

# Real Plan Better Future

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## Introduction by Micheál Martin TD

Despite the many problems we face, our country retains many great strengths. With the right policies, we can and will get through this crisis and build a better future for Ireland.

I believe that this election should mark the beginning of a new type of politics – one which is as serious as the issues we must overcome. That is why I have decided that our election manifesto should put aside the old approach of addressing every single policy. Instead, we are publishing a Plan which provides a clear focus on how we can achieve a lasting recovery.

The three most important questions which the people will decide on Friday 25th February are:

- Who is willing to show in full detail, covering every area of activity, exactly how they will revive the economy and restore public finances?
- Who is willing to show exactly how they will create the jobs our people need?
- Who is willing to show how politics and government can be reformed to ensure that the mistakes of the past can't happen again?

Each of the sections of this manifesto provides answers to these questions. There are no new spending commitments. We show how growth, job creation and reform can be delivered within the framework which we published in our National Recovery Plan.

In a broad range of areas which we have not included in this manifesto, we will be publishing policy statements in the days ahead. In each case, we will again keep to the budgetary limits we have announced.



Micheál Martin TD  
Leader  
Fianna Fáil

# Section 1

## Reviving The Economy And Restoring The Public Finances

# Reviving The Economy And Restoring The Public Finances

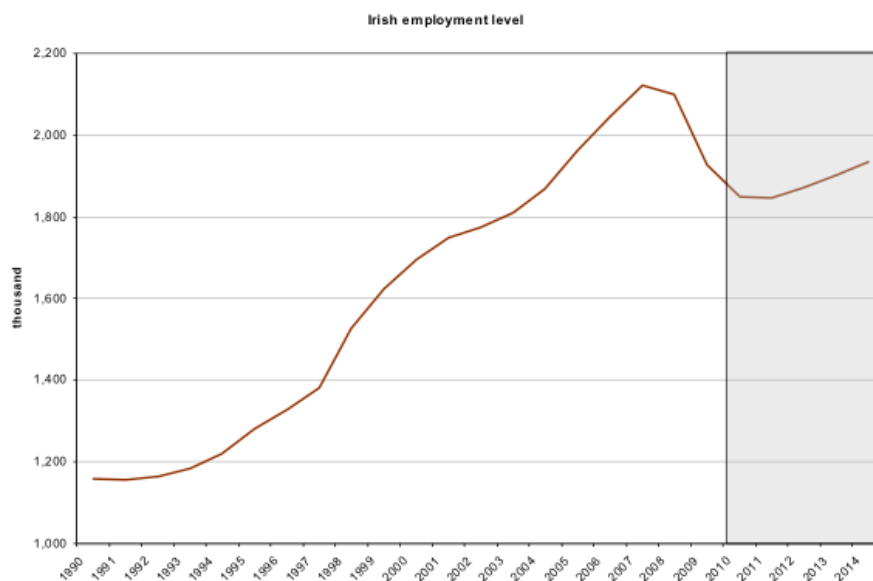
Despite the crisis, the Irish economy has enduring strengths. These have survived the downturn and give this country a good platform for our recovery:

- A young, well-educated workforce
- Favourable demographics
- High quality physical infrastructure
- An open economy with a strong high-technology exporting base
- A pro-enterprise environment
- A highly flexible economy

The aim of every action Fianna Fáil has taken in government over the last three years has been to return our country to the path of sustainable economic growth in which jobs can be created and protected. The decisions we have taken have been difficult. But they have been the right decisions for our citizens.

The latest economic data prove this. Last month's exchequer returns show tax revenues have stabilised and public spending is under control. Conditions in the labour market are also beginning to stabilise. Last month, the Live Register fell by nearly 7,000 and is down 11,000 since its peak in August. Over 90,000 new jobs will be created during the lifetime of the National Recovery Plan. The labour market reforms contained in the Plan will assist job creation and will guard against the scourge of endemic long-term unemployment. It is important to recall that there are still 1.86 million working in Ireland, up from 1.5 million in 1998.

## Employment also remains high...



## Public Finances

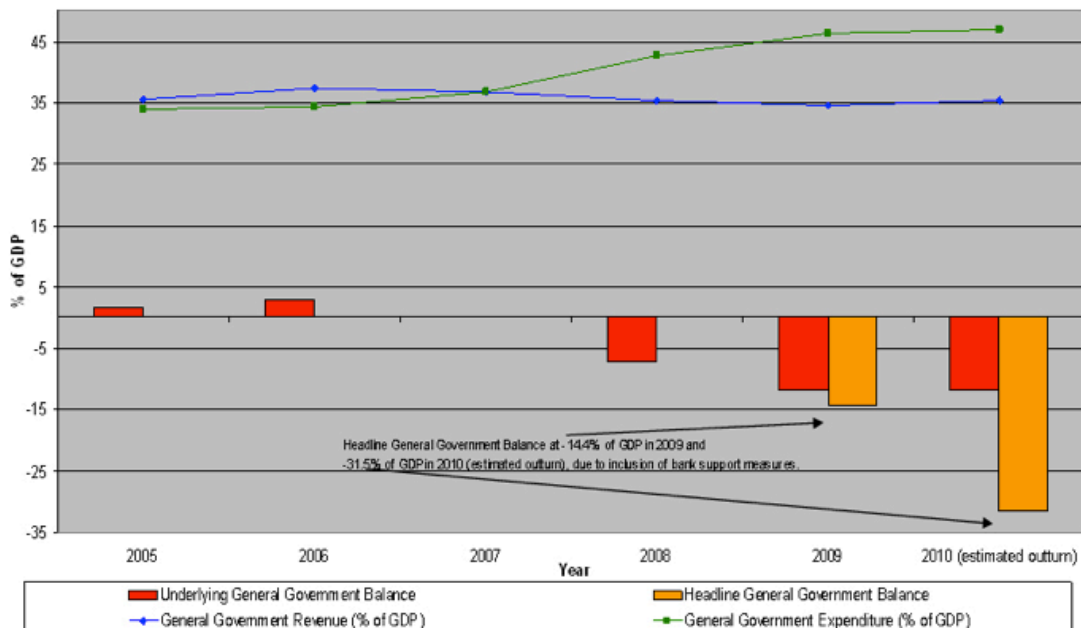
Faced with the rapid deterioration in our public finances, Fianna Fáil took swift and decisive action. We have worked continuously to bring our budgetary position under control. In six separate budgetary adjustments since July 2008 including the last Budget, we have made savings and raised revenue to the value of over €20 billion.

Adjustment package	Main consolidation form	Saving €m *
1. July 2008	Expenditure	1,000
2. October 2008 (2009 Budget)	Revenue	2,000
3. February 2009	Expenditure	2,100
4. April 2009 (Supplementary Budget)	Revenue Expenditure	3,600 1,800
5. December 2009 (2010 Budget)	Expenditure	4,100
6. November 2010 (National Recovery Plan 2011-2014)	Expenditure Revenue	10,000 5,000

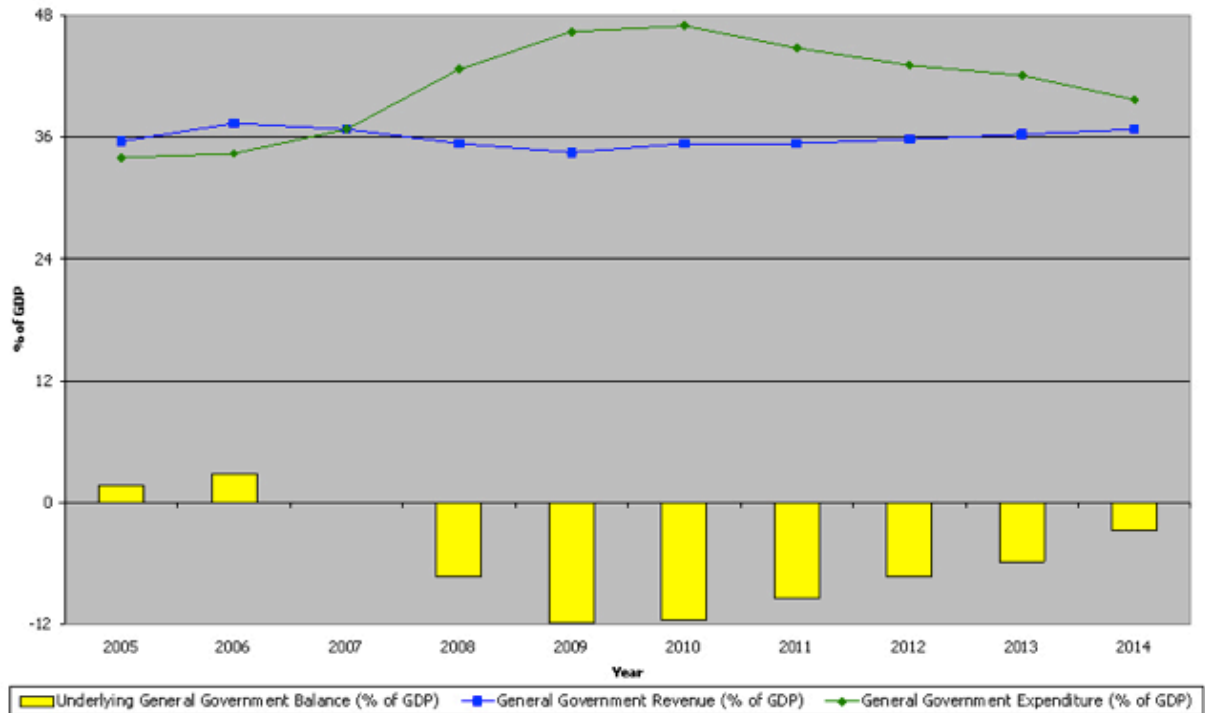
\* Figures in all cases are broad orders of magnitude.

