



**Tithe an  
Oireachtais  
Houses of the  
Oireachtas**

**Tithe an Oireachtas**

**An Coiste um Fhormhaoirsiú Buiséid**

**Grinnscrúdú Ex-Post ar Bhuiséad 2018:**

**Dleacht Stampa Tráchtála**

**Aibreán 2018**

---

**Houses of the Oireachtas**

**Committee on Budgetary Oversight**

**Report on Ex-Post Scrutiny of Budget 2018:**

**Commercial Stamp Duty**

**April 2018**

## **CONTENTS**

|   |    |
|---|----|
| <b>CHAIRMAN'S PREFACE</b> .....   | 1  |
| <b>EXECUTIVE SUMMARY:</b> .....   | 2  |
| <b>REPORT CONCLUSIONS AND RECOMMENDATIONS</b> .....                             | 2  |
| <b>Preface</b> .....  | 2  |
| <b>Conclusions</b> .....  | 2  |
| 1. Transaction Taxes.....   | 2  |
| 2. Short-Term Revenue Yield:.....   | 2  |
| 3. Medium-Term Revenue Yield:.....  | 3  |
| 4. Repayment of Stamp Duty where land is used for Residential Development:..... | 3  |
| 5. Data Quality:.....   | 4  |
| <b>SECTION ONE: SELECT COMMITTEE ON BUDGETARY OVERSIGHT</b> .....               | 5  |
| <b>SECTION TWO: CONTEXT TO REPORT</b> .....                                     | 6  |
| <b>Stakeholders</b> .....   | 6  |
| <b>Tax Strategy Papers</b> .....  | 6  |
| <b>FISCAL ASSESSMENT REPORT (FAR)</b> .....                                     | 7  |
| <b>PARLIAMENTARY BUDGET OFFICE (PBO)</b> .....                                  | 8  |
| <b>Questions:</b> .....   | 8  |
| <b>SECTION THREE: COMMITTEE ENGAGEMENT WITH STAKEHOLDERS</b> .....              | 10 |
| <b>Calculation of Stamp Duty Estimates:</b> .....                               | 10 |
| <b>Medium-Term Budget Forecasts</b> .....                                       | 13 |
| <b>Policy Decision</b> .....  | 14 |
| <b>SECTION 4: FINANCE BILL 2017: REPORT STAGE AND FINAL STAGE</b> .....         | 15 |
| <b>APPENDIX ONE: REFERENCES</b> .....   | 16 |
| <b>APPENDIX TWO: TERMS OF REFERENCE</b> .....                                   | 17 |
| <b>APPENDIX THREE: COMMITTEE MEMBERSHIP</b> .....                               | 20 |

## CHAIRMAN'S PREFACE



The Committee on Budgetary Oversight was established on 21 July 2016 to enhance the level of participation by the Oireachtas in the budget scrutiny process.

This can be achieved by: conducting ex-ante scrutiny of revenue and expenditure options before the budget, or conducting ex-post scrutiny to evaluate budget measures, after the event.

This report carries out ex-post analysis of Budget 2018 with regard to Commercial Stamp Duty. The focus of the report is on the budget process and the quality of information available to inform budget decisions.

The report makes a number of recommendations for consideration by the Dáil, and the Minister for Finance and Public Expenditure and Reform.

I wish to thank the witnesses from the Office of the Revenue Commissioners, and the Department of Finance who gave evidence to the Committee, and the Members of the Committee.

I would also like to acknowledge the assistance of the Parliamentary Budget Office, and to the Secretariat for their support.

I commend this Report to the Dáil.

A handwritten signature in black ink, appearing to read 'Colm', written in a cursive style.

---

Colm Brophy T.D.

## EXECUTIVE SUMMARY:

### REPORT CONCLUSIONS AND RECOMMENDATIONS

#### Preface

Following Budget 2018, the Committee carried out ex-post analysis of the budget measure to increase Commercial Stamp Duty.

The Committee generally recognises the merits of increasing Commercial Stamp Duty from a relatively low base. This was seen both as a positive revenue-raising measure, and as a means of helping to re-balancing construction activity towards the residential sector.

The focus of this report is on examining the *quality of budget information*, in order to recommend improvements in the budget process.

