



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

COMMITTEES

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**SELECTED ISSUES OF THE BUDGET, STRATEGIC AND ANNUAL PERFORMANCE PLANS OF
THE DEPARTMENT OF DEFENCE AND DEPARTMENT OF MILITARY VETERANS**

INTRODUCTION

This brief details selected issues of the Budgets, Strategic Plans and Annual Performance Plans of the Department of Defence (DOD) and the Department of Military Veterans (DMV). It will cover the Strategic issues and priorities, relevant performance indicators and targets, the allocated budget and its projections for the Medium Term Expenditure Framework, as well identified risks and other challenges.

THE DEPARTMENT OF DEFENCE

The Department of Defence submitted its Planning Instruments for 2015 to 2020 to Parliament in March 2015, which constitutes of a Strategic Plan 2015 – 2020 and an Annual Performance Plan 2015. This is in line with an instruction from the Minister that the DOD as from FY2015/16 Medium Term Expenditure Framework (MTEF) 2014 - 2019 shall ensure the development of one single departmental Strategic Plan (2015-2020) and on single departmental APP FY2015/16 MTEF onwards.¹

The Planning Instruments are aligned to national imperatives which include among others the National Development Plan 2030, the Medium Term Strategic Framework, the New Growth Path, the Industrial Policy Action Plan and importantly the South African Defence Review 2014.² The latter relates to the directing of the Implementation of the Defence Review 2014 over the short-, medium- and long term trajectory.³ Aligned to these, are the Ministerial priorities relating to Milestone 1 of the Defence Review.

1. Situational Analysis

The DOD indicates that the situational analysis provides for the evolving external and internal environments that affect the output deliverables of the DOD. The matters identified are derived from the annual Departmental planning process and takes into account the:

- National Development Plan 2030,
- Medium Term Strategic Framework 2014 – 2019,
- New Growth Path (NGP),
- Industrial Policy Action Plan (IPAP),
- 2014 and 2015 State of the Nation Addresses,
- Forum of South African Director-Generals (FOSAD) Action Plan 2014 – 2019,
- Defence Review 2014,⁴
- National Security Strategy,
- Minister's Delivery Agreement, and
- DOD Environmental Scan.⁵

2. Expenditure analysis

The Department will over the medium term prioritise maintaining South Africa's defence capabilities, safeguarding South Africa's borders and territorial integrity, and developing cyber security, in its ongoing contributions to the National Development Plan (NDP). The DOD will continue over the FY2015/16 MTEF to contribute to the MTSF (2014 – 2019) Outcome 3: *All people in South Africa are and feel safe.*⁶

- ***Maintaining and expanding South Africa's defence capabilities***

Here the focus will be on the implementation of the SA Defence Review 2014 working towards Milestone 1: *Immediate, directed interventions to arrest the decline in critical defence capabilities.* This will take place in the Landward Defence, Air Defence, Maritime Defence and Military Health Support Programmes.

The Defence Works Formation (DWF) – which is responsible for the maintenance of infrastructure - has started to employ the necessary personnel and will now focus on operationalising the unit. The Department moved funds – R951.8 million over the medium term - for this function from Office Accommodation in Programme 1: Administration to the Programme 8: General Support. The DWF will carry out maintenance and repairs of infrastructure through 36 projects.⁷

The Department will be acquiring equipment and developing systems to maintain a modern balanced and technologically advanced force. It has budgeted for medium and light transport aircraft, a new generation mobile communication capability and precision guided air force ammunition for air defence. A hydrographic vessel and offshore patrol vessels, upgrading of frigates and static communication for the Navy as well as replacing its heavy weight torpedo capability.

The Military Skills Development System will continue to give effect to the one-force concept. The Department expects to grow to 81 108 members in 2017/18 mainly because of the MSDS members joining the Regulars, and growth in the capability of the Defence Works Formation.

- **The DWF and its proper functioning is crucial to repair and maintain facilities and the Committee should request information on the progress made with the execution of the 36 projects.**
- **The acquisition of new equipment and development of systems are in line with arresting the decline in defence capabilities, and the Committee should enquire about developments in this regard, especially on challenges financial resources.**
- **Does the acquisition of aircraft include the recent pronouncements that the DOD will acquire new VVIP aircraft⁸?**

- ***Safe guarding South Africa's Borders and territorial integrity***

The Department will safeguard our borders and territorial integrity by deploying 13 landward sub-units over the medium term on the borders with Zimbabwe, Swaziland, Mozambique, Lesotho, Botswana and Namibia. Expenditure on border safeguarding is projected to be R2.8 billion over the medium term.

- **Cyber security**

The Department will focus on cyber security over the medium term, finalising a cyber warfare strategy in 2015/16 and establishing a cyber command by 2018/19 through the Defence Intelligence Programme at a projected cost of R511 million.

