

Members,

I welcome this opportunity to consider the 2020 Revised Estimates for the Defence Sector, comprising of Vote 35 (Army Pensions) and Vote 36 (Defence). As this is the first meeting of this Committee, I have prepared a short opening statement that will set out the overall position 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 2020 provides for Gross Expenditure in excess of €1 billion (one thousand and forty million), an increase of €33 million or 3.3% over 2019. The 2020 provision comprises €781 million for Vote 36 Defence, an increase of €23 million, and €259.2 million for Vote 35 Army Pensions, an increase of €10 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 2020 Estimate provides a gross sum of over €259 million for the Army Pensions Vote, of which some €250 million covers expenditure on superannuation benefits for former members of the Permanent Defence Force and certain dependants. Pension benefits granted are, for the most part, statutory entitlements once certain criteria are met.

There are currently some 12,750 pensioners paid from the Army Pensions Vote. During 2019, some 410 Defence Forces members retired on pension and a broadly similar number is provided for in 2020. The Spending Review undertaken on Defence Forces Pensions Expenditure in 2018, concluded, among other things, that the underlying trend of rising military pensioner numbers is likely to be maintained into the coming years. It recommended that the Army Pensions Vote should be allocated resources in line with the Review’s cost analysis from 2019 onwards, to ensure that the full funding demands are met.

Against that background, I am pleased to inform Members that the gross allocation for Army Pensions increased by €10 million to some €259 million for 2020. This builds on a previous funding increase of €9.5 million in the 2018 Estimates and reflects the rise in Army Pensioner numbers noted over recent years.

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 Revised Defence Estimate of €781million for 2020 now includes a pay and allowances allocation of some €522 million.

The pay allocation provides for the pay and allowances of over 10,400 public service employees, including 9,500 Permanent Defence Force personnel, 550 civilian employees and 355 civil servants and makes provision for increases due under the Public Service Stability Agreement 2018-2020. It also includes provision for increases in Permanent Defence Force allowances arising from the Public Service Pay Commission's (PSPC) report on recruitment and retention issues in the Defence Forces and implementation of the initial measures set out in the Government's associated implementation plan.

The non-pay allocation comprises both current and capital elements. The Revised Defence Estimate provides a non-pay current expenditure allocation of some €134 million for 2020. This allocation 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 allocation provided in the Revised Defence Estimate is over €125 million. This significant capital envelope demonstrates this Government's ongoing commitment to Defence. As provided for under the National Development Plan, an overall total of €541 million has been allocated to Defence for the period 2018 to 2022.

This level of capital funding will allow the Defence Organisation to continue a programme of sustained equipment replacement and infrastructural development across the Army, Air Corps and Naval Service, as reinforced in the Defence White Paper Update 2019. It will also ensure that the Defence Forces have the capability necessary to deliver on all the roles assigned by Government.

The launch earlier this year of the 5 year Equipment Development Plan for the Defence Forces ensures that all Defence capital expenditure projects build on the White Paper on Defence in relation to equipment acquisition, modernisation and upgrade. The Equipment Development Plan is a living document that will remain cognisant of evolving security situations, equipment priorities and timing issues and will ensure that the Defence Forces are in a position to undertake their assigned roles both at home and overseas.

Among the major priority investment programmes and projects identified for inclusion under the capital allocation in the National Development Plan are:

- a mid-life upgrade of the Army Mowag Armoured Personnel Carrier (APC) fleet;
- the replacement of the Air Corps Cessna Aircraft;
- the CASA Maritime Patrol Aircraft Replacement Programme;
- a mid-life refit of two Naval Service vessels;
- an ongoing schedule of capital investment across a range of force protection, transport, communications and information technology, weapons and ammunition systems.

The Defence capital allocation also provides for significant investment in Defence Forces Built Infrastructure projects. This will allow investment in projects that modernise and enhance the training, operational and accommodation facilities available to members of the Defence Forces in military installations and barracks across the country.