#### Conclusions

##### 1. Transaction Taxes

- 1.1 The Committee notes that the Irish Fiscal Advisory Council has identified a reliance on transaction-based taxes such as stamp duty as a medium budget risk which, if repeated, could “reduce the stability of tax revenues” (IFAC, November 2017: 93).
- 1.2 The Committee further notes that the European Commission highlighted the dependence on commercial stamp duty as a budgetary risk (European Semester Country Report Ireland 2018: 14).
- 1.3 To assist the Committee in its budget scrutiny role, the Committee recommends that the Minister for Finance and Public Expenditure and Reform provide the Committee with an update, no later than the end of May, to include ex-post analysis of the impact of Commercial Stamp Duty changes in Budget 2018.

##### 2. Short-Term Revenue Yield:

The Committee is of the view that the calculation of short-term revenue yield from Commercial Stamp Duty budget measures is generally based on reasonable analysis.

### 3. Medium-Term Revenue Yield:

- 3.1 The Committee examined the sustainability of projected revenue from Commercial Stamp Duty over a longer-term period. The Parliamentary Budget Office assessment was that revenue estimates were static and based on historic data.
- 3.2 The Committee accepts this analysis, which was confirmed by evidence provided to the Committee by officials from the Department of Finance and the Revenue Commissioners.
- 3.3 The Committee was not provided with sufficient evidence or data to allow it to conclude that Commercial Stamp Duties are sustainable over a longer (3 – 5 year) time horizon.
- 3.4 The Committee recommends that in future, revenue projections for significant budget measures should provide estimates over a longer time (3 – 5 year) period.

### 4. Repayment of Stamp Duty where land is used for Residential Development:

- 4.1 The Committee notes that to assist in the delivery of new housing construction, Section 61 of the Finance Act 2017 introduced a new section 83D in the 1997 Stamp Duties Consolidation Act, to provide for relief of a portion of Stamp Duty charged on development land, where at least 25% is used for residential units.
- 4.2 The Committee fully acknowledges that the relief measure was designed as a positive measure to ensure that the Stamp Duty increase did not have a negative impact on the delivery of residential housing supply.
- 4.3 However, from a budget scrutiny perspective, Committee Stage scrutiny of this measure was not carried out, and cost estimates in relation to this Stamp Duty relief were not available.
- 4.4 As a result, it was not possible to fully assess its impact on overall Commercial Stamp Duty yield, and the Committee believes that this impacted on the quality of the parliamentary scrutiny process.
- 4.5 The Committee recommends that in future, where significant budget measures are proposed to the Finance Bill by way of Amendment, the Committee on Budgetary Oversight should be briefed on the measure, and the proposed costs involved.

## 5. Data Quality:

The Committee recommends that in advance of Budget 2019, the Department of Finance takes steps to improve the quality of costing information and modelling available for significant budget measures. This could be achieved by providing more detailed information in the Tax Strategy Papers, and budget papers setting out:

- Assumptions used to calculate Budget Measures;
- Base – baseline figures used in calculations;
- Multi-year forecasting;
- Information on data quality where this is an issue.

## SECTION ONE: SELECT COMMITTEE ON BUDGETARY OVERSIGHT

The budget is key to the decisions on how national resources are allocated. The OECD highlights parliament's role in the budget scrutiny process:

*"...national parliament has a fundamental role in authorising budget decisions and in holding governments to account..."* (OECD **Principles of Budgetary Governance** (2015)).<sup>1</sup>

The Committee on Budgetary Oversight was established as a Standing Committee on 21<sup>st</sup> July 2016, to enhance the level of Oireachtas participation in the budget scrutiny process. The Committee can achieve this by:

- Carrying out "ex-ante" (before the event) scrutiny of Revenue and Expenditure options before the Budget;
- Carrying out "ex-post" (after the event) scrutiny to evaluate budget measures or to assess how budgeted spend or revenue projections compare with out-turns;
- Monitoring macro-economic developments and fiscal risks;
- Preparing a pre-budget report each year;
- The Committee's Terms of Reference can be found [here](#).

The Committee's budget scrutiny process is informed by evidence-based research and objective analysis published by the independent Parliamentary Budget Office (PBO): <http://www.oireachtas.ie/pbo/>

The Committee is also charged with improving the budget scrutiny process. It can achieve this goal by examining the quality of information used to inform budget-related decisions. In line with its remit, the Committee has undertaken ex-post scrutiny of Commercial Stamp Duty budget measures introduced in Budget 2018, and has prepared a report for the Dáil. This report includes a number of recommendations designed to enhance parliament's role in the budget process.

