

DÁIL ÉIREANN

AN ROGHCHOISTE UM GHNÓTHAÍ EACHTRACHA AGUS COSAINT

SELECT COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

Déardaoin, 22 Deireadh Fómhair 2020

Thursday, 22 October 2020

Tháinig an Romhchoiste le chéile ag 11.30 a.m.

The Select Committee met at 11.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Cathal Berry,	
Simon Coveney (Minister for Foreign Affairs and Trade),	
Barry Cowen,	
Gary Gannon,	
Brian Leddin,	
Aengus Ó Snodaigh,*	
David Stanton.	

* In éagmais / In the absence of Deputy Sorca Clarke.

Teachta / Deputy Charles Flanagan sa Chathaoir / in the Chair.

Estimates for Public Services 2020

Vote 28 - Foreign Affairs (Revised)

Vote 35 - Army Pensions (Revised)

Vote 36 - Defence (Revised)

Chairman: I have received apologies from Deputies Brady and Clarke. I understand that Deputy Ó Snodaigh will substitute for Deputy Brady. Members will be aware that, on 30 September, the Dáil ordered that the Revised Estimates for Public Services in respect of the following votes be referred to this committee: Vote 35 - Army Pensions; Vote 36 - Defence; and Vote 28 - Foreign Affairs. At today's meeting, we will consider the Estimates for Vote 35 - Army Pensions and Vote 36 - Defence, followed by Vote 28 - Foreign Affairs, and will then report back to the Dáil.

I am very pleased to welcome the Minister for Foreign Affairs and Defence, Deputy Coveney, and his officials. I thank both the Department of Foreign Affairs and the Department of Defence for the briefing material provided to the committee.

The proposed format of the meeting is that we will first deal with Votes 35 and 36 under programmes A and B. At the outset of the consideration, the Minister may give an overview outlining any pressures likely to impact on the Department's performance or expenditure in respect of these Votes for the remainder of this year. The floor will then be opened for questions from members of the committee. In this regard I welcome Deputy Ó Snodaigh, who will substitute for Deputy Brady. I will invite members to put questions on the specific programme in order that we can progress efficiently. We will take the Votes for the Department of Defence first, followed by that for the Department of Foreign Affairs.

We are under a bit of time pressure having regard to the fact that we have been invited to attend at the National Convention Centre from 1 p.m. for likely votes. I therefore hope that we can get through our business as effectively and efficiently as possible by putting our questions to the Minister succinctly. Perhaps we could aim to conclude at 12.35 p.m. or 12.40 p.m. to allow us time to get to the convention centre.

With regard to housekeeping, members are reminded of the long-standing parliamentary practice to the effect that we should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable. I remind members and witnesses to switch off any mobile phones or to put them in flight mode as they interfere with our sound system. I remind members that briefing notes have been received in respect of Votes 35 and 36. I call on the Minister, Deputy Coveney, to make his opening remarks and I thank him for coming.

Minister for Defence. (Deputy Simon Coveney): It is a pleasure to be here. I can come back if people want to spend a bit more time on policy issues because I know that we are tight

for time today and that it is really important to get these Revised Estimates passed today. If members want me to come back in to speak about different elements of policy or policy development, I would be more than happy to come back in respect of either brief.

From a process point of view, we have already approved the Estimates in respect of foreign affairs. What we have today is a Revised Estimate which includes a very minor change. I suspect we will be able to cover it in seven or eight minutes at the end of this meeting. We are effectively getting approval for the full Revised Estimates in respect of defence. If it is okay with the committee, I will spend most of my time speaking on that Vote. I have quite a long introductory statement in that regard which I hope will answer many of the questions members may have. It is up to the Chairman, but I certainly believe we would be able to cover the Revised Estimate in respect of foreign affairs quite quickly. It simply reflects the transfer of responsibility for trade from the Department of Foreign Affairs to the Department of Business, Enterprise and Innovation. Approximately €410,000 for staffing costs will transfer to the Department along with that responsibility. There is literally no other change to the Vote. I am, however, in the committee's hands and will do whatever it wants me to do.

Chairman: Would members like to discuss Vote 28 now and then move to the Votes in respect of defence? I am conscious that, as the Minister has admitted, the bulk of our deliberation will relate to defence. We are, however, mandated to deal with the Vote in respect of foreign affairs. Perhaps we could spend a few minutes on foreign affairs first and then move on to defence.

Deputy Simon Coveney: That would be great. Literally the only change in the Revised Estimate reflects the fact that, under the programme for Government, a decision was made to transfer responsibility for trade from the Department of Foreign Affairs to the Department of Business, Enterprise and Innovation. A small number of staff and an associated budget will also shift from one Department to the other. We are just looking for the committee's okay to do this. It is a relatively small amount of money. I believe it is approximately €410,000. I will confirm the exact figure in a second but it is in and around that. Some €416,000 will transfer to the Department of Business, Enterprise and Innovation. The reduction is split across administration pay of €196,000, non-administration pay of €20,000 and a budget of €200,000 for promoting Ireland. The budgets will transfer to the Tánaiste's Department. That is the only change in the Revised Estimates in respect of foreign affairs.

