2010-07-27

# Sign of Times as "Cutbacks Launch" Proves Decidely Low Key

Irish Times

News

# Sign of times as 'cutbacks launch' proves decidedly low key

Tue, Jul 27, 2010, 01:00

**ANALYSIS:**No glitz or glamour this time, just further delays for services such as mental health, writes **HARRY McGEE,**Political Correspondent

THE LAUNCH of the Government's revised seven-year capital programme yesterday provided a marked contrast to the plan it is replacing, the National Development Plan 2007 to 2013.

For the 2007 launch, there was a slick promotional video; expensive and glossy promotional material, and the entire Cabinet was present in Dublin Castle.

The list of capital projects was staggering as was the amount of money involved. Some €75 billion (over €10 billion a year) would be spend over seven years on an Aladdin's cave of projects.

Yesterday's affair took place in the dramatic setting of the all-glass fifth floor of the new national convention centre in Dublin's docklands with its spectacular views of the Liffey. But the launch itself was decidedly subdued.

Only three Government members were present: Taoiseach Brian Cowen, Minister for Finance Brian Lenihan and Green Party leade John Gormley. While they stressed the stimulus and job-creating aspects of the programme, there was clear acceptance that this is a dramatic scale-back.

The budgets for roads are substantially down as is the budget for housing. In a dramatic policy shift, the State will not buy or construct local authority housing in the near future. Instead, it will target the excess housing stock – including the many ghost estate – with a view to leasing them for local authority tenants or for social housing.

As a succession of opposition spokespeople pointed out yesterday, this was a cutbacks launch rather than a spending launch. The €39 billion is less than 40 per cent of the €75 billion announced in the NDP. The 2007 programme envisaged some €10.5 billion spending in 2011 on capital projects. Under this revised programme, capital spending next year will be slashed to €5.5 billion.

Such a precipitous fall must mean projects being jettisoned and Government departments losing out. Mr Cowen insisted that many projects would proceed as planned.

These include the two major underground projects for Dublin – Metro North and the Dart interconnector – as well as the Grangegorman campus for DIT. Other winners include water services; energy; innovation, RD, and enterprise; the latter which will see a doubling in its budget.

What has lost out? Well it's clear that roads and housing will see the biggest fall in budgets. As for roads, after more than a decade of being at the heart of the capital programme, they have been downgraded. With the major motorways now completed, it is clear that other medium-term road projects from Transport 21 are being long-fingered. The Navan railway, the Western Rail Corridor have been put on the back-burner, giving rise to charges of an anti-rural bias.

Both education and health will be left in comparative stand-still situations on building and capital projects despite both sectors facing increasing pressures. The programme accepts that an increase in the birth rate will exert further pressure on the stock of schools bu contends that falling tender prices may help to meet increased demand.

In strictly departmental terms, the Department of Enterprise has gained the most, and will benefit from a doubling of capital funding with more money being made available for IDA Ireland and Enterprise Ireland.

Similarly, there is a moderate reduction in the allocation for health, with major capital projects more dependent on falling tender prices. In essence, it means that long-promised improvements in non-acute services like mental health and childcare will have to wai . . . once again.