

Chairman and Committee Members,

I welcome this opportunity to engage with the Select Committee on Foreign Affairs and Defence, to consider the 2021 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.

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 2021 provides for gross expenditure of over €1.07 billion (one thousand and seventy two million), an increase of over €32 million or 3% over 2020. The 2021 provision comprises of some €810 million for Vote 36 Defence, an increase of €29

million on 2020 and over €262 million for Vote 35 Army Pensions, an increase of some €3.5 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 2021 Estimate provides a gross sum of €262.7 million for the Army Pensions Vote, of which, some €253 million covers expenditure on superannuation benefits. Pension benefits granted are, for the most part, statutory entitlements once certain criteria are met.

During 2020, some 290 Defence Force members retired on pension. There are currently some 12,780 pensioners paid from the Army Pensions Vote, and their numbers continue to rise year on year. Against that background, I am pleased to inform Members that the gross allocation for Army pensions increased by €3.5 million to almost €263 million for 2021. This builds on a previous funding increase of some €10 million achieved in the 2020 Estimates.

Finally, on the issue of pensions, I am pleased to say that I have recently secured approval from my colleague the Minister for Public Expenditure and Reform to pass on to qualifying military pensioners the benefit of the increase in military service allowance effective from 4 July 2019. This increase was awarded to Defence Forces personnel on foot of the 2019 report of the Public Service Pay Commission. Work is ongoing on the calculation of the pension arrears involved.

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 €810 million for 2021 includes a pay and allowances allocation of over €534 million.

The pay allocation provides for the pay and allowances of up to 10,440 public service employees, including Permanent Defence Force personnel, civil servants and civilian employees. It provides for all outstanding commitments arising from the Public Sector Stability Agreement 2018-2020 along with the restoration of the 5% cut in Permanent Defence Force allowances imposed under FEMPI.

The non-pay allocation comprises both current and capital elements, and the Revised Defence Estimate provides a non-pay current expenditure allocation of over €144 million for 2021. 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 capital allocation provided in the Revised Defence Estimate is €131 million. This allocation has increased over recent years and demonstrates the Government's commitment to capital investment in Defence. It will facilitate an ongoing programme of equipment replacement and infrastructural development. Comprehensive multi-annual plans completed through joint civil-military work in the form of the Defence Equipment Development Plan and Infrastructure Development Plan, were published last year and are delivering on White Paper on Defence policy commitments.

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 procurements in line with overarching Climate Action Plan objectives and in accordance with all applicable obligations in the fields of environmental law applying under national and EU law as well as various international conventions on environmental law matters.

The principal demand drivers of Defence capital funding are the ongoing renewal, retention and acquisition of military equipment along with the development of military infrastructure and information and communication technologies. The acquisition of military equipment is pursued through the Equipment Development Plan, based on White Paper objectives, and provides a consolidated, structured basis for investment in military equipment to maintain and develop necessary capabilities.

At present, a significant number of Defence Equipment Programmes and Projects are at various stages of development and include the ongoing upgrade of the Army Mowag Armoured Personnel Carriers, the Maritime Patrol Aircraft Replacement Programme, the purchase of Military Transport Vehicles and the mid-life refit of Naval Vessels. In addition, 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 2021.

Similarly, an Infrastructure Development Plan sets out the requirements for essential infrastructure development works over a medium-term timeframe. This 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.

A significant level of Defence Built Infrastructure projects, many of which involve buildings with historical significance and encompass 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;
- upgrades of accommodation facilities in various military installations including the Defence Forces Training Centre, Curragh Camp, Defence Forces Student

Accommodation Galway, McKee Barracks and the Naval Base, Haulbowline.

- an upgrade of Aircraft Hangars in Casement Aerodrome, Baldonnel, and
- the remediation of Spencer Jetty, Haulbowline.

I would now like to briefly reference some of the many outputs to be delivered by the Defence Forces from the Defence Vote throughout 2021.

The 2021 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 10th of May, there were 561 PDF personnel serving in 10 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.

In what has been an unprecedented challenge to our country, the Defence Organisation has contributed and played a leading role in the national response to the Covid - 19 pandemic throughout 2020 and into 2021. This collective Defence response involved Permanent Defence Force personnel, members of the Reserve, Civil Defence Volunteers and Civil Servants and Civilian Employees within my Department. I want to personally thank all of them for their resilience and support throughout what has been a very anxious and uncertain period for all of us.

Throughout the pandemic, the Permanent Defence Force have continually provided significant and essential support to the Health Service Executive (HSE) in areas such as contact tracing, patient transportation, logistics, vaccinations and Covid - 19 testing.

In terms of the financial impact, over €18 million has been expended from the Defence Vote to date in responding to the

Covid - 19 pandemic. This expenditure was incurred across a broad range of areas and included, for example, the payment of additional Aid to the Civil Authority allowances to Defence Forces personnel; the acquisition of a new Pilatus PC-12 utility aircraft; additional expenditure on Medical, Engineering, Building, Personal Protective Equipment, Audio-Visual, Information Technology, Communication and Transport requirements and on other additional Civil Defence and Departmental requirements. All Covid-19 related expenditure was met from within the overall Defence Vote allocation in 2020, and, to date in 2021.

The Defence Vote provides funding of over €4 million for Civil Defence in 2021. 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 had a highly visible role in dealing with the Covid - 19 pandemic.

The Government also value 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 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.

As members will be aware, pursuant to a commitment in the Programme for Government, the Government established the independent Commission on the Defence Forces in December, 2020. The role of the Commission is to examine the structures for governance, joint command and control, the arrangements for the effective defence of the country, the composition of the Defence Forces and their pay structures.

The Commission has been very busy to date and I was delighted to observe a very productive and positive interaction between the Committee Chair and members of the Joint Committee on Foreign Affairs and Defence at a meeting held in April. In addition, as a further part of a broad, ongoing consultative process, the Commission is reviewing over 500 submissions from individuals and organisations on matters relevant to its Terms of Reference. This level of response highlights the significant level of public interest in this issue.

It is my hope that the Commission's report, when published, will assist Government in ensuring that our Defence Forces remain agile, flexible and adaptive in responding to dynamic changes in the security environment, including new and emerging threats (such as from climate change and cyber-crime) and in terms of seeking to develop a longer term strategic vision for the Defence Forces.

Aligned with the Commission's role, I also want to advise Members of the strategic review and development process currently underway within the Department. This process (which will include, inter alia, a very comprehensive independent Organisation Capability Review of my Department) allows for an objective 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. This process will be ongoing throughout 2021.

The onset of the pandemic has forced a significant recalibration for all of us as individuals and as organisations. However, through a combination of innovation, resilience and sacrifice,

the collective national response, which encompassed significant Defence inputs, has helped us turn the corner and we can now start to look forward with real optimism to an easing of restrictions and a return to some semblance of normality across society.

To conclude, I am very pleased with the significant overall level of funding of over one billion euro provided to the Defence Sector in 2021. This allocation ensures that the Defence Forces will have the necessary level of resourcing needed to enable them to fulfil all of the roles set by Government within the White Paper on Defence.

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.