

Chairman and Committee Members,

I welcome this opportunity to engage with the Select Committee on Foreign Affairs and Defence to consider the 2022 Revised Estimates for Vote 35 (Army Pensions) and Vote 36 (Defence). I have a short opening statement that sets out the overall position and updates members on some recent developments within the Defence Sector.

As Members will be aware, the report of the Commission on the Defence Forces was recently published. I want to express my thanks to the Chair and all members of the Commission for their time and effort spent producing this report.

Following its publication last month, I had some very positive and constructive discussions on a wide range of matters relating to the report. The report is forthright in its assessment of the current status of the Defence Forces and highlights key issues that must be tackled, including cultural change. The report proposes significant changes for the Defence Forces and Defence provision in Ireland that we as a society must carefully consider. This report, and recent events, have fostered real interest and debate about defence matters and I look forward to

further exploration and discussion on these issues in the period ahead.

The Defence Sector is comprised 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 2022 provides for gross expenditure of over €1.107 billion euro, an increase of over €35 million or 3% over 2021. The 2022 provision comprises of some €836 million for Vote 36 Defence, an increase of €27 million on 2021 and some €271 million for Vote 35 Army Pensions, an increase of some €8 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 certain dependants. The 2022 Estimate provides a

gross sum of €271 million for the Army Pensions Vote, of which some €261 million covers expenditure on superannuation benefits. Pension benefits granted are, for the most part, statutory entitlements once certain criteria are met.

During 2021, some 300 members of the Permanent Defence Force retired on pension. There are currently some 12,890 pensioners paid from the Army Pensions Vote, and their numbers continue to rise year on year.

Against that background, I am pleased to inform the Committee that the increased allocation provided in 2022 will cover both the cost of existing and new pensions, as well as the passing on of benefits from pay increases received by serving personnel.

Turning now to Vote 36 Defence, which is delivered under a single programme entitled *'Defence Policy and Support, Military Capabilities and Operational Outputs'*. The Revised Defence Estimate of some €836 million for 2022 includes an allocation of over €545 million for the pay and allowances of members of the Permanent Defence Force, civil servants and civilian employees. It also provides for commitments arising

from the Building Momentum 2021-2022 public service pay agreement.

The non-pay allocation comprises both current and capital elements, and the Revised Defence Estimate provides a non-pay current expenditure allocation of over €150 million for 2022. This allocation provides mainly for expenditure on ongoing and essential Defence Forces standing and operational costs such as utilities, fuel, catering, maintenance, information technology and training.

The principal demand drivers of Defence capital funding are the ongoing renewal, upgrade and acquisition of military equipment along with the development of military infrastructure and information and communication technologies. The White Paper on Defence, updated in 2019, highlighted the importance of capability development and the necessity for continued renewal, upgrade and acquisition of military equipment and infrastructure. To this end, the National Development Plan has allocated multi-annual funding of €566 million to Defence out to 2025, with an allocation of €141 million provided for 2022. Many of the Defence Equipment projects are complex, multi-annual and have long lead-in times,

so the funding certainty now provided by the National Development Plan is welcome, as it will enable the Department and the Defence Forces to plan, prioritise and deliver on scheduled projects over the coming years.

The acquisition of military equipment is pursued through the Defence Equipment Development Plan, a plan based on White Paper objectives, which provides a consolidated, structured basis for ongoing investment in military equipment to maintain and develop necessary capabilities. Among the major Defence Equipment upgrade and replacement programmes set to be prioritised over the coming years are:

- The Land Forces Capability Development and Force Protection Programmes, including an upgrade of the military transport fleet and next generation radio communications and signal equipment;
- The ongoing Naval Service Vessel Renewal and Replacement Programme, which includes the mid-life refit of the P50 Class of Naval Vessel and the progression of the Multi Role Vessel project;

- The ongoing Air Corps Aircraft Renewal and Replacement Programme which includes the purchase of the C295 Maritime Patrol Aircraft.