We successfully stabilised the deficit in 2010 and as a result of the decisions we took in the budget, it will come in below 10% of GDP in 2011.

## Current Outlook



***Our National Recovery Plan spells out in detail the measures we will take in government over the next four years to return our public finances to a sustainable position. With savings of just over €20 billion, we are already two thirds of the way through the overall adjustment of €30 billion required to bring our deficit down below 3% of GDP by 2014.***



We continue to provide substantial resources for public services. This year we will spend €20.1 billion on social welfare; €14.1 billion on health; and €9.2 billion on education. Over the lifetime of the Plan, current spending will be brought back to 2007 levels.

We have sought to protect essential services while making savings by reducing staff numbers and pay costs. The public service pay bill has been reduced by €1.8 billion since 2009. The National Recovery Plan commits us to bringing the overall figure down to €14.7 billion by 2014. Public service staff numbers will be brought back to 2005 levels. Savings have also been achieved in administrative costs and in the area of procurement.

The reduction in numbers over the last two years has resulted in increased productivity. The reductions in numbers set out in the National Recovery Plan will require further significant improvements in performance and service delivery across all parts of the public service. Fianna Fáil will continue to work with public servants to ensure that the reforms necessary to achieve the targets in the Plan are achieved. That is the only way in which we can build a sustainable public service for our citizens.



### Composition of Expenditure Savings 2011 -2014

	2010	2011	2012	2013	2014
	€bn	Cumulative Change (€bn)			
Public service pay	16.0	0.3	0.7	0.9	1.2
Public service pensions	2.8	-0.1	0	0	0
Social protection expenditure	20.9	0.9	1.5	2.3	2.8
Other expenditures	15.0	1.0	1.6	2.2	3.0
<i>of which Administration</i>	1.2	0.1	0.1	0.1	0.1
<i>of which Subsidies, Grants &amp; other schemes, Procurements</i>	13.8	1.0	1.6	2.2	3.0
Current Total	54.7	2.1	3.8	5.4	7.0
Capital Total	6.4	1.8	2.2	2.6	3.0
<b>Total Expenditure</b>	<b>61.1</b>	<b>3.9</b>	<b>6.0</b>	<b>8.0</b>	<b>10.0</b>

Our approach to spending reductions has been balanced and has been guided by the need to protect our long term economic interest. For that reason, we have prioritised investment in education and we have ensured that the reductions that have been achieved in this area do not impact on frontline services. The numbers employed in education will increase over the period of the Plan by nearly 2,500 to meet demographic needs. There will be no reduction in the number of Special Needs Assistants in our schools over the period of the Plan: it will be capped at 2011 levels.

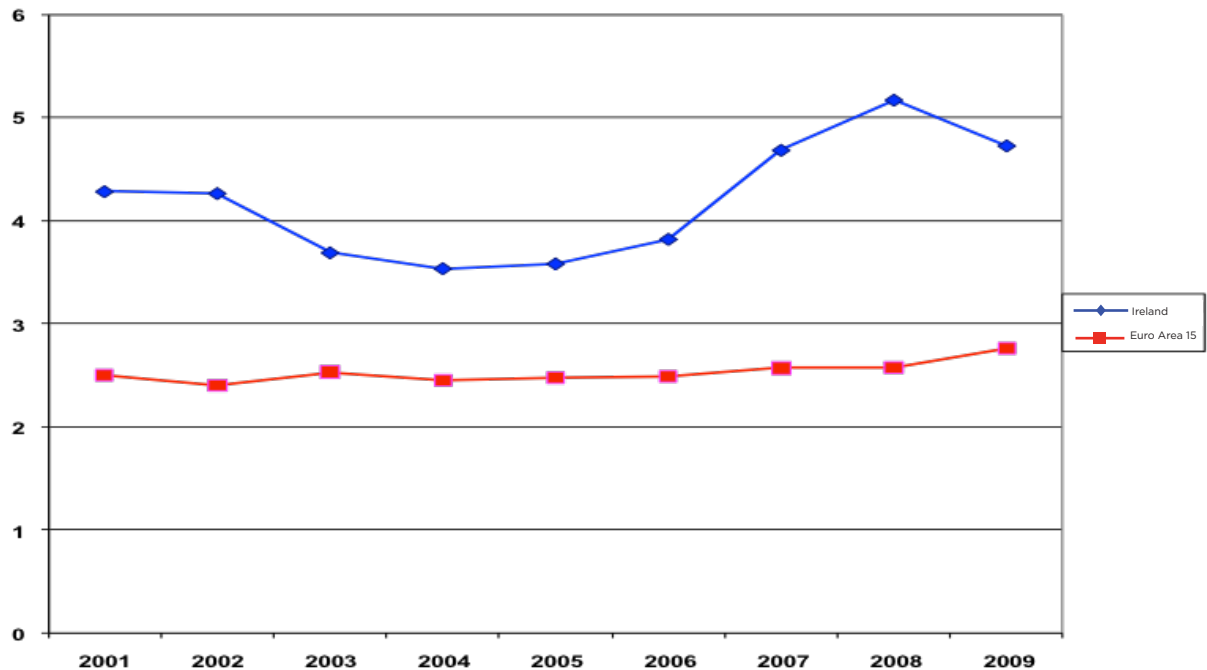
#### Capital Spending

Spending on public investment projects increased substantially between 1997 and 2008. This investment has transformed the quality of our national road network, our public transport system, and our education and health infrastructure as well as our national sport and cultural facilities.

Capital spending will be progressively reduced over the period of the Plan but the level of investment still compares favourably internationally and is in line with average government investment as a proportion of national income in the OECD. The reduction is also mitigated by the greater value the State is now getting for the taxpayer in public capital projects.

The NPRF will also increase its level of investment in public infrastructure projects that provide a return to the fund.

### Capital Investments as a % of GDP



### Taxation

We cannot tax our way out of a recession, as the Labour Party and Sinn Féin are proposing to do. But we must have a tax system that will raise the revenue we need to pay for essential public services without hindering economic development. It was simply not sustainable that 45% of income earners paid no tax.

Under our Plan, two thirds of the money we need to bridge the gap in our public finances will come from savings in public spending. The remaining one third will be raised in taxation. All taxpayers will contribute according to their means. Those who have most will pay the most and no group will be sheltered.

### Main Revenue Increases over the Period of the Plan

	2011 €m	2012 €m	2013 €m	2014 €m	Total €m
Income Tax	1,245	260	210	160	1,875
Pensions	260	225	225	155	865
Tax Expenditures	405	100	100	60	665
Site Value Tax	-	180	175	175	530
Carbon Tax	-	220	-	80	300
Capital Tax	-	145	-	-	145
Value Added Tax			310	260	570
Other Measures	110	-	-	-	110
<b>TOTAL</b>	<b>2,020</b>	<b>1,130</b>	<b>1,020</b>	<b>890</b>	<b>5,060</b>

The bulk of the income tax increases we have proposed under the National Recovery Plan have now been introduced. Any further tax increases over the next four years will largely be in the area of indirect taxation and by means of the closing of tax breaks and will be broadly based.

Our economic recovery will be driven by high valued-added businesses in high-end manufacturing and services. High income taxes will kill off prospects for growth in these crucial sectors. We know from our history that punitive taxes drive out investment and stifle employment. The tax changes contained in our plan will broaden the base by bringing more taxpayers into the tax net and by abolishing or curtailing the tax exemptions and reliefs used by higher earners to reduce their tax bill. These changes will bring us back to an income tax structure last seen in 2006.

A fundamental principle of our plan is to continue to protect the most vulnerable. Analysis by the ESRI shows that the budgetary measures introduced over the past 2½ years have been progressive and have distributed the burden fairly. We have significantly increased the State pension over the past ten years and it is our view that the security this has brought to older people should be preserved. Our commitment is to achieve the further savings needed in social welfare spending through reform of the system and enhanced control measures.

### *Achieving Economic Growth*

The repair of our public finances will enable us to win back the confidence of business and consumers in our economy. But we must also have a strategy for growth.

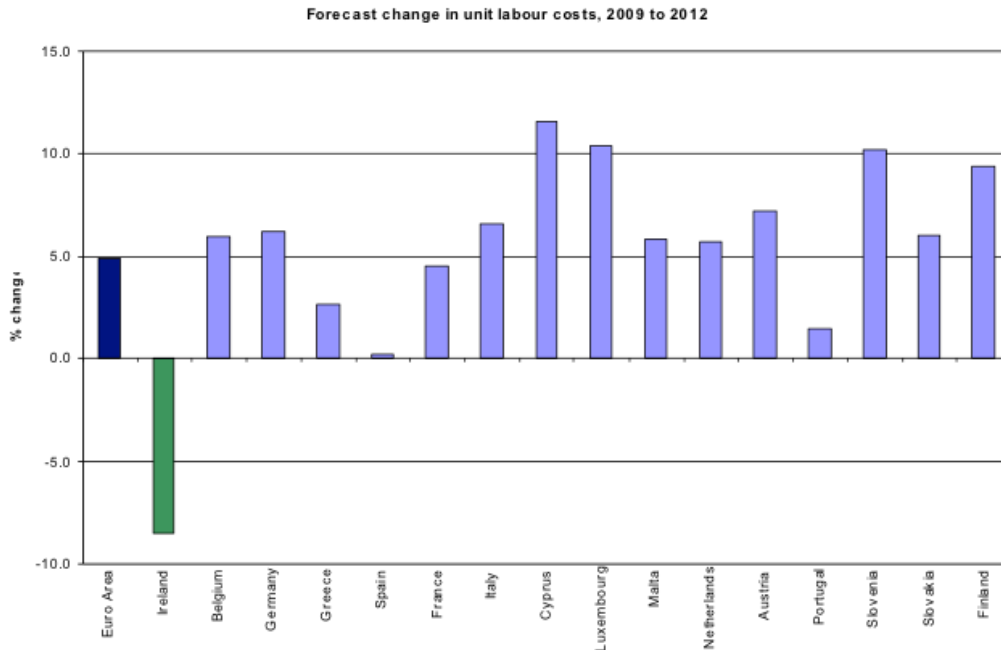
As a small open trading nation, the only path to sustainable recovery is through export-led growth. The Irish economy enjoyed strong export-driven growth as recently as the 1990s. We can do so again.

