



An Roinn Airgeadais
Department of Finance

2006

ESTIMATES

OF

RECEIPTS and EXPENDITURE

FOR THE

YEAR ENDING 31 DECEMBER, 2006

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

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ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR

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EXPLANATORY NOTES

1. **Basis of figures**

The figures shown for receipts and expenditure in 2005 are projected outturns and reflect present knowledge. They are subject to revision when the end-year figures become available. Fully audited details for 2005 will be available in the *2005 Finance Accounts* and *2005 Appropriation Accounts* to be published not later than 30 September 2006.

2. **Revenue**

The estimate of revenue for 2006 is based on the tax law in force at present.

3. **Expenditure**

The *Estimates for Public Services (Abridged Version) & Summary Public Capital Programme 2006 (AEV)*, was published on 17 November 2005. The 2006 figures in this document are the same figures as those published in the AEV. The 2005 forecast outturn figures are consistent with those published in the AEV and are provisional figures as notified by Departments and Offices. End-year issues figures will be available early in January 2006.

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 2006 AEV.

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.

In the past, an Exchequer contribution has been required to meet the shortfall on the SIF. However, no Exchequer contribution has been required since 1997.

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 (see Note 7 on page 8).

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 2005 forecast outturn includes an amount of €286 million which will be issued from the Exchequer and credited to the Paymaster General Account of each Department concerned for spending in 2006. The provisional outturn in the Revised Estimates Volume 2006 will reflect actual expenditure.

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

The projected outturn for the General Government Balance (GGB) in 2005 is a surplus of €439 million or 0.3% of GDP. The GGB forecast for 2006, on a pre-Budget basis, consistent with the Exchequer Balance published in this paper, is for a surplus of €1,295 million or 0.8% of GDP (see Table 1(a) on page 4).

The 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), the Local Authorities and the

Vocational Education Committees (VECs). The Health Boards were also included prior to their dissolution at the start of 2005; 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 delimitation 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).

It should be noted that the forecast GGB for 2005 includes the full projected cost of the repayment of certain nursing home charges (€1bn or 0.6% of GDP). This follows a Eurostat decision in August 2005 that all repayments due in respect of these charges, regardless of when they are actually disbursed, should be recorded as expenditure in 2005, the year in which the State's liability was established by the courts. This treatment is consistent with other cases at EU level.

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>	2005	2006
		€000	€000
Receipts			
Current	<i>Table 2</i>	39,912,358	42,495,471
Capital	<i>Table 2</i>	1,224,236	1,818,729
Total		41,136,594	44,314,200
Expenditure			
Current	<i>Table 2</i>	33,798,500	36,728,440
Capital	<i>Table 2</i>	8,187,798	8,674,039
Total		41,986,298	45,402,479
Exchequer Balance		-849,704	-1,088,279

TABLE 1(a)
GENERAL GOVERNMENT BALANCE

	2005	2006
	€000	€000
General Government Balance (see para. 8, p. 3)	439,264	1,294,690
% of GDP	0.3%	0.8%

TABLE 2
DETAILS OF TOTAL RECEIPTS AND EXPENDITURE

Estimate of Receipts and Expenditure - CURRENT		<i>Reference</i>	2005	2006
			€000	€000
Receipts				
Tax Revenue	<i>Note 1, Page 5</i>		39,310,000	41,925,000
Non-Tax Revenue	<i>Note 2, Page 5</i>		602,358	570,471
Total			39,912,358	42,495,471
Expenditure				
Net Voted (Departmental Expenditure Voted annually by the Dáil)	<i>Note 3, Page 6</i>		29,842,242	32,389,251
Non-voted (Non-discretionary expenditure charged directly on the Central Fund)				
Sinking Fund *	<i>Note 4, Page 7</i>		477,615	475,000
Other Non-voted Current Expenditure	<i>Note 4, Page 7</i>		3,478,643	3,864,189
Total			33,798,500	36,728,440
Surplus (Deficit) on Current Account			6,113,858	5,767,031
Estimate of Receipts and Expenditure - CAPITAL				
Receipts				
Sinking Fund *			477,615	475,000
Other capital receipts	<i>Note 5, Page 7</i>		746,621	1,343,729
Total			1,224,236	1,818,729
Expenditure				
Net Voted (Departmental Expenditure Voted annually by the Dáil)	<i>Note 6, Page 8</i>		5,912,811	6,178,162
Non-voted (Expenditure charged directly under particular legislation)	<i>Note 7, Page 8</i>		2,274,987	2,495,877
Total			8,187,798	8,674,039
Surplus (Deficit) on Capital Account			-6,963,562	-6,855,310
Exchequer Balance			-849,704	-1,088,279

* The Sinking Fund provision is a transfer from the current account to the capital account.

