



**MINISTRY OF DEFENCE AND MILITARY VETERANS**  
Republic of South Africa

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**MEDIA ADVISORY**

**DATE:** 18 May 2018

**EMBARGO:** None

**SUBJECT:** **INTRODUCTION OF THE DEBATE ON THE DEFENCE AND MILITARY VETERANS BUDGET VOTE 2018 IN THE NATIONAL ASSEMBLY, BY HON NOSIVIWE MAPISA-NQAKULA, MINISTER FOR DEFENCE AND MILITARY VETERANS, 18 MAY 2018, PARLIAMENT, CAPE TOWN**

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Speaker of the National Assembly / Chairperson

Deputy Minister, Hon KB Maphatsoe

Cabinet Colleagues and Deputy Ministers

Chairperson and Members of the Portfolio Committee on Defence and Military Veterans

Co-Chairpersons and Members of the Joint Standing Committee on Defence

Honourable Members

Secretary for Defence, the Chief of the Defence Force and the Director-General of the DMV

Chairpersons, CEOs and Heads of all entities of the Ministry of Defence and Military Veterans

Distinguished guests

Friends and fellow South Africans

On behalf of the Nation, I want to take this opportunity to thank all members of the Defence Force for the manner in which they conducted the funeral services of our stalwarts Mama Winnie Madikizela Mandela and Dr Zola Skweyiya.

Last Wednesday, the 9th of May, marked 24 years since our mother Albertina Sisulu stood on the floor of this House to nominate Nelson Mandela as our country's first democratically elected President.

This year the nation commemorates the centenary of the births of President Nelson Mandela and Mama Sisulu. Accordingly, Madam Speaker/ Chairperson, we dedicate this Budget Vote debate to both these stalwarts and the founding leaders of our democratic dispensation.

With us today is Major Seitebatso Pearl Block who was awarded the 2017 United Nations Military Gender Advocate of the Year Award for promoting the principles of the UN Security Council Resolution 1325 within a military context.

Chair,

The SANDF is deeply honoured to remember Nelson Mandela as its founding Commander-in-Chief and continues to be inspired by his values and vision for a Defence Force that symbolises unity and service to all our people.

The Defence Force is committed to the principles and values enshrined in our Constitution. The defence force's first policy

document appropriately entitled “Defence in a Democracy” was approved by this Parliament. A central principle of our constitutional democracy is the subordination of the military to civil authority. The entrenchment of that principle during Tata’s tenure as President of the Republic is one of the many positive legacies he bequeathed on our nation.

The democratic South Africa adopted a parliamentary system of government wherein Parliament has legislative authority and the President is both head of state and head of the Executive.

The President is the Commander-in-Chief of the Defence Force, and the Constitution vests in me political responsibility for the defence of South Africa. The Constitution requires me to develop and implement national defence policy and to co-ordinate the defence function. I am accountable to Parliament and the President for this.

Our Constitution requires that command of the Defence Force must be exercised in accordance with my directions, which I give under the authority of the President.

The Secretary for Defence is the Head of the Department of Defence and it’s Accounting Officer. The Department consists of the Defence Secretariat, the Defence Force and any other Auxiliary Service which may be established.

This Defence Budget Speech is my strategic direction for the 2018 Medium Term Expenditure Framework (MTEF) period and is to be executed by the Department.

Chair,

South Africa is a peaceful country that lives in harmony with its neighbours. However, the unpredictability of the strategic environment, together with emerging conflict trends on the African continent, requires us to maintain a credible military force as a deterrent. Some of the countries in the SADC are injecting financial resources to build their military capacity through acquisition programmes. Conversely, South Africa is on a path of reduced defence expenditure.

The Defence Review 2015 warned us that: *“No country can be considered immune from international acts of terror that are difficult to counter, owing to the international networks involved, and which may be perpetrated by individuals not affiliated to a specific country or group, but to an ideological cause”*. Terrorism poses a real danger to our region.

