



**COMMITTEES**

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**PORTRFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS**

**DRAFT MINUTES OF PROCEEDINGS**

**Date** : Wednesday, 15 February 2017

**Time** : 10h00

**Venue** : V454, 4<sup>th</sup> Floor, Old Assembly Building

**Agenda** :

1. Department of Defence briefing on:

- The implementation of the 2016 Defence Budgetary Review and Recommendation Report (BRRR) recommendations, and
- An update on progress made with the repair and refurbishment at 1 Military Hospital's (Thaba Tshwane).

2. Committee business:

- Adoption of the draft minutes of 30 November 2016 ,
- Discussion on the Defence committees' intended joint study tour to Cuba, and
- Portfolio Committee's attendance of the 21 February 2017 Armed Forces Day, Durban.

## Attendance by Committee Members

Status	Name of Member	Political Party
Present	Mr MS Motimele, MP	ANC
	Mr DD Gamede, MP	ANC
	Mr BT Bongo, MP	ANC
	Mr MS Boo, MP	ANC
	Mr JJ Skosana, MP	ANC
	Ms N Dambuza, MP	ANC
	Mr S Esau, MP	DA
	Mr SJF Marais, MP	DA
Apologies	Ms NA Mnisi, MP	ANC
	Mr MA Mncwango, MP	IFP
	Mr L Mbinda, MP	PAC

## Officials in attendance

Officials in attendance	Designation
Lieutenant General VR Masondo	Chief of Staff: SANDF
Major General FM Ramantswana	Chief Military Policy, Strategy and Planning
Major General MJ Ledwaba	General Officer Commanding: Defence Works Formation
Peter Nkabinde	Parliamentary Liaison Officer: Ministry of Defence and Military Veterans
Regionald Martini	Parliamentary Liaison Officer: Department of Defence

## **Parliamentary support staff**

<b>Parliamentary support staff</b>	<b>Designation</b>
Ms Mandy Balie	Committee Secretary
Ms Alutho Nkwandla	Committee Assistant
Mr Peter Daniels	Content Advisor
Mr Calvin Manganyi	Content Advisor: Joint Standing Committee on Defence
Wilhelm Janse van Rensburg	Acting Researcher

## **Relevant documents**

<b>Relevant documents</b>
PowerPoint Presentation: Budgetary Review and Recommendation Report implementation
PowerPoint Presentation: 1 Military Hospital Repair and Refurbishment programme
Background document: Research Unit
30 November 2016 draft minutes
Armed Forces Day invitation

## **SUMMARY OF OUTCOMES/RESOLUTIONS**

- Owing to time constraints, all questions posed by Members could not be responded to. It was agreed that the Department would submit written responses to each outstanding questions within a reasonable timeframe.
  - The Committee agreed that it should conduct regular site visits to 1 Military Hospital to monitor the progress made with the finalisation of the project, to identify challenges, to recommend appropriate interventions timeously, and to avoid further delays and the escalation of costs.
  - The Committee should include a site visit to Silvermine Naval station in the Western Cape as antennas and copper cables had recently been stolen at this naval station. Such a visit should be scheduled during the upcoming oversight week.
  - The Committee would consider and include a closed briefing session with the Department to further discuss matters relating to unregistered airfields and airstrips, as well as Operation Vimbezela.
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## **SUMMARY OF PROCEEDINGS**

### **1. Opening and welcome**

1.1 The Chairperson welcomed all in attendance and confirmed the agenda of the meeting.

### **2. Department of Defence briefing on the implementation of the Budgetary Review and Recommendation Report (BRRR) recommendations**

2.1 Information presented during the meeting did not deviate from documents submitted to the Committee. The presentation is therefore not summarised here.

### **3. Discussion**

*Owing to time constraints, the Department could not respond to all questions and undertook to reply in writing to all unanswered questions.*

#### **3.1 Military court case backlog**

3.1.1 Members noted the discrepancy in figures provided in the presentation and believed that this information did not assist the Committee in establishing the extent of the case backlog, and

the actual number of cases the Department managed to process. Efforts made to reduce the case backlog was noted, but owing to capacity challenges it appeared as if the Department does not have an effective mechanism to both manage outstanding cases and to process new ones. The Committee therefore requested the Department to confirm the average time spent and/or required to process a single case, and whether alternative steps other than those presented to the Committee would be taken to effectively resolve the current case backlog. The Committee stressed that it needed to fully understand the reasons for the persistent backlogs.

