

Defence and Military Veterans

Adjusted budget summary

R thousand	2012/13			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	37 492 954	37 888 542	–	395 588
<i>of which:</i>				
Current payments	30 156 953	31 031 197	–	874 244
Transfers and subsidies	6 376 133	6 078 898	(297 235)	–
Payments for capital assets	622 164	630 349	–	8 185
Payments for financial assets	337 704	148 098	(189 606)	–
Executive authority	Minister of Defence and Military Veterans			
Accounting officer	Secretary for Defence			
Website address	www.dod.mil.za			

Aim

Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force.

Changes to programme purposes, objectives and measures

Programme 2: Force Employment

Changed objectives and measures:

Provide and manage defence capabilities, including an operational capability, to conduct operations and joint interdepartmental and multinational military exercises by conducting 25 joint, interdepartmental and multinational military force preparation exercises from 2012/13 to 2014/15, excluding Special Forces and multinational air transport exercises.

The number of joint, interdepartmental and multinational military (JIM) force preparation exercises was increased from 20 to 25. This is due to the fact that the South African National Defence Force (SANDF) does not have any control over the number of JIM exercises scheduled, given the provisions of Defence Commission agreements and other military/diplomatic considerations. Furthermore, as a priority, provision was also made for military cooperation within the Southern African Development Community (SADC) environment and with specific emphasis on the SADC Standby Force.

Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2012/13 as published in the 2012 ENE	Achieved in the first six months of 2012/13 (April to September)	Changed estimate for 2012/13
As published in the 2012 ENE	Programme linked to the indicator			
Percentage compliance with the SADC standby force agreement and South African pledge	Force Employment	100%	100%	–
Number of large scale external operations per year	Force Employment	4	4	–
Average number of personnel deployed daily in external operations per year	Force Employment	1 985	2 218	–
Number of person days used during internal operations per year	Force Employment	657 000	191 054	–

2012 Adjusted Estimates of National Expenditure

Indicator	Programme	Annual performance		
		Projected for 2012/13 as published in the 2012 ENE	Achieved in the first six months of 2012/13 (April to September)	Changed estimate for 2012/13
As published in the 2012 ENE	Programme linked to the indicator			
Number of internal operations per year	Force Employment	5	4	-
Number of joint, interdepartmental and military exercises conducted per year	Force Employment	7	1	-
Percentage compliance with UN requirements, rules and regulations for peace missions	Force Employment	100%	100%	-
Total number of defence attaché offices	Administration	40	39	-
Number of force employment hours flown per year	Air Defence	10 500	3 214	-
Number of sea hours on patrol in South African maritime zones and international waters per year	Maritime Defence	35 000	2 584	-
Number of military skills development members in the system per year	Landward Defence	6 673	6 801	-
Number of active reservists per year	Landward Defence	12 400	11 108	-
Number of health care activities provided per year	Military Health Support	2 400 000	763 343	-
Defence Force Service Commission status	Administration	Comprehensive recommendations to Minister and report to Parliament	Fully functional recommendations on improvement of conditions of service were made to the Minister	-

Mid-year Progress

Most of the performance of the Department of Defence is on track to be achieved against set targets. Although seven JIM exercises were planned for the year, only one took place within the first half of the financial year. The other three scheduled for the first six months have been postponed to the third quarter of the financial year.

Within the first half of the year four internal operations were conducted, mainly in cooperation with the South African Police Service to prevent poaching of marine resources in the Western Cape Province. Border safeguarding continued through the deployment of 11 sub-units in Limpopo, Mpumalanga, KwaZulu Natal, the Free State and the Eastern Cape. The SANDF participated in four large scale external United Nations peace support operations and provided on average 2 140 members per day. The number of force employment hours flown and sea hours on patrol in South African maritime zones in international waters is expected to increase over the next six months.

Adjusted Estimates of National Expenditure 2012

Programme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Administration	3 730 776	-	-	80 012	-	9 866	89 878	3 820 654
Force Employment	2 670 902	-	63 000	2 594	-	11 699	77 293	2 748 195
Landward Defence	12 686 731	-	-	(511 808)	-	138 820	(372 988)	12 313 743
Air Defence	6 749 665	-	-	332 185	-	36 870	369 055	7 118 720
Maritime Defence	2 551 307	-	-	296 790	-	14 155	310 945	2 862 252
Military Health Support	3 316 507	-	-	156 585	-	23 362	179 947	3 496 454
Defence Intelligence	709 663	-	-	(50)	-	2 534	2 484	712 147
General Support	5 077 403	-	-	(356 308)	-	95 282	(261 026)	4 816 377
Total	37 492 954	-	63 000	-	-	332 588	395 588	37 888 542