---

<sup>1</sup> <http://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf>

## SECTION TWO: CONTEXT TO REPORT

The 2018 Budget was introduced on October 10<sup>th</sup>, 2017. A key Budget revenue-raising measure was Amendment 60 of the Finance Act 2017, which amended the Stamp Duties Consolidation Act 1997 to increase Stamp Duty on commercial property transactions from 2 to 6 per cent. During Report Stage consideration of the Finance Bill, a new Section 68D was inserted by way of amendment that introduced a refund scheme in relation to land purchased for the development of residential units.<sup>2</sup>

### Stakeholders

In preparing this Report, the Committee engaged with the Irish Fiscal Advisory Council, the Department of Finance, and the Office of the Revenue Commissioners.

The Committee also considered analysis from the PBO's Post-Budget Review 2018; and proceedings from the Finance Bill 2017 in the Dáil, Seanad and Committee.

### Tax Strategy Papers

The Committee notes that the Department of Finance Tax Strategy Papers published in advance of the Budget include a Strategy Paper which examined options to increase Commercial Stamp Duty. The Strategy Paper cited a 2016 IMF Statement to highlight the role that increasing Commercial Stamp Duty could play in reducing demand pressures in the commercial property market:

*“Among the Statement’s conclusions was the view that demand pressures in the commercial real estate market need to be closely monitored and policy tools activated if risks to financial stability emerge. One policy tool that could warrant consideration in this regard would be increases in rate of Stamp Duty on commercial property beyond the current rate of 2%. The yield from each 1% increase would be of the order of €100m.” (Tax Strategy Papers – TSG 17 – 12 – Stamp Duty: 5.)<sup>3</sup>*

---

<sup>2</sup> Parliamentary Budget Office: Post-Budget 2018 Commentary for the Committee on Budgetary Oversight – 24 October 2017, p. 15.

<sup>3</sup> IMF Article IV Consultation and Post-Programme Monitoring mission Statement.



## FISCAL ASSESSMENT REPORT (FAR)

IFAC's Fiscal Assessment Report raised the possibility that projected stamp duty yields may be over-optimistic, viz:

*"It is unclear whether some of the revenue-raising measures included in Budget 2018 can be expected to have the same yield as is estimated for 2018 over the long run. For example, the expected yield from changes to stamp duty rates appears to be based on estimates made at a high point in the cycle of non-residential development, and so the projected yield may prove to be relatively optimistic in terms of its long-run impact" (IFAC, November 2017).*

IFAC adopted a longer-term perspective. Its assessment emphasised the principle that permanent expenditure should be funded by sustainable revenue measures:

*"In keeping with the spirit of the new budgetary framework, permanent expenditure increases should be funded by revenue-raising measures that can be considered sustainable over the long run..." (IFAC, November 2017, p. 8).*

The Committee further notes that IFAC's Fiscal Risk Matrix identified a reliance on transaction-based taxes, such as stamp duty which, if repeated, could *"reduce the stability of tax revenues"* (IFAC, November 2017: 93).

## PARLIAMENTARY BUDGET OFFICE (PBO)

In its Post-Budget 2018 Commentary, the PBO noted that the Stamp Duty increase is expected to raise an additional €376m in revenue both in 2018, and in a full year, implying projected total commercial property transactions of €9.5bn.<sup>4</sup>

The PBO noted that the main reason put forward to support the policy measure was that it would “incentivise a re-balancing of activity away from non-residential, commercial construction activity in favour of residential activity”. The other reason given for the Stamp Duty increase was that it would dis-incentivise speculative property investment.

The PBO analysis considered three questions about the *quality of information* used to inform this budget measure:

### Questions:

1. Were the assumptions underpinning the calculation of €376m revenue yield reasonable, and based on evidence?

On this point, the PBO analysis concluded that projections were not over-optimistic in respect of 2018.

2. Has taxpayer behaviour been taken into account? Would projected revenue be sustainable over the longer term?

On this point, the PBO highlighted the static nature of Revenue estimates. Although the stated policy goal is to re-balance construction activity away from the Commercial Sector, it was unclear if the policy decision was based on projections for future years:

*“However, even if the level of transactions is justified in 2018, the increase in revenue seems to be a static estimate. The increase in the Stamp Duty may change behaviour and lead to a fall in transactions in the future. Indeed, this forms part of the basis of the economic rationale for the change. Thus, it would be expected that, other things been equal, one behaviour adjusts the number of transactions and perhaps the price paid will be less than they would otherwise have been. However,*

---

<sup>4</sup> Parliamentary Budget Office: *Post-Budget 2018 Commentary for the Committee on Budgetary Oversight* – 24 Oct. 2017, p.15.

