Reinventing Government

Protecting Services and Getting the Economy Back on Track

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FINE GAEL

Foreword by Enda Kenny TD

Our system of Government is broken. It has failed the public it is designed to serve and it is failing those who are trying to make a broken system work. We have world class doctors, nurses, teachers, Gardaí and carers but we have a governance structure that causes systems to fail and fail and fail again.

The evidence of this failure is clear to see in all walks of Irish life. In the misery of hospital waiting lists and overcrowded A&E rooms, the lengthy dole queues, the massive bank bail out costs and the huge cost, and waste, involved in the day to day running of our State. Put simply, our public services cost too much, deliver too little and take too long to recognise either fact.

Fine Gael has a plan to change that. It is called *Reinventing Government*. This plan will achieve three key objectives.

It will make our Government **smaller, cheaper and better**. This will mean in practice that we end up having fewer politicians, fewer bureaucrats, and much fewer quangos eating in to your hard earned taxes. It will also deliver better services, more accountability from those in charge and greater transparency in the way Government operates.

The actions set out in Reinventing Government to make Fine Gael's vision of Government a reality include:

- A reduction by 35% in the number of TDs and Senators and the reduction by 10% in general of the public service;
- The abolition of 145 state bodies and companies including the dismantling of the HSE and FÁS and their replacement with better, more cost effective alternatives;
- A saving of over €5billion, or 1 euro in 10 spent by public bodies, by confronting waste, duplication and inefficiency;

- External recruitment of new high level specialists in banking, taxation and macro economic forecasting to improve the Department of Finance's capacity to deliver on key tasks;
- At least 1/3rd of all appointments at a senior level in the Public Service (above PO level) will be made from outside the current system for a period of five years;
- All lobbyists will have to be registered with the Standards in Public Office Commission and recent restrictions to the Freedom of Information Act will be reversed.
- In a similar fashion to the USA, UK and Sweden we will establish an Independent Fiscal Council to advise Parliament on issues such as borrowing levels, debt reduction and taxation planning. The Fiscal Council will be accountable to the Oireachtas Finance Committee.

In all this, Fine Gael is convinced that the public sector has a key role to play in rebuilding Ireland. We believe that the vast majority of public servants do an absolutely vital job and recognise that many public servants feel they are being unfairly targeted as a result of a crisis they did not create.

But we also believe that three basic realities have to be acknowledged and addressed:

- **The overall size of government needs to fall**. Ireland's fiscal crisis means there is simply no other choice. Our government has to become smaller.

- **Public sector productivity has to increase**. This is the only way in which frontline services can be protected as the size of government decreases. In other words, we have to be able to do more with less. The cost of doing things has to come down. Our government has to become cheaper for the taxpayer.

- **Ireland needs to move way from the current over-centralised "command and control" model of government**. Fine Gael wants to give staff on the frontline much more responsibility. We also want to allow users of the public services to have much more control over how services are delivered to them - particularly in health. More responsibility for staff at the front-line means a more responsive and better tailored service for the users of public services. All these changes must, and will, improve the service provided to the public. The services provided to the taxpayer will be better as a result of the Fine Gael plans.

Fine Gael's plans to reinvent Government come at a time of crisis for our country. Through the greed and reckless behaviour of the few, the many are being made to suffer. But this crisis also presents an opportunity for us all. An opportunity to re-imagine our country and re-invent how we run our Government. An opportunity to release the full potential of all who serve the public and a chance to say, "never again", to the behaviour of the past that has cast such a shadow on our future.

That future can, and will, be a bright one for our country and all our people. But to turn that ambition and dream in to reality we need to start making the right choices now. Fine Gael's "Reinventing Government" contains over 100 of those right choices for our country. In Government we will turn those choices in to actions. Actions that will see both user and provider of public services benefit.

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Executive Summary

The State is about enriching the lives of citizens in a way that cannot be encapsulated in the profit and loss approach of the market. Public service is, and must remain, about serving the public. It is about serving the common good, not sectional interests. It requires holding power to account without fear or favour. It is about meeting the needs of citizens, not the convenience of providers.

These values are at the core of our vision for the State and its public service. At the coalface, communities will experience a public service in which more decisions are made by local public servants that are accessible to them, rather than by distant, unaccountable bureaucracies. Service users will see a public service changing from a "take it or leave it" culture of standardised production to customised personalisation.

Newly judged by the results they deliver, the character of public sector workplaces will evolve. They will be better led and managed. Passive administrators will become pro-active change managers and leaders. They will be free to re-organise, free to experiment, free to reward work well done and to confront bad practices, free to create world-class organisations that create more meaning and fulfilment for staff.

Ministers and their senior civil servants will pay more attention to securing good outcomes for citizens than big budgets for their Departments, and to addressing the causes of big social and economic problems rather than containing their symptoms.

Drawing from these values, our plan will mean real, tangible changes to the shape, size, ethos and perception of the State and its public service.

- One euro in every ten spent by public bodies—over €5 billion— will be saved by confronting waste, duplication and inefficiency.
- The size of the public service will also be at least 10% smaller, including a one-third cut in the number of politicians and the numbers of staff working in Government Departments, protecting resources for the front-line.

- The big top-down bureaucracies like the HSE and FÁS will have been closed, replaced by new systems that put choice and resources into the hands of citizens.
- The number of public bodies, regulators and inspectorates will have been cut by 145, ending the confusing and wasteful fragmentation in service delivery.
- Semi-state companies like ESB will either have been sold or radically streamlined in order to cut utility costs and to finance major new strategic investments.
- Accountability for results will have been pinned down at every level of the public service – from Ministers down – with clear consequences for success and failure.

If politics and the public service can together deliver this change agenda, the potential dividends for our economy and society are enormous.

There will be an Economic and Jobs Dividend

- In general, every billion euro in public sector productivity improvements will mean €1 billion less in tax hikes and cuts in services, investment and entitlements. It strengthens our capacity to create jobs. By some estimates, if we can fix the deficit in the right way, the economy can generate up to 40,000 jobs per year up to 2014, more than absorbing any loss in public sector employment[1].

- Specifically, by restoring confidence in the health of our national finances and in the integrity and competence of our State institutions, we will gain the credibility needed to attract finance for our ***NewERA*** investment stimulus in high speed broadband, clean energy and water, creating up to 100,000 jobs.

[1] Recovery Scenarios for Ireland: An Update, ESRI, July 2010

There will be a Service Dividend for Citizens and Businesses

- By rationalising business regulation and inspection activities, we will cut the red-tape burden on industry by €500m, helping small businesses to survive and to earn the profits needed for expansion and job creation.

- We will create a "one stop shop" for citizen's entitlements – such as jobseekers' supports, training supports, medical cards and housing supports – that will cut administrative costs, expose fraud and improve citizens' access to entitlements.

There will be a Dividend for Public Servants and Society as a Whole

- By transferring decision-making powers from elites at the top to public servants at the coal-face, we can not only drive up quality and cost effectiveness, but we can restore the morale and reputation of the public service and credibly underpin the Croke Park commitment to avoid further cuts to core pay levels.

- We will invest a share of the savings achieved by public servants into a new, targeted ***"First Steps"*** early childhood programme aimed at breaking the cycle of disadvantage and State dependency that has cost our country dearly.

To achieve these objectives, we have identified over 100 changes to the way Government. These can be delivered only if our public servants are provided with the electoral mandate and political leadership needed to re-organise services around the 21st century needs of citizens and the economy—rather than 20th century work practices and structures. This will require eight major strategic changes in the way Government works.

Section A: A Smaller, More Strategic, More Skilled Centre of Government

A key condition of a successful turn-around strategy for the country is a more joined-up strategic centre at the heart of the Government, with the power to confront and break up the concentrations of power that so damaged the country.

- We will halve the size of the Department of An Taoiseach, transforming it into a ***Cabinet Office*** that oversees the delivery of a new Programme for Government.
- We will bring in new leadership and skills into the Department of Finance to restore its capacity and credibility in financial and macro economic management.
- We will bring in new skills and rigour into policy-making across all Departments. All appointments at Principal Officer level and above will be open to external competition and at least one-third of such appointments will be reserved for candidates from outside traditional civil service structures for a 5-year period.
- We will strengthen corporate governance legislation and enforcement. We will cut the number of economic regulators but give them new powers to put citizens' interests, not special interests, at the centre of economic regulation.

Section B: Openness and Performance Accountability

Where there is secrecy and unaccountability, there is waste and extravagance. We will pin down accountability for results at every level of the public service – from Ministers down – with clear consequences for success and failure. Ministers will be responsible for policy and procurement and public service managers for delivery.

- Ministers will sign – in public – ***Public Service Agreements*** with service delivery bodies, specifying the activities, outputs and long-term outcomes that the Government will promise to the Oireachtas in return for money from the taxpayer.
- Consistent with the new Agreements, the individual annual work objectives of the top 1,300 civil servants (Principal Officers and above) will be published online.
- Where appropriate, agency boards will be scrapped and agency managers will report directly to Ministers and their Departments on performance against targets.
- We will put in place a ***Whistleblowers Act*** to protect public servants that expose maladministration by Ministers or others, and restore Freedom of Information.
- Fixed-term contracts for Secretary Generals and agency chief executives will be reduced to three years. There will be no more "golden handshakes" for public servants that have failed to deliver.

Section C: Revolutionising the Budget

We will open up the Budget process to the full glare of public scrutiny in a way that restores stability and exposes and cuts failing programmes and pork barrel politics.

- We will establish a ***Fiscal Advisory Council*** within the Oireachtas to ensure that future Governments respect new, prudent fiscal rules set by the Oireachtas.

- Public bodies will be required to openly compete for budget resources by publishing their pre-budget spending requests, and what they would deliver in return for such allocations to help deliver the Programme for Government.
- We will publish cost-benefit analyses for proposed major infrastructure projects and "tax expenditures" in advance of Government approval.
- Every Purchase Order for more than €20,000 will be published online.
- We will give the Comptroller and Auditor General and Oireachtas Committees the extra powers needed to carry out value-for-money audits of State programmes.

Section D: Streamlining Government and Cutting Quangos

We will cut back the waste and political cronyism built up over the last decade by paring back the expensive, fragmented structures of public administration.

- We will go beyond the recommendations of An Bord Snip to rationalise core processes that are duplicated across the public service, by establishing shared back-office operations for information technology, human resource management, payments and entitlement applications, business inspections and procurement.
- As routine tasks are rationalised and automated and control over service delivery is devolved to the front-line, we will reduce the number of civil servants working in central policy-making Departments by a third (from about 17,000 at present).
- In total, we will cut the number of State bodies and companies by 145 .
- We will instigate a Government-wide review to identify and eliminate non-priority programmes.

We will take back control of our commercial utilities to make them once again vehicles for economic recovery. The end result will be a smaller number of leaner, more focused and more competitive state-owned utility companies.

- We will establish a single state-owned commercial water company – ***Irish Water*** – to take over and rationalise the water functions of 34 local authorities, to address Ireland's water needs in the 21st century.
- We will merge ESB Networks and Eirgrid and we will sell off ESB PowerGen, Bord Gais Energy, ESB International and ESB Supply to finance next generation energy and broadband networks needed for a low carbon, competitive economy.
- We will merge Coillte and Bord na Mona into a new single renewable energy leader, Bio Energy Ireland.
- We will merge State-owned telecoms assets (spread between ESB, MANs, CIE, Bord Gáis, National Roads Authority and Waterways Ireland) into "Broadband 21" to work with private sector providers to accelerate the build-out of a next-generation broadband network across the entire country.

Section E: Investing Now to Make Big Savings Later

No matter how much more efficient we can make the public service, it will be more cost effective to address the underlying sources of ill-health, economic exclusion and crime.

- A proportion of the savings from our reform programme will be earmarked to fund a new, targeted ***First Steps*** early childhood education programme aimed at breaking the cycles of disadvantage and at providing pathways out of poverty.
- We will introduce new ***Social Investment Bonds*** to finance a new generation of "social entrepreneurs" to work alongside the State in tackling many of the most difficult social problems, including obesity, illiteracy and criminal recidivism.

Section F: More "Choice and Voice" for Service Users

Resources go further when users of public services choose or shape their delivery, and are well informed about quality. Rather than giving fixed budgets to traditional public service providers like the HSE, VECs and FÁS, we will put resources into the hands of citizens to acquire services that are tailored to better suit their needs and less expensive for the taxpayer.

- Schools will publish annual reports taking into account exam results, facilities, extra-curricular activities, ICT resources, and special education resources.
- We will also deliver better choice, diversity and standards by asking parents who they want at the helm of their children's schools.
- To support training, we will re-allocate money from FÁS into ***Training Vouchers*** to allow the unemployed to define and acquire their own re-skilling needs.
- We will abolish FÁS services to business and use the money saved to finance networks of businesses to customise their own training requirements at less cost.
- The current FÁS structures will be dismantled.
- Instead of giving block budgets to hospitals, we will put in place a "money follows the patient" system that pays hospitals for the patients they treat.
- We will also give – out of existing HSE resources – adults and children with disabilities and their families the option of ***Personal Care Budgets*** to choose the services they want and need.
- In local services, we will establish a website – www.fixmystreet.ie – to allow residents to report problems with street lighting, drainage, graffiti, waste collection and road and path maintenance in their neighbourhoods, with a guarantee that a local official will respond within 2 working days.

Section G: Empowering Public Servants by Devolving Authority

As more choices are opened up for service users and budgets get squeezed, front-line professionals in the community are in a better position to prioritise resources and drive changes than central Government Departments. That is why we will give schools, hospitals and other public service bodies new freedoms – within strict budgets and new accountability systems – to set their own staffing needs, automate routine processes and adapt work practices to local staff and customer needs.

