to deliver the levels of housing output required to meet demand. With the large stock of permissions for apartment development in particular, we believe we can rightfully expect an increased supply of good quality rental accommodation.

5. SOCIAL HOUSING

In terms of social housing over 5,000 local authority houses were completed or acquired last year, the highest level of output for over 15 years. Output under the voluntary housing programmes in 2001 was some 1,200 units, the highest level ever achieved by the sector.

It is anticipated that some 6,000 local authority housing units will be completed or acquired this year. The substantially increased resources provided this year for the full range of social housing programmes will contribute significantly to meeting the increased demand for social housing.

In order to meet social and affordable housing need, €9 billion is being provided for social and affordable housing in the NDP. This includes the increased funding of almost €1.3 billion provided in "Action on Housing" for social and affordable housing and infrastructural investment to facilitate housing. The original NDP investment plus this additional investment will now allow the social and affordable housing needs of almost 100,000 households to be met over the lifetime of the Plan.

6. FUNDING

This Government's record housing output would not of been possible if it were not for the record level of funding. In 2002 total housing funding provision is in excess of €1.7 billion.

The overall housing capital provision of €1.6 billion includes funding for Local Authority Housing Programme, Area Regeneration (including Ballymun Regeneration programme), Voluntary Housing schemes, Traveller accommodation, funding for the Task Force on Housing Aid for the Elderly and funding for the provision of affordable housing for sale to low income households.