*there are no estimates of the future evolution of this tax change, or the behaviour envisioned.*<sup>5</sup>

3. Were exemptions taken into account in budget forecasts?

On this point, the PBO noted that exemptions for residential development or agricultural land did not appear to be included in budget forecasts:

*“...Revenue Commissioner’s Ready Reckoner suggested each 0.5 percentage point increase in stamp duty would generate €47m...However, this does not account for any exemptions that will be built into the legislation (e.g. for land for residential development, or farm land, etc.) which would decrease revenue from the change...”*<sup>6</sup>

---

<sup>5</sup> Parliamentary Budget Office: *Post-Budget 2018 Commentary for the Committee on Budgetary Oversight* – 24 Oct. 2017, p.15.

<sup>6</sup> Parliamentary Budget Office: *Post-Budget 2018 Commentary for the Committee on Budgetary Oversight* – 24 Oct. 2017, p.15.

## SECTION THREE: COMMITTEE ENGAGEMENT WITH STAKEHOLDERS

In December and January 2018, the Committee received a briefing from the Parliamentary Budget Office, and also engaged with the Irish Fiscal Advisory Council, the Office of the Revenue Commissioners, and the Department of Finance to carry out ex-post scrutiny.

### Calculation of Stamp Duty Estimates:

#### 1. IFAC

The Committee noted evidence from IFAC which confirmed that it did not have significant concerns about 2018 budget estimates for Commercial Stamp Duty revenue. However, IFAC stated that as it did not have any, or detailed calculations in relation to estimates. As a result, it was unable to assess the long-term yield.

Committee Members queried the extent to which the yield could be affected by the exemption for residential property. In response, IFAC stated:

*“We have not managed to get the sort of information that we would need....What we were more concerned about - even than whether the estimate for 2018 is correct - was the fact that we are at probably what is a peak of commercial development at present. There has been a big ramp-up in commercial development in recent years. Activity is unlikely to remain at the current level and is likely to decline in future years.” (Mr. Tutty, Irish Fiscal Advisory Council)<sup>7</sup>*

#### 2. Revenue Commissioners

In discussion with Revenue officials, the Committee queried the level of engagement between the Department of Finance and the Revenue Commissioners, and the methodology used to calculate Stamp Duty yield.

The Revenue Commissioners confirmed that Commercial Stamp Duty estimates in the Ready Reckoner were based on 2016 baseline data, with deductions to take account of outliers;<sup>8</sup> the 2016 data was then compared with trends for 2017, to obtain a reasonable estimate of a 2018 yield: The Revenue Commissioners also confirmed that Department of Finance consultation on the Stamp Duty measure was mainly

---

<sup>7</sup> Mr. Tutty, Official Meeting, Transcript of 6 December 2017, p. 7.

<sup>8</sup> One-off significant transactions.

confined to the use of the Ready Reckoner figures. However, the Revenue Commissioners also stated that they were satisfied that there was sufficient consultation before the Budget.<sup>9</sup>

### 3. Department of Finance

The Committee's meeting with the Department of Finance allowed it to tease out issues in relation to the budget planning and quality of data used to inform the Stamp Duty decision. On the calculation of the budget estimates, the Department of Finance confirmed that the Stamp Duty estimates presented in the Budget were:

*"...based on estimates in Revenue's pre-budget ready reckoner, which showed the effect of a 0.5% increase in the rate on non-residential property to be a €47 million increase in yield – this is multiplied up to €94 million for a 1% increase or €376 million for a 4% increase."*<sup>10</sup>

The Department further stated that the estimate provided in the Budget was "considered to be conservative and prudent" on the basis that the Revenue Commissioner estimates took account of outliers, and were based on data for three years:

*"...We understand from Revenue that the yield projection for 2018 was based on receipts for previous years, combined with an ongoing assessment of expected receipts by the end of 2017 and for 2018, as well as impacts of earlier policy changes. This process includes assessment of significant once-off transactions that positively increased 2016 receipts but which were not expected to recur on a regular basis. Failure to account for these one-off transactions would have led to a higher estimate for 2018."*<sup>11</sup>

---

<sup>9</sup> Mr. Walsh, Official Meeting, Transcript of 12 December 2017, p. 4.

<sup>10</sup> Mr. Hogan, Official Meeting, Transcript of January 16, 2018, p. 4.