Deputy Brian Leddin: I thank the Minister for coming. For the benefit of the committee, will he explain the rationale behind, or briefly elaborate on the reasons for, the transfer of trade from the Department of Foreign Affairs?

Deputy David Stanton: The issue of cultural officers also arises. These are a new innovation under the Department of Foreign Affairs. One or two officers have been appointed. I believe there is one in New York and one in Germany but I am not sure. Others are on the way. Will this initiative remain in the Department of Foreign Affairs or is to transfer to the Department of Business, Enterprise and Innovation? At some stage, I would like a briefing note on how the recruitment process in this regard was conducted with regard to interviews and so on. Was an outside agency involved in selecting or vetting people?

Deputy Simon Coveney: During and following the talks on the programme for Government, the party leaders decided that, when the Ministries were shaped, they would revert to their previous model. I am open to correction if I am wrong on this, but I understand that trade was moved to the Department of Foreign Affairs when Eamon Gilmore became Minister for Foreign

Affairs and Trade and Tánaiste. This was done to reflect the Tánaiste's office's desire to have a role in international trade and to link it to foreign policy. From my experience as Minister for Foreign Affairs and Trade, an experience which the Chairman has also had, I have seen that, in reality, most trade promotion happens through agencies linked to the Department of Business, Enterprise and Innovation. Trade fairs, trade promotion more broadly and responsibility for World Trade Organisation trade rules and so on are all under the remit of the Department of Business, Enterprise and Innovation rather than that of the Department of Foreign Affairs. It was therefore felt that the more natural home for those agencies and their associated expertise was that Department.

Cultural officers remain under the Department of Foreign Affairs. We have a number of country plans, including plans for North America, Germany, France and the UK. We believe that the promotion of Irish culture is a big part of the Irish message that helps us to connect with other countries in a very positive way. We see that in a very real way in places like Canada, the US, Australia, the UK and, increasingly, in Germany with regard to Irish literature and music. This initiative is very much part of foreign relations. It is not just about economics and politics. It is also about culture and heritage. We are getting more money all of the time to invest in our diplomatic footprint all over the world but we have made the policy decision that the trade elements of that, particularly trade promotion, trade fairs and world trade talks and everything that flows from them, are better placed in the Department of Business, Enterprise and Innovation because that is where the expertise is.

Chairman: Is the Revised Estimate agreed? Agreed.

Deputy Simon Coveney: I welcome this opportunity to consider the 2020 Revised Estimates for the defence sector, comprising Vote 35, which concerns Army pensions, and Vote 36, which is the broader defence Vote. 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, namely, 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 fulfill 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 of €1.04 billion, 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 pension Vote, of which some €250 million covers expenditure on superannuation benefits for former members of the permanent Defence Forces 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 Force members retired on pension and a broadly similar number is provided for in 2020. The spending review undertaken on Defence Forces pension expenditure in 2018, concluded, among other things, that the underlying trend of rising military pensioner

numbers is likely to continue in 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 just under €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 turn to Vote 36 - Defence, which is delivered under a single programme, entitled Defence Policy and Support, Military Capabilities and Operational Outputs. The Revised Estimate for defence of €781 million 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 it 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 Estimate for defence provides a non-pay current expenditure allocation of some €134 million for 2020. This allocation provides mainly for expenditure on ongoing Defence Forces standing and operational costs such as utilities, fuel, catering, maintenance, information technology and training. The capital allocation provided in the Revised Estimate is over €125 million. This significant capital envelope demonstrates the 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 for capital programmes. 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 capabilities necessary to deliver on all the roles assigned by Government.

The launch earlier this year of the five-year equipment development plan for the Defence Forces ensures that all defence capital expenditure programmes 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 abroad. We have seen some of the benefits from that rolling capital programme in three new PC-12 planes and significant capital investment in a number of building projects.

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; and 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 five-year built infrastructure programme for the Defence Forces was published in line with the White Paper on defence. This plan provides 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 through tender to construction, including an upgrade of training facilities in Sarsfield barracks, Limerick and Stephens barracks, Kilkenny and an upgrade of accommodation facilities in the Defence Forces training centre in the Curragh, the Defence Forces student accommodation complex in Galway, which is a particular concern for me, and the Naval Base in Haulbowline.

In addition, the construction of a new medical facility will enable the move from the existing St. Bricin's site, thereby affording the Land Development Agency, LDA, 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. St. Bricin's is a really strategic site in the city. It is effectively an old military hospital and, while it is a super site, the medical facilities there are not fit for purpose for a modern defence force so we will invest in a significant new, modern military hospital, probably in Baldonnell, which has been earmarked by the Defence Forces as the most suitable site. That will allow the LDA to hopefully produce ambitious plans for the St. Bricin's site.

