

# Coalition government: programme and property development



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Everything is interconnected and especially property development is an activity which is a practical intersection of many areas of economic and social life. Property developers are not only constructors and therefore also significant participants in the sustainable development process and its “sub-area“ of sustainable construction. They are owners and entrepreneurs, at the same time employers; the future conditions in the public tenders sector should apply to them too, within the PPP projects. Like others, they also pay taxes; in addition they are more or less dependent on what taxes and how much the others, ie. their potential customers, pay. Furthermore, the state of public finances is projected into their practice, which is incidentally one of the key points of the Czech government agenda. This is why our “digest“ seems broader at first sight from factual viewpoint and it does not relate directly only to property development activities. We therefore quote passages of the agreement, for example government intentions towards the church. It is the owner of a number of plots blocked for construction today, for the property rights preparation of many development projects, the organization and settlement of the relationship church - state is also a significant factor in the future development.

The relevant paragraphs of the coalition agreement are quoted according to the original (ie. wording published by the Czech News Agency). This is of significant importance mainly from the point of view where the paragraph is a firm and indisputable obligation of the coalition or only an intention or even only a possibility of considering a topic or a problem.

Let us hope that the government, with their reliable voting majority, will succeed in realizing their intentions, at least in 90 %. This will not be easy - already the first steps of the ministers Vondra and Bárta indicate the new government line-up plan to start the fight with the carcinogenic pestilence of the Czech economic life with gloves off. Let us hope that the so far mainly rhetorical heroism will also have tangible results.

\*As politicians take decisions on taxes and public funds, they should also be held directly liable for the way they are managed. The Government will therefore push through a constitutional law on budgetary discipline and accountability - a financial constitution forging safeguards and applying the brakes to profligate budgetary policy.

- Assuming the economy will grow, by 2016 we will achieve balanced public budgets; by 2013, the

government deficit will be no more than 3 % of GDP.

- We will halve the government subsidization of building saving schemes for all existing and new contracts. Under new contracts, we will restrict the use of funds for housing.
- With regard to income tax, we will abolish most of the existing tax exemptions with the exception of support of science, research and families with children, responsibility towards the weak and the needy, housing and responsibility for one's own education and old age.
- The Government will conduct an analysis of possible tax amnesty on budget revenue based on experience in countries where it has been implemented.
- The Government is reluctant to increase personal income tax progression. Nevertheless, it is determined to eliminate degressivity above social and healthcare contribution ceilings by 2012 in connection with pension reform and the new Income Tax act.
- In the fight against tax evasion, we will lengthen the period available for the re-assessment of tax from the current three to five years.
- We will conduct a comprehensive reform of the Labour Act. In this respect, we will shorten the notice period and grade severance pay according to the number of years an employee has worked for the employer.
- The Government will grant social insurance relief of CZK 7,200 per year for each part-time worker who is a parent of children under 6 years of age, is disabled, or is a carer for a disabled person. We will also make work by agreement more advantageous, we will make fixed-term contracts less stringent, we will make working hours more flexible and we will support alternative employment models.
- The Government will support construction of starting flats for young families in the form of a faster depreciation of price-limited compact flats intended as rental housing. As such, we will increase mobility of the workforce.
- We will submit a law on lobbying aimed at enhancing the transparency of the relationship between politicians and officials and on the one hand and bodies specializing in lobbying on the other. This law will include definitions of lobbying, lobbying contact and lobbyists and the mandatory registration of lobbyists. The register of lobbyists will be accessible on the Internet, and penalties will be set for failure to comply with the conditions laid down by the law.
- We will propose the establishment of a central register of notifications under the Conflict of Interest Act in order to facilitate public access to this information through the Data Box Information system on a form to be published by the Ministry of Interior on the Internet.
- We will arrange publication of a guide for those who encounter a corrupt offer and are interested in cooperating in the detection of such crime with law enforcement agencies, including the protection of the notifier.
- We will submit an amendment to the Criminal Code tightening the penalties for corruption among officials (disqualification, forfeiture of property).
- We will propose an amendment to the Public Procurement Act enshrining the following principles in particular: only entities sufficiently demonstrating their full ownership structure and/or control structure will be allowed to participate in public procurement. All information on public contracts must be recorded and archived in electronic form so that it can be published on the Internet, including tender documents, contracts and addenda thereto, invoices issued, the name of the contracting authority and committee members. Contractual arrangements under the Public Procurement Act will not be subject to commercial confidentiality. We will reduce the thresholds for compulsory public procurement to CZK 1 million and CZK 3 million. The composition of selection committee will be determined by lot. We will prevent entities violating the law from participating in public procurement. We will avoid restrictive qualification requirements.
- We will conduct a detailed analysis of court agendas in order to strengthen the principle of mediation in the resolving of legal disputes, reduce unnecessary court administration and, in certain cases, remove the decision-making powers of the court, e.g. by transferring such powers to another state or non-state body or entity. We will also propose an amendment to the rules on the use of arbitration rules.
- We will submit a proposal for necessary legislation and will begin implementing the project for an