- ***Agencies*** across the public service will get devolved authority – within strict budget caps – to set their staff levels, recruit staff, automate or outsource routine processes and adapt employment conditions to local staff and customer needs.
- We will, among other things, transfer the governance and management of HSE Hospitals to ***Hospital Trusts***, free to determine their staff mix and to find ways to incentivise cost efficiency, productivity and quality. When the reform process is complete, **the HSE itself will be dismantled**.
- In education, we will give school principals more discretion as to how the school's budget is deployed.

Section H: Politics Taking the Lead

To establish our legitimacy and commitment to fairness, Fine Gael reforms will begin with an overhaul of politics and the higher echelons of the public service.

- We will set a salary cap of €200,000 across politics and the public sector.
- The pay reductions for the 650 most senior public servants recommended by the Review Body on Higher Remuneration in 2009 – will be implemented.
- We will, among other things, seek the people's support for a smaller, effective, single chamber Oireachtas that cuts the number of politicians by 35%.[2]
- We will halve the cost of the provision of Stare cars to current and former State officials through the introduction of a Government Car Service Pool arrangement.

[2] A reduction from 226 (TDs plus senators) to 146 (TDs).

Introduction

One of the greatest of Irish civil servants, Dr T K Whitaker, succeeded in setting a new course for the Irish economy because the then Minister for Finance, Fine Gael's Gerard Sweetman, disregarded the old traditions and chose the relatively junior but brilliant Whittaker to head the Department of Finance, and commissioned him to prepare groundbreaking plan for the Irish economy.

> *"We were a good team. Nobody had asked us to map out an escape route from the utter despondency of the mid-1950s, plagued by emigration, unemployment and virtual stagnation. We undertook this initiative of own accord, on top or our normal duties…."*
>
> - Dr TK Whitaker writing about 'Economic Development'

It is time, once again, for politicians and public servants to work together to break old moulds and reinvent the way Government works and to restore confidence in our public services and economy.

The last 12 years have shattered citizens' confidence not only in unregulated financial markets, but also in the competence and integrity of our politics and many public institutions such as the HSE and FÁS.

On top of the Government's failure to regulate banks and developers, its inability to deliver strategic plans – from broadband to regional development, from climate change to Dublin transport, from health promotion to poverty reduction – squandered the opportunity to sustain economic success and transform our country.

People feel alienated from, and have lost trust in, our political and public service systems. These systems hide failure and perpetuate inefficiency, uneven quality and waste in good years, and then force indiscriminate, across-the-board cuts in bad years.

Talented public servants are often trapped in a broken system that stifles initiative and better service delivery. It is a remarkable testimony to the dedication of tens of thousands of front-line staff that services get delivered at all in such a dysfunctional system.

Changing the politicians around the cabinet table will not be enough to put the country back on track. What are needed are more radical changes in the structures and systems of Government itself.

The Problem Has Not Been a Lack of Resources…..

It has been too easy for some to try to blame poor Government performance simply on lack of resources – people and money.

We have seen symptoms of this all around us. The debate about the quality of our education, for example, is frequently cast in terms of pupil–teacher ratios and spending as a percentage of GDP. But the doubling of spending per pupil (after adjusting for inflation), compared to 40% growth in other OECD countries, brought no improvement in educational outcomes relative to other countries.

Across our public services, rapid growth in public spending during the 2003-08 period did not deliver equal improvement in services.

Now that the property bubble has burst, we have been left with an over-sized and often ineffective State. The collapse in incomes and taxes is unlikely to be reversed in the medium-term, leaving public spending ratios unsustainably high.

At 58% of GNP, total Government spending (including social insurance and local Government) is now much higher than the Euro area average of 51% and significantly higher than the OECD average of 45%, with Ireland 6th out of 28 OECD countries.[3]

[3] GNP measures national income, not national output like GDP, and is a more accurate measure of Ireland's tax base to use for fiscal ratios. The excess of GDP over GNP is largely expatriated corporate profits which are taxed at the low rate of 12.5% and the stability of this rate is a cornerstone of Irish economic policy.

Our young population, largely private pension system and a minimal defence budget justify a smaller public spending share of GNP compared to other EU countries.

This gap is exaggerated by the exceptional depth of the Irish recession. But even adjusting for this, Ireland now has average EU levels of public spending as a share of national resources, and much higher levels than other non-EU developed countries.

Chart 1: Government spending as a percentage of GNP

Country	***Govt Spending (% of GNP)***
Ireland GNP 2010	58.3%
Ireland GNP 2014	50.7%
Ireland GNP 1994-1998	44.1%
USA	41.5%
EU average	51.0%
OECD average	44.8%

….but a failure to reform an antiquated and overly-centralised public service model…..

The problem for Ireland has not been how much money we have spent on our public services, but how we spend that money.

Ireland has not fundamentally reformed the public service structures since independence. This traditional "Whitehall" model of public administration as practiced right now in Ireland is characterised by:

- a culture of passive "administration" and crisis containment, rather than pro-active management and problem solving;
- anonymity and collectivism where responsibility is never pinned down;
- a "man in the Ministry knows best" philosophy that produces excessive bureaucratisation and centralised control.

Under this "Whitehall" model, all key decisions are centralised up the bureaucratic chain. Among 26 OECD countries where comparable data is available, Ireland has the third least amount of delegation to line Departments and agencies of human resource management decisions. This stifles innovation, promotes micro-management and blunts accountability.

While responsibility for service delivery in some areas – education, health etc. – is the responsibility of independent bodies and agencies – their funding and operations continue to be micro-managed by line Departments.

In short, our schools, hospitals, care services and other public services are over-administered, over-politicised and under-managed, and nobody is held accountable for the quality of service delivery and value-for-money. And nobody is looking at the big picture – the big shifts in how Government should work.

The result sees public servants trapped in a system that does not make use of their talents, but sees them vilified by the media, politicians and the public for policies and practices that they did not create and have no control over.

It is Ministers who have failed in their responsibilities. It is they who failed to overhaul the system, who allowed it to become wasteful and inefficient, unfocused and excessively micromanaged. It is they who failed to ensure the talents and abilities of Irish civil servants are used.

…that is unsuited to Irish culture and society

There is a deep irony in the failure of successive Irish Governments to challenge our highly centralised State since Independence. When the Irish State was established in difficult times, it was understandable that we just used existing British structures to keep the country going and we've been using them ever since. But old UK institutions designed to rule over the 'little people' have no place in a republic of equals.

Indeed, our innate distrust of, and resistance to, centralised State authority makes it hard to think of any other society in the world less suited to the command-and-control model of public service delivery than Ireland.

Grass-roots organisations that rely on local pride and rivalry and a bottom-up entrepreneurial spirit – like the tidy towns' competition and the GAA – have been much more successful, and accountable to their local communities for performance.

The Government's Reaction is Making the Situation Worse

This Government's vision remains of a public service tightly controlled from top to bottom by politicians and senior civil servants. It is the last gasp of a 20th century model of government, whose watch-words are "standardisation" and "centralisation". It leaves untouched the secretive, unaccountable bureaucracies and "the man in the ministry knows best" philosophy.

Its reaction to the crisis has been to centralise control over the entire public sector – over staffing numbers, procurement, investment, wages – and then "salami slicing" all budgets in a way that avoids difficult reforms, demoralises public servants, treats citizens as subjects, and outsources most of the pain onto businesses and the public at large.

This narrow view of reform might generate small one-off savings, but will prove an inadequate response to scale of the challenges now facing the country. According to the OECD, across-the-board cuts and freezes that affect programmes and services in an undifferentiated way can have perverse effects and may not help generate long-term savings.[4]

The continued over-centralisation of decision-making in our public service by this Government means that the €69 billion budget for delivering services, entitlements and public investment will remain passively administered, rather than pro-actively managed to deliver better results at less cost.

[4] Restoring Fiscal Sustainability, Lessons for the Public Sector, OECD 2010

This is why the Croke Park Agreement is not working yet. The flexibility and redeployment provisions are important steps forward, but there is no compelling vision for how the public sector should change. A paralysed government has not come to the table with any agenda of radical change. Indeed the Government has failed even to breathe any life into the new flexibilities created by Croke Park.

Six months after the Agreement was signed, the culture of command and control and top-down micro-management means that public servants across the service are still waiting for change proposals to come down from above. This is not how real change happens.

Only new thinking and leadership can overcome the paralysis.

Successful public service transformations in other countries show us the way. In the mid 1990s a Canadian Government shaved 20% off Central Government spending within four years to cut its budget deficit from 9.1% of GDP to zero, without affecting the public's assessment of the quality of key public services.

Similarly, Sweden's Government responded to its mid 1990s budget crisis by cutting 11% from its day-to-day spending, again with no apparent damage to performance. Both countries achieved these savings in public spending while also enjoying strong economic recoveries, and remain to this day countries associated with exceptionally high quality public services.

Informed by the experiences of other countries, Fine Gael will work with the public service to drive the most radical change agenda since the State's foundation.

It is Time for Political and Public Service Transformation

We will start with politics itself. In ***New Politics*** Fine Gael proposes the most far-reaching set of political reforms since the foundation of the State – reforms that will create a smaller, single chamber Oireachtas more effective at holding the Government of the day to account, and at upholding the public interest over special interests.

The same radical change ambition will be brought to bear on the public service.

Fine Gael is proud of its history in building up the politically independent, professional, Irish civil and public service since the 1920s. That is why in setting out on this process of reform and renewal, our Party starts from our fundamental belief that delivering public services – such as health, education and policing – is different from market-provided needs, and for good reason. These services are too important to leave to the market where people on low incomes will be left without. They are vital for society as a whole and cannot be trapped by markets charging for their delivery.

Public services are about enriching the lives of citizens in a way that cannot be encapsulated in the profit and loss approach of the market. Public service is, and must remain, about serving the public. It is about serving the common good, not sectional interests. It requires holding power to account without fear or favour. It is about meeting the needs of citizens, not the convenience of providers.

These values remain at the core of our vision for a public service that by 2016 – one hundred years after the Republic was first declared – will once again be a source of pride for all of citizens, and particularly those who work within it.

Giving expression to these values in the years ahead will mean real, tangible differences to the way our State and public service works for the citizen.

At the coalface, communities will experience a public service in which more decisions are made by local public servants and fellow citizens that are known and accessible to them, rather than by distant, unaccountable bureaucracies. Access to vital services, such as healthcare, will be on the basis of need rather than means.

Service users will have access to more information about the quality of services provided relative to other areas and will have much more influence over funding and service delivery. They will see a public service changing from a "take it or leave it" culture of standardised production to customised personalisation.

Newly judged by the results they deliver, the character of public sector workplaces will evolve. They will be better led and managed. Passive administrators will become pro-active change managers and leaders. They will be free to re-organise, free to experiment, free to reward work well done and to confront bad practices, free to create world-class organisations that create more meaning and fulfilment for staff.

Public servants working in education, health, policing and other services will have access to fulfilling careers with the opportunity to excel. These will be high-status, well-paid professions attracting our top graduates, proud to stand over the work they deliver.

Ministers and their senior civil servants will pay more attention to securing good outcomes for citizens than big budgets for their Departments, and to addressing the causes of big social and economic problems rather than containing their symptoms.

It will be a public service that once again embodies the bed-rock republican values of the liberty, equality and fraternity of citizens. It will be a service for the public, a service of the public, and a service in which the public can have pride.

A. A Higher Skilled, More Strategic Centre of Government

A key condition of fiscal consolidation, economic renewal and public service re-organisations in other countries has been the creation of a skilled, joined-up strategic centre at the heart of the Government, with a sense of collective responsibility, a shared analysis of the way forward and a coherent approach to achieving its objectives.

But there is at present a vacuum at the heart of Irish Government structures. There is little evidence of central co-ordination and integration of Departmental strategies and alignment between Departmental strategies and the Programme for Government. In other words, there is no central co-ordination of what different Ministers and their Departments are doing to ensure the most economical achievement of results.

This helps to explain why most big cross-cutting policies over the last decade have been characterised by naïve conception, ill-measured policy instruments, lack of leadership in execution, poor co-ordination, large overspends, delays and failures to achieve goals set without any consequences.

This is why the decentralisation strategy bears no relation to the National Spatial Strategy, and why both have failed. It is why our transport and energy policies have been inconsistent with our climate change policy, and why all have failed. And it is why the knowledge economy has been frustrated by the lack of broadband access.

Ministers themselves have been personally to blame. Very few regularly attend the Management Advisory Committee meetings of their Departments to review progress and establish clear priorities.

Better Structures at the Heart of Government

1. We will halve the size of the Department of An Taoiseach, turning it into a Cabinet Office that oversees the delivery of a Programme for Government and that ensures that the overall priorities of Government are reflected across all Departments. Functions added over the years that have caused the Department of An Taoiseach to lose focus will be assigned elsewhere (e.g. European affairs to the Department of Foreign Affairs, Public Services to a new Office of Public Spending & Modernisation—see below).

The core responsibilities of the Department will be:

- Overseeing the delivery of the Programme for Government;
- Ensuring that the Government's deliberations take place with the benefit of an up-to-date assessment of the overall economic, political and social situation;
- Ensuring that the budget preparation process takes account of, and reflects, strategic priorities of Government;
- Ensuring that the overall priorities of Government are reflected in Departmental Strategy Statements and other strategic documents of Government, such as fiscal strategies and social policies;
- Ensuring that Departmental work plans reflect strategic priorities; and
- Keeping the Cabinet informed on delivery of the Government's key priorities.

The Department of Finance has become unfit for purpose. There has been no foresight capacity in Department of Finance; no measures in place to insulate the public finances from crisis or to flash warning lights.

In 2007, the European Commission (2007) found Ireland's public finance arrangements to be the most deficient among 19 EU countries which participated in a study. Second from bottom came Greece.