- Operation Corona (Border safeguarding) and progress with its roll out to the borders of Lesotho, Botswana and Namibia, should be shared with the Committee, especially against the background that due to financial constraints, only 13 sub-units can be deployed for this function against the 21 sub-units that are actually required.
- The MSDS and its feeder status to the Regulars and Reserves is acknowledged, but the Department should indicate what kind of challenges it is experiencing to migrate MSDS members, as well as how effective this system is, as the Committee has received complaints about the uptake in both the Reserves and Regular systems of former MSDS members.
- Cyber security has also been highlighted in the Defence Review (Chapter 2) and it states that South Africa must be vigilant with regard to cyber-security due to the increased proliferation of technology within all realms, especially within the defence environment.⁹ The Committee can request the Department to brief it on developments and progress in addressing this challenge.
- In particular, it should indicate the kinds of threats, the current plans to address it, how effective these are in the interim while the Cyber Command is being established.

- **Budget Speech Reference**

In addition to the above, the Minister of Finance stated in his Budget Speech that "South Africa's defence force will continue to be deployed for safeguarding our borders and in peacekeeping operations in several conflict areas. Budget provision for border safeguarding and regional security amounts to R2.8-billion and R4.5-billion, respectively, over the next three years,"¹⁰ aligning himself to the identified expenditure plans.

3. Defence budget¹¹

R thousand	2014/15 (R million)	Per cent of total budget per programme	2015/16 (R million)	Per cent of total budget per programme	Increase/decrease 2014/15 to 2015/16
Programme 1: Administration	4 499.7	11.36 %	4 827.2	10.83 %	R 327.5 m
Programme 2: Force Employment	3 487.0	8.02 %	3 603.2	8.08 %	R116.2 m
Programme 3: Landward Defence	14 241.9	32.35 %	14 805.3	33.21 %	R563.4 m
Programme 4: Air Defence	7 176.6	16.73 %	7 049.2	15.81 %	-R127.4 m
Programme 5: Maritime Defence	3 678.5	8.59 %	3 717.2	8.39 %	R38.7 m
Programme 6: Military Health Support	3 849.1	8.99 %	3 932.9	8.82 %	R 83.8 m
Programme 7: Defence Intelligence	813.7	1.85 %	827.5	1.86 %	R13.8 m
Programme 8: General Support	5 110.5	12.11 %	5 817	13.05 %	R706.5
TOTAL	42 856.9		44 579.4		R 1 722.5m

Table 1: Percentage of budget allocated to programmes

The Defence budget for FY 2015/16 amounts to 1.1% of the expected Gross Domestic Product (GDP) of the RSA.¹² The table shows that the budget has increased with R1.722 bn from the 2014 allocation. The Landward Defence programme remains the programme that receives the biggest allocation, followed by the Air Defence programme and the General Support programme. While seven programmes received an increase, the allocation of the Air Defence programme has decreased by R127.4 m.

4. Selected performance indicators

The Department lists 10 selected performance indicators in the 2015/16 ENE namely:¹³

INDICATOR	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total number of defence attaché offices	39	40	43 (40)	43 (41)	45 (43)	45	45
No of MSDS members per year in system	11 213	8 955	7005 (4 208)	4 272	3 863 (4 782)	3 916 (4 470)	3 952
Number of reserve force person days	-	-	New	1 883 683	2 442 792 (1 890022)	2 418 225 (1 870362)	2 433 806
% compliance SADC SF Pledge	100%	100%	79%	100%	100%	100%	100%
% compliance no of ordered commitments (external operations)	100%	125%	83% (100%)	100%	100%	100%	100%
% compliance no of ordered commitments (internal operations)	100%	100%	100%	100%	100%	100%	100%
Number of joint, inter-departmental and multinational military exercises conducted per year	6	5	5	9 (7)	5 (9)	5	5
Number of landward subunits deployed on border safeguarding per year	7	11	13	13 (15)	13 (16)	13 (16)	13
Number of force employment hours flown per year	11 2456	11697	4 471 (6 300)	6 985	6 500 (6 985)	6 500 (6 985)	6 500
Number of hours at sea per year	14 088	7 339	11 081 (22 000)	12 000	12 000	12 000	12 000

Table 2: DOD annual selected performance indicators for the period FY 2011/12 – 2017/18¹⁴

(Figures in brackets denote those in the DOD 2015. Planning Instruments. p. 41)

- The Department should explain the differences between the targets achieved/projected for especially the 2013/14, 2014/15, 2015/16 financial years, as well as the differences between the 2015 ENE and DOD Planning Instruments figures, for instance related to the number of defence attaches and the number of flying hours in 2013/14.

- Questions should also be asked about the slight increase in MSDS members over the MTEF period while it is viewed as an important feeder system for the Reserves whose commitments are increasing.
- Is the projection of 12 000 sea hours for especially 2015/16 and going forward realistic against the background that there were 22 000 sea hours in 2013/14?
- Are the number of flying hours sufficient to keep the respective pilots current with their required flying hours, and if not, what is being done to ensure that their flying licenses remain current?