### **3.2 Litigation against the Department**

- 3.2.1 Of the 96 cases received, the Department had finalised 31 and the Department was requested to clarify at what stage the outstanding 65 cases were. In addition to this, Members sought clarity on whether the Department had recovered any costs from the 26 cases that were settled in favour of the State. The Department was also requested to confirm whether regular trend analyses are conducted to assist in identifying any systemic or policy weaknesses; and whether any risks analyses are done to ascertain whether a case is “winnable” in court or should be resolved by settlement.
- 3.2.2 In its response to questions posed, the Department confirmed that its Legal Services Division was under-resourced and struggled to effectively manage the case workload, particularly the finalisation of litigation. The Department is therefore at times compelled to seek external legal advice. Owing to the excessive salary bill, the Department is unable to address the under-resourced divisions’ capacity. The Department further mentioned that risk analyses are done to ensure that there are limited weaknesses in their system, particularly the training of drivers as mobile assets accidents amounted to more than R12 million at 19 January 2017. The Department is investigating the allocation of dedicated drivers to specific vehicles to increase responsibility and decrease cases of negligence.

### **3.3 Military Discipline Bill status**

- 3.3.1 The Committee found it unacceptable that the finalisation and tabling of the Military Discipline Bill (MDB) in Parliament have been delayed since 2012, and was now only expected to be submitted to the legislature on 18 October 2018. Given the importance of the legislation and its impact on military professionalism and soldiers’ morale, such late tabling would limit Parliament’s ability to finalise the Bill within the current five-year parliamentary term.

3.3.2 The Department explained that the delay in the finalisation of the MDB was in part due to the Office of the State Law Adviser's (OSLA) lack of understanding of the military environment and profession. That office found it difficult to understand that for the military to work effectively, certain rights of SANDF members must be limited. These disagreements unnecessarily frustrated the tabling of the MDB, and the Chief of the SANDF had to personally intervene and request the OSLA to prioritise and fast-track the Bill's certification in order for it to be submitted to Cabinet for approval prior to its tabling in Parliament. The Bill is currently with the JSCP Cluster's development committee and the affected departments are now being consulted. Although the Department is frustrated by the slow pace to finalise the MDB, the current process is external to the defence environment and thus beyond their control.

#### **3.4 Supply chain management procurement and contracting investigations**

3.4.1 The Department reported that of the 20 cases under investigation six were under investigation by the Directorate Anti-Corruption and Anti-Fraud, one has been cancelled due to lack of evidence, one closed due to a lack of evidence, 10 were under investigation by Military Police Division, one under investigation by the Public Service Commission and one under investigation by the Human Resource Division. Members requested clarity on whether any individuals employed in the Department had been implicated in such investigations, and what impact the lack of capacity in terms of investigating cases and report writing, have had on the outcome and finalisation of such investigations.

#### **3.5 Revised Defence procurement policy**

3.5.1 Members stressed that the Department had to adhere to Government standards to procure goods and services. Recalling the challenges military bases had with procuring goods and services and the impact centralisation of procurement policies have had on military bases, Members requested clarity on the extent to which procurement had been delegated to bases.

3.5.2 The Department confirmed that the policy revision included revising the delegation of Officers Commanding at military bases but its implementation will be strictly controlled to ensure that those bases that display good financial management is rewarded with an increased delegation. Regarding procurement from companies owned by Historically Disadvantaged Individuals (HDIs), the Department indicated that once such companies have been registered on their databases, it will increase their chances to benefit from defence procurement processes.

### **3.6 Technology as a force-multiplier**

- 3.6.1 The Committee emphasised the importance of utilising modern technologies to assist with the safeguarding in particular of land and sea borders. It enquired whether the DOD had considered using drones developed by Denel for the use in combatting rhino-poaching, to combat illegal cross-border trade and entry across land and from our sea borders.

