

Statement of the Minister for Public Expenditure and Reform,

Michael McGrath T.D.

13th October 2020

Check against delivery

INTRODUCTION

A Cheann Comhairle,

The backdrop for Budget 2021 is a truly remarkable one.

At the same time, our country and our people are confronted with a once in a century global pandemic and a generational shift in our relationship with our nearest neighbour, the United Kingdom.

Covid-19 has changed completely the way we live our lives. While the damage to our economy has been immense, the ultimate cost of this virus is in the lives it continues to take.

Covid-19 has also brought out the best in us. I think of course of the staff across our health service, of our Gardaí, of all those providing the frontline services we need when things go wrong, and I think too of our cleaners, our shop workers, our care assistants, our hospitality staff, and so many other essential workers, and I think of the thousands of volunteers in communities across the country who have reached out to help others.

The essential task of Minister Donohoe and I today is to give our people hope. Hope based on realism. Hope based on a plan. Hope backed up with a commitment to invest a record amount of public resources to support our economy and our society. The exceptional strength and resilience of our nation means we will get through this.

As our Taoiseach has said on many occasions, we need to protect lives and to protect livelihoods. This is our mission.

These are the guiding principles that shape our approach to Budget 2021.

This is why we are:

- Investing a record amount in our health service to ensure it can cope with Covid-19 but also to make permanent improvements that will be here long after the virus is gone.

This is why we are:

- Providing more than ever before to build the homes our people need.

This is why we are:

- Introducing the largest and most ambitious Budget in the history of our State to support our economy, businesses, and households.

The day will come when Covid-19 is behind us. The day will come when there is no more talk of Brexit. Everything will not go back to the way it was before, nor do we want it to, because we are committed to making things better.

A new economy, a Green economy will emerge, so too will be a greater understanding of how much we all really rely on each other, and so will a greater appreciation of the many simple things that perhaps we too often take for granted.

The task for this government is to guide the country through one of the most difficult periods in our history.

We won't always get it right, but our sole motivation at all times will be to act in the best interests of the people we are privileged to serve.

SOCIAL AND ECONOMIC SUPPORTS IN 2020

A Cheann Comhairle, I will shortly outline our Budget plans for 2021. However, I believe there are immediate measures that we need to take this year to protect our economy and our society.

For this reason, I am providing €500 million in additional expenditure measures to support our businesses and our communities. This is in addition to the tax measures announced by Minister Donohoe which come into effect in 2020.

I am announcing a further commercial rates waiver for the final quarter of this year at a cost of €300 million. This will provide significant relief for businesses, and brings to €900 million the total amount of local authority rates waived in 2020.

In refunding 100% of this amount to local authorities, the government is ensuring that Councils are supported to deliver key services to our local communities.

The services delivered by Irish Water are critical to unlocking housing supply across our country. The government is therefore investing an additional €44 million in Irish Water over the remainder of this year to deliver a range of infrastructure improvements.

I am also immediately providing an additional €80 million to the Department of Education to support its school building programme, ICT and minor works schemes.

A Cheann Comhairle, so many families throughout our country rely on the invaluable services provided by a range of voluntary disability service providers. Today, I am very pleased to announce an additional €20 million in current year funding for voluntary disability service providers to support the Transforming Lives Programme.

We are all aware of the extraordinary support provided by voluntary hospices to families in their darkest hour. In recognition of this and given the particular fundraising challenges they have faced in the past six months, I am providing €10 million in current year funding to voluntary hospices.

EXPENDITURE STRATEGY

Our Budget for 2021 is prepared on the basis that we will continue to live with Covid-19 into next year and that a free trade agreement between the EU and UK will not be agreed.

Given the uncertainty on both fronts, this is a prudent approach.

It means making available additional resources for our health service and for income and business supports. It means providing the necessary funding to deal with all Brexit scenarios.

But our priorities extend beyond this.

We are determined to deliver on Programme for Government commitments – implementing Sláintecare, building more houses, greening our economy, and supporting labour market activation and training.

