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CHAIRPERSON: Good morning everybody. I'm not sure who is going to start, is it Advocate Mphaga or (indistinct)?

ADV MPHAGA: Chair, I am to start. Thank you Chair. Firstly our apologies for starting late, after 10h00, we were
5 discussing the shortest possible way of dealing with the issues that are before you and also suggestions in respect of a draft order that will be proposed. Chair, the applications in respect of the discovery brought by Dr Young were postponed by the Commission to today, this morning, that includes also the
10 application to set aside the order of the Commission dated 24 February 2014 which was suspended up until today. What occurred after the 3rd of March 2014 is that on the 4th a meeting was held with Dr Young between representatives of ARMSCOR, the representatives of Defence and the
15 Commission. At this meeting the issues that were discussed were recorded and circulated amongst the parties to comment and we have agreed that we would read the recordal into the record, so if the Commission can give me leave to read it into the record? Thank you Chair. The recordal reads as follows:

20 *“Any order issued by the Commission on 24 February 2014, it is recorded that on 5 March 2014 Dr Young handed over to the Commission all documents listed in items 1 to 1061 of his discovery affidavit in digital format and at no
25 cost. These documents included three documents*

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requested by the Department of Defence under cover of a letter dated 17 February 2014. Some of the documents discovered by Dr Young are classified, these documents are password protected. Dr Young has furnished the relevant password and has the required (indistinct) evidence to be in possession of the discovered classified documents. It was further agreed that the interested parties who require access to any document listed in items 1 to 1061 of Dr Young's discovery affidavit including the Department of Defence and ARMSCOR should approach the Commission. The documents listed in items 1062 to 1065 of Dr Young's affidavit are documents he obtained under the Promotion of Access to Information Act applications from ARMSCOR. ARMSCOR and DoD, the Public Protector and from the Auditor-General's office and other documents (indistinct) should have. Dr Young agreed to provide the Commission with the indexes he has for these documents, ARMSCOR will try to get a list of such documents. If there is a document among the documents listed in items 1062 to 1065 which is deemed by any of the parties as being relevant to Mr Nortjé's evidence, such documents will be

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5 *extracted and included in his bundle. Dr Young explained that despite the (indistinct) in his discovery schedule he had discovered all the documents in his possession which relate to the two witnesses he had applied to cross-examine, not only those documents he intended to use to cross-examine those witnesses. The order issued by the Commission has therefore been complied with and/or has been rendered (indistinct) academic in as far as items 1 to 1061 of Dr Young's discovery affidavit. It was agreed that the discovery in terms of items 1062 to 1065 would not be necessary unless Dr Young intends to use the document contained therein to cross-examine Mr Frits Nortjé".*

10 The heading: "Applications to Compel ARMSCOR, Arms Procurement Commission to Discover".

15 *"Dr Young submitted three Rule 25 applications to the Commission seeking orders compelling the Arms Procurement Commission, ARMSCOR and the Department of Defence to discover on oath all documents they have in their possession which are relevant to the acquisition of the Corvette Programme by the Department of Defence as part of the Strategic Defence Procurement Packages. Insofar as the application to request discovery from*

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5 *the Commission Dr Young was informed that the directives of the Commission do not provide for the discovery by the Commission, however, the Secretariat of the Commission will provide the documents requested as soon as they receive the approval from the National Prosecuting Authority”.*

Under the heading “Documents Requested by Dr Young:

10 *“Dr Young has stated that he will be unable to cross-examine Frits Nortjé without having received the documents as requested from the Commission which he says are available from among other parties, ARMSCOR and the DoD. The Commission will liaise with the General [sic] and the Directorate of Public Prosecutions to expedite receipt of documents requested from them and consent to their use in public. The Commission will approach ARMSCOR and DoD for consent to release classified documents to Dr Young on the basis that he has security clearance. It was agreed that the*

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20 *documents provided to Dr Young will be used solely for the purposes of Dr Young’s participation in the Commission”.*

Further heading: “Agreed Timelines”:

25 *“ARMSCOR would submit a list of documents it intends to use for the (indistinct) bundle by*

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5 *Thursday 6 March 2014 morning. The Commission will immediately forward the list to Dr Young. ARMSCOR to respond to Dr Young's application by Monday 10 March 2014 and Dr Young to respond if required as soon as possible. Dr Young to respond with a list of the documents he wants to add to the bundle within a week of receipt of the list, thus Thursday 13 March 2014".*

10 Another heading: "Appearance of Mr Nortjé before the Commission":

15 *"Mr Young, despite having withdrawn from cross-examining Mr Nortjé expressed an interest to reconsider his withdrawal subject to being provided with documents that he has requested and been afforded sufficient time to prepare. Dr Young's advised by Advocate Lebala SC., the evidence leader (indistinct) by the Commission to lead the evidence of Mr Nortjé that Mr Nortjé's evidence will be led on the 17th March 2014 and Dr Young will be*

20 *afforded a right to cross-examine Mr Nortjé should he reconsider his position".*

25 Thank you Commissioners. I beg leave to hand in the recordal as Exhibit "A". Dr Young has perused it and also agrees to the contents. Thank you Chair. Insofar as the matters are raised in the recordal are concerned there has been challenges in

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meeting some of the deadlines and we have agreed on a draft order to deal with same. And I think our colleagues from ARMSCOR will deal with suggested draft order but Chair just before we deal with the draft order may I also mention that on 5 the 13th of March 2014 an email was sent to Dr Young in regard, in particular regarding the possibility of Mr Nortjé proceeding with his evidence today and I will just refer to the relevant paragraph where it says that:

10 *“The Commission may be inclined to proceed with the evidence of Mr Nortjé on 17 March 2014 or shortly thereafter. It may be in your interest to make any representations in regard to that decision if any”.*

And Mr, Dr Young has responded to this email by way of an 15 email dated 14 March 2014 wherein he stated as follows in respect to that he mentions that he would after all cross-examine Mr Young, Mr Nortjé, if that happens, but he mentions that it will only be on irregularity, fraud and corruption in the SDP's which he says those are subject to Phase 2. So he does 20 acknowledge the fact that any cross-examination relating to those points will be in respect to the Terms of Reference of Phase 2, so we want to suggest to the Commission that the evidence of Mr Nortjé should be proceeded with and that we don't see any prejudice to Dr Young if that is done because we 25 also indicated in the letter, in the email of 13 March that there

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will be also a transcript that will be made available that his rights basically are not taken away to Mr Nortjé if he so wishes. So, I beg leave to hand over the email dated 13 March 2014 and the response thereto from Dr Young as
5 Exhibit "B" and "C" respectively.

NOTE: Caucus.

CHAIRPERSON: Advocate Mphaga, am I right to say if you look at the draft order, that paragraph 2, basically what it means is that the applications in terms of Rule 35(1), 35(8) of
10 Richard Young are postponed to the 24th of March, and the idea that is to give him an opportunity to respond if he so wishes?

ADV MPHAGA: Yes, thanks Chair. Yes, there were responses that were received from Dr Young, but in the response itself he also complains that he has not been afforded
15 sufficient time and I think having discussed with all parties we are of the view that he may be correct because initially or instance ARMSCOR (indistinct) unsigned draft responses and only yesterday served a signed response with amendments which Dr Young never had an opportunity to consider and to
20 look at, so ...

CHAIRPERSON: No, no, we just wanted to understand what was the purpose of this paragraph.

ADV MPHAGA: It is so, it is for to postpone and to afford him more time to file any response, if any.

25 CHAIRPERSON: Am I right to say strictly speaking that Mr

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Young has waived his right to cross-examine Mr Nortjé? He applied, he was granted the right to cross-examine and from there he waived it. So, in other words he has, as we are talking now he has no right to cross-examine Mr Nortjé because
5 that right is not automatic, will that be the correct legal position?

ADV MPHAGA: Except Chair that in the recordal that we have submitted he has indicated an interest to reconsider his position to withdraw.

10 CHAIRPERSON: Yes, I understand in your recordal but then before me we don't have that because he applied before the Commission, he was granted an opportunity to cross-examine him, then he came up with an application saying that: "Then I'm withdrawing my application to cross-examine". So the legal
15 effect thereof is that as I understand it he has waived that right that was granted to him, will that be the correct legal position?

ADV MPHAGA: Yes, in the absence of any application formal to reinstate that application, there is no application (indistinct), you are correct.

20 CHAIRPERSON: Advocate Mphaga I suppose the respondents in the Rule 35 they did file on (indistinct)?

ADV MPHAGA: They have filed.

NOTE: Caucus.

CHAIRPERSON: Any other person who wants to add
25 something to what Advocate Mphaga said up to now?

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ADV SOLOMON: Morning Chair, Commissioner Musi.
Nothing to add at this stage.

CHAIRPERSON: Thank you.

ADV CANE: Good morning Chair. May I be permitted
5 an opportunity to address the Commission? The agreement
with Dr Young on 5 March 2014 read into the record, which we
clearly understood and not also (indistinct) the Department of
Defence. The Department of Defence has been made aware of
another email interchange between the Commission and Dr
10 Young of the 12th of March which in our view would set to
qualify that recordal and I've just raised on record the
evidence leaders, they may well disagree with me, but there is
that exchange. The other element that took us by surprise this
morning was the arrangement that Dr Young may cross-examine
15 this witness Mr Nortjé during the second phase of this inquiry
and the reason it took us by surprise is because we have
understood that there have been a previous ruling by the
Commission in this regard that once this evidence was
completed in chief Dr Young and all other parties would cross-
20 examine on every element pertaining to his evidence in order to
obviate the need to recall him.

Now whilst my learned friend Mr Solomon has not
taken issue with this I would certainly wish to take issue with
any such arrangement insofar as it pertains to future witnesses
25 to be called by the Department of Defence and in particular

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Admiral Kamerman, that is why I make it clear we are not party to this arrangement and that's when Admiral Kamerman gives his evidence we would certainly want it to be on the basis with your leave, that he gave evidence once and for all and that all

5 parties wishing to cross-examine him should do so in respect of every topic relevant to his evidence and we do so for a very good reason, firstly it's fair to the witness but secondly Admiral Kamerman comes from overseas and it could be extremely expensive and logistically difficult to have him give his

10 evidence on any other basis.

