

**REPORT OF THE PORTFOLIO ON DEFENCE AND MILITARY VETERANS ON ITS ACTIVITIES**

**UNDERTAKEN DURING THE 5TH PARLIAMENT**

**(JUNE 2014 – MARCH 2019)**

**Key highlights**

1. **Reflection on committee programme per year and on whether the objectives of such programmes were achieved**
	1. Since 2014, the Portfolio Committee on Defence and Military Veterans’ oversight work was focussed on assisting the Departments of Defence and the Department of Military Veterans to improve its management and performance which had been compromised by a number of challenges that have frustrated efforts to modernise the South African National Defence Force (SANDF), and the delivery of benefits and services to military veterans.
	2. Oversight programmes were dedicated to assessing departmental performance and expenditure on a quarterly basis, receiving status reports on identified areas of underperformance that required greater scrutiny, undertaking site visits to defence facilities, and convening hearings with departments and agencies relevant to the delivery of services to military veterans. The Committee also dedicated time to the processing of legislation, international treaties and conventions, as well as considering reports and other information referred to it by the Speaker of the National Assembly.

**More specifically, the Portfolio Committee dealt in the main with the following in the relevant years**

**2014**

The 2014 meetings involved the election of the Chairperson (25 June 2014) followed by annual events such as the SONA, delivered on 17 June 2014, the annual Budget process, quarterly and annual reports. Nineteen meetings were held and two of the important ones, dealt with the Strategic Plans of the DOD and the DMV. The Committee also dealt with a Private Member’s Bill namely the Defence Amendment Bill [PMB 8 – 2013] but it did not proceed further than the Committee stage, given that the Motion of Desirability, was not sanctioned by the Committee. Important, the Committee held a joint Strategic Work session with the Joint Standing Committee on Defence on 24 – 26 October 2014 at the Lord Charles Hotel. This work session’s outcome would drive the objectives and targets of the Committee over the remainder of the 5th Parliament.

**2015**

The Committee held 23 meetings in 2015 and dealt with one Bill, namely the Defence Laws Repeal and Amendment Bill [B7-2015]. The majority of meetings focused on the two departments where the Committee dealt inter alia with issue of benefits, Information management systems (DMV) and the strengthening of the Defence Works Formation, as well as an overview of bills to be expected such as the Military Discipline Bill. The Committee. The Committee also received briefings by the Defence Force Service Commission (DFSC) and the Office of the Military Ombud on their annual reports.

**2016**

Besides the annual events, 2016 saw the Committee having 19 meetings which saw an enhanced focus on the Department of Military Veterans. Issues covered with the latter included access to subsidised public transport, management performance, and housing challenges with selected provincial housing departments. One pertinent issue plaguing the Department of Defence, namely Procurement, was also discussed with the Chief of Logistics. This is a recurring issue that the Committee would do well to interrogate at length. A briefing by the implementation of the recommendations of the Ministerial Medical Task Team also assisted the Committee in its oversight responsibilities. A meeting was also held with SITA due to the recurring challenges that both the DOD and DMV were experiencing.

**2017**

The 21 meetings held in 2017 focused on the challenges in the Department of Military Veterans, where focus was placed on the database, housing, facilities, and the Call Center. Three oversight visits were conducted to 2 Military Hospital, Silvermine Naval Station and the Regional Works Unit in Youngsfield. No Bills were processed during this period.

**2018**

One of the highlights for 2018 was the Oversight visit to the DRC by the two Defence Committees over the period 25 to 29 March 2018. To date, the Committee has held 23 meetings dealing with especially the challenges facing the Department of Military Veterans. The year has also seen the end of the term of the Acting D-G Max Ozinsky, who did a sterling job to put the department oh the right track. Lt Gen (ret) Derick Mgwebi followed him up and is making good strides to address especially the systemic challenges besting the Department. The Department of Defence continues to be plagued by a limited defence budget and it was not helped by the slow progress to finalise the Funding Model and related issues. It is especially the continued overspending on Compensation of Employees, that is concerning. The Committee also processed two Bills (the Defence Amendment Bill [B18-2017], and the Hydrographic Bill [B17-2018]) referred to it

Although draft Committee Annual Plans and a revised Strategic Plan, were available, these were not approved as no Strategic Planning Session could be held to effect this, since the initial work session in October 2014.

1. **Committee’s focus areas during the 5th Parliament**
	1. The Committee identified the following priority oversight areas:
		1. The resolution of audit outcomes to ensure improved governances and compliance.
		2. The monitoring of quarterly performance and expenditure, aimed at identifying areas of concern and intervention timeously and before the end of a financial year.
		3. Identification of challenges relating to the effective coordination and delivery of services and benefits to military veterans, including the establishment and maintenance of a reliable military veterans’ database reflecting verified information.

2.1.4 Interrogating certain challenges relating to the modernisation and operations of the South African National Defence Force including human resources matters (defence force structure and design, training and skills development, mobility exit mechanism, etc), the modernisation and compliance with appropriate information and business processes, as well as the repair, preservation and maintenance of defence facilities.

