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# Jobs & Recovery

Labour's Proposals for a Fair Budget  
December 4<sup>th</sup> 2009



# Agreement for National Recovery

Labour has advanced a set of five proposals as the basis for a new Agreement for National Recovery. These are:

1. A Coherent Jobs Strategy, to get people back to work, to keep people in employment and provide training and re-education for those who have lost their jobs.
2. A Home Guarantee, with statutory backing, that people facing difficulties in meeting mortgage repayments will not be put out of their homes for the period of the recession.
3. A Fair Budget: The 2010 Budget should be based on the principles of fairness and equity.
4. Public Pay. There should a negotiated agreement to secure savings in the public sector wage bill, that would be based on securing reforms and savings, and on ensuring a more efficient public service for the future
5. Industrial Peace: There should be a commitment there will be no strikes and a guarantee of industrial peace.

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# Budget Adjustment

- Adjustment Cannot be Delayed
- €4 billion is required in 2010
- Must be based on credible policy mix
- Expenditure reductions must be accompanied by reform
- Revenue-enhancing must be fair and reforming
- Overall package must be manifestly fair

# Summary of Budget Measures

Savings	2010	Full Year
Current Spending; Pay	1,300m	1,300m
Current Spending; Non-Pay	899m	899m
Capital Budget savings through lower tender prices	1,246m	1,246m
Revenue-enhancing measures	1,646m	2,351m
Total Savings	5,091m	5,796m

# Summary of Budget Measures

TOTAL SAVINGS	5,091m	5,796m
Expenditure Priorities	2010	Full Year
Jobs Fund	700m	1,150m
Social Solidarity <ul style="list-style-type: none"><li>• Christmas Payment (240m)</li><li>• Fuel Poverty Measures (60m)</li></ul>	300m	300m
Total Expenditure Proposals	1,000m	1,450m
FISCAL ADJUSTMENT	4,091m	4,346m

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# Overview of Revenue Enhancing

- Carbon Levy
- Tax Exiles
- Curtailing tax expenditure
  - Property Reliefs
  - Pension Reliefs
  - Minor reliefs
- Additional Revenue Enhancing Measures
  - Expand PRSI coverage
  - Third rate of tax at 48%
  - CAT thresholds

# Revenue Enhancing Measures

	2010	Full Year
Carbon Levy		500m
Target Reduction in Pension Reliefs		330m
Tax Exiles		100m
Charge PRSI on share-based remuneration & Capital Gains		79m
Lower threshold for Capital Acquisitions Tax		24m
Third rate of tax at 48% (on income over 100k for an individual)		355m
Modifications & Reductions Investment Property Relief		430m
Property Schemes		435m
Reform & curtail exemption for patent royalties		60m
Abolish Minor Reliefs (Trade Union Subs & Heritage Reliefs)		38m
Total Revenue Enhancing	1,646m	2,351m

# Overview of Savings

- Negotiated reduction in pay bill of €1,300m based on;
  - Reforms to ensure a more effective public service for the future
  - Pay savings on a proportionate & progressive basis
  - Pay caps for those on the highest salaries & leadership positions
- Savings of 17% in tender prices on capital spending
- Non-pay elements draw heavily from Bord Snip Report

# Pay & Capital Spending

Public Sector Pay Bill	2010	Full Year
Negotiated Reduction in Public Sector Pay	1,300m	1,300m
Capital Spending	2010	Full Year
Savings due to reduced tender prices of 17% (source Society of Chartered Surveyors)	1,246m	1,246m

# Reductions in Non-Pay Budgets

Agriculture	Savings in Corporate services	5m
Arts, Sports, Tourism	Replace exchequer support for horse and greyhound fund	16.4m
	Administrative Savings	1.1m
Communications	Windfall levy on powergen sector	200m
Education	Absorb NEWB & NCSE into Department	0.8m
	Reduce allocation to Strategic Innovation Fund	10m
Enterprise and Employment	Reduce Agency Overheads	30m
	Savings in Corporate Services	1m
Environment	Administrative savings in An Bord Pleanala	0.5m
	Heritage council efficiencies	1m
	Efficiencies in Corporate Services	4.5m

# Reductions in Non-Pay Budgets

Finance	Department non-pay savings	1m
	Revenue non-pay efficiencies	10m
	OPW savings on rental costs	20m
Health	Departmental Efficiencies	1m
	Restrict NTPF to private facilities	7.5m
	Savings on Generic Drugs	100m
	Efficiencies in non-emergency patient transport	10m
	Reduction in fees under the GMS	185m
Justice	Reduce incidental and utility costs	2.6m
	Reduce non-pay baseline civil service offices	2m
	Merge Property Services Regulatory with PRTB	0.5m
	Reduce surplus security at Fourcourts	2m
	Merge Valuation office, OSI & Property Registration Authority	2m
	Abolish the Office of the Minister for Integration (Bord Snip E.5)	1.5m
Transport	Reduce non-pay admin expenditure	0.9m
	Merge National Vehicle and Driver File into RSA	2m

# Reductions in Non-Pay Budgets

NTMA	Greater use of State Claims Agency/ Reduce litigation costs	5.5m
	Administrative savings in NTMA	0.6m
	Introduce periodic payment orders	15m
Social Welfare	Target Social Welfare Fraud	100m
	Saving on rent supplement via greater use of RAS	50m
	Reduce Professional Fees	3m
Taoiseach	Discontinue Newfoundland-Labrador partnership	0.3m
	Reduce Census costs	2.2m
	Administrative Savings	1m
	Reduce legal fees	2.5m
	Rationalise NESDO	1m
System-wide changes	Economies in Supply Chain management	100m
TOTAL		899m

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# Investing in the future; JOBS FUND

- Total fund of €1,150m in full year
- To be allocated by Ministerial Taskforce (outside estimates system)
- Agencies and Departments to submit business plans
- Measures to include;
  - Enterprise supports including PRSI scheme for new jobs
  - An additional 60,000 training and work experience places
  - Fast-track labour intensive capital projects

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# Investing in the future; SOCIAL SOLIDARITY

- Restore Christmas payment for Pensioners and other Social Welfare recipients
- Preserve Social Welfare Rates
- Protect Family Incomes through child benefit
- Targeted measures to deal with the impact of fuel poverty on low-income households and charities

# Investing in the future

Expenditure Priorities	2010	Full Year
Jobs Fund	700m	1,150m
Christmas Payment	240m	240m
Fuel Poverty Measures (Note addition allocation of 50m for capital projects within Jobs Fund bringing total Fuel Poverty measures to 110m)	60m	60m