

2008

ESTIMATES

OF

RECEIPTS and EXPENDITURE

FOR THE

YEAR ENDING

31 DECEMBER, 2008

Prepared by the Government and presented to Dáil Éireann in accordance with the provisions of Article 28 of the Constitution.

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EXPLANATORY NOTES

1. **Basis of figures**

The figures shown for receipts and expenditure in 2007 are projected outturns and reflect present knowledge. They are subject to revision when the end-year figures become available. Fully audited details for 2007 will be available in the *2007 Finance Accounts* and *2007 Appropriation Accounts* to be published not later than 30 September 2008.

As this is a pre-Budget document, the 'Indicative Unallocated Provision' for 2008 shown in Table 6 of Part I of the *Pre-Budget Outlook* is not reflected in the figures.

2. **Revenue**

The forecast outturn for 2007 is based on data up to 29 November, and assumes a tax shortfall of €1,750 million compared to the Budget 2007 forecast. The estimate of revenue for 2008 is consistent with the revised 2007 forecast, and is based on the tax law in force at present.

3. **Expenditure**

The 2007 forecast outturn figures are estimated figures as notified by Departments and Offices. End-year issues figures will be available early in January 2008.

The 2008 voted expenditure figures in this document are those published in the *Pre-Budget Estimates for Public Services 2008* in Part II of the *Pre-Budget Outlook*, which was published on 18 October 2007. These Pre-Budget Estimates provide for the estimated cost in 2008 of maintaining the existing level of public services. In addition, an unallocated capital provision – the same as that included in Table 6 of the *Pre-Budget Outlook* – has been included, to allow for the planned increase in the multi-annual capital envelopes under the National Development Plan (see Note 6 on p.9).

4. **Appropriations-in-Aid**

Voted expenditures are shown net of Appropriations-in-Aid. These are receipts which, with the agreement of the Dáil, may be retained by a Department or Office to offset expenditure instead of being paid into the Exchequer Account of the Central Fund. Details of gross voted expenditure by Departments are contained in the *Pre-Budget Outlook*.

5. **PRSI**

PRSI contributions are paid into the Social Insurance Fund (SIF) and do not form part of the revenues paid into the Central Fund.

Since 1997, no Exchequer contribution has been required to meet a shortfall on the SIF.

6. **Prefunding of future pensions liabilities**

The National Pensions Reserve Fund Act 2000 provides for prefunding part of the future cost of social welfare and public service pensions and the setting aside of 1% of estimated Gross National Product (GNP) annually for this purpose. The relevant amount for 2008 is set out in Note 7 on page 9.

7. **Carryover of Capital Allocations**

In accordance with Section 91 of the Finance Act 2004, Departments and Offices can carry over to the following year unspent capital of up to 10% of their voted capital allocations. The 2007 forecast outturn includes an amount, to be specified on Budget Day, which will be issued from the Exchequer and credited to the Paymaster General Account of each Department concerned for spending in 2008. The provisional outturn in the Revised Estimates Volume 2008 will reflect actual expenditure.

8. General Government Balance (Table 1(a))

The General Government Balance (GGB) measures the fiscal performance of the whole General Government sector, which includes the Exchequer, the Social Insurance Fund (SIF), the non-commercial state-sponsored bodies, the National Pensions Reserve Fund (NPRF) and other Extra-Budgetary Funds, the Local Authorities, and the Vocational Education Committees (VECs). The Health Boards were also included prior to their dissolution – the Health Service Executive, which replaced them, is part of the Exchequer.

As a result, transactions within the General Government sector do not count towards the GGB: for example, a payment from the Exchequer to the National Pensions Reserve Fund does not alter the General Government Balance.

The scope of the General Government sector, and the determination of the correct ESA95 accounting treatment of General Government transactions, are matters for settlement by Eurostat (the Statistical Office of the European Union).

Table 1(a) on p.5 gives the latest assessment for the 2007 GGB, and is consistent with the 2007 Exchequer Balance in Table 1. The GGB figure for 2008 is consistent with the 2008 Exchequer Balance in Table 1, and is on a pre-Budget basis.