Delivering across all of these areas requires an unparalleled response from Government. Therefore, I am committing to a budget in 2021 that will see public expenditure increase by €17.4 billion over and above the planned expenditure for 2020 pre-Covid.

€8.5 billion is being provided for Covid-19 supports. Of this, €6.4 billion will be allocated to Departments in 2021 to:

- Ensure our health service can respond to the demands of Covid-19;
- Extend personal income and business supports;
- Keep our schools open; and
- Maintain public transport services.

In addition, the remaining €2.1 billion will be held in contingency and will be made available as needed to respond to the challenges posed by Covid-19.

As we address the challenges of this pandemic, I am fully conscious of the need to continue to deliver vital day-to-day public services and improve them where we can. Therefore, I am allocating an additional €3.8 billion in core current expenditure across Departments in 2021.

€340 million of voted expenditure will be spent on Brexit supports in 2021. This includes an additional allocation for compliance expenditure in 2021 to finalise

work at our ports and airports and provides for around an additional 500 staff bringing the total provision for approximately 1,500 for operationalising checks ahead of January 1st.

I am adding a further €600 million to our capital budget in addition to a planned increase of €1 billion for 2021 under the National Development Plan. Taking into account capital expenditure related to Brexit and Covid measures, this will bring the total Exchequer investment in capital to over €10 billion for the first time ever and will deliver key projects in the areas of climate, healthcare, public housing, transport and education.

Finally, as highlighted by Minister Donohoe, a €3.4bn Recovery Fund is being provided to address specific economic needs as they arise.

A Cheann Comhairle, the scale of this Budget package is unprecedented but is the right response given the gravity of the challenges we face on multiple fronts.

HEALTH

Our experience of Covid-19 has reminded us all that our health service is a core public good, important not only for medical services but a bedrock of the nation's social and economic wellbeing.

To support the health system through this crisis, Government has already moved quickly to deliver additional capacity in our hospitals, to develop the testing and contact tracing system, and for the purchase of PPE. We have also provided in full for the HSE's 2020 / 2021 Winter Initiative.

I can also confirm that Ireland has signed up to EU advance purchase agreements in respect of potential Covid-19 vaccines so that when a medically approved vaccine becomes available, we will be in a position to benefit from it.

A Cheann Comhairle, even before Covid-19 arrived to our country, our health service faced deep-seated and systemic challenges, and for too long the

resources we have allocated have failed to resolve them. Addressing these challenges requires a step-change in our approach. We must grasp the nettle, implement Sláintecare and re-double our commitment to a publicly funded, universally accessible health service.

In 2021, I am making available an unprecedented extra €4 billion for our health service. These resources will provide capacity for 100,000 tests a week, supply PPE where needed and continue into 2021 all of the necessary Covid-19 Action Plan measures which have been put in place since March.

As well as dealing with Covid-19, we must build up permanent capacity and resilience in the health service in line with the Health Service Capacity Review and the funding I am making available today will allow significant progress in this direction.

With these resources, the Department of Health and the HSE will deliver the following changes next year:

- An additional 1,146 acute beds;
- An increase in permanent adult critical care beds from 255 pre-Covid to 321 by end 2021;
- 1,250 community beds in 2021 which includes over 600 new rehabilitation beds;
- 5 million additional homecare hours following on from the 19 million provided in 2020. This will help alleviate community waiting lists for home care and support hospital avoidance and delayed discharges;
- 2021 funding will support the implementation of the Sláintecare Public-Only Consultant Contract and for the accelerated implementation of a number of national strategies, including the National Cancer Strategy, the National Maternity Strategy, the National Trauma Strategy; as well as the roll-out of other social care strategies;
- €5 million will be dedicated to the development of community-based dementia services and supports;

- Funding is also provided to cancer screening to create greater resilience in the cancer services pathway;
- €50 million is being made available for new drugs; and €25 million for Healthy Ireland and the National Drugs Strategy.

