

Vote 22

Defence and Military Veterans

Adjusted budget summary

2013/14				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	40 243 343	40 658 184	–	414 841
<i>of which:</i>				
Current payments	32 207 868	33 588 132	–	1 380 264
Transfers and subsidies	7 355 004	6 171 171	(1 183 833)	–
Payments for capital assets	680 471	745 269	–	64 798
Payments for financial assets	–	153 612	–	153 612
Executive authority	Minister of Defence and Military Veterans			
Accounting officer	Secretary for Defence and Military Veterans			
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. Provide for military veterans' benefits.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2013/14 as published in the 2013 ENE	Achieved in the first six months of 2013/14 (April to September)	Changed target for 2013/14
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	40	35	–
Number of military skills development members in the system per year	Landward Defence	Outcome 5: A skilled and capable workforce to support an inclusive growth path	4 208	5 107	–
Number of active reserves utilised per year	Landward Defence	Outcome 3: All people in South Africa are and feel safe	24 243	13 551	–
Percentage compliance with the South African Development Community standby force agreement and South African Pledge	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	100%	100%	–
Percentage compliance with number of ordered commitments (external operations)	Force Employment		100% (6)	83% (5)	–
Number of internal operations per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	4	4	–
Number of joint, interdepartmental and military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	9	5	–
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	13	13	–
Number of force employment hours flown per year	Air Defence		6 500	1 710	–
Number of hours at sea per year	Maritime Defence		22 000	5 105	–

Mid-year progress

The department expects to exceed its target for the number of members recorded on the military skills development system as the intake of trainees from the South African Navy and the South African Military Health Service in January 2013 was higher than anticipated.

The department had recorded only 5 105 hours at sea by mid-year and expects to record 12 000 hours by year end, not the 22 000 initially projected. This is because of the decline in operational activities in support of counter piracy operations, which are conducted through the *Maritime Defence* programme.

Adjusted Estimates of National Expenditure 2013

Programme	2013/14							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	4 434 602	–	–	76 785	–	(2 388)	74 397	4 508 999
Force Employment	3 283 875	–	150 000	121 867	–	–	271 867	3 555 742
Landward Defence	13 853 840	–	–	(290 860)	–	41 873	(248 987)	13 604 853
Air Defence	6 250 213	–	–	(603 482)	–	67 702	(535 780)	5 714 433
Maritime Defence	3 171 066	–	–	(65 379)	–	1 654	(63 725)	3 107 341
Military Health Support	3 642 498	–	–	119 553	–	–	119 553	3 762 051
Defence Intelligence	762 405	–	–	5 535	–	–	5 535	767 940
General Support	4 844 844	153 612	–	635 981	–	2 388	791 981	5 636 825
Total	40 243 343	153 612	150 000	–	–	111 229	414 841	40 658 184
Economic classification								
Current payments	32 207 868	–	150 000	1 169 392	–	60 872	1 380 264	33 588 132
Compensation of employees	20 863 845	–	–	448 328	–	60 872	509 200	21 373 045
Goods and services	11 344 023	–	150 000	721 064	–	–	871 064	12 215 087
Transfers and subsidies	7 355 004	–	–	(1 234 190)	–	50 357	(1 183 833)	6 171 171
Departmental agencies and accounts	6 192 554	–	–	(1 547 675)	–	50 357	(1 497 318)	4 695 236
Foreign governments and international organisations	–	–	–	299 107	–	–	299 107	299 107
Public corporations and private enterprises	1 021 264	–	–	11 078	–	–	11 078	1 032 342
Non-profit institutions	6 923	–	–	–	–	–	–	6 923
Households	134 263	–	–	3 300	–	–	3 300	137 563
Payments for capital assets	680 471	–	–	64 798	–	–	64 798	745 269
Buildings and other fixed structures	115 562	–	–	–	–	–	–	115 562
Machinery and equipment	510 869	–	–	64 798	–	–	64 798	575 667
Specialised military assets	40 478	–	–	–	–	–	–	40 478
Biological assets	163	–	–	–	–	–	–	163
Software and other intangible assets	13 399	–	–	–	–	–	–	13 399
Payments for financial assets	–	153 612	–	–	–	–	153 612	153 612
Total	40 243 343	153 612	150 000	–	–	111 229	414 841	40 658 184

