

# Programme for Government 2016: Overview

BRIEFING

This briefing sets out some of the key points of the 2016 Programme for Government, which includes a wide range of policy proposals in areas such as infrastructure and economic development, public administration, constitutional change, financial services, taxation and employment law and industrial relations.

It is expected that the Government's Legislation Programme will be published soon, setting out the legislation that the new Government will promote in order to give effect to the Programme for Government.

## Infrastructure & Economic Development

The Programme proposes that the Government will:

- continue the existing €42bn capital investment plan published by the previous Government for the period 2016-21 (including the €5.5bn plan set out by Irish Water to continue to upgrade national water infrastructure);
- develop the Metro North project and complete the LUAS Cross-City project;
- within the first year of office, undertake a fundamental review of the planning system, to reduce the uncertainty and length of planning processes;
- identify changes to planning requirements to facilitate more on-campus and near-campus student accommodation;
- bring next generation broadband to every house and business in the country by 2020;
- by 2020, create 200,000 jobs (including 135,000 outside Dublin);
- commit to spending at least €6.75bn more on public services by 2021 compared to 2016;
- develop an "Atlantic Economic Corridor";
- not sell more than 25% of any bank before the end of 2018.

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## Public Administration, Parliamentary Procedures and Constitutional Change

The Programme proposes that the Government will:

- introduce mandatory pre-legislative scrutiny for all new bills and undertake post-enactment review of legislation by Oireachtas Committees;
- permit individual TDs to propose changes to bills even if to do so would incur a cost on the Exchequer;
- form a Parliamentary Investigation Unit to enhance the ability of Oireachtas committees to conduct investigative work and “allow the Oireachtas to better hold relevant actors to account;”
- on foot of the recommendations of the Banking Inquiry, seek a review of the powers of Oireachtas committees in conducting inquiries and, based on this review, consider whether there should be a constitutional referendum to strengthen committees’ powers;
- develop the process of ministerial strategy statements by requiring consultation with key stakeholders - both in politics and outside - and require them to be tabled formally in the Dáil;
- require annual performance reporting by Government Departments to meet standards of SMART governance;
- ensure that every State programme is subject to independent review in a standard Dáil term;
- develop service level agreements with key delivery agents within each Government Department to allow more devolved initiatives and accountability;
- the national strategic planning framework more closely with the annual budgetary cycle;
- reform the budgetary process according to a fixed calendar;
- subject all budgetary proposals to gender and equality-testing;
- develop a more open freedom of information regime;
- increase female representation on State boards to 40%;
- place the current non-statutory system of appointments to State boards on a legislative basis;
- establish an independent electoral commission to examine tasks such as voter registration;
- consider reversing the local government changes made in 2014 by re-establishing town and borough councils;
- hold a number of referenda (including in respect of Ireland’s participation in the Universal Patent Court).

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## Housing

The Programme proposes that the Government will:

- by 2020, meet the target of building 25,000 new homes every year;
- review the compulsory acquisition powers that are available to local authorities in order to fast-track the opening up of land in both public and private housing developments;
- appoint a Cabinet-level Minister for Housing;
- establish a “Help to Build” funding scheme for the development of affordable housing in the private sector with the retail banks and the Ireland Strategic Investment Fund;
- with effect from 2018, activate the vacant site levy;
- promote higher urban densities in terms of housing design, particularly in public transport corridors, through a new national planning framework to replace the National Spatial Strategy, to be finalised by the first quarter of 2017;
- review house-building standards.

## Litigation, Insurance and the Administration of Justice

The Programme proposes that the Government will:

- tackle the rising costs of claims by establishing an expert group to report within six months on options for reforming the law of torts and current claims process;
- commission an annual study of court efficiency and sitting times, benchmarked against international standards, to provide accurate measurements for improving access to justice;
- propose legislation to reduce excessive delays to trials and court proceedings including pre-trial hearings;
- introduce legislation to replace the Judicial Appointments Advisory Board with a new Judicial Appointments Commission (with an independent chairperson and a majority of lay members);
- establish a new dedicated court to handle mortgage arrears and personal insolvency cases.

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### Financial Services Regulation

The Programme proposes that the Government will:

- arrange for the Central Bank and the Oireachtas Committee on Housing to examine the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 and provide greater protection for mortgage-holders, SMEs and tenants whose loans have been transferred to non-regulated entities;
- recommend to the Central Bank that the Bank considers a ‘capacity to pay’ test as a component of the mortgage lending rules, ie the payment capacity of potential purchasers, for example based on rent paid over a five-year period, may be off-set against the current deposit requirements;
- request the Central Bank to procure an independent assessment of the arrears and negative equity loan books of banks;
- work with the Central Bank to amend the Code of Conduct on Mortgage Arrears to include an obligation on providers of mortgage credit to provide a range of sustainable arrears solutions;
- request the Competition and Consumer Protection Commission to work with the Central Bank to set out the options for the Government in terms of market structure, legislation and regulation to lower the cost of secured mortgage lending and improve the degree of competition and consumer protection;
- gradually lift current lending restrictions on credit unions, including for housing loans;
- “act swiftly” on the recommendations of the Post Office Business Development Group by supporting the introduction and rollout, by An Post, of an ‘ePayment Account’ in 2016, to enhance post office activity in financial services and increase footfall;
- advance a new model of ‘community banking’ through post offices and credit unions;
- recognise the role of new and diverse sources of finance for local and SME activities, including peer-to-peer lending.

### ‘White Collar Crime’

The Programme proposes that the Government will review the Proceeds of Crime legislation and provide adequate resources to the Criminal Assets Bureau in tackling money laundering.

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## Insolvency: Personal and SME

The Programme proposes that the Government will:

- review the thresholds and the processes for personal insolvency arrangements (including SMEs) and, where appropriate, raise the thresholds;
- establish a new dedicated court to handle mortgage arrears and personal insolvency cases (mentioned above);
- discontinue appointing public interest directors to relevant banks and reform the procedures for the appointment of bank directors by the State.

## Taxation

The Programme proposes that the Government will:

- work to tackle aggressive international tax planning through the OECD's Base Erosion and Profit Shifting (BEPS) initiative;
- reduce the rate of capital gains tax for new start-ups to 10% from 2017 (held for five years and subject to a €10million cap on gains);
- retain mortgage interest relief beyond the current end date of December 2017 on a tapered basis;
- raise the Band A capital acquisitions tax threshold (including all gifts and inheritances from parents to their children) to €0.5m;
- introduce a health levy on sugar-sweetened drinks.

*(See related briefing "Programme for Partnership Government - Employment and Industrial Relations Measures")*

## Employment Law & Industrial Relations

The Programme proposes that the Government will:

- require companies of 50 or more to complete a wage audit in order to encourage wage transparency and identify possible gender pay gaps;
- "significantly increase" parental leave in the first year of a child's life, over the period up to 2020;
- explore the mechanisms through which SMEs can reward key employees with share options in a tax-efficient manner;
- support the gradual, negotiated repeal of the Financial Emergency Measures in the Public Interest Acts "having due regard to the priority to improve public services and in recognition of the essential role played by public servants"; and
- by 2021, increase the national minimum wage to €10.50 per hour.

*Further information is available from:*



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*Alternatively, your usual contact in McCann FitzGerald will be happy to help you further.*

This document is for general guidance only and should not be regarded as a substitute for professional advice. Such advice should always be taken before acting on any of the matters discussed.

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