

**Introductory Statement by Mr. Michael McGrath TD, Minister  
for Finance**

**Meeting of the Select Committee on Finance, Public Expenditure  
and Reform, and Taoiseach**

**Supplementary Estimates for Public Services 2023**

**30<sup>th</sup> November 2023**

Chairperson, I am pleased to have the opportunity to appear before the committee today to discuss the 2023 Supplementary Estimates.

As Minister for Finance, I will be discussing two of the four votes within the Finance Group of Votes: Vote 9 - the Office of the Revenue Commissioners and Vote 7 - the Department of Finance. I look forward to a fruitful and positive exchange.

**Vote 9 - Office of the Revenue Commissioners**

The Office of the Revenue Commissioners plays a vital role in our economy by collecting taxes and duties due to the State.

In 2022, Revenue collected a record €83.1 billion in gross receipts against total administration costs of €491.7 million.

The UK's departure from the European Union has had a major impact on Irish businesses and has necessitated a shift in trade patterns, supply chains and the system of customs and other controls.

The Revenue Commissioners and other State agencies are required by law to comply with customs controls, sanitary and phytosanitary (SPS) checks and other regulations in respect of goods moving between the United Kingdom and Ireland.

The advent of such checks has necessitated investment in our ports. The request for a Supplementary Estimate for the Revenue Commissioners relates specifically to Rosslare Port and the need to replace temporary facilities with permanent infrastructure.

The infrastructure in Rosslare is being developed by the Office of Public Works (OPW) on behalf of Revenue and other departments and agencies.

The permanent infrastructure project consists of the construction of Terminal 7, enabling works and a new border control post. The works will consist of various phases of construction that will deliver new and improved facilities, entry and exit access and significant upgrading of the infrastructure in several areas.

The total cost for the Rosslare project is €236m (inclusive of VAT).

Costs are being apportioned across the relevant departments and agencies. The apportionment ratio in respect of the Revenue Commissioner's is 34.4 per cent, with Revenue's total portion, over the lifetime of project, expected to cost €81.3 million

In order to meet these costs, as well as some related expenditures at Dublin and Rosslare ports, a Supplementary Estimate of just under €53 million is required by the Office of the Revenue Commissioners.

It is envisaged that much of these costs will be met from the Brexit Adjustment Reserve (BAR). As deputies will know, the Fund was set up in 2021 to help countries, regions and sectors worst affected by the UK's withdrawal.

The BAR will work on a retrospective basis with expenditures from 2020 to end-2023 included in Ireland's claim. I am happy to confirm that a significant amount of the infrastructure improvements at Rosslare Port will qualify for funding under the Fund.

## **Vote 7 - Department of Finance**

Turning to the Department of Finance — Vote 7.

The Department requires a Technical Supplementary for 2023 in relation to an overspend of c. €400k in Subhead A.3 - Committees and Commissions.

The excess on the subhead will be funded through savings on Subhead A.1 – Administration Pay.

The overspend is the result of costs linked to an agreement on backdated pay costs with the National Rehabilitation Hospital (NRH). The agreement was made in order to get the Disabled Drivers Medical Board of Appeal (DDMBA) up and running again.

In February 2023, the NRH withdrew from the hosting arrangement that it had provided to the DDMBA. The agreement had been in place for the previous 20 years.

Under the agreement, the Department of Finance paid the consultant's salary when the consultant on the board acted as Chair.

Following the resignation of the board in November 2021, the Department of Finance stopped paying the salary of the consultant, as no work was being carried out in relation to the board.

The NRH argued, however, that there was a 2005 agreement that the Department of Health would fund the consultant's salary once the consultant was no longer required full-time on the Board of Appeal.

Consequently, in order to address this issue and to enable continued hosting arrangements for the DDMBA with the NRH, the Department of Finance agreed to provide funding for the consultant post in question for the period November 2021 to December 2022, and for 2023.

Accordingly, the Department of Finance transferred just under €517,000 to the Department of Health to cover the consultant post's costs. This transfer has given rise to the Technical Supplementary now required on the Vote.

In summary, my objective in relation to the DDMBA has always been for the board to commence hearings as soon as possible. This expenditure will allow that to happen and it is now expected that the DDMBA will recommence hearings in the first half of next month with the first four meetings scheduled for 5<sup>th</sup>, 7<sup>th</sup>, 12<sup>th</sup> and 14<sup>th</sup> of December.

## **Conclusion**

I wish to conclude by thanking members for their attention and I commend the 2023 Supplementary and Technical Supplementary Estimates for the Revenue Commissioners and the Department of Finance to the Committee.

I am happy to address any questions that members may have.

ENDS /////