Programme 1: Administration

Subprogramme	2013/14							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Ministry	64 149	–	–	4 587	–	–	4 587	68 736
Departmental Direction	56 476	–	–	4 700	–	(2 388)	2 312	58 788
Policy and Planning	96 948	–	–	1 375	–	–	1 375	98 323
Financial Services	306 870	–	–	6 125	–	–	6 125	312 995
Human Resources Support Services	659 117	–	–	8 062	–	–	8 062	667 179
Legal Services	247 769	–	–	24 187	–	–	24 187	271 956

Programme 1: Administration (continued)

Subprogramme	2013/14							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Inspection Services	82 087	-	-	3 468	-	-	3 468	85 555
Acquisition Services	48 677	-	-	881	-	-	881	49 558
Communication Services	30 391	-	-	496	-	-	496	30 887
South African National Defence Force Command and Control	135 835	-	-	2 853	-	-	2 853	138 688
Religious Services	11 555	-	-	193	-	-	193	11 748
Defence Reserve Direction	23 197	-	-	300	-	-	300	23 497
Defence Foreign Relations	204 731	-	-	19 558	-	-	19 558	224 289
Office Accommodation	2 115 369	-	-	-	-	-	-	2 115 369
Military Veterans Management	351 431	-	-	-	-	-	-	351 431
Total	4 434 602	-	-	76 785	-	(2 388)	74 397	4 508 999
Economic classification								
Current payments	4 020 371	-	-	73 268	-	(2 388)	70 880	4 091 251
Compensation of employees	1 425 553	-	-	39 079	-	-	39 079	1 464 632
Goods and services	2 594 818	-	-	34 189	-	(2 388)	31 801	2 626 619
Transfers and subsidies	385 594	-	-	3 300	-	-	3 300	388 894
Departmental agencies and accounts	368 335	-	-	1 600	-	-	1 600	369 935
Non-profit institutions	6 523	-	-	-	-	-	-	6 523
Households	10 736	-	-	1 700	-	-	1 700	12 436
Payments for capital assets	28 637	-	-	217	-	-	217	28 854
Machinery and equipment	28 622	-	-	217	-	-	217	28 839
Software and other intangible assets	15	-	-	-	-	-	-	15
Total	4 434 602	-	-	76 785	-	(2 388)	74 397	4 508 999

Programme 2: Force Employment

Subprogramme	2013/14							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Strategic Direction	109 872	-	-	1 699	-	-	1 699	111 571
Operational Direction	269 824	-	-	5 042	-	-	5 042	274 866
Special Operations	623 895	-	-	10 062	-	-	10 062	633 957
Regional Security	1 401 314	-	150 000	98 857	-	-	248 857	1 650 171
Support to the People	848 850	-	-	6 207	-	-	6 207	855 057
Defence Capability Management	30 120	-	-	-	-	-	-	30 120
Total	3 283 875	-	150 000	121 867	-	-	271 867	3 555 742
Economic classification								
Current payments	2 896 770	-	150 000	120 267	-	-	270 267	3 167 037
Compensation of employees	1 562 548	-	-	(30 733)	-	-	(30 733)	1 531 815
Goods and services	1 334 222	-	150 000	151 000	-	-	301 000	1 635 222
Transfers and subsidies	170 509	-	-	1 600	-	-	1 600	172 109
Departmental agencies and accounts	149 131	-	-	-	-	-	-	149 131
Public corporations and private enterprises	13 250	-	-	-	-	-	-	13 250
Households	8 128	-	-	1 600	-	-	1 600	9 728

Programme 2: Force Employment (continued)

		2013/14							
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
Payments for capital assets	216 596	-	-	-	-	-	-	216 596	
Buildings and other fixed structures	800	-	-	-	-	-	-	800	
Machinery and equipment	214 465	-	-	-	-	-	-	214 465	
Specialised military assets	1 331	-	-	-	-	-	-	1 331	
Total	3 283 875	-	150 000	121 867	-	-	271 867	3 555 742	