electronic Collection of Laws, which, with a state guarantee, will publish valid and effective law in the Czech Republic for users of legislation in electronic form without any barriers.

- We will submit a bill on the administrative and criminal liability of legal entities, which is a precondition for ratification of the Convention against Corruption.
- We will submit a new Civil Code.
- We will submit a new law on companies and cooperatives.
- The Government aims to reach a settlement between the state and churches and religious societies as soon as possible so that certain injustices can be remedied and so that churches and religious societies can perform their functions independently of the state.
- The Government will submit a new heritage law providing a simpler, yet effective, transparent, predictable and professionally guaranteed way to protect monument, irrespective of their ownership.
- The Coalition is committed to the idea of sustainable development, entailing the harmonious interaction of economic development, social justice and concern for the quality of life with care for nature and natural resources. It stresses the need to preserve current natural and cultural values at their present levels, even in these economically challenging circumstances. The Coalition views environmental measures not as a hindrance, but as the opportunity for economic development.
- The biggest current environmental problem of the Czech Republic is air quality, particularly air pollution caused by small dust particles, which poses a risk to human health. For the Coalition, reducing this burden is a priority. It will therefore promote energy saving and efficient energy management in manufacturing, distribution and consumption, whether in terms of efficient modern production technology, effectively insulated buildings, the construction of low-energy building or efficient appliances.
- The Coalition will strive for efficient environmental governance, a reduction in the administrative burden placed on citizens and businesses, and the computerization of state administration agendas.
- The Coalition will introduce programmes for the construction of sewage treatment plants and sewerage systems in small villages, as well as for the further building of flood control measures, dry polders, etc. It will immediately begin preparations for the third stage of flood control measures.
- The Coalition will find a solution to round off agricultural restitution, and will prepare a legislative procedure to make land accessible to owners and to settle the rights of landowners and tenants. The Coalition will support the accelerated sale of state land to the farmers who farm on it in order to achieve greater stability in the sector.
- We will take steps to relieve suppliers who are VAT payers and whose supplies of goods or services are not paid for a long time. In these cases, the VAT paid by the suppliers will be refunded. These steps are in line with current EU regulations; at the same time, we will take legislative measures to avoid the possibility of abuse. We will make efforts to change the VAT system within the EU so that VAT is paid only after payment of invoice.
- Invoices will be payable within 30 days. The state will lead the way by example. We will push for legislation ensuring that invoices billed to the public sector (the central government, regions and municipalities) are payable within 30 days, except for the utilization of European funds, where the maturity cannot be altered by the Czech Republic.
- The histories of contracts, including the tender documents, the weights of the decision, the course of the selection process, committee members, the contracts concluded, contractual performance, and billing, will be published on the Internet. Members of selection committee for large-scale contracts will be chosen by lot.