

Chairman and Committee Members,

I welcome this opportunity to engage with the Select Committee on Foreign Affairs and Defence to consider the 2023 Revised Estimates for the Defence Vote Group. I have a short opening statement that sets out the overall position and updates members on some recent developments within the Defence Sector.

The report of the Commission on the Defence Forces and the associated high-level action plan (HLAP) was approved by Government last July. In doing so, the Government committed to increases in Defence funding commensurate with a move to ‘Level of Ambition 2’ (LOA2), with defence funding targeted to increase to c. €1.5 billion (at 2022 prices) by 2028, through the annual Estimates process.

The significantly increased allocation to the Defence Vote Group in 2023 highlights the commitment of myself and my Government colleagues to providing a strong financial platform for the Defence Sector to support this Level of Ambition and the required transformation of the Defence Forces.

The combined Estimates for the Army Pensions and Defence Votes for 2023 provides for gross expenditure of some **€1.21 billion, an increase of over €93 million or 8% over 2022.**

Vote 35, Army Pensions 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 2023 Estimate provides a gross amount of some €295 million, an increase of €14 million from 2022. €284 million covers expenditure on superannuation benefits. Pension benefits granted are, for the most part, statutory entitlements once certain criteria are met.

There are currently over 13,100 pensioners paid from the Army Pensions Vote, with numbers rising year on year.

The increased allocation provided in 2023 will address both the cost of existing and new pensions, as well as passing on the benefits from the ‘Building Momentum’ 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 over €915 million is an increase of €79 million from 2022. This includes €564 million for the pay and allowances of members of the Permanent Defence Force, civil servants and civilian employees, and includes all costs associated with the ‘Building Momentum’ public service pay agreement payable in 2023.

In previous years, pay funding was allocated for a Permanent Defence Force (PDF) establishment strength of 9,500. When pay savings arose, and with the consent of the Minister for Public Expenditure and Reform, these funds were used to address spending pressures elsewhere in the Vote and Vote Group.

However, as part of Estimates 2023, a revised approach has been introduced, with pay funding for the year based on prevailing strength, plus an anticipated net increase of 400 personnel, with non-pay Subheads of the Defence Vote (Capital and Non-Capital) increased in recognition of the change from the previous arrangement.

The pay allocation includes funding to enable the filling of the Head of Transformation and Strategic HR roles recommended by the Commission on the Defence Forces. These appointment processes are underway. In addition, a number of specific Commission recommendations on pay and allowances have been actioned and implemented. As a result, the starting pay for a newly qualified three star private, and their Naval Service equivalent, is currently €36,419, including MSA.

This compares very favourably with entry level starting pay across the Public Service and should be of assistance to the ongoing ‘Be More’ recruitment campaign.

The non-pay allocation of €351 million comprises both current and capital elements. The Revised Defence Estimate provides **a non-pay current** expenditure allocation of over **€175 million** for 2023. This allocation is an increase of €25 million on 2022, and provides mainly for expenditure on on-going and essential Defence Forces standing and operational costs such as utilities, fuel, catering, maintenance, information technology and training.

It also includes funding of over €5 million for Civil Defence in 2023. This funding supports Civil Defence units throughout the country by way of central training and the supply of vital equipment.

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 Commission on the Defence Forces reinforced the requirement for significant capital investment in defensive equipment programmes and on upgrading and modernising Defence Forces built infrastructure. To this end, the **increase of €35 million in capital funding in 2023** is particularly noteworthy, bringing **the total capital allocation to €176 million**, a 25% increase on 2022, the single biggest annual capital investment ever provided to Defence.

Many of the Defence Equipment projects are complex, multi-annual and most have long lead-in times, so this increased funding along with the multi-annual 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 a comprehensive schedule of capital investment over the coming years.

I will briefly reference some of the outputs to be delivered from the Defence Vote throughout 2023.

The 2023 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 January, Ireland was contributing 556 personnel to 7 different missions throughout the world and also to a range of international organisations and National Representations. This level of overseas deployment reflects Ireland's ongoing commitment to international peace and security and I want to thank our Defence Forces for their professionalism and commitment to their overseas roles.

Members will be aware that I recently travelled to Lebanon where I met the Defence Forces' personnel of the 121st Infantry Battalion and spoke with colleagues of the late Private Seán Rooney. I want now to re-iterate my sincerest condolences towards the mother, uncles, grandparents, family and friends of Private Rooney who was killed while serving in Lebanon last December.

I also wish to acknowledge those of his colleagues who were injured, especially Trooper Shane Kearney who was seriously injured in the same incident. Thankfully, Shane is recovering well and was discharged from hospital earlier this month to continue his recovery before further medical treatment.

As members are aware, a number of separate inquiries are underway into this tragic event and I believe that we owe it to Private Rooney, his colleagues and their families and indeed to all Defence Forces members, to establish the truth and I am committed to doing that.

I also want to make brief reference to the Government approval for Defence Forces participation in a German-led Battlegroup in 2024/2025.

It is anticipated that the proposed Defence Forces contribution to the Battlegroup will be 174 personnel. I am confident that Ireland's participation in this Battlegroup will further build on the Defence Forces impressive peacekeeping reputation and will enhance the Defence Forces' capacity to work with other nations in a multinational environment.

At home, the funding provision allows the Defence Forces to continue to provide essential support for An Garda Síochána, when 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.

I also greatly 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. We need to wholeheartedly support the Reserve Defence Force. I am assured by Military management that the Office of Reserve Affairs is being established and I will be ensuring that regeneration efforts will commence urgently.

The Defence Forces provide enormous, often unseen support to the State. I am very proud of what they do, and, as Minister for Defence, I welcome and fully embrace the challenge of transforming our Defence Forces to rise to the level of ambition and change outlined in the Commission on the Defence Forces report.

Government will support and enable this significant organisational and cultural change with proportionate increases in defence funding – as evidenced in the increase in funding in 2023.

Before concluding, I just want to reference my receipt of the Independent Review Group (IRG) Report. This report independently and comprehensively has examined many issues relating to bullying, harassment, discrimination and sexual misconduct, as well as the workplace culture in the Defence Forces.

Every member of the Defence Forces has a right to undertake their role in a work environment which promotes dignity and equality for all, and I can assure the Committee that I will be considering this Report in full in consultation with the Attorney General and I will bring the Report to Government for its consideration and subsequent publication.

Committee members have been provided with briefing material on the Defence Group of Estimates and I look forward to constructive engagement with you on the many issues impacting on the Defence Vote Group in 2023 and beyond.

Thank You.