The 2020 allocation will allow Defence Force personnel to meet Government commitments in our overseas peace support missions and proudly represent Ireland abroad in diverse and often challenging, locations throughout the world. Irish troops continue to do extraordinary work in very difficult conditions and I thank them personally for their loyalty and commitment to their overseas roles.

As at 2 October, Ireland was contributing 571 personnel to ten missions throughout the world. Earlier this week, I had the pleasure of speaking to the officer in command of the new rotation to the United Nations Interim Force in Lebanon, UNIFIL, which will be leaving in the coming weeks.

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 role, to provide support to local authorities, the HSE and An Garda Síochána in their emergency response efforts.

On foot of the Covid-19 pandemic, since early March the Defence Forces 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 ensure the focus on effective service delivery is prioritised.

To date, some €13.4 million has been expended by the Department of Defence in responding to Covid-19 and related issues. This expenditure includes €5.3 million towards the acqui-

sition of a new PC-12 aircraft which has been used to provide additional fixed-wing capacity response, as required. Most of the work on the PC-12 involved bringing test samples back and forth to labs in Berlin to increase testing capacity. The Covid-19 expenditure also includes €4.3 million in respect of additional medical, engineering, building, PPE, audiovisual, ICT and transport costs across the Army, Air Corps and Naval Service, over €3 million in respect of additional allowance payments and some €300,000 in respect of additional Civil Defence costs. In addition, ICT investment of some €500,000 has facilitated remote working opportunities across the Department and has ensured its 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 Department of Defence as an organisation in reacting to this national crisis. This collective 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 the Civil Defence in 2020. This funding supports Civil Defence units throughout the country by way of essential training and the supply of vehicles, boats, uniforms and personal protective equipment, PPE, for volunteers. Civil Defence volunteers provide essential support to the efforts of the front-line services and have been at the forefront of the Department of Defence response to the Covid-19 pandemic over recent months.

The Government also values the service of the Reserve Defence Force. The White Paper on Defence highlights that there is a continued requirement to retain and develop the Reserve. I hope to do much more on this in the months ahead. Perhaps I can discuss how we can develop the Reserve and its capacity with the committee when we have more time. On behalf of the Government, I want to commend the voluntary effort that supports the Reserve Defence Force and to thank the members of the Reserve for their ongoing dedication and enthusiasm, particularly those members who assisted in the national Covid-19 response.

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. I will be working very closely with officials in my Department to achieve this objective. I hope to bring a recommendation to the Government on the members of the commission and its terms of reference before the end of next month. This would be well in advance of what we have committed to in the programme for Government, which states it will be done by the end of the year. We will try to get it up and running early, if possible, which hopefully will indicate that we are anxious to get on with it and benefit from the expertise which will be on the commission as soon as possible.

I want to thank everyone within the defence sector for their enormous contribution this year in difficult circumstances. I remain confident that the significant overall level of funding provided in 2020 will further enable the ongoing implementation of the organisational priorities outlined in the White Paper on Defence, for 2020 and beyond.

Committee members have been provided with briefing material on both the Department of Defence and Army pensions payments. I look forward to positive engagement on any issues they may wish to discuss. I will try to address questions and comments as directly as I can. If there are broader issues that the committee wishes to discuss with me at a later stage, I will

make myself available.

Chairman: I thank the Minister. I call on Deputy Ó Snodaigh who is substituting for Deputy Brady who is isolating.

Deputy Aengus Ó Snodaigh: I have been at these committees for a long time and have never heard any criticism or major questioning of the Army pensions. It is superfluous to do anything other than reflect the usual commentary with any pension, which is that we have to do much more to protect those who are of pension age. People often presume that those who have an Army pension are well off, but that is not the case. Everyone on this committee will know men and women who have served their country honourably but are now down on their luck. Much more should be done to help those on military pensions who are in that position.

I will focus on two aspects of the second Vote, the first of which is the capital plan for 2020. The Minister listed several events that are due to happen this year or in the future. He mentioned the new medical facility to replace St. Bricin's Military Hospital. As there is nothing in the Estimates about St. Bricin's for this year, there is no need to mention it. There are no specifics for next year either. I do not know if a value for money audit has been undertaken on any of the plans with regard to St. Bricin's other than the expenditure of similar moneys on a facility in the Curragh which needs a lot of investment and could be much better placed in the future. That might be something for the committee to examine. Those of us who took part in the committee's visit to the Curragh last year saw the state of the facilities there. The works on accommodation are welcome but conditions in the Curragh are much worse than most people would consider acceptable. The same is true of many of the other barracks. I do not have a major problem with selling off St. Bricin's, but it is odd that a military base in the city centre is up for sale. There is a military logic for the location of military bases within countries which is often not understood.

The second issue has been teased out in many places including at this committee and in the media, namely the pay for those in the Defence Forces. I believe the figure in the Estimates is the figure for a full complement of 9,500. What happens to the allocation that is not spent? Every year, there is an underspend in the money set aside for wages and allowances for a full establishment figure of 9,500. Is the unspent money ring-fenced or pumped back in? Can it be given as a gratuity at the end of each year to those who are actually serving? Every family of Defence Force personnel would welcome that funding being spent where it is intended to assist those serving under tremendous strain given their low wages, as identified by this committee.

