Tithe an Oireachtais
Houses of the Oireachtas

Tithe an Oireachtais
An Coiste um Fhormhaoirsiú Buiséid
Tuarascáil Deiridh Réamh-Bhuiséid
Deireadh Fómhair 2020

Houses of the Oireachtas
Committee on Budgetary Oversight
Final Pre-Budget Report
October 2020

33CBO001

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Chair’s Foreword

The Select Committee on Budgetary Oversight was established during the last Dáil in order to enhance the role of the Oireachtas in scrutinising the budget. Unfortunately, due to scheduling pressures in the Covid-19 environment, and the recency with which the Committee commenced its programme of work, the Committee’s scrutiny ahead of Budget 2021 was much more condensed than has been the case in previous years.

Considering this, I would like to thank, on behalf of the Committee, stakeholders who made submissions to the Committee at very short notice, the Minister for Finance and the Minister for Public Expenditure and Reform for their attendance at the Committee and also the Irish Fiscal Advisory Council and the Parliamentary Budget Office for the briefings that they provided. The support of the Committee’s stakeholders plays an important role in the Committee’s ability to conduct effective pre-budget scrutiny, and the Committee looks forward to working closely with them over the course of the 33rd Dáil.

In addition to the support of stakeholders however, the Committee is also reliant on being furnished with up-to-date budgetary forecasts and information. While it is somewhat understandable that these have been difficult to estimate in the current climate, the absence of a Summer Economic Statement or a Mid-Year Expenditure Report has further constrained the Committee’s ability to fulfil its pre-budget role. I hope that in future budget cycles the Committee will have more comprehensive documentation at its disposal.

Budget 2021 is different to any budget previously considered by the Committee and the evidence received by the Committee was, understandably, very much framed with Covid-19 in mind. Nonetheless, the Committee has also considered some of the other recurring budgetary pressures that exist, and the potential threats to the prosperity of the economy in the coming years. The Committee also recognises the importance of receiving quality budgetary information and the recommendations in this report emphasise this.

In the coming weeks, the Committee will separately report to the Dáil on how overall budget scrutiny can be improved by the Oireachtas and I look forward to those findings being incorporated into the Committee’s work ahead of Budget 2022.

I am pleased to present this report to the Dáil on behalf of the Select Committee.

Neasa Hourigan TD.

Committee Chair

Recommendations:

Recommendation 1: The Committee recommends that the current relaxation of the Stability and Growth Pact provides an opportunity for the Government to invest in areas, such as education, housing, healthcare and communications, energy and transport infrastructure, and other measures that will narrow inequality.

Recommendation 2: The Committee believes that expenditure allocated to address the cost of the EU and UK not reaching a trade agreement should be clearly identifiable in budgetary documentation, with specific performance metrics attached which outline what will be delivered by the additional resource allocation.

Recommendation 3: The Committee believes that Local Authority funding must be protected so as the current levels of service delivery are maintained.

Recommendation 4: The Committee recommends that the Government continues to support SMEs in order to prevent any further deterioration in employment levels. This support should be optimized to provide both financial and non-financial assistance. It should also be designed and communicated in a manner than allows businesses to plan ahead.

Recommendation 5: The Committee notes that the economic and social impact of the Covid-19 Crisis has not been felt uniformly across all sectors of society and recommends a programme of medium to long term funding for education supports targeted at the retraining of skilled workers in impacted sectors and areas/groups with higher youth unemployment.

Recommendation 6: Considering the above, the Committee believes that the EWSS must be replaced with an enhanced wage subsidy scheme to support workers and retain employment.

Recommendation 7: Careful consideration should be given to ensuring that measures included in Budget 2021 counteract reductions in the pandemic unemployment payment in order to support the incomes of those who have become unemployed as a result of the pandemic. Given the particular pressures of the pandemic a focus on funding for the provision of basic services in healthcare and associated services, the provision of public housing and measures to protect the mental health and general wellbeing of the population, particularly vulnerable groups and young people, would be expected.

Recommendation 8: The Committee recognises the impact that capital investment can have in creating jobs and in growing the productive capacity of the economy. Therefore, the Committee recommends that capital expenditure should be increased in the areas providing the greatest level of social, economic and regional development in line with climate action.

Recommendation 9: The Committee also notes the importance of effective budgetary performance metrics and having a clear line of sight with regard to Covid-19 and Brexit expenditure. The Committee believes that additional expenditure should be accompanied by performance metrics that set out what will be delivered with the associated spend.

Recommendation 10: The Committee recommends that the Government should commit to publishing a Summer Economic Statement every year, regardless of the circumstances. Further, greater pre-Budget information should be furnished to the Committee on Budgetary Oversight in order to allow it undertake effective scrutiny in advance of the Budget.

Introduction

Budget 2021 will be delivered in one of the more unpredictable environments in which any budget has been delivered for some time. At the start of this year the economy was growing strongly, even showing signs of overheating due to the pace of growth. Fears in relation to Brexit were allayed to the extent that the Government revised its forecasts upwards to take account of the likelihood that there would not be a 'hard' Brexit.

Since then however, there has been significant change in the Irish economy. The onset of the Covid-19 pandemic has led to a significant increase in unemployment, as restrictions introduced to protect public health has had severe implications for economic activity. In addition to this, the threat of Brexit has re-appeared on the horizon, with the likelihood of an agreement on future trading relations between the European Union and the United Kingdom receding in recent months. As a result of this, the Government has announced that it is framing Budget 2021 under the assumption that there will not be a trade agreement.

The consultation that the Committee undertook as part of this pre-Budget scrutiny has clearly identified the important role that will have to be played by the state in bringing the economy through this period. The implications of the issues highlighted above mean that Budget 2021 will require significant support to be provided to the economy. This will be needed in order to supplement household income, provide vital lifelines for business and, through public capital investment, create jobs in the economy.

Macroeconomic Context

Economic Outlook

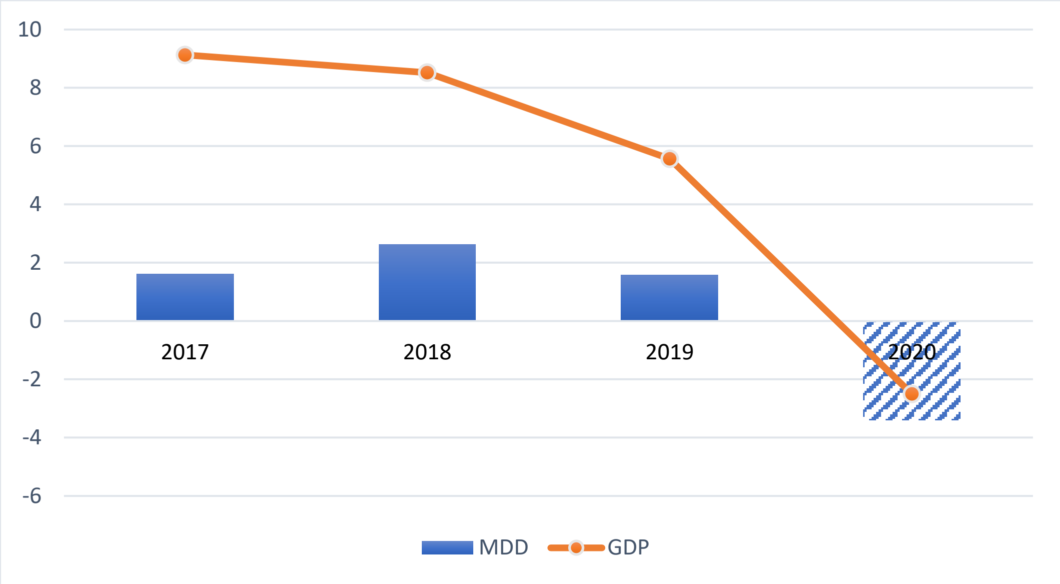
Covid-19 presents a considerable challenge to the domestic and global economies, while the unpredictability of the virus makes forecasting the future performance of the Irish economy a difficult exercise.