CHAIRPERSON: I think to a very great extent I agree with you. Whatever records that they have with Mr Young is not binding on us and then secondly a witness has a right to cross-examine only after he has made an application and that

15 application was granted by the Commission, so I cannot at this stage anticipate what is likely to happen if one of the interested people brings an application to cross-examine any of the witnesses, we can't determine that in advance. So two; as I said to Advocate Mphaga, as far as Mr Nortjé is concerned Mr

20 Young has waived his, the right to cross-examine Mr Nortjé, he applied and we granted him permission to cross-examine and he end up waiving that right, so you are correct the recordal cannot be binding one, on the condition and two; it's not a guarantee that once a witness has testified they have got a,

25 either Mr Young or any other person has got an automatic right

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to cross-examine that witness, the normal procedure must still be followed.

ADV SOLOMON: Chair, could I just interject with your leave, that's as I understood it and that's why I didn't comment
5 on what my learned friend Mr Mphaga had said. Your ruling's been made clear and we'll deal with it if and when that application is in the future made, we're certainly not waiving in advance any rights to object, your rulings are clear in that regard.

10 **NOTE: Caucus.**

ADV LEBALA: Esteemed Commissioners, ...

CHAIRPERSON: Just hold on Advocate Lebala.

NOTE: Caucus.

COMMISSIONER MUSI: I'm not sure that I'm very comfortable
15 with what is being said now. You see, the last time when this matter was stood down and it was arranged that evidence leaders and other interested parties would go and meet Dr Young the purpose was to try to salvage the situation for want of a better term so as to make it possible for him to participate
20 in the processes, in other words to be able to come and cross-examine the witness and I would have expected that resulting from those discussions there would be clarity as to whether he still wants to cross-examine or not, and unfortunately I haven't had the opportunity to read this document, the recordal but as
25 it was read here it appears to me that he has given an

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indication that he is still prepared to cross-examine provided certain conditions are met, either he has given additional documents and so forth, so I would be reluctant to say that he has waived his right to cross-examine under those
5 circumstances and I don't want this Commission to be accused of having denied him the right to cross-examine a very important witness. So, I would rather want to get further clarity on this before we rule that he has waived his right to cross-examine.

10 ADV LEBALA: Esteemed Commissioners, permit our team to anchor on the hill of Commissioner Musi's point and concern and we also want to address a common interest between us and all the parties including the DoD team. Let me start with the issue which is ignited by Commissioner Musi. May the record
15 reflect the following; when we met Dr Young in Cape Town amongst the issues that he raised is that his interest to cross-examine Frits Nortjé is lapsing given the fact that Mr Nortjé is not that much of a symbol of the issues that he wants to contest before the Commission. I'm restating what he said, his
20 real track and issue is with the witness called Admiral Kamerman.

Just to refresh you Commissioners, Admiral Kamerman was the project officer of the Combat Suite what we'll be currently dealing with in as far as Mr Frits Nortjé's
25 testimony is concerned. Mr Frits Nortjé was the programme

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manager of the Combat Suite. Now Dr Young advised us as follows; in as far as he is concerned his track, he senses will be with Admiral Kamerman but our team over-emphasised the following to him, we would like you to come and cross-examine
5 Frits Nortjé if need be because that would assist the commissioners to execute the mandate of establishing facts, making findings, making recommendations and doing investigations.

Our team did over-emphasise how important a
10 witness he is to the Commission but we reminded him that with or without him we are going on with the testimony of Mr Frits Nortjé, that was made clear to him. Now short of saying Esteemed Commissioners, our team stoop low to invite Dr Young to come and assist the Commission with a view to come
15 and assist the Commission but we also assured him, and we assure you of the following, the testimony of Frits Nortjé based on the documents that has been prepared with the Bowman & Gilfillan team is adequate to deal with the issues that concern Dr Young. With or without him we will deal with those issues
20 but we closed by saying the following at that meeting, unfortunately the recordal can't record everything Esteemed Commissioners, we said as far as we are concerned the right, and I don't know whether we were overtaking the esteemed, the decision of the esteemed Commissioners, we said the right to
25 cross-examine given its importance in as far as you are

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concerned having read the documents that has been made available to us is so significant that we would like to leave it open.

We even went to an extent of saying that we will try
5 to assist him om cross-examining Frits Nortjé, not with a view to do the cross-examination itself because he kept on raising concerns about finances and the legal team to assist him to cross-examine Frits Nortjé. We gave him option, I'm talking about our team, we gave him options from using a junior
10 attorney and a senior attorney because he kept on reminding us of a need to have a senior counsel, we called him to order and said you don't need a senior counsel because there are attorneys that could do that assignment.

Now this aspect takes care of your concern
15 Commissioner Musi I suppose, but the other issue which is very significant in as far as the recordal is concerned Esteemed Commissioners is as follows; noting that Dr Young's concern shifted to Admiral Kamerman and have established that there is a track between Admiral Kamerman and Dr Young and we
20 believe that it is going to assist the Commission to come and make proper recommendations when you hear the testimony of Admiral Kamerman, the project officer of the Combat Suite, Dr Young went on record in our presence to say he will certainly go all out to come and cross-examine Admiral Kamerman, short
25 of saying he'll ignore Frits Nortjé.

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Now what does that mean? The reason why we went to Cape Town Commissioner *inter alia* to meet Dr Young, and may the record reflect that it was proposed by our team, we wanted to kill two birds with one stone but then I suppose that we did, we wanted to resolve the issue of Frits Nortjé documentation and Admiral Kamerman. I suppose your instincts are already telling you why we wanted to do that because it's the project officer who leads the team from the DoD's side, Admiral Kamerman and the programme manager who also leads the project team from the ARMSCOR side Mr Frits Nortjé.

Now the documents interrelate, they interlope, they shake hands. Now when you made the proposal, the proposals that are recorded our team also made the following and it was accepted by Dr Young that in as far as the documentation is concerned dealing with Frits Nortjé that arrangement will be applicable in as far as Admiral Kamerman is concerned and Esteemed Commissioners, be advised of the following; you will see that the testimony of Frits Nortjé is encapsulated, enveloped in seven bundles, in those seven bundles by reflection, directly or indirectly, there's a reference to Admiral Kamerman.

Now we went to Cape Town to even kill the (indistinct) to achieve that goal and we are confident that we'll plough something out of it but the record will reflect the

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following, and unfortunately by inadvertent omission, the recordal omitted to put the following; in as far as the arrangements of documentation dealing with Frits Nortjé is concerned it will be applicable to Admiral Kamerman. Now this interest we insist with (indistinct) conviction that we would like it to be binding to the DoD team because it serves to the advantage. Now we are saying this with our hat on as evidence leaders, we know that the DoD team represents what one would call over-inclusive interests of Admiral Kamerman but we lead his evidence.

Now it serves a purpose and it's advantageous to us with the task at hand to respect this arrangement which unfortunately has been omitted from the recordal. May I repeat it Commissioners? The process that came out when we were in Cape Town in as far as the documentation is concerned that we would be leading Frits Nortjé on is applicable in as far as Admiral Kamerman is concerned and we have laid a foundation for you, programme, project manager, programme manager of the Combat Suite in as far as Project Sitron is concerned. Now in as far as we are concerned I suppose this addresses partially the concern of Commissioner Musi and partly remedies whatever challenge we may be having with the evidence leaders in leading Admiral Kamerman. Unless there are questions from the Esteemed Commissioners we pause here. Just a minute Commissioners.

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NOTE: Caucus.

ADV LEBALA: Yes, my colleague Ngobese confirms that I've captured in detail all that which we sought to address Commissioners. May the record reflect that we are ready to proceed with Frits Nortjé.

ADV SOLOMON: Chair, Commissioner Musi, if I could just add, part of the recordal did envisage the possibility that Dr Young may reconsider his position insofar as Frits Nortjé was concerned, that invitation was extended to him by the evidence leaders. Insofar as that invitation still stands, and it has been recorded as part of what had been agreed. I don't think it's now open to the Commission to find that he has waived his right once and for all to cross-examine Mr Nortjé. When that decision may be made by him and if it comes at an inopportune time we reserve the right to deal with it and to object to it, but I don't think we can support a ruling today that he is forever precluded from bringing a further application should he deem fit to cross-examine Mr Nortjé because it seems to be foreshadowed that he may, and it's open to him to reconsider his earlier withdrawal of the application to cross-examine Mr Nortjé, so, and that seems to have come out of the meeting that took place over two days in Cape Town. Thank you Chair, Commissioner Musi.

COMMISSIONER MUSI: You see, when you look at 5.1 and 5.2 of this recordal and 5.1 he expresses the interest to participate

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and cross-examine subject being provided with documents *et cetera, et cetera*, but 5.2 is more important because it says:

“Dr Young was advised that Mr Nortjé’s evidence will be led on the 17th of March 2014 and Dr Young will be afforded the right to cross-examine Mr Nortjé should he reconsider his position”.

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I think that’s critical. The way I see that and based on this it looks like it’s agreed that the evidence of Mr Nortjé can be led, we can start with his evidence and it’s up to Dr Young to come and cross-examine if he still wishes to do so. Maybe we should proceed on that basis, lead the evidence, leave it open to him, if he wants to come and cross-examine he can come and do so. I was trying to avoid a situation where we say he has waived his right to cross-examine and the matter ends there. Thank you.

ADV SOLOMON: Yes, we’re in agreement with that approach Commissioner Musi.

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CHAIRPERSON: I suppose from where I’m standing to me it’s neither here nor there. If Mr Nortjé is ready to cross-examine, are prepared to abide by his recordal and then we proceed with Mr Nortjé give Mr Young (indistinct) changes his mind we will deal with him at that time.

COMMISSIONER MUSI: I think it’s fine.

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ADV CANE: Mr Commissioner, sorry, may I please just place on the record the agreement to which my learned friend

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Lebala SC. refers is not one that he says is recorded in the recordal. Insofar as there is another agreement which is not in the recordal I just wish to make it clear that there might well be a binding arrangement between the evidence leaders and Dr Young, I'm in no position to dispute that but there's not arrangement which has been approved by the Department of Defence and I do need to expressly reserve the Department of Defence's rights and the rights of Admiral Kamerman before we proceed. Thank you.

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10 CHAIRPERSON: I understand that you can try and protect your client but then at the end of the day there's a commission which is going to make that decision. Ms Kamerman is being called here as a witness of the Commission, so the end of the day the evidence leaders together with the Commission will
15 have to have to take the right decisions when they are supposed to. At this point in time we are dealing with the Mr Nortjé, at a later stage we want to (indistinct) the rights of Mr Kamerman as the same, you can do so at the right time. Thank you. I think after listening to everybody we hereby make an
20 order of this Commission the draft which was prepared by the evidence leaders and it will be marked Annexure "X".