Deputy Cathal Berry: I might confine my comments to Vote 35. If there is more time, I might come back to Vote 36. I thank the Minister and his team for appearing before us. It was great to hear the news about the potential Baldonnell hospital, the terms of reference and the commission on defence possibly being sorted by next month. They are very positive. Regarding Vote 35, the defence sector is the only sector where there is a separate Vote for pensions. The pensions of teachers and members of the Garda are internalised in their operational Vote - their operational budget - but due to a historical anomaly, there are two separate Votes when it comes to the defence Vote. It is very useful because it allows us to examine in detail the Army pension situation. A number that really jumps off the page is the figure of 12,750 military pensioners. We now have 50% more people on a military pension than we do serving in the military. That is staggering. If we compare it to the numbers in An Garda Síochána, we will see that the ratio is in the opposite direction with far more people serving than receiving pensions.

I see where the Minister is coming from when he said that he was pleased to inform the

committee that the gross allocation of Army pensions increased by €10 million to some €259 million for 2020. That is completely correct. Everyone wants more money but when I see an additional €10 million being required for pensions, I am not happy. I am devastated. I would much prefer that €10 million to be given in salaries and keeping people in service because many of those people do not want to retire. They have retired because they have been forced to retire so I accept the Minister's point completely and agree with him that it is good to see an increase but I would much prefer it to be going into salaries and keeping people in service rather than into pensions, which, to me, is a problem.

My next point is a technical one that is probably more for the Minister's team than the Minister. I am comparing the figures for Vote 35 with the ones we got on budget day in page 75 of a booklet I have. It says that Army pensions are €262 million. We see here now that the figure is €259 million so I am not sure which figure is accurate. Page 75 of the booklet states that pension provisions increased by €3.5 million whereas we are told today that they have increased by €10 million, so there is a discrepancy with regard to budget day figures and the figures in the opening statement.

Deputy Simon Coveney: The difference between the two is that budget day figures are for next year and the others are for this year.

Deputy Cathal Berry: I thank the Minister for clarifying that. In summary, it is very useful to have a separate Vote. I wish there were not as many Defence Forces pensioners as there are and that there was no requirement to increase the fund. I would much prefer if it could be used on Vote 36.

Deputy Simon Coveney: Deputy Ó Snodaigh is right that the pension Vote is obviously less contentious because it is essentially money that has been committed to and is being paid. Historically, the defence Vote has been split into two. It goes back decades. My understanding is that the public service pension is also in a separate Vote so there is other precedent there but the Deputy is right. They are not separated into two separate packages in the justice and education Votes. It is quite useful to have them separate because if the Army pension Vote is increasing, we do not want to have to effectively supplement that by reducing expenditure elsewhere to compensate, so having both separate is somewhat helpful. It is true to say that there are considerably more Defence Forces pensioners, which is a reflection in recent years of the number of people who have retired but also the age at which people retire from the Defence Forces. This is a more demanding job physically than many other jobs in the public sector and, therefore, people are required in many cases to retire earlier, which means that there are many people of working age who essentially qualify for a Defence Forces pension. The Deputy will be glad to hear that we are unlikely to see as many people retiring this year as in recent years. Part of this might be linked to Covid-19 and other job opportunities and possibly less headhunting and trying to persuade people to move out of the Defence Forces because we have people who are really well trained, well educated, motivated and disciplined. That the private sector tries to target people in the Defence Forces all the time is a reflection of the quality of training within our Defence Forces. It might be a combination of less economic opportunity this year and a big increase in effort to retain and recruit. Hopefully, both of those things combined mean that we will not see as many people retire this year as we have seen in recent years.

In terms of capital expenditure, I will give Deputy Ó Snodaigh a sense of some of the priorities. Key priorities include expediting a range of infrastructural projects across Defence Forces installations, including new and refurbished accommodation blocks in Haulbowline, Renmore, County Galway and the Curragh; upgrade and refurbishment works to the apprentice hostel

in Casement Aerodrome, upgrade and refurbishment at McKee Barracks, Dublin; upgrade of accommodation at Cathal Brugha Barracks, Rathmines; and a new medical facility that will enable a move out of the St. Bricin's site, which, in turn, will allow the Land Development Agency to provide for housing demand there. In addition, funding is provided for new gyms in Kilkenny and Limerick so there is a good mix of quite significant investments across different barracks in different parts of the country. Obviously, we must focus on where need is most acute. I agree with the Deputy about the Curragh and have said this publicly. The Curragh is a huge campus and there is too much dereliction there. We have a plan to change that. We have already seen investment in accommodation there and I hope we will see a lot more of that. Having walked through the Curragh and spent some time there, I know there are opportunities there with investment in terms of a lot of space and capacity, some empty buildings and some dereliction that needs to be addressed. There are a number of projects that are quite exciting in terms of what can be done there. Only this week, we announced investment in terms of the jetty in Haulbowline. There will be further commitments in terms of accommodation in terms of block eight and possibly another block that we want to take into next year with regard to improving accommodation at Haulbowline. I could go through that whole plan but I will just reassure the Deputy that we have a rolling capital investment programme and have increased the capital budget quite significantly for next year on top of this year, which is significantly increased on previous years.

