

Opening statement Deputy Matt Shanahan, February 17th

DPER Committee - Re Capital Supply Service & Purpose Report Bill 2023.

Dear Chairman, firstly I would like to thank your good self and your committee for the opportunity to present here today.

I would like to acknowledge and those attending with me today, who can hopefully speak to the merits of the bill under discussion - the **Capital Supply Service and Purpose Report Bill 2023.**

I am joined by Ms Máire Henry, an alumni of University College Dublin, previous head of the department of architecture at WIT, architectural partner at DHB architects, someone with a lot of experience of urban renewal and design through public capital investment schemes.

I am also joined by one of Ireland's best known economists Mr. Jim Power. Jim has a wealth of experience of the Irish banking sector, he is widely relied on to provide financial and economic cross sector analysis both nationally and internationally and is an expert on the macroeconomics of Ireland.

Our third delegate member today is Dr. Ray Griffin, a lecturer in strategic management at SETU School of Business, Management and Organisation. Ray is a senior member of SENSER, the

Southeast Network for Economic and Social Research, and he is one of the senior analysts who produce the **Southeast Economic Monitor** each year, a bi-annual cross sectoral report card into the performance of the southeast economy.

Each of the attendees today are well aware of the need and pertaining difficulties that apply when trying to examine the issue of equitable capital funding across the country.

To with - **the Capital Supply Service and Purpose Report Bill 2023.**

A bill that provides that each Government Minister shall annually provide written report to both houses of the Oireachtas on all asset development/capital expenditure in their department where asset value equals or exceeds 500,000 euro,
-Report outlines expenditure 5 years after it has occurred!!

Why would we need such a bill?

This year, We as a people we will spend 13 billion euros on publicly-funded capital projects.....Indeed, it is projected that we will spend 165 billion euro by the end of *this decade*!!

This is a substantial accomplishment of our society, our recent prudence and is a result of the discipline and pain of the austerity years.

We all hope that our society continues to invest wisely in ever better services and resources for our citizens and for the citizens to come.

Also Chairman, we have massive infrastructural deficits built up over generations and as we plan to address these deficits, both our political leaders and our people need better visibility on where this public money goes?

It is a curious feature of our parliamentary budgetary process, remarked on by the OECD and others, that rather large sums of exchequer funding, earmarked, to Departments, are never seen or heard from again in our Houses of Parliament.

The Dáil is never supplied with a list of approved or completed projects. The "*Where does your Money go*" website for all its multicolored glory breaks things down to the nearest billion!!

PQs on capital spending need to be very consistently addressed and answered to assemble any sense of the overall pattern in public capital spending -

So, I and others believe we need this *simple and robust act to tease out in a gentle way the appropriate and historical detailso that over time we can get a clear picture of public spending and where and how, it was allocated* -

The bill also provides a mechanism to allow a Minister to delay reporting if the need should arise

This bill closes the loop between approval and reporting.

At the moment Chairman the only formal oversight of expenditure in the states capital allocations is when the comptroller + auditor general, or a committee of this house finds something exceptional that they decide to pursue.

This bill proposes to provide further capital granularity without creating a significant departmental workload.

I am reliably advised that reporting five years after completion will steer well clear of any competitive sensitivities in procurement that might blunt the state's future ability to negotiate contracts.

I am also reliably advised that recent advances in the Government's ICT system make this form of reporting relatively straightforward for each department to manage and execute. This bill,in a gentle way.....will strengthen our democracy.

Certainly,if enacted this bill will strengthen our Parliaments ability to discharge its duty of *oversight over expenditure!*

This may become a slightly more pressing matter as we contemplate a larger Dáil, and possibly a larger number of cabinet seats, - The simple act of having a bill to describe accurately where the money goes will I hope, improve the quality of our debate and our decision makingon how best to spend public monies

It will also support transparency in our politics and policy making, and such informed policy will strengthen tax cohesion and social participationas people can clearly see where tax income goes and where and how it has supported them.

I'd like to acknowledge the very significant help given to me and in the work undertaken by the OPLA in drafting this bill. Also the parliamentary Budget Office for supplying timely information as requested.

I'd like to thank also my Regional Group colleagues for their support of this bill and also Senator Michael McDowell for his vigilance and advice in the drafting of this bill.

Finally, I would like to thank Máire, Jim and Ray for attending with me here today.

Hopefully between us we can make a compelling case why this bill is needed – why your committee should adopt it.... and why enacting this bill in legislation can make us a more equal and a fairer Republic.

ENDS.