The Committee notes that Ireland has entered the crisis following a period of considerable growth, with Gross Domestic Product (GDP) increasing by an average of 9.8%[1] annually between 2014 – 2019. However, while widely used internationally, the Committee acknowledges that GDP is an imperfect measurement of economic growth in an Irish context, and indicators that isolate the domestic activity have observed more subdued growth. Moreover, GDP as a metric has long been criticised for its inability to adequately measure well-being overtime. Nonetheless when entering the pandemic, economic activity was buoyant, with the state experiencing near full-employment. The pace at which the economy was growing prior to the pandemic had led to warnings that it was experiencing 'overheating' pressures.

At the time of its publication, the Stability Programme Update forecast a contraction of 10.5% in GDP and a reduction of 15.1% in Modified Domestic Demand (MDD). However, the Committee welcomes that these official forecasts have recently been revised to a 2.5% reduction in GDP and a 6.5% reduction in MDD[2]. The Central Bank has also recently revised its forecasts and are now projecting that GDP will contract only by 0.4% in 2020, compared to their earlier anticipation of -9.0%[3]. The Committee also acknowledges that despite these more favourable forecasts, returning the economy to 2019 levels of underlying domestic activity will take a number of years.

[1] CSO Quarterly National Accounts 2013-2019
[2] Stability Programme Update 2020
[3] Central Bank of Ireland, Quarterly Bulletin Q4 2020

Figure 1: MDD contribution to GDP growth 2017-2020



Source: CSO Quarterly National Accounts

Evidence to the Committee has suggested that economic growth is driven by strong performances in the exporting sector. Between 2013 and 2018, the value of Ireland's exports increased by 77%, aided by the strong performances in services and high-value manufacturing. In 2018, 23% of exports were to North America and a further 13% were to the United Kingdom. The remaining European Union countries (EU) accounted for 34%, with Germany accounting for the largest share of this[4]. The Committee also notes recent analysis by the Economic and Social Research Institute (ESRI) which shows the level to which exports in computer services and pharmaceutical and medicinal goods have moderated the impact of Covid-19 on GDP[5].

Given the above, the Committee acknowledges that the recovery of the country's economy is somewhat reliant on the recovery of our trading partners. As is the case domestically, the recovery of the international economy is also contingent on Covid-19 developments. The Committee is concerned by the analysis of the Parliamentary Budget Office (PBO) in its Pre-Budget Commentary 2020[6] which finds that Ireland's key trading partners have had significant economic deterioration in 2020. However, it notes with optimism that these economies are expected to rebound strongly in 2021.

[4] CSO External Trade data
[5] ESRI Research Note, *The lockdown tale of two economies in Ireland: How big tech and pharma bucked the trend*, 2020
[6] PBO, *Pre-Budget Commentary 2021*

The Committee is encouraged that high-frequency indicators show signs that the Irish economy is recovering. According to the Central Bank of Ireland, consumption in some sectors is performing strongly, but this is not the case across the board. The Bank's Quarterly Economic Commentary shows that retail activity recovered in the third quarter, but that there has been a significant reallocation as to where this money is being spent.

> *Card payments data from July suggests that spending on groceries and electrical goods has increased year-on-year, whereas spending on transport, accommodation and entertainment remain well below 2019 levels[7].*

The Committee welcomes the development of the PBO's Weekly Economic Activity Tracker[8] which measures activity in the domestic economy. The Committee notes that the indicator remains below pre-pandemic levels. This is supported by the evidence of Minister Donohoe who suggested that the momentum of the post-Q2 rebound has slowed in recent weeks[9]. The Committee believes that the impact of recent additional measures to protect public health is likely to put further downward pressure on the recovery.

Unemployment

The Committee notes that Covid-19 public health measures have resulted in a significant employment shock in the economy. While certain economic indicators have shown signs of recovery in recent months, there are still considerable adverse impacts visible in the labour market. Currently, the CSO's Covid-19 adjusted unemployment data shows that there are 342,800 people unemployed, corresponding to an unemployment rate of 14.7%[10].

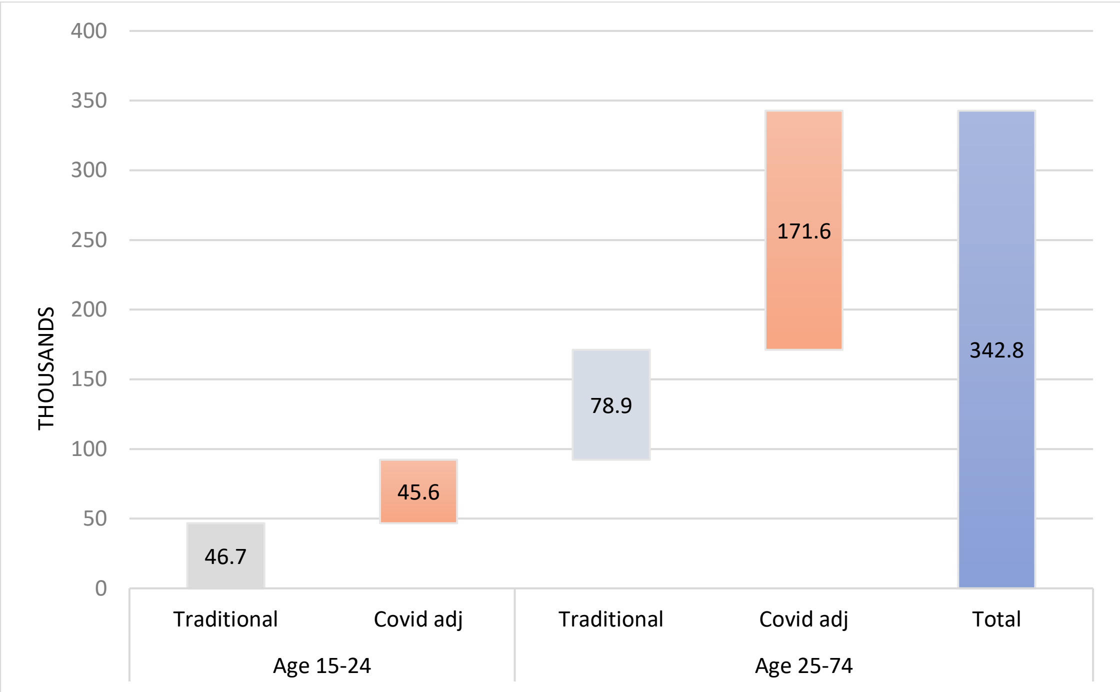
The Committee also acknowledges that this shock has not been uniform across sectors. Data relating to the recipients of the Pandemic Unemployment Payment show that a number of sectors are particularly badly impacted, primarily accommodation and food services, wholesale and retail and construction. The Committee also notes that these sectors are likely to be further impacted if additional public health measures are implemented.

[7] Central Bank of Ireland, Quarterly Bulletin Q4 2020
[8] For more information see: PBO, *Monitoring the Economic Impact of COVID-19,* 2020
[9] Committee on Budgetary Oversight Meeting Transcript - 01/10/2020
[10] CSO Monthly Unemployment September 2020

While the economy is currently anticipated to return to growth next year, it is concerning that unemployment is likely to remain above 10% according to the Irish Fiscal Advisory Council (IFAC)[11].

As per figure 2 below, the Committee also notes with concern that the are approximately 92,000 people under the age of 25 classified as unemployed. This represents an unemployment rate within this cohort of 36.5% and is, given the long-term impacts of high youth unemployment, of extreme concern to the Committee.

Figure 2: Decomposed Unemployment - September2020



Source: CSO Adjusted Monthly Unemployment Estimates

International Context

As outlined above, Ireland's export trade has performed relatively well since the onset of the pandemic. The Committee acknowledges that our recovery is somewhat contingent on the performance of our trading partners, and the global economy more generally.

As outlined in table 1 below, the global economy will contract significantly in 2020. The Eurozone is forecast to contract by almost 9%, before growing by 5.0% in 2021. The contraction in the US is anticipated by the OECD to be rather less severe, contracting by 3.8%

[11] IFAC Opening Statement, 06/10/2020

this year and growing by 4.0% in 2021. The United Kingdom economy is forecast to contract by 10.1% this year.