The funding we are providing will support immediate actions to address waiting lists with approximately 100,000 additional inpatient and day care procedures through investment in public hospitals and utilisation of spare capacity in Private Hospitals and via the National Treatment Purchase Fund.

A Cheann Comhairle, I am delighted that mental health services are being prioritised in this Budget, especially given the very difficult year we are experiencing. €38 million will be available to implement new measures under Sharing the Vision, our national mental health strategy.

Another priority area for the government is the area of disability services. For this reason, €100 million is being provided for new disability measures next year. This will provide supports for approximately 1,700 school leavers, deliver the resumption of day services, promote disability integration and deliver respite services, de-congregation and increase personal assistant hours.

Importantly, these measures will be supported by up to 16,000 additional posts across the health sector.

The professionalism and spirit of our healthcare and frontline workers has been inspiring. Our rapid move to telephone triages, online prescribing, shorter hospital stays and innovative community care measures, have also unlocked a path forward for us in modernising our public health system, and we must move forward along this path in 2021 and over future years.

INVESTING IN CAPITAL EXPENDITURE

Our investment in capital projects will be a key part of moving our economy forward in the years ahead.

This is the right time to invest in improving infrastructure across the country.

This makes clear economic sense for so many reasons.

In direct response to Covid-19, €500 million was provided as part of the July Stimulus to accelerate capital works and to generate jobs and economic activity across all regions of the country.

Together with the additional €600 million I am providing for core capital investment in 2021, the State will, for the first time in our history, deliver over €10 billion in Exchequer resources for critical projects across all regions of our country.

These projects include:

- Construction on a range of major road projects such as the N56 in Donegal, the N4 in Sligo, the N5 in Mayo, and the N22 and Dunkettle Interchange in Cork;
- The purchase of 41 additional InterCity Railcar carriages and signing of contracts for the largest ever fleet expansion with potential for up to 600 electric carriages as part of DART+. This will ensure our economic recovery is a green one;
- In Higher Education, over €270 million will support up to 20 higher education building projects;
- 145 school building projects will be delivered;
- €132 million in funding for the National Broadband Plan will help to connect thousands of homes and businesses to high-speed fibre next year;

- Capital expenditure in Defence will increase to €131 million. This will facilitate a programme of sustained equipment replacement and renewal and infrastructure development across the Army, Air Corps and Naval Service.

The government is committed to supporting investment in our ports and airports, including at Dublin Port and Rosslare Europort. In addition, a €10 million provision is being made to address challenges facing Cork and Shannon Airports.

Government looks forward to working with our EU colleagues to deliver a common approach to aviation travel during the Covid-19 crisis.

To ensure our capital spending supports regional development, and to align with Programme for Government priorities, a review of the National Development Plan will be launched shortly. This will result in a revised and even more ambitious National Development Plan for the next decade.

SHARED ISLAND

A Cheann Comhairle, twenty two years ago, the Good Friday Agreement helped to bring peace to our island. This government is committed to practical measures to increase cooperation North and South, and to help deliver the full potential of the all island economy.

Building a Shared Island is a key commitment in the Programme for Government, and to this end, we have established a Shared Island Unit in the Department of An Taoiseach. Today, I am announcing new multi-annual capital funding for the Shared Island Initiative of €500 million over 5 years.

This will foster new investment and development opportunities on a North / South basis and support the delivery of key cross border projects as set out in the Programme for Government.

HOUSING

A Cheann Comhairle, a basic need in life is to have a secure place to live. Regrettably, for too many in Ireland, that need remains unfulfilled.

Too many of our people are homeless, on social housing lists and caught in an affordability trap.

For years now, supply has failed to keep pace with demand. Rising rents and house prices have pushed home ownership out of reach for many.

We need a radical reappraisal of how we deliver housing.

When our country was much poorer than it is today, we were able to deliver public housing in very significant numbers. We can and will do this again.