5. Personnel information

The Department's estimated number of funded posts at 31 March 2015 is 77 605 which will grow to 80 342 in 2016/17 (an increase of 2 737) to 81 108 in 2017/18 (an increase of 766) with an increase of 3 503 from 2015/16 to 2017/18.¹⁵

Programme	2014/15	2015/16	2016/17	2017/18
Programme 1: Administration	4 082	4 234	4 278	4 283
Programme 2: Force Employment	1 919	2 063	2 094	2 111
Programme 3: Landward Defence	39 332	40 599	41 242	41 980
Programme 4: Air Defence	10 898	10 414	10 105	9 724
Programme 5: Maritime Defence	7 148	7 651	7 609	7 757
Programme 6: Military Health Support	7 931	8 202	8 268	8 406
Programme 7: Defence Intelligence	822	897	957	1 021
Programme 8: General Support	5 473	5 385	5 789	5 826
DEPARTMENT	77 605	79 445	80 342	81 108

Table 3: DOD Personnel information

The Department needs to explain how it will manage the reduction of personnel from the current current 97 000 inclusive of Regulars, Reserves and Civilian personnel to 72 00 by the end of Milestone 1.¹⁶ In particular it should explain whether it has specific plans in mind in this regard and whether reskilling, transfers to other departments, etc, are being considered.

6. Defence Review 2014

The Planning Instruments refer to the centrality of the Defence Review 2014 for future activities in that it provides a long-term defence policy strategy for South Africa that informs the defence trajectory to be pursued over multiple Medium-term Strategic Framework periods. It maps out 5 strategic planning

milestones to enable the restoration of South Africa's defence capabilities. The five milestones¹⁷ that will remain the preoccupation of the Department are:

Planning Milestone 1 (2015 – 2020)

The deliverables and targets as outlined in the Review will form the basis of planning and execution in Defence within the first five years and sets the blue-print of the Strategic Plan for 2015 – 2020. The ENE similarly focuses on Milestone 1 and the Minister indicates in her Foreword that the implementation of the Review will be enabled through a Departmental Defence Review Implementation Plan (DRIP) providing strategic departmental direction to inform the further development and implementation.¹⁸ These activities will take place in the Landward Defence, Air Defence, Maritime Defence and Military Health Support programmes,¹⁹ to arrest the decline in critical defence capabilities.

The Department states that Comprehensive planning for the Defence Review will be conducted in 2015/16 and it is foreseen that incremental implementation will begin in 2016/17 onwards within available resources. The Strategic Plan begins to address Milestone 1 deliverables in 2015 with the introduction of a Departmental performance indicator that will monitor the development of the DOD Overarching Defence Review Implementation Plan.

Further, it will commence with engagements with National Treasury to conclude on an appropriate funding arrangement commensurate with the Defence Review Requirements over the short-, medium- and long-term.²⁰ It is also required by the Review that the DOD Long-term Extended Defence Development Plan consists of the military strategy, force design, force structure, capability strategy and acquisition plan to achieve the Defence Strategic Trajectory.²¹

- Given the centrality of the Defence Review for the short, medium and long term activities of the Department, it is crucial that the Department ensures that they interact with the PCODMV and JSCD on progress made and challenges encountered to deliver on especially Milestone 1.
- The Department should indicate whether, given the funds allocated by National Treasury for 2015/16, it will be able to stay within its budget projections and within the available resources to execute its functions, especially against the background of the frequent request for additional funding from National Treasury.
- The introduction of a Departmental performance indicator to monitor the development of the Implementation Plan is welcomed and adherence to it should be prioritised.
- It is especially the force design, force structure, capability strategy and acquisition plan to achieve the Defence Strategic Trajectory that are of importance to the PCODMV and the Department should indicate how far it is with developing and finalising these planning tools to be able to brief the Committee as soon as possible.

7. DOD Enterprise risk

The DOD has identified Enterprise risks with responses, namely:

- ***Disconnect between the Defence Mandate and the Budget Vote***

Inability to execute the constitutional mandate due to limited budget allocation and increasing Defence commitments.

- **Inadequate DOD organisational Structure**

Inadequate and insufficiently funded DOD structure may compromise the achievement of expected defence output.

- **Impaired Force rejuvenation**

Absence of an effective feeder system for the Reserve Force and ineffective exit mechanism for the Regular Force may compromise force preparation and employment.

- **Deteriorating DOD Facilities and Infrastructure**

Deteriorating DOD facilities and infrastructure has morale implications and may therefore result in possible litigation and non-compliance with Occupational Health and Safety Act.

- **Non verifiable DOD performance Information**

The non-integration of ICT systems and non-availability of source documentation may lead to unreliable DOD financial and non-financial information.

- **Increase in Fraud and Corruption**

Weaknesses in key internal controls may increase the opportunity for fraud and corruption thus resulting in losses.

- **High prevalence of litigation**

Inability of the DOD to abide by its prescribed policies and procedures may result in costly litigation and losses to the DOD.

- **Forfeited rights on DOD Property.**

Possible land claims relating to DOD facilities may impact on Defence readiness and deployment capabilities in support of the Defence mandate.²²

The first four risks are covered in other parts of this report and questions should be asked about especially progress made to address the last four risks. In particular, progress to address the increase in fraud and corruption, high prevalence of litigation and forfeited rights on DOD property, should be explained as these have been reported on previously.