<sup>11</sup> Mr. Hogan, Official Meeting, Transcript of January 16, 2018, p. 4.

## Reliance on Transaction Taxes

### 1. IFAC

IFAC raised a longer-term concern in relation to the potential reliance on volatile revenues such as Stamp Duty to fund permanent expenditure:

*“If we were basing our permanent expenditure on cyclical revenues, such as that relating to commercial stamp duty, we would be concerned. We have been discussing corporation tax for some time ...The same arises in respect of stamp duty because there is likely to be a downturn in commercial property in the coming years. That will reduce the yield from this extra stamp duty. While we do not have any firm information on the actual yield for 2018, even if the Department is correct, we would still consider this as a yield that will diminish over time.” (Mr. Tutty, Irish Fiscal Advisory Council)<sup>12</sup>*

Reflecting the PBO analysis, a number of Committee Members raised points with the Revenue Commissioners, and the Department of Finance relating to:

- The cyclical nature of the tax;
- The reliance on a transaction-based tax to fund budgeted spending increases. Committee members noted that Commercial Stamp Duty the sum of €376m was factored into the budget arithmetic.
- Whether they had any concerns about the dependence on volatile tax revenues to fund permanent expenditure.

### 2. Revenue Commissioners

In response, the Revenue Commissioners stated that they were broadly satisfied that this revenue source was quite stable. Although they “had not seen any convincing forecasts suggesting that levels of activity will suddenly drop off”, it was also acknowledged that yields “may change over the longer term”, and estimates provided in the Ready Reckoner attempted to adjust for this.<sup>13</sup>

---

<sup>12</sup> Mr. Tutty, Official Meeting Transcript of 6 December 2017, p. 7.

<sup>13</sup> Mr. Walsh, Official Meeting Transcript of 12 December 2017, p.15.

### 3. Department of Finance

In response, the Department of Finance acknowledged that there was an awareness of the risks associated with a reliance on transaction-based taxes. However, the level of commercial activity and therefore the revenue source was viewed as sustainable, based on Revenue estimates:

*“... in light of all of our experience with transaction-based taxes in recent history, we are clearly mindful of the dangers posed by them. We are, however, assured by the analysis of our colleagues in Revenue and, looking at what we are seeing in the industry at the moment, there is a feeling in the Department that this is sustainable, and that the Minister has a strong basis to include it in his budgetary arithmetic.”<sup>14</sup>*

### Medium-Term Budget Forecasts

The Committee sought further clarity on the length of time the Department would expect such revenues to continue. In response, the Department stated that, although it was satisfied that the analysis was robust, it was not possible to provide certainty on activity levels beyond a two year timeframe:

*“I do not think we have a precise timeframe as to how long we expect this to continue. However, on the basis of Revenue's analysis provided to us, it certainly seems robust and substantiated over the next year or two.”<sup>15</sup>*

---

<sup>14</sup> Mr. Hogan, Official Meeting Transcript of 16 January 2018, p. 21.

<sup>15</sup> Mr. Hogan, Official Meeting Transcript of 16 January 2018, p. 18.

## Policy Decision

The Department confirmed that one reason for the increase in Commercial Stamp Duty was the need to respond to the risk of over-heating in the commercial property sector:

*“The need for increased housing supply is acute. To ensure that the building and construction sector is able to meet this demand while avoiding overheating in the sector as a whole, policy measures that would incentivise a re-balancing of activity away from non-residential commercial construction activity in favour of residential activity are needed. I would like to note that our position on this matter has been supported by a number of economic commentators.”<sup>16</sup>*

On this point, Committee members highlighted the fact that, if the budget measure proved to be effective, then this would in turn reduce Commercial Stamp Duty revenues. However, the budget estimates made no assumption of a behavioural change.

---

<sup>16</sup> Mr. Hogan, Official Meeting Transcript of 16 January 2018, p. 5.



## SECTION 4: FINANCE BILL 2017: REPORT STAGE AND FINAL STAGE

The Committee notes that during report stage consideration of the Finance Bill 2018, a new Section 68 was inserted by way of amendment that introduced a refund scheme in relation to land purchased for residential units.

During the Report stage debate, Dáil Members raised the issue of the importance of timely and quality briefing on significant budget amendments, so that the impact of amendments could be properly assessed.<sup>17</sup>

The Committee is of the view that the late introduction of significant amendments to Commercial Stamp Duty measures limited the ability of parliament to fully scrutinise and assess the impact of the Amendments.

