

DÁIL ÉIREANN

AN ROGHCHOISTE UM FHORMHAOIRSIÚ BUISÉID

COMMITTEE ON BUDGETARY OVERSIGHT

Dé Céadaoin, 12 Iúil 2017

Wednesday, 12 July 2017

Tháinig an Roghchoiste le chéile ag 2 p.m.

The Select Committee met at 2 p.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Seán Barrett,	
Richard Boyd Barrett,	
Colm Brophy,	
Thomas P. Broughan,	
Dara Calleary,	
John Lahart,	
Michael McGrath,	
Eamon Ryan.	

Teachta / Deputy Josepha Madigan sa Chathaoir / in the Chair.

Business of Select Committee

Chairman: I have received apologies from Deputy Pat Deering.

Before I begin, I welcome all the members to this meeting of the Committee on Budgetary Oversight. I am delighted to be selected as chairwoman or chairperson, and I look forward to working with all of the members.

As members will be aware, this committee was established in 2016 to consider national issues affecting public expenditure policy, Exchequer revenue receipts and the overall fiscal position. The aim of this committee is to engage in a meaningful way with the budget process, to offer more transparency on how budgetary decisions are made, and to hold the Government to account for its decisions and, more importantly, how taxpayers' money is spent. I look forward to working with the committee members to develop a focused work programme, especially when it comes to carrying out the scrutiny of budget proposals in advance of the budget.

I now propose to move to the business of the committee and to deal with a number of house-keeping issues.

Deputy Dara Calleary: If I might, first, welcome Deputy Madigan to the committee.

Chairman: I thank Deputy Calleary.

Deputy Dara Calleary: To be procedurally correct, is Deputy Madigan supposed to be proposed and seconded at the committee?

Chairman: I inquired of the clerk to the committee and I understand that I was entitled to take the Chair.

Deputy Dara Calleary: That was the precedent previously.

Clerk to the Committee: Under the new D'Hondt system, the Chairs were appointed by the Dáil yesterday. It is not a committee decision.

Deputy Dara Calleary: I wish the Chairman well.

Chairman: I appreciate that.

Deputy Dara Calleary: The Chairman will get used to us fighting our corner. With a lot of Mayo blood in the Chairman, I expect her support for regional investment in capital plans.

Chairman: That is fine. As Deputy Calleary will be aware, I have been a member of the Committee of Public Accounts for the past year. It is quite an adversarial committee. I have read the transcripts over the past number of months. This committee is somewhat more salutary.

Deputy Colm Brophy: We are an agreeable committee.

Chairman: I hope to continue in that vein. I thank Deputy Calleary for his good wishes.

Deputy Colm Brophy: I join other colleagues in congratulating Deputy Madigan on her appointment as our new chairperson. I wish her all the very best with it. Having known her since our election last year, I have no doubt she will do an excellent job.

12 July 2017

Chairman: I appreciate that. I thank Deputy Brophy.

Deputy John Lahart: I would like to be associated with those remarks.

Chairman: I thank Deputy Lahart.

I propose now to move to the business of the committee and to deal with a number of house-keeping issues. We will then resume in public session and meet the Irish Human Rights and Equality Commission and the National Women's Council of Ireland. Is that agreed? Agreed.

The select committee went into private session at 2.06 p.m. and resumed in public session at 2.22 p.m.

Development and Reform of the Budget Process: Irish Human Rights and Equality Commission

Chairman: I welcome Ms Emily Logan, Chief Commissioner, Mr. Laurence Bond, director, and Dr. Mary Murphy, commission member, from the Irish Human Rights and Equality Commission. The witnesses will be looking at development and reform of the budget process.

Before we begin, I remind members and witnesses to turn off their mobile phones. The interference from mobile phones affects the sound quality and transmission of the meeting. Witnesses are reminded that they are protected by absolute privilege in respect of the evidence that they are to give to the committee. However, if they are directed by it to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

I now invite Ms Logan to make her opening statement.

Ms Emily Logan: I thank the Chair and members for hosting us today. It has been almost a year since we came before the committee and I note the significant crossover in membership that has occurred in the interim. During our engagement with the committee last year, we emphasised the importance of matching equality and human rights governance principles with economic policy. Human rights principles reinforce the focus on good budget governance including a strong evidence base, and in terms of key principles, mechanisms to guarantee participation, transparency and non-discrimination. Our engagement with the committee today is about respecting our public accountability and accountability to the Oireachtas and providing with an update on the commission's work in this area in recent months.

The commission is Ireland's national human rights and equality body and its 15 members are all appointed by the President Michael D. Higgins. We account directly to the Oireachtas in respect of our statutory functions. Our founding legislation gives us a range of powers, from promotion and awareness-raising activities to significant legal powers to take proceedings, to act as *amicus curiae*, or friend of the court, and initiate statutory inquiries. In our engagement

with the committee last year, we emphasised the role the commission could play in assisting and encouraging the development of gender and equality-proofing practices within the relevant institutional spaces. Much of the commission's work over the past year has been on building relationships with key actors in order to facilitate this.

An important aspect of our work has been exploring how best to embed human rights and equality-proofing mechanisms into current budget planning systems rather than creating parallel structures. In this spirit, over the past year the commission has actively engaged with officials in the Department of Public Expenditure and Reform, which is in the process of developing its own approach to incorporating equality budgeting into Ireland's medium-term expenditure framework. The commission has provided its input and feedback on the Department's ongoing work in this area. The commission has also worked with the Department to facilitate a workshop on equality budgeting for officials across Departments with particular roles in the budgetary process. The workshop was held in mid-June and was run by my colleagues, Dr. Mary Murphy and Mr. Laurence Bond, our director. This was the first of what we hope will be regular cross-departmental engagements to contribute to the development of equality budget proofing. We see our recent engagement with the Department of Public Expenditure and Reform in this area as extremely positive and would hope to see similar engagements. In particular, we would identify the Departments of Finance and Social Protection as priority Departments in the context of this work.

The committee will also be aware of the public sector duty that applies to all public bodies under the Irish Human Rights and Equality Commission Act 2014. We have a mandate in assisting public bodies in meeting this duty to have regard to human rights and equality by providing guidance. In the past year we have rolled out a programme of capacity building, involving a number of pilot projects and information provision for public bodies around Ireland, from local authorities to Departments. We view this work as intimately connected with the question of equality and human rights proofing. Indeed, we view effective budget proofing as a central means by which public bodies can meet their legal obligations under the public sector duty.

