

**SPEECH BY L N SISULU, MINISTER OF DEFENCE AND
MILITARY VETERANS DURING THE DEPARTMENT OF
DEFENCE BUDGET VOTE**

3 JULY 2009

NATIONAL ASSEMBLY, CAPE TOWN.

Chairperson

Ministers and Deputy Ministers

Honourable Members

Ladies and Gentlemen:

In September last year, former Minister Charles Nqakula became Minister of Defence after the sudden double vacancy in the Ministry! In eight short months he boosted the morale of the Defence Force and gave it dignity and integrity. We extend our sincerest appreciation to you, dear Comrade Charles for your contribution, given in humility, as always. May you have many peaceful nights, knowing that you have handed this institution over to two equally committed people, the Deputy Minister and I.

Today, as I speak, despite the challenges that we encounter around the doctors' strikes, I stand very proud that there is not a single South African that needs medical assistance at affected Public Hospitals that is not provided such assistance, as the Defence Force has stepped in to fill the gap left by the striking medical practitioners. The South African Medical Health Services is currently deployed in KwaZulu-Natal, Gauteng, the Freestate, Western Cape and Mpumalanga. My sincere gratitude goes to all those officers who have responded to our urgent call for assistance as we allow the Minister of Health to resolve all other outstanding challenges in the health

sector; you have delivered us from an untenable situation and done us proud.

That leads me to say with confidence to this house that our country and our people are in good hands in the Defence Force, at all times. General Ngwenya, Chiefs of the Services, to you and the Defence Force, thank you.

Chairperson, we have with us today representatives of Military Veterans. It is a singular honour for us that when finally the government sought to recognise the immense contribution of our military veterans, that we, my deputy and I should have been found to be the people to chart the scope and direction of this commitment.

It is a poignant and significant moment indeed for all of us who sit in these chambers and craft laws, secure in a democracy which we owe to our veterans. It has taken us as a government a long time to get to this point. We recognise that without you, we would not be **who** we are, **where** we are. Finally, you are in your rightful place and that is cause for celebration.

To execute our responsibility we have established a task team consisting of members of the Military Veterans Associations and representatives of various stakeholders. The task team resides under the Deputy Minister and he will elaborate on this in his input. Preliminary indications are that we would want to go the route of a separate vote and a separate department for Military Veterans. This would allow us to create the necessary vehicle within which we can provide for our responsibilities for military veterans.

Notwithstanding the protracted delay in addressing this issue, it is my considered view that our approach be informed by well researched, properly benchmarked and well crafted strategies. It is in this regard that the Deputy Minister will place the task team report before this house for consideration as we build consensus around military veterans issues, through a thorough consultation with other organs of state, industry and business so as to provide for knowledge sharing in developing a multi-pronged strategy. The deadline we have set ourselves is October 2009. I humbly ask the Military Veterans, as the people affected, for a little more patience as we craft this vehicle that will support our work. We pledge our commitment to you and we hope we can make up for the pain and sacrifice you have endured.

Now, I turn to the budget. Honourable Members will understand that the budget as it stands before us right now is primarily concerned with the Department of Defence.

At this point I want to acknowledge the Portfolio Committee on Defence, our oversight body. I am looking forward to a good and strong working relationship. As you all know there are a number of challenges that we are facing in the defence force that require us to work together. It is my hope that the Portfolio Committee on Defence will in this regard be sympathetic to defence matters.

In the last three weeks we have had occasion to brief the Portfolio Committee on Defence on our strategic vision for the current period. We were encouraged that members of the committee were clearly on top of their responsibility. I want to assure them that **so are we** and we hope that makes for a very healthy, dynamic partnership.

My Deputy Minister and I are not new to this portfolio. As a matter of fact, we are pleased to be back to a place where we both cut our political teeth. It is our intention to nurture the relationship between ourselves and the committee for the benefit of our national assets - the Defence Force and the people who have fought for our freedom, the Military Veterans.