8. Ministerial Priorities

The table depicts the Ministerial priorities of 2014/15 and the core priorities for 2015/16. More details of the latter is also provided and many of the previous priorities are subsumed in the broader 2015/16 priorities.

PRIORITY	2014/15 ²³		2015/16 ²⁴
Enhancement of the SANDF's Landward Defence Capabilities (rejuvenation and upgrading 2010/11)	√	Strategic Leadership	√
Maritime Security.	√	Defence Funding Model	√

Job Creation (Force rejuvenation 2013/14).	√	Human Resources Renewal	√
Enhancement of the SANDF's Peacekeeping Capability.	√	Organisational Renewal	√
National Youth Service (NYS).	√	Capacity Renewal	√
Revitalisation of the Reserves.	√	Defence Commitments	√
Restructuring and Support of the Defence Industry.	√	Defence Industry	√
Defence Works Capability.	√		

Table 4: Ministerial Priorities 2014/15 versus 2015/16

The Strategic Plan lists Ministerial priorities²⁵ that have been identified relating to Milestone 1 of the 2014 Defence Review:

- Strategic Leadership:
 - Development of directives and implementation mandates
 - Appointment of Leadership and Project teams
 - Development of a Defence Communication strategy
- Defence Funding Model
 - Developing of a Funding Model for Defence
 - Identifying and Directing preservation funding
- Organisational Renewal
 - Repositioning of the Defence Secretariat/ Establishing a Defence accountability concept
 - Establishing a Delegation regime
 - Establishing an Organisational structure regime
 - Establishing an Integrated Defence Enterprise Information system
 - Revitalising of Defence acquisition system
 - Restructuring of the SANDF
 - Decentralising the Procurement system
 - Disposing of Equipment and Ammunition
 - Establishing a Facilities Master Plan
 - Establishing and Strengthening a Command and Staff system
- Human Resources Renewal
 - Right-sizing the Personnel component
 - Strengthening the DOD HR Value Chain
 - Renewed ETD System
 - Military Professionalism
 - Effective military Disciplinary system
- Capacity Renewal
 - Enhance Domain awareness
 - Establish Special Operations Forces
 - Establish a forward base
 - Enhancement of a Naval Port-operating Capability
 - Enhancement of a Tactical Airfield unit
 - Strengthening Defence Reimbursements

- Improving stock levels
- Defence Diplomacy enhancement
- Reviewing the Force Design
- Defence Industry
 - Development and Implementation of the Defence Industry Strategy
 - Establishing a focussed and aligned Defence Industry
- Defence Commitments
 - Optimising Border Safeguarding
 - Internal Operations, Intervention Operations, Peace Missions and Regional Assistance Operations.

- **The current Ministerial priorities should not be compared with the previous ones, since many of the previous are encompassed in the current priorities, which has as its main focus the implementation of the Defence Review over the short, medium and long term.**
- **Issues that will have to be monitored in particular by the Committee includes the Implementation mandates, Development of a funding model, revitalising the Defence Acquisition system, restructuring the SANDF, Right-sizing the Personnel component, capability renewal as well as a focus on the Defence Industry.**

The **Focus Areas** of the Secretary for Defence are in line with those of the Minister and gives more substance and detail to the identified ministerial priorities. The Focus areas of the Chief of the Defence Force are:

- Strategic Direction
- Restructuring of the SANDF
- Renovation of DOD facilities
- Development and maintenance of strategic reserves
- Implementation of the Human Resources strategy
- Revitalisation and effective utilisation of Reserves
- Enforcement of military discipline
- Development of SANDF capabilities.²⁶

The specific **departmental focus** will be directed in support of Government's Medium-term Strategic Framework 2014 – 2019 on the following Outcomes:

- Outcome3: All people in South Africa are and feel safe
- Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better world.

These are fundamental to the Defence function and specifically to the attainment of the defence mission *"To provide, manage, prepare and employ defence capabilities commensurate with the needs of South Africa as regulated by the Constitutional, National legislation and Parliamentary and Executive Direction."*²⁷

The ministerial priorities as well as those of the Secretary for Defence and Chief of the SANDF, are important yardsticks for the execution of the activities of the Department and as such, should be reported on by the DOD to the PCODMV on a regular basis to identify challenges and progress that have been made in this regard.

DEPARTMENT OF MILITARY VETERANS

The Department of Military Veterans' (DMV) purpose is to formulate policies and standards aimed at providing a comprehensive delivery system to military veterans and their dependents in recognition of their role in the democratisation of South Africa.

1. Strategic Overview

The Strategic Plan outlines the Department's **Vision** namely "A dignified, empowered and self-sufficient Military Veteran's community," while its **Mission** is "to facilitate delivery and coordinate all activities that recognise and entrench the restoration of dignity and appreciation of the contribution of Military Veterans to our freedom and nation building."²⁸

It further outlines the **Service Charter** that underpins the delivery of service to military veterans, which emphasises *inter alia* service standards, teamwork, discipline, excellence, ethics, openness and transparency. It lists the Legislative and other mandates with the primary source being the Military Veterans Act (No. 18 of 2011). The various planned policy initiatives are also recorded which are in the process of being finalised and/or approved.