2.1.5 Interrogating any management and leadership challenges as and when required.

2.1.6 Processing legislation and any other matter referred to the Committee for consideration and reporting to the National Assembly.

2.1.7 Conducting oversight visits to defence facilities, military veterans’ headquarters and selected defence entities.

1. **Key areas for future work**
	1. Greater attention should be given to ensure that the Department of Defence is adequately funded, in particular for the 2015 Defence Review, and specifically Milestone 1 – Arrest the Decline. A serious challenge facing the Department of Defence and specifically the South African National Defence Force (SANDF) is the over-spending on Compensation of Employees as well as the lack of an effective and sustainable exit mechanism. These coupled with the challenges regarding the landward borderline security, peacekeeping missions, sea and flying hours, and the repair and maintenance of defence facilities, combine to exacerbate the defence situation in South Africa. It is with this in mind, that the Committee has emphasised that the DOD focuses on reprioritising its budget in line with its constitutional mandate.
	2. The Department of Military Veterans has been a focal area of attention for the Committee since its establishment. The challenges experienced are recurring in nature such as the lack of movement on access to public transport, slow delivery of houses, overspending of educational support, skills development as well as personnel capacity challenges, and in particular the challenges around the Database.
	3. Armscor has shown increased performance over the past years and the Committee encouraged it to look at especially commercialisation opportunities, the challenges at the Dockyard, delays in the acquisition of Prime Mission Equipment, and the exploitation of Intellectual Property rights to facilitate additional revenue.
	4. The Castle Control Board has received a second consecutive clean audit since 2017 and has been able to increase its revenue for the period under review. Of concern are issues such as its *Going Concern* status, the utilisation of the historic surplus, the lack of a risk register, the safety of visitors and staff, and especially the lack of substantive progress with its Revenue Optimisation Strategy. The Committee will also monitor the developments around the negative perceptions caused by hitherto unfounded claims of corporate infringements.
	5. Oversight visits and Study Tours to investigate and benchmark identified issues locally and internationally, respectively.
2. **Key challenges emerging**

4.1 The implementation of Committee recommendations, and evaluating the impact committee recommendations have had on the management and performance of the Departments reporting to it, is a key area that requires improvement. In addition to this, Departments often delayed their submission of written responses to either questions that could not be responded during an appearance before the Committee, and to our information requests. This resulted in a backlog of responses which made in increasingly difficult for a committee to formally consider information within reasonable time.

4.2 In addition, the following can be noted:

* Conducting Strategic Planning Workshops to plan the annual and 5 year programmes.
* Regular Committee Management meetings.
* Increased Oversight visits to various bases and military veterans’ establishments.
* Oversight visits to entities such as CCB and Armscor, as well as the DFSC and Military Ombud
1. **Recommendations**
	1. An effective follow-up mechanism to assist the Committee in evaluating whether recommendations contained in its adopted reports have been implemented. The Committee relied on the Departments for progress reports in the implementation of recommendations, and have expressed a need to improve its internal process for tracking such implementation. In the last two years, the Committee relied on an implementation dashboard developed by Content and Research Team, and this assisted the Committee to receive more information from the Departments.
	2. There is a need for improved coordination between the National Assembly (Tabling Division) and committees to ensure that Ministers provide formal responses on the feasibility of recommendations made by a committee within a reasonable and set period after adoption by the National Assembly. This should be made a formal requirement similar to the Minister of Finance’s required tabling of responses to portfolio committee’s budgetary review and recommendation report.
	3. Access to information and the disclosure of information by Departments to oversight bodies have become an important area for possible review. Given the particular nature of the Defence environment, parliamentary rules and procedures should be fully utilised to assist committees in receiving full information disclosure in appropriate meeting settings. Standard operating procedures in this regard should be reviewed.
	4. There is a need to conduct a Strategic workshop at start of every year of the Sixth Parliament to review the 5-year Strategic Plan and Annual Performance Plans of the PCODMV.
	5. Proper preparation of Departmental and entity officials appearing before the Committee.
	6. Timely delivery of presentation documents before briefings to the Committee.
	7. Effective and proper planning and execution of Oversight visits in conjunction with the Joint Standing Committee on Defence (JSCD).
	8. Effective and proper planning and execution of Study Tours in conjunction with the JSCD.
2. **Introduction**
	1. **Department/s and Entities falling within the committee’s portfolio**

The Department of Defence (DoD), Department of Military Veterans (DMV), Armscor and the Castle Control Board (CCB) report to the Portfolio Committee on Defence and Military Veterans (PCODMV). Although legislatively established, the National Conventional Arms Control Committee (NCACC), the Defence Force Service Commission (DFSC), and the Office of the Military Ombud are not necessarily directly accountable to the Committee.