Table 1: Growth in selected international economies

	2019	2020	2021
Global economy[12]	2.9	-4.9%	5.4%
Eurozone[13]	1.3%	-8.7%	6.1%
United States[14]	2.2%	-3.8%	4.0%
United Kingdom	1.5%	-10.1%	7.6%

Source: Various (see footnotes)

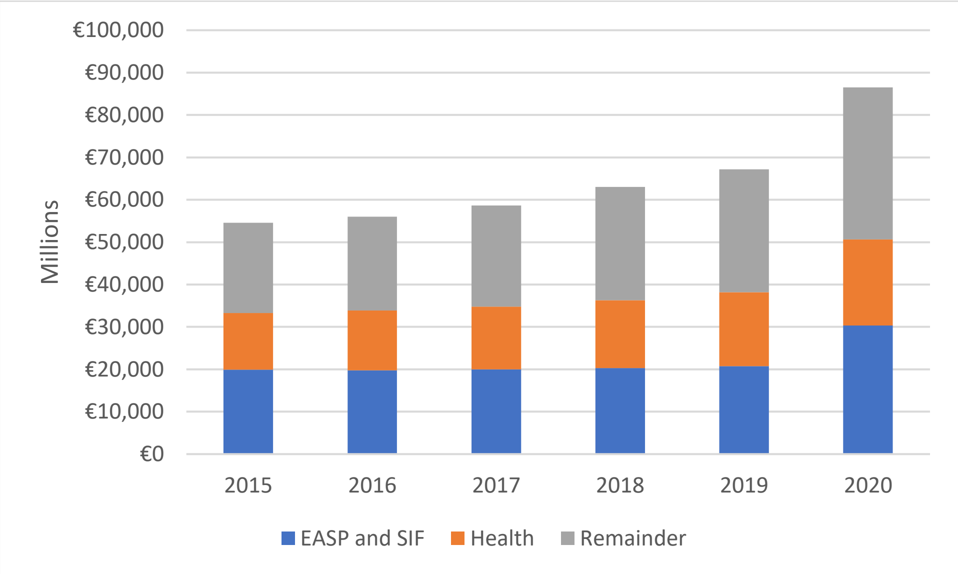
[12] IMF, *World Economic Update*, June 2020
[13] European Commission, *European Economic Forecast Summer 2020*
[14] US and UK data is sourced from OECD Economic Outlook Interim Report, September 2020

Budgetary Developments

Expenditure

Between 2015 and 2019, gross voted expenditure has increased by 23%, aided by significant growth in revenue. This spending growth was partly driven by recurring expenditure increases and overruns in the Health sector which has required a number of supplementary estimates over the period. In total, health expenditure increased by €4.1bn (31%) between 2015 and 2019[15].

Figure 3: Composition of gross voted expenditure 2015 - 2020



Source: DPER Databank and Pre-Budget Expenditure Report 2021[16]

Due to Covid-19, the Committee believes that significant expenditure increases have been warranted in order to both increase the capacity in the health service and support the economy while health protection measures are in place.

When initially published in December 2019, the Revised Estimates for 2020 allowed for €70.4bn in expenditure, a 4% increase on 2018. Subsequent to this, a number of votes have been, or will be, revised upwards. The Committee notes that gross voted expenditure, as of end-September, is currently €8.1bn (16%) above profile, predominantly due to necessitated expenditure by the Departments of Employment Affairs and Social Protection (DEASP) and

[15] DPER Databank – Gross Expenditure
[16] DPER, *Pre-Budget Expenditure Report* 2020, October 2020

Health. The Estimates for these votes have been increased by €5.5bn and €2bn respectively. In total, expenditure for 2020 is €10.6bn (22.1%) higher than at the same point in 2019[17].

The Committee notes the PBO's estimate that total expenditure for 2020 will now be €16bn greater than was anticipated at the time of the Revised Estimates. To facilitate this, a further €7 billion will be required via Further Revised Estimates, 'updated' Revised Estimates and Supplementary Estimates during the rest of 2020[18].

The Committee recognises that social protection supports to cushion income reductions and liquidity supports for business have played an important role in ensuring the economic contraction has not been much worse.

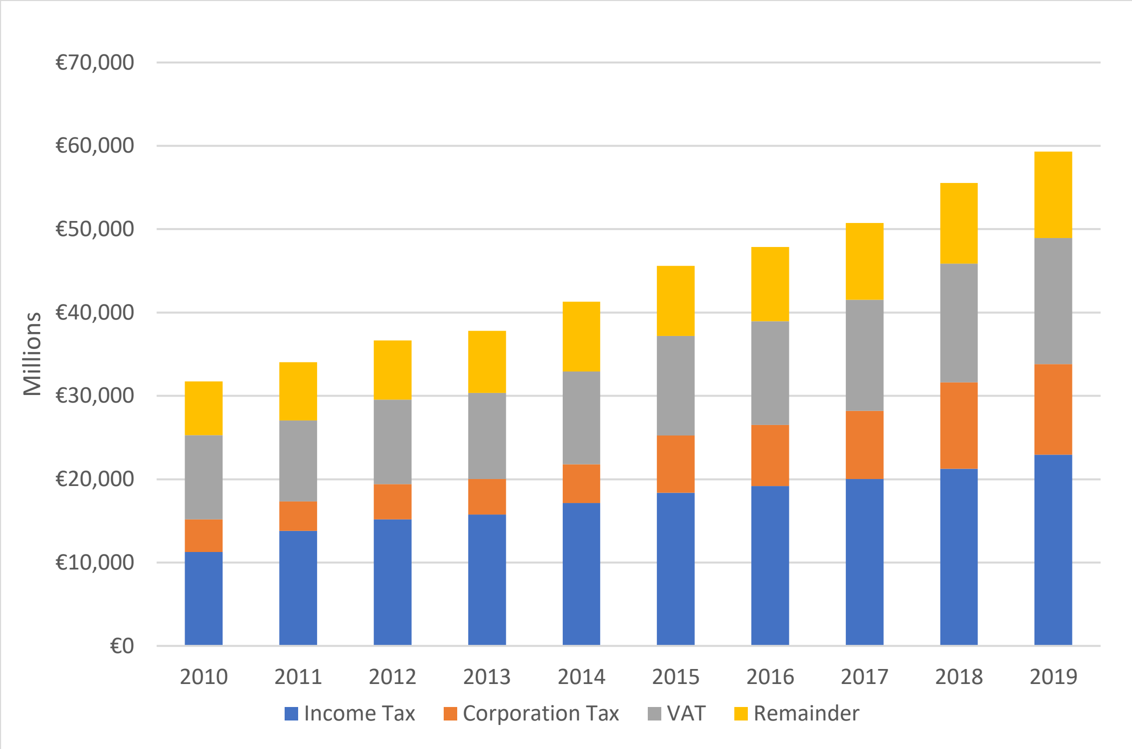
The Committee also acknowledges the importance of spending being efficient and targeted at the required sectors. In so far as is possible, the Committee believes that policies should be developed, and implemented, in a manner that minimizes deadweight.

Revenue

The Committee notes that taxation revenue has increased by 87% since 2010, and 44% since 2014. Since 2014, this growth has been strongest in corporation tax receipts (135% increase), but the other major tax heads have grown also. Over this period, income tax revenue grew by 34% while VAT receipts increased by 36%[19].