The consumption and construction fuelled boom of the last decade put upward pressure on our cost structures and undermined our competitiveness. As a result, we lost market share in international trade.

The steps we have taken since 2008 have resulted in a marked improvement in our competitiveness. Ireland is the only EU member state in which the level of consumer prices has fallen in recent years. Wages have been reduced. Energy and other utility costs have fallen. The European Commission forecasts that by 2012, Ireland's competitiveness will have improved by 14%.

This downward adjustment of our cost base together with the recovery in the global economy is producing a strong, broadly-based revival in our exports. Our exports are now at their highest level ever. Recent data show that our manufacturing sector is growing at its fastest rate in 11 years.

## Exports supported by improving competitiveness



Both the multinational sector and indigenous exporters are winning increased market share abroad. Many export businesses, in sectors ranging from agri-food and agriculture to computer software, healthcare and financial services, will create new jobs this year and next year to meet rising demand. Irish operations of multinational companies are successfully competing for new investment in this country: Last year was the best year since 2006 for new foreign direct investment into Ireland.

The success of our export sectors is proof that Fianna Fáil's policies to return the economy to export-led growth are working.

- we must continue to drive down the cost of doing business;
- we must continue to invest in education and skills;
- public investment in key infrastructure projects must be maintained;
- and we must continue to encourage businesses to innovate to compete.

Export growth will in turn boost consumer spending and investment. This will create new jobs in hard-hit sectors such as retailing, hospitality and construction. The new minimum wage and the reform of employment agreements are crucial to the revival of these key jobs-rich sectors of the economy. Our National Recovery Plan shows in detail how we will deliver on these promises and grow employment.

We have protected investment in employment by increasing the budget allocations for the IDA and Enterprise Ireland. Enterprise capital expenditure will rise from 10.8% to 15.9% over the period of the Plan. This investment will support job creation in world class, export oriented enterprises.

Infrastructural investment has been focussed on employment rich projects such as the national retrofit programme and in water services which will provide employment in the construction sector.

In government, Fianna Fáil will:

- Reduce energy, waste, rental costs and local authority charges for businesses.
- Make next generation broadband available to more businesses.
- Boost key labour-intensive domestic sectors such as agriculture, agri-food, tourism, retail and construction.

### **Mortgage Arrears**

Fianna Fáil is aware that people are worried about their mortgages. The party is very conscious of the high value placed on home ownership in Ireland and in particular of the efforts Irish people make to secure and retain their own home.

Fianna Fáil policy is that home owners who lose their jobs should be assisted to retain their homes during their period of unemployment.

At the request of Fianna Fáil in government a Code of Conduct for Mortgage Arrears (CCMA) was introduced and subsequently this code has been revised by the Central Bank to reflect present economic circumstances.

Banks and other lenders are required to comply with the revised CCMA as a matter of law from Jan 1st 2011 but have been given a period of six months' grace (from Jan 1st 2011) to deal with administration support issues.

The most significant changes to the Code include the following:

- Lenders are prohibited from moving homeowners in arrears off existing tracker mortgages.
- Homeowners in arrears who co-operate with their lenders under a Mortgage Arrears Resolution Process (MARF), which has been put in place in all the regulated institutions, will not incur penalty interest charges;
- Harassment of mortgage holders through unsolicited communications has been outlawed.
- Homeowners in financial difficulties, but not in arrears, will be allowed to have their cases dealt with under the MARF.
- The existing 12 month moratorium on legal action in arrears cases is restated and clarified in the new code.
- Qualifying loans taken out in 2012 will receive the relief at a reduced rate of 15% for first time buyers and 10% for non first time buyers with ceilings of €6000 per annum for married couples and €3000 per annum single people.
- The revised CCMA was published on 6 December 2010 and came into effect on 1 January 2011.
- We established an Independent Mortgage Arrears and Personal Debt Expert Group to look at the issue of mortgage arrears and how best to assist homeowners in difficulty. They determined after looking at international best practice the best solution was to introduce a deferred interest scheme (DIS). A deferred interest scheme (DIS) allows borrowers who can pay at least 66% of their mortgage interest and will provide eligible mortgage holders with an extended period to get back on their feet. Furthermore under the DIS deferred interest is put into a deferred interest account and no penalties is charged on the interest.
- Lenders representing the majority of the market have indicated their willingness to implement the DIS.
- Fianna Fáil will amend the enforcement of court orders act to prohibit the granting of a court order for the repossession of a primary family residence unless all of the steps above are met to the satisfaction of the court.



While the DIS is voluntary for all lenders, those who have signed up in support of the scheme will be monitored by the Central Bank to ensure compliance.

- Fianna Fáil is totally committed to introducing the new laws required:
- In the case of the Department of Finance, recommendations on the scope and the admissibility in Court of the CCMA is being progressed.
- Legislative changes to the Mortgage Interest Supplement Scheme will be introduced in the Department of Social Protection.
- New regulations and guidance regime will ensure that housing authorities will disregard the household's current accommodation for the purposes of determining eligibility for social housing support.

This will involve a new needs assessment process which will allow an earlier trigger point for the social housing needs assessment process to take place where a case has been determined to be unsustainable in the long term, following exploration of all other options.

- Bankruptcy legislation must be modernised.
- We will introduce a non-judicial debt settlement system so that families can be protected as much as possible from losing their homes.

It is worth recalling what Fianna Fáil in Government has already done to support those in difficulty with their mortgages. We have:

- Provided financial help to almost 18,000 borrowers, through the Mortgage Interest Subsidy Scheme
- Increased the advisory services provided through the Money Advice Budgeting Services
- Introduced the statutory Code of Conduct on Mortgage Arrears for all lenders requiring all major banks and lending agencies to protect the home owner as much as possible
- Extended the 6 month moratorium on legal proceedings to 12 months
- Refocussed mortgage interest relief on those who bought their homes at the peak of the market with extensions up to the end of 2017
- Established the Mortgage Arrears and Personal Debt Expert Group to protect home owners and implemented its recommendations
- Reduced the rate of stamp duty in Budget 2011 which will facilitate trading down for some borrowers in difficulty.

## Banking System

We have put all political considerations aside to stand behind our banking system through State guarantees, NAMA and the recapitalisation of individual institutions. We have revamped our system of banking regulation and have brought in new regulators with proven expertise to make sure that past failings will never be repeated. Every decision we have taken has been guided by the need to maintain a financial system that will serve the needs of the economy. Without banks we can have no economy.

The EU/IMF Programme for the banking system builds upon and intensifies our approach to fixing the banks. It provides the funding to restructure and recapitalise our banking system so that the banks remain safe places for deposits and can support the economic recovery by lending to creditworthy businesses and households.

The Programme provides for a fundamental downsizing and reorganisation of the banking sector to make it more proportionate to the size of the economy. When the Programme is complete, Irish banks will be capitalised to the highest

international standards and be able to return to normal market sources of funding. The Programme provides €10 billion for immediate additional bank recapitalisation and the remaining €25 billion to be used as a contingency fund, only to be drawn down if needed.

In government, Fianna Fáil will meet this country's obligations under the EU/IMF Programme.

### **The EU/IMF Programme**

Under the Programme, Ireland will have access to €50 billion of funds needed to maintain social welfare, the health service, the education system and other services. €50 billion in new borrowing is the amount that the State will require to finance itself over the next three years, assuming the Government sticks to the targets for reducing the budget deficit that were agreed in the Programme. We also have access to additional funding that is necessary to resolve the remaining issues in Irish banking.

Ireland's average interest rate will be around 5.8% for loans that are on average for 7½ years. These interest rates were set long before we applied to join the EU/IMF Programme. The Programme provides these funds at a far lower rate than currently available on the market – if we could get the funds at all. The rates charged are exactly the same as those for any other country borrowing in similar circumstances – no better or worse.

Despite a series of significant measures taken at European level since the Greek crisis last spring to ensure the Euro's long-term stability, a decisive solution to the euro area debt crisis has not been found. That is why governments in EU member states have been working together intensely over recent months to redesign the euro area institutions and reconfigure the European bail-out funds.

One issue being discussed as part of these talks is the interest rate charged to any member state that borrows from these funds. As a borrower, Ireland would clearly benefit from a reduction in the rate currently on offer. Fianna Fáil is continuing to work towards this aim. Brian Lenihan has successfully worked to get the issue of a reduction in the interest rate onto the agenda and progress is being made at the EU level on this issue. Governments from the 17 euro area and the 27 EU member states are expected to agree a comprehensive package of reforms to the rescue funds by end-March.