South Africa’s constrained ability to effectively manage, monitor and react to land, air and maritime threats allows for the continuous inflow of illegal migrants, smuggling of goods, weapons and human trafficking. These factors contribute to internal instability and lawlessness. The porousness of our borders requires a multi-departmental approach and the cooperation of our neighbours. For instance, the barbaric manner of the recent slaughter in Durban is a concern to our people.

We must remain vigilant in protecting and securing our airspace and maritime zones. Unmanned aerial vehicles (UAV’s) and privately owned small aircraft are often used for acts that threaten the safety and security of our people.

Chair,

We are all aware of the growing cyber-threat to the Republic and the risk to our sovereignty. It is paramount that efficient, powerful and cost-effective cyber-defence and cyber-security solutions are implemented to protect the critical information infrastructure.

Natural and man-made disasters remain a reality that could have catastrophic consequences for our country. Increased and possibly detrimental global warming is forecast.

Chair,

Both Cabinet and Parliament endorsed the South African Defence Review 2015 as the national policy on defence. We developed the 'Defence Plan to Arrest the Decline' which addressed the first three milestones of the Defence Review, and which I presented to the Joint Standing Committee on Defence on 12 May 2017.

I reported to this House last year that: *"the persistent and continued dramatic downward trend in real-terms of the funding allocation to defence has reached a point where the DOD runs the risk of losing more of its essential capabilities, in addition to those already lost"*.

Members will also recall that last year I reported that: *"We are endeavouring to develop a common DOD and National Treasury budget proposal, endorsed by both Ministries that will inform our engagement of the Ministers' Committee on the Budget (MINCOMBUD) and the development of the 2018 Medium Term Strategic Framework (MTSF) Mandate Paper"*.

We have had ongoing engagements with the National Treasury (NT) and the Department of Performance Monitoring and

Evaluation (DPME) over the last year, and we look forward to the DOD and the National Treasury jointly briefing the Joint Standing Committee on Defence on the funding of the implementation of the Defence Review.

Chair,

I must now report to the House that, despite these efforts, the defence allocation has not improved. Specifically, the critical requirement to raise the Defence base-line during the MTEF by 18,2 billion-rand to implement the Defence Review has not been realised. In this year alone, we have a reduction of 5,8 billion rand, and specifically a 3,2-billion-rand shortfall in the Compensation of Employees allocation. The reduction translates to an 18 billion-rand reduction over the MTEF.

This poses serious constraints to Defence and the Plan to Arrest the Defence Decline remains unfunded.

Chair,

Defence should remain mandate driven, and not budget driven as is currently the case.

Not only is the Defence Force expected to defend and protect South Africa, it is expected to rapidly intervene during crises on the Continent. It must sustain Peace Support Operations and continuously secure the land borders, the full maritime zone and the airspace. We also expect the Defence Force to be a key role-player in the cyber-defence of South Africa and to support other Departments, when required. We further expect our Defence Force

to execute our many international obligations.

Honourable Members, this level of ambition is not sustainable on the current level of funding. I want to repeat what I said last year, South Africa has now reached the point where it must make a decision on the kind of Defence Force it wants and what it can afford.

## **Planning Priorities**

Chair,

In terms of planning, we must assume that Defence will remain on this downward funding trajectory for the foreseeable future. Should this be the case, urgent steps will have to be taken to stabilise the Department and create a more sustainable defence capability, albeit at a lower-level than was envisaged in the 1998 and 2015 Defence Reviews.

We must put in place dramatic measures to ensure that the Defence Force can sustainably function within this reduced allocation. I have directed the Department to formulate targeted interventions to achieve short-term sustainability. These interventions must ensure the least possible disruption to the fighting units and must enhance the SANDF's operational output.

I have also directed the Department and the Chief of the Defence Force to follow a "Soldier-First" principle for its members, emphasising discipline, fitness, training, medical health and the personal equipment of the individual soldier. The Defence Force exists to conduct military operations and must ensure that each and every soldier is ready to deploy in military operations as

required.

## **Personnel Priorities**

Chair,

In terms of human resources, the budget constraints drive us to consider a reduction of personnel. However, considering operational pressures, the Council of Defence made a decision not to reduce the defence personnel complement.

