ADDRESS BY THE MINISTER OF STATE SECURITY, DR SIYABONGA CWELE ON THE OCCASION OF STATE SECURITY BUDGET VOTE, PARLIAMENT, 02 JUNE 2011

Chairperson

Ministers and Deputy Ministers present

Honourable Members

Distinguished Guests

Members of the Intelligence Community

Intelligence Veterans

Fellow South Africans

Introduction

On 02 May 1994, President Nelson Mandela called on all South Africans to “join together to celebrate the birth of democracy”. He implored us to “build the future together….to work together to tackle the problems we face as a nation”. “We must, together and without delay, begin to build a better life for all South Africans”, he urged. To us this includes fighting poverty, creating jobs, building houses, providing education and bringing peace and security for all.

17 years down the line, as we table this Budget Vote, the nation has done so much in redressing the socio-economic inequalities caused by decades of apartheid and colonial oppression. We are therefore pleased to report to this House that our nation is prospering, stable and secure. **There are no discernible threats to our constitutional order.** The strategic choices that we have made as the ANC government have ensured that, together we develop a strong patriotism and national identity, strengthen and protect our democratic institutions. Notwithstanding the prevailing peace and security, we should remain vigilant and united in our collective effort to uphold National Security of our young developmental state.

We are relentlessly pursuing this mandate by focusing on the following objectives:

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1 “Free at last”, Mandela’s first official speech as President of South Africa, Johannesburg, 2 May 1994.
1. The development of an integrated and focused multi-source collection capability that advances our national and mitigate against threats identified in the National Intelligence Estimate;

2. The development of a highly effective and target driven counterintelligence capability to defend our country’s national interests; and

3. These priorities will be supported by focused skills development, improved analytic and technical capabilities, good corporate governance, accountability and an organisational culture that carefully balances secrecy required to achieve our mandate and openness based on sound values of commitment to democracy, loyalty and professionalism.

Review of the intelligence architecture

Chairperson,

The restructuring of the civilian intelligence structures into the State Security Agency has indeed taken off, under the stewardship of the Director-General, Amb Jeff Maqetuka. There is no going back to the duplication of the past. It is appropriate, at this stage to thank Professor Sandy Africa who was seconded by the University of Pretoria as head of our Corporate Services to guide the integration of different agencies. She has been the engine of this restructuring process. Prof Africa, as you go back to this outstanding African institution, kindly convey our gratitude to the Senior Vice-Principal, Professor Chris De Beer, and the Principal, Professor Cheryl de la Rey for the patriotism, loyalty and partnership in building this new department. Indeed, "working together we can build a safe nation and a secure world"

Chairperson,

We have concluded and approved the new structures of the Agency. We have filled critical posts of the Chief Financial Officer, Chief Information Officer and Head: Internal Audit. In addition, we have tightened up our regulatory mechanism by issuing a single Ministerial Powers Delegation of Payments Directive and Directives on the Conditions of Service for the Agency.
Due to the different IT systems that were in place, the process of integration of the IT systems is taking longer than expected in order to ensure that information is secured and migrated properly to maintain accuracy and integrity. However, we have made progress, in that now we have Single Asset Register; Payroll, Budget Management, Financial Accounting and Procurement Systems. It is envisaged that the system integration process will be finalised in the next financial year and would result in savings to the organisation.

As part of the next milestone, we have appointed the following people:

We will focus our efforts in addressing the imbalance in gender and ageing personnel profile.

Chairperson, in order to codify the Presidential Proclamation of 2009 that created the State Security Agency, we are completing the preliminary consultations on the State Security Bill, which is due to be considered by Cabinet before tabling it in Parliament this year.

**Government priority of job creation**

Chairperson, in his 2011 State of the Nation Address, President Jacob Zuma declared 2011 as a year for job creation. We will focus on the retention of our members and recruitment of the young and unemployed of our society. This year, we plan to fill approximately 300 posts. We shall prioritise the filling of all vacant posts in areas such as Analysis, Vetting, Economic Intelligence, Border Intelligence and ICT Security.

**National Communications**

Chairperson

The restructuring process also involved the development and integration of our intelligence technology platforms. We have concluded the audit of technology resources at the National Communication Centre, Interception and Communications Security facilities.
We continue to provide lawful intercepts to law enforcement agencies. In the last financial year, the quality of our information was further enhanced by the use of new positioning tools. This contributed significantly in our fight against crime. In this financial year, we intend to conclude policy on electronic direction system as well as distribution network in order to improve service delivery and to reduce the turnaround time. We will do this after consultations with the Joint Standing Committee on Intelligence and Judge Khumalo, who is responsible for issuing directions on communications.

