

# **Ministers Statement**

**on**

## **Recruitment and Retention in the Defence Forces**

### **Joint Oireachtas Committee**

**28 November 2019**

I very much welcome the opportunity to set out some facts and give a summary of the actions the Government are taking with regard to recruitment and retention in the Defence Forces.

The current difficulties facing the Defence Forces have attracted significant political interest. It has led to calls for increased pay for the Defence Forces and an accusation that the Government is in some way neglecting or treating the members of the Defence Forces unfairly. This is untrue and a gross distortion of the facts.

The requirement to reduce pay and numbers across the public service was a necessary response to the economic downturn and to ensure that the State was living within its means. I will remind the members that the situation that led to the economic downturn and the perilous state of the public finances was not of the Government's making. However, the Government was faced with hard decisions to get the country back on track.

The reality is that pay cuts were applied across the Public Sector, including the Defence Forces, because there was no choice but to do so. These cuts are now being reversed through pay agreements, to which the Defence Forces Representative Associations are parties. Other sectoral savings were also achieved, including in the Defence Sector, and the Defence Forces were not singled out for such savings.

The Government is aware of the difficulties the Defence Forces are experiencing in respect of the recruitment and retention of personnel, particularly certain specialists. As you will be aware, this has impacted certain operational outputs in the Naval Service and Air Corps. There are a range of factors contributing to this, which are not solely related to pay.

As you will be aware, the mechanisms to consider pay in the Public Service are currently framed by the Public Service Stability Agreement 2018-2020. As part of this agreement, all parties agreed that the independent Public Service Pay

Commission would examine recruitment and retention issues, where these occurred.

Following the first report of the Pay Commission and in accordance with the provisions of the Public Service Stability Agreement 2018-2020, the Government tasked the Commission with prioritising a comprehensive examination of recruitment and retention in the Defence Forces.

The Department of Defence and Defence Forces undertook significant work in preparing statistical information for consideration by the Public Service Pay Commission.

The report of the independent Public Service Pay Commission was published and accepted by Government in July this year. The Report contains a broad range of recommendations aimed at improving recruitment and retention in the Permanent Defence Force. In recognition of the many factors contributing to recruitment and retention issues, its recommendations include financial and non-financial aspects.

In accepting the report of the Public Service Pay Commission, the Government also approved a plan *Strengthening Our Defence Forces – Phase 1* to implement the recommendations in the report. The plan provides for a number of specific projects which are being progressed by civil and military personnel.

I am pleased to say that the Permanent Defence Force Representative associations accepted the immediate recommendations which provide for increases in certain Defence Forces allowances. This includes:

- a 10 per cent increase in Military Service Allowance.
- The restoration in the rates of certain duties allowance that were reduced under the Haddington Road Agreement.
- Premium rates of certain allowances for duties performed at weekends are also being re-instated.

The payments and any back money due have been made. The increases in Military Service Allowance and the restoration of the rates of the other allowances as recommended by the Public Service Pay Commission are in addition to measures relating to core pay which are in the current Public Service Stability Agreement.

In recognition of a specific issue regarding the retention of Air Corps pilots, the Public Service Pay Commission recommended the restoration of the Service Commitment Scheme for Air Corps Pilots, which was discontinued in 2010.

Broadly speaking, the Scheme foresees the following in return for a service commitment, which can vary between three, five and eight years:

- An annual payment of just over €22,000 to Flying Officers holding the ranks of Captain, Commandant or Lieutenant Colonel
- The annual payment will attract the 5% restoration of cuts to allowances that applied under FEMPI, scheduled for 1<sup>st</sup> October 2020. Following this, the annual payment and terminal bonus will be subject to the prevailing Public Service Pay Policy over the remaining period of the commitment.
- In addition, depending on the details of the commitment to service to be given by each eligible Flying Officer, these pilots may also receive a terminal bonus (once off) of between approximately €14,800 and €37,000

A Flying officer of Captain, Commandant or Lieutenant Colonel rank who gives a full eight year commitment from the start could earn just over two hundred thousand euros under the scheme.

It is also important to note that the plan provides for further measures in the pay and non-pay areas. A review of pay structures in the PDF in the context of the next pay agreement is provided for. The plan also provides for the identification of incentivisation measures for certain specialists, which will be also be considered in the context of the next pay agreement. A review of Technical Pay arrangements is ongoing and an initial report is under consideration. A range of other non-pay measures are also being progressed.

### **Outstanding Adjudications**

Aside from the immediate recommendations arising from the Public Service Pay Commission, there were a number of outstanding Adjudication findings which could not be implemented, having regard to the provisions of the Financial Emergency Measures in the Public Interest Act 2009-2015. This applies across the public service and is not just specific to the Defence Forces.

Following discussions I had with my colleague, Mr Paschal Donohoe, T.D., Minister for Finance and Public Expenditure and Reform, on this matter, we agreed to prioritise the outstanding adjudications in respect of the Defence Forces. The effect of these measures is:

- An increase of around €50 per week in the Army Ranger Wing Allowance.
- Cooks, with the relevant qualifications, will go from Tech Pay 2 to Tech Pay 3, which is an increase from €26.90 to €40.42 per week.
- Non Commissioned Officers appointed as account holders to administer, manage certain barrack services accounts and who are not currently not in receipt of the account holder allowance will each receive the allowance of €65.80 per week.
- Recruits and apprentices will no longer be charged for rations and accommodation, current charge €43.63 per week. The abolition of this charge for this cohort of personnel will be of significant benefit to these personnel who are the lowest paid in the Defence Forces.