The commission is also working to build a knowledge base on equality and human rights proofing. We have published a number of fact sheets on proofing and have been working in co-operation with specialists to produce content for a special edition of the academic journal *Administration* focusing on human rights and equality proofing. This special edition will bring together the latest policy developments and best practices in budget proofing, taking a cross-Border and international perspective. This special issue will be published in August and we hope it will make a contribution to Departments' efforts to incorporate equality and human rights budgeting into their current practices.

The programme for Government commitment to budget proofing is a very positive development. However, as members will be well aware, achieving effective and meaningful proofing practices across relevant institutions of the State is a very long-term process, requiring a long-term commitment to increased capacity, change methodologies and shift cultures and practices. The commission has called for the creation of a national proofing advisory committee to assist this process.

The Oireachtas and its committees have a crucial role to play in maintaining a focus on proofing and scrutinising the efforts of Departments in the preparation of the forthcoming budget and into the future. This applies to the work of the sectoral committees and it also applies of course to this committee's broader oversight role and the great potential that exists for collaboration with the Departments of Finance and Public Expenditure and Reform in the broader

budgetary planning process. Connected to this, of course, is the essential role that the planned independent parliamentary budget office will play, and we note and welcome the fact that recruitment for this new office is currently under way. I will leave it at that for the moment.

Chairman: I thank Ms Logan for her opening statement. Would Dr. Murphy or Mr. Bond like to add anything?

Dr. Mary Murphy: We had understood that it would open up to questions. I can certainly anticipate some of them.

Chairman: Ms Logan mentioned that there were workshops with the Department of Public Expenditure and Reform and that there were positive outcomes from them. What specifically was positive from them, and has there been follow-up with those workshops?

Ms Emily Logan: Dr. Murphy and Mr. Bond ran them so I will defer to them.

Dr. Mary Murphy: The workshop focused primarily on gender-proofing, which the Department of Public Expenditure and Reform chose to focus on, believing that that is the most likely, practical way of advance proofing in the next budgets because there is more data available in that area than any other equality ground. There was a growing understanding of where the current budget processes, for example, spending reviews, would be proofed. It was not concerned with identifying extra dimensions of mechanisms that would be proofing but rather looking at the evolving budget practice and where proofing could be added in. Some good common understanding about the usefulness of that approach and how that would work was developing. There was also a common understanding that there would be an equality statement in the budget on budget day and some discussion as to how that could be made meaningful. Again, this built up expectations that this would happen. One of the most useful parts of it was the realisation that individual line Departments needed to understand the elements in their established policy goals that were most relevant to equality and human rights, draw out from their established policy goals some key priority goals that were relevant to equality and human rights and put them forward for specific proofing exercises. That could mean existing expenditures that needed to be reviewed to maximise the impact of that expenditure for equality and human rights or it could mean new budget lines as they were evolving.

One example might be Rebuilding Ireland which is now open to review and which is likely to have existing budget lines and some new budget lines added, but has not been fully exposed to an equality and human rights proofing exercise. Lots of other ones included national strategies that were already in existence such as the youth strategy - Better Outcomes, Brighter Futures - or the new Traveller or Roma strategy or the new national women's strategy. All of those strategies have a bearing on individual line Departments and all of them are ways of advancing equality so it involved getting a better understanding of where these national strategies fitted into the business of line Departments and where they needed to proof to make sure they were maximising the budget potential to realise the outcomes in those strategies. Much was done in the training to help people have a common understanding of how this would advance and it was quite useful in that sense. People gave us feedback that they had a much better sense of what the language meant and that there was agreement across Departments that this was a sensible way to move forward. Mr. Bond might want to add something.

Mr. Laurence Bond: The workshop was hosted by us and the Department of Public Expenditure and Reform. We made some of the inputs. The key thing to note is that the Department of Public Expenditure and Reform called officials from Departments together to address these

issues, which is a very positive development. This arises out of work we have been doing with the Department of Public Expenditure and Reform over the past period. The Department recognises that there is a programme for Government commitment to proofing and so, therefore, it has a responsibility to address that aspect. It has been trying to engage with that and, as Dr. Murphy pointed out, to identify ways in which it can be meaningfully advanced through the existing processes, for example, in respect of the spending review, the social impact assessment and the performance budgeting framework that is in place in the Estimates. Having said that, the Department has not overstated expectations in terms of what might happen this year, but it does seem important that there would be some specific equality statement in this year's budget as a concrete embodiment of the commitment in the programme for Government and that this is meaningful in a certain way. The workshop arose out of that understanding of work being done in the Department and work we have done with the Department. It was then part of bringing that out to budget officials in the line Departments to ensure that there was that common understanding referred to by Dr. Murphy.

Deputy Dara Calleary: I want to address the workshop, which sounds like an excellent idea. I propose that the Chairman invite the Working Group of Committee Chairmen to undertake such a workshop because there is no sense in this committee promoting equality budgeting and gender-proofed budgeting unless each line committee takes them on. It might be worth the Chief Commissioner's while writing to the chairman of each parliamentary party and each group to tell them that this workshop is available. We are here in our little committee room talking about this but if every committee put it on its agenda, its effectiveness could be far stronger.

Chairman: It could serve as a model for other Departments, which was a question I was going to ask.

Ms Emily Logan: It is fair to say we could do something dedicated for that smaller group if that was helpful.

Deputy Dara Calleary: Dr. Murphy mentioned Rebuilding Ireland. I suspect that the Oireachtas Committee on Housing, Planning, Community and Local Government probably never thinks of gender proofing housing programmes. It just wants to get houses built. There are so many areas where people do not think this is relevant when it is relevant. If we put it on everyone's agenda, these people could not claim ignorance.

Deputy Thomas P. Broughan: I welcome the delegation. Deputy Boyd Barrett and I attended a meeting recently with a Member of the Scottish Parliament who outlined some of the methodologies used in Scotland. It has a block grant because it only has a devolved government and does not have the kind of fiscal independence we still have. Are there other jurisdictions where there is a more meaningful process? We have been talking about equality proofing for all of my time in this Dáil going back to the mid-1990s, yet there are so many issues.