The **Situational Analysis** refers to the Performance Environment where it outlines key issues in the delivery environment which provides important background on demand for services and other factors that have informed the development of the Strategic Plan. These includes the Department's contribution to the National Development Plan and Government's Medium Term Strategic Framework (MTSF), as well as internal issues such as the Human Resources, Research Capability, its Database, Infrastructure/facilities, Information management, Stakeholder engagement, and Corporate Governance.²⁹ Regarding the **NDP**, the APP³⁰ states that it will contribute to:

- Chapter 3: Economy and employment
- Chapter 6: An integrated and inclusive rural economy
- Chapter 8: Transforming human settlements
- Chapter 9: Improving education, training and innovation
- Chapter 10: Promoting health
- Chapter 11: Social Protection
- Chapter 13: Building a capable state
- Chapter 14: Promoting accountability and fighting corruption
- Chapter 15: Transformative society and uniting the country.

It states further that "To ensure that the DMV delivers effectively on its mandate, it is important that a fit-for-purpose monitoring and evaluation capability, which is currently non-existent, be developed."³¹

- The DMV's contribution to deliver benefits to military benefits have been beset by critique and challenges³² and it should indicate how far it has progressed to turn these negative perceptions around. For instance while the DMV for the 2013/14 financial year had 50 targeted performance indicators, only 20 targets had been achieved, ten had been partially achieved and 20 not achieved, which constituted a 40% achievement.³³

- The Committee should request more information on the Monitoring and Evaluation Capability in order to be able to better assist and monitor the Department in this endeavour.
- In particular, the Monitoring and Evaluation capability's envisaged structure, location, staffing, funding and how its effectiveness will be determined, should be elaborated upon.

2. Disclaimer

The Department received a Disclaimer³⁴ – the worst audit opinion expressed by the AGSA.^{35&36} The A-G lists various issues for the “Basis for Disclaimer of Opinion”³⁷ and refers *inter alia* to:

- **Various financial statement items.** Due to the status of the accounting records the A-G was unable to obtain sufficient appropriate audit evidence regarding the following amounts disclosed in the financial statements:
 - Irregular expenditure of R24 million
 - Accruals of R4,7 million
 - Goods and Services - Communication of R3,7 million
 - Tangible capital assets of R2,9 million
 - Opening balances and comparative figures of all the items disclosed in the financial statements.³⁸

- The Committee should engage the Department on the Disclaimer audit opinion and especially the progress made with their actions plans to address the issues that led to the Disclaimer.
- The fact that the opening balances could not be confirmed is problematic in the sense that it affects future closing and opening balances, and it should be indicated whether this has been resolved and how a re-occurrence of this will be prevented in future.

3. Management Performance Assessment Tool (MPAT)

The Department took part in the Management Performance Assessment Tool (MPAT)³⁹ of the Department of Planning, Monitoring and Evaluation in the 2012/13 cycle. According to a report by the Portfolio Committee on Public Service and Administration, the Planning, Monitoring and Evaluation of the DMV was the “lowest performing Department in the Public Service.”⁴⁰ The Department apparently failed to appear before the Committee when invited and “showed weaknesses in 15 of the 31 measurements standards.” Areas where it received a Level 1 rating (which the poorest of the four levels) include issues such as:

- Monitoring and Evaluation
- Service Delivery improvement
- Management structure
- Audit Committee
- Professional ethics
- Fraud prevention
- Internal audit
- Risk management
- Human Resource Planning.⁴¹

- In addition to the issues that should be followed up with the Disclaimer, the Committee should also focus on these poor MPAT results, especially its action plans, its effectiveness and progress made to address these poor results.
- The Portfolio Committee should also consider inviting the DPME to brief it on the outcomes of this tool before the briefing of the DMV and DOD to the Portfolio Committee.

4. Ministerial priorities

S/NO	PRIORITY	SP 2012/16	SP 2015/2019 ⁴²
1.	<i>Ensure a fully functional DMV with an independent Budget Vote and systems</i>	N/M	√
2.	<i>Strengthening governance and oversight protocols to give effect to the provisions of the Act</i>	√	√
3.	<i>Provision of immediate social services to relief distress among the most vulnerable Military Veterans</i>	√	√
4.	<i>Provision of comprehensive support services to military veterans and, where applicable, to their dependents (subject to availability of resources).</i>	√	√
5.	<i>Promotion of empowerment programmes for and of military veterans</i>	√	√
6.	<i>Promotion of the heritage of military veterans and memorialising and honouring military veterans.</i>	√	√
7.	<i>Maintenance of a credible and secure national military veterans' database.</i>	√	√
8.	<i>Implementation of a high impact communication and marketing strategy</i>	√	√
	<i>Accelerate the delivery of benefits as espoused by Section 5 of the Act</i>	√	
	<i>Empowerment of military veterans to enhance their contribution to reconciliation and nation building</i>	√	
	<i>Promotion of military veterans' heritage</i>	√	
	<i>Developing, confirming and deepening the skills base of military veterans</i>	√	