**1.1.1 Department of Defence**

The Department of Defence derives its constitutional mandate from Section 200 of the Constitution of the Republic of South Africa (1996). This section stipulates that the defence force must be structured and managed as a disciplined military force, whilst the primary object of the defence force is to defend and protect the Republic, its territorial integrity and its people in accordance with the constitution and the principles of international law regulating the use of force. The Defence Act, (No. 42 of 2002) the White Paper of Defence (1996), the 1998 and 2015 Defence Reviews, give further substance to the Department’s constitutional mandate, and other relevant legislation guide the execution of the defence strategy of the DoD.

**1.1.2 Department of Military Veterans**

The Department of Military Veterans derives its mandate from the Military Veterans Act (No 18 of 2011), which requires it to provide national policy and standards for socio-economic support to military veterans and to their dependents, including benefits and entitlements to help realise a dignified, unified, empowered and self-sufficient military veterans’ community.

**1.1.3 Entities**

| **Name of Entity** | **Role of Entity** |
| --- | --- |
| Armaments Corporation of South Africa (Armscor) | The Armscor Act (No. 51 of 2003) as amended, sets out the mandate of the Corporation. The mandate of Armscor is to meet the defence materiel requirements of the Department of Defence efficiently and economically; and to meet the defence, research, development, analysis, test and evaluation requirements of the Department effectively, efficiently and economically.  |
| Castle Control Board (CCB) .  | Established through the Castle Management Act (No. 207 of 1993), and is responsible for the preservation and protection of the military and cultural heritage of the Castle of Good Hope; to optimise the tourism potential of the Castle; and to promote public accessibility of the Castle. |
| National Conventional Arms Control Committee (NCACC) | The NCACC is established according to the National Conventional Arms Control Act (No. 41 of 2002) as amended, to regulate the conventional arms sector in South Africa. Members of the NCACC are Cabinet Ministers and Deputy Ministers appointed by the President. The Chairpersonship and Deputy Chairpersonship positions of the NCACC are held by Cabinet Ministers who do not have line function interests in the conventional arms business. This ensures the objectivity of the NCACC. Section 3 of the NCAC Act sets out the objects and mandate of the NCACC. It must implement Government policy regarding trade in conventional arms in order to establish, apply and ensure legitimate, effective and transparent control process in and for the Republic; protect the economic and national security interests of the Republic by ensuring adequate control of trade in conventional arms in accordance with Government policy; and foster national and international confidence in the Committee’s procedures for control over trade in conventional arms. Section 4 sets out the functions of the NCACC which are the regulation of development, manufacturing and transfer of conventional arms in South Africa. The Regulations to the NCAC Act dates 28 May 2004 provides details on how the regulation of the conventional arms sector is conducted.  |
| Defence Force Service Commission | Section 6 of the Defence Amendment Act (No. 22 of 2010), sets out the responsibilities of the DFSC. It advises the Minister regarding improvements of salaries and benefits of defence force members, make policy recommendations effecting conditions of service, promote measures and set standards to ensure the effective and efficient implementation of policies on conditions of service within the Defence Force, and make the necessary recommendations to the Minister. . It can also investigate and conduct research on conditions of service; review policies evaluate and monitor the implementation of such policies; consult with the Secretary for Defence, the Chief of the Defence Force, members of the Defence Force, Reserve Force Council and any other interested person or body on conditions of service and any other matter relating to the purview of its functions.  |
| Office of the Military Ombud  | The Ombud must investigate complaints lodged with it, in line with the requirements of the Military Ombud Act (No. 4 of 2012) fairly and expeditiously without fear, favour or prejudice and to ensure that these are resolved in a fair, economical and expeditious manner. |
| Reserve Force Council | Assist with the development and implementation of the Reserve Force voluntary service system; actively support the South African National Defence Force in the recruitment of Reserve Force volunteers; advise and assist with marketing, advertising and publicity in relation to the Reserve Force; liaise with international, continental, regional, national and local military veterans' and other organisations on Reserve Force matters; and provide guidance and advice to the Reserve Force or to any constituent structural component or member thereof on any matter falling within the ambit of the Act and the Council’s object, mission, aims and mandate. |

* 1. **Functions of committee:**

1.2.1 As is the case with all other parliamentary committees, the Portfolio Committee on Defence and Military Veterans is mandated to:

- monitor the financial and non-financial performance of government departments and their entities to ensure that national objectives are met;

- process and pass legislation; and

- facilitate public participation in Parliament relating to oversight and legislation.

* 1. **Method of work of the committee (if committee adopted a particular method of work e.g. SCOPA.)**

1.3.2 The Committee performed its tasks in accordance with an oversight programme, which was aligned to both the parliamentary programme, and focus areas for each term issued by the House Chairperson of Committees and Oversight. This oversight programme is guided by committee resolutions, recommendations in adopted committee reports, additional obligations referred to it by the Speaker of the National Assembly, and the oversight dashboard designed by the Committee’s Content and Research Team.