Age Action Ireland appeared before the committee a few months ago. A number of us also raised issues relating to gender inequality, for example, the changes made to the PRSI stamps records in 2012. The Taoiseach and the Minister for Finance have resolutely refused to embark on any restoration. As Professor Alan Barrett of ESRI said, we changed the rules in the middle of the game. In particular, older women and the cohort of women from the 1950s and early 1960s were grossly discriminated against. In respect of the process the witnesses have evolved, are we talking about relentlessly coming forward with the kind of funding that would be necessary to make that restoration to help people might now be losing €30, €40 or €50 per week or more for the rest of their lives and who worked very hard for 25 or 30 years in the economy and

who also worked very hard in the home? A similar example is the exclusion of women who do not have a recent stamps record from community employment and easy pathways back into the workforce. There are so many examples. For example, in the disability area, we have been looking for the Convention on the Rights of Persons with Disabilities to be passed, particularly with regard to assessments for children with disabilities where families are waiting for a long time. As part of the process, would we have definitive mechanisms where, for example, we could say that discrimination with regard to insurance for the older cohort of mostly female workers, although there are some men among it, would be phased out? Do other jurisdictions have these mechanisms?

Dr. Mary Murphy: The Deputy mentioned a meeting with a delegation from Scotland and asked whether there are other countries where best practice might be looked at. In respect of the event hosted by us and the Department, we drew particularly on Austria, Iceland and Andalusia in Spain as the three examples where it was felt that best practice in proofing was emerging. It is because they embed their proofing exercises in the budget process in the way we spoke about earlier. They use slightly different models to do it. Austria looks at some of the key priorities in each government department and gets each department to nominate five different priorities it wants to proof. Andalusia takes a whole-of-budget approach. These are just different ways of doing the same thing.

It would be seen that one of the advantages of these models is that they are quite well institutionally embedded in the budget process. They are difficult to move once they are in place and they are often buttressed by legislative requirements so that they stay there. They are independent of whichever government is in power at the time. They are seen to be quite useful from that perspective. All of them involve a marriage of the types of expertise that are available in the civil service to do budgets and the kind of expertise that is available from consultation with expert groups on the outside around gender, age and disability so that those type of issues - the very discrete issues mentioned by the Deputy - can be spotted early in a policy development stage and ironed out in terms of taking out anomalies that would have disadvantages for certain groups. Consultation in alignment with different types of expertise in the process is very important.

The human rights principles are quite useful there because they are clear that what is required is progressive realisation so it is not that one must attain all the standards in one go but one must be seen to be making reasonable progress towards them so that what is expected is realistic. The principle of retrogression also applies. This argues that if one reaches a certain stage of human rights standards, for example, in respect of pensions, one should not initiate policies that would retrogress those standards. In the case Deputy Broughan gave, human rights standards suggest that having inadvertently discriminated against a particular group, in this case women, one should take steps to restore the standard of rights that group had previously. The human rights principles give a good, effective guidance for Government decisions in those areas, once the impact of the policies is known.

Deputy Richard Boyd Barrett: I do not have much to add. I agree with everything the IHREC representatives said. I thank them for coming in and for their continuing work and I also welcome the IHREC's statement on family hubs. They are right in saying that we cannot allow them to become some sort of permanent solution to the housing emergency, particularly following the report that we have the highest proportion of women in homelessness in Europe. That prompts a question. Where does scrutinising and proofing the budget proposals from an equality perspective begin and end in the context of wider policy? I refer to things that might

not be in the budget itself but which have equality or inequality implications. This is one that must be looked at.

There is no doubt that in recent years women and children have suffered disproportionately from policy decisions in the area of housing, social housing and social housing supports. How does one navigate the line between politics proposals, where something needs to be addressed, and scrutinising what is being proposed by the Government in the budget or at budgetary committees? Recently, I have worked on another area of discrimination, namely, motor insurance premiums, which hit certain categories of people in particular. Discrimination is rampant against older and younger people, and other categories of driver. Could the witnesses comment on that?

We are just getting this budget scrutiny process up and running. We have had a shorter run-in this year and it will not be finished, with a comprehensive last word completed, for the forthcoming budget. There are practical constraints for the 2018 budget. Is it the case that the main task of the IHREC is to ensure that there would be an equality statement in the budget and that this issue would be brought to the attention of the line committees?

Mr. Laurence Bond: To answer the Deputy's broader question of whether it was just about budget proofing, clearly it is not. That is what we are discussing specifically in this context, along with actioning the commitments in the programme for Government. For instance, there is the public sector duty commitment in the legislation which requires all public bodies, including Departments, to take account of equality and human rights and the impact they have, and the need to assess the impact of their policies on service users and others. We argue that there is a broader requirement for Departments and public bodies more generally to develop policy which takes account of equality and human rights. One way to bring that about is through budget proofing but that is not to the exclusion of taking other reviews into account.

On the issue of budget proofing, the model laid out in the budget scrutiny report last year was the idea that this oversight committee would have a broad oversight role, especially regarding how the process was being developed by some of the lead Departments, primarily Finance and Public Expenditure and Reform. Much of the finer scrutiny of how Departments address this issue would have to be through sectoral committees. As we outlined last year, rather than all responsibility for scrutiny lying on the Oireachtas, the onus should be on the Departments to carry out the proofing and it is then for the Oireachtas to scrutinise that to ensure they deliver. Departments themselves would have to come to committees and show where they had addressed the requirement to equality proof. Deputy Calleary made the point that people on the housing committee might not necessarily think of gender but that is something that needs to be addressed and taken into account when we consider policies. That is what budget proofing in equality and human rights means.

A key issue underpinning that is the role of the independent parliamentary budget office which has not progressed as quickly as it might have. We think it should be a key part of the institutional architecture into the future and we want to see it move ahead quickly. Among the things we want to see is a clear statement in the budget regarding the commitment for budget proofing in the programme for Government, and to ensure that it is meaningful. We recognise it is a long-term process but we need to see steps taken each year, which would be a sign that progress was being made on this commitment. If, prior to the budget, this committee and the line committees could take this into account in questioning their Departments, it would be an important part of the architecture. We feel the independent budget office must be brought about sooner rather than later.