[17] *Department of Finance, Fiscal Monitor September 2020*
[18] PBO, *Pre-Budget Commentary 2021*
[19] Department of Finance Databank

Figure 4: Decomposed tax receipts 2010 – 2019



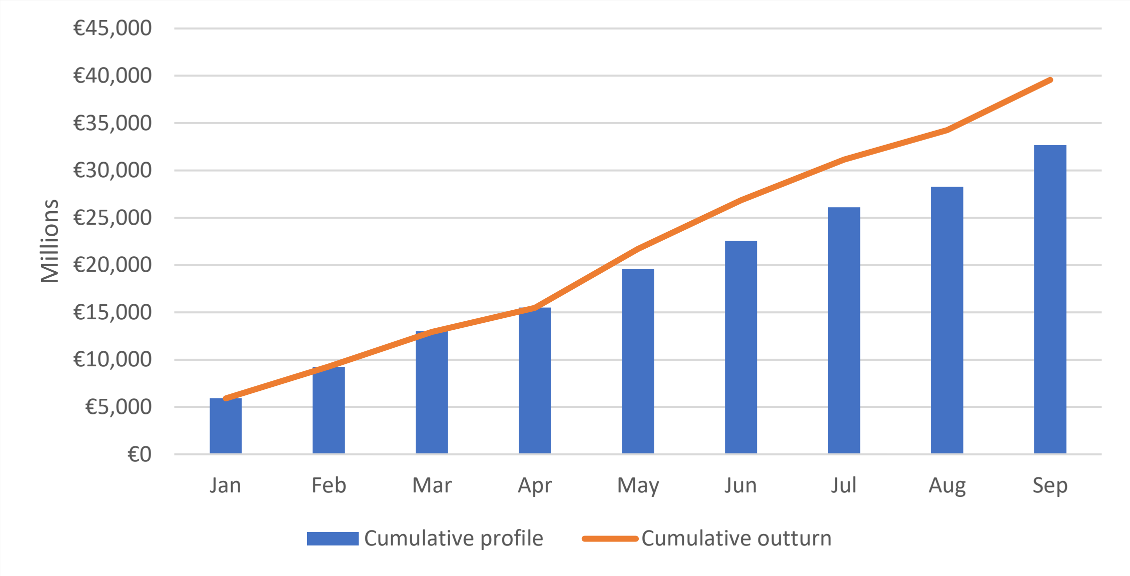
Source: Department of Finance Databank

The Committee acknowledges that public health measures which constrain economic activity will have an inevitable impact on taxation revenue in 2020. However, the Committee welcomes that tax revenue has not reduced by the magnitude that was originally anticipated. As shown in figure 5 below, tax receipts are significantly outperforming their Covid-19 adjusted profile.

As of end-September, total revenue was €6.9bn ahead of what was anticipated, driven primarily by resilient income and corporation tax receipts. The Committee notes that income tax revenue is €323m behind where it was 12 months ago, while corporation tax is €1.6bn ahead[20].

[20] Department of Finance, *Fiscal Monitor September 2020*

Figure 5: Tax revenue outturn V Covid-adjusted profile (000's)



Source: Fiscal Monitor January – September 2020

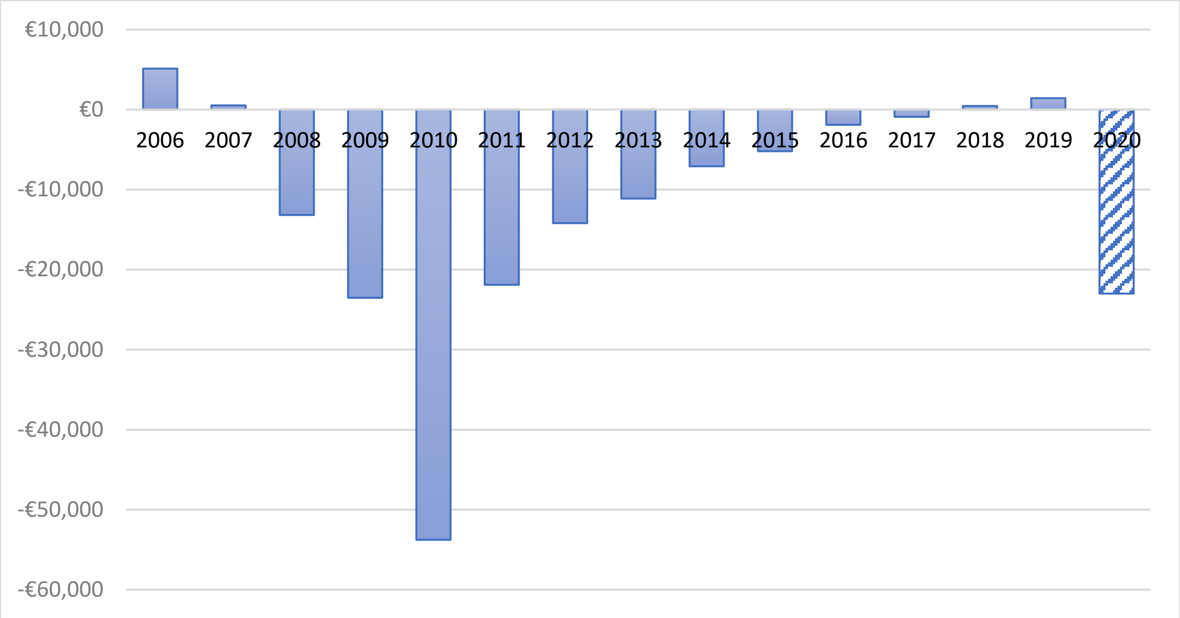
General Government Balance

The Committee welcomes that the General Government Deficit will not be as large as may have been anticipated earlier in the year, with the latest figures currently showing a deficit of €9.4bn[21]. If this continues on its current trajectory, it is likely that the end-of-year figure will be closer to the level forecasted in the SPU.

While 2020 will show a significant deterioration in the General Government Balance, which recorded a surplus of €1.4bn in 2019, the Committee notes that this is due to the fiscal cost of supporting the economy through Covid-19, rather than due to severe macro-economic imbalances, as was the case with the last recession.

[21] Department of Finance, *Fiscal Monitor September 2020*

Figure 6: General Government Deficit 2006-2020 (€millions)



Source: CSO Government Finance Statistics and Stability Programme Update 2020

Budget 2021

Expenditure Pressures

The Committee welcomes the publication of the Pre-Budget Expenditure Update 2020 on the 6th of October. However, given that this was published one week in advance of Budget day, it was difficult for the Committee to fully consider it during its pre-Budget scrutiny.

The Committee notes that Covid-19 expenditure for 2021 could be in the range of €9bn, without any additional policy change measures, or improvements in the unemployment rate. This €9bn will include carryover costs relating to the July Stimulus (€1.25bn), the extension of the Pandemic Unemployment Payment (PUP) and Employment Wage Subsidy Scheme (EWSS) (€1.3bn) and the cost of re-opening schools (€200m) and colleges. The remainder is comprised of increased health service expenditure, other welfare payments and additional subventions required to support public transport[22].

The Committee notes from the evidence of Minister McGrath that, before accounting for policy measures in key areas such as Health and Housing, the Budget Estimates for 2021 will include an increase of approximately €3bn in core expenditure, comprising €2bn in current expenditure and €1bn in capital expenditure[23].

Of the €2bn allocated for current expenditure, €1.1bn is required to meet demographic pressures and public sector pay increases (€350m) with the remaining €900m being allocated across the remaining areas of expenditure. The allocation for demographic pressures includes €500m to meet the cost of maintaining the state pension age[24].