* + 1. Oversight of the DOD, DMV, Armscor and the Castle Control Board was exercised through parliamentary committee meetings to allow:
	+ the monitoring of performance on a quarterly basis (quarterly report hearings);
	+ the monitoring of performance on an annually basis (annual report briefings);
	+ programme specific briefings as the need arose;
	+ status reports by the Executive Authority;
	+ interactions with other government departments that impacted on the DOD’s effectiveness;
	+ interactions with other government entities that impacted on the DMV’s effectiveness; and
	+ interactions with certain state institutions supporting constitutional democracy established in terms of Chapter 9 of the Constitution e.g. the Auditor General of South Africa (AGSA).
		1. In addition to meetings, oversight was exercised through site visits, although not as frequently as the Committee members would have wished for. Site visits were, where possible, jointly undertaken with our counterpart, the Joint Standing Committee on Defence, and focussed on the combat readiness of the SANDF, repair and maintenance of defence facilities and the state of military hospitals. It was also to understand the defence entities’ research and development capability which are much needed for the modernisation of the defence force. Sites visits were also made to those military bases in the Western Cape that reported serious security breaches. We also participated in a cluster oversight programme that was focussed on border security, and how current governmental border management arrangements could be improved. One of the highlights and more insightful activities of the Committee, was the joint oversight visit with the JCSD, to our peacekeepers in the DRC in March 2018.

1.3.5 Both the Department of Defence and the Department of Military Veterans’ performance and expenditure were the focus of enhanced oversight and focussed on timeous identification of challenges that required intervention and improvement. The Committee remains frustrated at the basic planning and performance management challenges which have through-out the five-year parliamentary term resulted in misaligned, and impractical performance objectives, and unrealistic performance targets, and expenditure that could not be adequately explained. High spending patterns did not always relate to good performance trends. This was partly borne out by the low scores on the Management Performance Assessment Tool (MPAT) and the observations by the Auditor-General of the two departments.

* + 1. The Committee also processed legislation referred to it, and considered and/or commented on related regulations and policies.
	1. **Purpose of the report**

1.4.1 The purpose of this Report is to provide an account of the Portfolio Committee on Defence and Military Veterans’ work during the 5th Parliament and to inform the members of the new Parliament of key outstanding issues pertaining to the oversight and legislative programme of the Department of Defence and its entities, as well as the Department of Military Veterans.

1.4.2 This Report also provides an overview of the activities the committee undertook during the 5th Parliament, the outcome of key activities, as well as challenges that emerged during the period under review and issues that should be considered for follow up during the 6th Parliament. It summarises the key issues for follow-up and concludes with recommendations to strengthen operational and procedural processes to enhance the Committee’s oversight and legislative roles in future.

1. **Key statistics**

2.1 The table below provides an overview of the number of meetings held, legislation and international agreements processed and the number of oversight trips and study tours undertaken by the Committee, as well as any statutory appointments the Committee made, during the 5th Parliament:

| **Activity** | **2014** | **2015** | **2016/** | **2017** | **2018** | **2019**  | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Meetings held | 20 | 23 | 19 | 21 | 23 | 3 | 88 (p) |
| Legislation processed | 1 | 1 | 0 | 0 | 2 | 0 | 4 (p) |
| Oversight trips undertaken | 0 | 2 | 1 | 2 | 0 | 0 | 5 (p) |
| Study tours undertaken | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| International agreements processed | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Statutory appointments made | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interventions considered | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Petitions considered  | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

1. **Stakeholders:**

3.1 Stakeholders were not actively involved in the programmed activities of the Committee and participation was limited to comment and participation in public hearings during the processing of legislation.