PDFORRA accepted this offer and the revised rates are currently being implemented. These awards are paid with effect from 1 October 2018.

### **Naval Service Tax Credit**

I was also pleased that my colleague Mr. Pascal Donohoe TD, Minister for Finance and Public Expenditure and Reform, agreed to the introduction of a special tax credit for seagoing members of the Naval Service in the Finance Bill.

The tax credit is based on the design of the existing Fishers' tax credit, which was introduced in 2017, for the purpose of incentivising the sea-fishing industry. It is the result of constructive engagement within Government, by my officials and Defence Forces management, including those within the Naval Service. This is something that both Military Management and PDFORRA have sought.

This is another positive step that builds on this Government's commitment to addressing the challenges in the Defence Forces.

### **Fixed Period Promotions**

Although fixed period promotion for Special Services Officers in the Defence Forces was not specifically recommended by the Public Service Pay Commission, its consideration was included in the Government's implementation plan. RACO were particularly concerned that the withdrawal of such promotions were adversely affecting retention of Special Service Officers. I directed that the restoration of this initiative be prioritised. Department officials are engaging with RACO on this subject with a view to arranging for a smooth implementation of the scheme.

### **Retention**

There is perhaps an unhealthy focus on headline turnover rates. With a turnover rate of 8.1 % in 2018, this is not significantly at variance with other military forces internationally. However, it is the underlying figures that are important, including the extent to which personnel can be replaced, particularly where there are long lead times for training. The goal is to have sustainable and healthy turnover, which is necessary to allow personnel to develop and progress through the ranks.

As with many other areas of the public service, difficulties in the recruitment and retention of personnel have arisen in a buoyant economy, with many personnel, including pilots, air traffic control staff and Naval Service technicians, having scarce and highly marketable skills. This is also being experienced by many military forces internationally.

There are a variety of reasons why people choose to leave their employment. While pay is obviously an issue, what should be noted is that some 50% of

Defence Forces personnel who leave have accrued a pension entitlement. This can add to the attractiveness of another employment, where the Defence Forces pension is paid in addition to the wages the individual receives from the non-public service employer.

The Permanent Defence Force continues to offer excellent career opportunities for serving personnel and for new entrants. There are significant opportunities for career progression and development within the Defence Forces. There were over 800 promotions in the PDF in 2018. Earlier this year, twenty-four enlisted personnel completed a Potential Officers Course and were commissioned as officers. Under my direction, further Potential Officers Courses will be undertaken in 2021 and 2024.

While I acknowledge that there are retention issues, there are many in the Defence Forces who choose to stay and indeed want to continue to serve and further their career.

This year I approved measures to be put in place which would allow Privates and Corporals who were enlisted post 1994, to remain in service to the end of 2022, or age 50, whichever comes first, subject to meeting certain specified criteria including fitness and medical standards. This is to provide the space for the completion of a comprehensive examination of age profiles and mandatory retirement in the Defence Forces is completed. I also announced at the PDFORRA Annual Delegate Conference last month that I had directed that my Officials to enter into discussions with PDFORRA with a view to allowing Sergeants continue in service to the same date, subject to their meeting agreed criteria in the interim period.

### **Working Time Directive**

I have mentioned previously that the Government intends to implement the provisions of the Organisation of the Working Time Act, 1997, for an Garda Síochána and the Defence Forces. This matter as it pertains to the Defence Forces is being progressed with the Permanent Defence Force representative associations through the Conciliation and Arbitration scheme. My Department remains in close contact with the Department of Employment Affairs and Social protection which is the lead department for the legislation relating to working time.

### **Recruitment**

In order to balance personnel turnover there is significant ongoing recruitment at both enlisted and officer level and there have been 576 inductions into the Defence Forces so far this year.

To further enhance recruitment efforts, I instructed that a Working Group be established to examine recruitment processes in the Defence Forces. This Group is chaired by an external HR expert who will bring many years of experience to bear and advise on any potential modifications to current processes that could improve and further streamline current recruitment methods. The Working Group has incorporated the appropriate recommendations of the Public Service Pay Commission Report into its terms of reference and is progressing its work as a project under the High Level Implementation Plan “Strengthening our Defence Forces”.

The issue of specialist vacancies throughout the Permanent Defence Force is being addressed with training of personnel internally and a range of recruitment methods including direct entry competitions for specialist positions. The scope to further expand direct entry is being considered. A new initiative to allow former PDF officers with appropriate skill-sets to re-enter the Defence Forces has seen in recent weeks, two former pilots being re-commissioned in the Air Corps.

### **Conclusion**

The Government is committed to reaching a strength level of 9,500 personnel and recognises that achieving this strength is a key challenge for the Chief of Staff and the Defence Forces.

I am confident that all the measures contained in the Government’s High Level Plan, coupled with pay benefits being delivered by the Public Service Stability Agreement 2018-2020 will address recruitment and retention challenges being experienced by the Permanent Defence Force. This combination of short, medium and longer term initiatives is intended to fully address recruitment and retention difficulties in the PDF.

The full impact of these measures will take time to achieve. It must also be recognised that there are also a range of external variables which impact on recruitment and retention and which can change.

The capacity of the Defence Forces to undertake the tasks assigned by Government will continue to be carefully monitored having regard to the implementation of the recommendations of the Pay Commission and other actions which are underway.

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