

I welcome the budget that was presented to us last week.

But, unfortunately, I cannot welcome the process around the budget.

Six years ago the country's economy collapsed, and six years later nothing has changed when it comes to our national budget and the role of Dáil Éireann in that process.

Where is the role of our parliamentarians in the budget? Where is the role of the Dáil?

Now people will say these kinds of issues – around Dáil reform – only matter to a few people, it doesn't matter at election times, it was a good budget, the crisis is over.

But it does matter, it matter to us in Fine Gael.

People like to blame, bankers, regulators, developers, for Ireland's downfall – in Fine Gael we blame the politicians and the political system in place at the time. "Political failure lies at the heart of Ireland's economic collapse" – that's what we said in February 2011.

In our Programme for Government we said we would open up the process to the full glare of public scrutiny.

One of our senior ministers said that the notion of a 'big bang' budget day – of someone coming in to the chamber to read out the secrets decided by a Cabinet, is crazy.

The government has done much that is good, of course it has.

But if we set ourselves a standard, we have to hold ourselves to it.

That means a dedicated committee to debate budgetary matters on a year round basis – to discuss forecasts and targets, and to review implementation.

That means debating elements of the budget well in advance of a vote being taken.

It means Ministers coming in to committee to defend their money requests in advance of a decision by Cabinet.

And it means an Independent Oireachtas Budgetary Office where any TD – government or opposition – can have proposals costed so that the details can then be debated.

Is it so radical to suggest that an opposition member or party would have to have their proposals properly costed before they present them?

Is it so radical to suggest that an elected member of parliament might be across the detail of a budget before he agrees to it?

Even if it is radical, we said we would do it. What are we waiting for?

\*\*\*

As to the contents of the budget, I'd like to make a few comments.

There is unexpected buoyancy in the economy.

This meant we were in a position, not to reduce spending, but to reduce taxation and increase spending.

I fear that may have been a mistake. We continue to borrow to run the state.

I think it would have been prudent to perhaps, with that buoyancy, to reduce taxation because people are taxed too much and this would have a benefit for the wider economy and increasing revenues; look at the deficit and the debt; and either keep spending neutral or decrease it.

\*\*\*

I think the changes regarding income tax are very welcome.

And the move in relation to improving and strengthening our corporation tax regime is also very welcome.

I do not agree with the higher rate of USC for self-employed people. I understand the rationale behind it, but we have to recognise the great risk that a self-employed person takes, but also the disproportionate benefit to the economy that they contribute in taking that risk. And they should be rewarded accordingly. In fact there should be a tax bias in favour of self-employed people at the lower salary end.

In terms of the expenditure side, I worry that this budget now signals the end of reform in the public sector, in terms of how we allocate resources, how we find and drive efficiencies.

For instance, we increased child welfare. A universal payment that is very difficult to justify. And we have simply reversed the cuts we have made over the past 3 years. There will be no more reform there and that is disappointing.

There is an insufficient incentive for people on social welfare to return to work, with very high wage replacement rates in some cases. Our solution in this budget seems to have been to increase social welfare payments in order to encourage people back to work. I find that logic perverse.

And in education we continue to increase the registration fee for universities without giving any serious consideration to whether or not the so-called free fees scheme for our third level sector is actually sustainable.