

Opening Statement for Select Committee on Budgetary Oversight

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INTRODUCTION

Good afternoon everyone- I would like to thank the Committee for inviting me to attend this meeting to discuss the economic and fiscal position in the context of Budget 2017.

The Government is very supportive of the Oireachtas having an enhanced input into discussions on budgetary priorities, and it was in this context that I published the Mid-Year Expenditure Report in July, to provide a starting point for an examination of budget priorities and highlight issues for discussion.

The Committee has had the benefit of meeting with a number of experts to discuss the current fiscal position, and I look forward to hearing your views on the key priorities for Budget 2017.

SUSTAINABLE SPENDING

I know that you have discussed revenue issues and the broader macroeconomic context with my colleague Minister Noonan at your meeting yesterday.

It should be remembered that Summer Economic Statement envisages that day to day departmental spending on delivering public services will increase by €1.3 billion to €53.1 billion.

It also foresees capital investment increasing by € 400 million to give a total capital envelope of €4.4 billion.

This will provide for continued investment in our schools, health care facilities and transport network. It also allows us to invest more in housing to address the serious pressures that exist there.

This combined increase of €1.7 billion means total spending will rise from less than €56 billion in 2016 to over €57.5 next year. As set out in the Mid-Year Expenditure Report, this compares to a figure of €53.1bn in 2014 which reflected the expenditure reductions required to repair our public finances due to the dire economic circumstances we found ourselves in.

TARGETTED INVESTMENT

This, however, is not to say that we are returning to the old ways of previous Governments. A key approach of mine and of the Government in which I serve is to target investment in front line staff with a laser-like focus on reform and value for taxpayers' money.

I am glad to say that the State now employs over 66,000 teachers, 10,000 doctors and 41,000 nurses in our education and health sectors, all up significantly on 2013.

This targeted investment has come hand-in-hand with real reform and a focus on excellence in public service delivery.

For example, the allocation this year of €500 million to the Department of Health to deal with funding issues there was associated with an accountability framework for the acute hospital sector to help ensure sustainability for our health system in future years.

Similarly, the publication last week of the Action Plan for Education and the plans to raise pupil retention rates in DEIS schools to the national norm, shows how reform and improvement, as well as investment, is key to our approach.

THE BUDGET

My primary focus in Budget 2017 is on ensuring that public services can be delivered in a sustainable manner that is compatible with our obligations under the Stability and Growth Pact.

The total gross expenditure for next year will be almost €56 billion.

As well as focusing on the enhancements to services brought about by incremental increases, I am also focused on assessing how effectively and efficiently we are delivering existing services.

As you will be aware, Budget discussions are currently underway. There are a lot of issues that are still open for discussion that will be resolved in the coming weeks.

There are numerous competing demands for resources across the public service where genuine need exists for additional resource allocation.

For example, I note that the Committee has discussed investment in capital expenditure in a number of its previous meetings.

The key focus in this area should be in identifying and supporting the projects that represent the best possible value for the taxpayer, and which projects can contribute towards the development of a truly cohesive society.

It is a challenging climate in which to formulate a budget and difficult decisions will have to be made in the coming days.

CONCLUSION

I am here to listen to your views and input on the key priorities and focus for Budget 2017 so that this can be brought to bear on the budget deliberations.

ENDS