The State Security Agency has the responsibility of determining the National Security Posture within the organs of state. COMSEC conducted security assessment in 135 organs of state, consisting of 32 national departments, 24 provincial departments, 28 municipalities and 51 Public Entities. In the coming year we will focus in obtaining full international accreditation of our National Trust Centres.

**National Security Strategy**

We have made significant progress in finalising the National Security Strategy alongside our conceptualisation of the National Interest Doctrine. Consultations with critical role players in and outside the security structures have been initiated to enrich the concepts. The State Security Agency has conducted research to address long term challenges in the food, water and energy security sectors.

Another strategic sector that has been identified is Dual Use Technologies that have both security and commercial applications. These technologies involve major aspects of our country’s competitiveness and innovative capacity for commercial market access and national security. In this financial year, the Agency will intensify its work of coordinating the Inter-Departmental Task Team that is conducting an assessment of resources and activities of the peaceful programs related to the field of nuclear, biological, chemical, aerospace and missile technologies. The Task Team is expected to develop a national strategy for promoting research, technological development, innovation, coordination, integration and oversight in the field of these dual use technologies in the Republic. The strategy will also ensure that these technologies do not find their way into the hands of criminals and terrorist networks.

**Border Management Agency**

In 2010, the National Intelligence Coordinating Committee (NICOC) led the work of stakeholder departments to prepare for the setting up of the Border Management Agency (BMA). This work was based on the understanding that the BMA will be a new
structure with requisite powers to enable the state to address the long-standing problems of fragmentation, duplication and ineffective use of resources in the border environment.

The model approved by the JCPS Cabinet Committee is moving away from the current coordinating to an integration model that provides for the integration of functions, staff, infrastructure and the centralisation of authority around issues of security at our ports of entry. The migration to the new model will be completed by 2014.

**The Illicit economy**

In 2010, we reported the loss in the gold industry amounting to R6.7 Billion. We have, with the cooperation and collaboration of other government departments, subsequently scoped the extent of the illicit economy which is estimated to be about 10% of our GDP quantified to a loss of about 178 billion rands to the economy. This illicit economy has the potential of seriously compromising the New Economic Growth Path and is costing South Africa hundreds of thousands of jobs.

The scoping exercise revealed that this economic threat was rife in the mining, textile and tobacco industries. These illicit activities create unfair competition to legitimate businesses and industries; erode the corporate tax base; distort trade; violate foreign exchange regulations and create conducive conditions for espionage.

This year the Security and Economic clusters will focus on attracting and developing specialised skills and sophisticated technologies to counter this illicit economy.

**Fraud and corruption**

The eradication of fraud and corruption within the Security Cluster is an important prerequisite to fight this scourge in society as a whole. The State Security Agency, working together with the Financial Services Board (FSB), completed the investigation relating to the management of Group Life Scheme for the members of the civilian intelligence community. The report found that there were cases of theft, fraud and possible corruption by the insurance broker; negligence by the insurance company; and mismanagement by the Intelligence management.
The insurance company paid a significant \textit{ex gratia} amount to compensate the fund. Those who committed fraud, particularly the broker, have been referred to the police and the National Prosecution Authority for investigation and prosecution. In addition, the FSB withdrew the licence of the insurance broker and disbarred the owner for a period of five years.

\textbf{Protection of Critical National Infrastructure}

Chairperson, Comsec will continue to focus on the protection of critical national infrastructure and information security. We have received positive feedback from the piloting of the early-warning system conducted at Telkom and the State Information Technology Agency (SITA), indicating the need for a rigorous roll-out of this programme.

Chairperson, I am pleased to note that the Adhoc Committee on the Protection of Information Bill progressing well to date and I hope that it would conclude its work and report to the National Assembly in the near future. This critical piece of legislation will be central to our resolve of dealing with clear and present dangers that threaten our national security. We have commenced with the drafting of regulations and directives to operationalise this Bill when it becomes law.

\textbf{Review of the National Vetting Strategy.}

We seek to deal with the backlog on vetting which is a critical aspect of the counter-intelligence doctrine in the next 3 years. We intend to extend our vetting field units beyond national departments to prioritized provincial and local spheres. Accordingly, this endeavor will be accompanied by the exponential increase of our vetting and security advising capacity through recruitment and technology. We also intend to utilize Intelligence Veterans to improve the turn-around time. Particular focus will also be dedicated to the proper appointment and training of security managers across government departments and other state entities.

\textbf{Securing special events}

Securing major events has become a flagship programme of the Agency. We continue to build on the lessons of securing events such as the 2010 FIFA World Cup. In May
2011, our nation conducted successful Local Government Elections. The SSA screened over 60 000 IEC officials and provided regular briefings and risk assessment to the IEC.