ADV MPHAGA: Thanks Commissioner Musi.

ADV SOLOMON: Thank you Commissioners.

CHAIRPERSON: Advocate Lebala.

25 ADV LEBALA: Commissioners, we are ready to proceed

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but might we add in parenthesis that the saga of Dr Young has prepared us to be prepared to be assailed by any form of documentation. If we could resolve it speedily we'll do it and we thought that our trip to deal with this issue in as far as
5 Kamerman is concerned was intended to address that in the future, that's all we want to say Commissioners we are ready to proceed with Mr Frits Nortjé who is going to talk about the Project Sitron in as far as the Combat Suite, the fighting capability of the Corvette is concerned. Might I put it in record
10 that Mr Frits Nortjé is standing before you Esteemed Commissioners.

CHAIRPERSON: Thank you. Can the witness take the oath?

(Witness is sworn in.)

15 **WITNESS (ARMSCOR) : MR FRITS NORTJÉ (Hereinafter referred to as "MR NORTJÉ"), GIVES EVIDENCE UNDER OATH**
EXAMINATION IN CHIEF:

ADV LEBALA: Mr Nortjé, permit me to start with hygiene matters and the hygiene issues start with your initial statement
20 which I'm certain the commissioners have and once we have dealt with your initial statement we'd be able to advise the Commissioners about the bundles that they would be looking at in as far as your testimony is concerned. At this stage permit me to go to bundle 1, the Commissioners need not bother in
25 going there, it's just for you just to prepare the angle that we'd

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be approaching the documentation which are overwhelming documentation before the Commission, by looking at page 18 of your statement bundle 1 page 18 there's a statement that you signed on the 18th of September 2013, am I right?

5 MR NORTJÉ: Chair, my statement says 30th of September.

ADV LEBALA: I beg your pardon, I know that the Commissioners have also noted that, I beg your pardon, it's 30th September, the previous year. May the record reflect 10 30th September, not 18 September the previous year. There's also another statement that you have prepared, am I right?

MR NORTJÉ: Chair, there was an additional statement that was prepared because considerable time and time has lapsed, time has elapsed since the statement was made and 15 there were a number of events taking place since then, so there is a second statement as well if that is what Advocate Lebala is referring to.

ADV LEBALA: That statement is called the supplementary statement is called the supplementary statement dated the 20 16th March 2014 isn't it?

MR NORTJÉ: Chair yes, that is correct.

ADV LEBALA: Now I would like us to start with the statement headed "Supplementary Statement of Frits Nortjé and I'm advised that that statement has been made available to the 25 Commissioners. Are you aware that that statement, I know it's

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not important for you but I would like the record to reflect are you aware that that statement has been made available to the Commissioners?

MR NORTJÉ: Chair, I personally do not know whether it
5 has been made available or not, I would have to refer that question to my legal team.

ADV LEBALA: Thank you Mr Nortjé, may I draw the
Commissioner's attention to a document, it's the first portion it,
it's transparent, it's covered in plastic, the other side of it is
10 bluish. I see that the chairperson is nodding, I would like to get guidance from Commissioner Musi, I saw a left hand handing that statement, putting it on the desk Commissioner Musi, both commissioners have got the statement
Commissioners, I see both Commissioners have got the
15 statement and the attention is drawn to it. The document is headed "Supplementary Statement of Frits Nortjé". Mr Nortjé, I would like you to read paragraph 1 of that document. Please proceed to read it loudly into the record.

MR NORTJÉ: *"On 18 September 2013 I signed a
20 statement in preparation for my evidence before the Arms Procurement Commission. My statement was accompanied by several annexures and additional bundle named 'Frits Nortjé : Declassified and Other Documents Bundle'".*

25 ADV LEBALA: Now as a typographical error, I'm certain

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that paragraph 1 in as far as the Commissioners are concerned reads the 30th, am I right Mr Nortjé?

MR NORTJÉ: Chair yes, I haven't noticed it myself, I should be the 30th.

5 ADV LEBALA: May the record reflect Esteemed Commissioners, short of testifying from ourselves, just for the sake of expediency that it ought not be the 18th, it's supposed to be the 30th in as far as paragraph 1 is concerned. Now this reference to the statement of the 30th September 2013 refers to
10 your earlier statement that you made, am I right?

MR NORTJÉ: Yes, indeed.

ADV LEBALA: And that statement was signed isn't it?

MR NORTJÉ: Chair yes, that is correct.

ADV LEBALA: Now proceed to read paragraph 2 into the
15 record.

MR NORTJÉ: *"The events which unfolded subsequent to the date on which I was to make the ...".*

I beg your pardon:

20 *"... on to the date on which I was to take the stand indicated that further embellishment would be advantageous in order to better inform the Commission regarding certain events, therefore I have added more documents to my evidence and I've dealt with them in slides".*

25 ADV LEBALA: Now you are advising the Commission that

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there was a need for you to embellish your earlier statement of the 30th September 2013 so that the Commission should receive the benefit and be better informed.

MR NORTJÉ: Yes Chair, that is correct.

5 ADV LEBALA: Please proceed to read paragraph 3.

MR NORTJÉ: *“Accordingly my evidence now consists of the following files which have been referred to as bundles for ease of reference. Bundle 1 “Frits Nortjé : Statement”.*

10 ADV LEBALA: Let’s pause, let’s pause. Bundle 1 which I’ve been told that it’s before the Commission refers to that statement that is reflected on the supplementary statement in paragraph 1 dated the 30th September 2013, isn’t it?

MR NORTJÉ: Could you repeat the question please
15 Advocate?

ADV LEBALA: You have read paragraph 3, 3.1 where you are referring to the embellishment and all the documents which are before the Commission that entails your evidence, is that correct?

20 MR NORTJÉ: Yes Chair, that is correct.

ADV LEBALA: You specifically went to paragraph 3.1 where you referred to bundle 1 “Frits Nortjé : Statement”, do you remember?

MR NORTJÉ: Yes, indeed Chair.

25 ADV LEBALA: Now I would like us to inform the

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Commission whether this Frits statement refers to what you see in paragraph 1 of this Supplementary statement, the statement of the 30th September 2013,

MR NORTJÉ: Yes Chair, it does refer to that statement.

5 ADV LEBALA: And that statement is accompanied by annexures, am I right?

MR NORTJÉ: Yes Chair, it is accompanied by annexures.

ADV LEBALA: Esteemed Commissioners, this is what is bundle 1 before you and I would like you to draw our attention
10 as to whether are you in possession of this bundle Commissioners? I see the Chairperson is nodding. Commissioner Musi, I'm waiting for your direction Sir.

COMMISSIONER MUSI: I have it.

ADV LEBALA: Thank you Commissioner Musi. Let's
15 proceed to bundle, to paragraph 3.2, please read it for the record.

MR NORTJÉ: Paragraph 3.2 bundle 2, "Frits Nortjé : Declassified and Other Documents".

ADV LEBALA: I'm certain that the Commissioners do have
20 it, I think they have already drawn our attention that they have it, we need to proceed. Please read for the record 3.3.

MR NORTJÉ: 3.3 bundle 3, "Frits Nortjé : Declassified and Other Documents Volume 2".

ADV LEBALA: Now for the Commission's sake is there a
25 difference between what you see in paragraph 3.2 and 3.3?

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MR NORTJÉ: Yes Chair, there is a difference.

ADV LEBALA: Both refer to the subject “Declassified and Other Documents”?

MR NORTJÉ: That is correct Chair.

5 ADV LEBALA: But fact according to you is that there is a difference?

MR NORTJÉ: Yes indeed, hence the indication that the second one is Volume 2.

ADV LEBALA: Please proceed to read paragraph 3.4.

10 MR NORTJÉ: Paragraph 3.4: “Documents Requested by Richard Young Volume 1. PCB Minutes and Other Documents”.

ADV LEBALA: What “PCB” stands for?

MR NORTJÉ: Chair, it stands for “Project Control Board”.

15 ADV LEBALA: Now I don’t want us to overwhelm the Commission with these terms at the moment but I assure you that the Commissioners have heard about the Project Control Board, just to refresh them briefly in one sentence what does the Project Control Board do?

20 MR NORTJÉ: Chair, the Project Control Board is a board that is activated for a particular project, it is a board, an instance of the DoD, particularly chaired by the DoD, the secretariat is of the DoD and as I understood it but it’s to be confirmed by the constitution of the particular board, their task
25 is to guide the progress and the establishment and getting to a

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contract of a particular project.

ADV LEBALA: It's an organ of the DoD in other words?

MR NORTJÉ: Yes Chair, it's an organ of the DoD.

ADV LEBALA: Does it have to do with acquisitions?

5 MR NORTJÉ: Yes indeed Chair, it is specifically dealing with acquisitions.

ADV LEBALA: Well, we'll deal with it as we proceed on. Please read paragraph 3.5 for the record.

10 MR NORTJÉ: 3.5 bundle 5, "Documents Requested by Richard Young Volume 2. Extracts from Naval Board Minutes".

ADV LEBALA: Yes, the Commissioners have heard a lot about the Naval Board, just to refresh them and to angle our testimony as to go on because we are still going to collide with the Naval Board. In simple words refresh them what the Naval Board is.

15 MR NORTJÉ: Chair, I can only give my view of what the Naval Board is from an outside. If you want to have an exact description of that we will have to ask the people familiar with the Naval Board, but in my understanding it represents the top management of the Navy. To my knowledge it is chaired by the Chief of the Navy and the Board consists of his senior officers in the Navy and they manage the Navy.

20 ADV LEBALA: Certainly we have to look at it because the interest that we are dealing with in as far as your testimony
25 dealing with the Combat Suite are the interest of the South

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African Navy, am I right?

MR NORTJÉ: Yes indeed Chair, it is.

ADV LEBALA: Now let's pause here. Paragraph 3.4 and 3.5 draws our attention to Richard Young, can you see?

5 MR NORTJÉ: Yes Chair, indeed.

ADV LEBALA: Are you informing this Commission that you had to go back, retrace your steps given the fact that the testimony, if I'm not mistaken, I stand corrected, I need not even mention the date, ought to have been presented before the Commission as early as January, am I right?

MR NORTJÉ: I'm not sure that I follow the question Chair?

ADV LEBALA: *Ek sal dit herhaal.* I will repeat it. If you are not comfortable and both Commissioners, I'm certain they are fluent in Afrikaans. If you are struggling I just don't want to confuse the record, I could put it in Afrikaans but I'll repeat it. I'm drawing your attention to 3.4 and 3.5 where mention is being made of Richard Young. Can you see?