In the last week an important matter has been raised in discussions of the Portfolio Committee on Defence. Important in the sense that right at the outset it allows us to be in alignment with each other, ensure alignment with the rules and regulations of Parliament and the spirit of the Constitution. The matter under discussion is the demand by the Portfolio Committee that the Department of Defence provides it with a briefing on the state of readiness of the South African National Defence Force. As I indicated, the Deputy Minister and I are old hacks in this environment. We both sat on Parliament's Joint Standing Committee on Defence, we both sat on the Portfolio Committee on Defence, we both sat on the Joint Standing Committee on Intelligence and we both sat on the committee making inputs to the Constitution writing process, specifically dealing with Defence and Security. Here therefore is the spirit of the Constitution we were part of creating and our understanding.

To give effect to section 199(8) of the Constitution, the basic assumption and intent was that, while we understood that we had an oversight responsibility, which ensured maximum accountability, we also had ensured that this oversight responsibility was sensitive to the Security and the Defence establishment and that this security was as important to protect as was the requirement for transparency.

Now, it is quite possible that over the years a different practice has

slowly been creeping in. It is fortuitous therefore that the matter was raised right at the beginning of our term in office, for it allows us to put corrective measures in place. I urge Members to look into the matter so that we in the Executive are very clear on what the various mandates are, our mandate, your mandate, the mandate of the Joint Standing Committee on Defence and the mandate of the Joint Committee on Security matters. We have an obligation to insist that the State of Readiness of the SANDF can only be given to such a committee as has the right to call for closed meetings. If such a committee is the Portfolio Committee on Defence, it would help us to have that as a common understanding, then we can make arrangements that at all times when you require security briefings that you call for closed meetings.

It is in the interest of the country and in the interest of your security. We have no other interest beyond ensuring that your security is protected by all concerned. We stand ready to brief you on the state of readiness of the SANDF. We only ask that you ensure the security environment and mandate where this can be done.

I was heartened, however to see that at the last briefing on the state of readiness of the SANDF in 2008, the Portfolio Committee had itself ensured maximum adherence to security requirements.

We have been responsible for the Defence Force now, for all of six weeks and it would be proper that right from the outset we admit that we have major challenges at Defence and it is for this reason that we are hoping to have a good relationship with the Portfolio Committee, one that transcends party political boundaries and concentrates on this **national asset**.

The first challenge that confronts us is a declining budget where our domestic obligations remain defined in the Constitution, against a backdrop of our growing international responsibilities; against a deteriorating infrastructure; and very importantly, against a clear and pressing reality that conditions of service for the Defence Force need our immediate attention. We have a responsibility to enhance and maintain comprehensive defence capabilities to ensure that the territorial integrity of our country and its sovereignty is protected. This is a constitutional requirement and we need to keep ourselves in a state of competence, in a state of constant renewed advancement; and in a language that is common here, in a state of readiness. With a declining budget our competence is severely hampered, with dire consequences.

Peace, that which we are required to guarantee, is immeasurable. What it provides for ourselves and the African continent cannot be quantified. It is that without which it would not be possible for us to realise our development as a continent. We provide that, and for growth, we need to continue providing that for our own sustainability. It is not a choice, it is a requirement, an obligation. I request Honourable Members to consider this as we present this budget of the Defence Force.

We are of course acutely aware that we are in a recession, but we request you to assist us to stem the decline, because it is eroding our capacity. We are aware of the constraints of Government, therefore we will propose a number of strategies that we will be putting in place to ensure that we are not an additional burden to the State. However, we cannot allow another decline and should not allow any further erosion from the Defence budget.

The second challenge we are faced with is perhaps our own shortcoming. For the last nine years the Auditor-General has given us qualified reports. This is a matter that concerns us, as I am sure it concerns you. We have immediately put steps in place to ensure we have the necessary capacity in our financial management to begin to produce different results, because we are keenly aware that it is only when we begin to effectively marshall our resources that we can get better returns. To begin with, we have had to look at the structure of the Defence Force and its relationship to the Secretariat for Defence and see if we cannot have logical alignment there. We have had extensive discussions around this matter and the Deputy Minister has been asked to look into it. We would then have to move swiftly to fill the vacant position of CFO and ensure we can give all the necessary infrastructure support for this office. We must ensure that there is improvement in the current planning, management, and monitoring of the departmental spending, ensuring value for money for the DOD.

Our third challenge is the Defence Industry. We are aware that we have not had outstanding performances in the Defence Industry, ie Armscor and Denel. We are paying particular attention to ensuring that the necessary management and governance is in place. I have on my table a report from the Portfolio Committee on Defence, dated 2008, indicating that the Committee has looked at the matter of Armscor and made some very strong recommendations. I would like to be given time to deal with the matters raised in the said report.

