

**Platform of the Coalition Government formed by the
Independence Party, the Reform Party and
Bright Future**

10 January 2017

Introduction

Balance and foresight are the guiding principles of the government of the Independence Party, the Reform Party and Bright Future. Iceland should be a preferable option for all those who wish to take part in the future structuring of Icelandic society. Human rights, equal opportunities, diversity, freedom and responsibility, as well as respect for different views of life, are a strong basis for this.

Iceland's competitiveness must be strengthened. The government will promote the development of social infrastructure, transportation, health and education, and a dynamic and competitive economy that will benefit people all over the country. A prerequisite for progress towards improved living standards is economic stability so that the country's resources and its current economic recovery will also benefit future generations.

The government will prioritise health issues. Emphasis will be placed on all inhabitants having access to good health care regardless of financial situation and residence.

Economic diversity will be increased through investments or other incentives for creative industries, green industry, such as environmentally friendly technological development and manufacturing, intellectual property and knowledge-intensive industries and increased research and development activity.

The nation's prosperity and development of the knowledge society depends on a strong educational system that offers varied programmes and supports the economy.

The government supports wide-ranging agreement in the labour market, responsibility in state finances and stability in the exchange rate policy and monetary matters. It is necessary to economise in public finances and establish focused and transparent working procedures for public policy-making and administration.

Work will be undertaken to build trust in the fundamental institutions of society, including Althingi and the court system. Care must be taken in the legislative process that representatives of different points of view have enough time to present their views. The appearance of and access to the administration will be improved, decisive steps will be taken to open up the state's accounting, and the information obligation of public entities to the public will be strengthened. The government will in all its activities adhere to good governance practices and administrative clarity.

Health Issues

Good and safe health care services regardless of financial situation or social position will be a priority of the government. A health policy will be formulated that coordinates and strengthens health care services, improves public health and promotes overall health of the people.

The reduction of the participation of private individuals in the costs of health care services will be pursued. The building of a new National University Hospital of Iceland will be accelerated to the extent possible with the treatment centre completed in 2023. Access to specialist services shall be improved in rural areas, e.g. by strengthening remote health services.

The position of health care clinics as the first stop for patients will be strengthened. Access to mental health services will be increased, e.g. with the provision of psychological services at health care clinics and in secondary schools. Support will be increased for children of parents with mental health issues and psychological services will be brought under the insurance scheme in stages.

A special effort will be launched to shorten the waiting period for services in the health care system.

Policy-making and planning by the authorities will take into account the impacts on the health and well-being of the public. Direct and indirect future costs for society as a whole shall be reduced by emphasising work focused on prevention and public health.

Increased efforts will be made towards the development of geriatric services, especially residential care and nursing homes. Work will be undertaken to increase the number of spaces in day rehabilitation for the elderly and to shorten waiting periods.

Social Security

It is to be ensured that anyone who suffers a reduction in work capacity due to illness or accident will have the opportunity to pursue vocational rehabilitation once medical treatment and rehabilitation is completed, with the goal of increasing quality of life and participation in the community. A work capacity assessment will be adopted and the disability pension system thus made more flexible to encourage participation in the labour market. Effort will be made to increase the independence of people with disabilities, both as regards labour participation and transportation. The government will resolutely support the introduction of the United Nations Convention on the Rights of Persons with Disabilities.

User-controlled personal assistance (NPS) will be passed into law as one of the forms of service for people with disabilities, in agreement with local governments. At all times, an effort shall be made to give people with disabilities the choice to direct their own services.

The retirement age will be raised in stages. Through the adoption of flexible retirement as a principle, the elderly will be able to utilise their work capacity and experience. The tax-free level for income earned by recipients of old-age pension will be raised.

Equality and Family

Equality in a wide sense is an integral part of a just and fair society. Labour market equality is a large part thereof. In order to fight gender-based wage discrimination, any company with 25 or more employees will be required to implement an annual equal salary certification.

No effort will be spared to ensure that services for children, adolescents and families are always as good as can be and that Icelandic society is child-friendly. Society should support different household types and encourage parents who do not live together to raise their children amicably. The right of children to be registered as having a split residence should be ensured, and the position of parents with visiting rights and parents with which the child resides should be equalised.

The maximum parental leave payments need to be raised in steady steps during the electoral term.

Education

A solid education, regardless of financial situation, is an important prerequisite for each and every individual being able to reach their full potential. The educational system plays a key role in preparing citizens for participation in a democratic society and knowledge, culture, arts, innovation and science are crucial in the development of the economy and raising the quality of life. The government will endeavour to strengthen all levels of education.

