

Analysis of Exchequer Pay and Pensions Bill

2002 - 2007

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Review

This booklet examines trends in Net Exchequer Pay and Pensions (the “Paybill”) since 2002 based on data in the Revised Estimates for 2007. It also includes public service employment data and Central Statistics Office earnings data. The booklet is prepared annually and its purpose is to analyse developments in the Paybill with a view to clarifying the main factors underpinning those developments. A review of developments in Public Service Pay in 2006 is also included.

Details of developments in the Paybill since 2002 are shown in the accompanying tables and charts. In summary these are:

In the period 2002 to 2007

- the net Pay and Pensions bill is projected to increase by 52.7% (Table I);
- the Pay and Pensions bill as a percentage of GNP and GDP has stayed fairly constant around 11% and 9% respectively. (Table II);
- increases over the period due to general rounds total €2,739m (or 23.8%), “special” pay increases (including Benchmarking) total €1,322m (or 11.5%), and other factors (such as extra numbers) total €1,992m (or 17.3%)(Table III);
- the net Pay and Pensions bill as a percentage of net non-capital Exchequer spending having risen from 49% in 2002 to 51% in 2004 has been decreasing and is 47% in 2007 (Table XIV);
- the education sector has shown the greatest increase over the period at 58.6% (compared to a 50.1% rise in the rest of the Pay and Pensions bill), and is expected to account for 32% of the total Paybill in 2007 as opposed to 31% in 2002. The proportion accounted for by the health sector has increased slightly over the period, while there have been small decreases in the proportions accounted for by the civil service, security and the non-commercial State sponsored body sectors (Table VI);
- the number of Exchequer-funded public service employees (excluding local authorities) was 267,974 at 1 January 2007 (whole-time equivalents), an increase of 28,886 or 12.1% over 2002 mainly in Health and Education (Table X);

- pensions now account for 10% of the total Paybill, up from 8.6% in 2002. Overall, the pensions bill has increased from €985m in 2002 to €1,751m in 2007 representing a 77.8% increase over the period (pay in contrast rose by 50.3%); the increase in the health sector has been 93% (Tables VI and VIII).

In 2007

- the net Pay and Pensions bill will amount to €17,542 million , an increase of 8.2% over the 2006 figure of €16,218 (Table I);
- increases arising from *Sustaining Progress* and *Towards 2016* in 2007 account for an increase of 5.4% (or 66% of the overall increase) (Table III);
- other factors account for an increase of 2.8% (or 34% of the overall increase) (Table III);
- the health sector accounts for 41% of the total Pay and Pensions bill, the education sector 32%, the civil service 13%, the security sector 11% and the non-commercial State Bodies 3% (Table VI);
- Public service numbers including pensioners based on an annual average measurement (Table 5 Revised Estimates Volume) increased to 350,571 from 337,798 in 2006 (due mainly to additional numbers in Health, Education and Gardai) (Table XII).

Review of 2006 and 2007 to date

Sustaining Progress

The final increase of 2.5% was paid on 1 June 2006.

Towards 2016

The new agreement *Towards 2016* to succeed *Sustaining Progress* was finalised in June 2006 and ratified in September 2006. The agreement provides for a 10% increase to be paid at various stages over 27 months. In the Public Service the agreement runs from July 2006 to September 2008 and the increases agreed are as follows:

- 3% from 1 December 2006;
- 2% from 1 June 2007 [except for those earning up to and including €400 per week (€20,859 per annum) where a 2.5% increase will apply];
- 2.5% from 1 March 2008; and,
- 2.5% from 1 September 2008.

For more than ten years a programme of modernisation of each sector of the public service has been under way. This has, where necessary, been underpinned by legislation and by putting in place several important innovations such as performance management development systems, management information systems and quality customer service initiatives. *Towards 2016* has, like its recent predecessors, included a specific modernisation agenda – the delivery of which is a prerequisite for the payment of the above increases. The modernisation measures now agreed are designed to ensure that work is organised such that high quality services are delivered to the public in an efficient and effective manner.

Under the new agreement (Sections 33) a performance verification process, broadly similar to that which operated under *Sustaining Progress*, will be put in place to ensure that Sectoral Action Plans are agreed, modernisation targets are met and industrial peace observed. There are provisions for appropriate action to be taken where co-operation with change is not forthcoming or where industrial action is resorted to. These measures include, where appropriate, the non-payment of increases under the Agreement.

Benchmarking

The current Public Service Benchmarking Body was formally established on 13 January 2006. The membership of the Body is as follows:

Chairperson

Mr Dan O'Keeffe SC, BCL, LL.B., A.C.A.

Members

Mr Billy Attley, former General Secretary of SIPTU,

Ms Olive Braiden, Arts Council; former Chair of Justice sector Performance Verification Group,

Mr John Malone, former Secretary General of the Department of Agriculture and Food,

Mr Thomas McKeivitt, former Deputy General Secretary of the Public Service Executive Union,

Mr Willie Slattery, Managing Director, State Street International (Ireland) Ltd.,

Professor Brendan Walsh, Emeritus Professor of Economics, UCD

As in the previous benchmarking exercise that took place between 2000 and 2002, the exercise will be a coherent and broadly based comparison with jobs and pay rates across the economy. The Body will examine the roles, duties and responsibilities of jobs in the public service and in the rest of the economy and not just the pay rates applicable to jobs with similar titles, and superficially similar roles, in the private sector.

The terms of reference of the Body provide that it should conduct in-depth and comprehensive research and analysis of pay levels in the private sector on the following basis:

- overall pay levels in the two sectors as well as pay rates for particular groups (such as clerical/administrative staff and technicians) and other identifiable grouping (such as graduate recruits);
- the overall pattern of pay rates in the private sector and employments across a range of type, size or sector;
- the way reward systems are structured in the private sector.

As previously, the Body, in reaching its recommendations should have regard to

- the need to recruit, retain and motivate staff with the qualifications, skills and flexibility required to exercise their different responsibilities;
- the need to support ongoing modernisation of the public service;
- the need to ensure equity between the employees in both the public and private sectors and,
- the need to underpin the country's competitiveness and continued economic prosperity.

