



STATEMENT OF GOVERNMENT PRIORITIES

2014-2016



JULY 2014

Statement of Government Priorities

2014 - 2016

Ireland can once more look to the future with confidence and conviction.

We are emerging from the unprecedented economic crisis that engulfed the country.

Thanks to the hard work of the Irish people, the economic recovery has begun.

Working together, we have restored financial stability, exited from the EU-IMF bailout programme and delivered a return to job creation and economic growth.

The people's sacrifices have not been, and will not be, wasted.

But while the country is moving in the right direction, too many people continue to struggle in their daily lives.

That is why, in its remaining 21 months in office, this Government will prioritise the decisions needed to broaden and deepen the economic recovery in a manner that is felt in the daily lives of individuals, families and communities across the country.

In this sense, the ongoing programme of economic repair will now be accompanied by an equal emphasis on social recovery.

Building on the commitments in the Programme for Government and the Medium Term Economic Strategy, we are now setting our key priorities:

- 1. Strengthening the Domestic Economy & Prioritising New Jobs for the Unemployed***
- 2. Delivering Better Living and Working Standards***
- 3. Improving Housing Availability & Affordability***
- 4. Responsible and Sustainable Management of the Public Finances***
- 5. Rebuilding Trust in Politics & Public Institutions***
- 6. Protecting & Enhancing Peace in Northern Ireland***

1. Strengthening the Domestic Economy & Prioritising New Jobs for the Unemployed

Our vision is that every child now in school will have the option to take up a job in Ireland upon finishing third level education or in-work training.

Our economic strategy will grow the economy by 2.1% in 2014; 2.7% in 2015 and 3% by 2016, and return the economy to full employment (2.1 million people) by 2020, replacing all the jobs lost during the crisis. Consistent with these targets, the Action Plan for Jobs aims to add 100,000 jobs to the economy by 2016 compared with 2012.

To meet our ambitious employment and growth targets, we will take additional measures to extend the recovery into the domestic economy.

- We will enact legislation to establish the Strategic Banking Corporation. By 2018 this will make up to €4 billion in low-cost funding available to small and medium-sized businesses.
- We will enact legislation to establish the €6 billion Irish Strategic Investment Fund to make commercial investments in Irish enterprise and infrastructure.
- The same legislation will also establish NewERA on a statutory footing to support higher investment levels and better returns from our commercial semi-states.
- We will continue to support the development of Dublin as an international city region that will have positive economic benefits for the entire country.
- We will prioritise the completion of the cross city Luas project.
- To ensure the benefits of recovery are felt evenly and across the country, we will target increased investment in disadvantaged communities. Drawing from the lessons learnt in the successful pilots in Ballymun, we will support Early Intervention Initiatives providing key support services such as early childhood literacy and learning, and continue the nationwide roll-out of the Youth Guarantee to ensure work, training and educational opportunities for young jobseekers.
- We will agree the €1.2bn round of Cohesion funding with the European Commission by year end to support employment growth and regional development.

We will also deliver policies that support jobs in every county, town and village, with a particular focus on sectors – such as construction, tourism, agri-business and retail – that support balanced regional development. Actions we will take include:

- Publication of the outline of a new Planning Bill to support a faster recovery and higher standards in the residential and commercial construction sectors.

- Publication of a new tourism strategy aimed at adding 50,000 new jobs to the sector over the next decade.
- Enactment of the Climate Action and Low-Carbon Development Bill by the end of the year together with a new national roadmap to help Ireland meet its EU2020 climate change targets. The Government will also ensure that any additional climate change and renewable energy targets for Ireland are fair and realistic, and take appropriate account of our particular national circumstances and economic challenges, including in respect of the agriculture sector.
- More investment in indigenous energy production can and will reduce emissions, improve security of energy supply and create jobs. At the same time, we need to improve energy cost competitiveness for Irish-based companies, particularly vis-a-vis the United States. All energy subsidies will be subject to a rigorous cost-benefit analysis.
- The targeting of 25,000 extra jobs in agri-food sector in the next seven years, through the implementation of Ireland's €4 billion Rural Development Programme and the Harvest 2020 Strategy. The abolition of milk quotas next year will present new opportunities to increase our global dairy sales with new investment around the country.
- Using the new network of 31 Local Enterprise Offices in every local authority to support entrepreneurship and small business activity throughout the country. We will also publish a new Entrepreneurship Policy aimed at achieving a 25% increase in start-ups over the next five years and to deliver a doubling of the jobs impact of start-ups in 5 years, in part through improvements to the design of the Seed Capital Scheme in the upcoming budget.
- Building new advanced manufacturing facilities and office space in specific regional locations and areas of urban deprivation.
- Enhancing Regional Economic Planning, underpinned by a revised Capital Investment Programme for the remainder of the decade to be published alongside Budget 2015.
- Delivering State-led broadband investment in rural areas under the National Broadband Plan, with the initial phase involving a fibre build-out to over 1,100 villages.
- Building on the establishment of the Retail Consultation Forum, we will take measures to support the retail sector and the main street as a source of employment and community vitality in towns and villages across the country. We will remove perverse incentives that existing arrangements for commercial rates may offer to property owners to keep properties empty. We will enable local