We will bring in the new leadership and skills required by the Department to re-build its credibility and its capacity to manage the country's financial affairs, with a particular emphasis on banking, tax policy and macro-economic policy and forecasting.

2. We will announce an open, international competition for the appointment of a new Director of the Budget, Taxation and Economic Division of the Department – with the power to hand-pick his or her own team and to develop an independent economic modelling and forecasting capacity – to improve the credibility of Government budgetary policy.

The Department of Finance has failed to deliver public service modernisation, in part because of the excessive breadth of its responsibilities and its culture of centralised control and distrust of the front-line.

3. Responsibility for public service modernisation (including the preparation of the annual spending estimates) will be vested in a new **Office of Public Spending and Modernisation**, which will also be responsible for expenditure management, and will be represented by a Minister at Cabinet (analogous to the Chief Secretary of the Treasury in the UK).

The specific functions of the Office will be to:

- Negotiate the annual spending estimates with each Government Department;
- Drive the consolidation and rationalisation of routine work processes across Government, such as entitlement processing and inspections (see Section D);
- Oversee the adoption of a comparable and structured approach to performance measurement across Government Departments;
- Ensure that each Government Department sets out a relatively small number of quantifiable results to be targeted for the public, drawn from the Government's stated high-level political objectives, in return for the moneys in the Budget;

- Ensure Departments quantify trends in unit costs and efficiency in delivering existing services; and
- Embed a performance accountability culture across the public service.

The Minister for Finance will remain responsible for overall budget tax and spending parameters. Within the context of strict (and generally much reduced) spending envelopes, the Office will loosen central Government's traditional tight grip over other Departments and agencies, while becoming clearer about what outputs are expected in return for moneys allocated.

The new Office will replace the existing Sectoral Policy Division and the Public Service Management Division of the Department of Finance and the Public Service Modernisation division of the Department of An Taoiseach, cutting the current staff numbers in these areas by at least one third. It will be different from current civil service arrangements in that:

- it will be staffed by hand-picked managers from the top echelons of the private and public sectors;
- it will have named individuals responsible for all major change initiatives;
- it will have a high-level, expert and credible advisory and implementation Board with significant private sector participation; and
- it will publicly report on progress on a quarterly basis.

There has been no effective institutional champion of Irish enterprise at the heart of Government. The Department of Enterprise, Trade and Innovation has become a post-box for its agencies and its policy development skills have atrophied, leaving a huge gap at the heart of Irish Government policy making. We will enhance political and administrative attention across Government on pro-employment, pro-competitiveness, and enterprise and regulatory policies needed for economic recovery.

4. We will merge Forfás into the Department of Enterprise, Trade and Innovation to create a new Department of Jobs and Economic Planning.

5. Continuing to supporting the Department and the Minister will be the **National Competitiveness Council (NCC)**. A dedicated junior Ministerial position will be established within the Department of Jobs and Economic Planning to co-ordinate implementation of the NCC's recommendations to Government on measures needed to boost exports and national productivity.

Getting people off welfare and back into work will be a top priority of a Fine Gael Government, and the structure of Government will reflect it. The absence of continuous, co-ordinated and well-resourced State supports for the unemployed in the areas of job search, training and work preparation, as well as the poverty traps facing people on social welfare, threatens destruction of work habits and skills and long term unemployment for tens of thousands of young people in Ireland.

6. The work of the Department of Social Protection will be re-oriented to:

- Work with the Office of Public Spending and Modernisation to streamline the operations of our welfare, training and employment services under a single Payments and Entitlements Service (see Section D);
- Establish new incentives for the unemployed to engage in education, training and to return to work when it is available;
- Reduce the poverty traps that make it difficult to many welfare recipients to transition back into paid employment or self-employment; and
- Put in place the supports and incentives needed by single parents to participate in employment when the economy recovers.

All Ministers will be personally responsible for ensuring greater coherence between their Departmental strategies and the overall priorities of Government.

7. Ministers will be expected to chair the monthly Management Advisory Committee meetings of their Departments and their level of attendance will be published on Departmental websites.

A Smaller, More Skilled and More Collegiate Civil Service

The core function of civil servants working in central Government Departments is to help Ministers make decisions about what new rules and laws are required and how they should be enforced, what services should be delivered at local or national levels, what is better done by public servants and what should be outsourced to independent service providers, and what services need to be funded by the State at all.

This relationship demands a small, skilled and accountable civil service to act as the interface between politicians and service delivery bodies. It requires a civil service that feels equipped, responsible and accountable for the implementation of the policy strategies of the Government and for the coherence, effectiveness and efficiency of public sector activities.

But the higher echelons of Government Departments are still too dominated by so-called "gifted generalists". As complexity increases, good policy analysis, development and implementation will require public servants with more specialised knowledge.

And there are too many Irish civil servants across central Government Departments carrying out routine administrative processes that should be outsourced, or making operational decisions that should be devolved to front-line service providers. This is both wasteful and distracting from the core function.

We will forge a new relationship between Ministers, the civil service and their agencies that separates, to the greatest extent appropriate, the Government's role as a "buyer" of public services on behalf of taxpayers and citizens from the providers of those services, whether they be State agencies, independent bodies or private firms.

8. As routine back-office tasks are outsourced and control over service delivery is devolved, we will cut the number of civil servants working in central Government Departments by a third, from about 17,000.

9. As Departments shrink in size, we will co-locate related Departments in existing public offices to cut running costs and improve co-ordination.

10. We will create a new Senior Public Service where senior officials are rotated across the public sector to nurture the collaborative culture needed to tackle the biggest cross-cutting social and economic challenges.

11. Civil servants from Administrative Officer grade and above will be required to adopt a specialised "skills stream", such as human resources management, procurement, finance, economics, corporate services or information technology. This will require additional investment in upskilling across the civil service.

12. The civil service will also bring in new skills from outside of traditional civil service career paths. Barriers to mobility between Departments and between the civil service and state agencies will be removed. All appointments at Principal Office level and above will be open to external competition and at least one-third of such appointments will be reserved for candidates from outside traditional civil service structures for a 5-year period.

Stronger Powers with More Accountability for Regulators

Regulatory failure and incompetence are at the heart of Ireland's economic difficulties. While failing miserably to hold real concentrations of monopoly and corporate power to account – most obviously in the banking sector but also in other areas such as waste, telecoms, energy and general corporate governance – the State has also managed to impose an increasing box-ticking red-tape burden on small businesses that pose little if any risk to our economy or society.

A sea-change in corporate governance standards is essential to restore international confidence in Ireland. The events at Anglo Irish Bank, the slew of cross-directorships in the financial and construction sectors and the failure of audit committees and external auditors to identify systemic failures have had catastrophic economic consequences. An Institute of Directors survey of their members found that 70% of directors believe that better regulation is necessary to improve corporate governance standards in Ireland.

That is why Fine Gael in Government will empower the civil service and other State institutions to confront, on behalf of citizens, consumers and small businesses, the concentrations of unaccountable, self-serving and self-perpetuating economic power that have so damaged the public good. Never again will conflicted directors, reckless banks, speculators and developers be allowed to bring the country to the verge of bankruptcy. Never will unchecked economic power in areas like telecoms, energy and white collar professions be allowed to so undermine our competitiveness.

13. We will overhaul company law and enforcement to, among other things:

- Stop former chief executives of publicly listed and state companies from assuming the role of chairpersons of such companies;
- Introduce a new “conflicts of interests” regime to prevent an excessive overlap of directors between boards of public companies/state/semi-state companies and any other companies or businesses;
- prohibit directors and senior officers of banks obtaining loans from the financial institutions they work for; and
- require a rotation of auditors of publicly listed companies after three years.

Despite the far deeper deflation in Ireland than elsewhere in the Euro area, Irish telecoms, energy and professional charges all remain well above average EU levels, in part because the Government’s has failed to act on over 70 Competition Authority recommendations designed to give consumers better value and to confront excessive concentration of market power in key sectors of our economy.

14. We will merge the Competition Authority, the National Consumer Agency (NCA), the Commission for Communications Regulation (ComReg) and the Commission for Energy Regulation (CER) into a single, more powerful Competition and Utilities Commission, which will also take responsibility for the regulation of Irish Water. We will seek to empower this new over-arching regulator and consumer champion to:

- take civil "class action" suits, and seek damages, on behalf of consumers against violators of consumer and competition law;
- impose administrative fines on violators of competition law, as in the UK and other EU countries;
- issue binding civil decisions, which must be accepted by the infringer; and
- require Ministers to make "comply or explain" responses to competition recommendations by the Commission within three months.
- regulate the utilities of electricity, gas, telecoms, broadcasting (ADD), postal services and water, in order to deliver better services and value for end users.

Effective regulation of specific sectors requires scarce economic and legal skills. Too often, regulated companies in Ireland have been able to "out-gun" their regulators in confrontations because of their deeper pockets and better access to such skills.

15. To help prevent "regulatory capture" by powerful special interests, we will pool the scarce legal and economic skills available to the State by rationalising the structures of economic regulation around two other areas:

- Banking and Finance (under the Central Bank, incorporating the Health Insurance Authority);
- Transport, including aviation, public transport, taxis and ports.

16. We will replace the existing regulatory appeals bodies, which have delayed implementation of pro-consumer regulatory decisions, with a single Competition Appeals Court presided over by a High Court judge to hear and decide appeals involving competition or other regulatory issues.

The Financial Regulator has confirmed in testimony to an Oireachtas Committee that the costs to the State of reckless lending by Anglo Irish and other banks could have been reduced if the Government had given the regulatory authorities the types of powers available in the UK and the USA to protect the taxpayers.

17. We will legislate to give new "**Special Resolution**" powers to the Central Bank to break up or wind down failed banks in a way that ensures a fair sharing of any losses between the taxpayer and professional investors and creditors while avoiding chaotic bank bankruptcies.

Extra powers and authority for economic regulators must come with increased accountability in their use.

18. External reviews of the performance of regulators will be carried out and presented to the Oireachtas at least every three years.

19. Relevant Oireachtas Committees will be sufficiently resourced to hold Regulators to account for their performance. We will legislate to give the Oireachtas the powers necessary to remove Regulators.

20. We will also give the Oireachtas the powers it needs to be able to conduct inquiries into matters of public importance. The powers will be set out in law and will include power to compel individuals and documents, hold meetings in public and private and to make findings of fact about the discharge of functions and responsibilities of the discharge of public service.

More Open and Transparent Policy-Making Processes

More open and transparent rule-making processes by Government Departments and regulators, through more open engagement with all stakeholders, will advance the public interest over special interests, and help to achieve economic, social and environmental goals at minimum cost.

Regulatory Impact Assessments (RIA) were introduced to examine the benefits and costs of new policies and regulations, and how regulation can be best designed to achieve the desired social ends at minimum economic cost.

But recent Governments have not taken the RIA process seriously. Unlike in other countries, Irish assessments are not published before Government makes its decisions, hindering open debate and advance consultation on key regulatory changes.

21. Departments will publish **Regulatory Impact Assessments** (RIAs) before Government decisions are taken, thereby offering a further channel to obtain the views of civil society on new rules and regulations, over and above those obtained in the consultation process itself.

22. The existing **High Level Forum on Business Regulation** will provide a mechanism for a structured dialogue between policy makers and business on specific RIAs. We will mandate the Forum to assess the quality of RIAs prepared by Government Departments, and to require further information and analysis.

23. Departments will also be required to use Facebook and other social networking tools to engage with a wider group on stakeholders on proposed new policies, regulations and laws, and to provide open fora for observations and debate.

24. As so much of the new regulation is of European origin, we will push for the European Commission to carry out country level disaggregation of all EU RIAs and this should be mandatory for EU Regulations, which are immediately binding on all member states.

Reinventing Government will place evidence-based decision-making and allocation of resources centre stage. Gone are the days when a Minister can sit at a desk and direct taxpayer funds back to the home constituency in an ad hoc manner. Increasingly scarce taxpayer monies must be spent in a visibly fair and objectively reasonable manner with full accountability to the people.

One area in dire need of reform is the allocation of capital grants such as national lottery funding for sports and leisure facilities. The allocation of these funds has been politically *skewed, with excessive monies being directed at the constituents of the Ministers of Sports and Tourism and of Finance.*

In contrast, areas with large numbers of children and disadvantaged areas receive proportionately less money than elsewhere. This is wrong in a democracy which aspires to egalitarian treatment for all its citizens. It is essential that need and fairness dictate where funds are spent and not political patronage. This results in some areas of the country lacking specific facilities with others having overlap and duplication such as multiple swimming pools in one town.

25. Fine Gael will publish a national audit of all sports facilities, as well as a clearly defined model which ensures that taxpayer subsidies for sports facilities are in line with needs and stated government policy on increasing participation of people in sports.

Traditionally, the school building programme has been open to politicisation and has been fundamentally lacking in transparency. Schools are left floundering on the waiting list for new accommodation for years, without any indication as to when they will progress to construction. The Department of Education is still struggling to answer basic questions regarding temporary accommodation contracts or the extent of physical education facilities in schools.

26. To introduce greater transparency into the school building programme, we will:

- Overhaul the Department's central database of school accommodation to ensure a complete inventory of school buildings and associated structures are maintained and deficits are easily identifiable;
- give the new Office of Government Procurement and Property (OGPP) (Section D) responsibility for the negotiation of prefab rental contracts;
- base capital allocations on annual independent reviews of the school building programme to ensure value for money and that capital projects are undertaken where they are needed most.

B. Openness and Performance Accountability

The higher echelons of the Irish public service are still marked by a culture of secrecy and anonymity. Powerful but "faceless" public servants are hidden by the veil of Ministerial responsibility for everything done in their name. Ministers are responsible for everything done in the public sector in theory, but almost nothing in practice, leaving a huge accountability gap where citizens are let down.

