



Opening Statement of Secretary General to the Committee of Public Accounts

- I am accompanied by my colleagues Mr. Ciaran Murphy, Assistant Secretary General, Ms. Fiona Lafferty, Principal Officer and Ms. Clare Tieman, Principal Officer, Department of Defence.
- To place today's discussion in an overall context, the expenditure in the Defence Vote in 2011 was of the order of **€700m** of which slightly more than **€500m** is accounted for by payroll. During 2011, the numbers employed in the Defence Forces averaged 9,500, there were 735 civilian employees and 348 civil servants. In nominal terms, the Department of Defence spent a total of roughly **€100 million** on allowances. However more than half of this figure - **€53 million** - is accounted for by Military Service Allowance (MSA). MSA is a universal payment made to all military personnel to compensate them for the unique demands of military life. MSA is counted as part of the basic pay of military personnel in pay reviews. The balance of roughly **€46 million** covers allowances as the term is commonly understood, that is payments that are made selectively to individuals albeit for widely varying reasons.
- The term "allowances" covers a variety of payment types that are very different from each other. Some are intended to reimburse expenses and do not form part of remuneration. Some payments are made in recognition of particular technical or professional qualifications. The Defence Forces have to be self sufficient. Therefore, in addition to having purely military training and qualifications, the military workforce is extremely diverse and includes widely differing skills ranging literally from plumbers to pilots. The pay system has evolved different rates of additional pay to reflect this. Finally, there is a range of allowances that seek to recognize particularly onerous duties whether at home or overseas that fall outside the norms taken into account in setting basic pay. I wish to emphasise that military personnel may be required to work around the clock, to work long hours and to remain on duty at weekends. The Defence Forces do not receive overtime, hence this third category of payment.
- Overall, while there are around 65 separate allowances, it's important to emphasise that many allowances are paid to relatively small numbers of personnel. Almost two thirds of the **€46 million** is accounted for by the top three categories of allowance, that is Technician pay (**€7.7 million**), Security Duty Allowances (**€10.5 million**) and overseas peace support allowances (**€10.7 million**). Tech pay and SDA had already been selected for review as part of the Defence Sectoral Croke Park Agreement. Their review has now been subsumed into the larger central initiative and is now being addressed with the Representative Associations in accordance with agreed procedures.
- It is also important to emphasise that representation in the Defence Forces is a comparatively recent phenomenon, being introduced in 1990. Roughly half of the allowances (33) date from 1990 or later, This reflects the influence of the Associations in identifying discrete groups of military personnel who are performing duties that impose more than the normal burden on personnel or that require unique qualifications. Many of

these allowances apply to quite small numbers of personnel. They frequently address circumstances where military personnel are required to perform duties for exceptionally long periods of time or where changes in technology require personnel to acquire additional qualifications. For example, an Aid to the Civil Authority Allowance compensates personnel who are called out after hours in emergencies such as flooding or bad weather. An EOD Allowance is paid to bomb disposal personnel

- The committee may wish to note the ongoing reorganisation of the Defence Forces which is a major change in the organisation and structure of the Defence Forces. There have been strength reductions across the board. The reorganisation has had a very major impact on the lives and future careers of serving and future members of the Defence Forces right across the entire organisation. This programme has entailed barrack closures and a large scale reorganisation process affecting thousands of personnel. There has been a reduction in the number of Brigades from three to two requiring the redeployment of around 2,000 personnel

Throughout this very challenging period, the modernisation process in Defence has been overseen by a sectoral implementation group. While very difficult issues have been surfaced, and very robust negotiations have been necessary, there has been a continuing constructive engagement by the Representative Associations at a particularly difficult time for their members. The Croke Park Agreement has been adhered to in the most difficult of circumstances and it has and is being used to facilitate fundamental and far reaching reform.

Finally, the Committee may wish to note that a small portion – less than 2% - of the approximately €100 million refers to allowance payments to civilian employees and civil servants. Pay issues in relation to personnel employed in more than one Department are dealt with centrally. These grades are not comprehended by the Defence Sectoral Agreement under Croke Park but are comprehended by central arrangements.

Thank you Chairman.

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