

Chairman, Members,

I welcome this opportunity to engage with the Select Committee on Foreign Affairs and Trade and Defence, to consider the 2018 Revised Estimates for Vote 35 (Army Pensions) and Vote 36 (Defence).

At the outset, I would like to acknowledge on behalf of the Government, the efforts made by all public servants as well as communities and volunteers in responding to the severe weather emergency. In particular, I wish to record within Defence my thanks to the civil servants, civilian employees, members of the Defence Forces and Civil Defence volunteers for their particular contribution. Overall coordination was led by the Department of Housing, Planning and Local Government from the National Emergency Coordination Centre which is managed by my Department's Office of Emergency Planning.

While I understand you do not want an opening statement as such, I think it would be useful to briefly set out the overall position with the Votes and update the members on some of the main developments within the Defence Sector, over recent times.

The Defence Sector is made up of two votes – Vote 35, Army Pensions and Vote 36, Defence.

The high level goal of both Votes is to *‘provide for the military defence of the State, contribute to national and international peace and security and fulfil all other roles assigned by Government’*. Accordingly, Defence sector outputs are delivered under a single programme in each Vote.

The combined Estimates for Defence and Army Pensions for 2018 provides for gross expenditure of some €946 million.

The Army Pensions Vote has a single programme entitled, ‘Provision for Defence Forces’ Pensions Benefits’. It makes provision for retired pay, pensions, allowances and gratuities payable to, or in respect of, former members of the Defence Forces and their dependents. It is primarily demand-driven and non-discretionary with superannuation benefits – retirement pensions and gratuities – and disability pensions accounting for 99% of all expenditure.

The 2018 Estimate provides a gross sum of over €239 million for the Army Pensions Vote. Some €229 million of this allocation covers expenditure on all superannuation benefits for former members of the Permanent Defence Force and their dependants. Pension benefits granted are, for the most part, statutory entitlements once certain criteria are met.

There are currently some 12,350 pensioners paid from the Army Pensions Vote.

This is a net increase of 1,350 since 2007. For the years 2018-2020 inclusive, current projections are that some 1,050 military personnel will retire on pension. During 2017, almost 330 Defence Forces members retired on pension, with a similar number anticipated for 2018.

As the Committee will be aware, it has been my stated intention to seek extra funding for military pensions as part of the overall future budgetary negotiations and solid progress has been made on that front. As announced in Budget 2018, the gross allocation for Army Pensions has been increased by €9.5 million to some €239 million for this year, which is very welcome. This builds on a funding increase of €6 million in the 2017 Estimates.

I now want to turn to Vote 36 Defence, which is delivered under a single programme entitled 'Defence Policy and Support, Military Capabilities and Operational Outputs'. The Defence Vote of €707 million includes a pay and allowances allocation of some €509 million, while the remaining non-pay allocation of €198 million provides mainly for the renewal and maintenance of essential equipment, infrastructure and operational costs.

The pay allocation of €509 million includes €12.3m to provide for increases due under the Lansdowne Road/Public Service Stability Agreement 2018-2020 commitments.

The Public Service Stability Agreement 2018-2020 contains proposals for increases in pay ranging from 6.2% to 7.4% over the lifetime of the agreement. I welcome the fact that the Defence Forces Representative Associations have accepted this agreement.

The Defence pay allocation provides for the pay and allowances of a Permanent Defence Force strength of up to 9,500, 550 civilian employees, 350 civil servants, 18 chaplains and 14 army nurses. This level of funding provides the Defence Organisation with the resources necessary for it to deliver effectively across all its key domestic and international responsibilities.

There has been an ongoing and increasing level of recruitment taking place within the Defence Forces over recent years at both enlisted and officer level. This includes general service recruits, apprentices, cadets and direct entry officers.

Recruitment has increased from 405 in 2015, to 690 in 2016 and to 751 in 2017 and it is anticipated that there will be over 800 personnel recruited in 2018.

The budget allocation also provides over €2 million for Reserve Defence Force pay for 2018. This will allow for 26,000 training days for reservists this year.

The Defence non-pay allocation comprises both current and capital elements.

The current expenditure allocation of €121 million provides mainly for expenditure on on-going Defence Forces standing and operational costs such as utilities, fuel, catering, maintenance, information technology and training.

The capital expenditure allocation of €77 million for 2018 will allow the Defence Organisation to undertake a programme of sustained equipment replacement and infrastructural development across the Army, Air Corps and Naval Service, as identified and prioritised in the Defence White Paper. Among the main equipment programme priorities planned for 2018 are the ongoing upgrade of the Army Mowag Armoured Personnel Carriers, replacement of the Air Corps Cessna Aircraft, continuation of the Naval Vessel Replacement Programme and the mid-life refit of Naval Vessels.

The overall capital allocation of €541 million for Defence for the period 2018 to 2022, as set out in the National Development Plan, emphasises the importance attached by this Government to ensuring that the Defence Forces have the capability necessary to deliver on all the roles assigned by Government. This funding will play a vital role in ensuring that the priorities identified in the White Paper can be met and that the Defence Forces can deliver fully across all roles.

I would now like to briefly mention some of the key roles and outputs delivered under the Defence Programme.

The Defence Forces continue to make a considerable contribution in their international peace and security role. As of February 2018, Ireland is contributing 586 Permanent Defence Force personnel to 9 different missions throughout the world. In addition, personnel are deployed to a range of international organisations and National Representations.

The main overseas missions in which Defence Forces personnel are currently deployed are the United Nations Interim Force in Lebanon (UNIFIL) with 375 personnel and the United Nations Disengagement Observer Force (UNDOF) in Syria with 136 personnel. Since October 2017, the Naval Service has been participating in the EU Naval Mission Operation Sophia which specifically seeks to counter human trafficking and smuggling in the Southern Central Mediterranean and the Government recently approved the continuation of this deployment for 2018.

The Department of Justice and Equality and an Garda Síochána have primary responsibility for Ireland's domestic security supported, as required, by the Defence Forces as part of its Aid to the Civil Power function. This role is multi-faceted, and in 2017 included a varied set of tasks such as Garda Air

Support missions, Central Bank security guards, prisoner escorts, Explosive Ordnance Disposal call-outs and Naval Service Diving operations.

The Defence Forces also provide assistance to the principal response agencies tasked with responding to major emergencies. The professional competence shown by the Defence Forces in undertaking these roles is greatly valued and appreciated by all stakeholders and was further illustrated by the extensive and wide-ranging assistance provided in response to last week's severe weather emergency.

Civil Defence is also funded from the Defence Vote and remains a vital component within each local authority's emergency response arrangements. Volunteers from Civil Defence have responded very effectively when required, most recently during the flooding events that occurred in 2017 and during storm Ophelia, and again in the most recent severe weather emergency.

Committee members have been provided with briefing material on the individual subheads for both the Defence and Army Pensions Estimates and I look forward to positive engagement on any issues you may wish to discuss.