

BUDGET VOTE DEBATE: STATE EXPENDITURE

L SISULU

Chairperson Joint Standing Committee on Intelligence

I stand here Madam Speaker in a very unique position with a mandate from the Joint Standing Committee on Intelligence not to represent the ANC but to represent the views, opinions and spirit of the Committee. I have accepted the mandate because this once again gives me the opportunity to explain to Parliament the unique phenomena that this Committee is, that in fact we have come to realise that there are those areas in our lives that can exist beyond the pale of party politics, that I should be standing here to speak on behalf of the Committee on a budget vote is a manifestation of this phenomenon.

Additionally, this allows me the occasion to explain how we have sought to introduce financial accountability to the Intelligence Services and subsequently the approval of the budget for this financial year.

We are all aware that we inherited a situation where the Intelligence Services financial requirements were shrouded in secrecy. This is an internationally accepted practice Intelligence Services do not have their budgets declared in the open and openly discussed in Parliament. We have sought to change that In our particular case the budgets of the Services were dealt with in the Department of State Expenditure budget and had been dealt with by the Finance Committee. Neither the Finance Committee nor the Department of State Expenditure had access to a complete breakdown of the Services budget nor did they have any access to information on the projects and programmes of the Services. This we have all agreed is completely unacceptable.

Initiated by the Deputy Minister of Intelligence and with the full cooperation of the Ministries of Finance and the Finance Committee we had to find a way of ensuring more openness in this process. Mr Nhlanhla ought to to be commended for that. It was thus therefore that in the legislation we amended last year a new more transparent and more democratic process was adopted. This effectively gave the Committee, which has been sworn to secrecy, power to scrutinise the budgets and accounts of the Services, to go beyond what the

Department of state Expenditure and the Finance Committee can do and thereby provide the final veto over the process. This has given extraordinary powers to the Committee. Madam Speaker, our Committee has the unique position that we have the power to accept or reject the budget of the Services even before they are presented to the Budget Committee, the strength of this stretches only as far as it gives us the necessary power of scrutiny, however extraordinary power we have learnt, comes with extraordinary responsibility, we feel this handicap when we come to this point as we stand here to defend why the budget of the Service has doubled! We believe the Finance Committee is baying for our blood so too are various other opportunists. Yes the Committee recommended that the Services be given the budget as reflected in the State Expenditure budget.

Our representative on the finance committee Mr Mpahlwa who has been working with the budget of the Services will give all of you who are baying for blood a complete breakdown of what figures we are talking about, the exact nature of the increase and why the increase. And why finally we recommended this seemingly sizeable increase.

My responsibility at this point will be to explain what steps we took to arrive at this decision. It would be important for us to take this house through these processes because the problem we will all have to overcome is a certain mind set, a mind set legitimately borne out of deep suspicion of the Intelligence Services because of their history and because anything done in secret is viewed with suspicion. We have to live with this anomaly where the very openness of our democracy is integrally dependent on the work of secrecy.

We are a product of this society and we too went into this work with deep suspicion of the Services. Remember we have among us a member of the Christian Democratic Party and we all feared he would emerge from this process thoroughly traumatised, we also have the eternal sceptic Kobus Jordaan. They on the other hand viewed us with complete distaste thankfully they did not dare show it.

Even though the Committee was established midway through the budgetary process. The Committee has had innumerable briefing sessions with the Services to understand their budget, we followed this up meetings with the Deputy Minister of Intelligence, the Minister of Finance, Mr Liebenberg, the Auditor General, had innumerable fights with Gill Marcus before we put our recommendations through.

The first two briefings we had from the Services convinced us that the message had not got through to the Services that the Committee took its job extremely seriously. We had to ask them to re-submit their budgets giving us a breakdown programme by programme, sector by sector. This they complied with to a shockingly open degree and the ensuing process took about three months during which the Committee relied on the guidance of its budget sub-committee lead by Dr Jacobs (who is unfortunately not here to defend the budget). The process included visiting the Services on their premises, having discussions with the heads of the departments to get justification for the budget, it included discussions with the Department of State Expenditure, Cabinet Committee on Finance. Indeed so intrusive was this process, that the normally mild and placid Mr Nhlanhla erupted into a right royal fury over how the Committee was usurping his functions as Deputy Minister. By the time we were forced into a withdrawal and apology we were satisfied we had all the information we

wanted.

The Committee intends to submit its annual report to Parliament on the 24th of this month. Within the limits prescribed by the legislation, this will contain details of our work so far. It will include a break down of the budget briefings we have had from the Services.

[want to assure you, Mr Graaff, honourable Koos van der Merwe and Dr Willie Botha that we have applied sufficient scrutiny on the budget and we as a committee have felt comfortable with the process.

We passed the budgets comfortable in the knowledge that all the oversight mechanism were in place and functioning optimally. The JSCI for its part, had a hands on approach to its work. We feel certain that the civilian Services are fully accountable to us. We may have had many uncomfortable moments but we have, in a short space in office, stamped our mark of integrity and authority and the Services are in no doubt that we hold the purse strings. We have also had discussions with the Department of State Expenditure and we happy to hear that probably for first time in their lives they were to a meeting with the DGâ\200\231s and their and went through their budgets line by line. Where they found discrepancies these were dealt with and that finally the Department of State expenditure found a transparent process. Our compliments to the DGâ\200\231s of the Services.

Yes when you look at the bare figures this very clearly translates to an R 111

million increase.

This country may not be at war as has been so well articulated by some

honorable members of this house, but we can with a clear conscience say the Services need every penny of what has been allocated to them.

There are of course a number of issues that we are worried about and that have a bearing on the budget. I only have time to mention the major one: When, sometime last year, the President complains to the media that he is unhappy about the quality of the intelligence heâ\200\231s getting from the Services, then we worry. We worry because we cannot justify to the public what the Services are doing because their selling power is limited to the product. We as a committee of course can not gauge the efficacy of the product because we do not use it. This worry was communicated to both the Minister and the Services and we are fairly certain that to some degree the problem has been overcome. However we would now like to make a suggestion to the ministry that would improve both the profile of the Services and the productivity of the Services.

We would like to recommend that as in the British system that the government ought to lay down the mandate of Intelligence. That every government department through the ministry should be involved in laying out their requirements for the Services. When the directives for Intelligence are determined this way then it means we task the Services and having tasked them are able to say at this point whether the money allocated to them is sufficient or not, we are able to say these are the tasks and for these tasks this is the amount of money. That is a more openly justifiable measurement.

The Committee welcomes the initiative taken to involve the National Intelligence Agency in the National Crime Prevention Strategy. We like to commend Mr Mufamadi and Mr Nhlanhla, Mr Dullar Omar on this venture. In briefing discussions held with NIA, it had become quite clear that NIA was frustrated by the legal constraints that limited the extent of its co-operation with NCIS. The investigative resources at the disposal of NIA make its participation in the crime strategy a valuable pooling of state resources.

The committee of course is responsible also for Military Intelligence and Police Intelligence however because the budgets of these Services are hidden within the budgets of the various departments we have not had the opportunity to exercise

because you did not what I had come for. I will miss working with you, I will miss working on Intelligence but the President has decided I have to go and distribute passports. However I have taken comfort in the fact that my Minister the honorable Shenge has promised me a warm embrace and right now I will

need it.