Chairman: For the information of the committee, the director of the parliamentary budget office has been appointed. Ms Annette Connolly has been appointed to the position and a press release was issued this morning. It is a positive development. I hope to meet her briefly tomorrow and the committee will meet her at the earliest opportunity. Mr. Bond is correct in how important it is for that office to be up and running. Did Dr. Murphy wish to come in again?

Dr. Mary Murphy: I have one final request. Last year, we made a suggestion that was based on the Scottish example where there is a budgetary advisory group. The idea was to assemble the key actors from the parliamentary and public service sides with oversight bodies such as ourselves, ESRI and NESC. That would have facilitated keeping the show on the road and major questions such as data, its availability and the role of oversight could happen in a way that there was strategic thinking propelling it. When the parliamentary budget office is up and running, one thing it could do would be to pull these key actors together, perhaps a couple of times a year, in order that a strategic understanding could evolve, based on their perspectives, on how this might run.

Deputy Richard Boyd Barrett: I have one final specific question. Does the IHREC have an opinion on pay equality and the pay inequality among public service workers and if this falls foul of the standard of equality one would expect in employment?

It is now illegal to pay people differently for doing the same job based on their sex, yet we have institutionalised inequality in having three different pay scales in the public sector. It is the legacy of the financial emergency legislation and austerity but if some might claim justification for this at one point, for two people to work side-by-side on different rates now is an equality issue. That discrimination is not based on sex, although it probably hits women workers worse. While it is not gender-based discrimination *per se*, it is an arbitrary form of discrimination based on when a person happened to commence employment. However, it is an arbitrary form of discrimination. Based on when a person happened to commence employment, that person will be on a different payscale for the rest of her life. With all the talk of pay restoration, there is still no commitment to eliminate that pay discrimination. Is that covered by equality legislation?

Ms Emily Logan: I respectfully ask that we might come back to the committee on that. We were expecting to look at other matters.

Chairman: I am unsure whether that is in your remit, but it is a valid question. Obviously, I have my own views on the FEMPI legislation. Deputy Lahart, I am conscious that you have not said anything.

Deputy John Lahart: No, that is fine.

Chairman: My next question is for any of our witnesses. Do you intend to do a post-budget review in terms of equality matters? It would help this committee in terms of the budget for 2019.

Ms Emily Logan: We have not yet done that, largely because this is only our second year of operation. It is more a question of internal capacity on our side in respect of why we have not done it. Obviously, there is an appetite within the commission to do it, but we have not yet done it. I do not want to over-promise.

Chairman: I appreciate that. I think it would be helpful for us to see what targets were met in the commission's perspective in respect of looking at budget 2019. That is my view anyway.

Dr. Mary Murphy: Our preference is to encourage Government to do that proofing - that is the essence of it. However, we recognise there is an interim stage in all of this and that sometimes other actors may need to do it until it becomes a more consolidated part of the budget process.

Chairman: Are there any further questions?

Mr. Laurence Bond: I will add a little information on the budget advisory group model that Dr. Murphy referred to. There is a model in the Scottish jurisdiction. A special issue of *Administration* is coming out in August. It will contain a specific article outlining what that experience has been. That might be of assistance to Deputies.

Chairman: I appreciate that, Mr. Bond, and thank you for coming in. Thank you, Ms Logan and Dr. Murphy, on behalf of the committee.

Deputy Richard Boyd Barrett: That was short and sweet.

Ms Emily Logan: We are conscious that the summer economic statement debate is under way.

Sitting suspended at 2.55 p.m. and resumed at 3.05 p.m.

Equality Budgeting: Discussion with the National Women's Council of Ireland

Chairman: I welcome Ms Niamh Allen, head of development, and Ms Camille Loftus, social policy researcher and analyst, National Women's Council of Ireland. They both will talk about equality budgeting.

Before we begin, I remind members and witnesses to turn off their mobile phones. The interference from mobile phones affects the sound quality and transmission of the meeting.

Witnesses are reminded that they are protected by absolute privilege in respect of the evidence that they are to give to the committee. However, if they are directed by it to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

I invite Ms Allen to make her opening statement.

Ms Niamh Allen: I am the head of development at the National Women's Council of Ireland. I am accompanied by my colleague, Ms Camille Loftus, who is a researcher and social policy analyst. She has been commissioned by the council to carry out an important piece of research on gender budgeting and how to apply it to the Irish budgetary process. As many members will know, the NWCI is the leading representative women's organisation in this country. We have just over 180 member organisations. Our mission is to achieve full equality between women and men. I thank the committee and the Chairman, in particular, for facilitating our presence

this afternoon to give this presentation at what we believe is a critical juncture to progress the work of gender budgeting in this country.

Earlier the committee heard from the Irish Human Rights and Equality Commission. It has provided funding to NWCI to carry out the research that Ms Loftus is working on. The project involves bringing together key practitioners and experts from Ireland and internationally to set out a roadmap to progress the implementation of the Programme for a Partnership Government commitment to gender and equality proof the budgetary process in this country. The research will develop a model of gender budgeting for Ireland. We will learn from best practice in other jurisdictions with comparative budgetary and policy decision-making processes. We will publish the results in September. Ms Loftus will talk about this matter later in the presentation. We will also publish a suite of materials that will outline in straightforward language the why, what and how of gender budgeting and how it can be applied here. This programme of work will place the NWCI in a unique position in terms of offering guidance, advice and support to key institutions, including this committee, in how best to drive progress on this front.

Before we move on to the what and how of gender budgeting it is worth giving a brief reminder of the why. Members will be familiar with some of the statistics but it is worthwhile reminding ourselves that it has been well established that the recent period of austerity impacted disproportionately on the shoulders of women, in particular certain groups of women such as lone parents and older women. The gender pay gap has widened from 12.6% in 2006 to 14.4% in 2012 and the gender pension gap has widened from 35% in 2010 to 37% in 2012.