I can remember that when I was Minister for Housing, Planning, Community and Local Government, we spoke to the Department of Defence a few years ago about whether the State could, in partnership with the Department and the Defence Forces, develop the site at St. Bricin's. The Department of Defence and the Defence Forces at the time rightly said that they could not move out of St. Bricin's unless the medical facilities there were replaced with something better and more modern that could allow for that move. Now the shoe is on the other foot. I am the Minister for Defence but I do recognise the potential of that site. It is a really strategic site in the middle of Dublin city. I also recognise that from a defence perspective, while the medical facility there serves an important purpose, it could be a lot better with a purpose-built modern facility so there is a double benefit for the State as a whole. The Defence Forces would get a much more modern military hospital and, more broadly, the State would have a really strategic site for the Land Development Agency to develop for social and affordable housing. Nothing is being forced on the Department of Defence or on the Defence Forces. This is a partnership that I hope we can move together, which works for both. My understanding is the most likely site for that, coming from recommendations from the Defence Forces, is Baldonnell because it is centrally located nationally and well-connected by road infrastructure. It has a great deal of space and it would be an obvious place to develop that new military hospital. That is not for this year's Estimates, however; I just wanted to give the committee a sense of the thinking there.

There is a very valid and good question on salaries. We are signing off on Estimates for 9,500 personnel in the Defence Forces. We are going to be 1,000 short of that so what happens to the money that was allocated for the salaries of those 1,000 people? The answer is that we have a facilitation with the Department of Public Expenditure and Reform to keep that money in the Defence Forces Vote and, therefore, we effectively factor in that additional money into other costs that benefit the Defence Forces, either capital investment or some of the other current expenditure we have. We have insisted, and to be fair, the Department of Public Expenditure and Reform has facilitated, that we maintain the benefit of that unused salary money to keep it in the defence Vote to invest more in some of these other projects, be they capital or current expenditure. We will do the same again this year but I hope to be in a position, next year and the year after, where that unused money earmarked for salaries and allowances will shrink

dramatically because we will get our numbers back up to where they should be, namely, 9,500. I have had that conversation with the Department of Public Expenditure and Reform. That is why there has been a significant increase in our capital allocation for next year because we want to spend more of this money on salaries as we move beyond 8,500 to 9,000 and ultimately to 9,500, which is what our strength should be. The money, therefore, which at the moment comes from that element of the Vote and essentially gets added to capital expenditure, will shrink if we are successful with retention and recruitment. That has to be reflected in an increased Estimate, particularly around capital expenditure. The defence Vote does not lose the money; we do not give it back. It is a significant amount. Pay savings were €38 million in 2016; €27 million in 2017; €37 million in 2018; and last year, €33 million. When we are 1,000 people short, we save a significant amount but we have agreed a facility to hold that money within the Defence Forces Estimate and it will get transferred into other forms of expenditure that benefit the Defence Forces.

Deputy Brian Leddin: I welcome the Minister and thank him for the investment in Sarsfield Barracks, Limerick and the facilities there, which will be received gratefully.

Regarding his comments on the commission for the Defence Forces, I very much welcome that he has brought that commitment from the programme for Government to the top of his agenda and that he hopes to have it established by the end of the year. I hope it will report back within 12 months, again as per the commitments in the programme.

There is a reduction in spending under subhead A11, Naval Service: equipment and support. I am curious about the reason for the reduction. I thought that in the context of Brexit and the need to protect our territorial waters, that we would perhaps spend more in this area. The Minister might elaborate on that spend and on future plans in that area.

Deputy Gary Gannon: I want to raise an issue with the Minister. If it is a policy issue, we can discuss it on a different day but I want to bring it onto the agenda. It is the issue of funding for veterans associations. The Minister mentioned St. Bricin's Military Hospital. The Irish United Nations Association has its base just a stone's throw away in Stoneybatter. During my time on Dublin City Council we received a request every year for a small donation to assist the association with infrastructure changes or just to keep the group going. Veterans associations are really important and I would like to discuss how we can better assist their members in order that they do not have to keep fundraising because I am sure they have better things to do with their time.

Deputy Simon Coveney: We are happy to move ahead with investment in Sarsfield Barracks in Limerick. It is one of a number of priorities we want to move ahead with. There has been a delay this year in some of those physical construction works we were hoping to move ahead with because of Covid and so we are now trying to catch up. I assure the Deputy there is no pulling back from that in terms of financial resources; quite the opposite in fact, we are trying to accelerate some of it.