9. Irish Language Version

This document is published in the Irish language and in the English language. The Irish version is available on the Department of Finance website www.finance.gov.ie

**TABLE 1
TOTAL RECEIPTS AND EXPENDITURE**

	<i>Reference</i>	2007 €000	2008 €000
Receipts			
Current	<i>Table 2</i>	47,998,896	49,460,088
Capital	<i>Table 2</i>	1,407,482	1,456,258
Total		49,406,378	50,916,346
Expenditure			
Current	<i>Table 2</i>	40,938,157	43,612,462
Capital	<i>Table 2</i>	10,090,976	11,134,270
Total		51,029,134	54,746,733
Exchequer Balance		-1,622,756	-3,830,387

**TABLE 1(a)
GENERAL GOVERNMENT BALANCE**

	2007 €000	2008 €000
General Government Balance (see para. 8, p. 4)	899,724	-436,017
% of GDP	0.5%	-0.2%

**TABLE 2
DETAILS OF TOTAL RECEIPTS AND EXPENDITURE**

	<i>Reference</i>	2007 €000	2008 €000
Estimate of Receipts and Expenditure - CURRENT			
Receipts			
Tax Revenue	<i>Note 1, Page 6</i>	47,325,000	48,776,000
Non-Tax Revenue	<i>Note 2, Page 6</i>	673,896	684,088
Total		47,998,896	49,460,088
Expenditure			
Net Voted (Departmental Expenditure Voted annually by the Dáil)	<i>Note 3, Page 7</i>	36,948,591	39,175,838
Non-voted (Non-discretionary expenditure charged directly on the Central Fund)			
Sinking Fund (1)	<i>Note 4, Page 8</i>	465,600	489,000
Other Non-voted Current Expenditure	<i>Note 4, Page 8</i>	3,523,966	3,947,624
Total		40,938,157	43,612,462
Surplus (Deficit) on Current Account		7,060,739	5,847,626
Estimate of Receipts and Expenditure - CAPITAL			
Receipts			
Sinking Fund (1)		465,600	489,000
Other capital receipts	<i>Note 5, Page 8</i>	941,882	967,258
Total		1,407,482	1,456,258
Expenditure			
Net Voted (Departmental Expenditure Voted annually by the Dáil) (2)	<i>Note 6, Page 9</i>	7,699,839	8,607,185
Non-voted (Expenditure charged directly under particular legislation)	<i>Note 7, Page 9</i>	2,391,137	2,527,085
Total		10,090,976	11,134,270
Surplus (Deficit) on Capital Account		-8,683,494	-9,678,012
Exchequer Balance		-1,622,756	-3,830,387

(1) The Sinking Fund provision is a transfer from the current account to the capital account.

(2) 2008 figure includes €1,039m agreed under NDP but not yet allocated to Departments and Agencies. This unallocated provision is consistent with that in Table 6 of Part I of the Pre-Budget Outlook.

**NOTE 1
TAX REVENUE**

	2007	2008
	€000	€000
Customs	285,000	300,000
Excise	5,814,000	5,885,000
Capital Gains Tax	3,145,000	3,180,000
Capital Acquisitions Tax	383,000	400,000
Stamp Duties	3,195,000	2,950,000
Income Tax	13,605,000	14,170,000
Corporation Tax	6,350,000	6,665,000
Value-Added Tax	14,545,000	15,225,000
Levies	3,000	1,000
Total	47,325,000	48,776,000

**NOTE 2
NON-TAX REVENUE**

	2007	2008
	€000	€000
Central Bank - Surplus Income	180,000	150,000
Accrued Public Moneys from the Issue of Coin	45,000	30,000
National Lottery Surplus	215,000	225,000
Dividends	86,227	132,450
<i>Interest on Loans</i>		
Local Loans Fund	6,083	4,840
Other Loans	4,773	7,100
<i>Other Receipts</i>		
Land Registry Fees	81,990	85,093
Fines & Penalties	30,844	31,055
Receipts from the Commission for Communications Regulation	13,400	11,000
Royalties from Marathon Petroleum	7,500	6,000
Other	3,079	1,550
Total	673,896	684,088