I have directed the Department to make personnel interventions focussed on the combat units, supported by both a 'feeder system' that will bring in young, fit and healthy soldiers and an accelerated, attractive retirement programme with full benefits, beyond that of the current Mobility Exit Mechanism (MEM), but without losing critical skills.

I have instructed the Department to rejuvenate the personnel component by -

- Maximising the combat capability of the SANDF by staffing our combat units with existing young, healthy and fit soldiers. This will improve both the average staffing of units, as well as the mean-age of those units.
- Ensuring the retention of technical, medical and other scarce skills.
- Driving career management and succession planning in pursuit of a young, professionalised and skilled Defence Force.

As the Council on Defence we have taken a decision to review the

effectiveness of the current MEM.

I would also like to thank the 15 000 Reserve Force members who voluntarily served in the past financial year. The new Reserve Force Regulations were gazetted on 22 June 2017. I wish to assure you that deficiencies and corruption in the current Reserve Force System are being addressed and I have directed that the whole Reserve Force System must be overhauled. I expect the Reserve Force Council to make inputs in this regard.

### **Equipment Priorities**

Chair,

We will have to prioritise the maintenance of that equipment which is required for priority missions and dispose of legacy and irreparable equipment and ammunition. Notwithstanding the severe fiscal constraints, we must prioritise the acquisition of domain-awareness systems in order to deliver more effective operations.

### **Sustainment Priorities**

In terms of sustainment, I require the Department to develop a new supply-support system for future operations. An improved value-proposition must be created in the procurement process to enhance operational responsiveness and economy, efficiency and effectiveness.

### **Facility Priorities**

Our facility footprint is one of our most significant cost drivers. Our footprint must be rationalised to be in alignment with the priority

missions. In addition, we must develop Endowment Properties and reduce the DOD's exposure to high-cost leases.

Honourable Members will recall that I had previously reflected on the need to 'sweat our assets' as part of the funding model for the implementation of the Defence Review. Our Defence Endowment Properties will occupy a central place in our facility strategy in the years ahead. We must:

- Develop a policy and practice notes for the 'sweating of surplus Defence Endowment assets'.
- Lease our under-utilised facilities.

I have further ordered a forensic investigation into the 1 Military Hospital refurbishment programme due to the number of years and the cost it has taken for the hospital to be fully refurbished and completed.

Chair,

The Defence Force is currently involved in Border Safeguarding Operations along the Zimbabwe, Mozambique, Swaziland, Lesotho, Namibia and Botswana borders. The Defence Force's deployment ensured tremendous successes.

However, due to the current budget cut, the roll-out from the current 15 sub units to 22 sub units will probably be delayed.

In order to enhance the mobility, quick-reaction and wide coverage of forces deployed along the borders, the Defence Force has procured new Troop-Pack vehicles that are being rolled-out in phases as part of an Integrated Mobility Package on the

borderline. 200 of these vehicles have been distributed and are currently being used in Operation CORONA:

- 50 in the Free State.
- And 25 in each of the other 7 Provinces having a border-line.

Chair,

The Defence Force will continue to conduct maritime border safeguarding operations under Operation CORONA, ensuring a joint and multi-agency approach in safeguarding South Africa's maritime zones and providing a secure environment for the accelerated economic growth initiatives of Operation PHAKISA. The SA Navy's visible presence and active patrols has led to the absence of piracy incidents in the Mozambique Channel and the total absence of maritime piracy within South Africa's maritime zones.

Chair,

In support of our foreign policy, and within the mandates provided by the United Nations and the African Union, we have continued to make a meaningful contribution to the security of the Continent, creating an environment where political stability, economic development, and educational and technological advancement exist. In pursuit of these objectives, the sons and daughters of this land have at times paid the ultimate price.

I would like to inform the House that the SANDF's Brigadier General Patrick Njabulo Dube took over command of the United Nations Force Intervention Brigade (FIB) in the Eastern DRC during April 2018.