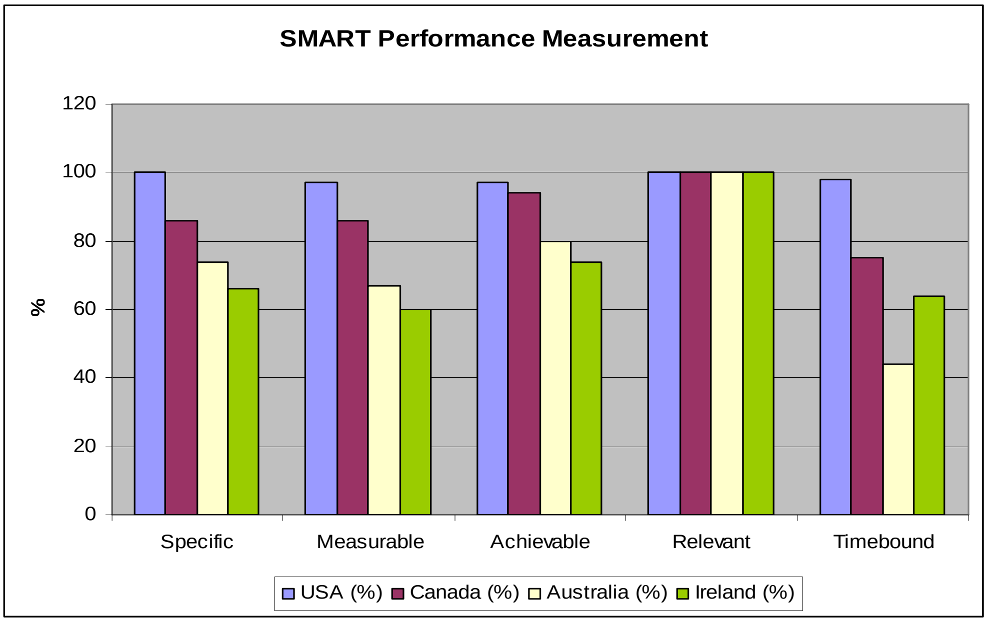
Ministers should be responsible for policy and procurement and public service managers for delivery. The Oireachtas must be able to expose poor decisions by politicians. But when public servants get it wrong in terms of advice or delivery, the public are entitled to know that too, and what the Minister did about it. It is intolerable for the Taoiseach to blame the disastrous decisions he has made on the economy on the policy advice of anonymous public servants.

Although the principle of connecting performance (by public servants) and rewards has been acknowledged by recent Governments, no concrete steps have been taken in this direction. Most public servants believe that individual and organisational under-performance at work is not challenged or confronted by management.

New "Public Service Agreements" to Pin Down Accountability for Results

Current Irish public service arrangements do not allow sufficient understanding and assessment of exactly what public bodies have been asked to do by Ministers, what they have actually delivered, and what are promising in future in return for the Budget allocations by the Oireachtas of taxpayers' money.

Chart 2: Quality of Targets and Performance Reporting by Irish Government Bodies



Source: Institute of Public Administration 2010, Richard Boyle

The current Departmental "Annual Output Statements" are so vague as to be meaningless. A recent international comparison of public sector performance reporting arrangements found major weaknesses in performance reporting by Irish Government Departments relative to other advanced countries.[5]

Without good information on value-for-money and performance, public attention tends to focus on exposure by the Comptroller and Auditor General (C&AG) of slip-ups and abuses by Departments and Agencies, often years after the event.

While the work of the C&AG is vital, the success or failure of the vast bulk of expenditure programmes goes without comment or scrutiny. Inevitably, this leads to a conservative culture within the public service, focused on avoiding mistakes and concealing performance, rather than on achieving excellence, efficiency and finding better ways of delivering services.

27. Consistent with the priorities set out in their Departmental Strategy Statements, Ministers will sign – in public – **Public Service Agreements**

[5] Performance Reporting: Insights from International Practice, Institute of Public Administration

with service delivery bodies (such as universities, the Gardai, the HSE), specifying the activities, outputs and long-term outcomes that the Government will promise to the Oireachtas in return for money from the taxpayer. These Public Service Agreements will:

- Put emphasis on the intended impacts of programmes for the public;
- Provide quantitative targets and "baseline" data to enable changes in performance to be assessed over time; and
- Provide good explanations to link agencies' activities with changing outcomes for the population.

The quality of Public Service Agreements will be audited by the new **Office of Public Spending and Modernisation**.

28. Consistent with the new ***Public Service Agreements***, the individual annual work-plans of the top 1,300 public servants (Principal Officer Level and above) will be published on-line for public scrutiny.

29. Performance and progress will be published in new, audited annual **Public Service Delivery Reports**. Oireachtas Committees will expose failure to hit milestones and targets. In this sense, every Committee will take on new powers similar to those currently wielded by the Public Accounts Committee to hold Ministers and public servants to account for value for money in their relevant areas. This will then feed into the Oireachtas' consideration of the next Budget.

More Accountable Agencies

Accountability in the public service has been complicated by unplanned growth in the number of agencies and independent regulators without a strategy for managing their performance. Unlike in many other countries, most Irish agencies have separate legal identities and their own governing boards, though little management autonomy.

This has blurred the responsibilities of Ministers, civil servants, agency managers and board members, and made it difficult to restructure failed or redundant bodies.

Ministers deny responsibility for failures in service delivery – such as in protecting children in State care – but seem powerless to hold the relevant agency to account.

30. As in the UK, the Netherlands and Sweden, we will establish a new **Executive Agency** governance structure for many administrative and service delivery functions. These will have much greater degrees of managerial autonomy on staff numbers, incentive arrangements, automation and use of technology etc. But they will have no governing board, with performance accountability being managed by the relevant Department and Minister. Over time, this will result in a big cut in the number of paid members of agency boards.

Administrative and service delivery functions currently operating within Government Departments that will be rationalised and moved under new Executive Agency governance structures include:

- Entitlement processing
- Business inspections and licensing
- Human resource management
- Information technology
- Press and legal supports

Some administrative and service delivery functions currently operating within traditional agencies will also be moved under new Executive Agency governance structures, beginning with:

- The National Treasury Management Agency
- The Courts Service
- Met Eireann
- The Land Registry
- The Irish Patents Office

31. Where agencies can justify continued separate legal identities and boards of governance, we will strengthen their democratic accountability by introducing parliamentary scrutiny of the appointment of their chairpersons.

Executive Agencies – A New Model of Governance for the Public Sector

A new governance model for civil and wider public service activities has evolved in other OECD countries that provides greater clarity than has been achieved in Ireland in the respective roles of Ministers, civil servants and public service providers in delivering service.

"Crown Entities" in New Zealand, "Departmental Agencies" in the UK and "Executive Agencies" in Sweden and the Netherlands share a number of advantages over the traditional Irish Government Department and agency model:

- They offer greater managerial autonomy to achieve policy objectives which have been negotiated with Ministers, such as freedoms – within strict budget caps – to retain a surplus, to make investments and to adapt working arrangements to suit the needs of staff and customers.
- There is a clearer reporting line between the agency and the line department. Specifically, they have largely abolished governing boards to prevent "mission creep" by agencies pursuing policy objectives which do not necessarily match government priorities.
- There is greater transparency in the linkages between funding and service targets. In the UK agency budgets are generally determined on a multi-annual basis and are accompanied by a matching multi-annual corporate plan.
- There is greater accountability to parliament. Executive agencies in other jurisdictions are almost uniformly subject to parliamentary questions, and chief executives regularly appear before parliamentary committees to discuss both policy and service delivery issues.
- There is a clearer role for Ministers and their civil servants. In the UK, Ministers and their civil servants are responsible for the overall policy framework - determining strategic objectives, setting annual financial and performance targets, approving corporate and business plans, and for measuring performance against these targets.
- There are clearer consequences for performance. In New Zealand, Ministers and their civil servants are explicitly tasked with reviewing performance and risks, and have a right to give direction and address non performance through a range of formal and informal mechanisms. There are also specific criteria laid out for the dissolution or merger of "Crown Entities" that they fail in their mission or become redundant.

Not all activities are suitable for this governance model. In the UK, for a unit within a traditional Government Department to transition to "executive agency" status it should have a primarily administrative / executive function (as distinct from a policy making function), should be independently accountable and be capable of having specific targets; and be capable of being financially viable within the terms of a business plan.

32. Vacancies for all remaining paid directorships on public boards will be advertised on the website of the Public Appointments Service, and short-lists of qualified applicants will be presented to Ministers.

33. Chairpersons of public sector bodies will be required to present annual performance assessments of all directors to the relevant Minister.

34. To facilitate the transition to the new regime, the directors of all State bodies will be asked to resign and re-apply for their positions within six months of a Fine Gael led Government coming into power.

Accountability with Consequences

To have an impact on behaviour, improved accountability for performance must also have more predictable consequences. Among 30 OECD countries, Ireland is joint last for the likelihood of consequences for failing to hit a performance target in terms of career development, pay, future budgets, programme management and monitoring and for the survival of programmes themselves.[6]

35. The Top Level Appointments Commission will be overhauled to become a ***Commission for Top Level Appointments and Performance***, with its chairperson and majority of members drawn from outside the public sector. Its functions will include the following:

    - appointing the Secretaries General and chief executives of Executive Agencies, and renewing their contracts; and
    - carrying out annual assessments of the performance of such chief executives and Secretary Generals of Government Departments.

36. As a general principle **fixed-term contracts** for Secretary Generals and agency chief executives will be reduced to **three years**, renewable twice at most. We will mandate the Commission to replace public sector leaders that consistently fail to deliver on terms that are clear in the contract. There will be no more "golden handshakes" for public servants that have failed to deliver.

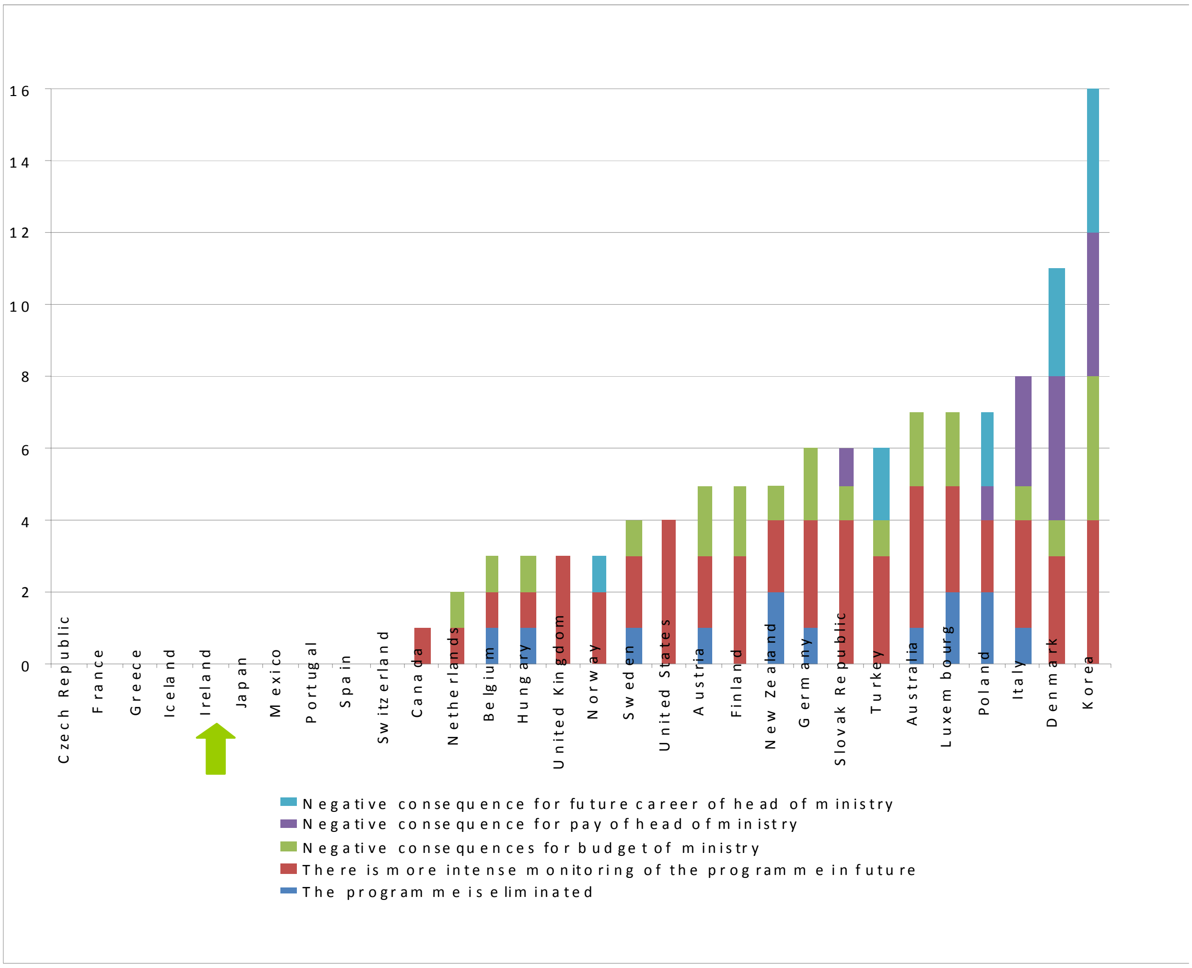
[6] Institute for Government, State of the Service 2009

37. After the deficit has been cut to 3% of GDP, public bodies will be given devolved powers to put in place staff incentive arrangements, within new limits set by Government.

38. The core pay reductions for 650 senior public servants recommended by the Review Body on Higher Remuneration in 2009 – but ignored by the current Government – will be transformed into genuine performance-related pay.

39. After the deficit has been cut to 3% of GDP, we will introduce a reformed incentive system for all grades within core Government Departments to reward cross-departmental teams that deliver audited improvements in service delivery and cost effectiveness.