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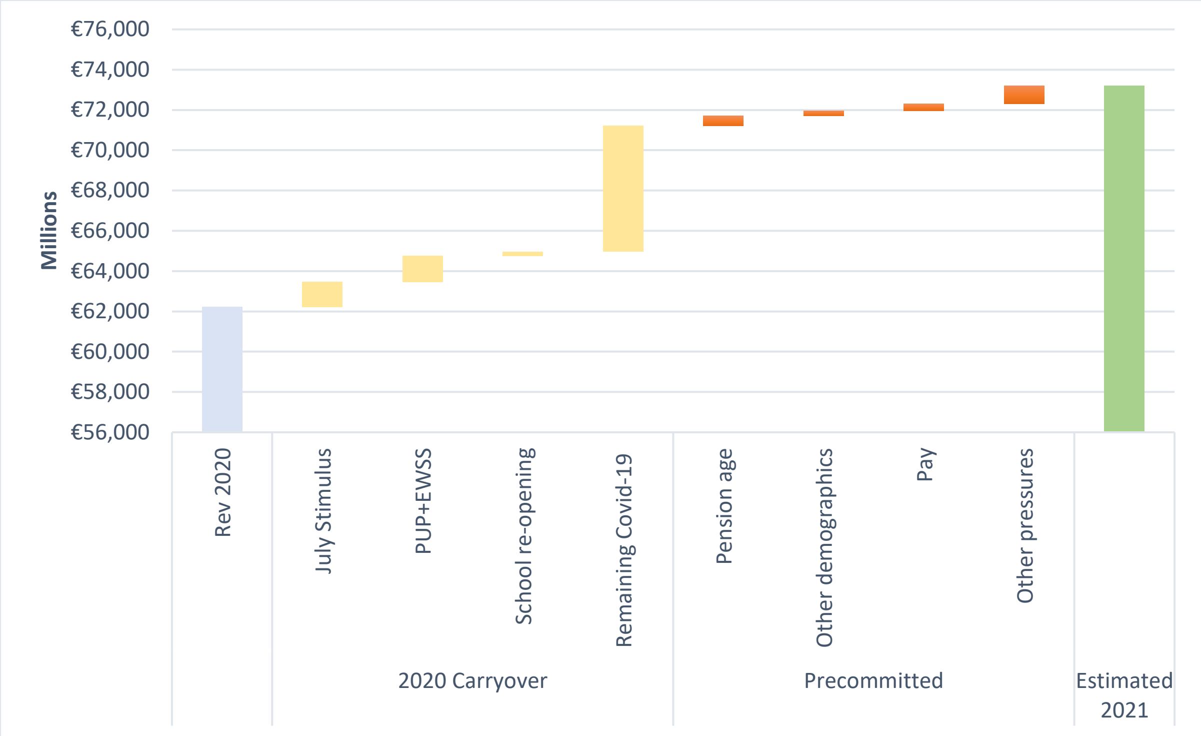
[22] DPER, *Pre-Budget Expenditure Report* 2020, October 2020

[23] Opening Statement of Minister Michael McGrath TD, 08/10/2020

[24] DPER, *Pre-Budget Expenditure Report* 2020, October 2020

Figure 7: Revised Estimates 2020 plus carryover and pre-committed expenditure



Source: [DPER, *Pre-Budget Expenditure Report* 2020, October 2020]

Upward pressures with regard to health expenditure have consistently been flagged as an issue of concern in the run-up to budgets in previous years. While the Committee acknowledges that there are extenuating circumstances ahead of Budget 2020, it notes from Minister McGrath that negotiations between the Department of Public Expenditure and Reform and the Department of Health are ongoing.

> *Consequently, there is extensive engagement with the Department of Health and the HSE as we seek to arrive at a workable, sustainable and comprehensive allocation for the Department of Health that can help build the necessary capacity and resilience into our health system*[25]*.*

In addition to the above expenditure pressures, Minister McGrath also indicated that there would be expenditure increases in addition to the "non-Covid" €3bn requirement. In discussing this, the Minister stated that it would be required to progress Programme for Government commitments and also highlighted that pre-Covid crises "have not gone away".

[25] Opening Statement of Minister Michael McGrath TD, 08/10/2020

General Government Balance 2021

The Committee anticipates that a further significant deficit is likely in 2021, albeit that it should be less than that of 2020. In their evidence, IFAC outlined their estimate that next year's deficit will be €10- €18bn, but this does not account for any additional policy change in the meantime[26]. While this is considerable, IFAC do support running deficits in the coming years and believe that it is the correct budgetary approach:

> *While fiscal adjustment is likely to be needed after the Covid-19 shock, this should not happen before a recovery is well entrenched. Once the economy and employment recovers, fiscal adjustment should be feasible without a return to severe austerity[27].*

[26] IFAC Opening Statement, 06/10/2020
[27] FAC Opening Statement, 06/10/2020

Additional Budgetary Considerations

Compliance with Fiscal Rules

The Committee acknowledges that in any other year, the deficit for 2020 would represent a significant breach of the EU's Fiscal Rules contained in the Stability and Growth Pact. The Committee understands that the European Commission has suspended the Rules for 2020 but that it is still unclear as to when the rules will start to re-apply. The Committee notes from engagement with the PBO that if Ireland's deficit is greater than 3% of GDP at the time they are re-applied, then it will be put into the Excessive Deficit Procedure. This will require that Ireland's structural budget balance is adjusted by 0.5 per cent of GDP annually[28]. IFAC acknowledged in their submission to the Committee that other European countries would have similar or higher deficits post 2020 to Ireland.

The Committee also considered the possibility that Ireland could develop its own 'domestic' fiscal rules which would set our own budgetary targets for the period that they are suspended at a European level. For the short-term, the Committee notes the evidence of Minister Donohoe cautioning against this:

> *It is fine to advise that this be done but to set figures, begin the debate now and try to set targets for the rules would not be appropriate for the economy now or for the encouragement of an economic recovery. That is the view held by many of my colleagues in the European Union and in our European institutions. It is definitely appropriate for Ireland at present[29].*

The Committee will engage with the Minister again on this subject at the time of the Stability Programme Update 2021.

The Committee notes that relaxation of the Rules, alongside the current favourable borrowing environment, provides an opportunity for the Government to increase investment in areas that have been a particular public policy challenge.

Recommendation 1 : The Committee recommends that the current relaxation of the Stability and Growth Pact provides an opportunity for the Government to invest in areas, such as

[28] PBO, *Pre-Budget Commentary 2021*

[29] Committee on Budgetary Oversight Meeting Transcript - 01/10/2020

education, housing, healthcare and communications, energy and transport infrastructure, and other measures that will narrow inequality.

Brexit

Aside from Covid-19, Brexit remains the most considerable short-term threat to the Irish economy. The Committee considered evidence that has been presented addressing the impact of Brexit in an Irish context. Examining the short run, the Central Bank[30] estimates that economic growth in 2021 would be approximately 1% lower than the baseline (no Brexit) as a result of a free trade agreement, but 1.5% and 2.7% lower if there is a World Trade Organisation (WTO) or a "disruptive WTO" end to the transition period respectively. In the long run, the Bank forecasts that Irish output could be reduced by between 3.5% (in the case of an EU/United Kingdom Free-Trade Agreement) and 5% (if trade moves to WTO terms)[31]. Similarly, the Department of Finance find that, relative to Brexit not happening, the absence of a trade agreement will result in GDP being 3.6% lower in 2025, with output being 2.1% lower if there is a deal[32].

In considering the above analysis, the Committee acknowledges the difficulty in anticipating how Brexit will interact with the impact of Covid-19, and that this adds further uncertainty to projections. However, the Committee notes with concern the evidence from the ESRI[33] and IFAC that the sectors which proved resilient during Covid-19 may be the most exposed to the impact of Brexit e.g. agri-food, financial, insurance and real estate.

In meeting the Committee, Minister Donohoe's evidence set out the importance of a trade deal between the United Kingdom (UK) and the EU, and the upside benefits to the Irish public finance:

> *In the absence of a trade deal, post-Brexit, we expect the economy to grow by around 1% to 1.5% next year. If a trade deal is agreed in the context of Brexit, our national economic growth could be between 3% and 4%[34].*

[30] Central Bank of Ireland, *Implications of Potential EU-UK Trade Arrangements at the End of the Brexit Transition Period*, July 2020
[31] Central Bank, *Quarterly Bulletin Quarter 3 2020,* July 2020
[32] Department of Finance Presentation to Fiscal Council, September 2020
[33] ESRI, *Examination of the sectoral overlap of COVID-19 and Brexit shocks,* 2020
[34] Committee on Budgetary Oversight Meeting Transcript - 01/10/2020

Considering this, and the evidence of IFAC, the Committee is of the view that Budget 2021 should contain contingencies that can be implemented should an agreement not be reached on the future trading relations between the UK and EU. According to the evidence of IFAC:

> *As in Budget 2020, appropriately-sized contingencies should be put in place to cover the costs of a failure to reach a trade agreement between the EU and UK.*

The Committee also recognises, from its engagement with the PBO, that it is difficult obtain a clear picture as to Brexit related expenditure.