In this work the Body should have regard to the differences between the public service and the private sector and between the various public service groups within its remit in working conditions, the organization of work, perquisites, and conditions of employment and other relevant benefits, including security of tenure and superannuation benefits.

The terms of reference provide that the Body should seek to ensure the optimum level of transparency consistent with the efficient and effective operation of the benchmarking process, regarding the factors and their import, which the Body took into account in determining the appropriate pay levels.

A parallel benchmarking process is being carried out in relation to the pay of the craft grades and the related non-nursing and general operative grades. A consultant's report, an initial stage in the process, is due to be presented to the employers and unions by mid June. There will then be further negotiations with likely final adjudication by the Labour Court towards the end of the year.

Review Body on Higher Remuneration in the Public Service

The Review Body was commissioned by the Government in 2005 to carry out the next general review of the levels of remuneration of the top public service posts covered by its terms of reference. The report of the Review Body is expected later this year.

The members of the Review Body are:

Tony O'Brien, Chairperson of Review Body

Chairman of C&C Group plc. Non-Executive Director of CRH plc. Former Chairman of Anglo Irish Bank Corporation, plc and a past President of IBEC.

John Doherty

Employers' member of the Labour Court.

Brian Hillery

Chairman of Independent News and Media plc, UniCredito Italiano Bank (Ireland) plc and Providence Resources plc. Commissioner, National Pensions Reserve Fund Commission. Former TD and Senator. Former Professor, Graduate School of Business, UCD.

Vivienne Jupp

Global managing partner for Accenture Service Lines. Member of the Broadcasting Commission of Ireland. Board member of the UCD Smurfit Graduate School of Business. Chaired the Information Society Commission from 1996 to 2000.

Peter Malone

Director and former CEO of Jurys Doyle Hotel Group plc. Chairman of National Roads Authority, Hibernian Insurance, Business Tourism Forum and Gunne Auctioneers. Director, Ulster Bank.

Noel O'Neill

Workers' member of the Labour Court.

The last general review was carried out in 2000. Because the current review was being deferred to produce a report in the second half of 2007, the Review Body was asked to produce an interim report. In this it recommended an increase of 7.5% which was implemented in two phases from 1 July 2005 and 1 January 2006.

CEOs of commercial State bodies

A review of the pay of CEOs of commercial State bodies was initiated in 2006. Tenders were invited from interested consultants through the public procurement process and Hay Management Consultants were awarded the contract to carry out this review. The review is being finalised prior to being considered by the Minister for Finance and, thereafter, by Government.

Industrial Relations

One of the main principles underpinning *Sustaining Progress* and Benchmarking was the maintenance of industrial peace in the Public Service. There was a high degree of industrial relations stability during 2006. The verification process contained in *Sustaining Progress* was successful in securing commitment to co-operation with flexibility, ongoing change and implementing a modernisation agenda from the groups covered by the parallel benchmarking exercise.

Hospital Consultants

Talks on a new contract for hospital consultants were ended in April 2007 when the Irish Hospital Consultants Association (IHCA) withdrew from the negotiations following the decision to proceed with the recruitment of new consultants on a new contract basis. The IHCA and the Irish Medical Organisation considered that, until such time as a new contract had been agreed with the associations, any new appointments should only be made on the existing contract.

Non-consultant hospital doctors (NCHDs)

Talks, under the auspices of the Labour Relations Commission (LRC), have been taking place between the IMO and the management side for some considerable time in relation to a new contract for Non-Consultant Hospital Doctors (NCHDs). These talks have recently been given renewed impetus and a schedule of meetings has been agreed with a view to reaching agreement over the coming months. The impetus for a new contract and associated new rosters is the need to comply with the Working Time Directive, which requires that the current level of weekly hours worked by NCHDs be reduced significantly.

Pilot projects involving reduced hours have been taking place in a number of hospitals throughout the country since 2006. Some have been completed and some are still on-going. All such pilots are subject to evaluation to ensure, inter alia, that services are being fully delivered and that medical training is not negatively affected.

Nurses' Claims

The INO and the PNA submitted eight claims to the HSE in December 2005. The claims were rejected and referred for conciliation and subsequently to a full hearing of the Labour Court which issued its recommendations in November 2006. The Court rejected the principal claims and recommended that the INO and PNA pursue their claims through benchmarking.

The INO and PNA began a campaign of industrial action in support of their claims on 2 April 2007.

Following a number of interventions by the National Implementation Body (NIB), established under *Towards 2016*, a formula for the resolution of the nurses' dispute was put

to ballot of both nursing unions and accepted by them. The main elements of the formula are as follows:

Reduced Hours - Phase One

An initial reduction must be implemented on a cost neutral basis and without diminution of service to patients on the basis of local changes (within a national framework for change in the areas of rosters, skill mix etc). The Health Sector Performance Verification Group will provide an independent validation process to confirm that the changes planned for each location are sufficient to support the initial reduction and to verify delivery of these changes in advance of the target date for the reduction. The initial reduction will be implemented in each location on foot of such verification.

On the basis of the foregoing, and that the changes sought and implemented will be proportionate to the specific reduction in hours, and provided it is achieved on a cost neutral basis, **a reduction of 1 hour 30 minutes to 37 hours 30 minutes net will be implemented with effect from 1 June, 2008** with pro-rata reductions for those working less than full time.

Reduced Hours - Phase 2

The NIB have recommended the establishment of a Commission to produce an independent assessment of how a 35 hour week for nurses could be achieved. An eminent person is to be appointed as independent Chair. This Commission will examine the international experience of best practice in the activities and deployment of nurses, and the type of flexibilities and change necessary to achieve a 35 hour week. The Commission is to report within six months, having reviewed the evidence and engaged with nurses and management at national and local level.

The NIB have also recommended that the Labour Court should develop proposals as to how the second phase of hours reduction should be implemented in light of the Commission's Report, including validation of the timeframe for implementation.