Chart 3: Likelihood of Consequences for Failing to Hit a Performance Target



Source: Institute for Government, State of the Service

40. Across the public sector, basic annual incremental pay increases will be more closely linked to adequate performance.

41. When individual performance falls short of expectations there will be a supportive process of capability review. Clear comparisons and benchmarks of good practice will be offered to address the problems. Protocols for helping managers to develop their skills will be put in place. Technical support and mentoring will be offered in managing changes for better results. After offering all reasonable supports, managers will be expected to confront continued non-performance through dismissal.

New Systems of Openness and Transparency

Sunlight is the best disinfectant. Greater accountability requires a new culture of openness within the public service.

42. We will empower public servants to give testimony to the Oireachtas on matters of policy, reflecting the reality of the authority delegated by Ministers to them and their accountability for the way it is exercised.

43. Subject to exceptional considerations, memos to Government prepared by the civil service will be published within two years.

44. We will put in place **Whistleblowers legislation** to protect public servants that expose maladministration by Ministers or other public servants.

45. We will require the **registration of all paid lobbyists** with the Standards in Public Office Commission.

46. As in Sweden, all external correspondence to Ministers on policy matters will be published on their Department's website within two weeks.

47. Restrictions introduced by recent Governments to **Freedom of Information** in the public sector will be reversed.

48. We will establish a new public sector website **www.opengov.ie** to publish more Government data for public sector scrutiny, including:

- Real-time public sector purchase orders for over €20,000
- Real time energy consumption data for Government departments and agencies
- Real-time hospital waiting times and latest infection rates
- Pay levels for top public sector staff
- Absenteeism levels for every public sector body

C. Revolutionising the Budget

The financial crisis has exposed how Government's budgeting systems for spending over €65 billion of taxpayers' money are not fit for a corner shop. We have one of the weakest systems of scrutiny of Government's management of the public finances of any democratic country. Pre-election Budget give-aways have created a damaging boom-bust economic cycle. A secretive budgeting process has tolerated poor prioritisation and hidden waste, failure and "pork barrel" politics.

The Government's Budget is presented to the Oireachtas as a fait accompli. While a superficial Oireachtas debate on the allocations takes place, this occurs in the absence of information on competing but unsuccessful demands for resources by other programmes, and no significant alterations are tolerated by Government. And investigations into waste and inefficiency after the fact are constrained by the weak powers of the Comptroller and Auditor General and Oireachtas Committees.

This absence of strong parliamentary oversight means that the "political costs" of irresponsible budgeting and waste have been too low for Governing parties.

We will open up the spending of taxpayers' money to the full glare of public scrutiny in a way that supports economic stability, exposes and cut failing programmes, pins down accountability for results and puts value for money at the centre of the politics.

An Independent Fiscal Council

It has become evident that the Oireachtas does not have the information or technical know-how to monitor whether Governments are managing the public finance in a responsible manner. An increasing number of other countries have adopted new rules to enforce transparent budgeting, and established independent offices to assess politicians' budget decisions, to open them up to public and parliamentary scrutiny and to increase the "political cost" of irresponsible, electorally-driven budgeting.

In the USA, for example, the Congressional Budget Office provides an independent assessment of the long-term cost of the Government's tax and spending policies, and the likely direction of Government borrowing and indebtedness. This Office has played a central role in recent political debate on healthcare reforms. Similarly, Sweden and the UK have also set up independent fiscal council (see box).

49. We will legislate to establish an **Independent Fiscal Council** within the Oireachtas to ensure that future Governments respect new, prudent fiscal rules set by the Oireachtas. In particular, the Council will advise the Oireachtas on:

- The quality of the Government's economic forecasts, as well as the reliability of its underlying models;
- The level of Government saving / borrowing consistent with the current situation of the economy, and the need to promote employment and price stability;
- The reduction in the **national debt** needed to close the current "default premium" that is raising Irish borrowing costs over those of other EU countries;
- The level of taxation needed to support current and future expenditure plans on a 50-year "no policy change" basis (including past pension commitments, "off balance sheet" liabilities and the impact of an ageing population), as well as the transition to the targeted level of national debt.

The Council will have a full-time Director, an independent advisory board and multi-year funding. It will be accountable to the Oireachtas Finance Committee.

In presenting the annual Budget, the Minister for Finance will be subject to a "**comply or explain**" requirement in responding to observations and recommendations by the Fiscal Advisory Council.[7]

[7] More details of this will be set out in a separate public finance and economic management strategy.

The Swedish Fiscal Policy Council – Experiences and Lessons

The Swedish Fiscal Policy Council, established in 2007, has a number of functions.

1. It assesses the extent to which the Government's fiscal policy objectives are being achieved. These objectives include long-run sustainability, the surplus target, the ceiling on central government expenditure and the requirement that that fiscal policy is consistent with the cyclical situation of the economy.
2. It evaluates whether economic developments are in line with healthy long-run growth and sustainable high employment.
3. It examines the clarity of the government's budget bill and spring fiscal policy bill, in particular with respect to the grounds given for economic policy and the motivations for policy proposals.
4. It monitors and evaluates the quality of the government's economic forecasts as well as the underlying models.

The Council publishes an annual report, which is used by the Swedish Parliament, and particularly the Committee on Finance to evaluate the Government's fiscal policy. The Council delivers on these objectives through a wide range of activities.

- Its annual report is published in May each year; about one month after the Government has presented its spring fiscal policy bill.
- The parliament's Finance Committee organises a public hearing on the basis of the report with participation of the Council's chair, the Finance Minister and outside economic experts.
- The Government's later budget bill "takes a stand on the issues raised" by the council's report.
- The Council then comments publicly on the Budget Bill
- The Council also organises conferences and publishes papers on aspects of fiscal policy.

The Council operates on a small budget of about €700,000 per year. While it is too early to establish the long-run benefits of the Council to Swedish fiscal credibility, it is significant that unlike Ireland Sweden was in a position to offer a fiscal stimulus to stabilize the economy in the face of international recession and a sharp fall in exports in 2008-09.

Medium-Term Spending Envelopes

Unlike most OECD countries, Ireland's medium-term (traditionally 3-year) Budget framework did not provide a top-down constraint on spending during the boom years. Indeed, actual spending allocations and outcomes have, in the last decade, always proved hugely in excess of the budget "estimates" made in previous years.

In this way, Ireland's medium term spending framework did not provide any basis for long-term planning and prioritisation by politicians or public service managers, nor assist in identifying room in the budget for new and existing programmes.

50. We will introduce new **3-year fixed spending ceilings** (as opposed to the current "estimates") to drive greater long-term planning by the public service.

More Open Budget Preparation

The recent report by An Bord Snip Nua (the "McCarthy Report") brought home to a lot of people, including members of the Oireachtas, how little we actually know about how public money is allocated. This is partly because there is no transparency in the competition for, and allocation of, budgetary funds for existing and new programmes.

Traditionally, the Budget that Government presents to the Oireachtas each year is agreed during the "Estimates Process" behind closed doors, involving wrangling between the Minister for Finance and other Ministers, civil servants, and special interests. Initial budgetary demands by Departments and their agencies for money are not disclosed to the public nor to their representatives in the Oireachtas.

The starting point for the current budget process is the "Existing Level of Service" demands of Departments and agencies for the money necessary to do what they have always done in the past.

This process assumes that everything that is now being done offers good value for money – reflecting the most important priorities, delivering in the most efficient way and meeting the needs of citizens effectively.

Public servants who cut their teeth in the "what we have we hold" attitude to funding and staff sometimes resist scrutiny or spending and staffing. In this culture of secrecy, accountability becomes impossible, and special interests thrive. Ministers seeking to avoid embarrassment have been complicit in nurturing this atmosphere.

51. We will scrap the Existing Level of Service basis for Budgeting. Public bodies will be required to **openly compete for budget resources** by publishing their pre-budget spending requests during the Estimates Process, together with the promised activities and outputs for the citizen.

52. Annual budget documentation will be improved to include a quantification of all major tax shelters and expenditures, as well as an assessment of the Government's financial and non-financial assets and its financial and contingent liabilities.

53. **Cost-benefit analyses** for major capital projects proposed by Departments will be published for scrutiny and debate in advance of Government approval.

54. Cost-benefit analyses for new tax expenditures and reliefs will be published for scrutiny and debate in advance of publication of the Finance Bill.

Better Financial Management

Financial management and reporting in the public sector will also be improved. Of greatest concern is the absence of any obligation on public sector organisations to publish balance sheets or to reflect long-run costs in their annual accounts. There is, for example, no provision for depreciation of publicly-owned assets. This allows public sector organisations to escape rigorous scrutiny from the Oireachtas.

For example, the "opportunity cost" to the taxpayer of ownership by a public sector body of a prime office is not disclosed in the accounts. Nor are the long-run "accrued" pension costs of the staff. We will make a number of changes to help ensure a new level of care and responsibility in spending public money.

55. Public sector bodies will be required to publish **balance sheets** and to move to accruals from cash-flow accounting.

A related deficiency of the current system is that where an agency has not spent its entire budget in any particular year, it risks losing funding in the following year. As a result many agencies resort to wasteful spending at the end of the fiscal year in order to avoid such an outcome.

56. Every **Purchase Order** for more than €20,000 will be published online, along with details of the purpose of the outlays, beginning with central Government Departments and ultimately extending to all public bodies.

57. We will move towards multi-annual budgeting for public bodies, giving them the freedom, within certain limits, to retain a surplus from one year into the next.

More Scrutiny and Control by the Oireachtas

The Government's Budget is presented to the Oireachtas as a fait accompli. While a superficial debate on the allocations takes place, no significant alterations are tolerated by Government. As well as more information, the Oireachtas also needs more time to assess the proposed Budgets, and more influence on the details.

58. We will re-organise the parliamentary budget cycle, as follows:

- **March** – Government presentation to relevant Dáil Committees of the ***Public Service Delivery Reports***, audited by the C&AG, showing compliance in the previous year with the levels of spending authorised by the Oireachtas in the previous year's Budget, as well as a comparison of service delivery targets promised for each Department against the actual results achieved.
- **September** – Publication by the **Independent Fiscal Council** of its recommendation for the fiscal stance (borrowing target) for the subsequent year.
- **October** – Government presentation to the Oireachtas Finance Committee of its Pre-Budget Outlook, including macro targets for spending, taxation and borrowing (saving) in the year ahead (and 3-years ahead for spending). The PBO would also contain a "comply or explain" obligation with regard to the borrowing target recommended by the Office of the Budget.
- **November** – Government presentation to the Dáil of its draft Budget, including detailed tax and expenditure changes.
- **December-February** – Detailed consideration by all sectoral committees of the relevant Spending Estimates and the corresponding draft Public Service Agreements between Ministers and agencies.

This timetable will also need to accommodate increased budgetary peer review by EU member states, the details of which of yet to be agreed.

59. Within the overall Budget cap, we will give Oireachtas committees the power to switch – up to certain limits – allocations between sub-heads in the relevant Votes.

The ***Comptroller and Auditor General's Office*** *is not fulfilling its full potential in supporting the Oireachtas to hold the Government to account. One of the major problems is the office's limited mandate to ensure only that public moneys are spent legally, rather than wisely. The Office currently has a very limited role in examining the effectiveness and value-for-money of public spending programmes.*

60. We will give the Comptroller and Auditor General new powers and resources needed to carry out value-for-money reviews of Government programmes.

Equally, the ***Public Accounts Committee (PAC)*** *could do more to ensure that government spending is done in a judicious and cost effective manner. One of the crucial impediments to the PAC and other Oireachtas Committees in discharging its functions is the difficulties they face in accessing relevant information from public bodies in a timely and complete manner. The Data Protection Acts prevents the public bodies from releasing to the Committee any personal information. It is important in the public interest that the right of the individual to privacy is properly balanced by the right of the state, and the legislature as the principal entity of the State, to be able to access information to enable it to conduct its affairs thoroughly and with public confidence.*

61. Fine Gael will enact legislation to give a request for information to a public body by an Oireachtas Committee the same status as a request under Freedom of Information Act. The legislation would also provide that the release of information in such circumstances would be deemed to be pursuant to a statutory enactment, so that the public body concerned could not rely on the provisions of the Data Protection Acts 1988-2003 to withhold relevant information where it concerned individuals.

D. Streamlining Government and Cutting Quangos

A major efficiency drive is necessary to reduce wasteful spending and cut back the bloated structures of politics and public administration built up over the last decade.

Over this period, a lazy habit emerged of creating a new agency for every new problem and duplicating expensive administrative processes in every Department.

Since 1997, over 200 new Government agencies and other Government bodies were established with often vague mandates, limited accountability to either Ministers or the Oireachtas and appointments to the boards based solely on political loyalties or personal friendships. At central and local levels, there are almost one thousand state agencies, compared with less than a dozen in 1927.

The failure to stop the mushrooming structure of Government created the worst of all worlds – a blurring of responsibilities and fragmentation of resources across huge numbers of Departments and agencies. The result has been a huge increase in the cost of Government, duplicated activities, confusion for the citizen on where to go for services and entitlements, wasteful spending and less accountability.

Now that runaway borrowing must be brought under control, this Government has ducked the challenge of cutting back the bloated structures of Government and politics, and chosen to cut citizen services and entitlements by more than necessary.

For example, of the recommendations to reconfigure public sector processes and structures to reduce waste made by the Report of the Special Group on Public Service Numbers and Expenditure Programmes (the "McCarthy Report"), only one in ten have been accepted in full and only one in three have been accepted in part.

That is why even as vital front-line services like Special Needs Assistants in schools were cut, the administrative budgets for big Government Departments and agencies like the HSE and FÁS were actually increased in real terms in the 2010 Budget.