> *While the measures announced in Budget 2020 (under a no-deal or disorderly Brexit scenario) were more substantial, and included a greater level of detail, large proportions of the allocated funding were not linked to specific measures or projects, meaning scrutiny of overall Brexit related expenditure remains complicated and unreliable[35].*

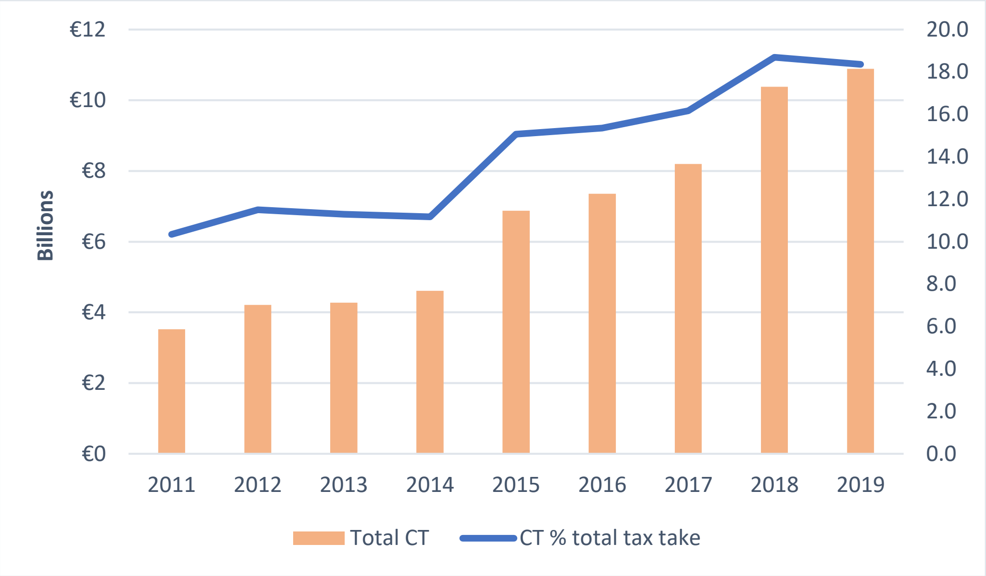
Recommendation 2: The Committee believes that expenditure allocated to address the cost of the EU and UK not reaching a trade agreement should be clearly identifiable in budgetary documentation, with specific performance metrics attached which outline what will be delivered by the additional resource allocation.

Corporation Tax

The Committee notes that corporation tax as a share of overall tax revenue has increased considerably in recent years, from 11.2% in 2014 to 18.7% in 2019. Over the same period, receipts have grown from €4.6bn to €10.9bn[36].

[35] PBO, *Pre-Budget Commentary 2021*
[36] Department of Finance Databank

Figure 8: Total corporation tax receipts 2011 – 2019 and as a share of total tax revenue



Source: Department of Finance Databank

The Committee acknowledges that the growth in these receipts in recent years has been considerably higher than would have been expected given the level of growth in the domestic economy. IFAC has estimated that of the €10.9bn collected in corporation tax in 2019, only €5.4bn could be explained by domestic growth[37].

The Committee notes that there are significant threats to the current levels of corporation tax receipts, primarily a global economic recession which would reduce corporate profitability and the ongoing BEPS 2.0 process. The SPU classified the sustainability of the current levels of corporation tax receipts as a 'high' fiscal risk. With specific regard to 2021, the Committee notes the commentary of the PBO that receipts in 2021 will be partly based on profits generated in 2020, meaning that the impact of COVID-19 may continue to be felt via receipts[38].

Considering the above, the Committee believes that into the future, fiscal policy should account for the likelihood that corporation tax receipts will reduce.

[37] *IFAC, Fiscal Assessment Report May 2020*
[38] *PBO, Pre-Budget Commentary 2021*

Local Authority Funding

The Committee recognises the important role that the Local Government sector plays in delivering services in the Community. To this end, it is concerned at the impact that the Covid-19 pandemic is having on the sector and is concerned by the evidence of Minister Donohoe that:

> *We will not be able to meet every need that we are asked to meet. Due to the level of need that is coming from local authorities and other parts of Government, not to mention from our economy and society overall, not all of those will be met[39].*

The Committee welcomes the evidence of Minister McGrath that the rates income waived by Local Authorities will be fully reimbursed by Central Government. Nonetheless, it remains concerned about the remaining implications that Covid-19 has had on local authorities.

Recommendation 3: The Committee believes that Local Authority funding must be protected so as the current levels of service delivery are maintained.

[39] Committee on Budgetary Oversight Meeting Transcript - 01/10/2020

Stakeholder engagement summary

SME Supports

The Committee notes that the failure to adequately support the SME sector would be detrimental to employment levels in the country. To this end, the Committee welcomes the supports that this sector has received to date.

Stakeholder submissions received by the Committee highlight the requirement that fiscal support measures are continued into the future. In its submission to the Committee, Chambers Ireland calls for significant investment in SMEs.

> *Budget 2021 must include credible reforms and investment to support those businesses who are the drivers of economic growth in communities across the country. These measures must include tax reform, and policies that support regional tourism and job creation. Further, increasing the training options available for businesses and SMEs will be important in addressing skills challenges. Investing in training and education for SME exporters who want to upskill in areas such as customs and logistics will be crucial in preparing businesses for Brexit[40].*

ISME also highlight the need to invest in the training opportunities available to SMEs, citing the associated productivity benefits[41].

Dublin Chamber highlights that there is a significant investment gap for Irish SMEs and recommend a reduced rate of Capital Gains Tax (CGT) rate for investments in unlisted trading firms:

> *The ESRI identified a significant investment gap in the Irish SME sector in a joint study with the Dept. Finance several years ago, estimating that the gap amounts to over €1 billion annually. The situation has deteriorated drastically due to Covid-19, with estimates of the revenue shortfall facing SMEs at the end of 2020 now ranging from €10.3 billion (Central Bank) to €15 billion (ESRI)[42].*

[40] Chambers Ireland submission to the Committee
[41] ISME submission to the Committee
[42] Dublin Chamber submission to the Committee

In its evidence, ISME put forward their belief that, due to the behavioural change that this would bring about, reducing CGT to 25% would generate approximately an additional €100m in revenue[43].

The EWSS, and its precursor the Temporary Wage Subsidy Scheme, have been cited by numerous stakeholders as playing a very important role in assisting businesses to trade through the economic impact of the pandemic.

While the Committee acknowledges the evidence of Minister Donohoe that it is difficult to estimate the subsidy required by the economy next year, it does believe that there is a balance to be struck. Businesses also need certainty and clarity in order to be able to plan ahead[44].

Recommendation 4: The Committee notes that the economic and social impact of the Covid-19 Crisis has not been felt uniformly across all sectors of society and recommends a programme of medium to long term funding for education supports targeted at the retraining of skilled workers in impacted sectors and areas/groups with higher youth unemployment."

Addressing Unemployment

To address unemployment the Think-Tank for Action on Social Change (TASC) recommends that the government should consider significantly increasing investment in apprenticeships and vocational training, especially in growing industries and outside of major cities[45]. This view was also endorsed by the Nevin Economic Research Institute who highlighted the risk of high levels of structural unemployment over the medium to long term and the role investment can play in reducing this. NERI also suggests that the government should retain a short-time work scheme that can be activated quickly to maintain employment relationships in the event of significant shocks[46].

Recommendation 5: The Committee notes that the economic and social impact of the Covid-19 Crisis has not been felt uniformly across all sectors of society and recommends a

[43] ISME submission to the Committee
[44] Committee on Budgetary Oversight Meeting Transcript - 01/10/2020
[45] TASC Submission to the Committee

[46] NERI submission to the Committee

programme of medium to long term funding for education supports targeted at the retraining of skilled workers in impacted sectors and areas/groups with higher youth unemployment.