		2012/13						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Economic classification								
Current payments	30 156 953	–	63 000	620 952	–	190 292	874 244	31 031 197
Compensation of employees	18 967 786	–	8 427	179 558	–	190 292	378 277	19 346 063
Goods and services	11 189 167	–	54 573	441 394	–	–	495 967	11 685 134
Transfers and subsidies	6 376 133	–	–	(439 531)	–	142 296	(297 235)	6 078 898
Departmental agencies and accounts	5 327 877	–	–	(504 040)	–	142 296	(361 744)	4 966 133
Public corporations and private enterprises	914 753	–	–	60 179	–	–	60 179	974 932
Non-profit institutions	6 213	–	–	–	–	–	–	6 213
Households	127 290	–	–	4 330	–	–	4 330	131 620
Payments for capital assets	622 164	–	–	8 185	–	–	8 185	630 349
Buildings and other fixed structures	111 110	–	–	–	–	–	–	111 110
Machinery and equipment	460 459	–	–	8 185	–	–	8 185	468 644
Specialised military assets	49 546	–	–	–	–	–	–	49 546
Software and other intangible assets	1 049	–	–	–	–	–	–	1 049
Payments for financial assets	337 704	–	–	(189 606)	–	–	(189 606)	148 098
Total	37 492 954	–	63 000	–	–	332 588	395 588	37 888 542

Programme 1: Administration

		2012/13						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Ministry	64 965	–	–	13 305	–	232	13 537	78 502
Departmental Direction	55 667	–	–	4 163	–	(2 153)	2 010	57 677
Policy and Planning	103 877	–	–	(5 508)	–	573	(4 935)	98 942
Financial Services	281 657	–	–	1 632	–	2 260	3 892	285 549
Human Resources Support Services	614 659	–	–	4 568	–	4 118	8 686	623 345
Legal Services	175 258	–	–	24 483	–	1 346	25 829	201 087
Inspection Services	77 987	–	–	274	–	575	849	78 836
Acquisition Services	46 115	–	–	(946)	–	359	(587)	45 528
Communication Services	31 408	–	–	(1 502)	–	176	(1 326)	30 082
South African National Defence Force Command and Control	117 085	–	–	33 490	–	1 009	34 499	151 584
Religious Services	11 652	–	–	32	–	64	96	11 748
Defence Reserve Direction	16 856	–	–	4 537	–	113	4 650	21 506
Defence Foreign Relations	196 982	–	–	1 484	–	998	2 482	199 464
Office Accommodation	1 885 401	–	–	–	–	–	–	1 885 401
Military Veterans Management	51 207	–	–	–	–	196	196	51 403
Total	3 730 776	–	–	80 012	–	9 866	89 878	3 820 654

Programme 1: Administration (continued)

		2012/13						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Economic classification								
Current payments	3 624 512	–	–	74 082	–	9 670	83 752	3 708 264
Compensation of employees	1 301 586	–	–	6 686	–	12 105	18 791	1 320 377
Goods and services	2 322 926	–	–	67 396	–	(2 435)	64 961	2 387 887
Transfers and subsidies	90 116	–	–	2 930	–	196	3 126	93 242
Departmental agencies and accounts	67 863	–	–	1 700	–	196	1 896	69 759
Non-profit institutions	6 213	–	–	–	–	–	–	6 213
Households	16 040	–	–	1 230	–	–	1 230	17 270
Payments for capital assets	16 148	–	–	3 000	–	–	3 000	19 148
Machinery and equipment	16 133	–	–	3 000	–	–	3 000	19 133
Software and other intangible assets	15	–	–	–	–	–	–	15
Total	3 730 776	–	–	80 012	–	9 866	89 878	3 820 654

Programme 2: Force Employment

		2012/13						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Economic classification								
Current payments	2 395 266	–	63 000	33 998	–	11 699	108 697	2 503 963
Compensation of employees	1 297 375	–	8 427	55 426	–	11 699	75 552	1 372 927
Goods and services	1 097 891	–	54 573	(21 428)	–	–	33 145	1 131 036
Transfers and subsidies	201 374	–	–	(31 804)	–	–	(31 804)	169 570
Departmental agencies and accounts	182 386	–	–	(31 804)	–	–	(31 804)	150 582
Public corporations and private enterprises	12 587	–	–	–	–	–	–	12 587
Households	6 401	–	–	–	–	–	–	6 401
Payments for capital assets	74 262	–	–	400	–	–	400	74 662
Buildings and other fixed structures	1 797	–	–	–	–	–	–	1 797
Machinery and equipment	69 267	–	–	400	–	–	400	69 667
Specialised military assets	3 198	–	–	–	–	–	–	3 198
Total	2 670 902	–	63 000	2 594	–	11 699	77 293	2 748 195