We have advanced plans to secure the 123rd International Olympic Committee General Council in Durban in the next few weeks. Similarly, we have commenced with the preparations to secure the United Nations Framework Convention on Climate Change (UNFCCC), COP 17, in Durban in November and December 2011.

We have also begun work to secure the celebration of 100 year of the African National Congress (ANC). This is turning out not to be an ANC or South African event as it is being claimed but the whole of Africa and the democratic world.

Internal Stakeholder relations

We will intensify our efforts in strengthening the consultation mechanisms, making sure that a conducive working environment is created for all our members. We will, furthermore, ensure that hardworking members are appropriately supported and allowed to prosper within the organization. In this regard, we will give our full support to the established Consultation Committee for the SSA, comprising members and management.

Towards a better Africa and a better world

Chairperson, since the beginning of this year, 2011 Africa has seen a number of developments, positive and negative in its various regions. SADC continues to be the most stable region despite challenges in Madagascar, Zimbabwe, Democratic Republic of Congo, Lesotho and Swaziland. Our radar screen will focus on these countries, in our quest for democracy, peace and stability.

Whilst there are immediate threats that are facing the region, the recent attack on citizens of the region as a result of piracy within the SADC waters is a concerning development that the State Security Agency will pay particular attention to, working with other government departments in South Africa and our neighbours in the region, assessing this scourge as was agreed by the SADC Organ on Politics, Defence and Security Cooperation.

In addition, we will continue to develop the SADC Early Warning Centre which was launched on the 12th of July 2010, by HE A GUEBUZA, Chairperson of the SADC Organ and President of Mozambique.
In East Africa, we note the positive rapture of relations between South Africa and Rwanda following the meetings of the two heads of state. However, we remain concerned over the situation in Somalia where the African Union Mission in Somalia continues to seek a lasting solution. We continue to work for a peaceful resolution of the problems facing Sudan as we lead the reconstruction effort of the African Union in South Sudan and negotiations of the situation in Darfur. The gains made as a result of the Comprehensive Peace Agreement must not be forsaken, especially in light of the developments in the Abyei region. We call for calm in all those involved.

The popular uprisings in North Africa and Middle East, has brought into sharp focus the quest for freedom. We thus call, in Africa and beyond, for the recognition of these legitimate democratic aspirations, an end to the use of force and violence. This includes Bahrain, Yemen, Syria and Iraq.

Let me reiterate the call of the AU Ministerial meeting of the Peace and Security Council which "stressed the imperative of good governance, through the strengthening of democratic culture and institutions, respect for human rights, upholding of the rule of law and respect for people-centred constitutions, as means for preventing conflicts and enhancing the people’s participation in fostering solutions to the prevailing problems". (PSC/MIN/BR.1(CCLXXIV), page 1. Heeding this call would lay a solid foundation for the sustainable unity of Africa.

In Libya, specifically, the situation has become more complex following the departure by NATO from the UN Security Council resolutions 1970 and 1973. The immediate priority for all should therefore be to bring to a speedy end the ongoing violence by ensuring that there is an immediate ceasefire. The people of Libya have become victims of the ongoing violence and have no access to humanitarian assistance equal to their plight. Therefore, for the sake of these suffering people, the African Union, continues to call all the leaders to start talks to find a lasting solution to the problems confronting Libya.

Chairperson, South Africa remains committed to work with the people of Cote d’Ivoire, under the leadership of President Ouattara, towards national unity and reconciliation. The dividing lines of the past must be overcome and a common future must be the legacy of all.

As President Nelson Mandela once said, a breaking tree in the forest makes more noise than the thousands that are growing. We thus note the progress in economic, sporting, cultural, democratization and governance fields over the years, the above challenges notwithstanding.
Chairperson, in light of our membership of BRICS, we are now working in close conjunction with our counterparts to create a common security programme. Amongst the issues on that agenda it is to work together in democratizing the Security Council of the United Nations, in which we believe South Africa must have a seat.

Allow me, Mr Chairperson, to thank,

- My family and friends for their constant support,
- Judge Khumalo who is responsible for interception directions,
- Auditor-General, Mr Terence Nombembe,
- Inspector-General, Adv Faith Radebe,
- Members of the JSCI, under the leadership of Advocate Cecil Burgess.
- Veterans of the Civilian Intelligence Services
- Chairperson of the Staff Council, Mr Xolile Mashukuca
- The Director-General of State Security Agency, Amb Mzuvekile Maqethuka and his Executive Mr Gibson Njenje and Ambassador Rieaz Shaik
- My advisory team of Dr Samson Gulube and Mr Thokozani Dlomo
- My office staff led by Dr Khaukanani Mavhungu.

I request the House to adopt the Vote for State Security Agency.

I thank you