1. **Briefings and/or public hearings**
	1. As noted above, a concerted effort was made to interrogate more vigorously the quarterly performance and expenditure of both the Department of Defence and the Department of Military Veterans. Both Departments still grapple with serious governance and compliance challenges that have resulted in adverse audit findings.
	2. Interactions with the Department of Defence ranged from matters relating to policy, particularly the implementation of the 2015 Defence Review, and the rejuvenation of the South African National Defence Force, and in particular an effective and sustainable exit mechanism. Challenges were also experienced with information systems where the cooperation with and support of SITA, was at times problematic. Human resource challenges relating to the retention of scarce skills; promotion; overtime; backlogs in training; grievance and disputes resolved; as well as high vacancy rates, were noted during the period under review. The repair and maintenance of defence facilities is being partly addressed by the establishment of the Defence Work Formation (DWF), but funding challenges are hampering them from making a greater impact. The Committee’s interactions were often underpinned by a frustration that the Department could not adequately resolve challenges and focus on its modernisation with the limited and decreasing budgetary allocation. The limited flying and sea hours has been a constant concern of the Committee, given that it impacts on combat readiness and allowing air and sea crew to stay current. To raise additional revenue, the Department of Defence has conceptualised the commercial exploitation of defence assets utilised or under-utilised by the SANDF. Whilst this revenue generating option is supported by the Committee, its implementation has been frustrated due to various reasons. Given that National Treasury has informed the Department that it is unlikely to fund its shortfall on especially the Compensation of Employees, the Committee has encouraged the Department to enhance its efforts to realise this revenue generating option. As with implementation of the Defence Review, rejuvenation, increasing of flying and sea hours, and the reprioritisation of the DOD’s spending patterns, this is another crucial area that requires enhanced scrutiny.
	3. Effective service delivery to military veterans and the management and performance of the Department of Military Veterans have been restricted owing to *inter alia* the prolonged leadership instability which saw an exodus of senior managers, as well as the delayed appointment of an accounting officer. An unsuitable organisational structure and weak internal governance and compliance processes, especially related to the Internal Audit Function, contributed further to the poor performance of the DMV over the period under review. In addition, the Department has over the years struggled to develop, finalise, approve and implement effective policies and strategies to enable it to perform its role and functions effectively. The basic premises for effective service delivery, remains a credible, verified, reliable military veterans’ database. To date, to the frustration of the Committee who encouraged the Department to finalise the database on numerous occasions, this is still a major challenge besetting the DMV. Achieving favourable audit outcomes remain elusive and the delivery of services and benefits to military veterans such as housing, transport, and access to military care are frustratingly poor or non-existent. One of the main concerns of the Committee is the view that the DMV is staffed in certain sections by inadequately trained and capable personnel skilled to manage and assist support services to military veterans, effectively. To address this, the Committee has encouraged the DMV to conduct a Skills Audit. This is an ongoing process and the Committee hopes to receive the Skills Audit Report in the near future.
	4. The Castle Control Board appears before the Committee on a regular basis and over the years its management of the Castle has improved in certain aspects, especially regarding the renovation, preservation, maintenance and repair of the Castle of Good Hope. It has received two consecutive clean audit opinions and has shown some growth in its revenue. Of concern are issues such as its *Going Concern* status, the near-depletion of the historic surplus, the lack of a risk register, the safety of visitors and staff, and especially the lack of any substantive progress with its Revenue Optimisation Strategy. The Committee will also monitor the developments around the negative perceptions caused by hitherto unfounded claims of corporate infringements
	5. Armscor has over the five years improved its financial position from a loss making entity to an overall profit profit of R1.7 million for the financial year 2017/18 (compared to a loss of R126.9 million in the previous financial year). Given the financial constraints of the DOD which results in less contracting for Armscor, it is therefore essential that Armscor continue to exploit commercial opportunities where possible. In this regard, the work of Alkantpan, the Hazmat Facility, Gerotek as well as the exploitation of Intellectual Property are essential. Improvement at the Dockyard should also be addressed as a matter of urgency as it impacts both on the SA Navy’s capabilities and internal developments of Armscor.

1. **Legislation**

The following pieces of legislation were referred to the Committee and processed during the 5th Parliament:

| **Year** | **Name of Legislation** | **Tagging** | **Objectives** | **Completed/Not Completed** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **2014** | Defence Amendment Bill [PMB 8 – 2013]  | Section 75 | A Private Members’ bill that aimed to ensure that quarterly reports on armaments procurement projects are submitted to Parliament; ensure that Parliament is informed when a project’s initial budget is exceeded by 15% in expenditure; and ensure that Parliament is notified when a project is delayed by at least six months.  | Completed  |
|  |  |  |  |  |
| **2015** | Defence Laws Repeal and Amendment Bill [B7 – 2015] | Section 75  | The legislation repealed certain obsolete or redundant defence laws; and amended the Castle Management Act, 1993, to remove an unconstitutional provision.  | Completed |
|  |  |  |  |  |
| **2016** | None | None | None | None |
|  |  |  |  |  |
| **2017** | Defence Amendment Bill[B18 – 2017] | Section 75  | The Bill proposed certain amendments to the Defence Act of 2002 (No. 42 of 2002) necessary for the more efficient management and operation of the Department of Defence. | Completed in 2018  |
|  |  |  |  |  |
| **2018** | Hydrographic Bill [B17 – 2018] | Section 75 | The Bill provided for the establishment of the Hydrographic Office and sets the standards for its function and management. It regulates the submission of hydrographic data; to regulate the manner in which hydrographic survey marks and copyrights may be protected; to provide for the limitation of civil liability; to provide for the manner in which the income of the Hydrographic Office must be dealt with; and to provide for co-operation agreements.  | Completed |
|  |  |  |  |  |
| **2019** | Pending | Pending | Pending | Pending |

1. **Challenges emerging**
* Public participation is a central element in the work of committees, particularly the processing of matters relating to policy and legislation. Although the Committee adhered to the standard practice of advertising for public comment on Bills it was required to process, such advertising was confined to the print media. Whilst the Committee advertised in the eleven official languages, and in national, regional and local newspapers with the highest circulation figures, we remain concerned that existing standards and procedures may limit the public reach and response.
* The implementation of legislation approved by Parliament and signed into law remains a cause of concern regarding especially its effectiveness and its ability to remain current with the latest developments. In this vain, the Committee requested the Department to table relevant regulations before it, prior to its implementation and to update the Committee on its effectiveness and continued relevance.
1. **Issues for follow-up**
* The Committee recommends that the standard public participation process is reconsidered and broadened to ensure that all those likely to be affected by legislation are adequately informed of proposed legislation, and afforded an opportunity to participate in its processing. More should be done to involve ordinary citizens to ensure that challenges they experience in relation to the defence environment are taken into consideration.
* Greater vigilance of legislation’s implementation is required, and the Committee recommends that the Department is requested to report on related matters on a quarterly basis. This will allow the Committee to identify any poor performance in this regard and defects in legislation in good time, and to recommend interventions or amendments to Acts timeously.
* Related to the above, it is important that Departments supply the Committee with detailed information relating to the costing of a Bill, an implementation plan with draft regulations, during the Committee’s processing of bills. Comprehensive information will add much value to the processing of legislation and would positively impact on service delivery and possibly avoid frequent amendments to laws.
* The new Committee should insist on the submission of the Departments’ annual legislative programme, and should be kept informed of the status of developing draft legislation intended for Parliament’s processing. The Military Discipline Bill and the amendments to the Military Veterans Act, are crucial Bills yet to be finalised and have been subject to numerous delays. Both bills are core to the functioning and service delivery of the SANDF and the Department of Military Veterans.
1. **Oversight trips undertaken**