Programme 3: Landward Defence

Subprogramme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Strategic Direction	387 034	–	–	(125 052)	–	2 192	(122 860)	264 174
Infantry Capability	3 812 948	–	–	(233 642)	–	80 618	(153 024)	3 659 924
Armour Capability	332 032	–	–	2 384	–	2 729	5 113	337 145
Artillery Capability	499 408	–	–	(5 665)	–	2 798	(2 867)	496 541
Air Defence Artillery Capability	630 694	–	–	(40 045)	–	1 990	(38 055)	592 639
Engineering Capability	540 839	–	–	4 378	–	4 478	8 856	549 695
Operational Intelligence	237 063	–	–	1 082	–	1 279	2 361	239 424
Command and Control Capability	159 954	–	–	966	–	1 255	2 221	162 175
Support Capability	4 760 887	–	–	(125 569)	–	30 765	(94 804)	4 666 083
General Training Capability	400 130	–	–	2 222	–	3 033	5 255	405 385
Signal Capability	925 742	–	–	7 133	–	7 683	14 816	940 558
Total	12 686 731	–	–	(511 808)	–	138 820	(372 988)	12 313 743
Economic classification								
Current payments	9 989 817	–	–	(164 492)	–	85 888	(78 604)	9 911 213
Compensation of employees	8 307 562	–	–	(133 945)	–	85 888	(48 057)	8 259 505
Goods and services	1 682 255	–	–	(30 547)	–	–	(30 547)	1 651 708
Transfers and subsidies	2 351 293	–	–	(347 316)	–	52 932	(294 384)	2 056 909
Departmental agencies and accounts	2 249 663	–	–	(347 316)	–	52 932	(294 384)	1 955 279
Public corporations and private enterprises	53 617	–	–	–	–	–	–	53 617
Households	48 013	–	–	–	–	–	–	48 013
Payments for capital assets	345 621	–	–	–	–	–	–	345 621
Buildings and other fixed structures	131	–	–	–	–	–	–	131
Machinery and equipment	318 465	–	–	–	–	–	–	318 465
Specialised military assets	27 000	–	–	–	–	–	–	27 000
Software and other intangible assets	25	–	–	–	–	–	–	25
Total	12 686 731	–	–	(511 808)	–	138 820	(372 988)	12 313 743

Programme 4: Air Defence

Subprogramme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Strategic Direction	16 318	–	–	80	–	95	175	16 493
Operational Direction	195 938	–	–	26 200	–	–	26 200	222 138
Helicopter Capability	879 857	–	–	33 788	–	1 478	35 266	915 123
Transport and Maritime Capability	495 534	–	–	200 608	–	1 221	201 829	697 363
Air Combat Capability	1 584 713	–	–	39 061	–	9 155	48 216	1 632 929
Operational Support and Intelligence Capability	425 215	–	–	1 105	–	1 805	2 910	428 125
Command and Control Capability	410 270	–	–	856	–	1 174	2 030	412 300
Base Support Capability	1 568 073	–	–	17 466	–	15 816	33 282	1 601 355
Command Post	45 123	–	–	218	–	288	506	45 629
Training Capability	310 435	–	–	9 263	–	1 458	10 721	321 156
Technical Support Services	818 189	–	–	3 540	–	4 380	7 920	826 109
Total	6 749 665	–	–	332 185	–	36 870	369 055	7 118 720

Programme 4: Air Defence (continued)

R thousand	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Economic classification								
Current payments	4 898 363	–	–	389 677	–	28 298	417 975	5 316 338
Compensation of employees	2 719 403	–	–	6 587	–	28 298	34 885	2 754 288
Goods and services	2 178 960	–	–	383 090	–	–	383 090	2 562 050
Transfers and subsidies	1 830 870	–	–	(57 492)	–	8 572	(48 920)	1 781 950
Departmental agencies and accounts	1 814 437	–	–	(57 492)	–	8 572	(48 920)	1 765 517
Public corporations and private enterprises	2 260	–	–	–	–	–	–	2 260
Households	14 173	–	–	–	–	–	–	14 173
Payments for capital assets	20 432	–	–	–	–	–	–	20 432
Buildings and other fixed structures	18	–	–	–	–	–	–	18
Machinery and equipment	12 381	–	–	–	–	–	–	12 381
Specialised military assets	8 033	–	–	–	–	–	–	8 033
Total	6 749 665	–	–	332 185	–	36 870	369 055	7 118 720

Programme 5: Maritime Defence

R thousand	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Economic classification								
Current payments	2 169 900	–	–	283 728	–	14 155	297 883	2 467 783
Compensation of employees	1 505 340	–	–	119 628	–	14 155	133 783	1 639 123
Goods and services	664 560	–	–	164 100	–	–	164 100	828 660
Transfers and subsidies	348 102	–	–	13 062	–	–	13 062	361 164
Departmental agencies and accounts	146 878	–	–	(42 761)	–	–	(42 761)	104 117
Public corporations and private enterprises	187 621	–	–	52 723	–	–	52 723	240 344
Households	13 603	–	–	3 100	–	–	3 100	16 703
Payments for capital assets	33 305	–	–	–	–	–	–	33 305
Buildings and other fixed structures	9 580	–	–	–	–	–	–	9 580
Machinery and equipment	22 716	–	–	–	–	–	–	22 716
Software and other intangible assets	1 009	–	–	–	–	–	–	1 009
Total	2 551 307	–	–	296 790	–	14 155	310 945	2 862 252

