

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

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

Finance Group of Revised Estimates 2024

January 2024

Introduction

Chairperson, I am pleased to have the opportunity to appear before the Committee today to discuss the 2024 Revised Estimates.

As Minister for Finance, I will be discussing the four votes within the Finance Group of Votes: Vote 7 the Department of Finance; Vote 8 the Office of the Comptroller and Auditor General; Vote 9 the Office of the Revenue Commissioners; and Vote 10 the Tax Appeals Commission. I look forward to a fruitful and positive exchange.

Presentation of the 2024 Estimates

The net funding allocation sought for the Finance Group of Votes for 2024 totals almost €570 million, which compares to a 2023 Vote Group total of almost €587 million, a decrease of €17 million, or just under 3 per cent.

The primary driver of the decrease is a reduced allocation for the Office of the Revenue Commissioners.

Vote 7 - Department of Finance

I propose to focus on the Department of Finance first.

In 2024, the Department is structured around one directorate, the Economic, Fiscal, Banking and Financial Services Directorate. This structure has changed since 2023, in which there were two separate directorates.

There are a number of synergies across the various units in the Department and an increased focus on working in a more integrated way. The new structure better reflects that approach.

The net allocation sought for the Department of Finance Vote in 2024 is €42.4 million, of which some €11 million is provided for a fuel grant scheme for disabled drivers. The Department's allocation provides for both administrative and non-administrative costs.

The single biggest cost remains payroll, which accounts for just over €29 million, or 68 per cent of the total estimate. A further €5.5 million,

or 13 per cent, is provided to cover facilities and non-pay administrative costs.

The remaining allocation funds other services such as the Financial Services Ombudsman, legal costs and other necessary outlays.

Vote 8 – Office of the Comptroller and Auditor General

The allocation for Vote 8, the Office of the Comptroller and Auditor General (C&AG), is applied towards a single Audit and Reporting Programme.

The Comptroller and Auditor General is an independent, constitutional officer. The C&AG's mission is to provide independent assurance that public funds and resources are used in accordance with the law, managed to good effect and are properly accounted for.

The Office assists the C&AG in his statutory functions and is staffed by civil servants.

The C&AG's financial audit role covers around 286 sets of accounts produced by public bodies. Together, those bodies had financial transactions with a value of over €300 billion last year. The net

allocation for this Vote in 2024 is €11.13 million, which is an increase of approximately 6 per cent on 2023.

The 6 per cent increase will fund higher staffing costs.

Vote 9 - Office of the Revenue Commissioners

Turning to Vote 9, the Office of the Revenue Commissioners.

As the Irish tax and customs administration, Revenue plays a vital role in our economy by collecting taxes and duties due to the State and also implementing customs controls.

In 2023, Revenue collected a record €87.2 billion in tax receipts for the Exchequer, with a further €26.16 billion collected by Revenue on behalf of other Departments and agencies. The total relative cost of administration remains low, at 0.46 per cent of net collections, and Revenue continues to maintain high levels of compliance for the taxes and duties under its care and management.

For 2024, Revenue has been allocated a net budget of €512.25 million. This is a decrease of €13.95 million on the net budget for 2023, which followed a Supplementary Estimate of €52.3 million. The original Net budget for 2023 was €473.9 million.

The request for a Supplementary Estimate for the Revenue Commissioners related specifically to Rosslare Port and the need to replace temporary facilities with permanent infrastructure.

Over three quarters of the total net budget allocation is related to payroll for an employment ceiling of 7,050 staff.

The external environment and significant matters such as the UK withdrawal from the EU and the international tax agenda will continue to be challenging in 2024. This includes the reform of the international tax framework as it applies to large corporate groups being introduced under Pillar II of the OECD Global Anti-Base Erosion Model Rules.

Revenue has continued to manage EU external borders in the wake of the UK withdrawal from the EU, through its frontier management and customs functions, ensuring overall supply chain safety and security while facilitating trade.

During 2023, there was further increase in the number of customs declarations. A total of 50.3 million declarations were processed compared to 40.2 million in 2022 — an increase of 25 per cent.

Revenue will continue to implement customs controls in a manner that encourages legitimate trade and supports businesses, while managing

compliance risks. Last year, customs enforcement led to over 20,000 detections and seizures, valued at over €380 million.

Revenue maintains its risk-based approach to managing instances of non-compliance. In circumstances where timely compliance or meaningful engagement was not forthcoming, Revenue continued to pursue those who did not meet their tax and duty obligations. In 2023, there were 291,756 Risk Management Interventions carried out with a tax yield of €787 million.

As 2024 progresses, Revenue will continue to respond to the challenges of international tax reform, while implementing and supporting tax initiatives and collecting the taxes, duties and other charges on behalf of the Exchequer.

Vote 10 – Tax Appeals Commission

Finally, Vote 10 – the Tax Appeals Commission (TAC), has a net budget allocation of €3.8 million, an increase of 6 per cent on the 2023 Estimate.

The 2024 Estimate is to provide for the TAC to advance its programme of modernisation and reform and to address its caseload, while also meeting its obligations as an independent civil service entity.

Conclusion

I wish to conclude by thanking members for their attention and I commend the 2024 Revised Estimates for the Finance Group of Votes to the Committee.

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

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