MR NORTJÉ: Yes, indeed.

20 ADV LEBALA: Now I'm reminding you that your testimony could have long been given before this Commission, am I right, let's start there.

MR NORTJÉ: Chair, I had a statement, it still stands, we will be going through it, it is complete, what I have added were just embellishment for better understanding, so to answer that

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question yes, I was ready and sitting in this chair on the 6th of November.

ADV LEBALA: Now what we see in 3.5 and 3.4, what does it tell in as far as your testimony that ought to have been given as early as September is concerned?

MR NORTJÉ: I'm not quite sure that it directly involves the testimony that I had to give there Chair.

ADV LEBALA: Now does it in any way inform the Commission, thanks for responding in the manner in which you are responding,, does it in any manner inform the Commission that your earlier statement of 30th September 2013 had to look at what the subject "Richard Young" referred to in 3.4 and 3.5 presented?

MR NORTJÉ: As I said before Chair I submitted the statement which I believe was complete and it still stands, so I think my statement was sufficient to continue and deal with all the issues that were at stake.

ADV LEBALA: Thank you. Let's go back to 3.1, 3.2, 3.4 and 3.5. Now your earlier statement of 30th September 2013, what did it contain in relation to 3.1, 3.2, 3.3, 3.4 and 3.5?

MR NORTJÉ: Chair, that could be a very long answer if I have to answer each and everything that it refers to. I think I can only say what I have said already, my statement gave the history and my involvement and what we did on the project and it was to my mind covering all the issues that were at stake.

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Does that ..., I do not know whether that answer the question of the evidence leader.

ADV LEBALA: I've got to be careful not to ask you broad questions, actually you are educating me Mr Nortjé to be careful. I would like you to look at 3.1, look at it.

MR NORTJÉ: Yes Sir.

ADV LEBALA: Look at 3.2.

MR NORTJÉ: Yes Chair?

ADV LEBALA: Look at 3.3.

10 MR NORTJÉ: Yes Chair.

ADV LEBALA: Look at 3.4.

MR NORTJÉ: Yes Chair.

ADV LEBALA: Look at 3.5.

MR NORTJÉ: Yes Chair.

15 ADV LEBALA: Now here comes my question, in relation to 3.1, don't tell the Commission about its contents, we are going to take them through its contents. In relation to 3.2 don't tell the Commission about its contents, 3.3, 3.4, 3.5, don't tell the Commission about its contents now, we'll be going through it.
20 In relation to 3.1 to 3.5, by the 30th September 2013 when you prepared this adequate statement you said that it was adequate and you were ready. What was contained in it in relation to 3.1 to 3.5 (indistinct)?

MR NORTJÉ: Chair yes, without going into all the detail,
25 as I said my statement contained a complete history of what we

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did during the execution of the project and I tried my best to, and I believe I succeeded in that, in covering all the issues that were at stake, including those issues that were raised by Richard Young at a later stage.

5 ADV LEBALA: *Ek gaan die vraag herhaal en ek verkies nou om dit in Afrikaans te stel. Kyk na 3.1, daar's dokument en bundels daarin, is dit waar?*

MR NORTJÉ: Yes Chair, that is correct.

10 ADV LEBALA: 3.2, 3.3, 3.4, 3.5. *Nou sê vir die kommissie of albei punte, drie punte, 3.2, 3.3, 3.4, 3.5, in your statement on the 30th September 2013 were all these numbers, 3.1, 3.2, 3.3, 3.4, 3.5 included in that statement? Verstaan u vraag?*

15 MR NORTJÉ: Chair yes, thank you very much for the explanation of the question and I beg your pardon if I did not quite follow. To, the answer is yes Chair it did as far as it was applicable to the issues that we had there and I need to draw the attention of the Commission to the fact that the Naval Board minutes were not really at my disposal so I could not, I
20 did not at that time really authoritatively refer to the Naval Board minutes.

ADV LEBALA: As at the 30th of September 2013 when you signed your first statement 3.5 was not there, is that what you are telling the Commission?

25 MR NORTJÉ: Yes Chair, that is what I'm saying to the

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Commission.

ADV LEBALA: What about 3.4 which deals with PCB that we know now is the Project Control Board minute?

5 MR NORTJÉ: Chair, several minutes of the Project Control Board were in my possession and I used some of them and some of them were even reflected in the bundle that was presented.

ADV LEBALA: What about 3.3 that deals with the “Declassified and Other Documents Volume 2”?

10 MR NORTJÉ: It deals with further documents regarding the same subjects giving more detail about such subjects.

ADV LEBALA: Now my question that would take care of what we are doing now, and I suppose that it will be appreciated when we go to the next page of what we are doing, 15 is that in as far as your statement of the 30th September 2013 is concerned it address all these issues that we see from 3.1 to 3.5.

MR NORTJÉ: That’s what I tried to do, yes Chair.

ADV LEBALA: Irrespective of the fact that some of the 20 documentation Mr Young drew your attention to at a late stage after your statement of the 30th September 2013 was signed?

MR NORTJÉ: Yes Chair.

ADV LEBALA: Let’s look at the next page, please read it for the record.

25 MR NORTJÉ: 3.6 bundle 6: “Interview with Frits Nortjé in

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terms of Section 28 of the National Prosecution Authority Act”

ADV LEBALA: Now in as far as your statement of the 30th September 2013 is concerned, was these issues covered by 3.6 addressed in that statement?

5 MR NORTJÉ: Chair, to the best of my knowledge yes, I must point out to the Commission that I was at the 30th of September last year not in possession of the bundle called bundle 6, the transcript from the Section 28 examination but in retrospect seeing what he has is captured in that
10 particular document I still believe that I dealt with all the subjects yes.

ADV LEBALA: We need not take you through 3.7, 3.7 is headed, read it for the record?

MR NORTJÉ: Chair paragraph 3.7 reads “Bundle 7 Frits
15 Nortjé : Slides”.

ADV LEBALA: Now these are slides prepared by you, am I right? It’s not about any documents that your attention was drawn to, isn’t it?

MR NORTJÉ: Chair, it was prepared by myself, yes
20 indeed, and it refers to a number of documents pertinently as we will see when we get there.

ADV LEBALA: Now your testimony before the Commission starting today will be enveloped in these seven bundles, am I right?

25 MR NORTJÉ: Yes Chair, that is my understanding.

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ADV LEBALA: I've been advised that the Commission has got all these seven bundles.

MR NORTJÉ: Yes Chair, that's my understanding too.

ADV LEBALA: Now in relation to these seven bundles let
5 me ask you a specific question because we are going to bundle
1 now. Has the concerns of Mr Richard Young in any manner
influenced you to add to your statement, to change anything in
your statement given the fact that you have told the
Commission that in as far as you are concerned the statement
10 of the 30th September 2013 has addressed all these issues
which are covered in the seven bundles?

MR NORTJÉ: Chair yes, as I said the original statement
dealt with all the issues that Richard Young has raised at a
later stage during the proceedings of this Commission, it did
15 not deal with him at a very detailed level and depth, so I have
in some cases added to that in order to aid the understanding
of the Commission better but I also need to add there Chair
that Richard Young's demands and his involvement in the
proceedings was not the driving force for adding to my
20 statement, I have also noticed during testimony of other
witnesses before the Commission that there were certain issues
that perhaps could be explained a little bit deeper to the
Commission.

ADV LEBALA: Now we'll proceed to deal with bundle 1.
25 Before we deal with bundle 1 do you want to tell the

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Commission about your approach in as far as dealing with your testimony is concerned? Is it going to be based only on the copies contained in the seven bundles?

5 MR NORTJÉ: Yes Chair, that is why I made seven bundles available.

ADV LEBALA: What about the slides?

MR NORTJÉ: Chair, if my memory serves me right the slides are one of the seven bundles.

10 ADV LEBALA: Now are you telling the Commission that is it going to look at all the hardcopies or its attention is going to be drawn to the bundles, to the slides, I beg your pardon. I can repeat the question, I know that I'm asking you long-winded questions, I'll do my best to tailor them Mr Nortjé before I confuse you. We know that there are seven bundles
15 before the Commission, am I right?

MR NORTJÉ: Yes Chair.

ADV LEBALA: And out of those bundles we have seen that there are slides, there's a slide bundle isn't it, bundle number 7?

20 MR NORTJÉ: Confirmed Chair.

ADV LEBALA: Now would you like to advise the Commission how are you going to deal with these seven bundles, it's going to be on hardcopies or it's going to be reference to the slides?

25 MR NORTJÉ: Chair, in the first instance we will be going

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through my first bundle I presume, and my statement, and that will be dealt by what is in the hardcopy and by the questions and procedures as led by the evidence leader but it was my intent and still is to actually use the slides, and that's why it's called slides, being projected there and talk from there, but referring to documents in the bundle.

ADV LEBALA: Thank you Mr Nortjé. Now we are putting our foot on the pedal by going to bundle 1. The Commission's attention is drawn to bundle 1, page 1 of your statement. Esteemed Commissioners, my attention is drawn to the fact that it is 13h00.

CHAIRPERSON: Okay, then let's adjourn until 13h45, we'll come back at 13h45, thank you.

(Commission adjourns.)

(Commission reopens.)

CHAIRPERSON: Can the witness confirm that he is still under oath?

MR NORTJÉ: I do.

CHAIRPERSON: Thank you.

ADV LEBALA: Thank you Chair. Mr Nortjé before we adjourned you remember that we referred you to two signed statements?

MR NORTJÉ: Yes Chair, I recall.

ADV LEBALA: And one of ... One of the statements was trying to assist the Commission to appreciate that there are

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seven bundles before it.

MR NORTJÉ: Affirmative Chair.

ADV LEBALA: Now we are proceeding to deal with bundle
1 which encaps... I beg your pardon Chair, Commissioner
5 Musi, my attention is being drawn to something that we are not
doing right. I beg your pardon Esteemed Commissioners, I was
struggling with the contraptions here. That informs you that
I'm not that technically inclined, but let's proceed. The reason
why we wanted to put that on record was to distinguish the two
10 statements having referred to your statement of the
30th September 2013 that you signed the previous year 2013,
you remember that part?

MR NORTJÉ: Yes, I do Chair.

ADV LEBALA: And we've isolated the seven bundle,
15 seven bundles by going through them and at this stage we are
starting with bundle 1.

MR NORTJÉ: That is true Chair.