Pay Claim

The NIB have indicated that it remains open to the unions to put to the Benchmarking Body a case which reflects a very much expanded role for nurses and midwives in the context of enhanced duties, more cost-effective and appropriate skill mixes and more efficient rosters, as have been proposed during discussions between the parties.

Health Forum

A high-level Health Forum, chaired by the Secretary General to the Government and involving representatives of all the key stakeholders in the sector has recently been launched. The purpose of the Forum is to provide a space in which issues affecting the design and delivery of health services can be addressed in an exploratory way by all of the parties, management and unions, whose roles, functions and responsibilities would be affected by the development and modernisation of the health services. The objective of the Forum is to provide the best possible service to the public, within the resources made available by Government. To date, two meetings of the Forum have taken place.

Equal pay claim by Clerical Officers assigned to the Garda Síochána

The CPSU referred eight equal pay claims to the Equality Tribunal in July 2000 seeking equal pay for female Clerical staff with male Gardaí claiming that the claimants were performing “like work” under the Employment Equality Acts. A further six claims were lodged in July 2005.

In November 2005, the Equality Officer found that one claim was not valid and that six claimants were not doing like work with the comparators. She found that the other seven claimants were performing like work with the named male Garda comparators. She found that the Official Side failed to justify objectively the difference in pay on grounds other than gender and ordered that the claimants be given equal pay with the comparators. The finding has been appealed by the Department of Justice, Equality and Law Reform in relation to the seven complaints upheld.

The CPSU has appealed the cases that were rejected. When the finding was published, the CPSU stated that it intended lodging follow-on cases for approximately 10,000 Clerical Officers across the Civil Service. It has now lodged 7,200 follow-on claims. These claims will be opposed by the management side.

Outlook for 2007

Looking ahead, the preparations for the negotiations of the next pay round, due under *Towards 2016*, will commence during the course of the current year.

(I) Exchequer Pay & Pensions Bill								
Year		2002	2003	2004	2005	2006	2007	2002-2007 increase
Gross*	€m	11,746	12,946	14,094	15,493	16,780	18,097	54.1%
Net	€m	11,489	12,773	13,746	14,973	16,218	17,542	52.7%
% increase in Net Exchequer Pay & Pensions Bill			11.2%	7.6%	8.9%	8.3%	8.2%	

(II) Net Exchequer Pay & Pensions Bill as a Percentage of GDP and GNP								
Year		2002	2003	2004	2005	2006	2007	2002 - 2007 increase
GDP	€m	129,947	138,941	147,569	161,163	175,795	189,900	46.1%
Pay & Pensions Bill as a % of GDP		8.8%	9.2%	9.3%	9.3%	9.2%	9.2%	
GNP	€m	106,248	117,218	124,354	135,914	150,282	161,550	52.0%
Pay & Pensions Bill as a % of GNP		10.8%	10.9%	11.1%	11.0%	10.8%	10.9%	

* Gross figures include appropriation-in-aid (mainly pension contributions and ESF funding)

(III) Reasons for increases in the Exchequer Pay and Pensions Bill

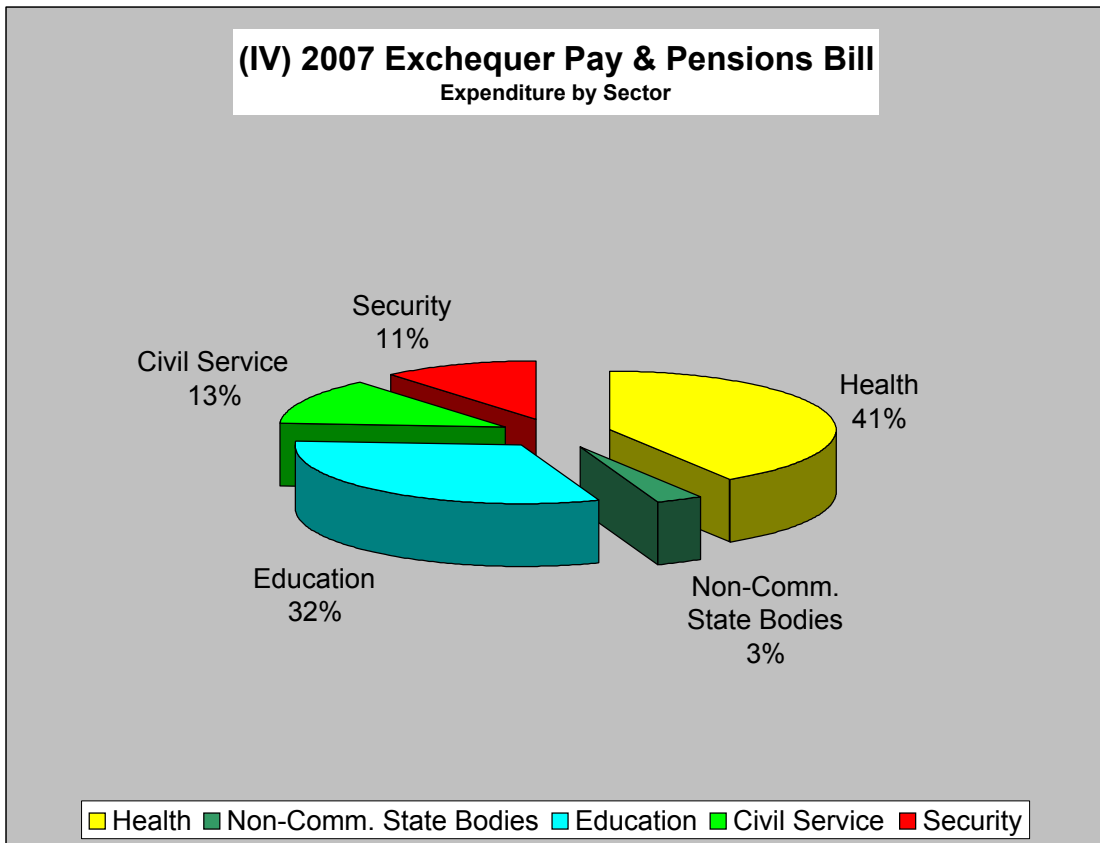
Year	2002	2003	2004	2005	2006	2007	2002-2007 increase
(a) Exchequer Pay and Pensions Bill	€m 11,489	12,773	13,746	14,973	16,218	17,542	
(b) Increase over previous year	€m	1,284	973	1,227	1,245	1,324	6,053
	%	11.2%	7.6%	8.9%	8.3%	8.2%	52.7%
(c) Increase due to general rounds	€m	224	538	542	562	873	2,739
	%	1.9%	4.2%	3.9%	3.8%	5.4%	23.8%
(d) Increase due to special / local bargaining increases (Including Benchmarking)	€m	718	310	166	128	0	1,322
	%	6.2%	2.4%	1.2%	0.9%	0.0%	11.5%
(e) Change due to other factors (Residual)	€m	342	125	519	555	451	1,992
	%	3.0%	1.0%	3.8%	3.7%	2.8%	17.3%