authorities to incentivise the use and development of vacant sites. We will get 1,000 more small businesses trading online through the new online trading voucher. A new Integrated Licensing Application will cut down on the amount of red-tape faced by retailers and other small businesses before the year end.

As job creation accelerates, we will give greater priority to the needs of the long-term unemployed and jobless households. Our Pathways to Work Strategy aims to move at least 22,500 long-term unemployed people into employment this year, and a total of at least 75,000 by end 2015 by comparison with 2012. Our unemployment rate is now in line with the Eurozone average, having been 40% above it just two years ago. We will reduce the overall unemployment rate to below the eurozone average this year and to below 10% by 2016.

We will update the Pathways to Work Strategy this year to set out additional measures, including additional funding for the JobsPlus wage subsidy scheme, a further expansion of the Youth Guarantee and the introduction of externally-sourced activation services through JobPath. We will ensure that the new model of 21st century apprenticeships is implemented during 2015.

We will also embed the Labour Market Council, alongside the National Competitiveness Council, as a permanent advisory body on reducing unemployment and other labour market reforms.

2. Delivering Better Living and Working Standards

Consistent with the measures to be taken to create more jobs and reduce unemployment, we now commit to delivering a new deal on living standards to ensure that the economic recovery is felt by low- and middle-income working families:

- We will establish a Low Pay Commission on a statutory basis as an independent body to make annual recommendations to the Government about the appropriate level of the minimum wage and related matters.
- In Budget 2015, we will introduce measures to assist low-income families by improving the system of child income supports such that those moving from welfare to work will retain payments for children to ensure that people are better off in work.
- We will also increase access to subsidised childcare and afterschool places by extending eligibility and rebalancing parental contributions for families making their way into employment.
- The introduction of the Universal Social Charge by the previous Government resulted in an intolerable situation where individuals and families on the average industrial wage can be paying a 52% marginal tax rate. This Government has removed 330,000 low-income earners from the Universal Social Charge. In

Budget 2015, we will announce a tax reform plan to be delivered over a number of budgets to reduce the 52% tax rate on low- and middle-income earners in a manner that maintains the highly progressive nature of the Irish tax system.

We also recognise the sustained and vital contribution that older people make to our communities and our country.

- In Budget 2015, we will increase the Household Benefits Package by €100, in part to compensate older people and other vulnerable groups for the introduction of water charges.
- We remain committed to the introduction of a universal GP service for the entire population as part of Universal Health Insurance, in line with the Programme for Government. We will prioritise the over 70s in the next phase of the roll-out of free access to GP care, with the subsequent extension of free GP care to the 6-11 year old and then 12-17 year old cohorts.
- We also commit to the full retention of the Free Travel Scheme.

The Government will implement the Report of the Value for Money and Policy Review of the Disability Services Programme, which recommends a significant restructuring of the disability service by linking budgets to activity, outputs, quality and outcomes for service users. The new model of personalised, community-based service must provide greater choice for people with disabilities.

We will address the pensions gap between men and women, the old and the young, and the public and private sectors. During 2015, we will agree a roadmap and timeline for the introduction of a new, universal supplementary pension saving scheme.

High levels of personal debt continue to threaten to exclude thousands of individuals and families from the recovery. By end 2014, the Government will complete a review of the implementation of the Central Bank's mortgage arrears targets set for the banks and the operation of the Insolvency Service to ensure that both bodies have the powers needed to support families willing to work their way through their debt problems. We will strengthen the independent advice service offered to distressed borrowers.

Fair employment conditions are good for economic recovery.

- We will prioritise the enactment of the Collective Bargaining legislation as approved by Government.
- We will complete the programme of reform and modernisation of the Workplace Relations bodies, including enactment of the Workplace Relations Bill, to deliver, for employees and employers, streamlined and efficient advisory, conciliation, mediation, resolution, adjudication, inspection and enforcement services within a

single Workplace Relations Commission and enhance and strengthen the Labour Court.