It is obvious that the terms of the EU/IMF Programme – from the interest rate on the loans to the issue of defaulting of senior bonds – cannot be renegotiated unilaterally. Yet during this election debate we have heard the Opposition parties talk about “tearing up” the agreement: its either “Frankfurt's way or Labour's way” we've been told. Such bravado is reckless and dangerous and is bound to prove counterproductive.

The Labour Party are pretending that they can borrow more from the EU/IMF than already agreed – yet somehow do so at a lower interest rate. Their plan to stretch out the fiscal adjustment to 2016 and run larger deficits over the next few years means that €50 billion will not be enough. It is nonsense to think that our colleagues in Europe will reward shirking from our budgetary commitments under the Programme with more favourable borrowing terms. We need to show that we can meet our targets and put our house in order. More favourable terms are likely to be available only to borrowers with a record of achievement in reducing budget deficits. Fianna Fáil has delivered €20.5 billion of the €30 billion budgetary adjustment required. We have proven that we can deliver.

Even if this country had not entered an EU/IMF Programme, we would need to aim to reduce our deficit to near balance by 2014. Prolonging the adjustment means accumulating more national debt to hand down to our children. It will fuel doubts among investors about our ability to restore order to the public finances. And as we know from the 1980s, such doubts are a recipe for economic stagnation and rising unemployment.

Fianna Fáil's National Recovery Plan will build on the many positive aspects of our economy so that we can return to a sustainable growth path.

The EU/IMF Programme is based on our National Recovery Plan. The measures it contains will:

- Remove barriers to growth
- Boost our competitiveness
- Restore order to our public finances
- Repair our banking system so that it can serve the recovery

Our future prosperity rests upon the implementation of the Plan over the next four years. We wrote the Plan. We believe in the Plan. We are the party best placed to implement it.

# Section 2

## A Plan for Jobs

# A Plan for Jobs

Fianna Fáil understands that tackling unemployment must be a fundamental objective for the Dáil and government during the next five years.

As outlined in the first section, we believe that restoring the public finances is the essential foundation upon which recovery will be built. Restoring confidence for investors and consumers will have a very direct positive impact on job creation. We will do more to help people who are unemployed and businesses who want to create jobs.

Fundamentally we believe that Ireland's competitive advantage must be through having a highly educated and skilled workforce. The sectors of the economy which have been most resilient during this crisis have been those which are export-oriented and rely on skilled workers.

The core principles which underpin our proposals to create jobs are:

- Help individuals with education and training opportunities which can get them back into employment.
- Aid businesses that have the capacity to innovate and grow.
- Promote Ireland's position as a world centre for high-technology enterprise by investing in the training and research which are vital to this objective.
- Develop our vital agrifood sector to reach its potential for employment and value-added products that are in demand worldwide.
- Sustain high levels of capital investment in employment-intensive projects which boost the competitiveness of the economy.

## The Strengths of our Economy

The impact of the economic crisis has been felt most acutely by people who have lost their jobs. All the recent evidence confirms that key sectors remain strong and that the employment situation is improving. Ireland is not "banjaxed" or "destroyed".

There are significant strengths in our economy which we can build on to fast-track economic renewal in our country.

- We have the youngest population in Europe, with one in three under 25;
- We have the highest proportion of graduates amongst the 25-34 age group in the EU;
- Our exports are performing at their strongest level in eleven years;
- Ireland's stock of direct inward investment is five times greater than the OECD average;
- We have clusters of the world's leading multinational companies, and continue to attract high levels of investment. Almost 1,000 companies – including household names such as IBM, Google, eBay and Facebook – have chosen Ireland as the hub of their European operations;
- USA investment to companies in Ireland is more than they invest to Russia, China and Brazil combined.



According to Enterprise Ireland:

*“2010 was a year of strong recovery of export growth, which has helped to sustain employment in Irish companies. The outlook is more positive now than at any point over the past three years, and Irish companies are using this renewed confidence to aggressively target opportunities in international markets. We expect new export sales from Enterprise Ireland clients in the order of €1 billion in 2010 and more importantly they will spend €19 billion in the Irish economy. Irish companies have withstood the severe conditions they have faced, and have emerged leaner, stronger and with a greater appetite for international growth than ever before.”*

In 2010 Ireland continued to win significant foreign direct investment. Most encouraging is the substantial increase in the scale of these investments from many of the world's leading companies. In the past year the job numbers secured through investments show a marked increase, with the average employment per investment double the 2009 level. Export led growth is feeding through in the employment portfolio of IDA's clients, which created almost 11,000 new jobs in 2010, more than double the previous year's total of 4,615

Ireland continued to attract manufacturing investments during 2010 including Warner Chilcott, MCI, Merit Medical, Hollister, Yves Rocher, Lufthansa Technik, Goodman Medical, Zeus, Valeo and Freund. 2010 saw IDA win a number of high-value Research, Development & Innovation projects for Ireland with over €500million in new investment secured. Among the companies that announced RD&I investments in 2010 were IBM (Smarter Cities), United Technologies Research Centre (Renewable Energies), Alcatel-Lucent /Bell Labs, HP Galway, Biotrin, and Accenture's Global Analytics Centre.

The fact that a global leader such as Intel, which has already invested close to \$7bn in Ireland, has chosen to invest a further \$500m here is an enormous vote of confidence and endorsement of Ireland as a competitive location for global investment. Intel is a bellwether company and this is a significant strategic investment for Ireland.

### **Investment and Trade creating Employment**

In the policies underpinning our National Recovery Plan is a series of investments in initiatives to increase the number of new jobs directly associated with exporting enterprises by over 150,000 jobs. These jobs will come directly in manufacturing, tourism and internationally traded services.

Specifically, our commitment is:

- That each enterprise agency will target its schemes to achieve specific elements of the overall plan (IDA Ireland ~75,000, Enterprise Ireland ~60,000, tourism ~15,000)
- To “job proof” all new policy and legislation to ensure that it is pro-employment

### **Trade**

- To increase the value of exports by agency assisted indigenous companies by 33%.
- To increase the number of exporting firms.
- To increase the value of exports from existing exporters, both to established markets and to markets offering new opportunities.
- To diversify the destination of indigenous exports.

- To increase the share of food and drink exports going to countries outside the UK, from 56% to 62%.
- To increase the share of other exports going to countries outside the UK, from 57% to 63%.
- To increase the share of food and drink exports to Asia, from 4% to 7%.
- To integrate trade policy into the Department of Foreign Affairs, with each diplomatic post playing a significantly enhanced role in trade promotion.

#### *Tourism*

- To increase overseas visitor numbers to 8 million.
- To increase visitors from Continental Europe to 3 million.
- To increase visitors from new and developing markets to 0.5 million.
- To increase visitors from the UK to 3.3 million.
- To increase visitors from North America to 1.2 million.

#### *Inward Investment*

- To secure an additional 780 inward investment projects through IDA Ireland.
- 20% of new greenfield investment projects to come from high-growth and emerging economies.
- IDA Ireland and Enterprise Ireland to deepen the domestic value added of overseas firms in Ireland and to strengthen linkages and collaboration between foreign-owned and indigenous firms

### **Reducing Costs to Aid Competitiveness**

Our open economy is reliant for growth on the performance of its exporting base. This means that Ireland must be cost competitive internationally.

Recent price falls have helped to regain lost ground to some extent but we need to ensure that they are not just a cyclical response to the downturn. Fianna Fáil supports further efforts to provide a sustainable, structural change to the costs of doing business in Ireland relative to other countries.

This will be achieved through additional measures such as:

#### *Energy*

- The imposition of rigorous efficiency targets on the ESB, Bord Gáis and Eirgrid.
- Capital investment programmes by the utility companies will be commensurate with the infrastructure needs and energy demand of the Irish economy avoiding excess capacity and extra cost.
- A National Energy Efficiency Action Plan to achieve a national energy saving of 20% by 2020 including measures to assist SMEs to lower electricity costs.

#### *Transport*

- Completing the Metro North project.
- Finishing the Dart interconnector.
- Making public transport more accessible.

#### *Telecommunications*

- The Next Generation Broadband Taskforce will work with industry to enhance the business case for investment in NGN (Next Generation Network) delivery.
- Appropriate State investment will be undertaken in cases of market failure.

- The use of state infrastructure for the roll out of NGN networks will be maximised.

#### *Professional Services*

- We will identify further ways to tackle increases in insurance costs, building on achievements of the Personal Injuries Assessment Board.
- We will provide for a more structured approach to mediation in the legal system and promote further the use of Alternative Dispute Resolution, taking into account recommendations of the Law Reform Commission in its Final Report 2010 on the subject.
- A package of measures to reduce legal costs will be implemented, including:
  - increased use of tendering by the State;
  - priority publication and enactment of a Legal Costs Bill; and
  - additional proposals for legislation to reduce legal costs, drawing on the recommendations of the Legal Costs Working Group and the Competition Authority.
- Provide for increased use of arbitration and mediation.

#### *Commercial Rents*

- The proposals of the Working Group on Transparency in Commercial Rent Reviews will be implemented.
- Remove developmental charges for any new commercial units that create jobs.
- The Office of Public Works will lead a coordinated effort to reduce office rents by up to 15% and review the efficiency of property arrangements across the public sector.