Regarding the commission on defence, we are going to write to each of the political parties in the next few days outlining the six key areas we want feedback in setting up the commission. We will finalise the terms of reference in the next few weeks. We are going to put together a commission of eight to ten people. It will need to have a balance of Irish and international expertise on defence matters. Obviously there is recognition of the need for gender balance as well. We need people who have defence experience in the form of serving in defence forces as well as public service defence experience. I hope we will have an impressive group of people

with a very solid chair who can keep this process on time to get a detailed report and series of recommendations within 12 months, as that is the plan. I would like to be in a position to bring that to Cabinet by the middle of next month but if it gets delayed by a couple of weeks, then certainly by the end of next month. This would mean we would be a month ahead of schedule, which is where I would like to be on defence matters. We will also write to the representative bodies to ensure they can also make a written submission before we finalise the terms of reference. I have had some verbal meetings as well with those bodies, and we are opening it up to the broader public to make submissions over the next few weeks. We will try to be as inclusive and as broad as we can in our consultation. Normally I would have a big, two-day seminar with a load of debates about what we should be doing on defence and what the commission should look like. and we would probably do it on one of our university campuses to try to get as much engagement as we can. However, we just cannot do that during the pandemic and, therefore, we must do it both remotely and through written submissions more so than we usually would. We are open to different ideas and perspectives.

On the Naval Service, when one looks at the outturns for 2018 and 2019, the Estimate was lower but Deputy Leddin might find that the outturn is higher than the Estimate by the end of the year. If it is we will transfer money to recognise that. It is important to say we have real challenges in the Naval Service at the moment. We have two ships that should be at sea but are tied up as we do not have the personnel to crew them. We are working hard to address this. Another ship is out for a mid-life service and we want to get it back into operation as soon as possible. We also had an unfortunate fire on the *LÉ Niamh*, which will delay her return to full service by a couple of months as well. There have been a few setbacks this year but there have also been some positive initiatives. Last week, in Haulbowline naval base I spoke to our naval personnel via a Skype link and some of them were offshore at the time. I had to explain to them what we are doing with the new retention and commitment scheme that involves them committing to go to sea for 24 of the next 48 months because that is how the cycles work. One does two years at sea and two years on land. That has been received pretty well. We are recognising that we need to increase the monetary recognition of the sacrifices that are required to go to sea because we know there has been an issue with that. I hope that the combination of this service commitment scheme and an expansion of the seagoing tax credit for next year will be attractive in the context of retaining people and also in attracting more people into the Naval Service.

That is a big priority for me and it is simply not acceptable that, while having a White Paper that talks about an eight-ship fleet and the programme for Government of the previous Government talked about a nine-ship fleet, we have so many ships that are not able to go to sea for different reasons. It is hoped we will get back to having six ships fully crewed and operating properly next year and we will build from there to get back to seven, eight and nine ships over time. We will make the necessary investments to do that, on land, in the upgrading of ships and in acquiring new ships.

I have not had a chance yet to meet the veterans associations as Minister. I intend to do that as soon as I can. There are challenges with meeting people in groups at the moment, but I got to know the veterans associations quite well when I was last in the Ministry for Defence. We will maintain the support programmes that are there already and we will look to do more if we can. I would like to consult with the veterans associations to make sure I am in tune with exactly what they are looking for before making any further commitments on that. It is an important part of the defence family. When people leave the Defence Forces, some find it tough. They leave a structured environment, and that often creates pressures that others do not have to contend with. Some people fall into difficult places and we need to make sure the defence family is still intact

after people leave the Defence Forces in the context of the supports, comradeship and reach we try to have to support them. The veterans associations are the ones who can do that best, so that is a conversation I am happy to have with the bodies concerned.

Deputy David Stanton: I am aware of the challenges the Naval Service has, as the Minister has outlined. I encourage him to do what he can to increase the numbers there. I understand that military personnel are highly valued in the private sector and are often directly recruited by the private sector. I am also concerned about the Naval Service vessel patrol days, which numbered 1,408 in 2017 and just over 1,000 in 2019. The Minister might comment on that.

I am glad to hear the Minister committing to having a look at the Reserve Defence Force and to trying to increase and support it. I am concerned about its effective strength, which is 1,698. That is less than half of what it was at its establishment. In 1990, the forerunner, which used to be called the Fórsa Cosanta Áitiúil, was 14,000. Maybe on another day we could have a full meeting on the Reserve Defence Force, its role and what can be done to strengthen it. It is almost on life support at this stage with 1,698 members, and I am not sure if any of that number are non-effective or even if that distinction still exists or not. I contend it performed a role, which was to give young people an outlet and an opportunity to experience military life. Quite often, people who did that for a period would then maybe make a decision to take up a role in the Permanent Defence Force. The amount of money being spent on that every year is dropping as well, which is probably reflective of the fall in strength of the Reserve Defence Force. It is something that needs our serious attention, and a serious debate on the future and role of the Reserve Defence Force, if it has one, is required.