### **3.7 Unregistered airports and airstrips**

- 3.7.1 The Committee noted the information provided regarding the recorded illegal airfields and airstrips. Members emphasised that porous land borders and sea borders were high risk ports of entry and asked confirmation of the specific number of illegal airstrips and airfields along these risk areas. Related to this, the Committee requested clarity on whether the Department had played a role or had been consulted during the development of the Internal Migration Bill, currently before the Portfolio Committee on Home Affairs.
- 3.7.2 The Department confirmed the high security risk posed by the growth of unregistered airstrips and airfields and that the SANDF regularly receives complaints from their regional counterparts that small aircraft are using these airstrips and airfields to fly into their territories. This matter is being prioritised as per the SANDF's intent that the South African Air Force should be adequately capacitated to be able to cover the full extent of our air defence responsibility area. Although measures have been put in place to deal with these security breaches, the decreasing defence budget constrains the extent to which the growth in illegal airstrips and airfields can be combatted.
- 3.7.3 Regarding the Department's involvement in the Internal Migration Bill's development, the CSANDF has directed that the Defence Legal Services Division be involved in the development of all legislation generated by other Departments that may impact on the SANDF. It was stressed that the Department's role in the specific Bill was limited through the defence legal advisers' participation. The Bill was discussed with Home Affairs and the JSCP cluster in relation to the establishment of the Integrated Border Management Strategy (IBMS) of which the Border Management Authority (BMA) Bill forms an integral part.

### **3.8 Outsourcing**

- 3.8.1 Members emphasised the need for procurement to be in the interest of the soldier as well as sound financial management. Following the presentation made relating to outsourcing certain South African Military Health services, the Committee requested further clarity on whether

the decision to outsource certain services was made in the best interest of the patient or whether this was motivated purely by the need to save costs. Furthermore, clarity was sought on which companies benefitted from such outsourcing and whether Historically Disadvantaged Individuals (HDI's) were considered for goods and services, once a decision to outsource has been taken.

- 3.8.2 Relating to the above, Members also asked further clarity on the specific relationship or cooperation between public and military hospitals, as the former often suffer the same capacity challenges. Members also wanted to know what measures have been put in place to ensure that should certain medical services not be available in state or military hospitals, patients are referred to private hospitals and practitioners for the appropriate medical attention.
- 3.8.3 Regarding the recruitment of contracted personnel, the Committee requested clarity as to whether the Department had a reliable database in place from which services are sourced.
- 3.8.4 In its response, the Department highlighted the loss of skilled medical personnel as well as the challenges in recruiting appropriately skilled medical practitioners. This is a common challenge in the public health sector, and specialists are recruited from the same public health pool of medical practitioners. The matter is exacerbated by the deficiencies in SAMHS' recruitment process, particularly as it relates to the time to respond to applications, finalisation of appointments, as well as the vetting of candidates. In addition, the poor state of military health facilities does not make military hospitals attractive to highly skilled medical specialists.
- 3.8.5 An effective military health system relies on modern technology, appropriate funding, skilled human resources and relevant medical equipment. Most of the above depend on how well a military hospital is funded. Although the availability of funds are considered when a patient is referred to an independent medical facility or practitioner, the health of the patient takes precedence. In most cases patients are referred to private hospitals and specialists since public hospitals suffer the same capacity challenges as military hospitals. Owing to the current salary bill which consumes 75 per cent of SAMHS's annual budgetary allocation, the Department can only spend the remaining 25 per cent on all operational expenses - vastly inadequate to provide appropriate healthcare to SANDF members and military veterans. Owing to this funding dilemma outsourcing becomes the only solution and is taken in the best interest of the patient.

### **3.9 Defence Review Funding Model**

3.9.1 The Committee expressed concern that although the Defence Review had been approved in 2015, its implementation is now delayed due to the Department not being adequately funded. The Committee requires an update on the Defence Review Funding Model especially the plans to utilise alternative revenue sources to generate the required funds. The Department was requested to ensure that any plans developed were practical and implementable; and information submitted to the Committee is useful to assist it in making appropriate recommendations and interventions regarding the Defence budgetary allocation.

### **3.10 Disability leave**

3.10.1 Members questioned the reliability of information presented on this matter and highlighted that an unusually high number of leave days were recorded for the particular period. This does not correspond with the number of people eligible for disability leave and such discrepancies could also indicate an abuse of the leave system. The Department was requested to explain how it manages leave requests and whether managers apply a specific policy or standards in this regard. The Committee recommended that the Department review terminology used to ensure that it corresponds with accepted Government terminology, as well as to avoid any incorrect interpretation of information.

3.10.2 The Department responded that there was no limitation regarding the number of days for Temporary Incapacity leave (TIL). Once their 36 days sick leave in a three year cycle has been exhausted, additional leave is subject to external and independent verification, in order for such leave to be confirmed justifiable and authentic. Should that not be the case, the person should then have to apply for vacation leave or unpaid leave. The Department has found that applications for sick leave peak at the end stages of the sick leave cycle, thus justifying closer scrutiny of applications. The Department note the confusion caused by its incorrect use of terminology and undertook to correct errors – the term “disability leave” was incorrectly used.