In addition to these major projects, an on-going schedule of capital investment across a broad range of force protection, transport, communications and information technology, weapons and ammunition systems continues in 2022. This level of investment in Defence equipment platforms will further boost ongoing efforts at modernising and upgrading Defence equipment platforms through land, sea and air domains.

The capital allocation for Defence infrastructural projects for 2022 is €35 million, the highest allocation since the economic crash in 2008. This will allow significant investment under the Defence Forces Built Infrastructure Programme, including the:

- Provision of a new Cadet School in DFTC, Curragh Co Kildare;
- Provision of a New Military Medical Facility for the Defence Forces at Casement Aerodrome, Baldonnell, Co. Dublin;
- Upgrade to accommodation facilities in various military locations throughout the country such as Collins

Barracks, Cork, McKee Barracks, Dublin and the Naval Base, Haulbowline.

This level of infrastructural investment, which has a strong regional or local dividend in terms of local enterprise and employment, seeks to ensure that all Defence Forces installations are fit for purpose taking account of operational, security, and health and safety considerations. However, it will take time and a programme of continuous investment to bring **all** Defence Forces facilities up to the modern standards that we desire.

The White Paper on Defence has identified that demands on future capability will need to take account of climate change objectives. In that regard, Defence remains fully committed to incorporating green procurement practices into all Defence Organisation equipment and infrastructural procurements in line with overarching Climate Action Plan objectives.

I would now like to briefly reference some of the many outputs to be delivered by the Defence Forces from the Defence Vote throughout 2022.

The 2022 allocation will allow Defence Forces personnel to meet Government commitments on our overseas peace support

missions and proudly represent Ireland abroad in diverse, often challenging, locations throughout the world. As of the 1st of March, there were 569 PDF personnel serving in 9 overseas missions throughout the world. This level of overseas deployment reflects Ireland's ongoing contribution to international peace and security and I want to thank our Defence Forces for their professionalism and commitment to their overseas roles.

At home, the funding provision allows the Defence Forces to continue to provide essential support for An Garda Síochána, as requested, across various roles, such as explosive ordnance disposal call-outs, Garda Air Support missions and Naval Service diving operations. It also enables the Defence Forces, as part of their Aid to the Civil Authority (ATCA) role, to provide support to Local Authorities and to the Health Service Executive in their emergency response efforts.

At this point, I believe it is opportune to highlight the collective Defence response to the Covid – 19 pandemic over the last two years which involved Permanent Defence Force personnel, members of the Reserve, Civil Defence Volunteers and Civil Servants and Civilian Employees within my Department. I

want to thank all of them for their resilience and support throughout what was a very difficult period for all of us.

The Defence Vote provides funding of over €5 million for Civil Defence in 2022. This funding supports Civil Defence units throughout the country by way of central training and the supply of vehicles, boats, uniforms and personal protective equipment for volunteers.

The Government also value the service of the Reserve Defence Force and on behalf of the Government, I want to commend the voluntary effort made by members of the Reserve Defence Force and to thank them for their ongoing dedication and enthusiasm, particularly those who assisted in the national Covid -19 response.

In addition to the Commission on the Defence Forces, I also want to advise Members of the strategic review and development process currently underway within the Department. This process, which is nearing completion, includes a very comprehensive independent Organisation Capability Review of my Department. It will provide an assessment of the Department's capability and capacity to deliver on objectives and presents an opportunity for my

Department to take positive actions to address any gaps that may emerge from this review process.

To conclude, I am very proud of the Defence Forces and all that they achieve, both nationally and internationally. However, as outlined in the report of the Commission on the Defence Forces, there are many challenges facing the Defence Forces, both now and in the future, with significant levels of further engagement, collaboration, adjustment and legislation change envisaged over the coming years.

I accept that the level of ambition and change outlined in the report is potentially far-reaching, and if implemented, could necessitate significant increases in defence funding. However, there are other pressing changes which are also required and which are not resource intensive. I remain committed to leading the required change, as I believe it has the capacity to transform our Defence Forces over the coming years.

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

Thank you.