Programme 3: Landward Defence

		2013/14							
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
Strategic Direction	389 943	-	-	564	-	-	564	390 507	
Infantry Capability	5 222 913	-	-	(682 635)	-	41 873	(640 762)	4 582 151	
Armour Capability	344 737	-	-	7 170	-	-	7 170	351 907	
Artillery Capability	388 640	-	-	8 477	-	-	8 477	397 117	
Air Defence Artillery Capability	419 668	-	-	5 717	-	-	5 717	425 385	
Engineering Capability	577 894	-	-	14 126	-	-	14 126	592 020	
Operational Intelligence	178 472	-	-	3 946	-	-	3 946	182 418	
Command and Control Capability	164 942	-	-	3 501	-	-	3 501	168 443	
Support Capability	4 791 129	-	-	276 386	-	-	276 386	5 067 515	
General Training Capability	378 659	-	-	47 920	-	-	47 920	426 579	
Signal Capability	996 843	-	-	23 968	-	-	23 968	1 020 811	
Total	13 853 840	-	-	(290 860)	-	41 873	(248 987)	13 604 853	
Economic classification									
Current payments	10 440 614	-	-	478 168	-	-	478 168	10 918 782	
Compensation of employees	8 908 843	-	-	242 568	-	-	242 568	9 151 411	
Goods and services	1 531 771	-	-	235 600	-	-	235 600	1 767 371	
Transfers and subsidies	3 209 808	-	-	(769 028)	-	41 873	(727 155)	2 482 653	
Departmental agencies and accounts	3 118 625	-	-	(769 028)	-	41 873	(727 155)	2 391 470	
Public corporations and private enterprises	54 447	-	-	-	-	-	-	54 447	
Households	36 736	-	-	-	-	-	-	36 736	
Payments for capital assets	203 418	-	-	-	-	-	-	203 418	
Machinery and equipment	198 427	-	-	-	-	-	-	198 427	
Specialised military assets	4 800	-	-	-	-	-	-	4 800	
Biological assets	163	-	-	-	-	-	-	163	
Software and other intangible assets	28	-	-	-	-	-	-	28	
Total	13 853 840	-	-	(290 860)	-	41 873	(248 987)	13 604 853	

Programme 4: Air Defence

Subprogramme	2013/14							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Strategic Direction	19 289	-	-	-	-	254	254	19 543
Operational Direction	156 870	-	-	-	-	-	-	156 870
Helicopter Capability	769 020	-	-	84 872	-	3 076	87 948	856 968
Transport and Maritime Capability	779 991	-	-	(204 189)	-	2 656	(201 533)	578 458
Air Combat Capability	1 152 346	-	-	(315 158)	-	8 013	(307 145)	845 201
Operational Support and Intelligence Capability	370 132	-	-	(67 797)	-	5 096	(62 701)	307 431
Command and Control Capability	397 406	-	-	(131 894)	-	3 047	(128 847)	268 559
Base Support Capability	1 543 308	-	-	30 684	-	30 984	61 668	1 604 976
Command Post	48 016	-	-	-	-	853	853	48 869
Training Capability	180 000	-	-	-	-	2 672	2 672	182 672
Technical Support Services	833 835	-	-	-	-	11 051	11 051	844 886
Total	6 250 213	-	-	(603 482)	-	67 702	(535 780)	5 714 433
Economic classification								
Current payments	4 654 055	-	-	161 556	-	60 872	222 428	4 876 483
Compensation of employees	2 850 669	-	-	684	-	60 872	61 556	2 912 225
Goods and services	1 803 386	-	-	160 872	-	-	160 872	1 964 258
Transfers and subsidies	1 581 624	-	-	(765 038)	-	6 830	(758 208)	823 416
Departmental agencies and accounts	1 564 350	-	-	(765 038)	-	6 830	(758 208)	806 142
Households	17 274	-	-	-	-	-	-	17 274
Payments for capital assets	14 534	-	-	-	-	-	-	14 534
Machinery and equipment	6 441	-	-	-	-	-	-	6 441
Specialised military assets	8 093	-	-	-	-	-	-	8 093
Total	6 250 213	-	-	(603 482)	-	67 702	(535 780)	5 714 433