While a mix of supply channels is required, including units built by the private sector, the State needs to place a much greater emphasis on directly building new social and affordable housing.

What is required is a sustained, multi-annual large scale building programme that adds to the overall stock of housing. The government is fully committed to this. Doing this will increase supply, alleviate price pressures in the market and make housing more affordable for families.

Today, I am providing €5.2 billion to the Department of Housing, Local Government and Heritage in 2021. This is an increase of €773 million on 2020 and a record level of funding.

An extra €500 million will be directed towards capital expenditure and will facilitate the construction of 9,500 new social housing units in 2021. A total of 12,750 units

will be added to the social housing stock including leased units. There will also be a total of €65 million available to fund deep retrofitting of social housing stock.

The current expenditure allocation of €2.4 billion in 2021 will support an additional 15,000 Housing Assistance Payment tenancies and 800 Rental Accommodation Scheme tenancies. This means that approximately 85,000 tenancies will be supported through these schemes next year.

I am providing an additional €22 million to support homelessness programmes including additional beds and the introduction of a Cold Weather initiative. Funding of €13 million will ensure that social housing stock is brought back into use quickly. The result of the recent “Call for Housing” initiative will increase the number of one bed units available for the Housing First Scheme. Tackling homelessness is a top priority for this government and we will do all we can to make urgent and tangible progress on this critical issue.

A Cheann Comhairle, the delivery of affordable housing is a key objective of this Government. Thousands of individuals, couples and families find themselves locked out of the property market by high rents and an inability to save a deposit. I am allocating an affordability package of €110 million for 2021 to provide for affordable housing and cost rental schemes. Both the Serviced Sites Fund and the Local Infrastructure Housing Activation Fund will progress the delivery of over 2,000 affordable homes on both private and public land next year.

The Land Development Agency will play a major role in the Government’s Affordable Housing Strategy in 2021 and beyond. Upon enactment of the legislation, the agency will have over €1.2 billion of funding available to it to progress a range of projects already underway. This funding, matched with other financing arrangements, will deliver nearly 9,000 affordable housing and cost rental units in the coming years.

€210 million is being made available for lending under the Rebuilding Ireland Home Loan Scheme.

To build social, affordable and private residential units, we need land to be made available in key strategic locations and for that land to be serviced.

The increased capital funding will also allow for an additional €90 million investment in critical water infrastructure projects, including wastewater services, water quality and leakage reduction, as well as playing a critical role in facilitating housing delivery and delivering environmental compliance.

The Government is also conscious of the importance of maintaining our Heritage sites and protecting our biodiversity and today I am providing for an additional €29 million in funding. This will be spread across Built Heritage, the National Parks and Wildlife Service and Peatlands Restoration, and will allow for the implementation of a number of Programme for Government commitments in this area.

LABOUR MARKET SUPPORTS

Turning now to the issue of labour market supports. At the peak, the State was supporting the incomes of well over a million people of working age. Young people and people on modest incomes have been most affected by the economic impact of Covid-19. To support them, the July Stimulus provided:

- An extension of the Pandemic Unemployment Payment and Employment Wage Support Scheme to 1st April next year;
- €200 million for training, skills development, work placement schemes, recruitment subsidies, and job search and assistance measures;
- 35,000 extra places in further and higher education; and
- Further supports for apprenticeships.

Many of the jobs of the future will be different, and the schemes we are funded need to adapt and reflect this. In particular, we will see an increased emphasis on digital upskilling across a wide range of sectors. I am acutely aware of the huge impact that Covid-19 has had on the lives of our young people. Many have

had their careers and their lives put on hold. Those entering our labour market from our schools and universities face real uncertainty.

The need to respond has never been more urgent.

Funding for the Department of Employment Affairs and Social Protection will support the incomes of at least 370,000 jobseekers in 2021 and a further 350,000 individuals on the Employment Wage Subsidy Scheme.