Dublin Chamber noted similar concerns around the impact of the Covid-19 pandemic on the labour market and recommends reforming and extending the EWSS to support employees. They also caution against the sudden discontinuance of the scheme:

> *Changes to the wage subsidy scheme should not take the form of a 'cliff edge'. A sudden discontinuance of the Employment Wage Subsidy Scheme from April 2021 would likely represent a financial shock for many SMEs still suffering from a collapse in revenue and slowdown in cash flow, and could undermine what the scheme has successfully achieved thus far*[47]*.*

The evidence of Minister McGrath set out the important role that Covid-19 income supports measures have had in moderating the impact of Covid-19 on household incomes, but also the concerning level of which it is being depended on:

> *With 38,000 employers registered for the EWSS, the Revenue Commissioners are to make payments this week to 31,700 of these employers in respect of 335,000 employees. In addition, with over 200,000 recipients of the PUP this week, before the nationwide Level 3 restrictions were introduced, this indicates the scale of the challenge faced by workers and their employers*[48]*.*

Recommendation 6: Considering the above, the Committee believes that the EWSS must be replaced with an enhanced wage subsidy scheme to support workers and retain employment.

Poverty and Income Inequality

Despite the above supports, the Committee believes that care needs to be taken to ensure that Covid-19 does not have distributional implications that may further exacerbate income inequality. In the submissions received by the Committee, concerns were raised by numerous stakeholders around the issues of unemployment, poverty and income inequality.

[47] Dublin Chamber submission to the Committee
[48] Opening Statement of Minister Michael McGrath TD, 08/10/2020

ISME noted that the greater impact of Covid-19 on the hospitality, restaurant services and entertainment sectors mean there is a disproportionate effect to workers employed in these industries.

> *There will be severe and lasting effects on these sectors, and the people employed within them, unless we are capable of adapting our 'living with Covid-19' plans to them*[49].

The Committee notes evidence that these sectors are more likely to consist of workers from particular marginalised groups, including lone parents, migrants, people with disabilities and young people. TASC recommends that budgetary decisions should be proofed to ensure that they do not further marginalise particular populations moving forward:

> *No single policy can achieve equality-proofed budgeting on its own. In the immediate term, equality-proofing could entail revisiting the reduction of PUP, or benchmarking social welfare increases to mean or median earnings. Any policy change should be tailored to ensure no adverse employment effects*[50].

TASC also identifies Childcare as an area relevant to inequality, low pay, and social exclusion, noting that high childcare costs are a major barrier to paid employment, especially among lower income women. As a result, TASC advises that funding increases should depend on implementing minimum rates of at least the Living Wage, together with caps on fees. TASC also advise that over the medium-term, the current policy whereby the state pays the wages of the childcare sector through the EWSS could become permanent as a national system of early years care is created. The TASC submission also highlights Ireland's comparatively low levels of investment in the sector:

> *Spending on the sector in 2019 was just under 0.3 percent of GNI* (Sweeney and Oliveira Santanna, forthcoming 2020). This leaves Ireland at or near the bottom in terms of public spending on the sector in international rankings.*

The high cost of childcare was also highlighted to the Committee by NERI and the Irish Congress of Trade Unions (ICTU)[51].

[49] ISME submission to the Committee
[50] TASC Submission to the Committee
[51] ICTU submission to the Committee

Recommendation 7: Careful consideration should be given to ensuring that measures included in Budget 2021 counteract reductions in the pandemic unemployment payment in order to support the incomes of those who have become unemployed as a result of the pandemic. Given the particular pressures of the pandemic a focus on funding for the provision of basic services in healthcare and associated services, the provision of public housing and measures to protect the mental health and general wellbeing of the population, particularly vulnerable groups and young people, would be expected.

Public Investment

Temporary Investment Stimulus

As outlined above, the Committee recognises the likelihood that unemployment will remain elevated in the near-term. Numerous stakeholders have highlighted the need for a large-scale multi-year stimulus package to ensure that growth returns to the economy post 2020. In this context, and notwithstanding the very significant deficit that will be in the public finances in 2021, NERI maintain that:

> *There is a strong case for an ambitious multi-year stimulus programme based primarily on investment in green infrastructure, in housing, and in human capital development[52].*

Witnesses before the Committee, in particular IFAC, advised that the large-scale multi-year stimulus package should be targeted and temporary for the recovery period 2021-2022, while private investment is weak and household consumption depressed. With high levels of unemployment anticipated, this stimulus could enable workers to move into different forms of employment to ensure growth returns to the economy. IFAC also advised that appropriately sized contingencies should be put in place, financed through borrowing as there is enough fiscal space to provide stimulus financial support to deal with Brexit and the risk of Covid-19 worsening.

The Committee notes that SJI supports the competent investment of money borrowed at low interest rates over the short term in order to minimise the long-term economic damage[53]. Dublin Chamber also advocates pursuing a similar policy:

> *The positive borrowing environment should be used to accelerate delivery of sustainable infrastructure projects. These will act as a stimulus and protect the public exchequer against interest rate increases and inflation in the future[54].*

[52] NERI submission to the Committee
[53] Social Justice Ireland submission to the Committee
[54] Dublin Chamber submission to the Committee

The importance of public investment as an economic policy lever was also highlighted by Minister Donohoe, especially given the impact that the current levels of uncertainty will have on reducing investment by the private sector:

> *Being able to have the confidence that we can maintain that level of spend in the context of there being uncertainty regarding private sector investment in 2020 and 2021 will have a significant effect on the recovery of the economy. The Government and I are committed to maintaining that[55].*

Investing in Capital Infrastructure

While the economy enters what is likely to be an extended economic downturn, the Committee recognises that it is essential to invest in infrastructure. The Committee notes from the submissions it has received that various stakeholders held diverging views on how to prioritise the allocation of investment in infrastructure. Chambers Ireland recommend prioritising funding for capital infrastructure, specifically the projects which are critical to the implementation of the National Planning Framework, in order to minimise the longer-term detrimental economic impact of Covid-19. Its submission states the importance of infrastructural investment:

> *The scale of the shock suffered by the economy can only be countered by bold actions and accelerated expenditure on capital infrastructure[56].*

The Committee also notes the proposal of TASC that greater public investment will be needed over the next decade in order to address the shortage of affordable housing and that significant increases in funds allocated toward new builds of public housing are required.

> *Budget 2021 must recognise the mounting challenge that Ireland faces in meeting its commitments and obligations in relation to the Paris Agreement and the 2030 Agenda for Sustainable Development. In order to reach our targets, the most recent Climate Change Advisory Council indicates that additional government investment is needed in: public transport, retrofitting of local authority buildings and housing, and essential adaption measures[57].*

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[55] Committee on Budgetary Oversight Meeting Transcript - 01/10/2020
[56] Chambers Ireland submission to the Committee
[57] TASC Submission to the Committee

This is broadly supported by ICTU who highlights the need for a major public house building programme, undertaken through public agencies. The Congress propose that the public sector should resolve the housing crisis through a massive programme of public housing construction on public land, undertaken on the basis of cost rental principles.

> *A programme of investment in new builds, green retrofits, and amenities to build sustainable communities, is essential to meet needs and spur national recovery projects as we restart the economy*[58].

Sustainable economic investment

The Committee acknowledges the significant challenge that climate change poses, and also the implications that ensuring sustainable growth will have going forward. In order to realise a 'just transition' in communities all across Ireland and build social approval for climate action, TASC recommends that green expenditure be channelled into community initiatives that help to stimulate local development and enable the growth of cooperative or community owned businesses.

Both ISME and Dublin Chamber highlighted the importance of investment in broadband infrastructure as remote and flexible working increases**.** Dublin Chamber cited a recent ComReg Survey where 77% of broadband users saw an increase in the usage of their home broadband service after Covid-19 restrictions were introduced. Broadband infrastructure investment will be required over the long-term to enable employees to remote work effectively and such investment will be crucial in order to transition to a zero-carbon economy.

Considering the above, the Committee welcomes Michael McGrath's evidence that capital expenditure will be further increased in 2021:

> *This would see core gross voted capital expenditure of almost €9.2 billion next year, an increase of almost €1 billion on the gross voted expenditure amount set out for this year in REV 2020*[59]*.*

[58] ICTU submission to the Committee
[59] Opening Statement of Minister Michael McGrath TD, 08/10/2020

Recommendation 8: The Committee recognises the impact that capital investment can have in creating jobs and in growing the productive capacity of the economy. Therefore, the Committee recommends that capital expenditure should be increased in the areas providing the greatest level of social, economic and regional development in line with climate action.