#### *Reducing administrative costs for business*

- The 15 day prompt payment rule will be extended beyond Government Departments to the wider public sector.
- The targeted 25% reduction of the regulatory burden on business will be achieved by end-2011.
- Local Authorities will be required to improve their efficiency, including through implementing relevant recommendations of the Local Government Efficiency Group, to reduce where possible, the level of rates charged to businesses.

### **Supporting Small & Medium Sized Enterprise**

The importance of the role of small and medium sized enterprises in Ireland's economy cannot be overestimated. They supply goods and services on which larger companies rely. Small firms directly support 700,000 jobs.

In our budget plan we have provided for investments in small firms in their earliest stages of development via Enterprise Ireland's €175 million seed and venture capital programme and through the €500m Innovation Fund.

- We will transform the old Business Expansion Scheme into a new and better focussed Business Investments Targeting Employment Scheme (BITES).
- A simple and efficient certification process will be introduced. The maximum amount that can be raised by companies in a 12 month period will be increased significantly, as will the lifetime amount that can be raised per company.
- Enterprise agencies should work with SMEs to improve performance, productivity and competitiveness, assist them in developing exports in new and existing markets, help them to access public procurement opportunities and help firms develop a greater online presence.

- Core R&D supports and the innovation voucher system will continue to help small firms acquire cost-effective R&D and to move up the value-chain.
- We will investigate the potential for providing access to vacant or under-utilised public property for entrepreneurs or business start-ups to use as incubation centres.
- We will undertake an overhaul of bankruptcy legislation.
- The 15 day prompt payment rule will be extended beyond Government Departments to the wider public sector.
- We will protect the budget allocation for County Enterprise Boards.

### **Credit availability for business**

It is a clear and absolute priority of Fianna Fáil to ensure that the broader issue of the availability of credit to the small business sector is addressed. To this end Fianna Fáil in Government has, of course, already secured a commitment from the main lenders to make available not less than €12 billion in total for new or increased credit facilities to SMEs over 2010 and 2011, including funds for working capital. We will ensure the implementation of this funding commitment.

### **Making Ireland a Global Innovation Hub**

We believe that Ireland can be a a Global Innovation Hub. This is not an empty phrase, it is achievable with the right policies – delivering high-quality employment which is sustainable and competitive.

There must be clear and achievable goals to make Ireland:

- The best place in Europe to turn research and knowledge into jobs, products and services;
- The best place in Europe to start and grow an innovative company;
- The best place to relocate or expand and scale an SME; and
- The best place in Europe for research-intensive multinationals to collaborate with each other and with clusters of small companies.

To achieve these goals, Fianna Fáil will ensure that:

- Innovation Fund Ireland will attract international venture capital fund managers to Ireland, making their expertise, experience and network available to our enterprises.
- IDA will introduce the European Accelerator Programme to attract fast growing firms to locate their European HQ in Ireland.
- Enterprise Ireland will introduce a new approach to providing seed capital and other supports to innovative start-ups.
- Enterprise Ireland will assist Irish firms to maximise export potential through programmes for CEOs, mentoring and trade missions and will launch a campaign to attract overseas entrepreneurs to locate in Ireland.
- The 'Silvertech' initiative will be introduced with the HSE working closely with multinational companies in Ireland on the introduction of new technology for healthcare.

### **Science, Technology and Research**

There is no such thing as a world-class economy or a high-income economy that does not invest significantly in advanced research. From a situation where this area was completely neglected, Fianna Fáil in office introduced a range of supports which have transformed the Irish research landscape and are underpinning major employment projects.

Despite the budgetary pressures we have faced in government, the National Recovery Plan includes significant funding for this area. In 2011 these funds will ensure that:

- o Science Foundation Ireland will maintain 29 world-class research centres in 2011 and continue to work with over 400 industry partners.
- o Enterprise Ireland will help approximately 1,200 companies with research and innovation activities in 2011.
- o Enterprise Ireland will also support 85 High Potential Start-Up companies next year, rising to 100 by 2015.
- o The number of industry-led competency centres will be doubled to 16 by 2015.
- o Innovation Fund Ireland will grow to €500m, attracting leading international venture capital companies to Ireland.
- o A majority of IDA projects will be of the highest-value type.

Ireland has built a strong science base. Two thirds of Ireland's R&D is in the private sector, creating new product and service innovations that will drive exports, growth, and jobs. Productive, high calibre research, undertaken by highly skilled research teams working closely with industry partners will continue to be a priority for Fianna Fáil. Fianna Fáil will ensure that:

- Research investments will be concentrated in areas where Ireland will secure the greatest economic and social returns.
- The number of industry-led research competence centres will be doubled to ensure that industry drives the research agendas.
- IDA and EI will foster research, development and innovation in companies to boost productivity, exports, growth and jobs.
- Ireland's reputation as a country where enterprise can partner effectively with third level institutions will be developed at all levels ranging from SFI funded fundamental research centres to EI Innovation Partnerships and Innovation Voucher programmes.
- As part of a wider reorganisation of research funding organisations, Science Foundation Ireland will incorporate the principal academic research funding programmes currently in other agencies.
- Every diplomatic office will arrange at least one significant seminar in the next twelve months to showcase the research strength of Ireland.
- While ensuring a substantial increase in the level and quality of support for innovation within enterprise, our plan protects funding for research in academic institutions.

## Services Sector

The services sector in Ireland has the potential to become a significant player in the worldwide expansion and innovation of the sector. Currently in Ireland, the sector accounts for around €69 billion in exports and 107,000 jobs in agency-assisted companies.

One third of the services exports are accounted for by computer services, and a further 9% by financial services. The potential is significant. Global trade in services grew from €1.4 trillion in 2000 to €3.3 trillion in 2009, and there are further significant opportunities for growth in sectors such as business process outsourcing, international education, healthcare and financial services.

Fianna Fáil is committed to

- Promoting diversity in our services exports and reducing the heavy reliance in services exports on two sectors - software/ICT and financial services. Services in sectors such as education and healthcare can provide opportunities for expansion.



- Encouraging internationalisation of our services enterprises. There is a clear potential for Irish companies to expand their operations which to date has only been realised by a relatively small number of firms. Benefits will accrue to both the firm and to the economy as a whole.

### The Agri-Food Sector

As well as providing a livelihood for an estimated 120,000 farmers and their families, the agri-food sector currently exports almost €8 billion annually in food and beverage products, representing 50% of indigenous manufacturing exports. It employs over 45,000 people in over 800 companies throughout the country and generates almost one third of Ireland's net foreign earnings from manufacturing.

We have ambitious targets to increase the value of exports on an annual basis by a third to €12 billion by 2020.

Fianna Fáil recognises that the agri-food sector is the country's largest and most important indigenous industry, with almost a quarter of a million people dependent on the sector when account is taken of agriculture and ancillary employment. Our national herd is a national asset.

We will ensure that the Irish agri-food sector is to the forefront in our export-led economic recovery, which has the potential to create thousands of new jobs in urban, rural and coastal communities throughout this country.

- Support a well-resourced CAP Post 2013 and ensure that our farmers and processors are positioned to adapt to emerging challenges and ensure that the EU maintains a strong agricultural production base.
- Fully implement the key recommendations of Food Harvest 2020 for the future development of the agri-food, fisheries and forestry sector. This will create at least 4000 jobs .
- Provide direct capital supports for marketing and processing.
- Support the consolidation and restructuring needed to enhance competition in the sector.
- Ensure the further introduction of the new farm investment schemes as part of the EU co-funded Rural Development Plan, including the Dairy Equipment Scheme and Water Harvesting Scheme.
- The Irish seafood sector is worth €700 million and employs 11,000 people. Fianna Fáil believes that the share of catch being processed by Irish companies should be increased as well as maximising landings from Irish vessels. We will also protect and enhance the sector in the current review of the Common Fisheries Policy due to be completed in 2012. Maximum stock yields will have to result in an increase in quotas for Irish vessels. It is no longer acceptable that 88% of fish caught in the Irish Zone are by non Irish vessels.

### Tourism

Tourism is a hugely important indigenous industry, which in 2009 delivered €4 billion in foreign revenue earnings and €1.3 billion in tax receipts, while supporting in the order of 200,000 jobs.

Fianna Fáil will work to maximise the economic and social potential of the tourism industry as a core contributor to Ireland's export-led economic recovery.

We will:

- Aim to increase the number of overseas visitors to 8 million by 2015, by focussing on the markets most likely to deliver growth and the United Kingdom as our single biggest source of visitors.
- Seek to maximise the number of overseas visitors through competitive airport and port charges, competitive and tourist-friendly immigration and visa arrangements, and cooperative marketing support programmes with air and sea carriers.
- Continue to highlight at home and abroad the increasing value available in the Irish tourism industry and the high quality of accommodation on offer around the country.
- Continue to seek opportunities to deliver better value for money through the international and domestic marketing budgets by focussing on the markets most likely to deliver growth, using innovative marketing campaigns and programmes and greater use of e-marketing.
- Maximise the potential of niche areas such as food, golf and cultural tourism.
- Ensure that an inter-departmental strategy is in place to improve the leisure potential of our harbours and increase marine tourism.
- Help tourism businesses to reduce their cost-bases and get access to appropriate levels of credit, especially working capital.
- Aim to position Dublin as an important centre for business and recreational tourism, building on the recent opening of the Aviva Stadium, the Convention Centre in Dublin and other theatrical/sporting venues, with appropriate marketing and other supports from the tourism State Agencies.
- Position Ireland as an important cultural and heritage tourism destination, by building synergies between the tourism and culture communities, developing the work of Culture Ireland and enhancing public access to our built heritage, attractions and monuments.
- Develop a 'St. Patricks Fortnight', with an impressive offering of arts and culture events, aimed at attracting cultural tourists from around the world.
- Support Tourism Ireland in coordinating 'The Gathering 2012' as a major initiative to encourage people of Irish heritage from all over the world to visit Ireland in 2012, with a range of special programmes on offer.
- Continue the policy of attracting suitable major sporting events to Ireland.
- Deepen North/South tourism cooperation, including all-island international tourism marketing through Tourism Ireland and the North/South Ministerial Council, and complementary cooperation between Britain and Ireland, including cooperation on statistics and supporting measures to facilitate movement of visitors across the Common Travel Area.
- Facilitate the participation of the tourist industry, both in the private and public sectors, in programmes of Labour Activation Measures, building on the changed profile of unemployment and the advantages of enhancing the visitor experience through the Fáilte brand.