Additional funding through the Department of Higher and Further Education will support:

- Over 10,000 upskilling and reskilling opportunities through SOLAS and Skillnet Ireland, including the Skills to Advance and Skills to Compete programmes. 1,500 of these places will be for retrofitting courses, supporting employment in our emerging new green economy.
- 4,000 new apprentices will be provided under the Apprenticeship Incentivisation Scheme.

ENTERPRISE SUPPORTS

2020 has been a devastating year for many businesses throughout the country. In responding to Covid-19, Government provided an unprecedented level of support through the July Stimulus which included:

- An Employment Wage Support Scheme to run into 2021;
- Further restart grants for enterprises;
- The commercial rates waiver, now extended to the end of this year;
- A €2 billion Covid-19 Credit Guarantee Scheme; and
- Other business finance measures, including supports for start-ups and SMEs.

As we continue to live with Covid-19 restrictions, the onus is on Government to provide supports to help sustainable enterprises survive.

The Minister for Finance has already set out a range of important tax measures. In addition to these, I am allocating €1.1 billion to the Department of Enterprise, Trade and Employment to deliver:

- Supports through our Local Enterprise Offices and Enterprise Ireland including the Regional Enterprise Development Fund and the Sustaining Enterprise Fund to assist SMEs and companies with the negative impact of Covid;
- Further funding for R&D through the Covid products scheme and additional expenditure on the IDA's Regional Property Programme to support investment in Ireland; and
- The Credit Guarantee Scheme and the Future Growth Loan Scheme to ensure that liquidity supports are in place to assist firms.

Additional current expenditure will also be provided to Enterprise agencies and regulatory bodies to meet the increase in the demand for their services arising from Covid-19 and Brexit.

High insurance costs, and indeed the very availability of insurance cover, is a critical issue for businesses. This government is determined to make progress in this area. A Cabinet sub-committee, chaired by the Tánaiste, has been established and I look forward to working with Minister Donohoe and other Cabinet colleagues to deliver the insurance reforms outlined in the Programme for Government.

Sectoral Enterprise Supports – Tourism, Arts, Culture, Gaeltacht and Sport

With employment pre-Covid of 260,000, the tourism and hospitality industry is hugely important in cities, towns and villages throughout the country. Given its reliance on overseas visitors and the ongoing restrictions on activities, our tourism industry has been hit very hard by the pandemic. Alongside the extensive

tax measures announced by Minister Donohoe, I am providing an additional €55 million for a Tourism Business Support Scheme and €5 million for Tourism Product Development. These schemes will also be a vital support for the wider hospitality sector.

I am also pleased to announce that additional funding of €14 million will be provided for the Gaeltacht and Irish language sector next year, bringing its funding allocation to over €78 million. €8 million will be provided for Údarás na Gaeltachta, €2.8 million for Irish Language & Gaeltacht Support Schemes, €1.7 million for An Foras Teanga and €1.3 million for the 20 Year Strategy for the Irish Language.

Covid-19 has had a devastating impact on arts, cultural and sporting activities. The spaces that brought us together, often in celebration of some of our most talented people, for now, lie empty and silent.

As they do, it is the responsibility of Government to ensure that the thousands of people working in these industries are supported.

Therefore, I am providing €50 million in Live Entertainment Supports and Arts Council funding is increasing to €130 million, which is a €50 million increase on last year's allocation. I am also providing an increase of €36 million in funding for Sport Ireland, €7 million for large-scale sports infrastructure and €2 million for major sporting events.

Finally, I am providing an additional €3.5 million for Teilifís na Gaeilge next year.

CLIMATE CHANGE

While managing Covid is uppermost in our priorities this year and next, the climate emergency represents a threat that will be with us long after Covid-19 has gone. It threatens nothing less than our safe future on this planet.

The Programme for Government commits to a transformative approach in how Ireland deals with climate change and it is vital that all of Government and all our policies point in the one direction.

Publication of the new Climate Action Bill is an important step, committing us to ambitious, binding targets to achieve climate neutrality in just thirty years.