Notes

1. The percentage figures at (b) show the overall increase in the Paybill for each year, the cumulative effect of which is 52.7% over the period.

The sum of the percentage figures for each year at (c), (d), and (e) equals the percentage at (b) for that year but these figures cannot be used to calculate a total increase for each factor over the entire period (see footnote 2, page 13). The estimated cumulative effect over the period for each individual factor is 23.8% (general rounds) 11.5% (local bargaining & Benchmarking) and 17.3% (other).

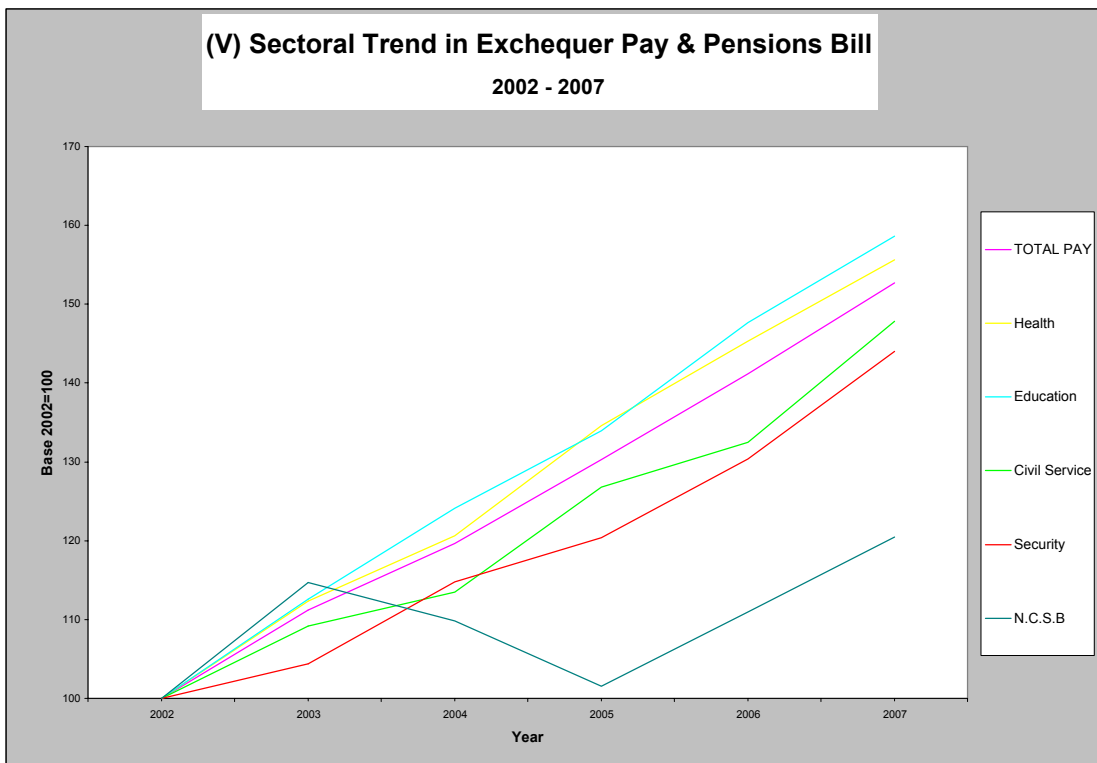
2. The Residual figure in 2007 of €451m includes €370m for increase in numbers employed and €81m for other developments, which includes a carryover of the payment of the 1st phase of T2016 in the HSE, impact of extended maternity leave in Education and reduction in ESF receipts, increase in pensions etc.



Note

Since 2002, Health has accounted for an increasing proportion of the Exchequer Pay and Pensions Bill, growing from 40% in 2002 to a high of 42% in 2005 although falling this year to 41%.

The proportion accounted for by Education has risen slightly from 30% to 32% in the period, Civil Service has fallen from 14% to 13% in the period, while the Security sector has fallen from 13% to 11% over the period. The Non-commercial State Bodies has fallen from 4% in 2001 to 3% this year.



(VI) Sectoral Breakdown of Exchequer Pay and Pensions Bill 2002 - 2007							
YEAR	2002	2003	2004	2005	2006	2007	% increase 2002 - 2007
	€m	€m	€m	€m	€m	€m	
Health	4,643	5,217	5,603	6,249	6,746	7,226	55.6%
Education	3,505	3,947	4,352	4,696	5,177	5,560	58.6%
Civil Service	1,515	1,654	1,720	1,921	2,007	2,239	47.8%
Security	1,350	1,409	1,549	1,625	1,760	1,944	44.0%
Non-Comm. State Bodies	476	546	523	483	528	573	20.4%
TOTAL PAY AND PENSIONS	11,489	12,773	13,746	14,973	16,218	17,542	52.7%
% increase over previous year		11.2%	7.6%	8.9%	8.3%	8.2%	