Programme 5: Maritime Defence

Subprogramme	2013/14							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Maritime Direction	507 994	-	-	10 285	-	-	10 285	518 279
Maritime Combat Capability	726 605	-	-	(98 151)	-	1 654	(96 497)	630 108
Maritime Logistic Support Capability	991 139	-	-	3 747	-	-	3 747	994 886
Maritime Human Resources and Training Capability	350 408	-	-	6 978	-	-	6 978	357 386
Base Support Capability	594 920	-	-	11 762	-	-	11 762	606 682
Total	3 171 066	-	-	(65 379)	-	1 654	(63 725)	3 107 341
Economic classification								
Current payments	2 756 260	-	-	(52 410)	-	-	(52 410)	2 703 850
Compensation of employees	1 734 893	-	-	40 590	-	-	40 590	1 775 483
Goods and services	1 021 367	-	-	(93 000)	-	-	(93 000)	928 367
Transfers and subsidies	394 767	-	-	(12 969)	-	1 654	(11 315)	383 452
Departmental agencies and accounts	179 058	-	-	(12 969)	-	1 654	(11 315)	167 743
Public corporations and private enterprises	197 931	-	-	-	-	-	-	197 931
Households	17 778	-	-	-	-	-	-	17 778

Programme 5: Maritime Defence (continued)

R thousand	2013/14								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
Payments for capital assets	20 039	-	-	-	-	-	-	20 039	
Buildings and other fixed structures	10 526	-	-	-	-	-	-	10 526	
Machinery and equipment	8 860	-	-	-	-	-	-	8 860	
Specialised military assets	250	-	-	-	-	-	-	250	
Software and other intangible assets	403	-	-	-	-	-	-	403	
Total	3 171 066	-	-	(65 379)	-	1 654	(63 725)	3 107 341	

Programme 6: Military Health Support

Subprogramme	2013/14								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
Strategic Direction	243 779	-	-	2 796	-	-	2 796	246 575	
Mobile Military Health Support	113 345	-	-	(149)	-	-	(149)	113 196	
Area Military Health Service	1 137 934	-	-	20 997	-	-	20 997	1 158 931	
Specialist/Tertiary Health Service	1 216 579	-	-	19 006	-	-	19 006	1 235 585	
Military Health Product Support Capability	316 013	-	-	65 222	-	-	65 222	381 235	
Military Health Maintenance Capability	223 989	-	-	4 763	-	-	4 763	228 752	
Military Health Training Capability	390 859	-	-	6 918	-	-	6 918	397 777	
Total	3 642 498	-	-	119 553	-	-	119 553	3 762 051	
Economic classification									
Current payments	3 589 917	-	-	57 793	-	-	57 793	3 647 710	
Compensation of employees	2 527 114	-	-	57 793	-	-	57 793	2 584 907	
Goods and services	1 062 803	-	-	-	-	-	-	1 062 803	
Transfers and subsidies	26 015	-	-	(2 240)	-	-	(2 240)	23 775	
Departmental agencies and accounts	5 174	-	-	(2 240)	-	-	(2 240)	2 934	
Non-profit institutions	400	-	-	-	-	-	-	400	
Households	20 441	-	-	-	-	-	-	20 441	
Payments for capital assets	26 566	-	-	64 000	-	-	64 000	90 566	
Buildings and other fixed structures	20	-	-	-	-	-	-	20	
Machinery and equipment	13 648	-	-	64 000	-	-	64 000	77 648	
Specialised military assets	5	-	-	-	-	-	-	5	
Software and other intangible assets	12 893	-	-	-	-	-	-	12 893	
Total	3 642 498	-	-	119 553	-	-	119 553	3 762 051	

Programme 7: Defence Intelligence

Subprogramme	2013/14								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
Strategic Direction	113	-	-	-	-	-	-	113	
Operations	458 592	-	-	-	-	-	-	458 592	
Defence Intelligence Support Services	303 700	-	-	5 535	-	-	5 535	309 235	
Total	762 405	-	-	5 535	-	-	5 535	767 940	

Programme 7: Defence Intelligence (continued)

