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**Budget Vote Speech of the Department of State Security by Hon. D.
Letsatsi-Duba MP, Minister of State Security**

18 May 2018

Honourable Chairperson

Honourable Ministers

Deputy Minister of the State Security Hon Ellen Molekane

Chairperson and Members of the Joint Standing Committee on Intelligence

Honourable Members of Parliament

The Inspector General of Intelligence, Dr. Setlhomamaru Dintwe

NICOC Coordinator Amb Tony Msimang

Head of ICCS Mr Thulani Sibuyi

Acting Director-General of the State Security Agency, Mr Loyiso Jafta,

SSA Management and Members of the Audit & Risk Committee

Veterans of the Intelligence Services

Distinguished Guests

Fellow South Africans,

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Introduction

Chairperson, we stand before this august House to table our Budget Vote and Policy Statement for the 2018/2019 financial year.

We do so knowing fully well that the task before us is not an easy one, yet we are encouraged by the spirit of our forebears on whose shoulders we stand, who during their time led the struggle for a non-racial, non-sexist and prosperous South Africa.

In their honour, we are responding to the *Thuma Mina* call and we dedicate ourselves to work tirelessly to achieve the vision which they outlined in the Freedom Charter and today find expression in the Constitution.

As we celebrate the centenary of some of our great leaders, the father of our nation Tata Nelson Mandela and the struggle giant Mama Albertina Sisulu, we are reminded of their work and sacrifice during the struggle days and their role in ushering our constitutional democracy.

One of the critical documents of democratic intelligence dispensation, namely the White Paper on Intelligence of 1995, which remains instructive but due for review, describes what the purpose of intelligence in democratic South Africa ought to be. In this regard, the White Paper on Intelligence says, and I quote Paragraph 3.2.3:

“In the modern, post-Cold War world, intelligence to be relevant must serve the following purposes:

- to provide the policy-makers, timeous, critical and sometimes unique information to warn them of potential risks and dangers.*
- to identify opportunities in the international environment, through assessing real or potential competitors' intentions and capabilities.*
- to assist good governance, through providing honest critical, intelligence that highlights the weaknesses and errors of government. As guardians of peace, democracy and the constitution, intelligence services should tell government what they ought to know and not what they want to know.”*

The White Paper on Intelligence goes further to describe the Mission of Intelligence as the following, in Paragraph 3.2.4:

“In the South African context the mission of the intelligence community is to provide evaluated information with the following responsibilities in mind:

- the safeguarding of the Constitution and upholding of the individual rights as outlined in (Bill of Rights) contained in the Constitution;*
- the promotion of the interrelated elements of security, stability, cooperation and development, both within South Africa and in relation to Southern Africa;*
- the achievement of national prosperity whilst making an active contribution to global peace and other globally defined priorities for the well-being of humankind; and*
- the promotion of South Africa's ability to face foreign threats and to enhance its competitiveness in a dynamic world.”*

Chairperson, over the recent past, the State Security Agency has been the subject of discussion and debate, as it relates to failures in its governance and operational capacity. During his State of the Nation Address, HE President Cyril Ramaphosa reflected on the need to restore the integrity and credibility of public institutions which are charged with very critical mandates in our constitutional democracy.

It is quite evident that one of our urgent tasks is to respond to this state of affairs and take bold decisions which speak to the directive given by the President, guided by the Constitution.

When I assumed this responsibility, the Deputy Minister and I embarked on an extensive consultative process to engage senior managers and officials responsible for the various programmes of all entities reporting to the Ministry. I sought to fully grasp the extent and depth of the operational and governance capability.

During this process, we identified, amongst other things, that we are confronted with systemic structural and governance weaknesses that require urgent intervention.

It became clear that these challenges stem from recent past where the Agency has been in a perpetual state of transition.

We are therefore encouraged by and welcome the decision of HE President Cyril Ramaphosa to appoint a Review Panel that will assess the structure of the Agency in relation to its mandate and inquire into its systems and capacity. This announcement is indeed the strongest confirmation that this Ministry is carrying out its work in line with the Constitution and the mission which seeks to strengthen public institutions.

Ladies and gentlemen, I can confirm that we are hard at work to ensure a swift establishment of the panel which will be constituted by a team of no more than 10 experts in the field of intelligence restructuring, security governance, ICT development, organisational change management and strategic thinkers.