(VII) Sectoral Breakdown of Exchequer Pay Bill 2002 - 2007							
(FIGURES INCLUDED IN TABLE (VI) ABOVE)							
YEAR	2002	2003	2004	2005	2006	2007	% increase 2002 - 2007
	€m	€m	€m	€m	€m	€m	
Health	4,386	4,910	5,246	5,814	6,295	6,731	53.4%
Education	3,233	3,646	3,981	4,210	4,637	5,025	55.4%
Civil Service	1,350	1,469	1,527	1,685	1,763	1,960	45.2%
Security	1,084	1,122	1,232	1,281	1,397	1,525	40.7%
Non-Comm. State Bodies	451	519	505	464	508	550	22.0%
TOTAL PAY	10,504	11,666	12,490	13,453	14,600	15,791	50.3%
% increase over previous year		11.1%	7.1%	7.7%	8.5%	8.2%	

(VIII) Sectoral Breakdown of Exchequer Pensions Bill 2002 - 2007*							
(FIGURES INCLUDED IN TABLE (VI) ABOVE)							
YEAR	2002	2003	2004	2005	2006	2007	% increase 2002 - 2007
	€m	€m	€m	€m	€m	€m	
Health	257	307	357	435	451	495	92.6%
Education	272	301	371	486	540	535	96.7%
Civil Service	165	185	193	236	244	279	69.1%
Security	266	287	317	344	363	419	57.5%
Non-Comm. State Bodies	25	27	18	19	20	23	-8.0%
TOTAL PENSIONS	985	1,107	1,256	1,520	1,618	1,751	77.8%
% increase over previous year		12.4%	13.5%	21.0%	6.4%	8.2%	

* Net of Pension Contributions

(IX) Breakdown by Vote of Exchequer Pay and Pensions Bill - Net

Source: Table 3A from annual Revised Estimates for Public Services

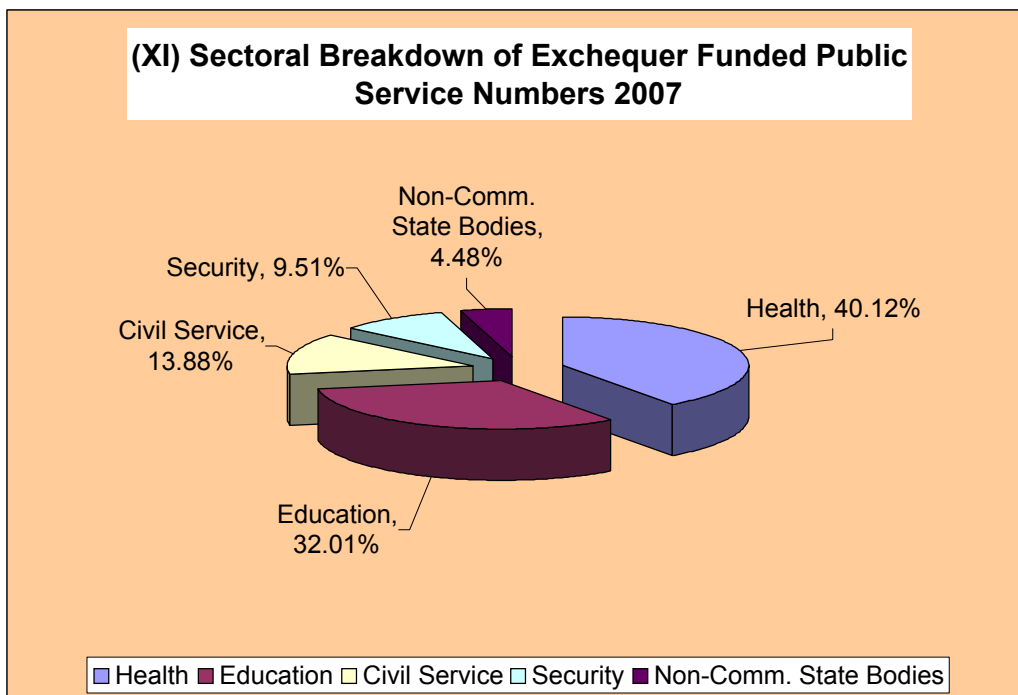
VOTE / DEPARTMENT	2006 Outturn €000	2007 Estimate €000	Increase/ Decrease €000	Increase/ Decrease %
01 President's Establishment	1,414	1,551	137	10%
02 Department of the Taoiseach	15,458	18,178	2,720	18%
03 Office of the Attorney General	9,702	11,868	2,166	22%
04 Central Statistics Office	35,315	38,591	3,276	9%
05 Office of the Comptroller & Auditor General	9,228	10,789	1,561	17%
06 Finance	38,545	41,437	2,892	8%
07 Superannuation and Retired Allowances	225,369	252,850	27,481	12%
08 Office of the Appeal Commissioners	371	496	125	34%
09 Office of the Revenue Commissioners	297,965	328,266	30,301	10%
10 Office of Public Works	95,986	105,417	9,431	10%
11 State Laboratory	4,778	5,623	845	18%
12 Secret Service				
13 Chief State Solicitor's Office	13,023	15,527	2,504	19%
14 Director of Public Prosecutions	10,168	12,801	2,633	26%
15 Valuation Office	8,030	9,138	1,108	14%
16 Public Appointments Service	6,091	7,045	954	16%
17 Office of the Commission for Public Service Appts.	425	531	106	25%
18 Office of the Ombudsman	4,644	6,514	1,870	40%
19 Justice, Equality and Law Reform	102,814	145,830	43,016	42%
20 Garda Síochána	1,068,107	1,216,332	148,225	14%
21 Prisons	240,545	262,755	22,210	9%
22 Courts Service	49,747	54,437	4,690	9%
23 Property Registration Authority	28,041	30,443	2,402	9%
24 Charitable Donations and Bequests	296	391	95	32%
25 Environment, Heritage & Local Government	98,737	107,463	8,726	9%
26 Education and Science	5,249,397	5,641,305	391,908	7%
27 Community, Rural and Gaeltacht Affairs	39,568	45,742	6,174	16%
28 Foreign Affairs	77,914	82,683	4,769	6%
29 International Co-operation	13,445	16,122	2,677	20%
30 Communications, Marine & Natural Resources	71,198	75,352	4,154	6%
31 Agriculture & Food	300,991	320,517	19,526	6%
32 Transport	49,198	51,980	2,782	6%
33 National Gallery	4,745	6,178	1,433	30%
34 Enterprise, Trade and Employment	296,520	327,932	31,412	11%
35 Arts, Sport & Tourism	70,781	76,382	5,601	8%
36 Defence	540,889	569,743	28,854	5%
37 Army Pensions	169,579	177,642	8,063	5%
38 Social and Family Affairs	190,231	204,513	14,282	8%
39 Health and Children	33,502	36,019	2,517	8%
40 Health Service Executive	6,745,566	7,225,605	480,039	7%
41 Office of the Minister for Children				
TOTAL :-	16,218,323	17,541,988	1,323,665	8%