Fine Gael will move well beyond the McCarthy agenda to end the wasteful duplication across the public sector and to cut the number of State bodies and companies by 145 through a programme of public sector streamlining (see list in Appendix 1).

Streamlining Government

62. We will implement a majority of the (non social-welfare) recommendations from the McCarthy Report, including all the recommended savings for the Oireachtas and running the political system.[8]

63. We will deliver at least 80% of the spending savings recommended by the Local Government Efficiency Review, including:

- Cutting the number of county/ city managers from 34 to 24;
- Reducing senior managers in the Dublin and Cork local authorities by 15%;
- Centralising recruitments through the Public Appointments Service;
- Greater use of shared services in procurement

64. We will establish a consultation process with stakeholders to deliver savings by outsourcing non-core activities. Among the first services to be considered will be driver testing, vehicle licensing, land registration and passport applications.

65. We will establish three new shared service operations for Human Resources, Information Technology and Legal Services. Once established, we will cut 10% off the administration budgets of all Government Departments and public bodies to reflect to cost efficiencies available from procurement of services from these new shared service organisations.

[8] Social welfare reform will be dealt with in a separate policy statement by Fine Gael.

66. We will rationalise and integrate the highly inefficient school transport and HSE non-emergency transport programmes with the Rural Transport Programme (which in 2010 altogether cost the Irish taxpayer €220m) under the National Transport Agency. The NTA will be charged with tendering - on a county by county basis - for new, integrated, local transport services serving patients, school children and the public alike.

67. The Personal Injuries Assessment Board enjoys cross party support has succeeded in removing substantial legal costs from the resolution of personal injury claims, not just for the State but across the economy. The Board's non adversarial model will be extended to other areas of personal injury claims like medical negligence and Garda Compensation, where high legal costs still dominate. We will also pilot a no fault compensation scheme for children who suffer catastrophic birth injuries, utilising scarce resources to support families and not pay massive legal bills.

Fine Gael recognises that efficiency improvements in the delivery of existing services alone will not be sufficient to achieve the spending reductions necessary to restore confidence in Ireland's economy and public finances. As has occurred in Canada and Sweden, we will move beyond McCarthy-type efficiency reviews to a wholesale programme review and elimination process of non-priority services.

68. Within six months, we will instigate a Government-wide review to identify and eliminate non-priority programmes, particularly with regard to subsidy programmes whose objectives could more easily be achieved through other policy interventions.

A "One Stop Shop" Payments and Entitlements Services

There are currently over 20 different Government bodies that process citizen entitlement claims of various sorts. For public service users, the taxpayer and the public service, much of this is hugely wasteful, error-prone and complex.

Thousands of people who have lost their jobs have experienced delays of up to 12 weeks in accessing their jobs seekers' benefit payments. Application forms for Disability Payments seek lots of data about people that the State already has - it is a waste of time for both citizens and the civil servants.

RTE's Prime Time Investigates programme in December 2009 estimated that between one in ten and one in seven social welfare payments could be fraudulent, costing the taxpayer between €2.2bn and €3 billion per year.

At a time when Ireland has to reduce the budget deficit and to continue funding welfare for those people who really need it, it is outrageous that recent Governments have done so little to control fraud and abuse within the system.

69. As has happened in Australia, we will create, out of a merger and rationalisation of existing structures, a new "one-stop shop" Payments and Entitlements Service (PES) to process citizen entitlements, beginning with:

- Farm-related payments (single farm payments, disadvantage area payments) managed by the Department of Agriculture and Food;
- Supplementary welfare allowances managed by the HSE Community Welfare Officers (mortgage interest supplement, rent supplement, back to school schemes);
- Medical card applications administered by the HSE;
- Higher education grants administered by local authorities;
- Housing supports administered by local authorities;
- Legal aid services administered by the Legal Aid Board;
- Welfare allowances administered by the Department of Social Protection; and
- Employment referral and training supports provided by FÁS

A Single Entitlements Service – "CentreLink" in Australia

Centrelink is an Australian Government statutory agency, that assists people in becoming self-sufficient and supports those in need. Established in 1997, Centrelink delivers a range of government payments and services for the retired, the unemployed, families, carers, parents, people with disabilities and others. During the financial year 2008 – 2009, it delivered $87 billion in payments to 6.8 million Australian citizens.

What's novel about Centrelink is that its responsibilities are not limited to one Government Department. Instead, it acts as a single point of contact – or a "one-stop shop" – for a range of government services. Centrelink currently provides payments and services on behalf of nine Government departments as well as a number of other Government offices. Each client Department has signed a contract with Centrelink setting out what it is expected to do, how it would be funded, what performance outcomes would be, how it would report on its activities and share information.

Centrelink offers a single point of contact for the citizen – a one-to-one contact officer – so each citizen would have only one main contact person within Centrelink for accessing their entitlements. If an Australian is looking for work or is applying for the equivalent of a medical card, a farm related payment, a welfare payment or a student payment they need only deal with one office. This meant that for the first time, customers told their story once and received a personalised response.

A new data base was established in 1998 which brought together information from a range of social security and unemployment programmes. This allowed staff to view a customer's full record and helped them to determine eligibility more quickly.

Centrelink inherited large numbers of staff from Government departments. In 1998-2000, 5,000 staff were invited to accept a redundancy package, in a move to reduce costs and increase efficiency. Over the first three years of operation an efficiency dividend of 10% was imposed by Centrelink. Centrelink reduced the cost of service delivery by approximately $211 million from 1999–2000, rising to $270 million by 2003–04, returned as efficiency dividends to the government. This resulted in cumulative savings to the budget of $1.4 billion for the period 1997–98 to 2003–04.

The PES will be mandated to assess and apply global best practices to cut down on fraud and mistakes in the social welfare payments, including, for example:

- **A Rights and Obligations Campaign**: In Canada and the Netherlands information sessions emphasising claimant rights and obligations, as well as the consequences of defrauding the system, have been shown to cut fraud among high risk groups.
- **A National Fraud Helpline**: In the UK, the Department for Work and Pensions has established a national fraud helpline and embarked on a long term publicity campaign to change people attitudes about the acceptability of fraud.

- **A National Database**: In Australia and France, national databases have been established to capture all client data for data matching and fraud identification.
- **A Public Service Card**: In Australia, ID cards have been established to allow authorities to analyse and track claimants in the social welfare system. The card includes details of customers' identity, circumstances and eligibility for benefits.
- **Risk Based Enforcement**: The UK is using sophisticated risk identification techniques, such as information from credit rating agencies, to detect fraud and errors.
- **Penalties and Prosecutions**: In the UK, the Government introduces powers to withdraw or reduce benefit for people convicted twice of a benefit offence and the power to target employers who collude in benefit fraud.

The creation and oversight of the PES will be the responsibility of the Office of Public Spending and Modernisation. Budget allocations to Departments will reflect the opportunities for cost reduction in this area. The objectives of the reforms will be:

- improved citizen awareness of entitlements and a simpler applications process
- large reductions in administration costs
- large reductions in mistakes and fraud

An Office of Government Procurement and Property

The €16 billion Government procurement, property management and infrastructure budgets account over €1 out of every €4 spent by Government. There has been massive fragmentation, waste, cronyism and over-spending on public procurement over the last decade.

Examples of procurement mismanagement in recent years are numerous. The Dublin Port Tunnel began as a €22m project in 1990 and ended as a €750m project in 2006. The health system's PPARS financial system began life in 1998 as a €9m 2-year project, but after spending €200m was still not operational by 2006.

If cost inflation in Irish Government spending had been kept at UK levels in 2000-07, the Irish taxpayer would have saved a total of €13 billion over this period.

70. We will merge the National Development Finance Agency (NDFA) into the Office of Public Works to become an Office of Government Procurement and Property (OGPP), to achieve major cost reductions in procurement, property and infrastructure budgets within 5 years, in line with what was done in the UK.

Among the measures that the OGPP will use to cut procurement costs and improve value for money will be:

- establishing a centre to co-ordinate e-auctions across the public sector;
- facilitating "collaborative buying" among public sector bodies, including local authorities, to cut costs;
- encouraging partnering among small and medium-sized enterprises and encouraging larger companies to sub-contract to smaller firms;
- providing better domestic and international contractor data to improve decision-making; and
- up-skilling procurement professionals across the public services.

The creation and oversight of the OGPP will be the responsibility of the Office of Public Spending and Modernisation. Budget allocations to Departments will reflect the opportunities for cost reduction in this area. It will specifically target immediate procurement savings from:

- GMS drug costs
- Professional services
- Legal Aid
- Public Private Partnerships
- Medical Negligence Claims
- Publications
- Advertising and publicity
- Rental contracts for school pre-fabs
- Energy costs

A Business Inspection and Licensing Authority

Irish businesses face regulatory inspections from a growing range of Government bodies, such as the National Employment Rights Authority (employment law), the Health and Safety Authority (safety laws), local authorities (health regulations) and the National Consumer Agency (pricing and consumer laws). These inspections are often uncoordinated and repetitious in terms of the information demands on small businesses.

Small businesses are also expected to complete almost 110 core forms per annum to comply with the requirements of many other State bodies including the Revenue Commissioners, the CSO, the Companies Registrations Office and several Government Departments. Many of these forms need to be filled out several times, and there can be up to 100 questions per form. Based on the UK experience, ISME estimates that associated compliance costs are an average of 4% of turnover for small business.

Many countries are recognising that the development of a more streamlined regulatory and compliance environment is a low cost way of promoting small business growth and competitiveness.

Three years ago, the Government promised to reduce the unnecessary cost of business compliance by €500 million. As of 2009, past the halfway mark, only €20 million in savings have been achieved.[9] *Why does the Government make such a big promise and only deliver on 4% of it? They cannot blame the recession for this failure.*

Unlike this Government, we have a credible plan to cut the red-tape burden for small businesses by 25%.

[9] The Second Report of the High Level Group on Business Regulation (2009)

71. Out of a merger and rationalisation of existing structures, we create a Business Inspection and Licensing Authority (BILA) that absorbs the existing business inspection activities of Departments and agencies, starting with:

- the Health and Safety Authority (safety laws);
- the National Consumer Agency (pricing displays and consumer laws);
- The National Employment Rights Authority (labour law).

The BILA will be charged with applying international best practices in regulatory compliance and risk-based enforcement, such as:

- leaving maximum flexibility as to how regulatory goals can be achieved;
- promoting wider and deeper consultation in advance of making regulations to assist with compliance;
- and using sectoral regulatory reviews to assess compliance levels and enforcement costs.

Public bodies that carry out inspections of business premises and accounts will be incentivised to use the BILA to cut down on duplication of information requests and site visits, while protecting the interests of staff, consumers and other stakeholders. The creation and oversight of the PES will be the responsibility of the Office of Public Spending and Modernisation. Budget allocations to Departments will reflect the opportunities for cost reduction in this area.

The food sector has huge potential to support extra employment and exports, but is faced with a highly fragmented State regulatory and inspection system. This is placing an excessive compliance and inspection cost burden on food businesses and makes it more difficult to manage food safety risk across the food chain.

72. Building on the existing Food Safety Authority, we will create a single food safety monitoring agency responsible for food safety inspection from farm to fork. This will enhance the food traceability system and reduce the burden of red tape on business. The activities of the following Departments and agencies will be rationalised under the FSA:

- The licensing and inspection activities of the Department of Agriculture in the areas of slaughter, cutting, and preparation of foods of animal origin;
- Labelling legislation and enforcement activities of the Department of Health;
- Inspections HSE Environmental Health Officers of food business premises such as catering and retail establishments;
- Inspections by local authorities in smaller premises where slaughter, cutting, preparation, distribution or transport of foods of animal origin takes place;
- Enforcement of food safety rules by the Sea Fisheries Protection Authority;
- Laboratory analysis and risk assessment by the Marine Institute; and
- Compliance assessments with bottled water legislative standards by the National Standards Authority of Ireland.

Fewer and More Efficient Commercial Semi-State Companies

Fine Gael stands for a State that, in this time of crisis, has the confidence to lead the way, confident in the long term direction for the country. We will re-take control of our public assets to chart a more sustainable, more prosperous economic future.

Our NewERA plan (see text box) will restructure and re-finance the semi-state sector to eliminate duplication, to accelerate vital investments in strategic infrastructures need to support Ireland's economic recovery.

The net results of these changes will be a smaller number of leaner, more focused and more competitive state-owned utility companies

73. We will remove the heavy burden on local authorities, local businesses and the taxpayer of financing the cost of water and waste treatment and collection. As in Scotland, we will establish a single state-owned commercial water company – ***Irish Water*** – to rationalise the water functions of 34 local authorities, to address Ireland's water needs in the 21st century and to replace exchequer financing with new charges linked to water consumption above a "free allowance".

74. We will merge ESB Networks and Eirgrid into SmartGrid, tasked with upgrading the national electricity grid to help meet national renewable energy and climate change targets. This will be financed in part by the disposal of non-strategic state assets, such ESB PowerGen, Bord Gais Energy (not the network) and ESB Customer Supply and ESB International.

75. We will merge Coillte and Bord na Mona into a new single renewable energy leader, Bio Energy and Forestry Ireland.

76. We will merge State-owned telecoms assets (spread between ESB, MANs, CIE, Bord Gáis, National Roads Authority and Waterways Ireland) into "Broadband 21" to work with private sector providers to accelerate the build-out of a next-generation broadband network across the entire country.

NewERA – A New Direction for the Irish Economy

Fine Gael's NewERA plan will transform the Irish economy. It is an €18 billion investment plan to build the next phase of modern infrastructure in areas such as energy, broadband and water. It will deliver for the Irish people some of the fastest broadband speeds in the developed world, energy security and protection from future energy price shocks and clean reliable water supplies across the country.