The universities shall be supported in maintaining high standards and upholding competitiveness at international standards, at the same time as cooperation and coordination between Icelandic universities and scientific institutions will be increased. The mathematical models of the educational system need to be revised with regard to cost differences and a diverse student body.

The needs of primary and secondary schools must be taken into consideration so that an emphasis can be placed on the teaching of creative subjects, computer programming, design and vocational training, along with a push in traditional subjects. Distance teaching

will be developed further to meet the different demands and circumstances of students. Increased support is necessary in regard to the teaching of native languages to bilingual students, in parallel with the teaching of Icelandic as a second language.

Equality and freedom of choice must be ensured for students by e.g. supporting diverse forms of operations and enable schools to utilise technological innovations. Opportunities shall be increased for older students to finish their secondary school education who have not finished it within traditional time limits. This entails joint benefits for the individual as well as society as a whole as opportunities for empowerment and welfare are created.

A scholarship system based on the Nordic model will be adopted and lending from the Student Loan Fund will be based on full cost of living support and incentives for academic progress. The social role of the Fund will be taken under consideration.

It is necessary to strengthen teacher training to respond to falling numbers of teachers and fewer applications for teacher training programmes at the pre-primary as well as the primary and secondary level.

Decisive steps must be taken to guarantee children places in pre-schools or at daycare when parental leave ends, through a common effort by the state and the municipalities.

Culture

Culture and the creative industries are continually becoming a more important part of the economy and the creation of value in Icelandic society. The government will strive to build a quality framework for the creative industries and a good working environment. Ample support will be provided to research and development and the role of competitive funds expanded to encompass research in the creative industries. Legislation needs to be reviewed in conformity with developments in technology, equipment, copying and distribution of copyrighted materials.

The Icelandic cultural heritage must be fostered and also the opportunities to participate in a creative environment, and emphasis will be placed on bringing culture to as many as possible regardless of their financial situation or place of residence.

The Icelandic linguistic area is small and support is therefore vital. The language technology project will be continued in collaboration with academia and industry. The state will increasingly move the publication of educational materials to independent publishers who serve an important cultural role through diverse publishing activities.

Sports and youth activity must be fostered, since their contribution to public health, risk prevention and general well-being of the population is of great value. The diligent support of Icelandic high-level athletes is important.

Law and Order

Law enforcement shall be enhanced with a special emphasis to the strain nationwide on account of the increased number of tourists, and border control shall be strengthened. The capacity of the police and the prosecuting authority to respond to sexual offences and domestic violence shall be strengthened. Emphasis will be placed on the implementation of the action plan for improved procedures for handling sexual offences and it shall be proposed to Althingi that digital sexual violence be defined in the penal code. The victims of human trafficking shall be given adequate legal protection and support. To reduce prison return rates, the focus shall be on betterment in policy development in this policy area.

Immigrants and Aliens

A multicultural society contains human capital and diverse experiences that are conducive to enriching individual interactions. It will be made easier for immigrants to become full and active participants in Icelandic society.

Great care will be exercised in the regular reception of quota refugees with the goal of accepting more refugees. All the while, funding will continue to be ensured for emergency assistance organised by international institutions.

The implementation of the new Act on Foreigners must be supported in order to ensure its efficacy in relation to the relevant institutions and services. Humanitarian concerns shall govern the handling of applications for international protection, in accordance with obligations resulting from the UN Refugee Convention, and processing times shortened without compromising the quality of the procedure.

The granting of work permits to people from outside the European Economic Area shall be simplified. The education of immigrants to Iceland shall be recognised in a fair manner and it shall be ensured that conditions in Iceland continue to render the country attractive.

Economic Matters and Stability

Through restraint in public expenditure, the sale of properties that came under Treasury ownership following the banking collapse, and by reducing the national debt there will be continuing support of strong state finances. Emphasis shall be placed on an open and transparent process for the sale of assets.

The state shall make better use of common public procurement to reduce spending. Timed objectives shall be set for better management and increased productivity in the public sector. The goal is for all permanent expenditure decisions to fit within the economic cycle. The long-term goal is for that the net public debt will be nil within ten years.

A stability fund shall be established to manage dividends from energy resources owned by the Treasury, ensuring that future generations have a share in the profits from common resources, and which may act countercyclical for the economy.

Labour market stability is an important prerequisite for economic balance and growth. A single labour market with equalised pension rights and other general rights is a key factor in bringing about increased transparency in labour market. The government will support the social partners in further reforms of the Icelandic labour market model, based on the Nordic model that have been drafted in the so-called SALEK-agreement.