(X) PUBLIC SERVICE NUMBERS EMPLOYED (Wholetime equivalents)							
2002 - 2007							
(at the 1st of January each year)							
	2002	2003	2004	2005	2006	2007	% Increase 2002 - 2007
Health	92,996	95,679	95,800	98,723	101,978	107,500	15.6%
Education	74,646	77,070	76,989	79,881	83,435	85,777	14.9%
Civil Service	36,092	37,796	37,276	36,867	36,533	37,200	3.1%
Security	24,268	24,292	24,332	24,828	24,712	25,484	5.0%
Non-Comm. State Bodies	11,086	11,612	11,367	11,095	11,391	12,013	8.4%
Exchequer Funded	239,088	246,449	245,764	251,394	258,049	267,974	12.1%
Increase over previous year		7,361	-685	5,630	6,655	9,925	
% Increase over previous year		3.1%	-0.3%	2.3%	2.6%	3.8%	
Local Authorities	32,062	34,175	33,845	33,394	34,067	34,567	7.8%
Total Public Service	271,150	280,624	279,609	284,788	292,116	302,541	11.6%
Increase over previous year		9,474	-1,015	5,179	7,328	10,425	
% Increase over previous year		3.5%	-0.4%	1.9%	2.6%	3.6%	

Source: Central Section, Sectoral Policy Division, Department of Finance

The increase in Exchequer-funded numbers employed is caused mainly by additional staff in the Health Sector and additional special needs assistants in the Education sector.

These numbers differ from the numbers published in the annual Revised Estimates Volumes (see table XIII - Page 16). This is because the Revised Estimates Volume uses average public service numbers over the year and includes pensioners in Vote 7 and other Votes whereas the above table uses the numbers at the 1st of January each year and does not include pensioners.



**(XII) Average Public Service Employee and Pensioner Numbers
underpinning the Exchequer Pay and Pensions Bill**

Source: Tables 5 from the Revised Estimates Volume.

VOTE / SERVICE	2003	2004	2005	2006	2007 Estimate
01 President's Establishment	27	27	27	25	27
02 Department of the Taoiseach	253	274	270	249	248
03 Office of the Attorney General	146	138	143	138	162
04 Central Statistics Office	601	686	814	904	840
05 Office of the Comptroller & Auditor General	152	177	162	155	175
06 Office of the Minister for Finance	787	786	629	652	674
07 Superannuation and Retired Allowances	14,047	14,047	14,086	14,483	14,694
08 Office of the Appeal Commissioners	4	4	5	4	5
09 Office of the Revenue Commissioners	6,440	6,444	6,445	6,442	6,487
10 Office of Public Works	1,286	1,955	2,044	2,174	2,204
11 State Laboratory	94	92	92	94	98
12 Secret Service					
13 Chief State Solicitors Office	257	220	224	234	250
14 Director of Public Prosecutions	167	169	170	174	203
15 Valuation Office	170	182	157	155	180
16 Public Appointments Service	182	155	144	139	149
17 Office of the Commission for Public Service Appointments		6	8	8	9
18 Office of the Ombudsman	78	77	75	76	102
19 Justice, Equality and Law Reform	1,721	1,700	1,692	1,921	2,481
20 Garda Síochána	20,884	20,816	21,486	22,486	23,850
21 Prisons	3,657	3,652	3,691	3,500	3,384
22 Courts Service	1,030	1,030	1,029	1,032	1,050
23 Property Registration Authority	663	655	647	645	661
24 Charitable Donations and Bequests	8	8	8	8	8
25 Environment, Heritage & Local Government	2,770	2,118	1,997	1,968	2,035
26 Education and Science	95,384	96,785	101,328	106,353	109,871
27 Community, Rural and Gaeltacht Affairs	813	850	889	909	958
28 Foreign Affairs	1,449	1,449	1,283	1,323	1,377
29 International Co-operation	190	190	197	209	225
30 Communications, Marine & Natural Resources	1,956	1,829	1,866	1,781	1,876
31 Agriculture & Food	6,667	6,726	6,639	6,774	6,676
32 Transport	681	705	704	974	1,034
33 National Gallery	103	103	101	105	129
34 Enterprise, Trade and Employment	8,770	6,278	6,229	6,118	6,002
35 Arts, Sport & Tourism	1,347	1,347	1,280	1,303	1,342
36 Defence	12,133	12,014	11,879	11,804	11,852
37 Army Pensions	11,815	11,794	11,690	11,754	11,745
38 Social and Family Affairs	4,433	4,414	4,428	4,457	4,467
39 Health and Children (3)	113,825	688	680	612	624
40 Health Service Executive (3)		114,362	115,736	125,656	132,417
39 Office of the Minister for Children					
TOTAL :-	314,990	314,952	320,974	337,798	350,571
Increase over previous year		-38	6,022	16,824	12,773
% Increase over previous year		-0.01%	1.91%	5.24%	3.78%

1. The average public service numbers quoted above include the number of pensioners covered by the Exchequer Pay and Pension Bill for the various bodies under the aegis of Departments. Civil Service pensioners are paid from Vote 7 - Superannuation and Retired Allowances.

2. The average public service employment figures included in this table are not fully compatible with the Exchequer pay and pensions figures shown in Tables 3A (page 28) and 4 (page 21) of the Revised Estimates Volume. The figures in Tables 3A and 4 of the Revised Estimates Volume may include some expenditure which is classified as pay but which has no corresponding public service numbers in the table above. In addition, pensions costs are included in some votes (such as Garda, Health and Children, Education and Science) whereas they are not included in Government Departments (all civil service pensions being covered in Vote 7). This distorts average figures derived and as a result the data in Tables 3A, 4 and 5 of the Revised Estimates Volume should not be used to derive average public service costs.