Programme 6: Military Health Support

Subprogramme	2012/13								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments			
R thousand									
Strategic Direction	240 413	–	–	152 512	–	1 056	153 568	393 981	
Mobile Military Health Support	127 404	–	–	(8 949)	–	968	(7 981)	119 423	
Area Military Health Service	1 002 181	–	–	5 188	–	7 357	12 545	1 014 726	
Specialist/Tertiary Health Service	1 143 219	–	–	4 226	–	9 342	13 568	1 156 787	
Military Health Product Support Capability	230 971	–	–	264	–	397	661	231 632	
Military Health Maintenance Capability	198 963	–	–	1 520	–	1 257	2 777	201 740	
Military Health Training Capability	373 356	–	–	1 824	–	2 985	4 809	378 165	
Total	3 316 507	–	–	156 585	–	23 362	179 947	3 496 454	
Economic classification									
Current payments	3 271 449	–	–	182 952	–	23 362	206 314	3 477 763	
Compensation of employees	2 457 813	–	–	13 974	–	23 362	37 336	2 495 149	
Goods and services	813 636	–	–	168 978	–	–	168 978	982 614	
Transfers and subsidies	43 496	–	–	(26 367)	–	–	(26 367)	17 129	
Departmental agencies and accounts	30 778	–	–	(26 367)	–	–	(26 367)	4 411	
Households	12 718	–	–	–	–	–	–	12 718	
Payments for capital assets	1 562	–	–	–	–	–	–	1 562	
Buildings and other fixed structures	330	–	–	–	–	–	–	330	
Machinery and equipment	1 227	–	–	–	–	–	–	1 227	
Specialised military assets	5	–	–	–	–	–	–	5	
Total	3 316 507	–	–	156 585	–	23 362	179 947	3 496 454	

Programme 7: Defence Intelligence

Subprogramme	2012/13								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments			
R thousand									
Strategic Direction	32	–	–	–	–	–	–	32	
Operations	424 006	–	–	–	–	–	–	424 006	
Defence Intelligence Support Services	285 625	–	–	(50)	–	2 534	2 484	288 109	
Total	709 663	–	–	(50)	–	2 534	2 484	712 147	
Economic classification									
Current payments	280 835	–	–	(50)	–	2 534	2 484	283 319	
Compensation of employees	257 984	–	–	1 450	–	2 534	3 984	261 968	
Goods and services	22 851	–	–	(1 500)	–	–	(1 500)	21 351	
Transfers and subsidies	425 387	–	–	–	–	–	–	425 387	
Departmental agencies and accounts	420 565	–	–	–	–	–	–	420 565	
Households	4 822	–	–	–	–	–	–	4 822	
Payments for capital assets	3 441	–	–	–	–	–	–	3 441	
Machinery and equipment	3 441	–	–	–	–	–	–	3 441	
Total	709 663	–	–	(50)	–	2 534	2 484	712 147	

Programme 8: General Support

Subprogramme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Joint Logistic Services	2 215 121	-	-	(94 640)	-	9 567	(85 073)	2 130 048
Command and Management Information Systems	1 021 204	-	-	(90 821)	-	550	(90 271)	930 933
Military Police	439 526	-	-	8 003	-	4 569	12 572	452 098
Technology Development	328 547	-	-	-	-	-	-	328 547
Departmental Support	1 073 005	-	-	(178 850)	-	80 596	(98 254)	974 751
Total	5 077 403	-	-	(356 308)	-	95 282	(261 026)	4 816 377
Economic classification								
Current payments	3 526 811	-	-	(178 943)	-	14 686	(164 257)	3 362 554
Compensation of employees	1 120 723	-	-	109 752	-	12 251	122 003	1 242 726
Goods and services	2 406 088	-	-	(288 695)	-	2 435	(286 260)	2 119 828
Transfers and subsidies	1 085 495	-	-	7 456	-	80 596	88 052	1 173 547
Departmental agencies and accounts	415 307	-	-	-	-	80 596	80 596	495 903
Public corporations and private enterprises	658 668	-	-	7 456	-	-	7 456	666 124
Households	11 520	-	-	-	-	-	-	11 520
Payments for capital assets	127 393	-	-	4 785	-	-	4 785	132 178
Buildings and other fixed structures	99 254	-	-	-	-	-	-	99 254
Machinery and equipment	16 829	-	-	4 785	-	-	4 785	21 614
Specialised military assets	11 310	-	-	-	-	-	-	11 310
Payments for financial assets	337 704	-	-	(189 606)	-	-	(189 606)	148 098
Total	5 077 403	-	-	(356 308)	-	95 282	(261 026)	4 816 377

Details of adjustments to Estimates of National Expenditure 2012**Unforeseeable and unavoidable expenditure – R63 million**

Programme 2: Force Employment

An additional R63 million is allocated to the South African Defence Force for the deployment of members, in conjunction with the Mozambican Defence Force, to counter piracy in the Mozambican Channel.

