

Minutes of Irish Fiscal Advisory Council Meeting (8th July 2024)

Online

2.00pm-5.30pm, Monday 8th July 2024

Present

Dr Michael McMahon (Acting Chair)

Dr Adele Bergin

Mr Alessandro Giustiniani

Prof Stephen Millard

Attending

Mr Niall Conroy

Mr Killian Carroll

Ms Karen Bonner

Ms Siobhán Brosnan

Mr Luke Doyle

Apology

Mr Brian Cronin

Proceedings

A warm welcome was extended to:

Prof Stephen Millard attending his first meeting having been newly appointed to the Council effective 17 June 2024.

Siobhán Brosnan and Luke Doyle who have joined the Secretariat on the Summer Internship Programme.

1. Admin/Financial

- **Declarations of interest:**

There were no declarations of interest.

- The Council **approved the minutes** of the meeting of the Council held on 8th May 2024. Alessandro proposed and Adele seconded them.

- **Matters arising**

It was noted that the Council reviewed and approved the **Council Member's Fees and Time Buyouts** for May and

June 2024, as set out in letters of appointment (and approvals set by Department of Public Expenditure and Reform) on 10 June.

An update was provided in respect of the State Boards PAS process to fill the position of Chairperson - expressions of interest closed on 13 June. The shortlisting assessment panel met in early July and Michael had briefed the assessment panel about the demands of the role. The process is that the panel would formulate a shortlist from which the Minister will make an appointment.

- **Standing items:**

- **Purchases and Receipts book:** The Council reviewed the Purchases and Receipts book for May and June 2024.

- **Recruitment Update:**

Siobhán Brosnan and Luke Doyle, commenced on the Summer Internship Programme (17 June to 30 August).

The Council ran an open competition for an economist position, Killian Carroll was successful and commenced in this role on 1st July.

It is planned to shortly commence the recruitment process for a Research Assistant.

- The next **Audit & Risk Committee** meeting is scheduled on 22 July 2024.

- **Management Accounts:** The management accounts for Q2 2024 will be available in early July.

- Section 3 (Financial) of the **Risk Register** will initially be reviewed by the A&RC and then by the Council.

- The Council received three **Parliamentary Questions** since the last meeting.

- **AIE/FOI Update:** The Council received no AIE requests since the last meeting. The Council received one FOI request since the last meeting.

- **Info Security/GDPR:** An internal audit in respect of GDPR is planned for late 2024.
- **EU IFIs**
 An update was provided in respect of recent EU IFI activity.
 Niall attended the EU IFI Network Annual Conference in Berlin on 12 and 13 June.
 Alessandro attended the 16th Annual Meeting of the OECD Working Party of Parliamentary Budget Officials and IFIs in Athens on 16-18 June.
- **Recent and Forthcoming Meetings:**

Recent:

- Niall, Killian and Brian attended and presented papers at the IEA Conference in Galway on 9 & 10 May
- Michael and Niall attended the National Economic Dialogue in Dublin Castle on 27 May 2024
- Niall attended the EU IFI Network Annual Conference in Berlin on 12 -13 June 2024
- Alessandro attended the 16th Annual Meeting of the OECD Working Party of Parliamentary Budget Officials and IFIs in Athens on 16-18 June 2024
- The Council appeared before the Oireachtas Budgetary Oversight Committee on 19 June 2024
- Department of Finance Annual Policy Conference: 4 July 2024.

Forthcoming:

- Forthcoming Council meeting(s) 2024: 2 August @ 9am
- Forthcoming Audit and Risk Committee meeting(s) 2024: 22 July @ 9.30am

Communications

An update was provided in respect of recent communication activity.

2. Fiscal Assessment Report Review

The Council reviewed the web/media analytics and press coverage in respect of the Fiscal Assessment Report June 2024.

3. Interns work update

Siobhán and Luke presented preliminary work on the Summer Internship project which aims to develop a model to examine textual sentiment analysis of fiscal and macro components contained in various publications e.g. Budgets, SPUs, and Budget statements.

4. Infrastructure work and 2025 conference

Niall presented on proposed infrastructure, competitiveness and investment work as a potential theme to explore for the Council's annual "Path for the Public Finances" Conference 2025.

5. Budgetary resources calculator

Niall presented on the proposed new "Budgetary Resources" (formerly known as "Fiscal Space") Calculator, budgetary resources are the amount that is sustainable in the long run. The aim is to have such an online resource available to help frame the pre-election discussion around the amount of money available over a parliamentary term (usually 5 years).

6. Pre-budget statement plans

The timings, approach and potential messages surrounding the Council's Pre-Budget Statement were discussed. This PBS is typically released late August/early September, informed by the Summer economic statement which is due out Tuesday 9 July. It was noted that Budget day is Tuesday 1 October.

The Council reviewed and agreed the text of a letter in respect of its assessment of the economic or fiscal position of State for the current year (2024) and subsequent year (2025), as required under the Future Ireland Fund and Infrastructure, Climate and Nature Fund Act 2024, recommending not reducing or stopping contributions.

7. Do VAT Rate changes pass through to prices

Killian presented on 'VAT rate changes and pass through to prices' exploring the importance of the topic, the impact of cuts & subsequent reversal and outlining the data & estimation, the approach and next steps.

8. Note on the timing of corporation tax receipts

The Council reviewed a preliminary draft of an Analytical note that Brian is working on – 'A structural shift or heightened volatility – a note on the timing of corporation tax receipts'. The note explores the volatility of Ireland's monthly corporation tax revenues, examines reasons for fluctuations and underlines the risks posed by over-relying on these revenue flows to fund permanent measures. It was suggested that an opportune time for release may be after it is updated to reflect November, being the most important month for CT receipts, potentially coinciding with the release of the next FAR.

9. AOB

There was no other business.

The Council will meet remotely on Friday 2 August (09:00-12:30)

Signed:

Michael McMahon (Acting Chairperson)

Dated: _____