As the Minister for Finance has announced, the carbon tax will be increased in this budget. However, we have always been clear that the carbon tax is not designed to raise revenue for the Government.

Every single additional euro raised by the increase will be returned to citizens through a package of supports to protect vulnerable people, to secure a just transition, and to reduce our carbon footprint.

While I will set out the social welfare changes shortly, I can confirm that an additional €100 million of carbon tax revenues will be provided for investment in the energy efficiency of our homes. This is an 82 per cent increase in funding compared with 2020, and will greatly expand existing grant schemes including the Warmer Homes scheme where we recognise that waiting lists are too long.

Additional funding will also provide for new energy efficiency schemes including the National Home Retrofit Scheme which will support homeowners who want to upgrade the energy efficiency of their home to a B2 rating. This will lower greenhouse gas emissions while also supporting thousands of additional jobs in the construction sector.

Further resources are being provided to the Department and SEAI to implement these changes.

Investment in public transport is an essential part of our climate transition and our green recovery, and I am allocating an additional €1 billion in this area in 2021. The significant increase in allocation will fund:

- progress on major Project Ireland 2040 programmes including BusConnects, MetroLink and the DART Expansion Programme;
- the ongoing development of a range of Active Travel and Greenway infrastructure projects; and
- the enhancement of bus, rail and Local Link services throughout the country, and will ensure the continuation of services even with reduced capacity restrictions due to Covid-19.

The Programme for Government commitment in relation to the purchase of electronic vehicles is an important milestone in green public procurement. This will enable increased deployment of electric vehicles across the public service fleet, combating climate change while also delivering value for money.

The climate crisis is no longer on the horizon. It is the great challenge of our generation. We must act now to climate proof our economy and society for future generations.

EDUCATION

An investment in education is an investment in our children's future and is also a wise investment in the future of our country.

While recent months have presented extraordinary challenges for our education system, many of us have witnessed the huge efforts of our teachers, SNAs, principals, and many more working across the sector.

Without their support and commitment, we would not have been able to see the return of almost 1 million pupils to schools this autumn.

The 2021 allocation for the Department of Education is €8.9 billion.

The funding will allow Government to invest €2 billion, a record allocation, to support children with special education needs. This will allow for the hiring of 990 additional SNAs and 403 additional teaching posts. This will mean that, at 18,000, we have more SNAs in schools than ever before and over 17,500 Special Education Teachers. This will support additional special classes and the further rollout of the School Inclusion Model from September 2021.

A Cheann Comhairle, I am delighted to announce today a further reduction in the staffing schedule at primary level by 1 point to 25:1 by providing for over 300 mainstream teaching posts. This is in addition to over 265 posts I am providing to meet demographic pressures across primary and post-primary levels.

I am also providing funding for teacher education to address the shortage of post-primary teachers in Maths, Physics and Spanish.

RESEARCH AND HIGHER EDUCATION

For the past 50 years, significant investment in education has led to national economic and societal development and wellbeing. The Ireland of today has a flexible, skilled, well educated workforce which has helped the country's economy diversify successfully in areas such as life sciences, environmental technology, ICT, financial services and agri-food. This investment has also brought greater equality, social mobility and participation in civil society.

With the emergence of the high-technology and information economy, education has been pivotal to Ireland's success in attracting foreign direct investment. The growth and success of indigenous firms – both those exporting and those serving the domestic market – has depended in significant respects on the availability of a highly skilled and educated workforce.

In acknowledgment of the additional potential of this area, the Government has established the Department of Higher and Further Education, Research, Innovation and Science.

The €3.3 billion allocation to the Department in 2021 will provide for a range of initiatives, including:

- Approximately 5,000 places to accommodate demographic changes and exceptional demand arising from the Calculated Grade model on this year's Leaving Certificate; and
- 1,500 Springboard places.

I am also increasing the SUSI fee grant for postgraduate study by €1,500 to €3,500 and adjusting the income eligibility threshold for the grant. Finally, an additional 200 places will be supported in third level through the 1916 Bursary Fund.