Virements and shifts**Programmes**

1. Administration
2. Force Employment
3. Landward Defence
4. Air Defence
5. Maritime Defence
6. Military Health Support
7. Defence Intelligence
8. General Support

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(29 489)	Programme 1		1 000
Goods and services	Savings in the service level agreement with the State Information and Technology Agency (SITA)	(1 000)	Compensation of employees	For improved conditions of service	1 000
	Reduction on operating budget	(10 159)	Programme 4		10 159
			Goods and services	For Very Very Important Persons (VVIP) transport capability	10 159
			Programme 1		3 530
Compensation of employees	Vacant posts	(3 530)	Households	For social benefits	3 530

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Households	Vacant posts	(2 000)	Programme 5		2 000
			Compensation of employees	For improved conditions of service	2 000
	Vacant posts	(10 500)	Programme 8		10 500
			Compensation of employees	For improved conditions of service	10 500
	Social benefits that will no longer materialise	(700)	Programme 1		700
			Goods and services	For the operating budget	700
	Social benefits that will no longer materialise	(1 600)	Programme 5		1 600
			Households	For the provision of social benefits	1 600
Shifts within the programme as percentage of programme budget		0.1%			
Virements to other programmes as percentage of programme budget		0.7%			
Programme 2		(66 804)	Programme 2		35 000
Goods and services	Saving in travel and subsistence	(35 000)	Compensation of employees	For improved conditions of service	35 000
Departmental agencies and accounts	Funds rescheduled within the Special Defence Account ¹	(31 804)	Programme 5		31 804
			Goods and services	For additional dockyard work on the submarine SAS MANTHATISI	31 804
Shifts within the programme as percentage of programme budget		1.3%			
Virements to other programmes as percentage of programme budget		1.2%			
Programme 3		654 967	Programme 1		5 400
Goods and services	Funds budgeted for services to be provided by the Centre for Conflict Simulation	(5 400)	Goods and services	For services provided by the Centre for Conflict Simulation	5 400
	Reduction on operating budget	(103 199)	Programme 4		103 199
			Goods and services	For the VVIP transport capability	103 199
Compensation of employees	Vacant posts	(15 000)	Programme 2	For the payment of the ARMSCOR building lease	15 000
			Compensation of employees	For improved conditions of service	15 000
	Vacant posts	(106 000)	Programme 5		106 000
			Compensation of employees	For improved conditions of service	106 000
	Vacant posts	(78 052)	Programme 8		78 052
			Compensation of employees	For improved conditions of service	78 052
Departmental agencies and accounts	Funds rescheduled within the Special Defence Account ¹	(9 833)	Programme 1		9 833
			Goods and services	For the payment of the ARMSCOR building lease	9 833
			Programme 4	For the payment of the ARMSCOR building lease	208 749
			Goods and services	For the increase in aviation fuel prices For base support to the Africa Aerospace and Defence Expo For the overhaul on the PC7, Oryx and C130 aircrafts For the maintenance and repair of the Gripen and Hawk Aircraft	208 749
	For the maintenance and repair of Gripen and Hawk Aircraft ¹	(128 734)	Programme 5		128 734
			Goods and services	For the maintenance and repair of Offshore Patrol Vehicles	128 734
Shifts within the programme as percentage of programme budget		0.0%			
Virements to other programmes as percentage of programme budget		5.2%			

