

**Report of Special Group on
Public Service Numbers and Expenditure Programmes:**

Press Statement

The Minister for Finance, Mr. Brian Lenihan, T.D., released today (16 July 2009) the *Report of the Special Group on Public Service Numbers and Expenditure Programmes*. The Group which has sat for six months was chaired by UCD Economist Mr. Colm McCarthy.

The Group's mandate was to examine all current Exchequer spending across all Departments and agencies, to see where expenditure and staff savings might be made, as necessary in the current financial crisis.

The Minister noted that the Group had made a series of recommendations in that regard coming to €5.3 billion in total in a full year, and entailing staff reductions of 17,300.

“The Report is a thorough and detailed examination of all Departmental spending looking in particular at what is intended to be achieved by each spending programme, whether it has been achieved or not, and whether the level of spending is justified in current resource-limited conditions”, the Minister said.

The Minister pointed to the extremely difficult budgetary position as the context for the Special Group's findings.

“Since the beginning of the economic crisis last year, this Government has taken resolute action to stabilise the public finances. Starting in July 2008 and culminating in the Supplementary Budget in April, expenditure reducing measures and revenue raising measures amounting to approximately 5% of GDP in 2009 have been introduced.

“Even after these measures, this year alone we will spend €20 billion more than we will bring in in taxes and other revenues. That gap will be filled by borrowing money on the international markets, thus adding to our overall level of debt. Quite simply continued borrowing at that level is not sustainable. Unless we as a state can continue to show good faith in correcting our public finances by putting them on a sustainable path, then the interest premium charged on our borrowing will escalate.

Minister Lenihan noted that the April Supplementary Budget set out a multi-annual plan to bring the public finances back to a sustainable position. As part of the Plan, additional expenditure savings and revenue raising measures amounting to €4 billion were signalled as being necessary for the 2010 Budget package.

“On the basis of its analysis, the Special Group presents some difficult policy options. These are the choices that we as a people, and not just as public representatives and Government, will have to face up to in order to get this

nation back on track, creating jobs, meeting public needs and promoting fairness, which we have proved we can do as a society over the last twenty years,” the Minister said.

The Minister called for considered and honest debate of the specific policy options set out in the Report:-

“I recognise, and the Government recognises, that the choices facing us are not simple or pain-free. Following them through requires a collective social effort and not one motivated by protecting one’s patch or pursuing one’s special interest to the exclusion of all else.

“That is why I would ask people to read the Report carefully and critically, and avoid knee-jerk and defensive reactions to each and every suggestion raised by the Special Group. All of us, including those of us in public administration, will have to accept that the old ways of doing things need to be looked at afresh, so that we can deliver excellent public services with the dramatically lower level of resources now available.”

The Government will be reflecting on the Report’s recommendations over the months ahead. The final decisions will rest with the Government and the Dáil, on behalf of the people, and the Government will be anxious to hear the views and input of all concerned.

“For this reason,” the Minister said, “the Government will refer the Report without delay for analysis and comment by the Oireachtas Committee on Finance and General Affairs prior to the Budget in December.”

The Minister thanked the members of the Special Group for their unstinting work over the past six months and for the comprehensive and cogent review they had undertaken in the public interest.