The Department of Social Protection's social impact assessment of the main welfare and direct tax measures in budget 2015 found that the smallest gain was in the bottom quintile. In the 2011 TASC produced a report entitled *Winners and Losers?*, which set out equality findings in respect of budget 2012. It confirmed that women are concentrated in the lower income groups and it found that changes to taxes and social welfare issues that disproportionately impact on low-income groups can also be expected to disproportionately impact on women. The Central Statistics Office produces research entitled the *Survey on Income and Living Conditions*. The SILC figures continue to find that lone parents, the vast majority of whom are women, experience disproportionate levels of deprivation.

The NWCI believes that a more equal society is not an aspirational idea that might eventually be achieved through the overspill of a trickle-down economy, rather it is the core foundation upon which a sustainable economy must be built. In order to achieve equality we must act purposefully. It requires weighing the benefits and costs of policies that would or could promote women's equality and then, very importantly, taking action in response to that evaluation. Two types of action are required. First, the dedication of public expenditure to explicit gender equality objectives and women's advancement. For example, establishing child care provision as a form of capital and social infrastructure. Second, expenditure that can be seen as contributing to gender equality more broadly such as gender-sensitive pension reform, changes to taxation, some forms of social transfers and investments in labour market activation initiatives.

Ireland's budgetary process has long been criticised for its opaque and complex nature. Recent reform aimed at providing for greater parliamentary participation and transparency is welcome. The emphasis on evidence-based expenditure policies and performance-based budget approaches, adopted by Ireland in 2012, lend themselves to a more rigorous process. The adoption and implementation of gender and equality budgeting processes aligns neatly with these developments. Gender budgeting involves two key elements. First, changes to fiscal policy or the structure of fiscal policies and, second, administrative changes to expenditure

tracking and monitoring systems. Dr. Janet Stotsky is the leading international expert in this area and according to her the most successful efforts encompass both of these elements. Gender budgeting does not bind the Government to any particular budget decision, but rather makes it easier for Parliament and its many institutions, including this committee, and indeed for the public to evaluate the budget and its impact. I will give a quick example of the affordable child care scheme, which in many ways marks a radical change in policy. If retained and resourced appropriately, this scheme will have long-term positive effects on women's economic equality, both for mothers and for child care professionals, the majority of whom are women. It is a clear example of a fiscal policy change that should stand up well to gender impact assessment processes. With the appropriate administrative changes to tracking and monitoring, those assessing and making the budget can establish whether women's effective equality has been improved and decide whether to invest, and in which direction. Other jurisdictions, like Austria, for instance, have moved to adopt results-based budgeting, focusing on outputs and outcomes and not just on the inputs. This surely sits comfortably with the reform objectives of Department of Public Expenditure and Reform. Equally, the medium-term framework provides a more conducive environment to the results-based gender budgeting model, as a multi-annual approach is required if we are to look at the achievement of equality-oriented goals.

The unit of assessment is integral to this work. The traditional notion of the household unit as only having one set of interests is very much outdated. Gender impact assessments must recognise a diversity of interests, reflecting that women and men respond differently to fiscal policies and other features of the economic environment and that economic policies may have different effects on different members of the same household.

I will now hand over to my colleague, Ms Camille Loftus. She will give an overview of what she has found through her research to be the appropriate steps this committee could take to progress this work in the coming months.

Ms Camille Loftus: I would first like to clarify to members that they would have received a more detailed submission from us here today had I not been suffering from the flu for the past week. I will take detailed note of any questions members might have here today and we are more than happy to follow up today's meeting with more detail, should that be useful.

When we look at the statistics from the past few years that Ms Allen has just outlined for us, one thing that becomes very clear is how issues of inequality intersect. When we look at issues of gender inequality, we are also looking at issues on how to effectively tackle poverty. Recognising how these issues intersect with one other, the different impact on married and single women as opposed to married and single men, for example, is an important dynamic in putting together a successful approach in this regard. Ms Allen also mentioned that gender and equality budgeting is a good way to go because it is the right thing to do to ensure that everybody gets to participate to the best extent they can. What we can now see, however, is that international institutions are very much rolling in behind gender and equality budgeting as a key component of growth strategies. The IMF and the World Bank, for example, have both rolled in behind this as a way of amplifying countries' growth. In 2015, the McKinsey Global Institute produced a study in which it was estimated that were one to look at this on a regional basis and ask every country to match the performance of the best in that region, \$12 trillion could be added to annual GDP, that is, about the same as the current GDP of Germany, Japan and the United Kingdom combined. Gender budgeting is not only the right thing to do; it also feeds economic growth. These are mutually reinforcing rather than mutually exclusive objectives.

There is no doubt but that fully implementing a comprehensive model of gender and equal-

ity budgeting is a complex and difficult thing to do and it will take us a few years to bring it to full expression. Austria provides us with a useful example in this regard and a number of aspects to the Austrian approach are worth highlighting. One is the fact that Austria introduced gender and equality budgeting within the context of a broader suite of reforms to the budgetary process. This is exactly our aspiration here. Reviews of gender budgeting over the past 15 years have identified that integration is an important aspect to success. Austria moved to a performance-managed system of budgeting, just as we are doing now, and named gender equality as one of its five chapters within that. It has been given an explicit role and function within the budget process and is one of two constitutionally-mandated principles embedded in core budget legislation in Austria. One example to emerge from the implementation of a gender budgeting process in Austria was the reduction of the effective tax rate for second earners in a household. We have known for a long time that second earners are very responsive to financial incentives, that they are the people facing some of the highest financial incentives in Ireland and that they are predominantly women. A measure like this helps women who want to get back into the labour market to do so. This, in turn, fuels growth.

Looking at the broader suite of gender budgeting approaches implemented in Europe, a number of things could help this committee make an impact and advance the process. One approach applied in Austria and in many other countries with successful gender budgeting processes is the use of an equality budget statement as a core element in the overall suite of budget documentation. Such a statement brings together the equality priorities of each Department into one comprehensive document. This would be of considerable value to the committee itself in its carrying out of its oversight role. I understand the Department of Public Expenditure and Reform has already written to all of the line Departments to request that they provide such priorities. This committee might like to engage with the other sectoral committees on a matter like this, focusing on particular policy areas so as to draw out the key gender equality priorities for the forthcoming budget. Such a statement would also provide a good metric against which we can assess progress or otherwise. It would be a clear statement of what it is that we are trying to do, an allocation of a range of resources around that and a better metric for assessing success or lack thereof.