2012 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4			Programme 8		
		(70 492)			13 000
Compensation of employees	Vacant posts	(13 000)	Compensation of employees	For improved conditions of service	13 000
Departmental agencies and accounts	Funds rescheduled within the Special Defence Account ¹	(23 275)	Programme 1		23 275
			Goods and services	For the payment of the ARMSCOR building lease For travel and subsistence For the establishment of the Military Ombud	23 275
	Funds rescheduled within the Special Defence Account ¹	(34 217)	Programme 4		34 217
			Goods and services	For the operating budget For the maintenance and repair of the Gripen Aircraft For the maintenance and repair of the Hawk Aircraft	34 217
Shifts within the programme as percentage of programme budget		0.5%			
Virements to other programmes as percentage of programme budget		0.5%			
Programme 5			Programme 4		
		(43 295)			534
Goods and services	Reduction on operating budget	(534)	Goods and services	For the VVIP transport capability	534
Departmental agencies and accounts	Funds rescheduled within the Special Defence Account ¹	(13 677)	Programme 1		13 677
			Goods and services	For the operating budget For the establishment of the Military Ombud For the establishment of the Operational Legal Office For office space optimisation within the Defence Headquarters	13 677
	Funds rescheduled within the Special Defence Account ¹	(29 084)	Programme 5		29 084
			Public corporations and private enterprises	For critical safety, health and environment compliance and capital requirements for the ARMSCOR Dockyard For services to be rendered by the Institute for Maritime Technology	29 084
Shifts within the programme as percentage of programme budget		1.1%			
Virements to other programmes as percentage of programme budget		0.6%			
Programme 6			Programme 4		
		(26 389)			22
Goods and services	Reduction on operating budget	(22)	Goods and services	For the VVIP transport capability	22
Departmental agencies and accounts	Funds rescheduled within the Special Defence Account ¹	(4 096)	Programme 5		26 367
			Goods and services	For additional dockyard work on the submarine SAS MANTHATISI	4 096
	Funds rescheduled within the Special Defence Account ¹	(22 271)	Public corporations and private enterprises	For critical Safety, Health and Environment and capital requirements for the ARMSCOR Dockyard	22 271
Shifts within the programme as percentage of programme budget		0.0%			
Virements to other programmes as percentage of programme budget		0.8%			
Programme 7			Programme 8		
		(1 500)			1 500
Goods and services	Reduction on operating budget	(1 500)	Machinery and equipment	For the procurement of Military Police vehicles	1 500
Shifts within the programme as percentage of programme budget		0.0%			
Virements to other programmes as percentage of programme budget		0.2%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 8		(479 301)	Programme 1		10 500
Goods and services	Savings in the Repair and Maintenance Programme	(7 500)	Goods and services	For the operating budget For cleaning contract for the Defence Headquarters	7 500
	Savings in the Repair and Maintenance Programme	(3 000)	Machinery and equipment	For the procurement of passenger motor vehicles	3 000
	Savings in the Repair and Maintenance Programme	(78 052)	Programme 3		78 052
	Reduction on operating budget	(26 210)	Goods and services	For the provision of foodstuff rations	78 052
	Savings in the Repair and Maintenance Programme		Programme 4		26 210
	Reduction on operating budget	(169 000)	Goods and services	For the VVIP transport capability For the increase in aviation fuel prices	26 210
	Reduction on operating budget	(3 285)	Programme 6		169 000
	Savings in the Repair and Maintenance Programme ¹	(348)	Goods and services	For pharmaceuticals and medical outsourcing	169 000
	Reduction on operating budget ¹	(1 300)	Programme 8		4 933
			Machinery and equipment	For Military Police vehicles	3 285
			Compensation of employees	For improved conditions of service	348
			Public corporations and private enterprises	For an increase in ARMSCOR payments	1 300
			Programme 1		41 586
Compensation of employees	Vacant posts	(1 000)	Compensation of employees	For improved conditions of service	1 000
Payments for financial assets	Savings in the amount provided for payments for financial assets	(18 170)	Goods and services	For the establishment of the Military Legal Advisory Committee For the payment of Media Services	18 170
	Savings in the amount provided for payments for financial assets ¹	(1 700)	Departmental agencies and accounts	For the increase in the transfer payment to the Safety and Security Sector Education and Training Authority for improved conditions of service	1 700
	Savings in the amount provided for payments for financial assets ¹	(20 716)	Compensation of employees	For improved conditions of service and payment of meritorious awards	20 716

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 2		19 398
	Savings in the amount provided for payments for financial assets	(13 572)	Goods and services	For the continuation of Team BULISA military operation (Democratic Republic of the Congo)	13 572
	Savings in the amount provided for payments for financial assets	(400)	Machinery and equipment	For the continuation of Team BULISA military operation (Democratic Republic of the Congo)	400
	Savings in the amount provided for payments for financial assets ¹	(5 426)	Compensation of employees	For improved conditions of service and payment of meritorious awards	5 426
			Programme 3		65 107
	Savings in the amount provided for payments for financial assets ¹	(65 107)	Compensation of employees	For meritorious awards	65 107
			Programme 4		19 587
	Savings in the amount provided for payments for financial assets ¹	(19 587)	Compensation of employees	For meritorious awards	19 587
			Programme 5		14 496
	Savings in the amount provided for payments for financial assets ¹	(1 500)	Households	For the provision for social benefits	1 500
	Savings in the amount provided for payments for financial assets ¹	(11 628)	Compensation of employees	For meritorious awards	11 628
	Savings in the amount provided for payments for financial assets ¹	(1 368)	Public corporations and private enterprises	For the ARMSCOR Dockyard	1 368
			Programme 6		13 974
	Savings in the amount provided for payments for financial assets ¹	(13 974)	Compensation of employees	For meritorious awards	13 974
			Programme 7		1 450
	Savings in the amount provided for payments for financial assets ¹	(1 450)	Compensation of employees	For meritorious awards	1 450
			Programme 8		15 008
	Savings in the amount provided for payments for financial assets ¹	(8 852)	Compensation of employees	For meritorious awards	8 852
	Savings in the amount provided for payments for financial assets ¹	(6 156)	Public corporations and private enterprises	For the ARMSCOR Dockyard	6 156
	Shifts within the programme as percentage of programme budget	0.4%			
	Virements to other programmes as percentage of programme budget²	9.0%			
	Total	(1 372 237)			1 372 237

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act, (Act 1 of 1999).