ADV LEBALA: Now let's look at bundle 1 page 1. It's a
signed statement of the 30th September 2013, the Commission's
20 attention has been drawn to that. I would like you to read
paragraph 1.1 for the record.

MR NORTJÉ: Chair, paragraph 1.1 reads as follows:

*"I am adult male and I am presently employed by
the Armaments Corporation of South Africa SOC
25 Limited ("ARMSCOR") as a programme manager".*

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ADV LEBALA: Now the word “programme manager” has been explained to the Commission in different ways. Now it’s very important for the Commissioner to be refreshed of the functions of the programme manager, particularly in the context of the Combat Suite. Now briefly just tell the Commissioner what does a programme manager does in as far as the Combat Suite is concerned?

MR NORTJÉ: Chair if it is allowed it would not be only in terms of the Combat Suite is concerned but in terms of any project work that we were doing in ARMSCOR, with your permission Chair. Chair, if you ask that question of a project manager you will probably get a number of different answers but I believe the essence of it would be the same in the end. In the environment where we work where we serve the client which is the SANDF our primary task is to do the acquisition of the equipment that the Defence Force need and I am under the understanding that that whole process has been explained to the Commission, first by the DoD as well as ARMSCOR witnesses in the past.

The Commission will therefore understand that the acquisition starts with a long and thorough planning process at the side of the Defence Force which goes through a number of phases leading to staff targets and staff requirements and so on and so forth which included budgetary provision *et cetera*. Then comes the stage where after planning the plans must be

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implemented and that is typically the phase where ARMSCOR starts entering into the picture and the project managers of ARMSCOR then have the task to follow on from the planning phases and to actually make it happen to realise the equipment
5 that the Defence Force needs by making sure that the contracts or contracts are established which involves the whole process of going through RFI's if required, Request for Offers most certainly and again the Commission is being briefed about that, after which there must be a legal contract that must be
10 established and the programme manager is charged with that, he has to establish the contract, he has to establish the technical specifications, he has to establish the test regime that goes with it, he has to pay attention to all the commercial conditions that are attached to the contract and the project, he
15 must ensure that the budget is properly planned and properly phased and then of course he must manage the execution, once a contract has been placed with a contractor the project manager has got a duty to supervise and to steer the project until its completion and that I think in a nutshell Chair is my
20 version of what a project manager does.

ADV LEBALA: Thanks for refreshing the Commissioners, they've heard so much about it and thanks for ...

ADV LEBALA: Advocate Lebala, just before you pass there let me find out from Mr Nortjé, is there a difference
25 between a project manager and a programme manager?

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MR NORTJÉ: Thank you for drawing my attention to that one Chair. The terms are very often used interchangeably, there is a certain attempt at making a distinction between the two by saying a programme manager is just a manager of several projects, in other words it's a step higher, but we very seldom manage projects that way, so when I use the terms "Project Manager" and "Programme Manager" I use them actually interchangeably.

ADV LEBALA: I see, I see the chairperson is clarified. I see the chairperson is clarified. Let's proceed to paragraph 1.2:

"A copy of my Curriculum Vitae is attached hereto as Annexure 'FN1'".

Which is on pages 19 to 21. At this stage I would like to draw your attention to page 19 of bundle 1.

MR NORTJÉ: I'm ready Chair.

ADV LEBALA: From the top we see that you were born on the 24th of November 1949.

MR NORTJÉ: Affirmative Chair.

ADV LEBALA: And one starts to note in as far as your education and qualifications are concerned that you studied at the University of Pretoria.

MR NORTJÉ: Indeed, yes Chair.

ADV LEBALA: You obtained a Bachelor of Science in Electrical Engineering.

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MR NORTJÉ: That is correct Chair.

ADV LEBALA: You are an electrical engineer?

MR NORTJÉ: My formal education, yes Chair.

ADV LEBALA: Now just explain that formal education,
5 electrical engineer and where you are now?

MR NORTJÉ: Chair, Engineering branches into many
sub-branches, Electrical Engineering one usually associates
with transformers and cables and power stations and things like
that. At the time there was not a special branch of Electronics
10 but in time I actually more went into the electronic side but
over time I actually became less of an engineer and more of a
project manager which dose manage technical projects but does
not actually do the detailed engineering involved in the thing.

ADV LEBALA: Thank you, I think that will be
15 demonstrated as we go on with the functions that you do and
we note that you on the self-same page, I think there are no
paragraphs but I would qualify that as a paragraph under the
University of South Africa, Pretoria, Gauteng where you did
Advanced Executive Programme in 1981.

20 MR NORTJÉ: Affirmative Chair.

ADV LEBALA: In relation to your functions at ARMSCOR
why did you have to do this Advanced Executive Programme?

MR NORTJÉ: Chair, I have alluded to the fact already
that in time, especially at the type of work that ARMSCOR
25 does, on progresses to become a manager rather than an

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engineer, a manager of technical projects yes, most certainly, but the management part of it becomes important, it is also true that in time one hopes, and I succeeded to some extent, one progresses in the organisation and one progresses in the organisation and one gets to a position where one actually has to manage not only technicalities but also people and when I was nominated for this course I vividly recall the words of one of my superiors at the time that said this course was for me, he did it before me, well a few years before me and his words were "this course was an excellent bridge between an engineer and a manager". I trust that that answers the question of Advocate Lebala.

ADV LEBALA: Well, whilst we are still on your *Curriculum Vitae* it is said that engineers become good managers, I've got to be careful not to testify. Do you agree?

MR NORTJÉ: Chair, I do not know whether they become good managers, I will not comment on that subject.

ADV LEBALA: They say they become good business people, is that true?

MR NORTJÉ: Chair, there are examples of engineers that have become good business persons, good business managers, yes indeed, they are natural leaders of industry but one has got to be careful to make sweeping statements about any profession because like in any profession you get people who are much more inclined towards the technical side and you

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get people inclined more towards the managerial side and so on and so forth.

ADV LEBALA: Let's go to your Work Experience, the paragraph headed "Work Experience". You have various positions from 1971 at ARMSCOR but what is significant is you started in the Telecommunications Divisions.

MR NORTJÉ: Affirmative Chair.

ADV LEBALA: Now what's the distinction between that division and the electronics field that you studied in relation to what eventually went to study the Advanced Executive Programme.

MR NORTJÉ: Chair, telecommunications, modern telecommunications is radios typically which we are talking about, or the data communication has become very pervasive in the past decade or two. At the time telecommunications is really largely meant to mean radio and that it consists of electronics, it's constructed by means of electronics.

ADV LEBALA: But we note that you did not do training in telecommunications or started there in the abstract, you were doing acquisition tasks.

MR NORTJÉ: That is correct Chair.

ADV LEBALA: Now just explain the context of acquisition tasks as at that time in the 1970's.

MR NORTJÉ: Chair, it is a very much the description I have already given about project management or programme

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management in ARMSCOR, the telecommunications concerns radios or other communication equipment that we did and still do procure from industry in order to satisfy the demands of the Defence Force, so an electronic background is certainly a very, I won't say ..., yes I do say necessary background to be able to perform the acquisition of these products and one starts with project management on simple projects and then in time progresses to more elaborate programmes but the essence is still the same, one has to go through the acquisition process as has been described to this Commission before.

ADV LEBALA: We see that from your CV fate or coincidence took you to Germany. A year after or so you started at ARMSCOR in the 1970's where you proceeded with the telecommunications under the auspices of Siemens Company.

MR NORTJÉ: Yes Chair, but I was still in the employment of ARMSCOR.

ADV LEBALA: Now just explain that part. Were you sent by ARMSCOR to Germany in 1972/3 to work with Siemens in Germany?

MR NORTJÉ: Affirmative Chair. You will notice that that was less than one year after I graduated and I was therefore still an engineer in training and at the time ARMSCOR took, well it was the Armaments Board at the time, took some effort to have their young engineers afforded the opportunity to get

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exposure to overseas engineering activities in their particular fields.

CHAIRPERSON: I'm sorry Advocate Lebala, if you don't mind can I make a suggestion? You know I've seen the CV of
5 Mr Nortjé, it's quite interesting, we have gone through it and it's already on record, can I perhaps suggest that you just summarise it in brief and from there we'll get to the crux of the matter of Mr Nortjé's evidence? It's a suggestion. Thank you.

ADV LEBALA: Through your direction Chair I agree. At
10 this stage Esteemed Commissioners this is a process where we want to relax this witness, I assure you that it's not easy to testify, we're gaining momentum, his foot is on the pedal with confidence but thanks for that guidance, we will do that. Before we even go, I wish I could go to the conclusion of your
15 testimony but I note, and I'll follow the Chair's direction, I note that coincidentally and fate you also went to Israel and these two countries come to the fore in as far as acquisition of some of these capabilities are concerned, we went to get the strike crafts in from Israel early on the Naval officers testified. One
20 notes that you spent some time in Israel. Was it related to the same functions that you were doing under the auspices of ARMSCOR?

MR NORTJÉ: Yes indeed Chair, my duties in that project refer to the telecommunications equipment into the strike craft.

25 ADV LEBALA: Page 20 we note that you also worked in

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the Electronic Warfare Division of ARMSCOR around 1994.

MR NORTJÉ: Yes, indeed Chair.

ADV LEBALA: Now at that stage you did the function of a project manager, I note that it shows that the chair has read
5 your CV, he wanted to understand the distinction between a project manager and programme manager. What is significant is that you were at one time a project manager managing several projects and you were also a programme manager.

MR NORTJÉ: Chair yes, I wish to reiterate, and I
10 probably owe you an apology for that, I did use the terms project manager and programme manager interchangeably.

ADV LEBALA: We also note that you supervised the Naval Section of the Electronic Warfare Division.

MR NORTJÉ: Yes Chair, and you will notice that that
15 was in the latter half of the 1980's after I have completed the Advanced Leadership Programme at the University of South Africa, serving as a bridge between being in purely engineering work to a manager.

ADV LEBALA: Of significance we are at the tail-end of
20 your CV, you were appointed as a project manager of the Navy Frigate Project where you also spent time in Germany, it means from 1971 we know that you were in Germany, but you went back in Germany around 2000 when the Strategic Defence Procurement Packages started to then acquire this capability
25 as a project manager in as far as the Navy's Frigate Project is

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concerned.

MR NORTJÉ: Affirmative Chair.

ADV LEBALA: Now that relates to the Project Sitron, am I right?