Upon the completion of the Panel's assignment, we shall work with speed to implement its recommendations as we focus on restoring the public's confidence and trust in this important institution. In this way, we would ensure that the Agency lives up to both the purpose and mission of intelligence as aptly captured in the Constitution, White Paper on Intelligence and relevant legislation.

Building Organisational Capacity

Honourable Chairperson, part of restoring the public's confidence in the intelligence services will include deliberate acts of professionalising the service. In this regard, there could be no place for rogue elements within our intelligence services.

We have a responsibility to ensure that the institutions responsible for being the "*guardians of peace, democracy and the constitution*" have to be clean and free to conduct its work with integrity.

We will also ensure that controls in relation to the financial management of the institution, particularly in relation to the management of operational funds, are strengthened.

Our focus will be on investing in our ability to produce intelligence products of the highest quality. In this regard, we will conduct a review of the relevance of the training curriculum content of our Intelligence Academy so that we can assure ourselves that our officers receive the highest standard of tradecraft training to ensure competence in fulfilling national security requirements.

Furthermore, we will also ensure that we conduct a comprehensive review of the functioning of our analytical capacities as this is supposed to be the engine which drives the intelligence gathering and advising machinery.

Our products must meet the highest standard of analytical and methodological rigour so that they can stand up to critical scrutiny. They must improve in their quest to provide the policy-makers with timeous, critical and unique information that warns them of risks and dangers. They must also be useful in assisting good governance through the provision of critical intelligence that highlights the weaknesses and errors of government, as instructed by White Paper on Intelligence.

We are resolute in ensuring that we reconstruct the Agency, arrest the rot while ensuring at the same time that corporate governance and efficiency is enhanced.

We shall also work on cost cutting measures without compromising service delivery while enhancing levels of accountability.

Linked to this work, we shall also take steps to improve our cooperation with all oversight bodies, respecting their different mandates as expressly provided for in our Constitution.

It is a matter of public record that recently there were tensions between the office of the Inspector General and the office of the Director General of SSA. We will work on improving the institutional regulatory mechanisms between the Office of the Inspector General of Intelligence and that of Director General of the State Security Agency

Together with the Joint Standing Committee on Intelligence, we must initiate a process that will yield greater independence of the Office of the IGI.

We need to review the Intelligence Oversight Act and regulations to give effect to this and also other matters including the issue of a Deputy Inspector General.

This office is a very critical instrument that should guarantee that the intelligence services of the state discharge their mandates within the laws of our country.

These are some of the interventions we will make in our quest to restore the integrity, credibility, operational capability as well as public's confidence in our intelligence service and the critical role to be played by the public in ensuring the safety and stability of our country and safeguarding our constitutional democracy.

Corruption

Honourable Chair, this year the President has called on us to turn the tide of corruption in our public institutions and in the private sector.

In our effort to reassert the authority of the state, we recognise that the scourge of corruption – from individual petty theft and small-time bribe taking by officials in departments, in municipalities, or at our ports of entry, to large-scale organised corruption in the form of state capture – poses the most significant threat to our national security and the well-being of our people.

The state security structures unfortunately seem not to have been spared from this scourge either, with recent allegations of irregular and unlawful conduct.

We will have to confront these allegations of corruption and misconduct in the state security structures head-on and hold the guilty parties responsible to the letter of the law and take steps to recover monies not accounted for.

We are clear that a prerequisite in the fight against corruption and state capture is for those structures charged with the responsibility of fighting corruption to be cleansed first in order for them to fulfil their responsibilities, without fear, favour or prejudice.

The combatting of corruption will require that we coordinate maximally with all relevant institutions of state including the Anti-Corruption Task Team.

In this regard, we have started to conduct proactive risk assessments of government institutions, including state owned enterprises in order to gain an idea of the extent of actual corruption which we face and to put mitigation measures in place to effectively reduce such potential risks.

At the same time we shall lend all the necessary support which would be required by the Commission of Inquiry into State Capture. As indicated by the President in the SONA, the Commission is critical in ensuring that the extent and nature of state capture is established, that confidence in public institutions is restored and that those responsible for any wrongdoing face the consequences thereof.

It is through the speedy implementation of these measures that we shall truly narrow the trust deficit that exists between government and the citizenry. This will also give effect to the purpose of intelligence of assisting good governance, through providing timeous intelligence that highlights the weaknesses and errors of government.