Taxation

The function of the taxation system as a revenue generating instrument for common expenses will be strengthened and tax enforcement enhanced. Tax avoidance, including low-tax areas, will be systematically combated. A fair tax environment reduces the need for incentives and breaks from public fees to increase the international competitiveness of companies.

Special account needs to be taken of the tax environment of own-account workers and small and medium-sized enterprises with simplification and a reduction of the payroll tax in mind.

A unified system needs to be established for green taxes that impose fair duties on polluting activities and also create incentives to reduce emissions and for other countermeasures. To this end, work will continue on the execution of taxes on vehicles and fuel.

The Future of the Banking System

In the long term, it is not ideal for the state for control a majority in commercial banks. Therefore, it is important to reduce the state's ownership in small steps and with widespread agreement. Emphasis will be placed on an open and transparent process in which special care will be taken to ensure as much dispersion of ownership as possible. With that in view, the goal shall be for the public to be able to receive a particular share free of charge.

Fisheries

The current fisheries management system has yielded great macroeconomic benefits. A great deal of streamlining has taken place in the fisheries sector and the development of

sustainability of fisheries in the Icelandic fishing grounds has been successful. The safety of seamen has also increased considerably.

The government considers that the benefits of the catch quota system are important for continuing creation of value in the fisheries industry. Instead of allocation with no time-limits, the benefits of basing the system on long-term agreements shall be looked into and at the same time the possible choices shall be looked into, e.g. market-linking, a special profit-based fee or other methods to better ensure that the payments for access to this common resource will be proportional to the outcome of the fishing effort. The long-term security of operations in the sector and the stability of the settlements must be ensured.

Agriculture

Emphasis shall continue to be placed on the production of wholesome local products by a environmentally sound and competitive agricultural sector. Animal welfare shall be a guiding principle. Effective oversight of animals and the manufacturing of food products shall be ensured, as well as consumer protection.

The Agricultural Agreement and the Act on Agricultural Products shall place emphasis on increased productivity, the interests and freedom of choice of consumers and farmers, and on a diverse product range. The competitive position of Icelandic agriculture with regard to the country's geographical location, weather conditions and limitations of agricultural land shall also be taken into consideration. Clean agriculture, with regard to produce and environment, and less release of carbon will, along with the aforementioned factors, be the guiding light of the government's agricultural policy. Emphasis must be placed on not decreasing efficiency and to continue to support the equal standing of farmers as much as possible.

The revision of the Agricultural Agreement will be the basis for a new agreement with farmers which is expected to be finalised no later than 2019. The government will encourage the increase of more general support, e.g. for growing crops, investment, innovation, environmental protection and new farmers, while decreasing support for specific agricultural sub-sectors. The allocation of import quotas must be revised and the premise for the dairy industry's derogations from competition law must be analysed and suitable amendments made.

Tourism

The importance of tourism as an industry shall be reflected in the administration's tasks and its long-term policy-making. In the years to come, an emphasis will be placed on projects that will be conducive to harmonised management of tourism affairs, research and reliable gathering of data, the increased profitability of the sector, the dispersal of tourists all over the country, and sensible levying of fees, e.g. through parking fees.

Innovation and Development

Ample support will be provided to research and development and the role of competitive funds expanded to encompass research in the creative industries. Ways will be sought to increase access to growth capital for innovative and creative ventures, as well as access to foreign markets and necessary foreign expert knowledge. Thus, support will be given to powerful research and development activities and Iceland's competitiveness will be improved.

Environment and Natural Resources

The use of resources on land and at sea should always be balanced so that future generations can enjoy the same level of quality as those now living. The government stresses that companies in Iceland should enjoy conditions that will give them an opportunity to exercise diverse and environmentally sound commercial operations.

The allocation of rights of usage for public resources shall be transparent. The rights of individuals to ownership and usage shall not be impinged upon unless there is a pressing public interest for doing so. A framework programme for the protection and exploitation of natural areas will be presented to Althingi for adoption, as a prescient and professional agreement between different points of view on exploitation and protection. A special plan shall be made for the protection of the central highlands. There will be no new privileged investment agreements for the building of polluting large scale industry. An ownership policy will be developed for the National Power Company of Iceland where, inter alia, the aim will be to maximise the value of the energy and for the company to work in harmony and acceptance with Icelandic nature and the people.

A climate action plan will be made in accordance with the Paris Agreement. The plan shall, i.e., include green incentives, forestry, land reclamation and energy exchange in transportation. Efforts will be made to strengthen the green economy.