Earlier this year, a 5 Year Built Infrastructure Programme for the Defence Forces was published in line with the White Paper on Defence. This plan ensures a coherent, structured approach to ensuring that Defence Forces Built Infrastructure requirements are updated and modernised in line with existing and future requirements.

A significant level of capital infrastructural projects, encompassing accommodation, training and storage facilities are at various stages of development from design tender to construction, including:

- an upgrade of Training facilities in Sarsfield Barracks, Limerick and Stephens Barracks, Kilkenny;

- an upgrade of Accommodation facilities in the Defence Forces Training Centre, Curragh Camp, Defence Forces Student Accommodation Complex, Galway and in the Naval Base Haulbowline.

In addition, the construction of a new medical facility will enable the move from the existing St. Bricin's site, therefore affording the Land Development Agency an opportunity to provide social and affordable housing in this area. Modernising and upgrading military installations is a key priority for me, facilitated by the planning framework outlined in the Infrastructure Development Plan.

The 2020 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. Irish troops continue to do extraordinary work in very difficult conditions and I want to thank them personally for their loyalty and commitment to their overseas roles. At October 2, Ireland was contributing 571 personnel to 10 different missions throughout the world.

At home, the 2020 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, the Health Service Executive and An Garda Síochána in their emergency response efforts.

On foot of the COVID 19 pandemic, the Defence Forces, since early March, have provided significant and essential Aid to the Civil Authority support to the HSE in areas such as contact tracing, patient transportation, logistics and COVID-19 testing. Service Level Agreements and Memorandums of Understanding agreed between the HSE and the Department of Defence greatly facilitate and support all Aid to the Civil Authority engagements and ensured the focus on effective service delivery when most needed.

To date, some €13.4 million has been expended by the Department of Defence in responding to COVID 19 related issues. This expenditure includes €5.3 million towards the acquisition of a new PC-12 aircraft which has been used to provide additional fixed-wing capacity response, as required; some €4.3 million in respect of additional Medical, Engineering, Building, PPE,

Audio-Visual, ICT and Transport costs across the Army, Air Corps and Naval Service; over €3 million in respect of additional Allowance Payments and some €0.3 million in respect of additional Civil Defence costs.

In addition, ICT investment of some €0.5 million has facilitated remote working opportunities across the Department and has ensured Defence capacity to maintain ongoing business continuity and the timely and efficient processing of all Defence Forces Personnel Pay and Allowances, Army Pensions and Supplier payments throughout this very challenging period.

The onset of COVID 19 placed exceptional, additional and unforeseen expenditure demands on my Department across a wide range of areas. This additional expenditure was essential and reflects the hugely proactive and positive contribution made by the Defence Organisation in reacting to this crisis. This collective Defence response involved Permanent Defence Force personnel, members of the Reserve, Civil Defence Volunteers and Civil Servants and Civilian Employees employed within my Department.

Over €4 million in funding is provided for Civil Defence in 2020. 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. Civil Defence volunteers provide essential support to the efforts of the front-line services and have been at the forefront of the Defence response to the COVID 19 pandemic over recent months.

The Government also values the service of the Reserve Defence Force and the White Paper on Defence highlights that there is a continued requirement to retain and develop the Reserve. On behalf of the Government, I want to commend the voluntary effort that supports the Reserve Defence Force and to thank them for their ongoing dedication and enthusiasm particularly those members who assisted in the national COVID 19 response.

I want to mention that the Programme for Government provides for the establishment of a Commission on the Defence Forces. This is an extremely important body of work. I am very anxious to ensure its establishment as early as possible this year and I will be working very closely with officials in my Department to achieve this objective.

To conclude, I want to thank all within the Defence Sector for their enormous contribution this year in difficult circumstances and I remain confident that the significant overall level of

funding provided in 2020 will further enable the ongoing implementation of the organisational priorities outlined within the White Paper on Defence, for 2020 and beyond.

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.