Budget information

The Committee recognises the important role that clear budgetary information and metrics can have in improving parliamentary oversight and input into the budgetary process.

Measuring budgetary impact

One of the issues on which the Committee engaged with stakeholders on was how the impact of budget decisions could be measured. Chambers Ireland suggested that progress towards meeting the Sustainable Development Goals could be used as a barometer. In addition, its submission proposed using the 'Green Golden Rule' to determine "how and where to invest".

> *Greater use of the proposed 'Green Golden Rule' will require us to not only measure the cost of individual projects but (it) also provides mechanisms to account for the costs of not taking climate change mitigation actions[60].*

Other stakeholders have proposed the development of specific indicators that could be used. ISME recommends using the National Economic Dialogue process to develop a 'Social Progress Indicator' which would "contribute far more to the budgetary debate than an endless discursion on our GDP and our GNI*"[61].

Social Justice Ireland (SJI) propose the development of a National Index of Progress:

> *In Budget 2021 Government should develop a new National Index of Progress encompassing environmental and social indicators of progress as well as economic ones. By measuring and differentiating between economic activities that diminish natural and social capital and those activities that enhance them, we can ensure that our economic welfare is sustainable[62].*

SJI also proposes moving away from using a deficit target to frame the Budget until 2022, and instead setting an "unemployment rate target".

In its submission, Chambers Ireland noted that recent analysis has shown that the impact of Covid-19 has been felt disproportionately by women and as a result they suggest that Government make greater use of equality budgeting, specifically 'gender-proofing' the

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[60] Chambers Ireland submission to the Committee
[61] ISME submission to the Committee
[62] Social Justice Ireland submission to the Committee

Budget. They note that past governments have made a commitment towards greater gender-proofing of budgets and they believe this will be particularly necessary in 2021[63].

Recommendation 9: The Committee also notes the importance of effective budgetary performance metrics and having a clear line of sight with regard to Covid-19 and Brexit expenditure. The Committee believes that additional expenditure should be accompanied by performance metrics that set out what will be delivered with the associated spend.

Absence of medium-term forecasts

The Committee notes that neither the Summer Economic Statement nor the Mid-Year Expenditure Report were published in 2020. While this is somewhat understandable given the pressures, and uncertainty, arising from Covid-19, the remit of the Committee on Budgetary Oversight is particularly difficult to execute in their absence.

Further to this point, the Committee also notes that no projections beyond 2021 will be included with the Budget. This is a departure from the norm and, as a result, no official forecasts beyond next year will have been published in the twelve months subsequent to SPU 2020. This information is an important enabler in facilitating effective parliamentary budget scrutiny. This is supported by the evidence of IFAC.

> *The Council is concerned that the Official projections end in 2021, rather than forecasting five years ahead as in recent years. Medium-term forecasts would help to better inform policy now, given the impact that decisions today will have on the economy and public finances well into the future*[64].

Recommendation 10: The Committee recommends that the Government should commit to publishing a Summer Economic Statement every year, regardless of the circumstances. Further, greater pre-Budget information should be furnished to the Committee on Budgetary Oversight in order to allow it undertake effective scrutiny in advance of the Budget.

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[63] Chambers Ireland submission to the Committee

[64] IFAC Opening Statement, 06/10/2020

Appendix One:

Submissions

Minister of Finance	Opening Statement
Minister of Public Expenditure and Reform	Opening Statement
Irish Fiscal Advisory Council (IFAC)	Submission

Written Submissions

The Committee requested written submissions from the below stakeholders[65];

- Chambers Ireland, Submission
- Dublin Chamber, Submission
- IBEC, Submission
- Irish Congress of Trade Unions (ICTU), Submission
- Irish SME Association (ISME), Submission
- Nevin Economic Research Institute (NERI), Submission
- Social Justice Ireland, Submission
- TASC, Submission

65 https://www.oireachtas.ie/en/publications/?committee%5B0%5D=%2Fen%2Fcommittees%2F33%2Fbudgetary-oversight%2F&topic%5B0%5D=correspondence&topic%5B1%5D=opening-statements-submissions&topic%5B2%5D=terms-of-reference

Appendix Two:

Public Meetings

- 1 October 2020, Minister of Finance Transcript
- 8 October 2020, Minister of Public Expenditure and Reform Transcript

Appendix Three: Committee Membership

Richard Boyd-Barrett TD
Solidarity – People Before Profit

Seán Canney TD
Independent

Ciaran Cannon TD
Fine Gael

Pearse Doherty TD
Sinn Féin

Bernard Durkan TD
Fine Gael

Mairéad Farrell TD
Sinn Féin

Michael Healy-Rae TD
Independent

Neasa Hourigan TD
Green Party

John Lahart TD
Fianna Fáil

Brian Leddin TD
Green Party

Aindrias Moynihan TD
Fianna Fáil

Ged Nash TD
Labour

Willie O'Dea TD
Fianna Fáil

Kieran O'Donnell TD
Fine Gael

Patricia Ryan TD
Sinn Féin

Appendix Four: 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, Buanchoiste, dá ngairfear an Coiste um Fhormhaoirsiú Buiséid, chun scrúdú a dhéanamh agus, más cuí 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 Iarmhéid Ginearálta an Rialtais, lena n-áirítear spriocanna struchtúracha;

(ii) réamh-mheastacháin mheántéarma 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 fhoriomlán;

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:

219 (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;

(*c*) ar an mbeartas maidir le fáltais an Státchiste.	(*c*) Exchequer receipts policy.
(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 earnála iomchuí arna bhunú de bhun Bhuan-Ordú 95	(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 95.
(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 119 (1)(*b*): Ar choinníoll, le linn dó é sin a dhéanamh, go rachaidh an Coiste i gcomhairle—	(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 119 (1)(*b*): Provided that, in so doing, the Committee shall consult with—
(*a*) leis na Coistí arna mbunú de bhun Bhuan-Ordú 95 maidir le haon mholtaí a bhfuil tionchar acu, i dtuairim an Choiste, ar ról nó ar chúram na gCoistí sin; agus	(*a*) the Committees established pursuant to Standing Order 95 on any recommendations which, in the opinion of the Committee, impact on their role or remit; and
(*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,	(*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,
agus tabharfaidh sé fógra i dtaobh thorthaí na gcomhairliúchán sin don Fhochoiste ar Athleasú na Dála.	and shall notify the results of such consultations to the sub-Committee on Dáil Reform.
(4) Beidh na cumhachtaí seo a leanas ag an gCoiste:	(4) The Committee shall have the following powers:
(*a*) an chumhacht chun fios a chur ar dhaoine, ar pháipéir agus ar thaifid mar a mhínítear i mBuan-Orduithe 96(3) agus 99;	(*a*) power to send for persons, papers and records as defined in Standing Orders 96(3) and 99;
(*b*) an chumhacht chun fianaise béil agus fianaise scríofa a ghlacadh agus chun aighneachtaí a ghlacadh mar a mhínítear i mBuan-Ordú 961) agus (2);	(*b*) power to take oral and written evidence and submissions as defined in Standing Order 96(1) and (2);
(*c*) an chumhacht chun Fochoistí a cheapadh mar a mhínítear i mBuan-Ordú 96(4);	(*c*) power to appoint sub-Committees as defined in Standing Order 96(4);
(*d*) an chumhacht chun sainchomhairleoirí a fhostú mar a mhínítear i mBuan-Ordú 96(14);	(*d*) power to engage consultants as defined in Standing Order 96(14);

(*e*) an chumhacht chun taisteal mar a mhínítear i mBuan-Ordú 96(15)).

(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 106 maidir leis an gCoiste.

(*e*) power to travel as defined in Standing Order 96(15).

(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 106 shall apply to the Committee.

—Ríona Uí Dhochartaigh, Aire Stáit ag Roinn an Taoisigh

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