Transport

There has been a considerable increased strain on the transport system in recent years, especially due to the increased level of tourism. In light of this, more effort will be put into the development of transport in all areas. A good transport system is a key element in improving living conditions and increasing employment opportunities all over the country.

Emphasis will be placed on improving road safety and supporting efficient and easy mobility throughout the country by making use of the diversity and possibilities offered by the transport system as a whole. As a result, the transport system can better serve all the people as well as better enable the aim of dispersing tourists more widely over the country

and to strengthen and support job creation in as many places as possible. More diverse ways will be sought to finance the transport system, i.a. through pooled funding when that is feasible. There will be emphasis on good cooperation with municipalities all over the country in the building of transport infrastructure suitable to the needs of the inhabitants. The possibility of cooperation with the municipalities in the capital area in building a „City Line“ will be explored.

The government will apply itself to solving the decades-long disagreement over the future of Reykjavik Airport by instigating formal talks between the transport administrations, the health authorities, the City of Reykjavik, other municipalities and interested parties. A decision will be made regarding the available options following an assessment, and the infrastructures of local flights and emergency medical flights thus permanently ensured.

Regional Issues

The government emphasises concrete actions to strengthen regional development all over the country. Heating costs are burdensome in areas without geothermal heating systems. The levelling of living conditions in light of public utilities like electrical energy and telecommunications is an important factor in a constantly developing regional policy. Regular reviews will be made, in cooperation with the municipalities, of the nation's access to services, i.a. with a view to levelling the costs of legally mandated basic services for the inhabitants. A special capital policy will be developed in cooperation with the City of Reykjavik and other municipalities.

The democratic participation of the inhabitants will be strengthened, inter alia through action plans for the regions. The project for laying optical fibre cables all over the country shall be finalised during the electoral period and an effort will be made to increase availability of jobs in weaker areas through better telecommunications connections.

Exchange Rate and Monetary Issues

Efforts will be made to decrease the high level of fluctuations in the exchange rate of the Icelandic krona. Such fluctuations cause instability and are one of the reasons why interest rates are generally higher in Iceland than in other countries.

The prerequisites of Iceland's monetary and currency policy will be reviewed, i.a. in light of changes that have taken place in the country's economic situation through the massive advance of tourism and fast-growing foreign-exchange reserve. A Committee of Ministers will consult with the parliamentary parties and work closely with the Central Bank of Iceland, social partners and outside specialists, when applicable through the platform of the Economic Council. The work will be based on the findings of a report by the Central Bank of Iceland from 2012 on Iceland's options regarding the currency and exchange rates. This

included an assessment of the implementation of the inflation target, a currency board, a fixed exchange rate policy and various other options. The result of this work shall be made available during the first year of the electoral period.

The lifting of the restrictions on capital controls goes hand in hand with the more robust and healthy economic situation of the country. One of the government's priority objectives is to continue purposefully with the furthering of the programme for the lifting of capital controls.

Foreign Affairs

The pillars of Iceland's foreign policy are cooperation with other western states, European and Nordic cooperation, membership in the United Nations and NATO, the Defence Agreement between Iceland and the United States of America, and cooperation in the field of peace and security, in accordance with the newly adopted National Security Policy. Partnership in the Arctic region must be carefully considered, especially within the Arctic Council. Continuing emphasis will be put on the liberalisation of trade and international cooperation in the fields of security and development.

The government will base its cooperation with the European Union on the Agreement of the European Economic Area. Developments in the European Union must be closely monitored in the coming years and Iceland's interests must be safeguarded in every way with a view to the situation at any given time. Special attention must be paid to the possible exit of the United Kingdom from the Union.

Althingi shall closely monitor the developments in Europe and strengthen the ties with counterparts in other European states.

The government parties agree that should the subject of a referendum on accession negotiations with the European Union be brought up in Althingi, the issue shall be brought to a vote and finalised towards the end of the legislative period. The government parties may have different opinions on this matter and will respect each other's views.

The Constitution

A review of the Icelandic constitution shall be undertaken on the basis of the wide-ranging work that has taken place in recent years. The government will invite all parliamentary parties to nominate a representative for a parliamentary review committee that will collaborate with the most skilled specialists in the field of constitutional systems, in order to reach the best possible agreement on a proposal for amendments that shall be put forward no later than 2019.

It is an important goal that all amendment proposals should be widely presented and discussed before they are submitted in Althingi and they should be given a thorough

parliamentary handling, in open meetings as the case may be. Changes to the division of constituencies shall be considered in view of the experiences gained from the most recent changes in this regard. Alongside this work, the electoral law shall be reviewed with a view to simplifying it and increasing equality in the balance of votes.