- We will conduct a study on the prevalence of zero hour contracts among Irish employers and their impact on employees and make policy recommendations to Government on foot of this.

3. Improving Housing Availability & Affordability

An adequate supply of housing for all sectors is fundamental to a healthy society and a vibrant economy.

We are still living with the consequences of the devastating debt-fuelled property bubble and crash. We have moved from a situation of building far too many houses to building far too few, particularly in Dublin. This is reflected in significant upward house price pressure, and an increase in rents which is having a disproportionate impact on low-income families. It is imperative that we move urgently to improve the supply of housing for both home purchasers and renters.

Consistent with the Government's recently published Construction 2020 strategy aimed at tripling housing output to 25,000 units by per year by 2020, we will enact new planning legislation to reform Part V and the local authority development contributions regime to reduce the burden on new housing development.

We will encourage phased development of projects where the immediately viable elements of a scheme can proceed in the early phases, subject to the principles of sustainable development overall. We will also introduce 'use-it-or-lose-it' planning permissions to ensure development occurs in a timely fashion.

We will ensure that home ownership remains an attainable ambition for young families.

In advance of Budget 2015, we will assess the merits of a new 'Help to Build' funding schemes for the development of affordable housing in the private sector, and the merits of a new "New Buy" scheme to ensure availability of adequate, affordable mortgage finance for first-time buyers when new housing output comes on-stream.

In order to put downward pressure on interest rates for variable rate mortgage customers, both new and existing, the Government will work with national and European competition authorities to encourage and support new mortgage lenders into the market.

NAMA will be tasked with ensuring the timely and coherent delivery of a successful Strategic Development Zone to maximise the delivery of residential housing units, as well as to deliver commercial space in Dublin's Central Business District.

Equally, the Government commits itself to increasing the supply of social housing, and housing for those on low incomes. We recommit ourselves to ending homelessness and the need to sleep rough by 2016.

A vibrant, sustainable public housing sector will provide quality, secure, accommodation to those whose needs are not addressed in the private market and will create vital infrastructure to contribute to the social and economic wellbeing of the country.

The Government will publish a Social Housing Strategy in 2014 that will provide a range of solutions to social housing provision. Through this Strategy, we will develop a new vision of public housing provision that provides both for those households who cannot afford to house themselves, but also assists those who struggle to afford housing in the private market. We will achieve this through sourcing significant new sources of finance from, e.g. the EIB, ISIF, pension funds and the private market, and the development of “cost rental” models as proposed in the NESC Report.

We will assist approved housing bodies to avail of these sources of funding through new aggregators and financial instruments. We will examine the possibilities for new and innovative roles for local authorities in housing provision, via means such as Municipal Housing Companies and arm’s length management organisations.

4. Responsible and Sustainable Management of the Public Finances

The Government’s primary commitment to the Irish people is that the mistakes of the past will not be repeated and the sacrifices they have in the last seven years will not be wasted.

If we are to retain the strong recovery of international confidence and investment in our economy witnessed over the last year, the Government cannot continue to borrow at current levels.

- Our Medium Term Economic Strategy commits us in the first instance to cutting the deficit to 3% of GDP by 2015.
- While well over 90% of the budgetary correction is already done, significant challenges remain. We will complete a Comprehensive Review of Expenditure ahead of the Budget in order to prioritise expenditure allocations for the coming years.
- The state’s investment in Bank of Ireland shows that the careful management and disposal of our bank holdings can result in good returns for the taxpayer. The Government will continue to work through diplomatic channels to build international support for measures that will reduce Ireland’s debt. The disposal of the remaining bank assets will reduce this sector’s contribution to the State’s excessive debt levels.

- NAMA was an agency born out of the banking crisis and the Government is determined to ensure it concludes its work as quickly as possible. The ongoing review of NAMA strategy will be published in the coming weeks and it will support an accelerated disposal strategy that will mean at least 80% of the assets will be disposed of by end 2016.
- As Europe emerges from the financial crisis, the Union must focus on issues that will make a real difference to the daily lives of its citizens. The Government remains committed to ensuring that the European Union prioritises the key themes which were central to Ireland's presidency – Jobs, Stability and Growth. Both government parties will work through their membership of the largest European political families – the EPP and PES – to ensure that growth and job creation are at the heart of EU's agenda.

5. Rebuilding Trust in Politics & Public Institutions

The Government has always recognised that our economic crisis was also an institutional and governmental crisis. The Government has introduced significant political reforms to date including legislation to protect whistleblowers, to restore the Freedom of Information Act and the number of local authorities from 114 to 31, to increase the number of Dail sitting days, to cut the pay and allowances of all politicians and to effectively ban corporate donations.