3. Staff employed in the former Health Boards are included in the 'Health and Children' figure for 2003.

(XIII) 2007 EXCHEQUER NET PAY AND PENSIONS BILL and AVERAGE PUBLIC SERVICE NUMBERS

VOTE / DEPARTMENT	Public Service Pay	Public Service Pensions	Total Pay & Pensions	Public Service Numbers	Pension Numbers	Total Numbers
	€000	€000	€000			
Source: 2007 Revised Estimates Volume						
01 PRESIDENT'S ESTABLISHMENT	1,551		1,551	27		27
02 TAOISEACH	18,178		18,178	248		248
03 ATTORNEY GENERAL	11,868		11,868	162		162
04 CSO	38,591		38,591	840		840
05 C&AG	10,789		10,789	175		175
06 DEPT. OF FINANCE	41,437		41,437	674		674
07 SUPERANNUATION		252,850	252,850		14,694	14,694
08 APPEAL COMMISSIONERS	496		496	5		5
09 REVENUE COMMISSIONERS	328,266		328,266	6,487		6,487
10 OFFICE OF PUBLIC WORKS	105,417		105,417	2,204		2,204
11 STATE LABORATORY	5,623		5,623	98		98
13 CSSO	15,527		15,527	250		250
14 DPP	12,801		12,801	203		203
15 VALUATION OFFICE	9,138		9,138	180		180
16 PUBLIC APPTS. SERVICE	7,045		7,045	149		149
17 CPSA	531		531	9		9
18 OFFICE OF THE OMBUDSMAN	6,514		6,514	102		102
19 MINISTER FOR JUSTICE	145,403	427	145,830	2,434	47	2,481
20 GARDA SIOCHÁNA	974,716	241,616	1,216,332	16,078	7,772	23,850
21 PRISONS	262,755		262,755	3,384		3,384
22 COURTS	54,437		54,437	1,050		1,050
23 PROPERTY REGISTRATION AUTHORITY	30,443		30,443	661		661
24 CHARITABLE DONATIONS	391		391	8		8
25 ENVIRONMENT	105,304	2,159	107,463	1,926	109	2,035
26 EDUCATION AND SCIENCE	5,106,125	535,180	5,641,305	88,934	20,937	109,871
27 COMM. RURAL & GAEL. AFF	45,742		45,742	836	122	958
28 FOREIGN AFFAIRS	82,683		82,683	1,377		1,377
29 INTERNAT. CO-OPERATION	16,122		16,122	225		225
30 COMMUNICATIONS, MARINE	75,313	39	75,352	1,551	325	1,876
31 AGRICULTURE AND FOOD	293,029	27,488	320,517	5,435	1,241	6,676
32 TRANSPORT	51,936	44	51,980	940	94	1,034
33 NATIONAL GALLERY	6,178		6,178	129		129
34 ENTERPRISE TRADE & EMPLOYMENT	308,071	19,861	327,932	5,003	999	6,002
35 ARTS, SPORT & TOURISM	76,582	-200	76,382	1,132	210	1,342
36 DEFENCE	569,743		569,743	11,852		11,852
37 ARMY PENSIONS	86	177,556	177,642	2	11,743	11,745
38 SOCIAL & F/AFFAIRS	204,513		204,513	4,464	3	4,467
39 HEALTH AND CHILDREN	36,019		36,019	624		624
40 HEALTH SERVICE EXECUTIVE	6,730,605	495,000	7,225,605	112,000	20,417	132,417
TOTAL :-	15,789,968	1,752,020	17,541,988	271,858	78,713	350,571

(XIV) Trends in Paybill and Public Service Numbers

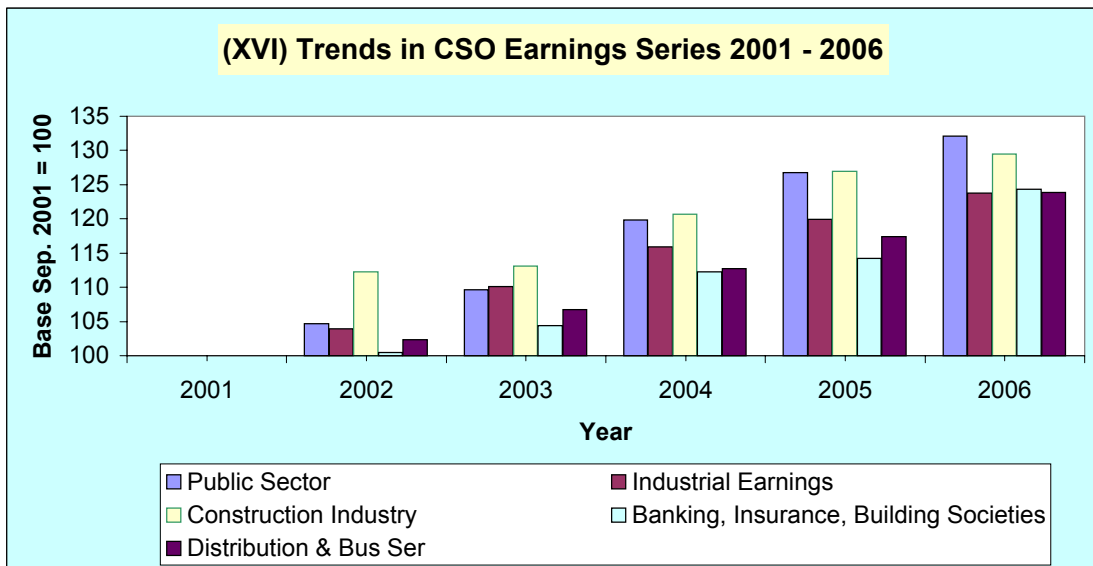
Year	2002	2003	2004	2005	2006 O/Turn	2007 REV
1. GROSS and NET CURRENT PAYBILL						
	€m	€m	€m	€m	€m	€m
(a) Gross Current	30,236	33,013	36,032	39,285	43,404	48,649
(b)Gross Exchequer Pay & Pensions	11,746	13,032	14,094	15,493	16,780	18,097
Pay as % of Gross current spending	39%	39%	39%	39%	39%	37%
(c) Net Current	23,345	25,444	27,149	29,724	32,905	37,277
(d) Net Exchequer Pay & Pensions	11,489	12,773	13,746	14,973	16,218	17,542
Pay as % of Net current spending	49%	50%	51%	50%	49%	47%
Year-on-year per cent increase	13%	11%	8%	9%	8%	8%
2. Paybill (Gross v Net)	€m	€m	€m	€m	€m	€m
(a) Gross	11,746	13,032	14,094	15,493	16,780	18,097
(b) Net	11,489	12,773	13,746	14,973	16,218	17,542
A in A (1)	257	259	348	520	562	555
3. Average Public Service Numbers (excluding Local Authorities)	300,344	314,990	314,952	320,974	337,798	350,571
Year-on-Year increase	4.66%	4.88%	-0.01%	1.91%	5.24%	3.78%
Average Public Service numbers (excluding Pensioners)	235,191	243,294	244,045	248,950	261,705	271,858
Year-on-Year increase	5.75%	3.45%	0.31%	2.01%	5.12%	3.88%
Average Pensioner numbers	65,153	71,696	70,907	72,024	76,093	78,713
	0.88%	10.04%	-1.10%	1.58%	5.65%	3.44%