Chair,

South Africa supports the United Nations intention to downscale MONUSCO. However, in doing so this should not affect the capacity and capability of the Force Intervention Brigade (FIB) which has an enforcement mandate requiring robust combat capabilities. The withdrawal of some of these capabilities led to fatal casualties for the Tanzanian contingent of the FIB. We therefore cannot accept that South Africa withdraws its assets, in particular the Rooivalk, which would weaken our combat capability and place our troops at risk.

Furthermore, we withdrew our training team in the DRC, namely Team BULISA which was established on a bi-lateral basis in that country.

In terms of our SADC commitments and foreign policy objectives, our Commander-in-Chief remains the mediator in Lesotho. South Africa has pledged its support to the SADC Police and Military Operation in Lesotho (SAPMIL). We await further instructions from our Commander-in-Chief.

Chair,

The African Capacity for Immediate Response to Crises (ACIRC) was set up in November 2014. Although established as a temporary measure, it must continue until all of us are confident that the African Standby Force is fully established, organised and operationalised at a Continental level. To this effect, South Africa will be the framework nation for ACIRC in 2020 and will continue to participate as a volunteer nation throughout.

The SANDF, through its Humanitarian Assistance and Disaster Relief Response Operations has continued to provide support for disaster relief, humanitarian assistance and search and rescue missions on an ongoing basis. An example was the recent fire-fighting in the Eastern and Western Capes, building of bridges in rural communities and the South African Military Health Services deployment to the North West Province.

Chair,

In support of National Development Plan the Defence is involved in Operation PHAKISA (Growing the Oceans Economy). The local building of 3 Patrol Vessels and a Hydrographic Survey Vessel for the South African Navy will significantly bolster the national ship building industry.

Armscor has also supported Operation PHAKISA through capability technologies at a total cost of 6.26 billion-rand in investment, which will create 570 high-technical direct jobs and 4560 indirect jobs over a period of five (5) years.

Chair,

Project KOBA-TLALA is aligned with the country's policy for the agriculture sector. This project is focussed on boosting small-scale and emerging farmers and SMMEs as part of the value-chain. This initiative should have a footprint in all rural provinces. We intend to provide greater job prospects for the youth as well as the re-skilling and education of our Reserve members.

In this financial year, the Defence Force will launch a 'Production Brigade'.

Chair,

The Defence capital requirement is aligned with the Department of Trade and Industry's focus areas as outlined in the Integrated Policy Action Plan (IPAP) 2018 and the research and development objectives of the Republic.

Members will recall that last year I reported on the launch of the National Defence Industry Council. Subsequently,

- The Defence Industry Charter was gazetted in August 2017 for public comment and the Sector has agreed on the set targets. The Charter now awaits a formal launch.
- A Defence Industry Strategy has been drafted which directs the transformation of the defence industry through the introduction of SMMEs that are supported through government initiatives and nurtured by existing major companies.
- A Defence Industry Fund will be launched on 06 June 2018.

Armcor has continued to execute its mandate within a framework of good governance and fiscal discipline. Between Armcor and the industry, over 120 science and engineering university bursaries have been awarded to new students this year. Over 130 schools were reached nationally through Science, Technology, Engineering and Mathematics (STEM) initiatives assisting educators and learners to safeguard the future talent pool for scientists and engineers for the defence industry.

Armcor has established a Military Veterans Enterprise Development Incubator and the Enterprise Supplier Development

to ensure that this designated group is supported and included in the defence industry.

Chair,

The DOD welcome the changes being effected in Denel and in particular the appointment of a new Board. Denel's challenges negatively impact on the delivery of defence systems and capabilities, making it difficult to spend the Special Defence Account allocation. This has also negatively affected the entire Defence Industry, and in particular those smaller companies dependent on Denel's supply-chain.

As the biggest client of Denel, therefore the DOD requests an urgent intervention by Government to develop a rescue plan that ensures the retention of critical sovereign assets, intellectual property and the critical skills that resides in Denel.

As a result of Denel's challenges, we have reversed our earlier decision to transfer the Navy Dockyard from Armscor to Denel, which I had announced here in this House.

The 10<sup>th</sup> Aerospace and Defence Exhibition will be hosted from 19-23 September 2018 under a theme that celebrates Tata Madiba. I invite Members to support our Defence Industry and visit AAD 2018 to see the cutting-edge technology developed and manufactured in South Africa and around the world.

