



Representative Association of Commissioned Officers
Comhlachas Ionadaitheach na nOifigeach Coimisiúnta



**GENERAL SECRETARY, REPRESENTATIVE ASSOCIATION OF
COMMISSIONED OFFICERS (RACO), COLONEL BRIAN O'KEEFFE**
ADDRESS TO THE PUBLIC ACCOUNTS COMMITTEE, 18 OCT 2012

Chairman and Members,

On behalf of the Representative Association of Commissioned Officers (RACO) I thank you for the opportunity to address you today. We welcome the opportunity to provide the Committee with our perspective on the matter of allowances in so far as they apply to our members.

The Defence Forces' remuneration structures are a complex mix of pay and allowances. This reflects the complexity of the Organisation itself in terms of the spread of skills and expertise of its members and the range of duties performed by personnel across the three services, Army, Air Corps and Naval Service. The organisation has been described as being like a microcosm of the overall public service. The Defence Forces has doctors and nurses, engineers, firemen, pilots, sailors, IT specialists, mechanics, teachers and lecturers, logisticians, carpenters, electricians, lawyers, cooks, accountants and more. Of course, we are also soldiers, sailors and airmen and women with a diverse range of specialised military skill and expertise. We perform a variety of duties on land, sea and air, at home and overseas, 24 hour a day, seven days a week, 365 days a year. It is inevitable that the remuneration structures for such an organisation will be complex and, perhaps, difficult to understand. We are not unique in this. Our research indicates that broadly similar structures apply in the armed forces of many other countries, such as the United Kingdom, Finland, Austria, Germany, Denmark, Australia and New Zealand.

A range of allowances and additional pay items may be payable to individual members of the Defence Forces, either on an ongoing basis or periodically. These relate either to qualifications, skills or expertise or to the nature or duration of particular duties performed. In general our allowances are taxable and NOT pensionable. Most have been in place since before representation was introduced to the Defence Forces, while many were introduced or restructured by the Gleeson Commission in 1990. While RACO's preference would generally be for pay increases over allowances, it has rarely been possible for us to address particular remuneration problems other than through allowances. There are many reasons for this, not least the fact that the allowances route is often the most cost effective one for the Official Side to take.

We note that the recent review of allowances carried out by DPER identified structural weaknesses in the way members of the Defence Forces are paid and that the Government has decided that new pay arrangements will be developed in the medium term. We look forward to making a significant and positive contribution to the development of more effective structures. However, we do caution that it will not be an

easy task. It is not simply a matter of picking a few allowances to consolidate into pay and abandoning the rest.

More immediately, the Department of Defence has recently made proposals to withdraw certain allowances from current beneficiaries. Discussions on this matter have opened as part of the process provided by the Croke Park Agreement. We will engage with this process and hope and that we can reach a speedy conclusion.

My Association is totally committed to the letter and spirit of the Croke Park Agreement. The Defence Forces are delivering on all elements of the Action Plan for our Sector. Currently the most challenging item is the reduction of the number of Army brigades from three to two. Under this reorganisation many individual members of all ranks face redeployment to new locations or significant retraining to enable them to operate in new roles. They also face a serious reduction in career advancement opportunities through the reduction in appointments. In addition the change involves a massive effort in administration, logistics and training. The plan for this reorganisation was only finalised in July. But the new organisation will be in place by the first of November with personnel filling posts in their new units. Of course the re-training and up-skilling process will continue way beyond that.

The Defence Forces have been described as a model of public service transformation. The evidence of the past twenty years supports this description. Over this period a process of continuous and radical change has transformed the organisation into one that is acknowledged internationally as being world-class. We have de-layered and fundamentally restructured at every level, significantly reduced the number of barracks occupied, re-focused our training, overhauled all of our administrative systems and processes, and brought our equipment right up to date through major re-equipping programmes. These have been funded primarily by payroll savings achieved through reduction in headcount. From 2001 to 2009, as public service numbers generally increased, the strength of the Defence Forces fell by more than 11%. This resulted in annual payroll savings conservatively estimated at €57m in current terms. This followed on from a process in the 1990s that had resulted in a 20% reduction in military numbers during that decade. So that is a 28% reduction in numbers since 1990.

We recognise that the issue of allowances is a serious one and that the overall costs are very significant. However I do have to say that it has been dispiriting and demoralising for our members to see the considerable attention paid in the media and elsewhere to individual allowances paid to some members of the Forces of as little as €27 a year when there is no coverage of the fact that headcount reductions since 1990 have yielded payroll savings of upwards of €170 million a year.

Finally, Chairman and Members I want to thank you once again for the opportunity to address you on this matter.