Other adjustments – R332.588 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R190.488 million is allocated for higher personnel remuneration increases than the main budget provided for, as follows:

Programme 1: Administration

R12.301 million

Programme 2: Force Employment

R11.699 million

Programme 3: Landward Defence

R85.888 million

Programme 4: Air Defence

R28.298 million

Programme 5: Maritime Defence

R14.155 million

Programme 6: Military Health Support

R23.362 million

Programme 7: Defence Intelligence

R2.534 million

Programme 8: General Support

R12.251 million

Self-financing expenditure

Departmental revenue of R142.100 million from selling equipment and spares procured through the Special Defence Accounts has been surrendered to the National Revenue Fund and will be used for defence activities, as follows:

Programme 3: Landward Defence

R52.932 million

Programme 4: Air Defence

R8.572 million

Programme 8: General Support

R80.596 million

Funds shifted within a vote to follow a functions shift within the same vote:

Programme 8: General Support

R2.435 million has been received from Programme 1: Administration following the migration of the E-Procure System to Joint Logistic Services.

Expenditure for 2011/12 and preliminary expenditure for 2012/13

Programme	2011/12					2012/13		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation	Apr 11 - Mar 12	Apr 11 - Mar 12 % of adjusted appropriation	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation
Administration	3 718 428	1 847 962	49.7	3 747 118	100.8	3 820 654	1 764 224	46.2
Force Employment	2 332 012	1 009 509	43.3	2 358 515	101.1	2 748 195	1 190 325	43.3
Landward Defence	11 328 608	5 085 920	44.9	10 962 193	96.8	12 313 743	5 371 310	43.6
Air Defence	6 355 776	2 943 095	46.3	6 527 742	102.7	7 118 720	2 767 506	38.9
Maritime Defence	2 564 677	1 185 398	46.2	2 574 714	100.4	2 862 252	1 231 193	43.0
Military Health Support	3 244 263	1 481 328	45.7	3 400 096	104.8	3 496 454	1 574 136	45.0
Defence	661 636	451 267	68.2	653 113	98.7	712 147	400 356	56.2
Intelligence								
General Support	4 143 687	1 766 206	42.6	4 107 946	99.1	4 816 377	1 796 567	37.3
Total	34 349 087	15 770 685	45.9	34 331 437	99.9	37 888 542	16 095 617	42.5
Economic classification								
Current payments	28 090 710	12 358 951	44.0	27 198 053	96.8	31 031 197	13 116 378	42.3
Compensation of employees	17 555 296	8 287 332	47.2	17 568 980	100.1	19 346 063	9 183 644	47.5
Goods and services	10 535 414	4 071 619	38.6	9 629 073	91.4	11 685 134	3 932 734	33.7
Transfers and subsidies	5 907 281	3 232 886	54.7	5 877 843	99.5	6 078 898	2 612 214	43.0
Departmental agencies and accounts	4 878 265	2 548 738	52.2	4 877 938	100.0	4 966 133	2 058 565	41.5
Public corporations and private enterprises	867 257	625 010	72.1	890 750	102.7	974 932	486 448	49.9
Non-profit institutions	6 317	4 000	63.3	6 317	100.0	6 213	4 659	75.0
Households	155 442	55 138	35.5	102 838	66.2	131 620	62 542	47.5
Payments for capital assets	351 096	162 948	46.4	1 016 883	289.6	630 349	247 152	39.2
Buildings and other fixed structures	126 475	86 540	68.4	279 684	221.1	111 110	134 224	120.8
Machinery and equipment	203 497	59 655	29.3	696 910	342.5	468 644	106 309	22.7
Specialised military assets	20 652	16 726	81.0	39 590	191.7	49 546	6 538	13.2
Biological assets	-	27	0.0	622	0.0	-	-	0.0
Software and other intangible assets	472	-	0.0	77	16.3	1 049	81	7.7
Payments for financial assets	-	15 900	-	238 658	-	148 098	119 873	81
Total	34 349 087	15 770 685	45.9	34 331 437	99.9	37 888 542	16 095 617	42.5

Main expenditure trends for the first half of 2012/13

Total expenditure for 2011/12 was 99.9 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 was R16.096 billion or 42.5 per cent of the adjusted appropriation of R37.889 billion for the year as a whole. In comparison, mid-year expenditure in 2011/12 was R15.771 billion, or 45.9 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 increased by R324.932 million or 2.1 per cent, compared to expenditure in the first six months of 2011/12.

The main expenditure increase compared to 2011/12 is due to the filling of student posts at the Defence Works Capability.