Preparation for the 2019 General Elections

Honourable Chair, in spite of our challenges of corruption and our macro-economic constraints, South Africa continues to be a model for democracy in Africa and a beacon of hope in the World.

As we all know, the current 5th Administration will come to an end next year and the sixth democratic Administration will be elected in 2019.

As with the previous five national and provincial elections, the State Security Agency, in collaboration with the JCPS cluster, will have to create the conditions to ensure that the upcoming election is secure, credible, free and fair.

As the constitutionally responsible body for the elections, the Independent Electoral Commission (IEC) is crucial in delivering credible election results. The integrity of the IEC therefore has to be beyond reproach at all material times, so that the outcome of the elections should always be acceptable to all political parties and the general populace.

In this regard, the SSA has an obligation to assist the IEC in ensuring that its systems and procedures are free of any form of vulnerability.

Domestic Stability

Chairperson, our country enjoys relative stability save for sporadic incidences of unrest which do not constitute a national threat. There is no orchestrated campaign or action to create instability on a national scale.

We maintain that South Africans have a constitutional right to protest but we continue to condemn the violence and destruction of property that is sometimes associated with such action. In this regard, the law enforcement agencies will continue to discharge their lawful responsibility to ensure the safety of the public.

We are concerned by the recent developments in KwaZulu Natal and in the North West in particular.

In respect of the former, we are seized with the directive given by President Ramaphosa for the Justice and Crime prevention Cluster to arrest this situation. In respect of the latter, the Inter Ministerial Team, of which we are a part, has briefed the public on the set of interventions currently underway to stabilise the province and attend to service delivery obligations.

In this regard, we call on all stakeholders to work together with government to find lasting solutions to all issues of concern.

Border Security

Chairperson, our border security remains vulnerable due to insufficient monitoring and control. This vulnerability is exploited by illegal migrants and criminals.

In the year ahead we shall continue to contribute knowledge and intelligence towards the capacitation of the Border Management Authority with the objective of improving our border security, in particular, whilst continuing to work with all relevant border role-players domestically and in the SADC region towards the improvement of our domestic and regional border security at our ports of entry.

We remain encouraged, however, that despite these challenges, the integrated security and law enforcement agencies are making great inroads in intercepting and arresting criminals who are involved in various illegal activities at some of our ports of entry.

Countering Terrorism, Radicalisation and Violent Extremism

Terrorism continues to dominate the current global security agenda. South Africa faces similar but unique counter-terrorism challenges based on our own national experience as well as national, regional and international threat perspectives. In this regard, counter-terrorism cooperation with international role-players should be informed by our country's own understanding of risks posed by terrorism to ourselves and the SADC region.

South Africa remains specifically concerned over the influence of the extremists and terror groups in Africa.

Working within the collective of the national security structures, we will continue to ensure the effective implementation of the National Counter-Terrorism Strategy. We will also continue the partnerships that we have established with a number of community and civil society structures and will continue to have extensive engagements with international partners in our quest to improve cooperation on these matters.

We reiterate that although there has been no major terror attack in our country, we should continue to be vigilant and not lower our guard.

Cyber Security

Honourable Chairperson, South Africa's cyber security risk level remains high. In both the public and private spheres, South Africa continues to suffer damage through the compromising of the confidentiality and integrity of information and systems. It is highly likely that cyber actors enjoy a continuing presence. In this regard, substantial amounts of secrets and intellectual property continue to be lost through cyber espionage.

In this regard, we will continue with our efforts to counter and mitigate these cyber security threats. This state-led endeavour is guided by the National Cyber Security Policy Framework (NCPF).

In this regard, we shall continue to secure our cyber space and our critical infrastructure, whilst awaiting parliament to complete its work on the Cybercrimes and Cybersecurity Bill. Part of this work will involve the initiation of a Cybersecurity Awareness and Skills Training (CAST) programme to create broad-based, basic cyber-security awareness and skills in the intelligence community and the state in general.

The public must continue to exercise greater caution and care when using cyber platforms.

We are encouraged by the efforts of the criminal justice system which have posted some successes in prosecution of cybercrimes.

Personnel and Information Security

Chairperson, we remain concerned that the inadequate state of security at government departments, state-owned entities and national key points, combined with generally inadequate security awareness among government officials, remains one of the most serious security threats facing government systems and processes at present.

In order to address these challenges we shall be employing measures to enhance our vetting capacity to respond to these challenges.