Deputy Barry Cowen: I thank the Minister for the information contained in his briefing. Will he confirm that this is the first occasion on which the moneys committed for augmenting the Defence Forces have been retained as compared with previous years? I am glad to hear it has retained been this year at least but I would like to confirm if this is the first year that has been done.

On this year's efforts at recruitment, how many have joined and how many have left? Is it possible to get some analysis of the existing pension book as the Minister prepares for the commission? I am sure it might be available to the Minister. It would be helpful to see the configuration of the age profile and some reasoning behind members of the Defence Forces having left prematurely. That would ensure the commission is properly informed and in a position to address the issues that members within the Defence Forces are most anxious to address.

Chairman: In case we do not get to another round of questions, the Minister mentioned the capital plan for the Curragh and expenditure that will be incurred by the Department over a period of time. I assume that responsibility for expenditure under the capital plan would not be confined to the Department of Defence but that this is an important national programme. I would envisage a role, perhaps under the town and village renewal scheme, for other Departments and I would see the Office of Public Works, OPW, being involved. If we are going to be realistic about a national plan and a regeneration of the physical structure of the Curragh, it would not be either reasonable or fair for that to fall under the budget of the Department of Defence.

I refer to Covid-19 and the current role and function of the Defence Forces. In the area of contact tracing, earlier in the year there appeared to be active engagement. Is that still in operation? I also recall that during the summer, mention was made of a role for the Defence Forces assisting with the HSE in the matter of private nursing homes in terms of deep cleaning and

ensuring that every effort is being made by way of a national resolution to combat this issue. How would the Minister see a further active role for the Defence Forces, particularly now as we move into a new and fresh level of restrictions?

Deputy Simon Coveney: I will answer Deputy Stanton's questions first. I know he is familiar with the Naval Service and the pressures it is under. I hope that the scheme we launched last week is an indication to people working in the Naval Service that the Government is taking this issue seriously. It took a number of months to get this scheme agreed with the Department of Public Expenditure and Reform, for understandable reasons. Effectively, what it does is that if a person has been in the Naval Service for more than three years, he or she can commit to this scheme to go to sea for two of the next four years and get €5,000 for each of those years that he or she follows through on that commitment, as long as 120 days are spent at sea. We would expect that in their seagoing year, people would spend about 165 days at sea. There is more than enough flexibility there. We have also increased the seagoing tax credit from €1,270 per year to €1,500 per year. Essentially, that is after-tax cash. If one rolls that up, it is actually a combination of the two, which is quite a strong incentive to go to sea.

We built on a successful Air Corps service retention scheme, which was designed slightly differently but on a similar principle, and applied that to a commitment to go to sea, which is a retention scheme also because people sign up for the next few years. That gives us a lot more certainty in the context of retention. Unfortunately, when people are headhunted and offered jobs that may pay higher, and they are also faced with the lifestyle choices that come with choosing to go to sea. I continue to maintain that we needed to reflect that challenge in the context of the financial response we had to put in place. This is not a pay or salary increase, it is a retention scheme that is a financial incentive to being willing to go to sea, and to commit to doing that for the years ahead. Certainly, the response so far has been quite strong.

The third element as part of that package is direct entry into the Naval Service where we will recruit and target certain skill sets, ironically from the private sector. Hopefully, the shoe will be on the other foot for a change and we will be able to introduce those people in at a higher rank than they otherwise would have come in at, to make it more attractive for them. Specialist engineers, radar operators or chefs, for example, may be among a range of specialists available in the private and commercial shipping sector that we could target to bring into the Naval Service. Perhaps more importantly, in the context of re-enlistment, it may also bring such specialists back in if they had left. There is a lot happening to try to address the retention and recruitment challenges we face. It is important to say that the interventions in the Air Corps last year by the then Minister of State, Deputy Kehoe, have been very successful. I am aware that there is not a lot of headhunting for pilots at the moment given the state of the aviation industry this year, but even with all of that we have seen a lot of pilots come back in, which is great.

I want to do a lot of work on the Reserve. Deputy Berry has raised this with me previously, as have other Members. We will look at how we can expand the role of the Reserve and how we can complement the expertise within the Permanent Defence Force with potentially additional roles for the Reserve. We will ask the commission to look at this in detail. We are looking at whether we can introduce an amendment to the defence legislation coming through the Houses currently, to expand and give a legal footing to be able to do more with and for the Reserve and to make it a more exciting option. Reserve numbers are not where they should be and we need to send a very clear signal to the effect that we have a single Defence Forces policy where the Reserve works in tandem with, and complementary to, the Permanent Defence Force, at home and potentially abroad too, and particularly where there are specific skill sets the Reserve could

provide that may be in short supply in the Permanent Defence Force at different times. That also applies in respect of the Naval Service. We are looking at those issues and I look forward to progressing them through the commission and through conversations with reservists.