In my 2017 Budget Speech, I informed members that we had initiated the development of a multi-purpose logistic support vehicle called Truck Africa under Project PALAMA. This project has since commenced under the accelerated acquisition

programme, making use of indigenous local knowledge and expertise. It will be commissioned in phases by 2019 at the latest. This project will be supportive of IPAP 2018.

Since the 2015 commencement of Project THUSANO, in collaboration with the Cuban armed forces, 5 601 vehicles have been repaired at a saving of 434 million-rand. Skills were transferred to 1 171 members.

202 Defence Force students are undertaking professional training in Cuba, including training as doctors.

Chair,

The UN follows a “Zero-Tolerance” policy towards Sexual Exploitation and Abuse (SEA) cases committed by its peacekeepers and requires stronger enforcement action against perpetrators. South Africa has come under scrutiny in this regard. Nonetheless the UN regards us as the ‘case for best practice’ in the manner in which we conduct investigations and prosecutions within the mission areas.

I am however concerned that the lenient sentences imposed by our Military Courts do not act as a deterrence, and this has resulted in strong criticism against South Africa. I have directed the Chief of the Defence Force to issue a Defence Force Instruction on sexual exploitation and abuse in mission areas. If a perpetrator is found guilty, he or she must be dishonourably discharged.

Chair,

Following security breaches in some units, the Defence Force has instituted management interventions to address security at military bases. We need to have a combination of both technology and armed guards.

This includes ill-discipline and criminal acts, such as the recent incident in Limpopo where a member of the SANDF was arrested by the Police for criminal activity. The member has since been dishonourably discharged from the Defence Force.

Mechanisms to deal with corruption are also in place, which have resulted in the arrest and prosecution of a number of senior officers and other officials.

It is both illegal, and unacceptable, for any serving member of the Defence Force to be involved in party political activities and make party political utterances. In this regard we have current ongoing disciplinary cases. Members, if found to have acted in this manner, will be disciplined.

The integration of the seven different armed forces into one single, cohesive force anchored South Africa's transition from *Apartheid* to democracy. This was a difficult and painful process, and in this regard, we have noted and condemned the racist comments made by one of our own members in the social and mainstream media. Disciplinary processes are already underway.

Chair,

We are one of the few countries that has a Military Ombud, which is an oversight mechanism that supports democracy, transparency and accountability. South Africa will be hosting the "10th

International Conference of the Ombuds Institutions of the Armed Forces” from 28-31 October 2018.

The Ombud finalised 664 cases. A total of 43 cases were submitted to me, and in each instance, I accepted the recommendations. Only 6 of these remain outstanding for implementation.

It is with sadness that we heard that the first Chairperson of the Interim Defence Force Service Commission (DFSC), Judge Boshielo, recently passed away.

We appreciate the work being done by the DFSC, particularly that of visiting our bases and members in deployments. I received 263 recommendations from the DFSC in the last financial year. In particular we note the gazetted regulations concerning improvements in service conditions for specific categories of members. Although we have the funds to implement these, we are not able to do so, due to the non-concurrence by the National Treasury.

There needs to be a more concerted effort to strengthen aspects of governance and administration in the Department of Military Veterans, as well as combating corruption and its impact on service delivery. The Deputy Minister will elaborate on these and other matters.

Chair,

In our midst we also have Graduates supported by the Ministry of Defence and Military Veterans who have completed their studies.

A total of 140 Learners received education support from Minister's Special Projects over the last six years.

On behalf of all members of the Defence Force and employees of the Department of Defence, I would like to express our sincere gratitude to the excellent work done over the past years. I want you to always remember that it is an honour to serve your people with dedication. We take great pride in your achievements.

I specifically wish to thank the Portfolio Committee on Defence, the Joint Standing Committee on Defence, the Secretary for Defence, the Chief of the Defence Force, the Military Command and the Defence Secretariat for their support this last year.

I request Honourable Members to approve the 47,9 billion-rand that has been allocated to the Department of Defence this financial year.

I thank you.

**ENDS**