5 MR NORTJÉ: Yes Chair, it does.

ADV LEBALA: Now towards the end, of interest you mention that you are due to retire in six months, I suppose that when this *Curriculum Vitae* was being prepared in September you were anticipating that you would have retired by now if I'm not mistaken, if my calculations are right.

MR NORTJÉ: Yes Chair, it was the plan to be retired more or less by now, but events of course took their own way.

ADV LEBALA: I think that's adequate to lay a foundation for this Commission about your expertise and qualifications to assist it in the issues that we'd be dealing with in your testimony. For the sake of expedience 1.3 and I just want to save time, the Commission has heard about programme managers spending time in their employment with ARMSCOR before, during and after the Strategic Defence Packages in 1.3, that's okay, that's common cause, we are not going to spend time on it. Do you want to confirm?

MR NORTJÉ: Affirmative Chair.

ADV LEBALA: Now 1.5, it summarises the fact that the theme of your testimony goes to the rationale relate to the Corvette Acquisition, is that right?

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MR NORTJÉ: Yes, indeed Chair.

ADV LEBALA: Is it the whole Corvette acquisition or is it a part of the Corvette acquisition?

5 MR NORTJÉ: My duties included the entire Corvette Project Sir.

ADV LEBALA: Now does the Corvette Project include the Ship Platform and the Combat Suite?

MR NORTJÉ: That is correct yes, as well as all the logistics and training and everything that goes with it.

10 ADV LEBALA: Now at this stage I'm forced to ask you to read paragraph 1.5 having laid the foundation that you've laid, please proceed to read paragraph 1.5 for the record.

MR NORTJÉ: *"I have been asked to provide evidence within my knowledge that may be relevant to the rationale, relating to the Corvette acquisition for the SDPP. This included mainly the negotiation phase after the selection of the preferred bidders and overseeing of the production of the Corvettes. In this statement I also touch on the rationale for Local Combat Suite elements, the knowledge of which I gained as a subordinate team member prior to becoming the programme manager in November 1999. Supporting documentation identified in this statement is referenced according to the number on the documentation already*

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supplied to the Arms Procurement Commission on a memory stick dated 2012. Documents marked 'Confidential' or 'Secret' contain references to classified information which have been so classified by either the Department of Defence or ARMSCOR".

5

ADV LEBALA: Now I just want us to save time and remind the Commission that your colleague Mr Byrall Smith testified and talked to the Ship Platform, am I right?

10

MR NORTJÉ: That is correct Chair, but he was my predecessor as a programme manager for the Corvette Programme, so although the activities at the time was centred around the platform he actually was responsible for the entire project up to that point.

15

ADV LEBALA: I think that the Commission has been overwhelmed with the platform, I just want us to cut the umbilical cord with the Ship Platform and deal with the Local Combat Suite, shall we?

MR NORTJÉ: I'm in your hands in that regard Chair.

20

ADV LEBALA: We will deal with the platform where it's relevant because it's part of the whole Corvette ship, am I right?

MR NORTJÉ: Chair, there's a saying that goes that the platform is just a vehicle for the weapons system Combat Suite.

25

ADV LEBALA: Now let's deal with issues that pertain to the Combat Suite. Now at this stage I'm not going to take you

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through paragraph 1.6 on page 2 Commissioners. My attention is being drawn to you Commissioners.

CHAIRPERSON: Yes. We realise that we are shorting one page.

5 ADV LEBALA: I suppose it has been sorted out Chairperson.

CHAIRPERSON: Not yet.

ADV LEBALA: I'm in your hands and direction Esteemed Commissioners. What page? We are on page 2
10 Commissioners.

CHAIRPERSON: Page 2.

ADV LEBALA: We're on page 2 of the witness statement, I beg your pardon.

CHAIRPERSON: Thank you, we have received it. Thank
15 you.

ADV LEBALA: Chairperson, Commissioner Musi, please kindly draw my attention if I'm about to lose you or you are about to lose me. Sometimes I focus on my statements without looking at you and I'm indebted to Ms Zondi Kabine who drew
20 my attention to the fact that I could be failing my duty without taking you along with us. May we proceed Chairperson, Commissioner Musi? I'm going to ignore 1.6, the Commissioners have been overwhelmed with it because all the witness statements of ARMSCOR have this part in (indistinct)
25 and it makes sense because it befitted the times in the initial

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stage when we referred to it, the same with 1.7, the same with 1.8 and the same with 1.9, do you agree?

MR NORTJÉ: I am comfortable with that approach Chair.

ADV LEBALA: Page 3 paragraph 2.1, you have testified
5 to the theme of that statement by mentioning that Mr Byrall Smith was the programme manager of the Corvette and he was your predecessor, do you remember?

MR NORTJÉ: Yes, indeed Chair.

ADV LEBALA: I know that you mentioned this in the
10 context of paragraph 1.5 when I asked you as to whether are you going to talk about the whole Corvette where I directed you that we should focus on the Combat Suite, you remember?

MR NORTJÉ: I do Chair.

ADV LEBALA: At this stage actually let's take the
15 Commissioners with us, if I were to ask you to describe a Combat Suite in terms of its elements what would you say, and the Commissioners should appreciate why we start here, because it is the most contested and itching part of your testimony. I would like you to tell the Commissioners about
20 this Combat Suite and its elements. Let's start by you refreshing them, and I tell you they know, they know that it is the fighting or defensive part of the Corvette, but explain it in such a manner that they appreciate it as to why also the local
25 industry had to come in because once you talk of the local industry interest it means there was a foreign element in it. If

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you appreciate my question I would like you to start, if you don't I'm going to repeat it by specifically simplifying it. Do you understand it Mr Nortjé?

MR NORTJÉ: Chair yes, I think I do understand but I would not mind a little bit of simplification lest I launch into a longwinded explanation.

ADV LEBALA: I would like you to simplify it to the Commission and I'm certain that the Commissioners do read, I assure you they do read, but for the record, because we still have to come back and address them at a later stage so that they should appreciate that the elements of the Combat Suite were the subject of controversy, am I right?

MR NORTJÉ: To some controversy yes, indeed Chair.

ADV LEBALA: Now I would like you to tell the Commission at this stage about the elements of the Combat Suite that were the interest of foreign entities.

MR NORTJÉ: Chair, I will try to comply with the question. If I do not fully answer the question please, I would request that the evidence leader give me guidance there as to where I go off the track perhaps. As you know Commissioner and Chairman, the Combat Suite is the fighting part of the ship, it consists of a number of what we call sensors like radars and EW receivers and sonar equipment and so on and so forth, which gather information about the environment, about possible enemies in the vicinity and so on and so forth. This

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information gets fed to the central management element of the Combat Suite which we typically call the Combat Management System, it goes by other names in other navies but it all means the same, where the information that is being fed to it from the sensors get evaluated and if it's so required a certain reaction is then initiated.

ADV LEBALA: Now at this stage I think you have confirmed what the Commissioners know. Now I just want you to tell them generally about the parts because those are the parts that are the subject of controversy of the Combat Suite, just mention the part if you know that for instance there's a part of the Combat Suite called the "Hull Mount Sonar". Mention it, and I would like you to deal with it at this stage with those parts that were looked at from the context of foreign-based entities and local companies, because that's where the controversy is. Do you understand my question?

MR NORTJÉ: I'm not sure that I fully understand it Chair, but I will try my best to answer.

ADV LEBALA: Okay let me simplify it for you. The Combat Suite has got subsystems and parts, am I right?

MR NORTJÉ: Yes, indeed.

ADV LEBALA: Now the emphasis up to so far, and the Commissioners have heard about it, is that there was a part of the Combat Suite, that fighting capability of the ship where local industries' interest had to be covered and looked at, am I

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right?

MR NORTJÉ: Yes, indeed.

ADV LEBALA: There was also an element of foreign based entities who had to assist in the Combat Suite, isn't it?

5 MR NORTJÉ: Yes, quite so Chair.

ADV LEBALA: Now let's look at the parts starting with those that the foreign based companies had to look at.

MR NORTJÉ: Chair yes, by way of a little bit of additional background, over the years, and it's been explained
10 later on in the, in my evidence, the South African industry has developed a certain capability in strategic areas which were of interest to the Combat Suite of the Corvettes, and the DoD through the contracts of ARMSCOR have indeed invested in a number of local companies to foster and develop those
15 strategic capabilities, so when we got to the acquisition of this thing called the "Patrol Corvette for the Navy" there was a definite intent to make the maximum use of local industry capabilities to the extent that it is affordable and to the extent that it made good business sense to do so. At the same time it
20 was clear right from the beginning that the South African industry did not have the capability to cover all the equipment involved in the Combat Suite and therefore we would have had to look at overseas possibilities to cover those and the main ones that I think the evidence leader wishes me to mention
25 were what we call the STAR or Surveillance Target Acquisition

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Radar which actually fulfils the function of the main radar on-board the ship. Another one was the offensive weapon that the Navy wished to have in their inventory which we called the SSM, or a Surface-to-Surface Missile. The third one was the
5 Hull Mount Sonar which is an acoustic sensor mounted underneath the ship and exploring the underwater side of the environment.

ADV LEBALA: Thank you. Now the Commission has heard these parts and it has been demonstrated to them that
10 when you come to the Combat Suite you look at the foreign element and the local industry, you have demonstrated to them, and you've refreshed them actually, they've heard about it already that the local industry interest had to be covered, looked at, and if need be, protected. You have mentioned
15 three parts of the Combat Suite that foreign based companies had to look at. Were there other parts or it was only these parts? Let's refresh ourselves, the radar, the Hull Mount Sonar and the Surface-to-Surface Missile. Now were there other parts?

20 MR NORTJÉ: Chair, in all probability yes, we did foresee that the Combat Management System which I had briefly mentioned before would require some assistance from overseas. We did have a certain capability in that area in
25 South Africa but we came to realise that the complexity of this ship that we were contemplating putting together was of such

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high complexity that we did not have all the wherewithal in South Africa to do the whole thing completely and therefore it was, there was some realisation that it would be advantageous to get an overseas partner and that was, I should add, in an area, technology area which the Defence Force considers of a very high strategic nature, namely the integration part of it, because that is what the Combat Management System does, it is the main integrative tool of the Combat Suite.

