

1. Have the correct strategic risks been identified or are there other significant risks that should be included?

a) **Rising mortgage repayments** due to interest rate increases caused by inflation and other factors. There is a possibility of price inflation happening throughout the world due to trade wars and oil producing countries upping prices to fund defence programmes. People will seek more credit to cope with rising prices so banks (and the ECB) will raise interest rates. How well would average mortgage holders in this country cope with a 2 - 5% interest hike? Yes, it is currently unthinkable that such an increase could occur. But if we prepare for

such an eventuality we will better future proof the housing market against shocks of any kind.

➔To protect the housing market there is a need for **tax policies to encourage affordable rents and house prices**. Consider introducing specific and

banded taxes that apply solely to rental incomes - as distinct from any other type of income. The HAP rent limits should be used as a guide with the aim of bringing average rental prices in line with the limits for that area. LPT bands and rates should also be changed to encourage stable house prices.

For example what if single property (resident) owners of properties worth $\leq 200,000$ in Rent Pressure Zones (as these areas are already identified as areas of high demand for housing), or resident-owners of properties worth less than $\leq 100,000$ in other areas were exempt from paying LPT? Long-term this might have a stabilising effect on house prices.

➔**Devise a plan for another widespread shock to the housing market now**

so that the banks, before getting any state aid or guarantees, will be forced to restructure mortgages so that they remain affordable. People who only own one property (in which they are resident) shouldn't have to prove they are deserving of a restructured mortgage in such an event. The banks will need to pay their part in the next crisis. The state cannot afford to both bail out the banks and fund (crisis) social housing - again.

b) **The commercial planning process needs to be changed** to ensure that businesses are encouraged to invest and grow in Ireland. Apple dropping its plans to build a data-centre here due to delays and obstacles in the planning process represents a huge blow to our reputation as a base for business in Europe. If there is going to be greater tax harmonisation across countries Ireland needs to ensure that we offer more than a highly skilled and highly productive workforce.

➔One of the problems with the current system appears to be that people or groups can continue to mount appeal after appeal. It's not at all obvious how this can be overcome. Perhaps if there was more informed public debate at the early stages it might help. Or perhaps if the initial stage of the process served as a robust challenge to the company's proposed development that, combined with public consultation, must be approved by an independent body of engineers and environmental scientists. If the company was able to show to the satisfaction of the independent body that it could resolve or sufficiently mitigate any risks identified, then it should not be possible to mount a challenge to planning approval unless new evidence is found which can convince the independent body that there is a new serious risk or there was an error in the assessment of a previous risk or if it is shown that the company's development deviates significantly from what they originally proposed.

➔Let corporations see the value of the taxes they pay. Why does everybody

hate paying taxes? Because it can feel like the money is taken from you and thrown down a sink-hole of inefficient public spending. This is as true for businesses as it is for individuals. One way to make paying the true rate of tax a more desirable prospect would be to earmark a significant percentage of the corporate tax rate to fund infrastructure projects identified as necessary for our economy as a whole. Each year identify the top infrastructure projects required/desired in the state. The following year let companies know how much their taxes contributed to the infrastructure projects. They may choose to use this information to publicise how their business is helping Ireland. They might even view it as a marketing coup - but even better it would make it clear to the world that we are collecting taxes in full and using them in a pro-business way.

c) **Many workplace pensions are tied to investments in stocks and shares.** In a volatile world is it really right for workers to rely on the future economic prosperity of businesses that they have no connection to or even any awareness of what they do? When the global financial crash hit at the end of 2008 people who had private or workplace pensions which matured at that time suffered a great loss in the value of their investments. It is recognised that our population is ageing and that people need to save to protect their lifestyle as they age. Many of the larger workplaces do offer pension plans to workers but many of these plans consist of a portfolio of investments in different companies throughout the world. Is this really wise? Would it be better to offer a government backed saving scheme? Intuitively that sounds like a more expensive option for the state - but if we are going to see increasingly volatile markets, which could mean people's pensions are worth very little at the end of the day, then ultimately the state is still going to end up having to provide for this ageing (and unexpectedly less well-off) population.

People are free to invest in any ventures they see fit, and they accept that the value of their investment may fall as well as rise. But when a worker invests in a pension scheme at their workplace, regardless of what the financial advisor says, they expect it to be a more reliable than a typical investment portfolio. They view it as savings into which they and the employer both contribute. Maybe it would be better it was savings and not an investment, which the government added interest to every year.

2. Should any particular risks be prioritised in light of their significance?

a) I appreciate that housing is identified as a serious risk for our economy in the report. But **the high cost of accommodation in Ireland is not simply a matter of a low supply.** The policies of the current and previous governments have contributed significantly to the high price of renting and buying accommodation. Ensuring affordable quality housing for everyone should be a priority for the government and our nation as a whole. Tax policies that have the aim of keeping rents and house prices at a certain level will help (greatly) but also as a nation we need to view all housing as something more permanent. For example the notion of "starter homes" is not good for the housing market because it encourages a belief that what matters is getting your foot on the property ladder not buying a quality house in a community you want to be part of and contribute to. The acceptance of a "starter home" is really an acceptance of lower housing standards and throw-away communities. To bring about this change in attitudes we need the option of an affordable long-term secure rented accommodation. Moreover if we do not reduce the

cost of renting in our cities we risk dissuading skilled workers from migrating here and incentivising skilled Irish workers to emigrate. And, as was identified in the draft NRA, the rising costs of living here are an impediment to our competitiveness. Increasing the supply of housing alone will not fix the high cost of housing. We need tax policies that encourage prices to be set around a targeted level.

3. Are any of the risks listed not significant enough to warrant inclusion?

None that I could see.