The Committee further notes that refunds, provided for in the amendment, were not included in the calculations of the Revenue Commissioners. As the refund is likely to reduce the revenue yield from this budget measure, this in turn reduces the quality of the costings provided for in relation to this budget measure.

The Committee recommends that steps be taken in future budgets to address these data quality issues, thereby improving the budget scrutiny process.

---

<sup>17</sup> Deputy McGrath, Transcript of Official Dáil debate, 23 November 2018.

## APPENDIX ONE: REFERENCES

Parliamentary Budget Office – Post-Budget 2018 Commentary for the Committee on Budgetary Oversight (24 October 2017)

([https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2017/2017-10-25\\_post-budget-2018-commentary-for-the-committee-on-budgetary-oversight\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2017/2017-10-25_post-budget-2018-commentary-for-the-committee-on-budgetary-oversight_en.pdf))

European Commission. 2018 European Semester: Country Report Ireland: Including an In-Depth Review on the prevention and correction of macro-economic imbalances. (Com (208)120). [https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-ireland-en\\_1.pdf](https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-ireland-en_1.pdf)

Opening Statement – December 12<sup>th</sup> 2017, - Mr. Keith Walsh, Principal Officer, Statistics and Economic Research Branch, Office of the Revenue Commissioners.

[https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/committee\\_on\\_budgetary\\_oversight/submissions/2017/2017-12-12\\_opening-statement-keith-walsh-revenue\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/committee_on_budgetary_oversight/submissions/2017/2017-12-12_opening-statement-keith-walsh-revenue_en.pdf)

Opening Statement – January 2016 – Mr. John Hogan, Assistant Secretary, Department of Finance.

[https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/committee\\_on\\_budgetary\\_oversight/submissions/2018/2018-01-16\\_opening-statement-john-hogan-department-of-finance\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/committee_on_budgetary_oversight/submissions/2018/2018-01-16_opening-statement-john-hogan-department-of-finance_en.pdf)

## APPENDIX TWO: TERMS OF REFERENCE

Go ndéanfar, de réir mholadh an Fhochoiste ar Athleasú na Dála faoi Bhuan Ordú 107(1)(a), Buan-Orduithe Dháil Éireann i dtaobh Gnó Phoiblí a leasú tríd an mBuan-Ordú seo a leanas a ghlacadh:

‘186A. (1) Beidh arna bhunú, a luaithe is féidir i ndiaidh ationól na Dála tar éis Olltoghcháin, Buainchoiste, dá ngairfear an Coiste um Fhormhaoirsiú Buiséid, chun scrúdú a dhéanamh agus, más cú leis é, chun tuarascáil a thabhairt don Dáil—

- (a) ar an staid fhioscach fhoriomlán, lena n-áirítear—
- (i) an staid chomhiomlánaithe maidir le hioncam agus caiteachas agus larmhéid Ginearálta an Rialtais, lena n-áirítear spriocanna struchtúracha;
  - (ii) réamh-mheastacháin mheántearma don airgeadas poiblí;
  - (iii) réamhaisnéisí agus forbairtí maicreacnamaíocha; agus
  - (iv) rialachas fioscach ginearálta, lena n-áirítear rialacha agus priacail fhioscacha a fheidhmiú maidir leis an staid fhioscach;
- (b) ar an mbeartas maidir le caiteachas poiblí, lena n-áirítear—
- (i) an staid chaiteachais ag féachaint don Uasteorainn Caiteachais Rialtais agus don tslat tomhais chaiteachais faoin gComhaontú Cobhsaíochta agus Fáis; agus
  - (ii) na hUasteorainneacha Caiteachais Aireachta a bhfuil feidhm acu maidir le Meastacháin ar leith nó grúpaí Meastachán i gcomhair Seirbhísí Poiblí i gcás go bhféadfadh athruithe suntasacha ar an bpróifíl chaiteachais tionchar a bheith acu ar an staid fhioscach

That, in accordance with the recommendation of the sub-Committee on Dáil Reform under Standing Order 107(1)(a), the Standing Orders of Dáil Éireann relative to Public Business be amended by the adoption of the following Standing Order:

‘186A. (1) There shall stand established as soon as may be, following the reassembly of the Dáil subsequent to a General Election, a Standing Committee, to be known as the Committee on Budgetary Oversight, to examine and, where it considers it appropriate, report to the Dáil on—

- (a) the overall fiscal position, including—
- (i) the aggregated position on revenue and expenditure and the General Government Balance, including structural targets;
  - (ii) medium-term projections for the public finances;
  - (iii) macro-economic forecasts and developments; and
  - (iv) general fiscal governance including the application of fiscal rules and risks to the fiscal position;
- (b) public expenditure policy, including—
- (i) the expenditure position having regard to the Government Expenditure Ceiling and the expenditure benchmark under the Stability and Growth Pact; and
  - (ii) Ministerial Expenditure Ceilings applying to individual Estimates or groups of Estimates for the Public Services where significant variations from the expenditure profile could potentially impact on the overall fiscal position;

fhoriomlán;

(c) ar an mbeartas maidir le fáltais an Státhchiste.