R thousand	2013/14							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Economic classification								
Current payments	313 226	–	–	5 535	–	–	5 535	318 761
Compensation of employees	282 460	–	–	5 535	–	–	5 535	287 995
Goods and services	30 766	–	–	–	–	–	–	30 766
Transfers and subsidies	445 637	–	–	–	–	–	–	445 637
Departmental agencies and accounts	441 890	–	–	–	–	–	–	441 890
Households	3 747	–	–	–	–	–	–	3 747
Payments for capital assets	3 542	–	–	–	–	–	–	3 542
Machinery and equipment	3 542	–	–	–	–	–	–	3 542
Total	762 405	–	–	5 535	–	–	5 535	767 940

Programme 8: General Support

R thousand	2013/14							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Subprogramme								
Joint Logistic Services	2 253 296	–	–	20 786	–	2 388	23 174	2 276 470
Command and Management Information Systems	935 505	–	–	255 183	–	–	255 183	1 190 688
Military Police	476 463	–	–	11 059	–	–	11 059	487 522
Technology Development	348 628	–	–	–	–	–	–	348 628
Departmental Support	830 952	153 612	–	348 953	–	–	502 565	1 333 517
Total	4 844 844	153 612	–	635 981	–	2 388	791 981	5 636 825
Economic classification								
Current payments	3 536 655	–	–	325 215	–	2 388	327 603	3 864 258
Compensation of employees	1 571 765	–	–	92 812	–	–	92 812	1 664 577
Goods and services	1 964 890	–	–	232 403	–	2 388	234 791	2 199 681
Transfers and subsidies	1 141 050	–	–	310 185	–	–	310 185	1 451 235
Departmental agencies and accounts	365 991	–	–	–	–	–	–	365 991
Foreign governments and international organisations	–	–	–	299 107	–	–	299 107	299 107
Public corporations and private enterprises	755 636	–	–	11 078	–	–	11 078	766 714
Households	19 423	–	–	–	–	–	–	19 423
Payments for capital assets	167 139	–	–	581	–	–	581	167 720
Buildings and other fixed structures	104 216	–	–	–	–	–	–	104 216
Machinery and equipment	36 864	–	–	581	–	–	581	37 445
Specialised military assets	25 999	–	–	–	–	–	–	25 999
Software and other intangible assets	60	–	–	–	–	–	–	60
Payments for financial assets	–	153 612	–	–	–	–	153 612	153 612
Total	4 844 844	153 612	–	635 981	–	2 388	791 981	5 636 825

Details of adjustments to the Estimates of National Expenditure 2013**Roll-overs – R153.612 million**

Programme 8: General Support

R153.612 million has been rolled over for termination costs of the contract with Denel Personnel Solutions/Atlas Manpower Group.

Unforeseeable and unavoidable expenditure – R150 million

Programme 2: Force Employment

An additional R150 million has been allocated to the South African National Defence Force for the deployment of members as part of the United Nations Security Council approved force intervention brigade in the Democratic Republic of the Congo.

Virements and shifts

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1			Programme 1		
Goods and services	Reduction on operating budget	(20 868)	Compensation of employees	Improved conditions of service	10 400
		(10 400)			
	Reduction on operating budget	(8 187)	Programme 8		8 768
Machinery and equipment	Reduction on capital budget	(581)	Goods and services	The continuation of peace mission training by the British support team	8 187
			Machinery and equipment	The continuation of peace mission training by the British support team	581
Compensation of employees	Unspent funds due to members leaving the department ¹	(1 700)	Programme 1		1 700
			Households	Social benefits	1 700
Shifts within the programme as a percentage of the programme budget		0.3%			
Virements to other programmes as a percentage of the programme budget		0.2%			
Programme 2			Programme 2		
Compensation of employees	Unspent funds on allowances	(59 600)	Goods and services	Deployment of South African National Defence Force members to the Central African Republic	59 600
		(58 000)			
	Unspent funds on allowances	(1 600)	Households	Social benefits	1 600
Shifts within the programme as a percentage of the programme budget		1.8%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3			Programme 1		
Goods and services	Funds budgeted for services to be provided by the Centre for Conflict Simulation	(774 428)	Goods and services	Services provided by the Centre for Conflict Simulation	67 653
		(5 400)			
Departmental agencies and accounts	Funds rescheduled within the special defence account	(29 476)	Goods and services	Private legal practitioners to represent the department in the Seriti Arms Procurement Commission, head office space, travel and subsistence, the establishment of the internal audit division, and repair and maintenance of vehicles	29 476