(1). 2007 A in A breakdown

	€m
Pay - mainly Education (ESF receipts and fees)	71
Pensions - Civil Service, Health, Education, Guards and Army	484
Total	555

(XV) Central Statistics Office Earnings Data

	% Annual Increase to Sept 2006	% Increase Sep-01 to Sept 2006	Average Weekly Earnings Sep-06
Public Sector (excluding health)	4.2%	32.0%	€ 884.47
Civil Service	4.8%	32.8%	823.54
Defence	8.3%	38.2%	748.77
Garda	5.5%	25.9%	1150.51
Education	1.8%	26.2%	888.90
Regional Bodies	4.7%	39.7%	774.29
Semi-State	5.9%	36.4%	956.14
Industrial Earnings			
All Industrial Workers	3.5%	25.4%	600.99
Clerical and Managerial	2.6%	19.5%	891.98
All Employees	3.3%	23.8%	705.00
Construction Industry			
Skilled Operatives	0.5%	30.2%	890.43
Unskilled Operatives	6.2%	27.7%	756.63
Total Clerical and Operatives	3.3%	29.5%	770.35
Banking, Insurance & Building Societies (total)	8.8%	24.3%	821.20
Distribution and Business Services (total)	5.3%	23.9%	678.91



(XVII) GENERAL BACKGROUND NOTE

1. Exchequer Pay and Pensions Bill Definition

The Exchequer Pay and Pensions Bill (the 'Paybill') covers:

- i. the actual cost to the Exchequer of the pay and pensions of Civil Servants, Teachers, Gardaí and the Defence Forces;
- ii. the amounts which are included for pay and pensions in grants to health boards and other health agencies (such as voluntary hospitals), universities and other third level colleges, and non-commercial state-sponsored bodies; and
- iii. the cost of employers' PRSI contributions.

It does not include the pay costs of local authority staff because these costs are not directly funded by the Exchequer and neither the former Rates Support Grant nor the current Local Government Fund include an identifiable pay element.

2. Published Exchequer Pay and Pensions Information

The 2007 Revised Estimates Volume includes:-

- i. a summary line in each vote showing its total pay and pensions provision
- ii. a table (Table 3A) summarising the pay and pensions provision in each Vote (see table IX in this booklet)
- iii. a table (Table 5) of average public service numbers underlying the pay and pensions provision in each vote (see table XII in this booklet) and
- iv. the total Paybill, in net and gross terms, for each of the years 2003 to 2007 inclusive (Tables 4A and 6 respectively).

The analysis contained in this booklet is based on a subhead by subhead breakdown of pay and pensions.

In general, it is not possible to determine changes in the earnings of public servants from changes in the Paybill. The best source of data in this respect is the Public Service Average Earnings Index produced by the Central Statistics Office. Details are provided in Table XV.

3. Categories used in this Booklet

The following points should be noted in relation to the sectoral categories used in this analysis:

- i. the Civil Service category includes the costs of established and unestablished civil servants, civil service industrial employees, and a number of other groups such as members of the Oireachtas; and
- ii. the Security category includes the costs of both the Garda Síochána and the Defence Forces (including civilian employees in the Defence Forces).

4. Reasons for Increases in the Exchequer Pay and Pensions Bill

Increases in the Paybill from one year to another are attributable to a combination of increases in the pay rates of public servants (both general round and local bargaining increases) and a variety of other factors. The latter include changes in the numbers employed, changes in overtime earnings, variations in the number of pay days in the calendar year, increments, drift due to structural changes, the ongoing impact of the application of full PRSI and in some cases a contributory pension scheme to public servants recruited since April 1995, and variations in the timing of European Social Fund and other offsetting receipts.

5. Public Service Numbers

Table XII contains information from Table 5 in the 2002 to 2007 Revised Estimates Volumes. This sets out the average Public Service employee and pensioner numbers underlying the Exchequer Pay and Pensions Bill.

6. Gross/Net Paybill

Details of the **gross** total Exchequer Pay and Pension Bill were published, for the first time, in the 2000 Revised Estimates Volume (Table 9). These figures are shown in Table I of this booklet but all other figures in the booklet are net figures, i.e. after deduction of appropriation-in-aid (mainly pension contributions and ESF funding).

7. Contact Names

This booklet has been produced by the Central Pay Policy Section of the Personnel and Remuneration Division, Department of Finance. The booklet is also available on the Department's Website at www.finance.gov.ie. We would welcome any feedback comments, suggestions, etc. on the booklet.

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