Table 1: Ministerial priorities 2012/16 versus 2015/19

The table indicates the Ministerial priorities between 2012/16 to 2015/2019, with four priorities not referred to in the current Strategic Plan. The Minister states that while the priorities remain by and large the same, the tempo of delivery of quality services will be increased and the culture of commitment to deliver will be engendered.⁴³

- With Priority 4 it is noticeable that the qualification "*subject to availability of resources*" in the current version have been left out. This should be explained by the Department.
- The fewer priorities should also be explained as well as where these have been accommodated, in particular the last four 2012/16 priorities as listed above.⁴⁴
- Regarding the Communication strategy, the notion that it has an effective communication and marketing strategy is problematic as military veterans still encounter challenges to communicate with the Department as well as accessing their information or the database. The Department should be questioned on this as it goes to the heart of the interface between the Department and military veterans.

- The Deputy Minister in his first meeting with the PCODMV indicated that the database would be finalised in December 2014 and this has not materialised. What are the reasons for this and when can the Committee expect the database to be finalised?

5. Selected performance indicators

The following two tables depict the DMV's Selected Performance indicators and Annual Targets for FY2015/16 and DMV Performance Indicators and Quarterly targets FY 2015/16.

DMV selected Performance Indicators and Annual targets FY 2015/16⁴⁵

Indicator	Baseline 2014/15	Current 2015/16	2016/17	2017/18	2018/19
No of mil veterans with decent housing per year	2	3 000	4 000	5 000	6 000
No of mil veterans with access to health care services per year	6 539	8 000	9 000	10 000	11 000
No of private sector/organs of state partnerships with DMV p/a	107	10	10	10	10
No of mil veterans with access to training & skills development p/a	1 704	3 000	3 500	4 000	4 500
No of military veterans memorial sites erected per year	0	4	2	2	2

Table 2: DMV selected Performance Indicators and Annual targets FY 2015/16

DMV Performance Indicators and Quarterly targets FY 2015/16

Indicator	Annual target	Q1	Q2	Q3	Q4
No of mil veterans with decent housing per year	3 000	-	-	1 500	1 500
No of mil veterans with access to health care services per year	8 000	7 000	7 250	7 500	8 000
No of private sector/organs of state partnerships with DMV p/a	10	5	10	-	-
No of mil veterans with access to training & skills development p/a	3 000	500	500	1 000	1 000
No of military veterans memorial sites erected per year	4	2	2	2	2

Table 3: DMV Performance Indicators and Quarterly targets FY 2015/16

- The Department underperformed in achieving only 40% of its targets in the previous financial year, even though most of its posts were filled (123/135), received a Disclaimer as well as being pointed out as the worst performing Department on the MPAT tool. As such, the Committee would be well advised to seriously take the Department to task on its targets and performance delivery.
- During the Annual Report hearings⁴⁶, Members expressed dissatisfaction on the many targets that have not been reached and encouraged the Department with its Implementation Plan to address these issues. The Committee should enquire about progress made in this regard and especially the challenges the Department is encountering to implement its plan to be able to deliver on stated targets.
- In particular progress towards achieving the targets for housing, access to health care services, access to training and skills development, which are some of the most important and goes to the heart of their service delivery mandate, should be followed up.

6. Budget

The DMV was allocated R582.2 million for the 2015/16 financial year, up with R78 million from 2014/15, which will increase to R597.6 million in 2016/17 and R631.7 million in 2017/18.

Programme R million	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Increase/decrease 2014/15 to 2015/16
Administration	20	45.4	97	152.8	178.2	157.5(169.2)	143.5	151.3	-R34.7m
Socio-economic Support	-	-	-	122.2	168.1	266.3 (267.5)	294.1	308.7	R98.2m
Empowerment & Stakeholder Management	-	-	-	76.5	157.9	158.4(170.2)	160.0	171.8	R0.5m
Total	20	45.4	97	351.4	504.2	582.2	597.6	631.7	R64m

Table 4: Military Veterans Budget 2015/16⁴⁷

(Figures in brackets ENE 2014, Vote 22)

The Department should explain the decrease in the three programmes against the projections stated in the 2014 ENE, especially in the two "service delivery" programmes (programmes 2 and 3) and because 2015 has been earmarked for an improvement in the delivery of benefits to military veterans.