The following oversight trips were undertaken:

| **Date and area visited**  | **Objective** | **Recommendations** | **Responses to Recommendations** | **Follow-up Issues** | **Status of Report** |
| --- | --- | --- | --- | --- | --- |
| 21 to 24 July 2015 oversight visit (with the Joint Standing Committee on Defence) to Defence establishments in the Gauteng province: Department of Defence Head Office, Department of Military Veterans Head Office, the Military Police School (unannounced), Defence repair and maintenance projects (1 Military Hospital, A-Mess and the South African Nurses Training College), and Gerotek (Armscor) testing facilities.  | The purpose of this activity was to enhance the understanding of the state of the SANDF, the challenges relating to providing efficient services and support to military veterans, and the state of defence facilities.  | Recommendations were not formally followed up, but the Committee took care to include matters relating to the repair and maintenance of defence facilities, service delivery to military veterans in their oversight programmes.  | None | Ongoing  | Adopted |
| 14 to 18 September 2015 Oversight activities of the Peace and Security Cluster Committees to KwaZulu Natal (Defence, Police, Home Affairs and Intelligence Committees) | Committees focused on border safeguarding efforts in South Africa and the challenges to effective border safeguarding.  | Recommendations were not formally follow-up, but the Committee took care to include matters relating to border safeguarding in their oversight programmes.  | None  | Ongoing |  |
| 19 to 23 September 2016 Oversight visit to SANDF Regional Workshop, Council for Scientific and Industrial Research, 1 Military Hospital, South African Air Force Head Office, and Special Forces Head Office.  | The visit’s focus was to assess the progress made with the implementation of Operation Thusano, establish the progress made with the refurbishment and repair programme at 1 Military Hospital, understand the status and readiness of the 21 and 28 Squadrons at AFB Waterkloof, understand the status and readiness of the Special Forces to comply with Milestone 1 of the South African Defence Review 2015, and to attend a live demonstration to showcase security-related products currently under development at the CSIR.  | Recommendations were not formally follow-up, but the Committee took care to include matters relating to border safeguarding in their oversight programmes | None  | Ongoing  | Adopted |
| 23 March 2017 oversight visit to 2 Military Hospital and Youngsfield Military Base  | The focus of activity was to establish the status and progress made with the 2 Military hospital Refurbishment project. The visit to Youngsfield Military Base was motivated by recent security breaches, and the quality and scope of repair and maintenance projects there  | Matters relating to securing breaches at military bases, were follow-up on by our counterpart, the Joint Standing Committee on Defence.  | None  | Ongoing  | Adopted |
| 1 March 2017 oversight visit to Silvermine Naval Base, Western Cape  | Owing to the cable theft at the facility, the Committee aimed to understand the functioning of the Naval Communications Centre, and the impact the cable theft had had on the operations of this facility.  | Matters relating to securing breaches at military bases, were followed up on the Joint Standing Committee on Defence. | None | Ongoing | Adopted |

1. **Challenges emerging and follow-up matters**
* An effective follow-up mechanism that would assist the Committee in evaluating whether recommendations contained in its adopted reports have not been established, and the Committee relied on requesting the Departments for progress reports in the implementation of recommendations, and have expressed a need to improve its internal process for tracking such implementation. In the last two years, the Committee relied on an implementation dashboard developed by the Committee’s Content and Research Team, and this assisted the Committee to receive more relevant information from the Departments.
* Access to information and the disclosure of information by Departments to oversight bodies have become an important area for possible review. Given the particular nature of the Defence environment, parliamentary rules and procedures should be fully utilised to assist committees in receiving full information disclosure in appropriate meeting settings. Standard operating procedures in this regard should be reviewed.
* There is a need for greater coordination between the National Assembly (Tabling Division) and committees are required to ensure that Ministers provide formal responses on the feasibility of recommendations made by a committee with a reasonable and set period after adoption by the National Assembly. This should be made a formal requirement similar to the Minister of Finance’s required tabling of responses to portfolio committee’s budgetary review and recommendation report.
1. **Study Tours undertaken**

7.1 A study tour is an important tool a parliamentary committee can utilise to build on and improve its understanding of its portfolio, improve its capacity to exercise oversight and hold the Executive, Departments and related entities reporting to it accountable. International benchmarking assists a committee in comparing and setting its oversight standards, and using its power to legislate advantageously.