NOTE 1.**Tax Revenue**

	2005	2006
	€000	€000
Customs	225,000	240,000
Excise	5,235,000	5,520,000
Capital Gains Tax	1,965,000	2,025,000
Capital Acquisitions Tax	250,000	260,000
Stamp Duties	2,630,000	2,690,000
Income Tax	11,400,000	12,420,000
Corporation Tax	5,470,000	6,005,000
Value-Added Tax	12,125,000	12,760,000
Levies	10,000	5,000
Total	39,310,000	41,925,000

NOTE 2.**Non-Tax Revenue**

	2005	2006
	€000	€000
Central Bank - Surplus Income	103,021	115,000
Accrued Public Moneys from the Issue of Coin	30,000	30,000
National Lottery Surplus	232,701	196,000
<i>Dividends</i>		
- ESB	73,543	80,000
- Bord Gáis	10,093	9,100
- Other	276	250
<i>Interest on Loans</i>		
Local Loans Fund	6,899	6,675
Other Loans	1,303	7,354
<i>Other Receipts</i>		
Land Registry Fees	68,011	70,051
Fines & Penalties	31,550	32,430
Receipts from the Commission for Communications Regulation	20,091	12,000
Royalties from Marathon Petroleum	5,080	9,611
Other	19,790	2,000
Total	602,358	570,471

NOTE 3.

Net Voted Current Expenditure

Vote No.	Service	2005 €000	2006 €000
1	President's Establishment	2,447	2,608
2	Department of the Taoiseach	34,852	37,498
3	Office of the Attorney General	13,487	14,779
4	Central Statistics Office	43,712	75,657
5	Office of the Comptroller and Auditor General	7,356	8,664
6	Office of the Minister of Finance	85,969	98,315
7	Superannuation and Retired Allowances	228,751	252,113
8	Office of the Appeal Commissioners	607	625
9	Office of the Revenue Commissioners	334,722	371,950
10	Office of Public Works	226,039	251,040
11	State Laboratory	11,451	8,190
12	Secret Service	710	806
13	Chief State Solicitor's Office	36,025	37,292
14	Office of the Director of Public Prosecutions	30,361	33,877
15	Valuation Office	8,942	10,100
16	Public Appointments Service	11,527	11,451
17	Office of the Commission for Public Service Appointments	897	984
18	Office of the Ombudsman	5,674	8,041
19	Justice, Equality and Law Reform	325,001	363,043
20	Garda Síochána	1,116,587	1,225,133
21	Prisons	321,966	348,735
22	Courts Service	47,223	55,267
23	Land Registry and Registry of Deeds	34,548	36,000
24	Charitable Donations and Bequests	380	445
25	Environment, Heritage and Local Government	760,097	810,799
26	Education and Science	6,403,773	6,966,984
27	Department of Community, Rural and Gaelteacht Affairs	229,334	248,769
28	Foreign Affairs	159,216	173,170
29	International Co-operation	467,692	598,464
30	Communications, Marine and Natural Resources	162,069	183,483
31	Agriculture and Food	817,596	905,961
32	Transport	394,715	425,206
33	National Gallery	7,849	8,099
34	Enterprise, Trade and Employment	805,094	860,326
35	Arts, Sport and Tourism	315,886	351,003
36	Defence	713,128	731,150
37	Army Pensions	161,392	169,000
38	Social and Family Affairs	6,462,912	6,599,025
39	Health and Children	170,724	209,012
40	Health Service Executive	8,973,481	9,479,187
	Unallocated Pensions and PPP unitary payments	-	17,000
	Reimbursement of charges for long stay care in former Health Board funded Institutions	-	400,000
	Total Net Voted Expenditure	29,934,192	32,389,251
	Less Departmental Balances (1)	91,950	-
	Total Exchequer Payments towards Net Voted Expenditure	29,842,242	32,389,251