(2) Féadfaidh an Coiste breithniú a dhéanamh ar ní a bhaineann le beartas poiblí agus a bhfuil tionchar suntasach aige ar an staid bhuiséid nó ar an staid fhioscach fhoriomlán: Ar choinníoll go rachaidh Cathaoirleach an Choiste, roimh thosach an bhreithnithe sin, i gcomhairle leis an gCoiste eárnála iomchuí arna bhunú de bhun Bhuan-Ordú 84A.

(3) Féadfaidh an Coiste freisin breithniú a dhéanamh ar an gcreat foriomlán do rannpháirtíocht pharlaiminte le linn an timthrialla buiséid agus féadfaidh sé moltaí i ndáil leis an gcéanna a dhéanamh don Fhochoiste ar Athleasú na Dála, is moltaí a bheidh le breithniú ag an gCoiste sin faoi Bhuan-Ordú 107(1)(b): Ar choinníoll, le linn dó é sin a dhéanamh, go rachaidh an Coiste i gcomhairle—

(a) leis na Coistí arna mbunú de bhun Bhuan-Ordú 84A maidir le haon mholtaí a bhfuil tionchar acu, i dtuairim an Choiste, ar ról nó ar chúram na gCoistí sin; agus

(b) leis an Aire nó leis na hAirí iomchuí maidir le haon mholtaí a bhfuil tionchar acu, i dtuairim an Choiste, ar ról nó ar chúram Roinne nó Ranna,

agus tabharfaidh sé fógra i dtaobh thorthaí na gcomhairliúcháin sin don Fhochoiste ar Athleasú na Dála.

(4) Beidh na cumhachtaí seo a leanas ag an gCoiste:

(a) an chumhacht chun fios a chur ar dhaoine, ar pháipéir agus ar thaifid mar a mhínítear i mBuan-Orduithe 85(2A) agus 88;

(b) an chumhacht chun fianaise béil agus fianaise scríofa a ghlacadh agus chun aighneachtaí a ghlacadh mar a mhínítear i mBuan-Ordú 85(1) agus (2);

(c) an chumhacht chun Fochoistí a

(c) Exchequer receipts policy.

(2) The Committee may consider a matter of public policy with significant impact on the budgetary position or on the overall fiscal position: Provided that prior to the commencement of such consideration, the Chairman of the Committee shall consult with the relevant sectoral Committee established pursuant to Standing Order 84A.

(3) The Committee may also consider the overall framework for parliamentary engagement throughout the course of the budgetary cycle and may make recommendations thereon to the sub Committee on Dáil Reform for that Committee's consideration under Standing Order 107(1)(b): Provided that, in so doing, the Committee shall consult with—

(a) the Committees established pursuant to Standing Order 84A on any recommendations which, in the opinion of the Committee, impact on their role or remit; and

(b) the relevant Minister or Ministers on any recommendations which, in the opinion of the Committee, impact on the role or remit of a Department or Departments,

and shall notify the results of such consultations to the sub-Committee on Dáil Reform.

(4) The Committee shall have the following powers:

(a) power to send for persons, papers and records as defined in Standing Orders 85(2A) and 88;

(b) power to take oral and written evidence and submissions as defined in Standing Order 85(1) and (2);