We will also complete the drafting of new vetting regulations for state institutions that will include sanctions for non-compliance, both for the individual, as well as for heads of the institutions who fail to ensure that staff under their supervision have the requisite security clearances which are commensurate with their responsibilities.

Vetting also must assist with the question of “fit for purpose” which lies at the heart of some of some dubious appointments that ultimately lead to poor governance in institutions.

We will also fast track the process of drafting of information security regulations which is aimed at addressing shortcomings identified in the Minimum Information Security Standards (MISS) Policy, especially as far as electronic information is concerned to ensure better consequence management.

The Global Security Environment

Honourable Chairperson, South Africa has consistently advocated the importance of multilateralism in dealing with the wide-ranging security threats in the 21st century. Given that threats such drug trafficking, human trafficking, terrorism, unregulated migration, illicit financial flows, money laundering, the proliferation of weapons, etc., know no borders, collective action is fundamental to the achievement of a more peaceful and secure world.

The proxy war in Syria, the threats of nuclear destruction in Korea, the continuing tensions in the South China Sea, and the unilateral withdrawal from the international agreement on Iran, amongst others, are matters of global security concern. The envisaged sanctions against Iran and the countries with which it maintains trade and diplomatic relations will have a significant impact on South Africa.

It is for this reason that we urgently need to reform and strengthen multilateral institutions of global governance, especially the United Nations Security Council, which requires urgent review.

Indeed, while the Security Council remains the primary organ mandated to promote and maintain international peace and security, it has not been effective in this mandate in a number of instances.

The maintenance of national security and stability creates the condition for development objectives to be implemented and to grow.

In view of the above we have ensured that it is encapsulated in our strategic outcome oriented goals. These goals compel us to ensure that South Africa's national priorities, as informed by the National Development Plan are advanced in bilateral and multilateral fora.

For the financial year ahead, we will continue to discharge our responsibility in terms of supporting government's work as the facilitator of the Lesotho Peace Process on behalf of the Southern African Development Community (SADC).

Part of our responsibility is to support government's work as an important player in the African Union, the United Nations and BRICS, this in pursuit of continental and international peace and security, informed by our foreign policy based on human rights, peace, equality and freedom.

We will continue to support the government's efforts to pursue *an economically integrated Southern Africa* cognisant of the possibility of elements trying to subvert these efforts through transnational organised crime and flouting our border integrity.

Our focus will be on strengthening our Bi-National cooperation agreements with our regional partners to minimise the impact of the efforts by these hostile elements.

Conclusion

Honourable Chairperson and Members, as I conclude, I wish to reiterate that we are standing at a historical moment where we are presented with an opportunity to take stock of the functioning and appropriate structuring of our intelligence structures.

In any democratic society, and in particular in today's globally integrated world, intelligence has a crucial role to play in the protection of constitutional order, the provision of forewarning on threats to our democracy and constitutional values, and in assisting with the economic development of our country through the identification of opportunities.

All these responsibilities are indicated in the section on the purpose of intelligence as outlined in White Paper on Intelligence which I quoted extensively at the beginning of this budget vote speech.

We therefore wish to call on all South Africans, in the spirit of Thuma Mina, to become part of the solution in creating conditions of stability and a safe and secure South Africa.

The sophisticated and complex security systems that any country can have in place to safeguard its constitutional democracy and its people will not succeed if its citizens are not part of the solution. Intelligence work is about patriotism of a cleaner at the airport or the farmer in the village or the street vendor in the township, who all share information on any suspicious act of wrongdoing with the authorities.

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We should all be part of the defence of our country, South Africa!

I wish to assure this house that as directed by HE President Cyril Ramaphosa, we shall spare no effort in ensuring that we attend to all the institutional governance challenges and work to restore the public's confidence in the Agency.

I wish to thank the oversight structures for their guidance and leadership; the Joint Standing Committee on Intelligence, the Auditor General, Inspector General of Intelligence and the Audit and Risk Committee. We look forward to further engaging with you and your much needed guidance.

I also wish to thank HE President Ramaphosa for his leadership and guidance in the process of reforming our intelligence structures. I also wish to extend a word of thanks to the Deputy Minister of State Security, the acting Director General and his Top Management Team and particularly to the Members of the entire intelligence community including NICOC Coordinator and Head of ICCS for continuing the thankless work they are doing, including the staff in the Ministry.

I humbly submit this budget vote for the Department of State Security for your consideration and approval

I thank you