On Deputy Cowen's point, the retention of the money has been facilitated by the Department of Public Expenditure and Reform for a number of years. It is not the first year we have done this. There have been accusations that because the strength is not what it should be, we are handing back all this money each year. That is not the case. We are the only Department where there is a recognition from the Department of Public Expenditure and Reform that unspent money on salaries is because we are below strength - on a temporary basis I hope - and they allow the Department of Defence to reallocate that money into other areas of expenditure that are needed. We are using that at the moment to spend significantly more money on capital expenditure than suggested in the Estimates. To be perfectly honest, it is happening because there is a problem and we need to fix that problem and get it addressed in future capital Estimates. It is not a satisfactory situation that we have 1,000 fewer people in the Defence Forces than we should have. This is, I hope, a temporary issue while we address the retention issues.

I was asked for some detail on recruitment and I shall give the committee a sense of that. The Government has acknowledged that there are particular challenges in the Defence Forces and this is why there is a commitment in the programme for Government to examine recruitment and retention issues as part of the commission on the future of the Defence Forces. There is also a proposal to establish an independent pay review body when the commission has completed its work. A high-level implementation plan, strengthening our defence forces, is also being progressed. Pay measures as recommended by the Public Service Pay Commission have been delivered. Other projects to enhance recruitment and retention are being delivered and others will feed into the negotiations over the next round of discussions on pay. There will be an opportunity to fully consider pay matters in the Defence Forces as part of the next pay agreement and within the commission on the future of the Defence Forces. Military authorities advise that 340 personnel were inducted in 2020 to the end of September and further inductions are planned during the remainder of the year. The Defence Forces capacity to induct and train recruits was severely impacted upon by Covid-19 earlier in the year. I suspect that there are still some limitations even now. In conjunction with traditional recruitment, a range of alternative recruitment approaches are being utilised, for example, the campaign to re-enlist and recommission former members and to have a direct entry recruitment process, which I referred to earlier. I shall give a sense of previous years' numbers: in 2016 there were 690 people recruited across all ranks; in 2017 it was 7,521; in 2018 it was 627; in 2019 it was 615; and to date in 2020 it is 340. This, however, is an extraordinary year. We are talking about some 600 to 700 people per year. We need to try to increase this if we can. Some of the points I referred to earlier will help us to do that.

The Chairman asked about the regeneration of the Curragh. When I was Minister for Agriculture, Food and the Marine, we worked with the Department of Defence on some broad thinking around the regeneration of the Curragh as a whole. It is not just about the barracks. The Curragh is quite unique in its ecosystem and the space and opportunity there. We can do a lot more through an ambitious programme of investment through the Department. We should also be working with Kildare County Council and other Departments that have a more broad interest in the development of the Curragh as a whole. I am aware that the Minister of State, Deputy Heydon, and other Members, including members of this committee, have advocated for that. We are certainly very much open to it.

With regard to the role of the Defence Forces in the continuing fight against Covid-19, we are available - when I say “we” I am talking about the defence infrastructure of the State - to do more. Do not underestimate how much work the Defence Forces have already done in response to Covid-19: working with the HSE, publicly and behind the scenes; as support in areas of transportation and contact tracing and testing; setting up testing capacity on quay sides using Naval Service vessels; and also in operating some of the existing test centres. The Defence Forces will remain at the disposal of the State to work with An Garda Síochána, with the HSE and with national efforts generally. Obviously, in the past few days, we have seen problems in terms of capacity around contact tracing. They are problems we need to address quickly and I know the HSE is doing that, but the Defence Forces are there to help. We have shown that, at very short notice, the Defence Forces can essentially design structures to complement what other arms of the State are doing. We will continue to be available to do that as we move through the second wave.

Chairman: On that, I will bring matters towards a conclusion. I apologise to members of the committee for not having a second round of questions but, unfortunately, the logistics and the fact we need to be in the Convention Centre for a plenary session have curtailed our engagement.

I commend the Defence Forces at every level on all the work they do on our behalf and on behalf of the people of Ireland on a 24-7 basis but, in particular, for the assistance they provide in the context of the current Covid pandemic. They have our appreciation and goodwill.

I thank the Minister and his officials for attending and for dealing with our questions. We will have a further engagement. The Minister mentioned the commission on the Defence Forces and it could well be the case that we will have a dedicated meeting on our role in that. I know the Minister has written to the parties and to individual Deputies but perhaps there is a role for this committee in regard to making a submission. This is something we will come back to him on and the Minister might be in a position to engage directly with us.

As we have completed our consideration of the Revised Estimates for Votes 28, 35 and 36, we will send a message to that effect to the Clerk of the Dáil in accordance with Standing Order 101, and under Standing Order 100(2), the message is deemed to be the report of our committee. Is that agreed? Agreed.

Message to Dáil

Chairman: In accordance with Standing Order 101, the following message will be sent to the Dáil:

The Select Committee on Foreign Affairs and Defence has considered the Revised Estimates for the Department of Foreign Affairs - Vote 28; and the Department of Defence - Votes 35 and 36.

The select committee adjourned at 12.42 p.m. *sine die*.