I have had occasion to meet with the Chairperson of the Board of Armscor and we have agreed that we need to deal decisively with several

outstanding matters.

On the matter of Denel, we want to serve notice to Honourable Members that we intend to negotiate Denel back into the ambit of Defence. I have had discussions with the Minister of Public Enterprises and indicated that at the very least, we need to immediately embark on a strategic re-alignment of Denel. Denel is a strategic security manufacturing asset for Defence and we would like to retain it as such.

I am aware that the defence industry requires an exhaustive interrogation. Both Armscor and Denel should be part of such an enquiry, which must also extend to every sector of the industry. This should be conducted in a way that will subsequently produce effective command and control measures and effective turnaround.

The fourth challenge is an outdated Defence policy. We are embarking on a Policy Review to ensure that the Defence Force is in line with the lived reality of our democracy. We want to take on board what we have become and take into account new challenges facing us as a country and as a continent.

We now have obligations beyond our borders. Our responsibility on the continent has become an important part of our foreign policy. A new policy review has to consider the logic that underpins the necessity of a Force Design of the SANDF **that** must be able to contribute appropriately to disaster relief, peacekeeping and humanitarian assistance as part of buttressing the project to consolidate democracy in countries that have recently emerged from conflict.

It is the realisation of this necessity that the Department is developing a review document which will be distributed for comment once consolidated. The strategy focuses on the achievement of the mandate by having the required capabilities, as opposed to being a financially driven strategy.

Major changes have taken place in the defence environment over the past 15 years. The world has changed radically, forcing us to look at new approaches at doing things. The new environment requires of us new thinking about our place in it, our relevance to it and possibilities that are thrown up by this. Our approach will now have to give absolute priority to the economic development of our country and our value add to our society.

Chairperson, we have identified these major challenges that we have elaborated and have worked out what we are we doing about it.

The negative impact the present economic situation the country and world is facing is daunting. This has impacted negatively on government planning. However, I have learnt a few apt phrases from this economic situation and the one that strikes a cord with me is “let’s not waste a good crisis”. Let’s use it to think creatively about how we can turn it into an opportunity. For us as the Department of Defence, it offers an opportunity to position ourselves to offer essential skills that will grow the economy.

The Defence Force is one of the best multi-disciplinary training grounds you can find anywhere in the country. It is home to cutting-edge technology and research, be it in medicine, engineering and hydro, space and meteorological research.

In a country bedevilled by skill-shortage, it presents itself as one avenue that the nation can tap into. It is an equal opportunity provider to those who wish to advance themselves. It can provide all forms of skills imaginable. The programme of training and skills transfer that the Defence Force can provide might prove to be the answer as we search for the formula of what makes for an efficient and capable state.

In rethinking our role in the economy, we would like to provide training for essential skills in the economy. We believe we can play a pivotal role in providing the bulk of this. In any country, the Defence Force is an equal opportunity institution, where young people are given skills. We want to inject that into our society, because we have huge skills training capabilities and have tested this through our Military Skills Training Programme. We want to extend this to cater for various industries and government departments.

The Military Skills System aims to provide the SANDF with the military human resources required by the Defence mandate to empower the youth through training and development opportunities whilst serving in the Military Skills Development System and to instill sound ethics and values of civic responsibility. It can form the Department's primary contribution to invest in the youth and to alleviate unemployment and poverty by preparing them for decent and rewarding careers. A positive outcome of the Military Skills Development System is that while the SANDF provides the skills, it takes the unemployed youth and provides them with discipline, with civic education, with character development, with purposefulness and infuses them with patriotism.

We wish to sell this concept of opening up our skills development for government departments and the private sector. A very good example of the skills that we have been able to provide over the years is the pilot training. SAA has one of the highest standards of aviation safety in the world. We would like to claim that this is in no small measure because the bulk of the pilots they have, were trained by the Defence Force.

This type of training allows us to provide continuous service. The list of possibilities is endless for government. What this does do is to allow the Defence Force to re-skill our youth, provide a spurt of energy into our economy and provide us with some revenue from the various departments we are servicing as a Service Provider, which means that our renewal can be taken care of by our own efforts.