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3			Programme 1		
	Funds rescheduled within the special defence account	(798)	Machinery and equipment	Establishment of the internal audit division	798
	Funds rescheduled within the special defence account	(30 379)	Compensation of employees	Improved conditions of service ¹	30 379
	Funds rescheduled within the special defence account	(1 600)	Departmental agencies and accounts	Increase in the transfer payment to the Safety and Security Sector Education and Training Authority ¹	1 600
			Programme 3		295 025
	Funds rescheduled within the special defence account	(241 000)	Goods and services	Shortfall in the operating budget Training of rapid reaction forces in the Democratic Republic of the Congo	241 000
	Funds rescheduled within the special defence account	(54 025)	Compensation of employees	Improved conditions of service ¹	54 025
			Programme 4		61 556
	Funds rescheduled within the special defence account.	(60 872)	Goods and services	Maintenance and repair of aircraft	60 872
	Funds rescheduled within the special defence account	(684)	Compensation of employees	Improved conditions of service ¹	684
			Programme 6		64 000
	Funds rescheduled within the special defence account	(64 000)	Machinery and equipment	Procurement of essential medical equipment	64 000
			Programme 8		286 194
	Funds rescheduled within the special defence account	(275 116)	Goods and services	Shortfall in the operating budget Defence Forces Day	275 116
	Funds rescheduled within the special defence account	(11 078)	Public corporations and private enterprises	Increase in Armscor payments ¹	11 078
Shifts within the programme as a percentage of the programme budget		2.1%			
Virements to other programmes as a percentage of the programme budget		3.5%			
Programme 4		(765 038)	Programme 1		2 691
Departmental agencies and accounts	Funds rescheduled within the special defence account	(2 691)	Goods and services	Operating shortfall within military attaché offices abroad	2 691
			Programme 2		28 867
	Funds rescheduled within the special defence account	(28 867)	Compensation of employees	Improved conditions of service ¹	28 867
			Programme 3		188 543
	Funds rescheduled within the special defence account	(188 543)	Compensation of employees	Improved conditions of service ¹	188 543
			Programme 4		100 000
	Funds rescheduled within the special defence account	(100 000)	Goods and services	Maintenance and repair of facilities and the mobile power plant at Air Force Base Makhado Procurement of aviation fuel Maintenance and repair of aircraft	100 000
			Programme 5		40 590
	Funds rescheduled within the special defence account	(40 590)	Compensation of employees	Improved conditions of service ¹	40 590
			Programme 6		57 793
	Funds rescheduled within the special defence account	(57 793)	Compensation of employees	Improved conditions of service ¹	57 793
			Programme 8		341 019
	Funds rescheduled within the special defence account	(41 912)	Compensation of employees	Improved conditions of service ¹	41 912
	Funds rescheduled within the special defence account	(299 107)	Foreign governments and international organisations	Contractual claims against the state	299 107

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
	Funds rescheduled within the special defence account	(5 535)	Programme 7		5 535
			Compensation of employees	Improved conditions of service ¹	5 535
Shifts within the programme as a percentage of the programme budget		1.6%			
Virements to other programmes as a percentage of the programme budget²		10.6%			
Programme 5		105 969	Programme 2		93 000
Goods and services	Unspent funds within the maritime security strategy ¹	(93 000)	Goods and services	Deployment of South African National Defence Force members to the Central African Republic	93 000
			Programme 1		12 969
Departmental agencies and accounts	Funds rescheduled within the special defence account	(12 969)	Goods and services	Operating shortfall within military attaché offices abroad	12 969
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		3.3%			
Programme 6		(2 240)	Programme 1		2 240
Departmental agencies and accounts	Funds rescheduled within the special defence account	(2 240)	Goods and services	Operating shortfall within military attaché offices abroad	2 240
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.1%			
Programme 8		(50 900)	Programme 8		50 900
Goods and services	Unspent funds in the repair and maintenance programme, and on services provided by the State Information Technology Agency in terms of service level agreements ¹	(50 900)	Compensation of employees	Improved conditions of service	50 900
Shifts within the programme as a percentage of the programme budget		1.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(1 779 043)			1 779 043

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 – R111.229 million

Adjustments due to significant and unforeseeable economic and financial events

Programme 4: Air Defence

An additional R60.872 million has been allocated to the department to cover the costs of increases in personnel remuneration that were higher than provided for in the Budget.