## **4. Department of Defence briefing on 1 Military Hospital Repair and Refurbishment**

4.1 Information presented during the meeting did not deviate from documents submitted to the Committee. The presentation is therefore not summarised here.

## **5. Discussion**

*Owing to time constraints, the Department could not respond to all questions and undertook to reply in writing to all unanswered questions.*

### **5.1 Project delays**

- 5.1.1 The Committee expressed its dismay at the unacceptably long period taken to repair and refurbish 1 Military Hospital and the staggering costs of such delays. Members emphasised the need to establish whether the Department of Defence or the Department of Public Works was responsible for the state of affairs.
- 5.1.2 The Department responded that owing to the ten year delay of the project, the Minister of Defence and Military Veterans had, in 2014, directly intervened and confirmed with the Minister of Public Works that the DOD would take over the management and responsibility of the repair and refurbishment of the facilities of 1 Military Hospital.

### **5.2 Payment of contractors**

- 5.2.1 Members noted that limited information was provided regarding the payment of contractors and asked whether service providers were paid within the prescribed period. There was a discrepancy between the building costs and payment of medical equipment. The non-payment of service providers made the Department vulnerable to litigation, thus increasing expenses relating to the project.
- 5.2.2 The Department responded that it will take over the payment of contractors after contracts have been verified and they will endeavour to pay them within the prescribed timeframes, especially those contractors who maintain the medical equipment. The estimated cost of medical equipment is subject to the exchange rate and the Department will endeavour to curb cost escalations where possible. The discrepancy between the building and medical equipment costs can be ascribed to *inter alia* the cost savings that the Defence Works Formation can facilitate regarding the building costs.

### **5.3 Capacitating 1 Military Hospital**

- 5.3.1 The Committee asked the Department to clarify whether contingency plans and budget had been developed to ensure that, once the project is completed, 1 Military hospital would be staffed with the required number of specialist skilled medical personnel.

- 5.3.2 The Department responded that it will ensure that as soon as the building phases are completed, the required health professionals will be ready to take over the facilities to curb outsourcing.

## **6. Committee business**

### **6.1 Adoption of committee minutes**

- 6.1.1 The draft minutes of the meeting held on 30 November 2016 was unanimously adopted without amendment: Mr. Esau moved for its adoption, and was seconded by Mr. Bongo.

### **6.2 Defence committees' joint study tour to Cuba**

- 6.2.1 The Chairperson reported that the House Chairperson, Mr. Frolick, MP had recommended that the two defence committees undertake their study tour during the new financial year. The Chairperson would be meeting with the House Chairperson to establish the reason for the persistent decline of the Committee's study tour applications.

### **6.3 21 February 2017 Armed Forces Day (Durban)**

- 6.3.1 The Committee unanimously agreed that it attends the above event.

## **7. Resolutions**

- 7.1 Owing to time constraints, all questions posed by members could not be responded to. It was agreed that the Department would submit written responses to each outstanding question within a reasonable time.

- 7.2 The Committee agreed that it should conduct regular site visits to 1 Military Hospital to monitor the progress made with the finalisation of the project, to identify challenges, to recommend appropriate interventions timeously, and to avoid further delays and an escalation of costs.

- 7.3 The Committee should include a site visit to Silvermine Naval Station in the Western Cape, as antennas and copper cables had recently been stolen at this naval station. Such a visit should be scheduled during the upcoming oversight week.

7.4 The Committee will consider and include a closed briefing session with the Department to further discuss matters relating to unregistered airports and airstrips, as well as Operation Vimbezela.

**8. Closing remarks**

8.1 The Chairperson thanked all in attendance and concluded that the Committee ought not to reduce oversight to policing, but should continue interacting with the Department to probe, seek clarity and make appropriate recommendations. He stressed that matters relating to sound financial management and good governance should not be compromised and that all Departments are compelled to avoid unnecessary expenditure, particularly irregular, fruitless and wasteful expenditure. Effective oversight also depends on the quality of information presented to the Committee, and the Department was requested to submit reliable and accurate information when reporting to Parliament. Regarding the outsourcing of services, it was emphasised that such outsourcing should always be in terms of efficiency in cost and performance, and if the Department deviated from this principle, the Committee ought to be informed of such exceptional cases.

**9. Adjournment**

9.1 The meeting adjourned at 12:17 and the Committee's next meeting is on Wednesday, 22 February 2017.

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Mr MS Motimele, MP  
Chairperson

Date