The bulk of the medium term expenditure will be on delivery of benefits to military veterans in the Socio-economic Support and Empowerment and Stakeholder Management programmes. The focus in the former will be on providing houses, bursaries and health care benefits. Focus in the Empowerment and Stakeholder Management will be on access to training and skills development and establishing partnerships with private sector companies and other organs of state.⁴⁸ Provision is also made to provide administrative support to the SA National Military Veterans Association.⁴⁹

- In terms of Section 7 and 8 of the Military Veterans Act, SANMVA is an umbrella body representing military veteran organisations and plays an advisory role to the Minister and the DG. To what extent has SANMVA been able to assist the Department with the delivery of benefits to especially those military veterans who are in dire need and those residing in rural areas?
- The "reconstitution"⁵⁰ of SANMVA needs to be explained against the background that it was reported to the JSCD in 2008 that: "The SANMVA was established at a conference over the weekend of 26 – 28 September 2008."
- The kind of administrative support that will be provided to SANMVA and the costs involved should be conveyed to the Committee.⁵¹
- The role of SANMVA in the verification of national military veterans database is welcomed as it assist with "cleaning up" or adding qualifying military veterans to the database.⁵² The Department should explain the costs associated with SANMVA, the Military Veterans Advisory Council and the Military Veterans Appeal Board.

Expenditure analysis

The ENE indicates that the execution of the Department's mandate will contribute to the objectives of the NDP and especially Outcome14 of the government's MTSF – nation building and social cohesion. Over the medium term it will focus on empowering military veterans by delivering benefits to veterans and their dependents such as access to health care, housing, education and supporting memorialising activities.

The Department will increase access to health care services from 8 000 to 10 000 beneficiaries, housing from 3 000 to 5 000 and 600 bursaries in 2015/16. The costs are projected to be R869.1 million over the medium term in the Socio Economic Support Programme.

The Department will also focus on educational opportunities for veterans and their dependents. Over the medium term 2 100 veterans and their dependents will be provided with ongoing education support. This will be funded from the Empowerment and Stakeholder Management Programme, where the sub-programme has been allocated R306.7 million over the medium term.

It will contribute to memorialisation and heritage initiatives and funds for this will come from the Empowerment and Stakeholder Management Programme, sub-programme Heritage Memorials, Burials and Honours.

As indicated, the Department did not perform well in achieving its stated targets for the FY2013/14, especially as it relates to the provision of housing (target of 1 500 vs 2 achieved), access to health care (target 10 000 vs 4 719 achieved) etc. It is therefore important that the Committee should hold the Department accountable for its targets and achievement thereof as it goes to the heart of addressing the plight of military veterans.

7. Personnel Information

The Department's number of estimated posts as at 31 March 2015 was 164 compared with 161 in 2014/15, increasing to 271 in 2015/16, 169 in 2016/17 and 2017/18.

Programme	2013/14	2014/15	2015/16	2016/17	2017/18
Administration	72	97	198 (97)	97	97
Socio-economic Support	16 (23)	20 (28)	29 (28)	28	28
Empowerment & Stakeholder Management	40(44	44	44	44
Department	128 (135)	161(169)	271 (169)	169	169

Table 5: Military Veterans Personnel Information⁵³

(Figures in brackets 2015 DMV APP. p. 30)

- **At the Annual Report meeting with the PCODMV, it was stated that the Disclaimer cannot only be addressed by a turn-around strategy, as many of the issues point to poor leadership and management and this relates to the quality and competence of the staff who have been appointed. Has the Department initiated training for these individuals as suggested and if yes, how successful was it and are the challenges being appropriately address by this intervention?**
- **The DMV needs to explain the discrepancies in their personnel numbers between the figures listed in the 2015 ENE and the 2015 APP, especially since the accuracy of the figures has been questioned before.**

8. Policies

The DMV Annual Performance Plan 2013⁵⁴ identifies the following policies which it will develop and implement:

- Heath care policy for military veterans

- Education/Bursary policy
- Transport policy
- Policy on relief of social distress
- Policy on Military Veterans pension
- Training and skills development policy for military veterans
- DMV ICT Strategy
- DMV Risk Management policy

However its response⁵⁵ to which policies have been identified to assist with delivery of benefits and its status, reference is only made to:

- Health and counselling (promulgated)
- Compensation (promulgated)
- Housing (promulgated)
- Education (promulgated)
- Burial (promulgated)
- Memorialisation (promulgated)
- Pension (was to be finalised in 2014/15)
- Skills development and empowerment Policies (was to be finalised in third quarter of FY14/15).

- **The 2013 DMV APP identified the first list of policies and compared with the latter list, shows certain policies falling off such as the Transport policy, while the Memorialisation policy has been added. What are the reasons for this and why did it take so long to finalise these policies?**
- **Are the promulgated policies serving their purpose or are there challenges in this regard? This against the background that the DMV has encountered challenges with especially service delivery agencies regarding Service Level Agreements and Memoranda of Understanding.**

END NOTES

1 See for instance DOD APP Powerpoint presentation to the PCODMV on 9 July 2014.

2 DOD, 2015. Department of Defence Strategic Plan 2015 -2020.p. ii.

3 DOD, 2015. Department of Defence Strategic Plan 2015 -2020.p. iii.

4 DOD, 2015. Department of Defence Strategic Plan 2015 -2020.p. ii.

5 DOD, 2015.p. 7.

6 DOD, 2015.p. 55.

7 DOD, 2015. Department of Defence Planning Instruments for 2015 -2020.p. 25.

8 See for instance SA News of 7 April 2015 at <http://www.sanews.gov.za/south-africa/sandf-get-new-aircraft-vvips>, News24 of 5 April 2015 at <http://www.news24.com/SouthAfrica/Politics/Storm-brewing-over-Zumas-new-VIP-jets-20150405>.