- (1) 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

	2005	2006
	€000	€000
<i>Service of National Debt</i>		
Interest	1,748,385	1,873,000
Sinking Fund	477,615	475,000
Debt Management Expenses	44,000	52,000
Sub-total	2,270,000	2,400,000
<i>Other Non-voted Current Expenditure</i>		
Contribution to EU Budget	1,510,000	1,670,000
Payments to Marathon Petroleum Ireland Ltd. under the Finance Act, 1992	7,908	9,800
Election Expenses	7,300	7,200
Salaries and pensions for judiciary and holders of Constitutional Office and Pensions and allowances for certain members or former members of the Oireachtas	37,576	41,484
Payments to Political Parties under the Electoral Acts	5,015	5,200
Subscription to International Development Association	18,270	79,743
Postal and Telecommunications Services (Amendment) Act, 1983	654	6,000
Oireachtas Commission	97,187	110,458
Asian Development Fund	0	7,400
Miscellaneous	2,348	1,904
Sub-total	1,686,258	1,939,189
Total	3,956,258	4,339,189

NOTE 5.

Other Capital Receipts

	2005	2006
	€000	€000
<i>EU Receipts</i>		
Cohesion Fund	41,749	54,390
European Regional Development Fund	235,000	155,000
Trans European Networks and Other EU Receipts	12,069	4,890
<i>Loan Repayments</i>		
Annuity under the Local Loans Fund Acts, 1935 to 1987	11,638	8,311
<i>Other Capital Receipts</i>		
Sale of State Property	55,750	171,000
FEOGA	300,750	942,000
IDA, FÁS and Enterprise Ireland	23,955	56
Mobile Telephony Licences	56,750	7,600
Miscellaneous	8,960	482
Total	746,621	1,343,729

NOTE 6.

Net Voted Capital Expenditure (1)

Vote No.	Service	2005	2006
		€000	€000
4	Central Statistics Office	1,052	1,254
6	Office of the Minister of Finance	8,176	10,573
9	Office of the Revenue Commissioners	13,500	9,427
10	Office of Public Works	203,546	330,000
16	Public Appointments Service	960	0
19	Justice, Equality and Law Reform	33,177	47,697
20	Garda Síochána	27,120	29,801
21	Prisons	54,212	30,696
22	Courts Service	17,103	10,806
23	Land Registry and Registry of Deeds	3,500	5,000
25	Environment, Heritage and Local Government	1,740,085	1,758,683
26	Education and Science	538,150	560,000
27	Department of Community, Rural and Gaeltacht Affairs	112,284	117,150
28	Foreign Affairs	14,000	13,464
29	International Co-operation	1,124	1,536
30	Communications, Marine and Natural Resources	112,971	131,825
31	Agriculture and Food	104,285	128,700
32	Transport	1,750,000	1,755,000
33	National Gallery	1,227	1,260
34	Enterprise, Trade and Employment	399,877	425,050
35	Arts, Sport and Tourism	164,068	155,740
36	Defence	24,854	26,000
38	Social and Family Affairs	11,040	10,000
39	Health and Children	12,437	20,444
40	Health Service Executive	564,063	558,056
	<u>ADD</u> Unallocated Investment (2)		40,000
	Total	5,912,811	6,178,162

- (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 2005 forecast outturn includes an amount of €286m, under this carryover facility. The definitive amounts of the capital carryover - by Vote - will be included in the Appropriation Act, and will be issued from the Exchequer and credited to the Paymaster General account of each Department concerned for spending in 2006. The capital carryover from 2004 into 2005 was €237m. This amount is not included in the forecast outturn above.
- (2) This is the unallocated amount included in the 2005 Multi-Annual Framework for 2006.

NOTE 7.

Non-voted Capital Expenditure

	2005	2006
	€000	€000
Investments in International Bodies		
European Bank for Reconstruction and Development Act, 1991	844	405
Council of Europe Development Bank	3,275	3,275
Asian Development Bank	0	2,100
Payments under the European Communities Acts, 1972 to 1986		
ERDF and Cohesion Fund Repayments	5,000	30,000
FEOGA	940,600	1,002,000
Other Capital Payments		
Payments in respect of pre-funding of future pensions liabilities	1,320,250	1,446,600
Harbours Act, 1996	2,222	8,625
National Stud Equity Injection	1,500	1,500
Miscellaneous/Other Payments under Statute	1,296	1,372
Total	2,274,987	2,495,877

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