Unfortunately, I understand that the Oireachtas budget office has not yet been established and is thus unlikely to have an input into the budget process this year.

Deputy Eamon Ryan: We have a woman on the job.

Chairman: We do, yes. She was appointed as director today, actually.

Ms Camille Loftus: Just today? That is excellent news.

Chairman: That office will be up and running soon.

Ms Camille Loftus: It will, but I imagine that it is too late in the process for the office to have a significant impact this time around. Looking at what has worked elsewhere, however, it is important that institutions like parliamentary budgetary offices take on responsibility for ensuring that equality and gender proofing is put in place in a comprehensive fashion. This should form part of such an institution's overall costing and impact assessment exercises with regard to any policy measure. It is important that this new Oireachtas budget office have the capacity to analyse on both the basis of gender and on other grounds of inequality in order that we can capture the intersectional dynamics.

It is surprising that we are still struggling with data this far on in the evolution of gender budgeting. There are many areas in which data remain an issue. Speaking as something of a nerd, I am very impressed with the data bank that the Department of Public Expenditure and Reform has produced. There is a volume of data available on that database now that was never there before. It is not, however, presented on a gender-disaggregated basis, which is something we should now be doing as a matter of routine. The data are all there but they are just not being produced. This committee's job in providing oversight for the budgetary process and in making an assessment as to whether it has been effectively proofed in respect of gender and equality will be much easier with access to data and much harder without. This is an important priority.

For quite some time now, we have had at our disposal modelling programmes such as SWITCH that can tell us where the costs and benefits of a particular measure are distributed. We also now have modelling capacities to look forward to project the kind of impact that a measure might have on growth in the future. We can look at the dynamic impacts of a policy rather than just the static, first round effects. I cited the McKinsey work because that is what they are doing. They can say that if we did certain things we would add a certain amount to growth. They are beginning to have this capacity within the Department of Public Expenditure and Reform and the committee could certainly have a role in ensuring this type of analysis is done in order that we will know exactly what kind of impact we could expect to see.

It is critically important to engage with people who will be affected by the measures. It is very challenging for a parliamentary committee to manage this but gender and equality budgeting works when there is a facility for people who will be directly affected by the measures to make some feedback into the process. We will specify this in more detail in our model when the work is completed. It is important as there is a realm of expertise that is not generally available within the bureaucratic system but which would be of great impact to the committee in assessing the impact of gender inequality budgeting.

Chairman: I will let Deputy Boyd Barrett in shortly as he has to go at 3.30 p.m. Are we at a critical juncture at this point? Why is that the case now? I asked the commission, whose representatives were before the committee earlier, the same question. Is the National Women's Council going to conduct its own review of the budget in the context of its own ambitions?

Ms Niamh Allen: We are at a critical juncture at the moment. We have been meeting the Department of Public Expenditure and Reform and we have been through the negotiating process around the new national strategy for women and girls. There is an appetite and a willingness to take this work on in a genuine and meaningful way across Departments, in particular, the Department of Public Expenditure and Reform. We feel that our model will contribute greatly to the progress of that work and we want to build on the momentum.

Chairman: Did the Department of Public Expenditure and Reform write to the committees or to other Departments?

Ms Niamh Allen: It was to the other Departments.

Chairman: That is positive.

Ms Camille Loftus: The Department of Public Expenditure and Reform held a workshop on this a couple of weeks ago with civil servants in various Departments and people such as ourselves, and it was a positive experience. People are working and thinking hard about how to do it. It is so important now because we are only at the beginning of rolling out the process

of reform of the budgetary process. If we can build capacity into the system from the very beginning, we will have done it efficiently and maximised the gains to be got from the reform process. If decisions are made now which mean the capacity to deliver equality budgeting is not there, it will take a long time to undo this and build the capacity back in.

Deputy Richard Boyd Barrett: I thank the National Women's Council for their contributions. I have a question about the relationship between the micro and macro in assessing budgets, making recommendations or scrutinising and proofing things. It is one thing to look at a particular measure and ask if it impacts negatively, positively or not at all on the level of gender equality or some other index, but a more comprehensive proofing might look at the macro consequence of making particular choices. If there is €350 million of fiscal space and the Government decides, following the intersectionality argument, to give a big chunk of it to tax breaks for women CEOs in multinational companies, as against spending it on employing people in the health service which would be more likely to impact on employment opportunities for women workers, would the National Women's Council see it is part of its equality-proofing role to assess the relative impact of one choice over the other in those terms?

Ms Camille Loftus: It is very much the type of thing the McKinsey report points to. The name of the computer modelling system in the Department of Public Expenditure and Reform escapes me but it is exactly the type of thing it can do. It can assess the immediate first round micro impact for women of reducing the effective tax rate by 2% but it can also project forward and take account of the dynamic effects as the policy filters out and changes patterns of behaviour, etc. We will then be in a position to say that not only will it contribute to greater gender equality, but it will also increase the size of our fiscal space. These are mutually reinforcing objectives. It is very important for this committee to get a really good equality statement because it is very difficult for the committee to have complete gender oversight on all areas, such as transport, communications, social protection, etc. The committee needs some lens that will allow it to ask the Departments all the right questions. The equality statement will allow the committee to determine the first round effects, the second round effects and the bigger picture to enable it to make a recommendation.

Deputy Seán Barrett: This is a very worthwhile exercise and the most important thing will be inviting the witnesses back after the budget to discuss what road we are on. This is a new exercise for all of us. Are married women who work in the home being represented in submissions or in people's thoughts? This is an issue for many people, a silent group which does not really have any spokespeople. The marriage unit, a husband and wife or two partners, deserve some attention. In 1981, Dr. Garret FitzGerald decided he wanted to introduce an allowance for a married woman in the home, which amounted to £9.50 per week. It fell by the wayside but it was an attempt to recognise the role of people in different types of work. We need to be conscious of everyone - the doctor, the salesperson behind a counter and those minding children in the home. It is our responsibility as politicians to do that and I recognise that the witnesses also represent certain people. However, it is important that we look at this because it is a new exercise. Previously, one went to the Department of Finance, made one's case, went off and waited for budget day and there was nothing one could do about it. However, if this new exercise is to become really meaningful and not a waste of the time of the National Women's Council of Ireland and everyone else, there should be some feedback. What is most important is that we consider where we are after, as well as before, the budget.