(c) power to appoint sub-Committees as

- cheapadh mar a mhínítear i mBuan-Ordú 85(3);
- (d) an chumhacht chun sainchomhairleoirí a fhostú mar a mhínítear i mBuan-Ordú 85(8);
- (e) an chumhacht chun taisteal mar a mhínítear i mBuan-Ordú 85(9).
- (5) Déanfar gach tuarascáil a bheartóidh an Coiste a thabhairt, arna glacadh ag an gCoiste, a leagan faoi bhráid na Dála láithreach agus as a aithle sin beidh cumhacht ag an gCoiste an tuarascáil sin, mar aon le cibé doiciméid ghaolmhara is cuí leis, a chlóbhualadh agus a fhoilsiú.
- (6) Maidir leis an gCoiste cúig Chomhalta dhéag a bheidh air, nach comhalta den Rialtas ná Aire Stáit aon duine acu, agus ceathrar acu sin is córam dó: Ar choinníol—
- (a) go mbeidh an Coiste agus aon Fhochoistí a cheapfaidh sé comhdhéanta ar chuma go ndéanfaidh sé nó siad ionadaíocht chothrom don Dáil; agus
- (b) go mbeidh feidhm ag forálacha Bhuan Ordú 95 maidir leis an gCoiste.
- (7) Go dtí go gcuirfeadh a mhalairt in iúl sa 32ú Dáil, leanfaidh an Roghchoiste um Fhormhaoirsiú Buiséid, a bunaíodh le hOrdú an 21 Iúil 2016 ón Dáil, ar marthain mar an Buanchoiste um Fhormhaoirsiú Buiséid, agus dá réir sin, bainfidh comhaltas reatha, Cathaoirleach, páipéir agus clár oibre an Roghchoiste leis an mBuanchoiste.
- defined in Standing Order 85(3);
- (d) power to engage consultants as defined in Standing Order 85(8);
- (e) power to travel as defined in Standing Order 85(9).
- (5) Every report which the Committee proposes to make shall, on adoption by the Committee, be laid before the Dáil forthwith, whereupon the Committee shall be empowered to print and publish such report, together with such related documents it thinks fit.
- (6) The Committee shall consist of fifteen Members, none of whom shall be a member of the Government or a Minister of State, and four of whom shall constitute a quorum: Provided that—
- (a) the Committee and any sub-Committees which it may appoint shall be constituted so as to be impartially representative of the Dáil; and
- (b) the provisions of Standing Order 95 shall apply to the Committee.
- (7) Until further notice in the 32nd Dáil, the Select Committee on Budgetary Oversight, established by Order of the Dáil of 21st July, 2016, shall continue in being as the Standing Committee on Budgetary Oversight, and accordingly, the current membership, Chairman, papers and work programme of the Select Committee shall be those of the Standing Committee.

—*Ríona Uí Dhochartaigh, Aire Stáit ag Roinn an Taoisigh*

## APPENDIX THREE: COMMITTEE MEMBERSHIP



Seán Barrett TD  
Fine Gael



Richard Boyd-Barrett  
TD  
Solidarity – People  
Before Profit



Colm Brophy TD  
Fine Gael



Thomas P.  
Broughan TD  
Independents 4  
Change



Joan Burton TD  
Labour



Barry Cowen TD  
Fianna Fáil



Lisa Chambers TD  
Fianna Fáil



Pearse Doherty TD  
Sinn Féin



Stephen Donnelly TD  
Fianna Fáil



Martin Heydon TD  
Fine Gael



John Lahart TD  
Fianna Fáil



Michael McGrath TD  
Fianna Fáil



Jonathan O'Brien TD  
Sinn Féin



Eamon Ryan TD  
Green Party

Notes:

1. Committee established by order of the Dáil of 21 July 2016
2. Deputies nominated by the Dáil Committee of Selection and appointed by Order of the Dáil of 21 July 2016.
3. Deputy Marc Mac Sharry was discharged from the Committee and Deputy John Lahart was appointed to Committee in replacement for him by order of the Dáil on 31 January 2017.
4. Deputy Kate O'Connell was discharged from the Committee and Deputy Pat Deering was appointed to Committee in replacement for her by order of the Dáil on 9 February 2017.
5. Deputy John Paul Phelan was discharged from the Committee and Deputy Josepha Madigan was appointed to the Committee in replacement for him by order of the Dáil on 11 July 2017.
6. Deputy Pat Deering was discharged from the Committee and Deputy Martin Heydon was appointed to the Committee in replacement for him by order of the Dáil on 13 July 2017.
7. Deputy David Cullinane was discharged from the Committee and Deputy Jonathan O'Brien was appointed to the Committee in replacement for him by order of the Dáil on 3 October 2017.
8. Deputy Josepha Madigan was discharged from the Committee and Deputy Colm Brophy was appointed as Chairman of the Committee by order of the Dáil on 12 December 2017.
9. Deputy Dara Calleary was discharged from the Committee and Deputy Barry Cowen was appointed to the Committee in replacement of him by order of the Dáil on 18 April 2018.