NOTE 3
NET VOTED CURRENT EXPENDITURE

Vote No.	Service	2007 €000	2008 €000
1	President's Establishment	3,469	3,547
2	Department of the Taoiseach	42,173	42,348
3	Office of the Attorney General	16,013	19,183
4	Central Statistics Office	50,645	46,989
5	Office of the Comptroller and Auditor General	7,107	9,623
6	Office of the Minister for Finance	85,296	85,435
7	Superannuation and Retired Allowances	247,793	265,159
8	Office of the Appeal Commissioners	651	673
9	Office of the Revenue Commissioners	394,200	415,097
10	Office of Public Works	261,034	265,974
11	State Laboratory	9,449	10,111
12	Secret Service	805	823
13	Chief State Solicitor's Office	48,863	37,867
14	Office of the Director of Public Prosecutions	34,626	42,867
15	Valuation Office	10,977	10,923
16	Public Appointments Service	13,243	13,928
17	Office of the Commission for Public Service Appointments	1,059	1,041
18	Office of the Ombudsman	6,934	8,297
19	Justice, Equality and Law Reform	435,737	449,551
20	Garda Síochána	1,391,342	1,473,735
21	Prisons	351,010	342,432
22	Courts Service	63,566	68,532
23	Property Registration Authority	38,994	40,885
24	Charitable Donations and Bequests	405	481
25	Environment, Heritage and Local Government	874,521	859,224
26	Education and Science	7,683,032	8,163,466
27	Department of Community, Rural and Gaeltacht Affairs	336,724	347,968
28	Foreign Affairs	196,336	195,455
29	International Co-operation	727,454	728,880
30	Communications, Marine and Natural Resources	121,987	160,658
31	Agriculture and Food	865,373	1,039,280
32	Transport	510,899	541,327
33	National Gallery	8,745	10,360
34	Enterprise, Trade and Employment	903,225	972,363
35	Arts, Sport and Tourism	397,470	401,357
36	Defence	767,130	792,966
37	Army Pensions	181,878	184,596
38	Social and Family Affairs	8,204,232	8,657,092
39	Health and Children	394,822	449,655
40	Health Service Executive	10,935,459	11,490,860
41	Office of the Minister for Children	474,848	524,830
	<i>Subtotal - Net Voted Current Expenditure (1)</i>	<i>37,099,526</i>	<i>39,175,838</i>
	Less Departmental Balances (2)	150,935	-
	Total Exchequer Payments towards Net Voted Expenditure	36,948,591	39,175,838

(1) 2007 figures reflect the latest forecast outcome as notified by Departments. 2008 figures are consistent with Table 2A of Part II of *Pre-Budget Outlook*. See explanatory note 3 on p.3.

(2) Departmental balances are those amounts issued from the Exchequer Account of the Central Fund for Departmental spending in one year which remain unspent at year-end and are carried forward to be used in the next year. They have no effect on Departmental spending which is governed by the allocation in the Estimates for Public Services.

**NOTE 4
NON-VOTED CURRENT EXPENDITURE**

	2007 €000	2008 €000
<i>Service of National Debt</i>		
Interest	1,635,400	1,939,000
Sinking Fund	465,600	489,000
Debt Management Expenses	59,000	62,000
Sub-total	2,160,000	2,490,000
<i>Other Non-voted Current Expenditure</i>		
Contribution to EU Budget	1,580,000	1,700,000
Payments to Marathon Petroleum Ireland Ltd. (Finance Act 1992)	16,100	4,100
Election Expenses	17,500	7,000
Salaries and pensions for judiciary and holders of Constitutional Office and Pensions and allowances for certain members or former members of the Oireachtas	46,863	51,206
Payments to Political Parties under the Electoral Acts	5,400	5,550
Subscription to International Development Association	28,433	24,233
Postal and Telecommunications Services (Amendment) Act 1983	14,700	6,000
Oireachtas Commission	113,600	136,200
Asian Development Fund	5,775	5,775
Miscellaneous	1,195	6,560
Sub-total	1,829,566	1,946,624
Total	3,989,566	4,436,624