Self-financing expenditure

R50.357 million in revenue generated from selling equipment and spares procured through the special defence account has been surrendered to the National Revenue Fund. It will be used for defence activities, as follows:

Programme 3: Landward Defence

R41.873 million

Programme 4: Air Defence

R6.830 million

Programme 5: Maritime Defence

R1.654 million.

Funds shifted within a vote following a function shift

Programme 8: General Support

R2.388 million has been received from the *Administration* programme following the migration of the e-procure system to the *Joint Logistic Services* subprogramme in this programme.

Expenditure for 2012/13 and preliminary expenditure for 2013/14

Programme	2012/13					2013/14			
	Expenditure outcome					Preliminary expenditure			
R thousand	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation
Administration	3 820 654	1 764 224	46.2	3 781 561	99.0	4 508 999	11.1	2 095 402	46.5
Force Employment	2 748 195	1 190 325	43.3	2 780 978	101.2	3 555 742	8.7	1 410 438	39.7
Landward Defence	12 313 743	5 371 310	43.6	12 367 922	100.4	13 604 853	33.5	6 232 274	45.8
Air Defence	7 118 720	2 767 506	38.9	7 074 944	99.4	5 714 433	14.1	2 654 142	46.4
Maritime Defence	2 862 252	1 231 193	43.0	2 894 944	101.1	3 107 341	7.6	1 406 254	45.3
Military Health Support	3 496 454	1 574 136	45.0	3 459 916	99.0	3 762 051	9.3	1 794 786	47.7
Defence Intelligence	712 147	400 356	56.2	705 051	99.0	767 940	1.9	324 181	42.2
General Support	4 816 377	1 796 567	37.3	4 636 902	96.3	5 636 825	13.9	2 513 132	44.6
Total	37 888 542	16 095 617	42.5	37 702 218	99.5	40 658 184	100.0	18 430 609	45.3
Economic classification									
Current payments	31 031 197	13 116 378	42.3	29 584 621	95.3	33 588 132	82.6	14 803 259	44.1
Compensation of employees	19 346 063	9 183 644	47.5	19 688 399	101.8	21 373 045	52.6	10 460 899	48.9
Goods and services	11 685 134	3 932 734	33.7	9 896 222	84.7	12 215 087	30.0	4 342 360	35.5
Transfers and subsidies	6 078 898	2 612 214	43.0	6 103 411	100.4	6 171 171	15.2	2 818 996	45.7
Departmental agencies and accounts	4 966 133	2 058 565	41.5	4 960 512	99.9	4 695 236	11.5	2 235 060	47.6
Foreign governments and international organisations	–	–	–	–	–	299 107	0.7	–	0.0
Public corporations and private enterprises	974 932	486 448	49.9	1 028 700	105.5	1 032 342	2.5	542 969	52.6
Non-profit institutions	6 213	4 659	75.0	6 965	112.1	6 923	0.0	4 902	70.8
Households	131 620	62 542	47.5	107 234	81.5	137 563	0.3	36 065	26.2
Payments for capital assets	630 349	247 152	39.2	1 877 740	297.9	745 269	1.8	282 724	37.9
Buildings and other fixed structures	111 110	134 224	120.8	685 274	616.8	115 562	0.3	120 324	104.1
Machinery and equipment	468 644	106 309	22.7	1 162 786	248.1	575 667	1.4	153 722	26.7
Specialised military assets	49 546	6 538	13.2	22 642	45.7	40 478	0.1	7 411	18.3
Biological assets	–	–	0.0	4 050	0.0	163	0.0	1 245	763.8
Software and other intangible assets	1 049	81	7.7	2 988	284.8	13 399	0.0	22	0.2
Payments for financial assets	148 098	119 873	80.9	136 446	92.1	153 612	0.4	525 630	342.2
Total	37 888 542	16 095 617	42.5	37 702 218	99.5	40 658 184	100.0	18 430 609	45.3