ADV LEBALA: Now what has become clear to the Commission is that we've looked at the elements, sub parts of this Combat Suite and at this stage we know that the foreign based company because of, companies because of their expertise, albeit our country has got some expertise it needed assistance. Now let's go to ... At this stage the Commissioners will appreciate because the radar, the Hull Mount Sonar and the Surface-to-Surface Missile are going to be coming back to them, I just want us to lay a foundation for them at this stage now. Let's tell them about the real controversies, let's look at the other parts where the local industry was focused on. Remember up to so far you have told the Commission the following; foreign based companies came to the fore because we had limitations in as far as our expertise is concerned but we had to look at the interest of local based companies. Now let's look at those elements of the Combat Suite where local industries were focusing on.

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MR NORTJÉ: Chair, may I ask by way of clarification whether the evidence leader wishes me to name all the Combat Suite elements on the local side?

ADV LEBALA: Those ... I beg your pardon Esteemed
5 Commissioners and the stenographer whom I suppose I'm
exhausting his energy for going up and down, I'll do my best to
tow the line from now on, in actual fact I've just highlighted
them that the one that I've marked "read" will be the one that
I'll be punching on. I just want you to ..., you see we are going
10 to deal with that, the nitty-gritty of that testimony, don't bother
about it. Just let it be on the Commissioner's mind that oh,
there are elements of the Combat Suite which is subject of
dispute, or there are three elements which were looked at by
foreign based companies, it means foreign based companies
15 had to fight over it, but it was also local side. Don't go into it
because the testimony is going to be based on it, just tell them
about it what were those elements.

MR NORTJÉ: Well Chair, I would think that there were
essentially four parts of the Combat Suite which met with some
20 controversy. To a certain extent the Combat Management
System was one of them, the allegations were made that a
foreign company had replaced the local capability in that
regard but I have explained that the foreign company had
actually complimented the capabilities of the local company
25 and that there was a transfer of knowledge to the local

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company in that regard.

The other one which probably created the most controversy was the database, the IMS, we called it the Information Management System where a local company was involved during the early days but in the latter part of the project when we were really looking for ways of saving money, and we will go into that I presume, that the question of costs was a major driver of the whole negotiation process and in the end, in the interest of cost saving it was decided to use the product of an overseas company. The other two that had some controversy was at a lower system level and they're concerned with the, we call the SMS or the System Management System and I do believe we will explain what they are at a little later stage.

And the fourth one was the Navigation Distribution System which is also a lower level integration equipment where we had a certain investment made and investments by themselves by a local company and where in order to try and save additional costs we went into a limited competitive situation in South Africa, between South African companies in that regard.

ADV LEBALA: Now the Commission has heard that the Combat Suite up to so far, up to so far as far as your testimony is concerned has got seven parts, subsystems, am I right?

MR NORTJÉ: I'm not sure that I would fully understand

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what you mean by seven parts, there are a larger number of subsystems than just seven.

ADV LEBALA: We know that. Actually let me repeat my question, I shouldn't ask you a wrong question to elicit a right answer. Up to so far, I'm saying up to so far we've only talked to seven parts of the Combat Suite.

5

MR NORTJÉ: Confirmed, that's correct.

ADV LEBALA: We've demonstrated that three of those parts foreign based entities had an interest and focus on them, isn't it?

10

MR NORTJÉ: That is correct.

ADV LEBALA: And there are other four which local based companies also had an interest and focus on.

MR NORTJÉ: Yes, indeed.

15

ADV LEBALA: We'll come back to that. The Commission knows that the Combat Suite has got many parts but these seven are the subject of your testimony, am I right?

MR NORTJÉ: I'm in your hand as to what you make the subject of the testimony Mr Chair, but I can imagine that the testimony might very well centre around those seven.

20

ADV LEBALA: Because out of these seven parts some of them were highly contested isn't it?

MR NORTJÉ: There was some controversy about it, yes.

ADV LEBALA: Particularly from the local based interest, am I right?

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MR NORTJÉ: Yes, indeed Chair.

ADV LEBALA: Amongst those interests are the interests of Mr Richard Young.

5 MR NORTJÉ: That's the only one I think the controversy came from, yes indeed.

ADV LEBALA: We'll come back to that. Let's look at page 3 of your statement and I would like to read it because it's part of the history that the Commission has heard about. You will see that just to assist the Commission we are going to jump or
10 not ignore, jump some of the, or put our foot on the pedal in as far as some of your paragraphs are concerned because they've become common cause before the Commission, but this one we have to put it on record. For the benefit of the Commission may I read it, paragraph 2.1 page 3 Commissioners:

15 *"My statement should be read in conjunction with the statement of my colleague Mr Byrall Smith who was the programme manager for the Corvette Project Sitron since its inception in 1992 until the completion of the final evaluation phases in
20 November 1998, ..."*

I assure you that the Commission has heard this,

"... but before the evaluation and final selection processes of the Combat Suite systems ..."

I assure you that the Commission has heard this, but what we
25 know you have already told the Commission that Mr Byrall

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Smith was your predecessor and it's in line with his testimony earlier on.

"His statement covers the build-up and background up to the completion of the evaluation ...".

5 Now we know how important the evaluation process is, am I right?

MR NORTJÉ: I have noticed, yes indeed Chair.

ADV LEBALA: Because you want fairness to prevail isn't it?

10 MR NORTJÉ: Certainly Chair.

ADV LEBALA: You want to weigh the risks as to whether you are paying the right price, am I right?

MR NORTJÉ: Yes, indeed Chair.

ADV LEBALA: Now let's read further:

15 *"I was involved with the project in a subordinate role from April 1994 until November 1998, functionally reporting to the Divisional Manager : Command and Control Division (Mr Pierre Meiring) and to the Programme Manager Project Sitron (Mr*
20 *Byrall Smith)".*

Just for the sake of completeness, when Mr Byrall Smith was the programme manager, was he the programme manager of both the Ship Platform and the Combat Suite?

MR NORTJÉ: Affirmative Chair, he was programme
25 manager of the entire project.

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ADV LEBALA: Now I'm asking this question in the context that we know that at some point Mr Byrall Smith gave up the Combat Suite in November 1998 and that's where you came in the picture, am I right?

5 MR NORTJÉ: Only partly Chair. He relinquished the position of programme manager for the entire project and I took over the entire project from him, Platform, Combat Suite, Logistics, everything that goes with it, although you will, as you already have noticed Chair a large part of the negotiations
10 centred around the Combat Suite and coming to acceptable costs in that area.

ADV LEBALA: Thank you for clarity Mr Nortjé. Let's look at paragraph 2.3 now, that's where I don't want us to overwhelm the Commission because it's part of the history that
15 has become common cause before the Commission. The theme is historically there was a philosophy during 1992 in as far as the question of making this product that we are talking about the Corvette where there was a Ship Platform and a Combat Suite, am I right?

20 MR NORTJÉ: Yes, that's correct Chair.

ADV LEBALA: But it was done historically in a particular manner and just remind the Commission briefly how it was done, I think the Commissioners do know it, we overwhelmed about it that there was a ship platform and there was a Combat
25 Suite and ARMSCOR and the Department of Defence South

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African Navy, and the Department of Defence had to integrate it and that had to change isn't it?

MR NORTJÉ: Yes indeed Chair, in the past we had very often played effectively the main contractor taking the risk for the integration part of it, but as we progressed and as our industry's capability grew and as our own the state's capabilities were waning because of loss of personnel and so on and so forth, we started moving towards a more mature higher level contracting model where we were engaging main contractors for almost a turnkey type of project.

ADV LEBALA: Now I would like to read, just to complete what you say, line number, paragraph 2.3, starting with "Integration ...", can you see?

MR NORTJÉ: Yes Chair.

ADV LEBALA: Let's read the sentence starting with "Integration ...", that is line 6:

"Integration is a largely visible 'cement' or 'glue' that binds the various individual parts together to form a meaningful whole or system".

Are you talking about the whole Corvette or are you talking about the component parts of the Combat Suite?

MR NORTJÉ: Actually Chair, I'm talking about both because integration is applicable in many different areas and this is more or less a generic description of it, not only for the ship but also in other areas you will find similar in an aircraft

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and in other areas.

ADV LEBALA: Perhaps this is the right time just to help the Commissioners to come along with us having informed the Commissioners about the different elements. Let's call them
5 elements, you can call them parts, you can call them subsystems of the Combat Suite. Just explain the integration of this subparts, subsystems of the Combat Suite briefly.

MR NORTJÉ: Yes Chair, I will try to do it briefly. It can easily become a longwinded explanation. I mentioned already
10 the issue of sensors which sends the environment, informs the crew of the ship and the captain of what the environment looks like, it gets digested in the Operations Room where the Combat Management System serves as the integration tool where all the information comes together and then it must be enacted. If
15 you are in a, for instance in a position where you are about to be attacked then you want to engage the enemy with your own weapons, I think it does not need a lot of imagination to understand that I can have a superb radar that can detect an enemy at large ranges very accurately and I may have a very
20 good defensive capability, a surface-to-air missile for instance, but if I cannot connect the two to each other and make them exchange information and have the information from the one going to the other enabling it to effectively counter the threat, then the capabilities of a superb radar or the capabilities of a
25 superb weapon helps me nothing, the things must be

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integrated, they must be together.

ADV LEBALA: Now we've demonstrated that this subsystems, these parts, elements of the Combat Suite have to talk together and whoever provides them must not only be better qualified but we'll demonstrate with your testimony that there are certain requirements that have to be met. Now let's look at paragraph 2.4 just to complete what you say:

"It is to be noted that none of the local major subsystems ...".

10 Those parts of the Combat Suite:

"... entailed development ab initio"..

What do you mean by that?

MR NORTJÉ: What I ... Sorry. What I mean by that Chair is that we were not starting with this clean slate when it came to the Combat Suite to develop from scratch, we were building on the existing capabilities that local industry had developed through various defence projects and through various defence technology projects where they have built up a certain niche area in a strategic area and that we were making use of this foundation to build to a next level.

ADV LEBALA: Now all along when these processes were unfolding during the 1990's there was no doubt that there was local competency in as far as the development of the Combat Suite is concerned?

25 MR NORTJÉ: That is correct Chair.

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ADV LEBALA: Now let's read further:

5 *"Rather, they were either adaptations of products
previously delivered to the South African National
Defence Force ("SANDF") during the 1980's or
further refinements of products developed under
several previous technology contracts".*

I think the Commissioners have been overwhelmed with this aspect, they know about it now.

10 *"A few 'Military-Off-The-Shelf ("MOTS") Combat
Suite from overseas ...".*

Now before we even part ways with "Military-Off-Shelf" please explain it to the Commissioners because we are going to collide with it, simplify it. In simple terms, in simple terms, even if you were to give examples quickly.