## Arts and Culture

Fianna Fáil values the positive contribution that a thriving arts and cultural sector makes to Irish society as a whole and is particularly conscious of the potential of the sector to provide opportunities for self-expression and participation. We also appreciate the economic potential of the arts and creative industries and their role in supporting enterprise and innovation in the economy as a whole, as highlighted at the Global Irish Economic Forum in Farmleigh. While resources for all sectors will be under pressure over the next few years, we will do our best to support arts and culture initiatives.

We will

- Ensure that the arts and culture sector continues to be represented at the Cabinet table.
- Work to maintain employment levels in the sector.
- As resources allow, advance the capital development plans for the National Gallery of Ireland, the National Concert Hall, the Abbey Theatre, the National Museum at Collins Barracks and other major cultural centres.
- Seek to maximise the mutual benefit for the arts and tourism sectors of cultural tourism initiatives.
- Extend the Section 481 Film Investment relief to 2016 to maintain Ireland's attractiveness as a location for film production in an increasingly competitive international environment and protect and grow the number of direct and indirect jobs supported by the industry.
- Establish a new development agency for the audiovisual industry, Screen Ireland, amalgamating the functions of the Irish Film Board, the Industrial Development Authority and Enterprise Ireland in relation to film and multi-platform audiovisual content production in Ireland. The new agency will seek to grow the scale of the industry significantly.

### The Green Economy

A crucial objective for us is to ensure that employment growth is sustainable. This is one reason why the fast-growing Green Economy is a sector where Ireland has huge opportunities for growth, particularly in the following areas:

- Energy export potential
- A Green IFSC
- Water management
- Ireland as a test-bed location and research hub
- Potential for convergence of ICT and energy management systems

The National Retrofit Programme which is incorporated into our National Recovery Plan is also providing work for the construction sector. Further steps include:

- Investing €4.5 billion in our transmission distribution and international interconnection grids to develop our renewable resources.
- Developing Ireland as a centre of new Smart Grid technology using our advantage in a flexible grid infrastructure and as a location for energy ICT companies.
- Identification of skills needs to capitalise on the green economy and design of appropriate courses and training to deliver these skills.
- The publication of the Green Public Procurement Plan.

### Green IFSC

Fianna Fáil strongly supports the establishment of a Green IFSC to target environmentally-related financial services as a means of generating high value employment and revenue growth in Ireland.

By establishing the 'Green IFSC', Ireland will position itself as leading financial services centre for the management of carbon and green finance, including the establishment of a government supported International Carbon Standard (ICS) and associated Dublin International Voluntary Offset Registry (DIVOR).

This initiative will help to maintain the competitive advantage of the IFSC and has the potential to create in the next five years over 4,000 new jobs and €6 billion in revenue from this emerging sector.

## The Digital Economy

The digital economy is a key part of the Smart Economy. It involves the rollout of an extensive Next Generation Network and also the fostering of cloud computing services and its attendant new applications. Ireland is host to many of the world leaders in software, some of whom have located R&D centres here. These firms have developed strengths in the e-learning, financial services and telecommunications applications. The sector is an important source of high value jobs in the economy and Fianna Fáil is determined to build on these foundations. We will :

- Provide direct supports for R&D and other business activities through the enterprise development agencies.
- Roll out 100 megabit connectivity to second level schools.
- Continue the roll-out of the National Broadband Scheme.
- Develop the use of ICT as an enabler of energy efficiency, which is a key area of growth.
- Work with relevant industry partners to help SME's better exploit the opportunities of global online markets by helping them create their first website and upskilling their capacity in online sales.
- Continue the modernisation of financial regulation according to best international practice.
- Develop Ireland as a centre for Green Data Centres and establish an International Content Services Centre.
- Complete a strategy review by the IFSC Clearing House Group in 2011.

## Corporate Taxation

- The corporation tax of 12.5% is a cornerstone of our economic policy. We negotiated it with the European Commission 1997 and implemented it in subsequent budgets. Foreign direct investment supports 240,000 jobs in this country much of it attracted by our corporation tax rate. We will retain the 12.5 per cent tax rate.

## Capital Investment

There has been an unprecedented level of capital spending over the last ten years which has upgraded the quantity and quality of physical infrastructure. The infrastructure deficit which previously characterised the Irish economy has been significantly addressed.

In particular, the programme of investment has transformed the quality and quantity of the national road network and we now have state-of-the-art motorway connections between Dublin and the main regional centres. The expanded capacity levels achieved in infrastructure overall are likely to be sufficient to meet anticipated demand over the medium term in most areas.

Notwithstanding the pressing need to reduce spending, Fianna Fáil remains committed to the objectives and principles set out in the Government's Infrastructure Investment Priorities. Essentially, these are the investments which make the greatest contribution to economic recovery, underpin the creation of sustainable employment and deliver valuable social infrastructure.

We had one of the highest rates of public investment in Europe over the last ten years and we still have now. We retain this infrastructure and it is helping to grow the economy once again.

Over the next four years over €16 billion will be invested in our infrastructure. This future capital investment must be targeted and employment-focussed. Capital investment will therefore support direct job creation in world-class, export-oriented enterprises.

Our investment will also allow several new road projects to start, support major regeneration projects in Ballymun and Limerick, sustain the school building programme, and progress high priority health projects, particularly in the mental health area.

- Metro North has been given priority as a major labour intensive capital project. This will create 6,000 direct and indirect jobs during the construction phase. It also has the potential to create and sustain 37,000 jobs.
- Over €1 billion will be spent on housing and water services in 2011, which will create and sustain employment of somewhere in the region of 10,000 jobs.
- The Government will also help identify infrastructure investment opportunities for the NPRF and other private investors.
- We are installing a water metering system that will create between 1,200 and 1,800 jobs between 2012 and 2014.
- The new national retrofit programme to be announced in 2011 together with new tax credits for energy efficiency upgrades will create 5,000 jobs. These jobs are in addition to 5,000 jobs supported by energy efficiency upgrades of over 110,000 homes since 2007.

### Education and Training

Fianna Fáil has acted quickly to meet the increased demand for up-skilling, re-skilling and activation opportunities from jobseekers. In the space of two years, we doubled the number of places available. As a party, we have long been committed to vocational training and to the type of training opportunities close to the labour market that ensure job seekers remain work-ready.

We also believe in the importance of providing training for people according to their own abilities. Not all learners are suited to training in an academic environment; as a result, diversity and flexibility of provision remain essential to meeting the training needs of Ireland's modern economy.

In excess of 173,000 further education places and over 100,000 FÁS training places are being provided in 2011.

### Getting the Structures Right

Fianna Fáil believes that it is right for the State to play a role, not just in the facilitation and quality assurance of training and activation measures, but in their direct provision.

In recent times, Fianna Fáil has initiated a number of changes to improve the delivery of employment, training and community services to the public. This initiative has involved the transfer of skills and training to a single department and activation under the Minister for Social Protection.

Fianna Fáil is determined to prevent overlap in the provision of training by different providers funded by the taxpayer, ensuring that each provider is clear that scarce resources are being correctly targeted.



In re-structuring the delivery of these services, Fianna Fáil is committed to:

- The integration of the State's employment and social protection services;
- Retaining a role for the State in the provision of non-academic training through the establishment of a newly-focussed skills and training agency;
- The elimination of overlap in the provision of training by the new agency, the further education sector and our VECs;
- Greater alignment of skills and apprenticeship training provision with the National Skills Strategy; and
- Ensuring robust quality control and certification, with ease of progression, for all training qualifications through the establishment of Qualifications and Quality Assurance Ireland on a statutory basis.

Accessing the European Globalisation Adjustment Fund has proved important in delivering tailored interventions for specific individuals that have lost their jobs in enterprises that have migrated overseas. Fianna Fáil is also committed to providing the necessary matching funding for draw-down of EGAF funds.

### **A Diverse Range of Flexible Training and Activation Measures**

Fianna Fáil is committed to diversity and flexibility in the provision of training opportunities.

Fianna Fáil is committed to:

- Delivering 100,000 training and employment places for the unemployed in 2011.
- Investing over €7 million in 2011 for the provision of on-the-job training for up to 1,000 redundant apprentices in the public and private sectors;
- Supporting further labour market activation measures, to assist up to 700 redundant apprentices and craft-persons in 2011;
- Rolling out the Skills Development and Internship Programme, which will enable the unemployed maintain their links with the labour market while also facilitating their up-skilling and re-skilling;
- Supporting 170,000 learners through adult and further education (FETAC Levels 1 to 6); and
- Investing €20 million in a new Higher Education Labour Market Fund to enable unemployed people access innovative part-time higher education opportunities from certificate to post graduate levels.