Chairman: The Deputy is suggesting a review of what is contained in the budget.

Deputy Seán Barrett: Yes. In other words, we should ask what our aims are in, say, the

area of equality, whether we have moved at all in that direction and whether we have left out some groups. That is the exercise I would like to see take place, with the involvement of the likes of the delegates and the committee. The work and role of the committee should be ongoing, not necessarily for just one budget, after which we all sit back and wait another six months before starting to talk about the next budget. I would like to hear the views of the delegates on this suggestion. We can put on paper what we would really like to see in a budget, which is grand, but it should be part of a process which should not only involve politicians. Very few politicians are involved in it because it is the Government, the Cabinet, that ultimately makes the decisions. If we are genuinely to take views on board, it is important that we have this two-way process before and after the budget.

Chairman: Ms Allen and Ms Loftus mentioned Austria in some detail. Are they aware of any other jurisdiction in which there has been this budget process? If so, that might be useful information for us to know.

Ms Camille Loftus: Yes. I can follow up with a little more detail. Apart from the Scandinavian countries which are the obvious examples, Andalucia is another particularly strong example, but its budgetary process is slightly different from ours and it has taken a slightly different approach. Our aim in the research project is to pick the best elements from each example and fit them into our own process as closely as we can.

Ms Niamh Allen: Scotland is also a particularly good example. We have built very strong relationships with key people in the Scottish Parliament and civil society organisations in Scotland. I know Emma Ritch of Engender, an equality organisation, which has been heavily involved in embedding this process into the Scottish budgetary process. She was here recently to speak to the women's caucus about Engender's work on gender budgeting and will be back again quite soon. There is, therefore, always the possibility of bringing an expert from Scotland, Austria or Andalucia before the committee.

Chairman: I am sorry; I did not mean to steal Deputy Seán Barrett's question.

Deputy Seán Barrett: That is fine. I am happy-----

Chairman: The delegates might address the Deputy's questions. I apologise.

Ms Camille Loftus: Having worked with the National Women's Council of Ireland for many years, I know and we are confident that women, in all their diversity, are represented by the council. Nonetheless, Deputy Seán Barrett raises a very important question in that regard because, obviously, women, no more than men, are not a homogenous group. This speaks to the importance of being able to examine how these issues cross-cut and affect people in different ways. A fully developed equality analysis would take account of these factors.

The Deputy hit on a very big issue, namely, the provision of unpaid care. Personally, I do not think any developed country has yet mastered this dynamic, but it is probably one of the most important questions we must answer into the future. We are all living longer, but we are likely to need support and care for longer periods throughout our lives. In fact, I was just reviewing research on low-income families and care. One of the things that comes through very strongly is that it is not a question of either-or. People are sometimes invested in providing very high levels of full-time care to the exclusion of any other activity. For some, it may be less: they may be combining care with other part-time work. There may be a period in which care is not needed, but a parent may then become infirm and one may have to step back into that space.

Therefore, when we think about care, I always caution that it is not about two boxes, that it is not a question of one and the other. As people move between providing these levels of care all the time, we must be very live to these dynamics. A good gender analysis should show this and give answers to these questions or at least allow for their consideration in some regard.

The second point I make is that this is the real value of having an equality statement. Post the budget, members all want to be able to ask what progress was made, what the budget did and what was accomplished in it. A good review across government should be ensured from an equality perspective to the effect that each Department or sector should be able to state what it sees as a priority. It struck me that the sectoral committees of the Oireachtas might want to state what they thought the equality priorities should be in the areas of children and youth affairs, health, education and housing. That would be a good metric because they are the ones involved in dealing with these issues day in, day out. One of the most challenging aspects of gender budgeting is the need to bring together two sets of expertise. This goes to the heart of the Chairman's point about why this is important. We need to find ways to integrate the two sets of expertise early in the process. There are people with expertise who understand gender and the equality dynamics and there are a bunch of others who engage in budgeting. These two elements need to be knitted well together. That is where the equality statement will be of assistance to the committee in integrating the expertise of, say, sectoral committees and line Departments in the specific policy areas with the equality priorities that should come from the process.

Deputy Seán Barrett: That is very interesting. Perhaps the delegates might expand on their thoughts in this area. I have five children and my wife worked in the home. We are now looking after grandchildren. It is a new and very important cycle. People's roles in this regard are totally undervalued and under-appreciated. Just because someone does not put on his or her coat and go to an office or wherever else to work does not mean that his or her work should not be appreciated. There is movement and very valuable and responsible work being done by people who are maintaining the image of working in the home. Of course, if women wish to pursue a career, I do not have a problem with that, but there are others who prefer to work in the home and they are a tremendous asset that could be used far better and encouraged by us as politicians.

Ms Camille Loftus: I wish to mention very briefly in that context the pension gap between women and men, to which Ms Allen alluded in the statistics she gave. It is one thing to make a choice to stay at home rather than engage in a career, but it is another to find oneself paying for that choice again at pension time. It is a double penalty. One thing that is being considered is meshing together or integrating the USC and PRSI systems. That presents an opportunity within the broader social insurance system, in which care work has been seen as an exception that is tagged on rather than as something built that is into it from the very beginning. It would be an opportunity, particularly for people of the Deputy's wife's generation, for whom full-time work in the home was a much more prominent experience, but these women do pay for it at pension time.

Chairman: I am conscious that Deputy Eamon Ryan also wishes to ask a few questions.

Deputy Eamon Ryan: I am very interested in joining this conversation and very much welcome Ms Allen back to Leinster House. This is not just a question for the previous generation. I am slightly concerned that we all talk here about what the IMF, McKinsey and economic interests want and that we measure everything based on economic growth, as if that was the key measure of progress. There are other measures such as the nature of and other values in society. I have a terrible fear that everything we have done in recent years has perhaps accentuated the

economic growth model rather than looking at other assessments. In addition, looking at the statistics, it does not seem that they necessarily match what people do. It is not a tiny minority who sometimes decide to work in the home but the very large bulk of Irish women and their connected parties. We are all connected and a large bulk of Irish women and their partners seem to have been ignored and discriminated against in recent years. I would love to have heard the National Women's Council of Ireland representing their interests when, for example, in last year's budget they were pretty much ignored and given absolutely nothing, as if they did not count. It is on the back of previous years, where through individualisation and other measures, we have effectively stated to people, "Thou shalt get out to work, no matter what".

