Budget 2020 - PBO Vote Factsheet and Analysis

PBO Publication 65 of 2019

Transport, Tourism and Sport – Vote 31 (2020: €2,726 million)

This Note gives an overview and brief analysis of how Budget 2020 will affect the money spent by the Transport, Tourism and Sport Vote in 2020. Further details on how the 2020 allocation will be spent will be provided at Christmas when the Revised Estimates for Public Services 2020 will be published by Government. The Revised Estimates will be scrutinised by the select sectoral committees before being referred back to the Dáil.

Budget 2020 changes

Additional spending in 2020

- Current: €28 million (+4%)
- Capital: €357 million (+22%)

Total increase: €385 million (+16%)

Most of the new measures detailed in the Budget document do not have an expenditure allocation associated with them as “full details on the allocation of the Voted 2020 resources across spending areas will be set out, as usual, in the Revised Estimates Volume”.

The only measure with a specific allocation detailed in the Expenditure Report is:

- €10.5 million for investment in greenways, urban cycling and EV charging infrastructure.

Other measures described in the Expenditure Report 2020 but not associated with an allocation include:

- Investment in sport under the National Sports Policy;
- Funding for major sporting events (including Euro 2020 and the Tokyo Olympiad);
- Funding for increased staffing at the NTA;
- Additional funding for the National Roads Maintenance Programme; and,
- Capital funding for public sector transport projects (National Train Control Centre, Metrolink and BusConnects).

This leaves almost €375 million of the year-on-year increase to be detailed in the Revised Estimates for Public Services 2020. The Revised Estimates 2020 will provide more detail about how this money will be spent. This will be published in December.

Programme expenditure

Three of the five programmes in Vote 31 will see substantial additional spending in 2020:

- +€1 million (+3%): Programme A (Civil Aviation)
- +€366 million (19%): Programme B (Land Transport)
- +€17 million (+10%): Programme E (Tourism Services)

1 Comparing the 2019 allocation with Budget 2020.
In terms of year-on-year changes:

- The largest increase is under the Land Transport programme, which is receiving a €354 million or 24% increase in capital allocation;
- In relative terms, the largest increase is 44% or €17 million under Tourism;
- There is also a change in the Sports programme, where a 23% increase in current expenditure (to €78.3 million) is offset by a 23% decrease in capital expenditure (to €47 million).

## Capital Expenditure Ceiling 2020

The Capital Expenditure Ceiling for the Transport Vote in 2020 was decreased by €115 million in Budget 2020 (against Mid-Year Expenditure Report (MYER) 2019). The reconciliation with the ceiling from the MYER states that €125 million has been re-profiled from 2020. It appears that most of this spending has been re-allocated to 2021 (+€86 million) and 2022 (+€19 million).

## Supplementary Estimate 2019

A Supplementary Estimate is expected to be sought for once-off costs in 2019 related to Tourism. The exact figure is not given in the Expenditure Report 2020, but it appears that it will be less than €30 million.

## Pay and Public Service employee numbers

Exchequer pay is expected to rise by 2%, while public sector numbers are expected to rise by 9%. The increase in pay seems low, compared to the increase in numbers. This may indicate that the majority of new recruitment relates to more junior staff, is expected to occur late in the year or is expected to be temporary. Pay costs will increase in 2020 due to the Public Service Stability Agreement (PSSA) increase expected in September 2020.3

## Questions arising from the Budget 2020 Expenditure Report

- Which capital projects are affected, and how, by the reprofiling of €125 million in capital expenditure from 2020?
- Does the decrease in capital expenditure under the Sports programme denote a decrease in capital investment projects under that programme?
- How is the additional capital of €354 million under Land Transport to be spent?
- What is the amount of the year-on-year increase in the Tourism programme (taking into account the Supplementary Estimate due to be sought from the Dáil in late 2019)?
- It was unclear in Budget 2019 how much spending was being provided to Vote 31 in relation to addressing an orderly Brexit (see PBO Publication 31 of 2019). Tourism is listed in the Expenditure Report 2020 as one of the sectors that would avail of a total amount of €650 million in support in the case of a disorderly Brexit. How much money was provided in 2019, and would be provided to Vote 31 in 2020 in the case of either an orderly or a disorderly Brexit?

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3 An amount of €2 million is included in the Expenditure Report 2020 (p.156) to cover both the PSSA and New Entrants for this Vote Group.