Expenditure trends for the first half of 2013/14

Total expenditure in 2012/13 was 99.5 per cent of the 2012/13 adjusted appropriation. Expenditure in the first six months of 2013/14 was R18.431 billion, or 45.3 per cent of the adjusted appropriation of R40.658 billion for the year. In comparison, mid-year expenditure in 2012/13 was R16.096 billion, or 42.5 per cent of the 2012/13 adjusted appropriation. Compared to the first six months of 2012/13, expenditure over the same period in 2013/14 increased by R2.335 billion, or 14.5 per cent. This was mainly due to salary increases, additional external deployments and the settlement of a claim against the department.

Departmental receipts

R thousand	2012/13					2013/14				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted estimate	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted estimate
Departmental receipts	929 435	577 325	62.1	1 044 487	112.4	798 930	798 930	100.0	362 967	45.4
Sales of goods and services produced by department	293 863	142 155	48.4	304 877	103.7	294 153	301 414	37.7	213 803	70.9
Sales of scrap, waste, arms and other used current goods	7 925	4 592	57.9	2 295	29.0	18 653	18 653	2.3	963	5.2
Transfers received	280 254	280 254	100.0	570 322	203.5	171 086	171 098	21.4	86 792	50.7
Fines, penalties and forfeits	13 039	6 682	51.2	1 297	9.9	3 776	3 776	0.5	509	13.5
Interest, dividends and rent on land	36 870	35 526	96.4	36 776	99.7	2 583	2 583	0.3	1 488	57.6
Sales of capital assets	79 503	61 503	77.4	64 220	80.8	55 025	55 025	6.9	24 904	45.3
Transactions in financial assets and liabilities	217 981	46 613	21.4	64 700	29.7	253 654	246 381	30.8	34 508	14.0
Total	929 435	577 325	62.1	1 044 487	112.4	798 930	798 930	100.0	362 967	45.4

Revenue trends for the first half of 2013/14

Revenue in the first six months of 2013/14 was R362.967 million, or 45.4 per cent of the adjusted revenue estimate of R798.930 million for the year. In comparison, mid-year revenue in 2012/13 was R577.325 million, or 62.1 per cent of the 2012/13 adjusted estimate. Compared to the first six months of 2012/13, revenue over the same period in 2013/14 decreased by R214.358 million, or 37.1 per cent. This was mainly due to non-recurring outstanding reimbursements received from the United Nations in 2012/13 and the disposal of redundant equipment that will take place over the next six months.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2013/14					Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation						
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	16 904	-	-	1 600	-	-	1 600	18 504
Safety and security sector education and training authority	16 904	-	-	1 600	-	-	1 600	18 504
Households								
Social benefits								
Current	10 736	-	-	1 700	-	-	1 700	12 436
Employee social benefits	10 736	-	-	1 700	-	-	1 700	12 436
Force Employment								
Households								
Social benefits								
Current	8 128	-	-	1 600	-	-	1 600	9 728
Employee social benefits	8 128	-	-	1 600	-	-	1 600	9 728

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

R thousand	2013/14							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Landward Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	3 118 625	-	-	(769 028)	-	41 873	(727 155)	2 391 470
Special defence account	3 118 625	-	-	(769 028)	-	41 873	(727 155)	2 391 470
Air Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	1 564 350	-	-	(765 038)	-	6 830	(758 208)	806 142
Special defence account	1 564 350	-	-	(765 038)	-	6 830	(758 208)	806 142
Maritime Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	179 058	-	-	(12 969)	-	1 654	(11 315)	167 743
Special defence account	179 058	-	-	(12 969)	-	1 654	(11 315)	167 743
Military Health Support								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	5 174	-	-	(2 240)	-	-	(2 240)	2 934
Special defence account	5 174	-	-	(2 240)	-	-	(2 240)	2 934
General Support								
Foreign governments and international organisations								
Current	-	-	-	299 107	-	-	299 107	299 107
Claims against the state	-	-	-	299 107	-	-	299 107	299 107
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	755 636	-	-	11 078	-	-	11 078	766 714
Armaments Corporation of South Africa	755 636	-	-	11 078	-	-	11 078	766 714