I have a fear that the witnesses cite Austria as an example. I had an interesting experience recently related to where this is coming from. Why is it that the European Union, the OECD, the International Monetary Fund and McKinsey and Company are espousing work all the time? It comes from central European countries where populations were declining and they were worried about migration. They had all sorts of different pressures and were worried their economy might sink as they got to full employment. Their answer was to get everyone working. It was official EU and OECD policy based on what was happening in Sweden, Germany and Austria because they had a falling population. All economic, labour and other market policies, coupled with a lack of support for caring, came from that driver. I must admit I am slightly disappointed or nervous to hear the women's council citing McKinsey, the €12 trillion value of economic growth and the International Monetary Fund, IMF, as the great signal of what we might want to do.

We must look after every woman in every circumstance and I am absolutely 100% in favour of equality in budgeting and ensuring we live in a truly equal society. We are leaving behind that massive cadre and restricting choice. We are having children older and later because everything is constrained by a person getting a job because the rent must be paid, or a house should be bought or the career must be maintained. It is all about economic growth. US Senator Elizabeth Warren brilliantly wrote about the two income trap, with people ending up in a really precarious position where they cannot afford not to work or get on the economic wheel. I am afraid that is what I heard today.

Chairman: We are all on the hamster wheel.

Ms Niamh Allen: I will address a couple of those points before asking Ms Loftus to come in. With regard to the approach of the National Women's Council of Ireland to these issues, I know the Deputy probably referred to the introduction of the affordable child care scheme last year and the disappointment in us being so welcoming of that piece while people working in the home did not get the same recognition. I can understand that. The National Women's Council of Ireland represents women in all their diversity and it always has. It has a very long track record of advocating for women in unpaid caring roles. We continue to do that. We welcomed the affordable child care scheme last year as it is another piece of the jigsaw for which we have been advocating for a very long time. We have done it for a number of decades and it was very encouraging to see progress being made on that front. We absolutely recognise the value of women working in the home and in caring roles. I just wanted to state for the record that it is an incredibly important piece of work for the National Women's Council of Ireland and we will continue to do it in future.

Ms Camille Loftus: One of the reasons I raised the matter of the contribution that greater gender equality can make to growth is because it increases the fiscal space and the kind of investments we can choose how to spend. Do we want to invest more in education or health? It

gives us more room for that. Coming from a perspective that is the opposite of the Deputy's, sometimes we get from the business side of the House that this does not have anything to do with important issues. I just wanted to make the point that these are not mutually exclusive or contradictory to one another and they can be mutually reinforcing.

There are two big challenges that we face in social policy in all developed countries. Labour markets are changing very rapidly and they do not provide the kind of security or jobs they used to and on which most welfare states and tax systems are based. The kind of job my dad did - he was the male breadwinner in our household - was a 9 a.m. to 5 p.m. secure job that he worked at from when he left school until he retired. That does not exist any more, and I have had to explain that to the man on numerous occasions when he wonders why I do not have one of them. That is changing but we have systems designed around a labour market that does not exist any more.

The other dynamic that is changing is care. It is done by everybody in society and one of the very welcome developments we can see now is that when we look at the gender balance among those providing unpaid care for older people, it is less gender marked than would certainly have been the case in the past. It is less gender marked than is evident in the care of children. Everybody knows somebody in this position; they know a man providing care for an elderly mother, father or whatever. Care is an integral part of every social policy decision we need to make; it does not need to be done by women. What we really need to consider is how to integrate those elements into all our lives in a way that we are happy about.

Deputy Eamon Ryan: I could not agree more. If more men were doing it, we might care more about care.

Ms Camille Loftus: Indeed.

Deputy Eamon Ryan: We might care more about human space rather than fiscal space.

Ms Camille Loftus: That is right.

Deputy Eamon Ryan: Ms Allen stated that the National Women's Council of Ireland is very keen to try to represent those people who, for a variety of reasons, want to concentrate on that caring role. As I stated, the individualised tax system very much discriminates against it. There are no two ways about that and in recent budgets we have not done anything about it. What would the council suggest for the 2018 budget that might support that choice for the people who are caring?

Ms Niamh Allen: I will come back to the Deputy on that as we are working on our pre-budget submission. It is an area on which we are working so I do not have an answer now. We can revert with a fleshed-out proposal.

Deputy Eamon Ryan: I would appreciate it if the witnesses could do that.

Ms Niamh Allen: Absolutely.

Ms Camille Loftus: The tax individualisation only affects married couples who earn enough to pay the higher rate. If two people are working but earning a low wage, tax individualisation does not have an impact. There was a relationship between the home carer's credit and what used to be called the PAYE credit. It is one of the dynamics that tends to take account of these matters. It is a credit and not affected by when the band kicks in so it gives a little extra help

to lower income households than higher income households. It is certainly an element I would look to in order to manage out that sort of fiscal balance.

We must also remember that the child benefit is the highest in the EU, or certainly in terms of cash transfers. It is called child benefit but part of its evolution has been around the recognition of the work of rearing children in the home. It is not means-tested.

Chairman: Research has been mentioned. Will the witnesses send the results to the committee as we would be very grateful to have it when it is ready?

Ms Camille Loftus: It may rely on it.

Deputy Seán Barrett: It has been very interesting and I look forward to the witnesses coming back after the budget, as well as before it.

Chairman: That would be useful to the committee.

Ms Niamh Allen: We will be launching Ms Loftus's research on 21 September. We will send an invitation to committee members. We also hope to hold a high-level round-table discussion and the Minister for Finance has tentatively agreed to be there, along with key decision makers from a range of Departments. We would love it if some of the members of the committee could attend. It will be in early October but we do not have a set date just yet. We can pass it on when we do.

Chairman: That is very helpful. I thank the witnesses for their contribution. It has been very interesting and it is great to have the opportunity to speak with them.

The select committee adjourned at 3.50 p.m. until 10.15 a.m. on Thursday, 20 July 2017.