We are faced with huge unemployment, especially amongst the youth, a youth that could quite probably be disgruntled, with no prospects of employment. We are the answer to that unemployed youth. We can increase our capacity, so that we can respond to the second most urgent challenge facing us in this country. If you want to deal with the issue of unemployment, think creatively about the Defence Force.

Chairperson, the matter of our support to the SAPS has raised concerns. Let me clarify: We have agreed with the Justice, Crime Prevention and Security Cluster that we need to play a more active role in assisting the SAPS to deal with issues of crime. These are matters that are under discussion at the moment, against a backdrop of very clear legislative mandates. What we have agreed to in principle, though, is the fact that the

defence of our borders might need to remain in the hands of the Defence Force. This will ensure that we can release the Police to deal with crime in the country. Our first protocol was signed by the President in 2008 and we will be working on this in an incremental basis.

We turn now to the soft underbelly of Defence: its skills and human resource base.

Like any other defence force around the world the SANDF depends on men and women who have chosen to serve their country and its citizens. We are very proud of these officers who have distinguished themselves in the course of their duties as we celebrate 10 years of peacekeeping on the continent. Our contribution and professionalism can be attested by the acknowledgement received from the African Union and the United Nations in the manner we have conducted ourselves during our deployment.

The creation of a dependable agile and flexible Human Capital base remains my focus for the financial year. The high rate of skills migration and dearth of scarce skills require introduction of modern approaches for mobilisation and deployment of human capital so as to accelerate the accumulation of specialised skills and the retention of institutional memory to ensure that culture and doctrine that defines our disciplined military force is enhanced. The demand for a well trained, multi-skilled, disciplined and well equipped defence force as a critical lever of the developmental agenda of Government is a reality that cannot be left to chance.

The outflow of skilled technical personnel, engineers and combat

personnel from the Department of Defence continues to lead to a reduction in the experience levels at units. Incentive schemes to mitigate this challenge have been introduced and are adjusted regularly in line with changing requirements. Further the Department is exploring strategy to address the retention of scarce skills within the DoD.

I want to assure the Defence Force staff that their conditions of service are a concern. We are seized with the matter and I would like to engage each one of them through the proper management structures to see how we can attend to these. We are acutely aware that the state of readiness of the SANDF depends primarily on the morale of our soldiers.

Having assessed our options, we are considering making a request for a separate dispensation for the Department of Defence that would allow us to creatively deal with our own needs and the specificities of our own unique security requirements. There is a precedence to this in the creation of the special dispensation for the intelligence services. However, this would still require some thought.

For now, I would like to confirm that for our personnel, the Occupation Specific Dispensation has been approved, has been budgeted for and should begin to have an effect by the end of this month. I would like to thank all affected members for their patience for the delay in its implementation.

Finally, here is a good note to end my input. We have had successes and we have not done enough to boast about these. On 8 August 2009 we will be lowering the South African flag in Burundi, marking the end of one of our most successful deployments in Africa. Our mandate in Burundi

expired in June 2009 after ten years in peace keeping in that country. The SANDF helped end 15 years of civil strife in Burundi and today we are proud that peace has held together. We would like to take this opportunity again to thank the South African Defence Force and the President in particular who played a pivotal role in bringing peace to Burundi. As we speak all parties in that country have started campaigning in the elections in a peaceful atmosphere, all because of our contribution. Nothing can be more fulfilling for the human spirit than the knowledge that we have saved lives and held democracy together.

I thank you

CLOSING REMARKS

Chairperson,

In 1994 we took over a Defence Force whose major challenge was transformation. We set ourselves a transformation agenda for the Defence Force to ensure we can meet our responsibility of being a truly representative institution of South Africa. Transformation is a cornerstone of our Constitution. It is incumbent on all of us to work towards ensuring that we shift all the institutions of the State from an ideology and an demographic of the past to a democratic ideology and a democratic demographic. I would have hoped that by now we would have said that the Defence Force is a truly transformed institution of State, but I've not heard that.

We need to ensure that the Defence Force is a place where all classes and races and both genders feel that they are truly represented and that they have the scope to rise to the highest levels. I would like to be able to say at some point that the Defence Force is one institution where there is no tinge of racism and no tinge of sexism. In particular I want to ensure that female soldiers feel that this is a place where their dreams too can be fulfilled, because when we have reached that stage, we can claim to have made strides.

I thank you