Government recognises the particular difficulties caused by Covid-19 in so many different ways for full time third level students in this academic year. As a consequence, I am providing once off funding of €50m for extra supports for the students across this sector and the Minister set out the details shortly.

As we face the challenges of the future, I believe that all of this significant investment across the sector will deliver long-term benefits for our society and our economy.

SOCIAL PROTECTION

Over a long period, our social welfare system has successfully reduced inequality and poverty in our society. Now more than ever, it must continue to protect our most vulnerable citizens.

Therefore, I am announcing a social welfare package of €510 million and committing to maintaining headline rates of social welfare in 2021. I am also committing to a number of targeted improvements in our social welfare code.

- I am increasing the Living Alone Allowance by €5 to €19. This will help protect thousands of elderly people who are at risk of poverty and people with disabilities;
- I am increasing the Fuel Allowance by €3.50 per week to €28 to compensate those on lower incomes for the additional energy costs they are likely to incur due to Carbon Tax changes;
- I am increasing the Qualified Child Payment by a further €5 for over 12s and €2 for under 12s. This protects low income families and will reduce child poverty. In framing this package, government has drawn on research from groups such as the Vincentian partnership to protect those who are most at risk of poverty.
- In addition to these measures, I am increasing the Carer's Support Grant by €150 to €1,850 per year;
- I am extending Parent's Benefit by a further three weeks; and
- For self-employed recipients of the Pandemic Unemployment Payment, I am introducing an earnings disregard to allow them to take up intermittent work without losing their benefit.

I can confirm to the House that, in line with the Programme for Government commitment, the planned increase in the pension age to 67 on January 1st 2021 will not proceed. A Pensions Commission will be established and the Government will consider the Commission's report in due course.

Deputies will be aware that the Christmas bonus is traditionally paid each year to those who at the start of December are in receipt of a long term social welfare payment and to jobseekers who have been supported by payments for longer than 15 months. Given the unprecedented circumstances and for this year only, I am reducing the 15 month requirement to 4 months. The vast majority of persons currently on the pandemic unemployment payment will receive the Christmas bonus if they remain out of work at the start of December. Payment will be made to all qualifying recipients in the first weekend of December.

AGRICULTURE AND RURAL DEVELOPMENT

A Cheann Comhairle, supporting our farmers and rural communities as they respond to Covid-19 and Brexit is an important policy objective for this Government.

To support the sector, I am allocating €1.8 billion to the Department of Agriculture, Food and the Marine in 2021. This is an increase of €179 million on the 2020 Budget allocation and will provide:

- Funding to implement the necessary controls for agri-food exports to, and imports from, Britain after the end of the Brexit transition period this year;
- For a new Food Ombudsman; and
- A range of new Agri-environmental pilot schemes to be rolled out across 2021.

I am also allocating €341 million to the Department of Rural and Community Development in 2021. This is a 7 per cent increase and provides for an additional €15 million in capital funding to support:

- The Rural Regeneration and Development Fund;
- The Town and Village Renewal Scheme; and
- The Outdoor Recreation Infrastructure Scheme.

Under the Town and Village Renewal Scheme, there will be a €5 million investment in facilities for digital hubs and broadband connection points across rural Ireland, aimed at enhancing remote working capability and remote access for students.

The remaining capital funding will support increased investment in the Islands and in the LEADER, Local Improvement and CLÁR schemes.

JUSTICE / SAFER COMMUNITIES

Turning to Justice, I would like to acknowledge the very important role played by our Gardaí and other emergency services in recent months. We have all witnessed at first-hand their invaluable work in protecting our most vulnerable people and supporting communities.

As part of the additional 2020 measures I referred to earlier, an extra €7.5 million is being provided for the Garda fleet. This will provide for the purchase of additional Garda vehicles, the continuation of hired community vehicles and increased telecommunications and vehicle fit out costs.