7.2 Since 2014, the Committee efforts to undertake study tours had been frustrated by factors ranging from frequent changes to the parliamentary programme, funding challenges, and a number of declined applications. The Committee has thus not undertaken any Study Tour between 2014 and 2018 despite applying to undertake such activities and intervention by the Committee Chairperson.

1. **Challenges emerging and matters requiring follow-up**
* The House Chairperson of Committees should at the start of the 6th Parliament confirm the standards and criteria to be used to consider a parliamentary committee’s application to undertake a study tour. These standards and criteria should be confirmed in writing to all committees, and tabled for consideration. At the very least, such information should be shared with all committee chairpersons.
* Parliament should improve the management of funds allocated to undertake study tours. Funding committee activities through a common ‘consolidated’ fund has had many challenges, and Committees should be allocated separate budgets. Parliamentary committees should once again cost their annual committee programmes, and should submit proposals that could in some way influence such allocations. Greater transparency in the allocation of resources, and accountability in the spending of budgets by the Committee would greatly improve its planning, and would avoid unnecessary frustration and tension between committees and particularly the Office of the House Chairperson.
* Frequent changes in the parliamentary calendar meant that the Committee had to revise possible study tour dates more than four times, and this strained our relationship with the Department of International Relations and Cooperation, whom Committees heavily rely on before and during international study tours.
* It is recommended that the new Committee identifies and agrees on the focus areas of a study tour that should be undertaken no later than the second year of its term, which will allow enough time to pursue and possibly implement recommendations emanating from this activity, by both the Committee, the National Assembly, Departments and the relevant entites.
1. **International Agreements**

8.1 The following international agreements were processed and reported on:

| **Date referred** | **Name of International Agreement** | **Objective** | **Status of Report** | **Date of enforcement** |
| --- | --- | --- | --- | --- |
| 9 October 2014 | United Nations Arms Trade Treaty  | Regulates the arms trade and sets measures to curb illegal arms trading.  | Adopted  | 12 December 2015 |

1. **Challenges emerging and issues of follow-up**
* The Committee during its deliberations did not identify any matters for follow-up nor any challenges.
1. **Statutory appointments**
	1. None
2. **Interventions**

10.1 None

1. **Petitions**

11.1 None

1. **Obligations conferred on Committee by legislation:**

12.1 The Money Bills Procedures and Related Matters Amendment Act (No. 9 of 2009) sets out the process that allows Parliament to make recommendations to the Minister of Finance to amend the budget of a national department. In October of each year, portfolio committees must compile Budgetary Review and Recommendation Reports (BRRR) that assess service delivery performance given available resources; evaluate the effective and efficient use and forward allocation of resources; and may make recommendations on forward use of resources. The comprehensive review and analysis of the previous financial year’s performance, as well as performance to date, form part of this process.

12.2 Although the Committee has annually complied with development and submission of such reports to the National Assembly (NA), less focus had been placed on assessing the ultimate impact such recommendations have had on the annual budgetary allocations to the Defence and Military Veterans portfolio. Greater emphasis has been placed on holding Departments accountable for the extent to which recommendations made to the Departments are implemented, through the development of oversight dashboards as a useful tool to interrogate quarterly performance and expenditure information.

12.3 Greater co-ordination between the Office of the Speaker and portfolio committees are required to ensure that both the Minister of Defence and Military Veterans and the Minister of Finance consider recommendations contained in these reports and due consideration is given to its implementation. Stricter processes should be adhered to ensure that the Ministers table formal responses on the feasibility and /or implementation of these recommendations in Parliament, within reasonable time after the adoption of reports by the National Assembly.

12.4 The parliamentary process should be closer aligned to government budget cycles and should allow reasonable opportunity for Committees to meaningfully influence the budgetary process. Time should be set aside to review processes committees have followed during annual budgetary and annual report reviews, to allow better participation of useful information resources such as the Office of the Auditor General, National Treasury, the Parliamentary Budget Office and the Department of Planning, Monitoring and Evaluation. Collaboration between parliamentary committees like the Standing Committee on Appropriations, Standing Committee on the Auditor-General and the Standing Committee on Public Accounts, should be prioritised and encouraged.