The provision of beneficial activation measures, from which individuals gain experience of the work place and ensure they remain close to the labour market, are a key element of Fianna Fáil's policy to support job-seekers.

Fianna Fáil has developed and supported a suite of activation measures and is committed to:

- Expanding the places available on the Work Placement Programme from the current 2,000 places to 7,500;
- Providing an additional 10,000 places, bringing to 15,000, the number of short-term working opportunities in the community for unemployed people through the Tús initiative;
- Supporting Community Employment Schemes as an essential activation measure that also provides a significant benefit to local communities and funding 23,200 Community Employment Scheme places; and
- Funding an additional 5,000 places on the Rural Social Scheme and Community Services Programme.

**Skills Development and Internship Programme**

Fianna Fáil is committed to the roll-out of a Skills Development and Internship Programme. This will enable the unemployed maintain their links with the labour market while also facilitating their up-skilling and re-skilling, thereby improving their employability.

As part of the programme, participants will undertake a twelve month placement in a private sector firm and will also receive a substantial education and training offering, while retaining their social protection entitlement and being in receipt of a small additional participant bonus while on placement.

**Redundant Apprentices**

Fianna Fáil has introduced a series of successful measures over the past two years to assist redundant apprentices to complete their on-the-job training. Fianna Fáil is now committed to an investment of over €7 million in 2011 with the objective of providing on-the-job training for up to a further 1,000 apprentices in the public and private sectors.

We will also continue to fund a number of other labour market activation measures to assist up to a further 700 redundant apprentices and craftspersons.

**Further and Adult Education**

Fianna Fáil is strongly committed to supporting the further education sector and has maintained the level of funding invested in adult and further education despite the budgetary challenges faced. The level of overall expenditure on further education has grown from over €177 million in 2000 to almost €426 million last year. Fianna Fáil is committed to maintaining the 2010 level of provision for 2011.

This level of funding will allow us to support over 170,000 learners with part-time and full-time further education programmes ranging from FETAC Level 1 to 6 this year through the network of VECs nationwide. Fianna Fáil is committed to over 40,000 full time places being available in Youthreach, Vocational Training Opportunities Scheme, Senior Traveller Training Centre, and Post Leaving Certificate programmes.

Fianna Fáil's commitment will see an estimated 125,000 learners avail of part time provision in adult literacy, community education and the back to education initiative.

**Higher Education**

In the Higher Education sector, Fianna Fáil is committed to funding approximately 156,000 places. In addition, we are committed to the introduction of a new €20 million Higher Education Labour Market Fund. The aim of this new initiative will be to increase the number of part-time and flexible up-skilling opportunities available in the higher education sector, so that people can continue to look for work and be available to take up employment while upgrading their qualifications and skills.

# Section 3

## Reform of Politics & Government

# Reform of Politics & Government

It is essential to address urgently the economic and employment issues dealt with in the first two sections of this manifesto. However, more long-term action is required. A core principle for this manifesto is that we must learn the mistakes of the past by implementing a substantial programme of fundamental reform.

## Political Reform

### *Why action is needed*

All mature democracies should be willing to undertake an open review of their political culture. Of the many major failings in Ireland's political culture the failure of our parliamentary system to consider structural problems until it was too late is the most significant. The dominance of short-term considerations in public debate is obvious.

We believe that the essential way to assist recovery and ensure future sustainability in public policy is to radically reform the procedures for choosing and operating both parliament and government.

The objective evidence suggests three core public policy failings in recent years:

- Significant increases in spending on public services and welfare were implemented on the basis of revenue projections which proved to be entirely inaccurate.
- The tax base was narrowed too significantly with cyclical income becoming too large a proportion of public revenues.
- Oversight of the banking system signally failed.

An examination of the records of Dáil Éireann shows that during legislative debates, questions, private members' time and committee work the near constant refrain was the need for extra money to go to public services, for tax burdens to be lifted on various groups and for easier access to credit.

Much of the debate on parliamentary reform has focussed on the issues of cost and sitting hours. Costs are important and must continue to be controlled, but the most important savings can be made by a reformed Oireachtas which can review and enact better public policies.

In terms of sitting times, there is no evidence that simply increasing the number of days where the houses or committees of the Oireachtas meet will make any significant change in the quality of debate, fiscal policy or legislation.

### ***The much more fundamental reform issue relates to the roles of members of parliament and government, their work and the system for electing them.***

Irish society today is so different from 1937 that it would be surprising if an electoral and government system established then was still appropriate.

As we outline in the section dealing with how specific changes should be developed, we believe that the first step towards positive reform is to try to develop a wide consensus on what should be done. The level and quality of debate about systemic reform has been poor and based on assumption rather than analysis.

In this plan we are setting out our principles for reform and an absolute commitment to act within a short period.

## The Electoral System

We believe that the current electoral system has serious flaws. It encourages an almost perpetual campaign in Irish politics and pushes representatives away from their most important roles of passing legislation and overseeing the work of government. There is a clear disjoint between what is required to be elected and the work of an effective parliamentarian.

Twice in the past the people chose to retain the current system. It has core merits, especially in encouraging TDs to be close to the people they represent. However, we believe that the case for reform is now overwhelming. As such, we support the introduction of a system which meets two core principles:

1. Retaining the direct link between TDs and the communities they serve.
2. Ensuring that more national considerations are also represented in the Oireachtas.

Specifically, we support a mixed system of single-seat constituencies elected through the system of single transferable vote and a top-up national list which will ensure proportional representation. This system is found in many countries including Germany and involves using a national list of candidates from which representatives will be elected to balance underrepresentation which would emerge in the constituencies. We support the introduction of measures to favour gender balance within the national list.

Any change to our electoral system will require significant public engagement in the development of proposals as well as passage in a referendum. We therefore intend to submit these proposals to a Citizens Assembly as proposed later in this document.

## Dáil Éireann

Much of the political analysis of the work of Dáil Éireann has been highly superficial. Many seem to confuse opportunities for partisan exchanges with promoting accountability. The search for soundbites which can be carried in the media has overtaken reflective debate as the primary consideration during much of the parliamentary day.

While the problems of the Dáil are clear, proposals for reform have focussed on superficial rather than real reform. Without such reform, the number of TDs and the length of the hours they attend Leinster House are irrelevant policy soundbites rather than substantive solutions. The cost of the Dáil is important and must continue to be controlled, but the most important issue relates to the quality of the Dáil's work.

Our proposals for reform of the electoral system and government are central to delivering fundamental Dáil reform. However there are more immediate actions which should be taken. Our core principles are:

- Improve the Dáil's oversight of all aspects of the public sector.
- Increase the level and quality of TDs' engagement in legislative and budgetary processes.
- Ensure that Dáil proceedings are more constructive.

We therefore will propose that the following measures be implemented during 2011:

- The election of the Ceann Comhairle by secret ballot.
- Save in exceptional circumstances, the principles of legislation will be debated in advance of drafting.

- The time made available for private members' business will be extended. In addition to the standard time for a motion chosen by a political group, a separate provision will be made for individual members, from any group, to introduce legislation.
- All legislation will be submitted for independent fiscal analysis in advance of debates.
- The committee system will be restructured to ensure a greater focus on core oversight roles which will go far beyond the relatively narrow work of the Public Accounts Committee. In particular, two new committees will be introduced:
  - A Regulatory Oversight Committee which will have expert staff available to it to assist in the ongoing review of critical regulatory functions.
  - A Government Oversight Committee which will be charged with overseeing corporate governance and strategic planning in the public service.
- A revised budgetary process as outlined below.
- To facilitate these changes the Dáil will be scheduled for a normal working week for most of the year.
- We will establish the legal services of the Oireachtas on a statutory basis.

### Seanad Éireann

Much of the rationale for the inclusion of the Seanad in Bunreacht na hÉireann has ceased to be relevant over time. Serious questions must be asked about the continued role of an entity which is still struggling to justify its existence after three quarters of a century.

It must be stressed that during the last decade the Seanad did not play a substantive role in challenging unsustainable policies. While its debates are frequently more thoughtful than those in the Dáil this suggests the need to reform the Dáil rather than the retention of the Seanad. It is important to note that second chambers are not an essential part of parliamentary democracy.

If our proposals for the reform of the electoral system and of government are enacted we will support the abolition of the Seanad. The savings in public expenditure will be used to resource the different elements which we are proposing to improve the workings of democracy and oversight of government.

### President

The office of President is rightly held in great esteem by the Irish people and we do not see need for significant reform.

- We support the reduction in the age for eligibility to run for President to 21.
- We support the extension of the franchise for presidential elections to all Irish citizens including emigrants.
- We support allowing candidates for the office of presidency to be nominated by petition of registered electors, this process to be managed by the new Electoral Commission.

### Cabinet

The structure of how we form governments is increasingly a problem given both the complexity of issues addressed by modern governments and the impact which appointing only Oireachtas members has on the work of the Oireachtas. The current system effectively removes almost 20% of the membership of the Dáil from the daily work of parliament outside of their own departmental areas.