9 South Africa Defence Review, 2015. p. 2.27.

10 See <http://www.mediaclubsouthafrica.com/economy/4165-south-africa-s-budget-2015-the-full-text>.

11 ENE 2015. Vote 19 Department of Defence and Military Veterans. p.3. Abridged version

12 DOD, 2015. Department of Defence Strategic Plan 2015 -2020.p. 23.

13 ENE, 2015.

14 DOD, 2015. Department of Defence Strategic Plan 2015 -2020.p. 41 and . ENE 2015. Vote 19 Department of Defence and Military Veterans. Abridge version. p1 and 2

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- 15 ENE 2015. Vote 19 Department of Defence and Military Veterans. p.7 and onwards.
- 16 DOD, 2014. SA Defence Review 2014. For Parliamentary process. p. 9-20.
- 17 Defence Review, 2014. South African Defence Review 2014. For parliamentary process. p. 9.9 and DOD, 2015. Department of Defence Strategic Plan 2015 -2020.p. iii and 5 onwards.
- 18 DOD, 2015, p. iii.
- 19 ENE 2015. Vote 19 Department of Defence and Military Veterans. p.2. Abridged version.
- 20 DOD, 2015, p. 4 & 5.
- 21 DOD, 2015, p. 5.
- 22 DOD, 2015.p.57.
- 23 DOD, 2014. Executive Authority's Overarching Annual Strategic Statement. 2014. Department of Defence. p. 8.
- 24 DOD, 2015. Planning instruments 2015 – 2020. p.17
- 25 DOD, 2015. Department of Defence Strategic Plan 2015 -2020.p. iii and 17.
- 26 DOD, 2015.p.25.
- 27 DOD, 2015, p. iv.
- 28 DMV, 2015. Department of Military Veterans Strategic Plan 2015 – 2019. p. 12
- 29 DMV, 2015. Department of Military Veterans Strategic Plan 2015 – 2019. p. 17
- 30 DMV, 2015. Department of Military Veterans Annual Performance Plan 2015. p. 20
- 31 DMV, 2015. Department of Military Veterans Annual Performance Plan 2015. p. 24
- 32 PCODMV Meeting with the DMV on 25 February 2015 on its Annual Report 2013/14.
- 33 PCODMV Meeting with the DMV on 25 February 2015 on its Annual Report 2013/14.
- 34 From best to worst audit opinions: 1) Clean Audit Opinion: No findings on PDO and Compliance, 2) Unqualified with findings on PDO and Compliance, 3) Qualified Audit Opinion: with/without findings, and 4) Disclaimer/Adverse Audit Opinion.
- 35 DMV, 2014. Annual Report of the Department of Military Veterans 2013/14. p.45
- 36 DMV, 2014. Annual Report of the Department of Military Veterans 2013/14. p.26
- 37 DMV, 2014. Annual Report of the Department of Military Veterans 2013/14. p.94.
- 38 DMV, 2014. Annual Report of the Department of Military Veterans 2013/14. p.136 – 138.
- 39 The primary purpose of the MPAT is to improve management performance building learning and accountability into process of reporting. It involves assessing the quality of management practices. It covers four key performance areas and has four levels which measure each standards, namely Strategic Management, Governance and Accountability, Human Resource Management and Financial Management with four levels ranging from Level 1 being the poorest up to Level 4.
- 40 Kim Helfrich, 2104. Military Veterans is the lowest performing Department in the Public Service. defenceWeb 11 November 2014. Accessed at <http://www.defenceweb.co.za>.
- 41 MPAT 2013. Departmental scorecard. ND Military Veterans. MPAT Scores.
- 42 DMV, 2015. Department of Military Veterans Strategic Plan 2015 – 2019. p. 18
- 43 DMV, 2015. Department of Military Veterans Strategic Plan 2015 – 2019. p. 4
- 44 Also see DMV, Strategic Plan 2012 – 2016. p. 26 for more details.
- 45 DMV, 2015. Department of Military Veterans Strategic Plan 2015 – 2019. p. 32
- 46 PCODMV Meeting with the DMV on 25 February 2015.
- 47 ENE 2015. Vote 19 Department of Defence and Military Veterans. p.28.
- 48 DMV, 2015. Department of Military Veterans Annual Performance Plan 2015. p. 30
- 49 DMV, 2015. Department of Military Veterans Annual Performance Plan 2015. p. 31
- 50 DMV, 2015. Department of Military Veterans Strategic Plan 2015 – 2019. p. 4
- 51 DMV, 2015. Department of Military Veterans Annual Performance Plan 2015. p. 31
- 52 DMV, 2015. Department of Military Veterans Strategic Plan 2015 – 2019. p. 21
- 53 ENE 2014. Vote 22 Department of Defence and Military Veterans. p.34.
- 54 DMV Annual Performance Plan 2013. p. 24
- 55 See National Assembly: Questions for written Reply. No 1097. Department of Defence and Military Veterans.