1. **Summary of outstanding issues relating to the department/entities that the Committee has been grappling with**

The following key issues are outstanding from the Committee’s activities during the 5th Parliament:

| **Responsibility** | **Issue(s)** |
| --- | --- |
| Department of Defence  | Funding Model of the 2015 Defence Review, especially the funding for Milestone 1 – Arrest the decline, and specifically the challenges with the roll-out of Option 2 of t Milestone 1. Reprioritise its spending patterns to ensure the sustainment of defence capabilities and supporting ordered commitments.Completion and upkeep of its Asset Registers.An effective and sustainable exit mechanism.Rejuvenation of the SANDF through *inter alia* increasing the MSDS intake numbers.Monitoring of the Reimbursements from the United Nations.Serviceability of Prime Mission Equipment in especially Mission areas.Addressing the high percentage spent on personnel (54% in 40/30/30 recommended ratio).Ensure invoices are paid within the 30-day period.Increase the number of sub-units deployed on the borders to 22 to assist to address the issue of our porous borders.Increase the number of flying and sea hours.Finalising outstanding policies and strategies that were put on hold during the development of the 2015 Defence Review.Highlight challenges with the implementation of the Cyberwarfare strategy.Provide additional ring-fenced funding for aircraft and vessel spare parts to ensure the operational readiness and increased utilisation of aircraft and vessels. Undertake a Study Tour to benchmark how a Commonwealth country deals with its Special Defence Account. Clearly highlight the amounts drawn from the Special Defence Account, the reasons thereof, and especially its impact on operational capabilities.Address Procurement issues as highlighted during the DRC Oversight visit and at quarterly and annual report briefings.Put measures in place to drastically reduce the amounts related to Irregular, Fruitless and Wasteful Expenditure. Finalise and submit the Military Discipline Bill as a matter of urgency. Report on progress made with the renovations at especially 1 Military Hospital. Address the challenges in the appointment of Military judges and the subsequent backlog in military court cases. Maintenance and repair of aircraft should be prioritised given the costs of chartering aircraft and its impact on flying hours of SAAF pilots. Report on the airlift capability challenges facing the SANDF. Update on the prosecution of corruption and fraud cases given that it performed poorly in this regard.An update on its relationship with the national Department of Public Works given its feedback of poor cooperation from the latter.Follow up on impact of the delays and decrease in numbers in Project Hoefyster related to the Infantry Fighting Vehicles. Report on the increase in Senior Management positions in the DOD. |
| Department of Military Veterans | The overall poor annual performance vs the high percentage of spending in the three main programmes. Skills Audit Report to be completed and presented to the Committee.Progress with especially subsidised public transport and housing.Overspending on the educational benefit.Finalisation of the military veteran database. Prioritise the staffing and operationalisation of the Internal Audit Function.Finalising and implementing Memoranda of Understanding and Service Level Agreements.Improving the coordination between the DMV, Department of Human Settlement and its provincial and local government counterparts.Improving on the shortcomings in the MPAT. Addressing challenges with the provincial offices.Formalising and budgeting of the Social Relief of Distress (SRD) benefit. |
| Armscor | Exploitation of Intellectual Property rights as a possible revenue generating avenue.Current capacity and funding of the Dockyard.Commercialisation strategies to be prioritised to increase its revenue collection streams.Expedite the acquisition of Projects Hotel, Biro and Hoefyster.Include figures of profits/losses of its Research and Development facilities.  |
| Castle Control Board | Revenue Optimisation Strategy to increase its financial viability.Address *Going Concern* issues. Alternative sources of revenue should be explored. Position of *Het Bakhuys* restaurant. Renting out of the facilities should be strictly and properly recorded.Risk register with mitigation strategies to be compiled and included in Annual Reports.Safety and of staff and visitors.Ring-fenced “subsidy” of R4.5 m to be strictly and properly utilised for its intended purpose.CCB to submit revenue projections regarding ticket sales, functions, Iziko’s share of ticket sales and renting out of centers. |

1. **Other matters referred by the Speaker/Chairperson**

The following other matters were referred to the committee and the resultant report was produced:

| **Date of referral**  | **Expected report date** | **Content of referral**  | **Status of Report** |
| --- | --- | --- | --- |
| 19 May 2016 | 28 November 2018  | Report of the Public Protector: *Up in the Air: Report on a complaint into allegations of a violation of the Executive Ethics Code by the former and current Minister of Defence and Military Veterans, Hon Ms. Lindiwe Sisulu, MP and the Hon. Ms Nosiviwe Mapisa-Nqakula, MP in connection with Hon. Sisulu’s utilisation of the South African Air force Gulfstream Aircraft as well as allegations of improper conduct against Hon. Mapisa-Nqakula*.  | To be adopted.  |

1. **Challenges emerging and issues for follow-up**
* The formal conclusion of this matter was delayed owing to the Committee disagreeing with the reports formal referral to the Committee and process followed to resolve this matter. The Committee will submit a formal report to the National Assembly requesting that this matter be s referred to the Joint Standing Committee on Defence.
1. **Recommendations**

***These recommendations will mainly relate to the issues raised per Department and entity as outline in paragraph 13 above, which are derived from the Committee’s Budgetary Review and Recommendations Reports from 2014 to 2018***. Attached are the lists of relevant BRRR recommendations.

1. **Committee Strategic Plan**

16.1 Only one Joint Strategic Work Session with the Joint Standing Committee on Defence, was held between 24 – 26 October 2014. Owing to a very demanding and ever-changing parliamentary calendar, the Committee did not annually review its 5-year Strategic Plan and Annual Performance Plans.

1. **Master attendance list**
	1. Attached.