These investments are vitally important to the Irish economy as they make Ireland a better place to do business which will create badly needed new jobs. The four year building programmes will itself create 105,000 new jobs in the short term and will lay the foundations for future job growth.

The NewERA plan involves using a new wave of future focused and publicly owned utility companies to fast track the investments needed to make Ireland economically attractive again. New companies such as 'SmartGrid', a merger of ESB Networks and Eirgrid, will build a new modern smart grid to allow greater use and investment in renewable energy. 'Broadband 21' will bring together all the existing State broadband assets dotted around the country and use it as a base to build a new nation wide open access next generation broadband network. 'Irish Water' will take over the water investment and maintenance programmes of the 34 existing local authorities.

All the new investment will be funded off the Government books and won't require any additional Government borrowing. Our plan involves using the National Pension Reserve Fund, private pension funds and sales of non strategic state assets to fast track new investment.

Independent commentators such as Jim Power, Eddie Hobbs and David McWilliams have all said it's the type of growth plan Ireland needs right now.

E. Investing Now to Make Big Savings Later

Policy makers in countries at the cutting edge of public service modernisation are also broadening their thinking to assess the case for working with the independent sector and "social entrepreneurs" to address with earlier interventions some of the thorniest social problems linked to billions of euros in public spending.

No matter how much more efficient we can make hospitals, welfare administration and prisons, it will be far more cost effective to address the underlying sources of ill-health, economic exclusion and crime. The savings from preventative services can dwarf those from more traditional efficiency drives.

77. An early objective of the new Office of Public Spending and Modernisation will be to co-ordinate across Government Departments the publication, within six months, of a Public Service Demand Reduction Strategy, with quantified cost-benefit analyses of initiatives in a range of areas, such as:

- Fall prevention strategies for older people in the home in order to reduce demand for acute hospital and long-stay care services;
- Reducing homelessness to cut downstream demand for policing and healthcare;
- Greater interventions with ex-prisoners to reduce recidivism and homelessness;
- Greater interventions to combat obesity and alcohol and drug abuse and reduce the downstream demand for healthcare and other services.

Social Investment Bonds

While many of these interventions will pay for themselves in a short period of time, and could ultimately help save taxpayers hundreds of millions in the longer run, the fiscal crisis requires new models to finance the necessary up-front investments.

Fine Gael in Government will work with public and private sector delivery bodies to help finance the up-front investments needed for demand reduction initiatives.

78. We will establish a new model of financing social interventions – called "Social Impact Bonds" – that share audited exchequer savings with charitable and voluntary organisations. We will pilot the use of Social Impact Bonds to help voluntary bodies to finances interventions that cut rates of homelessness and re-imprisonment by re-integrating ex prisoners into society and the workforce.

Social Impact Bonds in the UK

Social Impact Bonds are a commitment from Government to use a proportion of the savings that result from improved social outcomes to reward non-government investors that fund the early intervention activities.

In March 2010, the then UK Labour Government announced a six-year Social Impact Bond (SIB) pilot scheme that will see around 3,000 short term prisoners, serving less than 12 months, receiving intensive interventions both in prison and in the community. Funding from investors outside government will be initially used to pay for the services, which will be delivered by independent providers with a proven track record of working with offenders. If re-offending is not reduced by at least 7.5% compared with "control groups", the investors will receive no payment.

The benefits of these types of Social Impact Bonds are that:

- More funds are available for prevention and early intervention services.
- The public sector only has to pay for effective services; the third party investor bears all the risk of services being potentially ineffective.
- Investors and services have an incentive to be as effective as possible, because the larger impact they have, the larger the repayment they will receive

The UK Department for Children, Schools and Families has since pledged to explore the potential of Social Impact Bonds to lever in additional resources to support early intervention approaches with children and young people.

"First Steps" Early Childhood Development

Preparing for Life Pilot

- A pilot programme called Preparing for Life, jointly funded by Atlantic Philanthropies and the Office of the Minister for Children has been introduced in three designated disadvantaged areas in North Dublin. The programme begins at pregnancy and lasts until the child starts school.
- This is one of the first attempts at evidence based research on early childhood education, specific to Irish children. Participants are assigned to one of two groups and are surveyed every six months during the programme.
- One group has a mentor that calls to the family home every week for five years and helps develop parenting skills. The other group has access to an information officer helping them access services, giving the family access to advice on developmental toys and public health information like breastfeeding practices and parenting approaches.
- The aim of the programme is to decide when the optimum time for investment in early education is - at pregnancy or beyond - and to ascertain what supplementary investment is then needed as the child progresses throughout life. It is hoped that the children involved will be monitored after the five year point throughout adolescence and into adulthood to assess the real outcomes of the programme.

International evidence is growing that early childhood education supports deliver huge economic and social returns, cutting the massive costs to taxpayers of the crime, educational and health problems associated with social and economic exclusion.

79. Building on some existing pilot projects in Dublin (e.g. 'Preparing for Life'), we will allocate a proportion of the reform savings to finance a national roll-out of targeted pre-school programmes for disadvantaged children.

Additional investment in this area will:

- Target disadvantaged families;
- Work with mothers also to improve parenting skills;
- Use professionally trained instructors;
- Develop a consistent and strong curriculum;
- Incorporate necessary child health services; and
- Collect and analyse data relating to improve and build upon existing programmes.

80. We will engage the services of an international expert in early childhood education to fundamentally review the current pre-school system the curriculum, quality framework, inspection system, and workplace and skill development programme to bring our early childhood education framework in line with the best in the world and overhaul the myriad of agencies involved in delivering and regulating pre-school programmes.

81. As a priority, we will transfer sole responsibility for pre-school education to the Department of Education and Skills.

Benefits of Early Childhood Education

Research by Nobel Laureate and U.S. economist James Heckman has revealed that:

- The rate of return for investment in high-quality early childhood education is 10% per annum. This means that every euro invested in early childhood education returns ten euros to the public finances and the economy annually for the life of the child.
- An €8,000 investment at birth (cost of a programme called the Perry Preschool Project which Heckman favours), with a 10% annual return compounded over 65 years provides nearly 100 times (€789,395) the amount by age 65 with compounding interest
- Investing early in quality education closes disparities and prevents achievement gaps instead of paying to remediate disparities when they are harder and more expensive to close.
- Investing early allows us to shape the future and build equity - investing later only helps to fix missed opportunities of the past.

Preventive Dental Care for Medical Card Holders

The Government decision to reduce dental services to medical card holders was a short-sighted cost saving measure that will cost the State more in the long run.

In December 2009, the Minister for Finance, Brian Lenihan, TD, reduced funding to the Dental Treatment Services Scheme. This means that dental services, provided to 1.4 million medical card holders, have been restricted to emergency treatment only, and now exclude preventive care (cleaning, fillings).

Cuts to preventive care do not make economic sense and this is yet another example of a short-sighted money saving measure. Every delayed treatment will require more expensive emergency treatment at a later stage.

For example, if tooth decay is detected during annual oral examination, the cost to treat is €83 (examination and filling). If decay goes untreated, the cost to remove the tooth is €330 and the cost of Root Canal Treatment is €298.

82. Fine Gael will re-instate preventative dental care (including cleaning and fillings) to the Dental Treatment Services Scheme (Medical Card Scheme).

F. Putting Citizens First – More "Choice and Voice" for Service Users

Why is the IDA an exemplar for public service competence and professionalism? Because it has to compete for business with investment agencies across the world, and failure to deliver would be immediately obvious to the Irish public.

That is why Fine Gael stands for a State that favours diversity, competition, enterprise and choice in public service delivery over monopoly, centralisation and standardisation.

As private industry has done over the last two decades, public services must transition from centralised, top-down, standardised "take it or leave it" mass production to customised personalisation. This can not only better meet the needs of service users, but results in a better targeting of scarce resources that save money for the taxpayer.

A new role for citizens must be at the very core of our public services – rating what is delivered, shaping improvements and personalising services to their own particular needs. We will give users more information, access, influence and choice.

More Information about Quality and Standards

We will establish the right to a full range of timely information about services, standards, and performance from every publicly funded body. The empowerment of both users and public service staff and that comes with information cannot be over-stated. Public service staff and their organisations want to be seen to deliver for their customers. The publication of performance information on next day delivery rates across the postal network alone led to a 20% improvement. We will extend the power of performance information into new public service areas.

83. We will require all public service providers to benchmark their performance across key metrics and make this information available to the media and public, including through prominent display on websites and in their places of business.

84. All schools will be required to publish annual reports taking into, among other things, account exam results, facilities, extra-curricular activities, ICT resources, and special education resources.

85. The Gardai will be required – using on-line mapping technologies – to inform the public of the geographic distribution – street by street and town by town – of reported crimes by type, as well as local detection rates.

Greater Citizen Access to Decision Making

Building on a better flow of performance information to citizens, a transformed public service must become more accessible to, and open to influence by, its service users and other citizens.

86. In policing, we will give local communities a greater say by shifting more resources into community policing. We will improve local policing forums to determine, through consultation, policing priorities of their community and to promote local Garda accountability, transparency and effectiveness.

87. In education, we will introduce a new system of governance which moves away from the bishop or local priest as the decision maker on a board of management to one which gives greater influence to parents, the school principal and teachers.

88. We will make additional public services available on-line, starting with:

- Payment of court fines
- Student grants – applications and payments
- Passport applications
- Driving Licence Applications
- Application for Road Haulage Licences
- Public Transport Real Time Information
- Planning Applications and Observations

89. In local services, we will task the Local Government Computer Services Board with establishing a website – www.fixmystreet.ie – that will allow residents to report to local problems with street lighting, drainage, graffiti, waste collection and road and path maintenance in their neighbourhoods, with a guarantee that a named local official will respond with an action plan within 2 working days.

"Personal Budgets" for Public Service Users

In many areas of the public service, there is much greater scope to tailor service to the personal needs of the individual. Rather than giving fixed budgets to traditional public service providers like the HSE, VECs and FÁS, there is scope to put resources directly or indirectly into the hands of citizens as users of public services, and mobilise their superior knowledge to acquire services that are both tailored to better suit their needs and are less expensive for the taxpayer.

We already have elements of this approach in the pre-school allowance, the capitation system for medical cards, schools and universities and the cost of nursing home care. We will extend this approach into new areas.

90. As in the Netherlands, our FairCare policy will end block budgets for hospitals by introducing a **"money follows the patient"** system of financing that incentivises hospitals to treat public patients as resources, rather than costs, and improves access and efficiency (see FairCare policy).

91. As in Australia, we will re-allocate money from FÁS and the National Training Fund to open up state-subsidised job placement services for the unemployed to competing independent providers on a "payment for results" basis. Job referral and placement services will be administered by the new "one-stop shop" Payments and Entitlements Service (see Section D).

92. To support training, we re-allocate money from FÁS and the National Training Fund into **Training Vouchers** that will empower the unemployed to define and acquire their own training and re-skilling needs from VECs, Institutes of Technology and other education and training providers. The administration of training vouchers will be the responsibility of the new "one-stop shop" Payments and Entitlements Service (see Section D).

93. We will abolish FÁS *Services to Business* and use the money saved to reverse Government cuts to **Skillnets** – a programme that allows networks of businesses to define and customise their own training requirements at considerably less cost. As these reforms progress, **the current FÁS bureaucracy will be dismantled**.

A One-Stop-Shop for Getting Back to Work

The Payments and Entitlements Service will become a one-stop-shop for getting the unemployed back to work. FÁS will be dismantled and the PES will become the unemployed person's pathway for re-entering the workforce. The PES will deal with the individual from start to finish combining functions currently split between the Department of Social Protection and FÁS.

When a person becomes unemployed, they will go to the PES 'one-stop-shop' to register and undergo assessment for their social welfare entitlements. They will then undergo a thorough skills assessment will be given the opportunity to avail of recommended training in accredited training providers, paid for by the PES. The PES will provide a range of employment services, carrying out regular face-to-face interviews with the unemployed.

Some services historically carried out by FÁS will be devolved to other areas and some will be wound down. Community Employment Schemes will be devolved to local Government, services to business and recruitment services will become the remit of Skillnets and the private sector and the State will be a trainer as a last resort, replacing the FÁS training model with a voucher system for training.

This one-stop-shop model will transform the approach to dealing with the spiralling unemployment problem by streamlining services and drastically improving work activation measures.

94. We will re-allocate money from the National Science and Innovation Strategy to double the maximum value of innovation vouchers for small and medium-sized enterprises to €10,000. This will help small businesses to shape the research agenda of universities and other knowledge providers in a way that makes them more relevant to the commercial challenges facing Irish businesses.

95. We will re-allocate money from the HSE's budget to give adults and children with disabilities and their families the option of needs-based Personal Care Budgets to choose the services they want and need. Individualised funding systems for people with disabilities have already been introduced in many other countries including Canada and the UK, and their introduction here is supported by disability organisations.

Care at Home for Children with Disabilities

In 2010 the Centre for Health Policy and Management, at the School of Medicine in Trinity College Dublin was commissioned by the Jack and Jill Children's Foundation to analyse alternative models of care for young children with severe disabilities.

The Report, titled "There's No Place like Home" shows that the cost of caring for severely disabled children is far greater in hospital than it is at home. It estimates that the average cost to the State of keeping a child in hospital is €147,365 per annum, whereas the average cost to care for a child at home is €16,422 per annum or 88% less.

This Report shows that home care services, offered through JJF or through state homecare services, offer a much less costly alternative for both the State and families, and that it is the preferred model of service delivery for children and their parents.

Homecare enhances the health, comfort and well-being of severely disabled children and has the clear benefit of enabling child and family to live, not within the confines of a hospital, but within the home environment.

96. This "self directed" model of funding public services will be considered for other areas that currently encompass billions in public spending, including:

- Children with special needs e.g. due to autism
- Children's social services (in conjunction with front-line social workers)
- Mental health patients
- People with long-term respiratory conditions

"Contestability" and Competition among Service Providers

Greater "personalisation" of services requires greater "contestability" of service provision. We will open up delivery of public services to a range of providers.