15 MR NORTJÉ: Chair yes, you will find probably throughout our evidence reference to three things, the one is commercial-off-the-shelf and the other one is military-off-the-shelf. Commercial-off-the-shelf means a standardised product that one could go and buy from the commercial enterprise as a
20 product in their normal product line-up, it needs not be developed for you or adapted for you, you can buy it as it is. Off-the-shelf means that it is available. I need to point out that in practice it's not necessarily physically off-the-shelf because the things tend to be, we tend to be talking in the
25 professional environment, in the commercial things, and

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because of the high cost of the products you may have to order it for delivery, but it is then ordered as a standard product from the product line-up of the particular supplier.

Now a military-off-the-shelf has the same
5 connotation except that we are here talking about military products and one of them that I would mention, which is very relevant, is one that we bought, I think every one of us, especially those of us old enough to remember the Falklands War in 1982 between Argentina and the UK, we all know the
10 name of an Exocet Missile, which we also bought for our ships incidentally in the newer version.

Now the Exocet Missile, surface-to-surface missile by this time has become a good example of a military-off-the-shelf equipment, it certainly is not sitting on the shelf for
15 obvious reasons, it's very expensive, it's an explosive thing, you order it to be made for you but it is a standardised product, you don't go there and say I want this product but I want a little change here and a little ..., you buy it as it is, it's a standardised product, it's in the product line-up of the
20 company and that is a good example of what we would call a military-off-the-shelf.

ADV LEBALA: Thank you. It means you buy it as it is from the shelf standardised. Now let's read further, I'll start from the sentence:

25 "A few *Military-Off-The-Shelf ("MOTS") Combat*

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Suite elements from overseas were also contemplated where sufficient local capability did not exist”.

It means you would get them as they are from overseas?

5 MR NORTJÉ: That is correct Chair.

ADV LEBALA: 2.5:

10 *“In the beginning of 1995, ARMSCOR was on the verge of placing full-scale contracts for Sitron, but the newly formed government deferred the project indefinitely in order to first conduct the Defence Review ...”.*

Now I don't want to overwhelm the Commissioners about this, I think they've got it, but just for the sake of completeness we are starting to deal with an important aspect that was applicable at that time, a project, I was told that in the Military we work with projects. Let's forget about the White Paper and the Defence Review, let's read line number 4 starting with:

20 *“In order to retain and further foster the local Combat Suite capability a technology retention project (“Project Suvecs”) was launched and funded from the DoD Research and Development budget”.*

It has become clear that local capability has always been there. Now what's the relationship in this context, the Commissioners have long heard about Project Suvecs as far as the submarines are concerned, just simplify it in as far as the

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Project Sitron is concerned, they've heard about it in as far as the Project Wills is concerned in as far as the submarine is concerned, we have local capability that is capable of building these fighting components of the ship, we could either go and
5 get it overseas as it stands standardised but we've always had local capability. Now explain the relevance of Project Suvecs in this context given the development around 1995 when we had the Defence Review and the White Paper.

MR NORTJÉ: Well Chair, as explained in my deposition
10 the acquisition part, the acquisition project called Sitron dates from the early 1990's, 1992 approximately if I remember correctly, and by 1994/95 we were on the verge of actually activating the project, the planning of which had started much earlier, by placing contracts and going into the actual
15 procurement of both the platform on the one hand and a number of Combat Suite elements as individual items which we would then integrate and play main contractor with.

The importance of Suvecs, which didn't exist at the time, was that when the project was deferred in 1995 no one
20 knew by how long it was going to be deferred and when, if it was going to be resuscitated. Therefore the Navy launched a programme which they called Technology Retention in order to put some money into the local companies to maintain the capability that had been developed already, specifically for the
25 future acquisition project of Sitron being the Corvettes.

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ADV LEBALA: Now what was happening to that capability? Remember up to so far there's one theme that we kept on hammering and I think the Commissioners have appreciated it, there's always been local capability of building this fighting defensive component of the Corvette and obviously when people were trained I suppose there might have been electrical engineers, there might have been military engineers but what was happening around that time with these people in relation with this Project Suvecs?

5
10 MR NORTJÉ: I'm not quite sure Chair what the question means what was happening to the people?

ADV LEBALA: Precisely, what was happening to the people, what was happening to the Military environment during that time when the Project Suvecs was being contemplated?

15 MR NORTJÉ: Yes Chair, if you will allow me the 1990's were actually a very interesting decade if one looks back at it. In South Africa we all know that in the, as from the very early 1990's political change was starting to happen at a fairly brisk pace in South Africa. Notably as from approximately 1992 with
20 the ex-President Nelson Mandela being released from prison and the tension in South Africa starting to unwind there was a more or less unavoidable and immediate reduction in the Defence budget, which is understandable. So, the local companies involved in defence work in South Africa were
25 starting to struggle because there was less and fewer contracts

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coming their way from the military side.

Therefore of necessity the local military industry were starting to look at other markets to wit the export markets, and they were trying to obtain some foothold wherever
5 they could overseas. Of course when one goes overseas you quickly find that the place is crowded by a number of big military companies and that ...

ADV LEBALA: You may finish. I actually wanted, you were tempting me to ask you why didn't these people go and
10 work overseas because the local industry was cramping and there were alternatives overseas?

MR NORTJÉ: Chair, that's a good question and the answer is that some of them actually did go and work overseas, there are a few of them that actually found opportunities
15 overseas but Chair the 1990's was a very interesting decade also from a different perspective, also in the world the military industrial complex was going through difficult times because the early 1990's also signified the end of the Cold War internationally and therefore internationally the Defence budget
20 were cut quite dramatically and overseas companies were also looking for other opportunities not only in their own play, so their business was also going down, and therefore there was not all that many opportunity for people from South Africa to go there, but as I said a few of them did find good opportunities
25 overseas.

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ADV LEBALA: Now Project Suvecs in relation to these challenges that were not only prevailing in South Africa but were prevalent all over the world, how did it positively address this challenge of that local capability that we had that had
5 options to go overseas?

MR NORTJÉ: Chair yes, as long as the expectation of Project Sitron was there, there was something for the local companies to look forward to, it should be borne in mind that as the South African government was investing less money into
10 the industry, so industry got a little bit nervous themselves as to how much they should be investing, but a project like Suvecs which invested money into keeping the capabilities alive certainly assisted in giving meaningful work to the people and I say the people as opposed to companies, the people, to keep
15 the people busy and keep them here, but it also gave a certain signal to industry who then to a very large extent co-invested in keeping the technologies alive.

ADV LEBALA: Now at this stage we've heard about Project Suvecs. Just for the sake of completeness was it only
20 applicable in as far as Project Sitron is concerned (Corvette acquisition) or it was also applicable in as far as Project Wills, that is (Acquisition of Submarine)?

MR NORTJÉ: Project Suvecs was a technology retention project, it was not aimed at Project Sitron directly, it was
25 aimed at keeping and enhancing the local capabilities,

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engineering capability by building generic technology demonstrators which could later be incorporated into any, more or less any surface combat vehicle whether it was a Corvette, a frigate or a smaller one you would scale down and scale up, use which parts were relevant to this type of ship or that, so it was a generic surface vessel capability that we retained and therefore it had actually not a direct relevance to submarines and Project Wills, although I hasten to add there are always a little bit of commonality that one can find, for instance in the telecommunications side there was a fair commonality which benefited both sides.

ADV LEBALA: Now the Naval officers also told us about Project Diodon, do you remember? Does it, I beg your pardon, does it ring a bell on your mind, Project Diodon?

MR NORTJÉ: Yes Chair, indeed it does.

ADV LEBALA: Now the Naval officers told us about Project Suvecs alongside Project Diodon or told us about Project Diodon alongside Project Suvecs. Is there a different view that you hold or you want to repeat what they said or highlight what they said if you are able to remember what they said?

MR NORTJÉ: Chair, I was unfortunately not present when the DoD officers gave their presentations, so I will give you a brief version of how I understand Project Diodon fitted into the thing and one needs go to back into history. The Navy

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had been trying since, if my memory serves me right, the 1970's, middle 1970's to obtain new warfighting ships, they did get the strike craft in the late 1970's but with all due respect, and I think Naval officers present in this proceedings at the moment will confirm that those were useful little ships but they had their limitations as to fighting or even operating in our waters, so the Navy had been trying to obtain proper ships ever since the 1970's and they had a number of starts which came to a grinding halt largely because of, well only I presume because of the shortage of money, I presume that there was a priority in the 1970's and 1980's to fund the Air Force and the Army over the Navy, one can debate the right or wrong of that, it's not for me to do so.

So, in the late 1980's if my recollection from what I've read in the relevant documents are correct, 1989, the Surface Vessel Acquisition Project for the Navy was cancelled and at that time there was then a technology retention project launched to keep the engineering capabilities of the local industry alive and to increase the capabilities approximately from, if my memory serves me right, 1992 thereabouts, until 1994 when Suvecs started, or not Suvecs, I beg your pardon, when Sitron started having again before that was stopped.

So, in a nutshell and with your permission Chair, the evidence leader has asked me previously what was the difference between Sitron and Diodon and my answer was the

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difference was in the name and in the time period.

ADV LEBALA: So what we know now is that one and the same thing, Project Sitron and Project Diodon is that Project Diodon came before Project Sitron?

5 MR NORTJÉ: That is correct.

ADV LEBALA: And Project Diodon was also trying to deal with the strong Naval shipbuilding capabilities or technological capabilities that were existing during that time?

MR NORTJÉ: Perfectly correct Chair.

10 ADV LEBALA: Now we are going to the nub of your testimony which starts on page 2.6, the real issues. Now what has become clear up to so far, I think the Commission has to be refreshed, you have briefly told us that, and this is what the Naval officers told us, your colleague Byrall Smith told us that
15 there was a practice and/or a tradition that informed how Corvettes or frigates were being acquired in South Africa, that is there was a Ship Platform that took 60% of the budget and there was a Combat Suite that took 40% of the budget, it doesn't matter but the Ship Platform was given more priority
20 over the Combat Suite, am I right?

CHAIRPERSON: I'm sorry Advocate Lebala, I see you are starting a new point here (indistinct) that is before we adjourn, will this not be an appropriate moment to adjourn and then we'll start tomorrow morning at 09h30 instead?

25 ADV LEBALA: Thank you Chair.

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CHAIRPERSON: We'll adjourn until tomorrow morning and tomorrow we'll start at 09h30. Thank you.

(COMMISSION ADJOURNS)

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