Departmental receipts

R thousand	2011/12					2012/13			
	Adjusted estimate	Audited outcome			Budget estimate	Actual receipts			
		Apr 11 - Sep 11	Apr 11 - Sep 11 adjusted estimate	Apr 11 - Mar 12		Apr 11 - Mar 12 adjusted estimate	Adjusted estimate	Apr 12 - Sep 12	Apr 12 - Sep 12 adjusted estimate
Departmental receipts	563 279	259 897	46.1	4 269 010	757.9	784 205	929 435	577 325	62.1
Sales of goods and services produced by department	261 221	138 192	52.9	286 108	109.5	289 804	293 863	142 155	48.4
Sales of scrap, waste, arms and other used current goods	21 144	16 072	76.0	6 102	28.9	18 377	7 925	4 592	57.9
Transfers received	171 998	86 896	50.5	360 206	209.4	168 558	280 254	280 254	100.0
Fines, penalties and forfeits	11 796	5 754	48.8	894	7.6	3 720	13 039	6 682	51.2
Interest, dividends and rent on land	2 597	1 022	39.4	162 779	6 268.0	2 545	36 870	35 526	96.4
Sales of capital assets	28 500	-	-	78 919	276.9	54 211	79 503	61 503	77.4
Transactions in financial assets and liabilities	66 023	11 961	18.1	3 374 002	5 110.3	246 990	217 981	46 613	21.4
Total	563 279	259 897	46.1	4 269 010	757.9	784 205	929 435	577 325	62.1

Main departmental revenue trends for the first half of 2012/13

Departmental revenue collection in the first six months of 2012/13 was R577.325 million, or 62.1 per cent of the adjusted revenue estimate of R929.435 million for the year as a whole. In comparison, mid-year revenue collection in 2011/12 was R259.897 million, or 46.1 per cent of the 2011/12 adjusted estimate. Departmental revenue collection in the first six months of 2012/13 increased by R317.428 million or 122.1 per cent, compared to revenue in the first six months of 2011/12.

The main increase in revenue compared to 2011/12 is due to outstanding reimbursements received from the United Nations, a payment received from the provincial government of KwaZulu-Natal for training provided through the National Youth Service programme, and the sale of equipment.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Administration								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	67 863	-	-	1 700	-	196	1 896	69 759
Safety and Security Sector	16 656	-	-	1 700	-	-	1 700	18 356
Education and Training Authority								
Military Veterans Management	51 207	-	-	-	-	196	196	51 403
Households								
Social benefits								
Current	8 615	-	-	1 230	-	-	1 230	9 845
Employee social benefits	5 630	-	-	2 400	-	-	2 400	8 030
Employee social benefits	1 187	-	-	(700)	-	-	(700)	487
Employee social benefits	1 798	-	-	(1 600)	-	-	(1 600)	198
Employee social benefits	-	-	-	1 130	-	-	1 130	1 130

Summary of changes to transfers and subsidies per programme (continued)

R thousand	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Force Employment								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	182 386	-	-	(31 804)	-	-	(31 804)	150 582
Special Defence Account	182 386	-	-	(31 804)	-	-	(31 804)	150 582
Landward Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	2 162 944	-	-	(347 316)	-	52 932	(294 384)	1 868 560
Special Defence Account	492 132	-	-	(257 691)	-	52 932	(204 759)	287 373
Special Defence Account	160 750	-	-	(8 135)	-	-	(8 135)	152 615
Special Defence Account	386 030	-	-	(39 119)	-	-	(39 119)	346 911
Special Defence Account	1 124 032	-	-	(42 371)	-	-	(42 371)	1 081 661
Air Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	1 456 816	-	-	(57 492)	-	8 572	(48 920)	1 407 896
Special Defence Account	139 403	-	-	(23 275)	-	-	(23 275)	116 128
Special Defence Account	1 317 413	-	-	(34 217)	-	8 572	(25 645)	1 291 768
Maritime Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	146 878	-	-	(42 761)	-	-	(42 761)	104 117
Special Defence Account	113 211	-	-	(25 037)	-	-	(25 037)	88 174
Special Defence Account	33 667	-	-	(17 724)	-	-	(17 724)	15 943
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	187 621	-	-	52 723	-	-	52 723	240 344
Armaments Corporation of South Africa Limited	160 260	-	-	49 248	-	-	49 248	209 508
Armaments Corporation of South Africa Limited	27 361	-	-	3 475	-	-	3 475	30 836
Households								
Social benefits								
Current	6 493	-	-	3 100	-	-	3 100	9 593
Employee social benefits	6 493	-	-	3 100	-	-	3 100	9 593
Military Health Support								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	30 778	-	-	(26 367)	-	-	(26 367)	4 411
Special Defence Account	18 118	-	-	(17 000)	-	-	(17 000)	1 118
Special Defence Account	12 660	-	-	(9 367)	-	-	(9 367)	3 293

Summary of changes to transfers and subsidies per programme (continued)

R thousand	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
General Support								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	-	-	-	-	-	80 596	80 596	80 596
Special Defence Account	-	-	-	-	-	80 596	80 596	80 596
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	658 668	-	-	7 456	-	-	7 456	666 124
Armaments Corporation of South Africa Limited	655 368	-	-	10 756	-	-	10 756	666 124
Armaments Corporation of South Africa Limited	3 300	-	-	(3 300)	-	-	(3 300)	-

