

# **This budget will sink SA's defense capabilities**

by Kobus Marais MP - DA Shadow Minister of Defence

Chairperson, in all of my 6 years as a member of this portfolio, is this the most challenging and concerning budget consideration. The Minister of Defence (MoD) stumbled from one embarrassment to the next; damaging the reputation and integrity of the Commander in Chief (CIC), her office and the SANDF beyond repair.

We experienced a rude awakening with the ISIS related insurgency in Cabo Delgado. Government had no significant response against the insurgents, and it failed to evacuate our citizens from Palma. They had to rely on the DAG pilots and personnel to get them safely to Pemba. The instability in Cabo Delgado damaged the development of one of the biggest LNG production and economic development opportunities in the world and has significantly increased the risks along our land and maritime borders.

To date we have not seen any meaningful improved land-border safeguarding measures, and the decay of our strategic defence capabilities in the SA Navy and SA Air Force has exposed us both in the air and on sea. The lack of relevant, credible, and reputable intelligence was evident in the inability of government to respond effectively. The perception is that our intel agencies are more involved with the ANC factional battles than assuring intel in compliance with s200(2) of our constitution. It is thus no surprise to see National Treasury (NT) further thrashing the Defence Intelligence budget, probably because it is bad value for money.

Economic opportunities have nearly been destroyed by the ANC, unemployment is the highest ever, and economic growth potential the lowest ever. The SA Defence Industry (SADI) has been particularly hard hit due to the inability of Denel to recover from the State capture looting, as well as their financial and management implosion. Denel's implosion is attributed to government who failed to act promptly and support them in a way to benefit the country, SADI and our defence capabilities.

The unilateral defence budget cuts by NT, unwillingness by the Minister and the defence leadership to comply with the NT and 2015DR guidelines, and the lack of strong political will and leadership, including from the President (CIC), have collectively stripped SANDF of its essential equipment procurement and maintenance capacity. This will have detrimental effects to all SADI stakeholders.

Add to that the consistent frustration by the NCACC not considering industry permit applications on a monthly basis, and we have an ideal recipe for chaos which will destroy the once world-renowned SADI, with the compliments of the ANC.

Chairperson as mentioned, we saw the MoD and those under her executive leadership stumbling from the one embarrassment, transgression, and misstep to the other, and from the one irregular and wasteful expenditure to the next.

We have experienced the consistent and frustrating power struggle between the MoD/DoD and the MoF/NT, at the expense of our defence readiness and the integrity of our nation. The defence leadership only had one solution for their budget challenges, "more money", while the NT's standard response was "little scope to provide additional funding". Their impasse has contributed significantly to the deterioration of our defence readiness and strategic capabilities.

It seems obvious the political will does not exist with the CIC and MoD to bring a lasting solution; to restructure and reprioritize the SANDF as a smaller but more responsive and affordable defence force. There must be a refocus to the current and future threats and priorities, which requires the restructuring,

repositioning, reprioritizing, and refunding of the DoD/SANDF, including the extensive use of technology as force multipliers.

The Minister's embarrassments referred to above include:

- Her unwavering support to the generals regarding the death of Collins Khosa, and their subsequent unprofessional behavior blaming each other, with Parliament being misled at the time;
- Her and her ANC colleagues' #Jetgate safari to Zimbabwe at the expense of the defence force;
- The illegal transportation of Cuban medicine, not once but three times– which most will call drug smuggling – by the MCC which the MoD supported and claiming ignorance regarding the legal requirements for the importation of medicine. Bizarre and outrageous excuses of amongst others, the threat of biological warfare, was given. Clearly the MCC saw themselves as above the law while hundreds of millions of Rands were wasted. So far, they have frustrated the investigations seemingly to protect their personal interests, while no one has been held responsible and accountable; and
- The latest allegations against her poor judgement to spend millions on overseas trips with chartered aircrafts while the SANDF had to cut costs, was surely unfitting for the Minister.

In the private sector, she would have been fired. Why has the President not acted stronger against her? Is it because her husband is his security advisor?

Let me turn to this budget:

While the general rule for a defence budget is 2% of GDP, NT thrashed ours to 0.86% of GDP.

The following budgetary anomalies will show the inappropriate and wrong priorities, and that little political and operational leadership exists to secure the sustainability of our defence readiness and strategic capabilities:

The DoD budget was **reduced by 18,08%**, including:

- Landward Defence (Army) was **reduced by 16,12%**, in real terms
  - Infantry capabilities **decrease by 23,07%**;
  - Contractors **increased by R1 billion**;
- Air Defence (Air Force) was **reduced by 23,99%**, in real terms
  - Air Combat capabilities **decreased by 61,99%**;
  - Helicopter capabilities **decreased by 20,38%**;
  - Transport & Maritime capabilities **decreased by 29,02%**;
  - Fuel, oil & gas **decreased by 54%**;
- Maritime Defence (Navy) was **reduced by 17,20%**, in real terms
  - Maritime Combat capabilities **decreased by 30,79%**;
  - Contractors **increased by 58%**;
- Military Health was **reduced by 16,21%**; and
- Defence Intelligence was **reduced by 36,63%**.

However:

- Under program 1, administration, the Ministry will receive an **increase from R97.2 million to R125.5 million**, which probably makes this the most expensive ministry, including:
  - **S&T will increase 95,71%**;
  - **Communication Services will increase 47,58%**;
  - While DIRCO is planning to reduce their missions, the MoD seems adamant to retain our 44 defence attaché.

- While both NT and the 2015 DR policy prescribe **Cost of Employees (COE)** not to be more than 40%, this budget reflects it as **63%**. The DoD has already reported a projected overspend of R4.9 billion which will bring **COE effectively to 73%** of the allocated budget, which will result in more irregular expenses.
- This leaves only **26%** for operations, including training, equipment acquisition and maintenance, which is totally unsustainable.
- On this trajectory the DoD and SANDF has become a safety net employment service mostly for ex-MK members. This we should not allow.

The SDA will be depleted, and funding for projects Hoefyster, Biro(IPV) and Hotel is still not secured. The midlife upgrades of the 3 frigates and 3 submarines are unfunded which will leave them in the dockyard indefinitely. We still do not have any maritime reconnaissance capabilities at 35sq and very limited air transport capabilities.

Its clear from the above the priorities of the MoD is not austerity measures to secure a smaller and well-funded defence force, but rather expenses that will not secure compliance with s200(2) of our constitution. The president as CIC, is implicated as a complicit and must act to save himself, SANDF and the integrity of SA.

Chairperson no one can support this budget and expect our defence capabilities not to go down the drain. Time for change is now.