97. We will target a big cut in the public subsidy to CIE by mandating the National Transport Regulator to open up bus routes in Dublin and elsewhere to competitive tendering from alternative providers, and by opening up the use of publicly owned bus stations to facilitate competition and user choice.

Bus Competition in London

London's bus network was opened up to competition in 2000. Bus operators compete for contracts to provide specified routes and services generally for five years. The tendering and contracting arrangements are designed to deliver value for money, balancing the expectations of passengers against the costs of improvements. Each year 15%-20% of the total bus service is re-tendered, with around half of the network subject to some level of review. 'Quality incentive' contracts ensure targets are pursued, with operators rewarded for exceeding defined targets to improve the service to passengers and penalised for poor performance.

London Buses, which operates as part of Transport for London (responsible for underground rail, light rail, buses, cycling, congestion charging etc), plans routes, specifies service levels and ensures service quality. It is also responsible for bus stations, bus stops and other support services.

This system has led to increased quality and service and significant increases in patronage - 2008/09 saw continued growth in the use of buses in London with more than 2 billion journeys in the year. In terms of kilometres travelled, bus patronage in 2008/09 was 93% higher than in 1991/92, and almost 3% higher than in 2007/08.

98. In education, we will deliver better choice, diversity and standards by asking parents who they want at the helm of their children's schools. The Ryan and Murphy Reports have highlighted the excessive concentration of the school ownership system with 92% of primary schools under Church patronage.

Too many parents find that their school preferences are frustrated by the lack of progress under the current Government in opening up our education system to new patrons. Painfully slow, secret, bilateral discussions with the Catholic Church to transfer schools to new patrons have not delivered.

Fine Gael will reform the rules on school recognition to encourage new patrons – including parent and teacher groups – to establish and run schools where there is parental and community demand for a different option of patronage.

We will survey every parent in the country to obtain their views on how they want their child to be educated, and will then accelerate negotiations with the Catholic Church to facilitate a change of patronage where there is local demand.

99. We will cut the burden on local authorities of financing waste management, in part by requiring local authorities to seek cost efficiencies through competitive tendering for all waste collection. This will end the unacceptable situation where Local Authorities act as both provider and regulator of waste collection.

G. Empowering Public Servants

Accountability for performance requires authority to make decisions. Among 26 OECD countries where comparable data is available, Ireland has the third least amount of delegation of human resource management decisions.[10] According to the OECD's 2008 Report on the Irish public service, "Ireland has a centralised HRM system with an exceptional level of ex ante controls on staff numbers, grades and compensation in comparison to other OECD countries".

Managers across the public service have, in practice, little control over staff numbers, performance incentives, working arrangements and promotion. Even Secretaries General of Government Departments currently do not have statutory responsibility for appointments and discipline of staff at and above Principal Officer level i.e. those reporting directly to them.

Fine Gael stands for a State that trusts its front-line professionals with decision-making powers for the day-to-day running of our public services. We want communities to experience a service in which more decisions are made by local public servants that are known and accessible to them, rather than by distant, unaccountable and inflexible bureaucracies like FÁS and the HSE.

Devolved Authority

As new accountability frameworks bed down, it will be possible and desirable to give public service bodies new freedoms to – in the context of strict budget ceilings – identify their own staffing needs, recruit staff, automate or outsource routine processes and adapt employment conditions to local staff and customer needs.

100. For the civil service, we will reform the Public Services Management Act to introduce real and transparent cascading roles, responsibilities and reporting lines. Secretaries General in Government Departments will have ultimate responsibility for appointments, management and discipline of staff.

[10] Government at a Glance 2009, OECD

101. Agencies across the public service will get devolved authority to set their staff levels, recruit staff, automate or outsource routine processes and adapt employment conditions to local staff and customer needs.

102. We will devolve authority to universities, and ultimately to Institutes of Technology, over investment, staffing, pay and other employment conditions.

103. High-performing organisations across the public service – such as the IDA – will earn a special designation as "Next Step Agencies" that will allow even greater freedom to improve service delivery. These could ultimately be given freedom to earn income streams, retain surpluses and invest funds.

104. In education, we will give school principals more discretion as to how the school's budget is deployed. We will encourage schools to become more innovative through greater local autonomy. This will reduce the level of administration involved for school managers and will give school leaders more flexibility with regard to the day to day running of schools.

105. In healthcare, Fine Gael's FairCare policy will transfer the governance and management of individual and networks of HSE Hospitals to Hospital Trusts. With fixed HSE budgets having been replaced by a "money follows the patient" system, each hospital will be free to determine its staff mix and to find ways to incentivise cost efficiency, effective resource utilisation, productivity and quality.

Dismantling the HSE under Fine Gael's "FairCare" Health Policy

Fine Gael published its FairCare health policy in 2009. Under FairCare, the HSE will no longer be necessary as competing health insurance companies will be responsible for contracting high quality services on behalf of their subscribers.

Health insurance companies will be required to provide a comprehensive range of services and treatments as part of the standard health insurance package and to offer the same package of insurance to every resident at the same price, irrespective of age and health status. This will be supported by State payments into a Risk Equalisation Fund, which will distribute resources to those insurance companies that take on higher risk and higher cost customers.

Hospitals will be returned to independent local control, governed by local hospital Trusts, where patients, local communities and staff have a real say in the future of their hospital. Hospitals will have much greater autonomy in how they operate, particularly in term of services delivered and staff mix, and will become more responsive to the needs of the local community.

Fine Gael will radically reform the Primary Care System to ensure more patients, particularly those with chronic illnesses, are treated safely and more appropriately by their local GP. By the end of our first term in Government, we will have a comprehensive network of new Primary Care centres to serve our communities.

The State will remain responsible for the provision and procurement of long-term "care services", including the delivery of long term care for older people, disability and mental health services and children and family services, through a dedicated Care Commissioning Authority. Clear lines of authority, responsibility and reporting will be introduced with the Minister for Health having ultimate responsibility for the delivery of services.

A streamlined Department of Health and Children will have responsibility for policy development and implementation, legislation and public health promotion as well as a key role in monitoring and evaluating the performance of health and social services.

HIQA will remain responsible for setting standards for health and social care services and for inspecting facilities to ensure these standards are met. Fine Gael will also create a Patient Safety Authority, which will subsume HIQA. Patients will have a safe place to go with their complaint, they will have someone who acts as an advocate for them and ensures that investigations take place when and where appropriate.

The Health Insurance Authority (which will be integrated into the Financial Regulator) will be reconfigured so that it can scrutinise, regulate and supervise the Private Health Insurance market and provide information to consumers about their rights, health insurance plans and benefits.

106. When the reform process is complete, the corporate HSE itself will be dismantled, as decision making and administration will be decentralised to the insurance sector and healthcare providers.

Upgrading Local Management Capability

Naturally this newly devolved power will put pressure on management skills who have become accustomed to a more rigid environment. It is essential that support be provided to help local services develop their management skills and appropriate techniques. This will require a far greater commitment by government to put resources into purposeful development of best practice.

107. A management capability review will be carried out by the new Office of Public Sector Modernisation and Expenditure Management to make recommendations on how to develop management skills across the public sector. This will develop structured protocols for managers on how to develop the application of new technology and to redeploy staff that are no longer needed.

H. Politics Taking the Lead

The first condition of successful reform is leadership and moral authority. To be legitimate, the changes must be seen to begin at the top.

Politics in particular must be seen to lead the way. Ireland has 226 members of the Oireachtas (166 in the Dail and 60 in the Seanad) – almost twice as many national politicians per person as New Zealand. The principal reason for Ireland's over-representation is its two-chamber bicameral system. In Europe, Ireland is the only small, unitary State with a second House.

New Politics and Reinventing Government

Fine Gael's 'New Politics' policy published in March 2010 will deliver the most radical change in how Irish democracy functions, since independence. Among its major changes will be:

- The abolition of Seanad Éireann;
- A reduction in the number of TDs by 20;
- A significantly strengthened Dáil committee system that holds Governments to account;
- A revolutionised process of law making that will make TDs real law-makers and not simply rubber stamps for the Government;
- The strengthening of Freedom of Information through an Open Government Bill that will reverse the restrictions placed on freedom of information by successive Fianna Fáil-led government.
- Full registration of all lobbyists to deliver full transparency;
- Reform of the presidency.

Fine Gael sees these changes are crucial to delivering a political system that wins back the confidence and respect of the people. The party also believes the changes will help ensure the mistakes made by recent Irish governments can never happen again.

Fine Gael's three core proposals, New Politics, Re-inventing Government and NewERA together are designed to bring about a revolution in how Irish politics, government and the economy operates. No Irish party has ever put as radical a set of proposals before the Irish people in the past.

108. We will create a leaner political system, recommending constitutional change to a smaller, single chamber Oireachtas that reduces the number of politicians by 35%, bringing Ireland into line with other advanced democracies. We will cut the number of Dáil deputies by 20 and ask the people to make amendments to the Constitution to abolish the Seanad.

109. We will also, within 100 days, publish and implement a new Code of Practice for the use of the Government Jet, based on the following principles:

- Cheaper commercial alternatives must always be taken where possible;
- Permission to use the jet be sanctioned directly by the Taoiseach's office;
- A Minister's Department will pay for the flight costs of a Minister;
- All journeys and their costs must be placed in the Oireachtas library on a monthly basis to encourage openness and accountability.

110. We will cut the c. €5 million per annum cost of the current provision of State cars to current and former State officials through the introduction of a Government Car Service Pool arrangement, taking into account security issues.

111. Fairness requires that there must be stricter salary limits at the top echelons of the public sector. We will introduce a strict salary limit of €200k for all public sector bodies or State companies.

112. In addition to the existing public service pension reforms being planned by the current Government, we will set a new, reasonable cap on tax-subsidised pension entitlements across the public and private sectors. The days of public servants retiring on pensions that most citizens can only dream of are over. This will be set out in detail in a later Fine Gael policy document on pension reform.

Appendix 1—List of Quangos to be abolished

Department of State	Reduction in State Bodies
Department of Agriculture, Fisheries and Food	
Merge Coillte and Bord na Mona into Bio Energy Ireland	1
Department of Communications, Energy and Natural Resources	
Merge ESB Networks and Eirgrid into Smart Grid	1
Merge the Commission for Communications Regulation (ComReg) and the Commission for Energy Regulation (CER) into a new Commission for Competition and Utilities Regulation	1
Merge Ordinance Survey Ireland and the Property Registration Authorithy	1
Department of Community, Equality and Gaeltacht Affairs	
Discontinuation of Dormant Accounts Fund Board	1
Department of Defence	
Closure of Sail Training Scheme	1
Department of Education and Skills	
Merge the Higher Education Authorithy into the Department (research funding to go to SFI)	1
Absorb National Education Welfare Board into the Department	1
Rationalise Vocational Education Committees from 33 to 20	13
Merge the State Examinations Commission into the Department	1
Department of Enterprise, Trade and Innovation	
Merge Forfás into the Department	1
Merge the Health and Safety Authority and the new National Employment Rights Authority into the Business Inspection and Licensing Authority (BILA)	1
Merge the functions of the Registrar of Friendly Societies and Companies Registration Office and secure additional efficiencies	1
Merge the Competition Authority and National Consumer Agency (NCA) into the new Commission for Competition and Utilities Regulation	2

Appendix 1—List of Quangos to be abolished (continued)

Department of Environment, Heritage and Local Government	
Merge Pobal into Local Authority Structure	1
Merge Dublin Docklands Development Authority into Dublin City Council	1
Merge Temple Bar Cultural Trust into Dublin City Council	1
Abolish County and City Development Boards	34
Merge City and County Enterprise Boards into Local Authorities	35
Abolish Regional Authorities	8
Merge the Limerick Northside and Southside regeneration agencies into a single agency	1
Merge Building Regulations Advisory Body into parent Department	1
Merge the Designated Areas Appeals Advisory Board into the Environmental Protection Agency	1
Merge Local Government Computer Services Board and Local Government Management Board	1
Merge Rent Tribunal and the Private Residential Tenancies Board (PRTB)	1
Abolish Housing and Sustainable Communities Agency	1
Department of Finance	
Merge Local Government Audit Service with aegis of Comptroller & Auditor General	1
Amalgamate ombudsmen/regulators into the Office of the Ombudsman (Office of Ombudsman/Information Commissioner, the Children's Ombudsman, Office of Data Protection Commissioner, and Office of the Commission for Public Service Appointments)	4
Merge Review Body on Higher Remuneration and the Public Service Benchmarking Body	1
Merge the National Development Finance Agency and the Office of Public Works into the Office of Government Procurement and Property (OGPP)	1
Department of Health and Children	
Merge the Health Research Board into Science Foundation Ireland	1
Absorb Health Insurance Authority (HIA) into Irish Financial Services Regulatory Authority (IFSRA)	1

Appendix 1—List of Quangos to be abolished (continued)

Department of Justice and Law Reform	
Abolish all Prison Visiting Committees.	15
Merge Censorship of Publications Board and Office of Film Censor and Irish Film Classification Office into single Censorship Office.	1
Merge Censorship of Publications Appeals Board and Censorship of Films Appeal Board into single Censorship Appeals Office.	1
Abolish Prisons Authority Interim Board	1
Abolish the Irish Legal Terms Advisory Committee	1
Abolish the National Crime Council	1
Department of Social Protection	
Merge Pensions Ombudsman with the Financial Services Ombudsman	1
Merge Pensions Board into the Financial Regulator	1
Department of Transport	
Merge National Roads Authority and Railway Procurement Agency	1
Merge the Commission for Aviation Regulation into the National Transport Authority	1
Total	**145**

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