We believe that there are two major reforms which would increase the effectiveness of both cabinet government and parliamentary oversight:

- Members of Cabinet should not be members of the Oireachtas while they serve as ministers.
  - The current Irish system of limiting membership of government so drastically is unusual in international terms.
  - When members of the Oireachtas are appointed to Cabinet they would be replaced by an alternate while serving as a minister. The alternate would be on a list published at the time of the election, in a similar way to European Parliamentary elections.
  - They would continue to require approval by the Dáil, attend, answer questions and participate in debates but would not have votes.
  - This system would allow them to devote significantly more time to their ministerial duties and increase the number of Dáil members participating in all parliamentary duties.
  - It would, in addition, significantly increase the accountability of ministers to the Dáil.
- Persons who are not members of the Dáil would be allowed to be appointed to serve as ministers:
  - In these cases a confirmation process would be put in place which would include a presentation of priorities before the relevant committee.
  - In all cases, new ministers would present a detailed statement of priorities for debate by the relevant committee within one month of appointment.

### **Making Constitutional Reform a Reality - Involving Citizens**

It is absolutely clear that no significant programme of political reform which involves amending the constitution can succeed without a real engagement with citizens during the process of drafting proposals. There are many ideas for how this can be achieved but none have yet been proven. It is important to avoid a situation where expert advisers become disproportionately influential in framing debate and drafting recommendations.

Elected representatives also have an entirely legitimate role as well as expertise on this issue and they must not be excluded from the procedure – which is implied by some proposals.

Overall, we believe that a public consultation process which is focussed on achieving very clear outcomes is required. We support the principle of a Citizen's Assembly. This would bring together a group of citizens to debate and recommend specific proposals. In the first instance it would be focussed directly on reform of:

- The electoral system
- The Oireachtas
- Government membership

We would seek to constitute the Assembly so that it includes people from all sections of society – not representatives of organisations. Its work would combine a wide public consultation and non-partisan debates. Its work on these areas should be completed within six months.

The more effective the Assembly is in its work the more likely it is that its recommendations will be accepted. However, it would be a bad start to the renewal of democratic institutions to exclude elected representatives from the process.

We do not support the proposal for a constitutional convention to tackle redrawing the entire constitution. This would stop the clearer focus on the reform of politics and government which we believe is necessary over the next year and would be too broad to allow serious public engagement with the large number of complex issues addressed in Bunreacht na hÉireann.

### Political Donations and Election Expenditure

The changes we have implemented have already dramatically reformed the system of political funding and election expenditure in Ireland.

- We support the introduction of a legal ban (by referendum if necessary) on all political donations except from persons entitled to vote in a general election. Elections should be funded and decided solely by those entitled to vote.
- We will also support the halving of the donation limit to political parties and a new independent system for auditing compliance with spending and donation controls contained in the electoral acts.
- We will introduce a Bill to this effect within one month of the convening of a new Dáil.

### Electoral Commission

While Ireland has elections that are held to high standards and run with absolute integrity, we support further changes which will underpin the independence of the system and target increased participation.

- We will introduce an independent electoral commission which will be charged with running elections, maintaining the electoral register and promoting turnout, particularly through public education about the working of the electoral system.
- We support a constitutional amendment to extend polling over two days in order to facilitate higher participation.
- The Commission can utilise the local authority network as in the present system but will separate national administration and oversight from the Department of the Environment & Local Government.

### Citizens and Government

Significant strides have been made in recent years to open government to citizens. We accept that there are further steps to be taken:

- We support the automatic publication of all granted Freedom of Information requests online save in limited circumstances concerning personal data.
- We will formalise the requirement that all data gathered as a result of publicly-funded research be made publicly available in a data archive. In addition, the outcomes of publicly-funded research programmes must be made freely available save where there are specific commercial intellectual-property issues.
- We support the continued extension of whistleblower protection. We believe that the best way of doing this is to continue with the stronger approach of adding sector-specific reforms into legislation.

### Targeted Constitutional Reform

Bunreacht na hÉireann has served Ireland well since its adoption in 1937. It has shown its ability to evolve over time in many important areas. It is right to acknowledge its role in safeguarding democracy and securing rights.

Grandiose proposals to scrap or redraw the entire Constitution offer no positive outcomes except delaying action on the more important task of renewing our political and governing system. Instead of sacrificing the legal certainty which comes from over 70 years of precedents, Fianna Fáil will focus on the number of specific areas where we believe amendment is desirable.

- An amendment to strengthen the rights of children.
- An amendment to replace the reference to women and mothers in Article 41.2 with a gender neutral version recognising parents in the home.
- An amendment to provide for a court of appeal to reduce the current waiting periods for court cases.
- An amendment to address the limits placed on parliamentary enquiries by the judgement on the Abbeylara case.

### **Budgetary System Reform**

The failure of most elements of the budgetary process has been well established. It did not prove robust enough to ensure that broad issues were examined or assumptions challenged. The range of international reviews which projected continued growth prove that these failings were not unique to Ireland. However, there are important changes which must be made:

- Reform and update the existing budget system beginning in Budget 2011 taking into account the recommendations of the Joint Oireachtas Committee on Finance and the Public Service in its recent report on Macroeconomic Policy and Effective Fiscal and Economic Governance.
- There will be an extension of Performance Budgeting to identify more readily the results and impacts that are expected to be delivered with public funds.
- New Value for Money rules to spotlight performance, and to assess whether spending programmes and investment projects are delivering real benefits.
- A medium term expenditure framework with multi-annual ceilings on expenditure in each area, to ensure that public expenditure is managed within fixed, sustainable limits and to guide the planning and delivery of structural and policy reforms.
- An independent budgetary advisory Council will be established to provide independent commentary on the government's budgetary planning.
- A general emphasis on more sustainable policy planning through a legal provision to require multi-annual planning and automatic adjustments based on revenue and growth figures.

### **Public Sector Reform**

We believe that Ireland has a strong public service which compares well internationally. However, the scale and pace of change in work practices and public expectations combine with the fiscal crisis to mean that there must be further significant reform in the delivery of public services.

- Complete the programme of reduction of public service staff numbers for each sector to bring the overall reduction to 8%.
- Reform work practices to provide more efficient public services with scarcer resources.
- The public service will be smaller and more efficient.
- Performance of individuals and organisations will be better managed and measured.
- Organisations will be restructured so that public bodies and public servants will be able to work across different sectors and organisations.



- Within the civil service, transfer across departmental boundaries should become common, and transfers should involve both promotions and more regular reassignments.
- The strategic plans of departments should be summarised in accessible form and examined by an Oireachtas Government Oversight Committee every year.
- Each Department should have a small supervisory board drawn from outside the department which would review management performance and internal audit. Where a bonus scheme exists payments should be cleared by this board.
- The annual report of each department should include all significant corporate governance issues which have emerged within the department or its agencies together with the actions taken to tackle them.
- We support the introduction of more formal controls of officials and others moving into the private sector including a 'cooling-off' period.
- In addition, we support the introduction of a formal register of persons lobbying government.
- We will examine ways to increase external recruitment. However, the priority will be to address the need for expert staff in oversight and policy roles.
- We will replace the Top Level Appointments Commission with a body more independent of the senior public service.

### Outcomes, Evaluation & Accountability

There is already a substantial process of strategic planning and evaluation in place within the public service. We believe that it is essential to see the process for extending outcomes, evaluation and accountability as a collaborative one.

- We will revise the Ministers & Secretaries Act to clarify and update the assignment of accountability within the public service. In the first instance, this process would be led by the new Dáil Government Oversight Committee which we are proposing.
- Setting measureable outcomes is a key part of ensuring performance. However, it is also possible to have targets overload. Therefore we will simplify the performance management procedures within each department and require that each strategy statement and evaluation be reviewed by the relevant Dáil Committee within one month of publication.

In order to drive this programme of reform across government we will appoint a minister of state for public service reform with the right to attend cabinet.

### Local Authority Reform

We support changes to workings of local authorities which will increase the sharing services between councils, extend the provision of information to residents and enhance democratic accountability. We will publish further details of these measures during the campaign.

### The Operation of State Boards

The areas covered by state agencies are increasingly complex and the need for improved strategic oversight and corporate governance is clear. We therefore support a significant series of changes to the operation of the system of constructing state boards.

- We support a review of the membership of all state boards. In particular we acknowledge that many are too large and do not include a sufficient diversity of skills.

- As a general rule we support the introduction of a limit of ten ordinary members plus a chairman for the membership of boards which have core supervisory functions.
  - Each Minister should prepare and publish a statement of the skills and roles sought for each board. This will provide the framework within which appointed decisions can be made and reviewed.
  - Each appointment to a public body should be reviewed by an independent board to work alongside the Judicial Appointments Board. They should be charged with certifying the suitability of potential appointees. Government should be precluded from appointing a person who fails to be so certified.
  - The board shall maintain an online register of appointments. It shall be notified of all vacancies as they arise and advertise them online. Members of the public will be entitled to submit their names for consideration.
  - Where appropriate in order to broaden critical expertise and increase the independence of members, appointments may be made of persons living outside the state.
  - When appointing a person to a state board a statement of their qualification for the position and role should be published.
  - We support a statutory provision for gender balance in appointments which will also extend to external nominations.
  - We do not support the introduction of a process of Oireachtas confirmation as we believe that, where they exist, such procedures inevitably lead to destructive partisanship.
- A board must be able to carry out its functions solely in the public interest. In many cases the current 'representative' nature of various boards, where interest groups nominate members is unsuitable. It should be more limited, possibly being restructured into separate supervisory and consultative boards.
  - Every board shall publish before March of each year an annual report on its own activities as opposed to the wider work of the state body. The Chairman may be examined on this by the Oireachtas Oversight Committee.
  - The C&AG will be asked to include a specific section in his annual reports about the corporate governance systems put in place by each board including the effectiveness of the audit committees.
    - Where a specific shortcoming in corporate governance systems has been identified a board will be obliged to report regularly on efforts to improve these systems.