To further support An Garda Síochána in 2021, I am allocating an additional €147 million to the Justice sector, an increase of almost 6 per cent. Over €27 million will go towards Covid-19 supports with the balance of additional funds providing:

- Up to 620 new Garda recruits to add to the predicted end 2020 force number of 14,500;
- Recruitment in the region of 500 staff for administrative roles to facilitate the continued redeployment of trained Gardaí to frontline policing;
- Funding for the inquest into the Stardust tragedy;
- Courts Service Modernisation and funding for Prisons Service compensation schemes;
- The implementation of protections for vulnerable witnesses in sexual offence cases on foot of the O'Malley Review; and
- Funding for the parole board.

I am also increasing capital investment across the justice sector by over €50 million next year. This means that in excess of €258 million will be available to support:

- Further investment in ICT for An Garda Síochána and Courts Service; and
- Construction of the Forensic Science Laboratory and the redevelopment and modernisation of Limerick Prison.

CHILDCARE

This Government is continuing its commitment to support Children and Young People and those persons who come to this country seeking International Protection.

I am therefore pleased to announce an additional allocation of €120 million for the Department of Children, Equality, Disability, Integration and Youth, a 6 per cent increase on 2020.

This allocation provides:

- An additional €61 million for Tusla;
- €25 million for International Protection Seekers Accommodation;
- €5 million for Youth Services and Organisations; and
- A further €30 million for the delivery of other services within the Department and agencies under its aegis.

The provision to the Department includes a €638 million investment in early years and gives continued support for both universal and targeted subsidies under the National Childcare Scheme in 2021.

OFFICIAL DEVELOPMENT ASSISTANCE

The government is playing its role in the international community. Therefore, I am providing an additional €30 million to the Department of Foreign Affairs in 2021. This funding will see our official development aid package increase to €867 million. Together with our participation on the UN Security Council, where we are now at the heart of decision-making on matters of vital importance, our continued investment in overseas aid will enhance and strengthen our presence internationally.

EXPENDITURE REFORM

Looking ahead, we must be agile in our response to the many challenges we face and I believe that this Budget delivers on that.

However, the resources available to Government are not limitless. Over the medium term, we will have to ensure that our approach to public expenditure is sustainable.

Now more than ever, taxpayers' money needs to be focussed on outcomes. The money we spend must lead to better services for our people and every part of Government will need to ensure value for money is achieved.

This will be delivered through reforms to the public spending code, particularly around how we manage larger capital projects. Initiatives such as the spending review process, performance budgeting and equality budgeting will also have an important role to play.

Economic progress is about more than just GDP or indeed the scale of resources allocated on budget day. It is about how successful we are in improving public services, how we care for and provide for one another, and about the quality of life in our communities and in our environment. I am therefore committed to developing a well-being budget framework to present a balanced picture of how Irish society is progressing, and to guide how we allocate resources in future.

Further details of this and other initiatives are outlined in the Expenditure Report and in the Citizen's Guide to the Budget, both of which are published today.

CONCLUSION

A Cheann Comhairle, we do not have to look far into our history to see moments of great uncertainty for our country.

We have faced what have often seemed like insurmountable challenges.

However, what is common across these periods of great difficulty is that we have always come back stronger.

While there is no doubting that the weeks and months ahead will be difficult. Of course the journey ahead is uncertain.

We must not lose faith in ourselves, our communities and our country to meet these challenges as we have done so in the past.

I want to reassure the Irish people that this Government will do everything in its power to protect our people.

Ireland will get through this. We will stand together and we will persevere.

This Budget puts in place the foundations for our economic recovery and a brighter future for all our people.

In 1963, President Kennedy stood in our national parliament and said:

‘It is that quality of the Irish - that remarkable combination of hope, confidence and imagination - that is needed more than ever today.’

Let all of us who share this island – from wherever we come – now move forward with a renewed and shared sense of confidence in the hope of a better tomorrow.

I commend this Budget to the House.

ENDS.