**MEDIA STATEMENT**

**JOINT DEFENCE COMMITTEE WELCOMES EFFORT TO IMPROVE RELATIONSHIP BETWEEN SANDF, ARMSCOR AND DENEL BUT QUESTIONS REMAIN ON VALUE FOR MONEY**

**Parliament, Friday, 12 May 2023 –** The Joint Standing Committee on Defence remains concerned by the return on investment that the South African National Defence Force (SANDF) gets for the money it invests in making sure our prime mission equipment (PME) is serviceable and mission-ready for deployment. The committee received a briefing from the SANDF on the level of its satisfaction with the services it receives from Denel.

The committee appreciates that the stakeholders heeded the call made by the committee for the disjuncture to be remedied between the SANDF and Denel in relation to Denel’s ability to maintain and sustain PME as per the requirement for operational readiness. The committee considers a symbiotic relationship between the SANDF and Denel of critical importance, but one that requires focused analysis and monitoring to ensure value for money for the investment SANDF makes in Denel. In line with this, the committee welcomes the establishment of a Department of Defence, Armscor and Denel steering committee to monitor cooperation and improve coordination.

The committee acknowledged the increase from 6.45% to 38.10% in delivered capital and technology contracts. This improvement must be sustained to ensure PME is ready for deployment. Nonetheless, the committee is concerned that the operational readiness of PME remain largely unserviceable. In addition, the committee is alarmed to hear that while the majority of contracts given to Denel Aeronautics was satisfactory, according to the SANDF, the reality on the ground is that a majority of the aircrafts remain grounded and Denel has resorted to cannibalising parts to service aircrafts needed for mission deployment.

This situation leads the committee to question the financing model currently utilised and the value for money the SANDF is getting. While the committee acknowledges that the delivery of contracts might be system-specific and not holistic in getting the aircrafts airborne, it nonetheless underscored the need for general solutions in getting PME ready. It urged the department to utilise the specifically allocated funding efficiently and effectively to enhance the performance of the strategic mission equipment.

Meanwhile the committee received a presentation on the extension of Operation Prosper to assist the South African Police Service to protect and safeguard identified Eskom power stations. The deployment is in accordance with Section 201(2) of the Constitution at an estimated cost of R146 718 427. The committee reiterated its support for the deployment, as it views it as necessary to ensure the security of the energy grid. Despite this support, the committee reiterated its concern that there are delays in reimbursing the SANDF for internal deployments utilising their own resources budgeted for other operational items. The committee was informed that the Portfolio Committee on Defence and Military Veterans will interact with National Treasury next week, Wednesday, to discuss the issue of funding of internal deployments supporting other government departments.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CO-CHAIRPERSONS OF THE JOINT STANDING COMMITTEE ON DEFENCE, MR CYRIL XABA, AND MR MAMAGASE NCHABELENG**

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