The Constitutional Convention represents a radical experiment on citizen involvement in policy making. The Government has committed to three referenda (reducing the voting age; reducing the age of candidacy of the President, and same-sex marriage) to date. It is intended to hold a referendum on these in 2015. Decisions will be taken in the near future on other recommendations from the Constitutional Convention.

But we must and will go further.

- We will complete the enactment of the Freedom of Information legislation.
- We will commence and provide guidance on the new Protected Disclosures Act.
- We will enact the Lobbyists Bill by year end.
- We will publish legislation to consolidate local and national ethics requirements and give effect to the recommendations of the tribunals.
- We will introduce an independent Garda Authority by end 2014 that will restore confidence and accountability to a policing system on which our country depends.
- We will publish proposals for civil service reform and greater accountability, building on work done to date.

- We will become full members of the Open Government Partnership following completion of our national action plan.
- We will publish the state's first Open Data plan to leverage the economic and participatory potential of open data.
- We will legislate to give NewERA, which manages the State's shareholder function in relation to commercial semi-state companies, the responsibility to provide advice to the relevant Minister on appointments to the semi-state boards.
- We will systemically publish details of all appointments to State Boards.
- We will complete a review of the operation of the Judicial Appointments System by the end of 2014. The Government remains committed to introducing an appointments system that is open, transparent and accountable.
- We will enact legislation to give effect to the 1979 decision of the Irish people to extend the Seanad electorate to all graduates. We will continue to pursue additional Seanad reforms through the Seanad Committee on Practices and Procedures (CPP).
- In advance of a referendum on same-sex marriage in the first half of 2015, we will reform and modernise family law through the Children and Family Relationships Bill. It will safeguard the best interests of children and recognise that many children live in families which do not have constitutional recognition.
- Preparatory work for the establishment of an Electoral Commission is being advanced with a view to bringing forward legislation for the establishment of such a Commission in early 2015.
- While ensuring continued rigorous control of our borders and immigration procedures, we will treat asylum seekers with the humanity and respect they deserve. We are committed to addressing the current system of Direct Provision for asylum seekers to make it more respectful to the applicant and less costly to the taxpayer. We will legislate to reduce the length of time the applicant spends in the system through the establishment of a single applications procedure, to be introduced by way of a Protection Bill. Work on an Immigration and Residence Bill will also continue. The government will also establish an independent Working Group to report to Government on improvements with the protection process, including Direct Provision and supports for asylum seekers.
- The Government will coordinate and organise events and commemorations related to Ireland's path to independence that is respectful to the different traditions and communities on the island of Ireland.

We will strengthen local government funding, accountability and effectiveness. Local authorities will retain 80% of the proceeds the local property tax from 2015, with the option to vary the rate by up to 15%. This will be done in a manner that ensures that no local authority will be worse off as a result of the funding reforms, and that some local authority areas where property values and property tax bills are higher than average will be better off. It will be up to the new councils to decide whether to use any surplus funds to cut the rate of property tax or to fund additional services.

We cannot afford to continue with the current health system. In preparation for the introduction of Universal Health Insurance, and consistent with the need to keep health spending within budget, we will prioritise the full establishment of Hospital Groups funded on a “money follows the patient” basis, using more transparent and accountable financial systems. We will publish a new Primary Care Strategy by September that puts primary and community care at the heart of our health system, and that prioritises access to primary and community care for those with medical need as resources become available.

We will publish, for the information of parents, a summary of the performance of all schools. In the Autumn, we will publish a consultation paper on increasing the autonomy and accountability of our schools. We will pass legislation to reform school admissions to make them fairer, more transparent and more inclusive.

6. Protecting & Enhancing Peace in Northern Ireland

The further development of all-island economy and political stability in Northern Ireland are high priorities for this Government.

We will continue to develop the North-South institutions, with a particular emphasis on infrastructural development in the border region. We will also develop further proposals on North-South co-operation in health, tourism, and economic development.

We are deeply concerned at the tensions and street disturbances that have re-emerged in Northern Ireland in recent years, alongside ongoing dissident paramilitary activity.

Together, political deadlock and civil disturbances threaten the hard-won peace and Northern Ireland’s future economic and social development.

We remain fully committed to the full implementation of all aspects of the Good Friday Agreement. We will work closely with the British Government to support the efforts of the political parties in Northern Ireland to reach agreement on the issues of parades, flags and dealing with the issues of the past.

An Garda Síochána will continue to work closely with the PSNI on security cooperation, including tackling the threat posed by the activities of dissident paramilitary organisations, and criminal activity throughout the island.