**NOTE 5
OTHER CAPITAL RECEIPTS**

	2007 €000	2008 €000
<i>EU Receipts</i>		
Cohesion Fund	-	51,520
European Regional Development Fund	105,000	50,000
Trans European Networks and Other EU Receipts	2,836	12,536
<i>Loan Repayments</i>		
Annuity under the Local Loans Fund Acts 1935 to 1987	15,312	8,848
Other Loans Repaid	400	400
<i>Other Capital Receipts</i>		
Sale of State Property	25,000	70,000
FEOGA	730,146	760,000
IDA, FÁS and Enterprise Ireland	8,868	44
Mobile Telephony Licences	52,000	10,100
Transfer from Environment Vote re Carbon Fund	-	3,700
Miscellaneous	2,320	110
Total	941,882	967,258

NOTE 6
NET VOTED CAPITAL EXPENDITURE (1)

Vote No.	Service	2007 €000	2008 €000
6	Office of the Minister for Finance	6,076	6,565
9	Office of the Revenue Commissioners	11,398	10,575
10	Office of Public Works	339,642	356,500
19	Justice, Equality and Law Reform	7,601	27,436
20	Garda Síochána	46,000	48,465
21	Prisons	23,379	36,035
22	Courts Service	36,000	39,000
23	Property Registration Authority	3,200	5,000
25	Environment, Heritage and Local Government	1,984,305	1,976,881
26	Education and Science	802,600	714,400
27	Department of Community, Rural and Gaeltacht Affairs	129,155	132,000
28	Foreign Affairs	14,855	18,927
29	International Co-operation	890	970
30	Communications, Marine and Natural Resources	109,801	179,823
31	Agriculture and Food	299,220	320,498
32	Transport	2,432,670	2,274,390
33	National Gallery	3,000	3,000
34	Enterprise, Trade and Employment	470,033	454,884
35	Arts, Sport and Tourism	251,805	253,320
36	Defence	30,000	30,000
38	Social and Family Affairs	14,863	15,470
39	Health and Children	36,450	41,450
40	Health Service Executive	538,950	545,950
41	Office of the Minister for Children	107,946	76,646
	<i>Subtotal - Voted Capital Expenditure per Pre-Budget Estimates (2)</i>	<i>7,699,839</i>	<i>7,568,185</i>
	Unallocated Capital Provision under National Development Plan (3)	-	1,039,000
	Total Voted Capital Expenditure	7,699,839	8,607,185

(1) In accordance with Section 91 of the Finance Act 2004, Departments and Offices can carry over to the following year unspent capital of up to 10% of their voted capital allocations. The 2007 forecast outturn includes a provision under this facility. The amount of this provision - by Vote - will be specified on Budget Day, and definitively included in the Appropriation Act. These funds will be issued from the Exchequer and credited to the Paymaster General account of each Department concerned for spending in 2008. The capital carryover from 2006 into 2007 was €159m; this is not included in the forecast outturn above.

(2) Figures are consistent with Table 3A of the Pre-Budget Estimates (Part II of the Pre-Budget Outlook).

(3) This amount, consistent with Table 6 of Part I of the Pre-Budget Outlook, represents agreed capital spending under the National Development Plan. The moneys involved will be allocated to Departments and Agencies in Budget 2008.

NOTE 7
NON-VOTED CAPITAL EXPENDITURE

	2007 €000	2008 €000
<i>Investments in International Bodies</i>		
European Bank for Reconstruction and Development Act 1991	304	203
Council of Europe Development Bank	3,293	-
Asian Development Bank	1,850	2,012
<i>Payments under the European Communities Acts, 1972 to 1986</i>		
ERDF and Cohesion Fund Repayments	2,010	20,000
FEOGA	760,000	760,000
<i>Other Capital Payments</i>		
National Pensions Reserve Fund Act 2000	1,615,580	1,689,970
Harbours Act, 1996	4,000	3,000
National Stud (Amendment) Act 2000	-	1,500
Transfers to Carbon Fund	3,700	50,000
Miscellaneous/Other Payments under Statute	400	400
Total	2,391,137	2,527,085