

Vote 22

Defence

Amount to be appropriated	Main appropriation R20 257 326 000	Adjusted appropriation R19 411 819 000	Decrease R845 507 000	Increase
Responsible minister	Minister of Defence			
Administering department	Department of Defence			
Accounting officer	Secretary for Defence			

Aim

The aim of the Department of Defence is to 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 and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Details of adjustments to 2004 Estimates of National Expenditure

Table 22.1: Defence

Programme	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1 Administration	719 700	–	–	22 618	–	22 618	742 318
2 Landward Defence	3 325 508	–	–	(42 261)	22 214	(20 047)	3 305 461
3 Air Defence	2 222 296	–	–	(3 318)	–	(3 318)	2 218 978
4 Maritime Defence	1 092 571	–	–	(6 332)	–	(6 332)	1 086 239
5 Military Health Service	1 305 559	–	–	(332)	–	(332)	1 305 227
6 Defence Intelligence	145 820	–	–	(11 000)	–	(11 000)	134 820
7 Joint Support	2 303 398	–	–	31 725	–	31 725	2 335 123
8 Command and Control	1 218 866	10 887	–	8 900	–	19 787	1 238 653
9 Special Defence Account	7 923 608	–	–	–	(878 608)	(878 608)	7 045 000
Total	20 257 326	10 887	–	–	(856 394)	(845 507)	19 411 819

Economic classification

Current payments	11 957 772	10 887	–	(4 700)	22 214	28 401	11 986 173
Compensation of employees	7 770 087	–	–	–	–	–	7 770 087
Goods and services	4 187 685	10 887	–	(4 700)	22 214	28 401	4 216 086
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	8 232 641	–	–	–	(878 608)	(878 608)	7 354 033
Provinces and municipalities	16 024	–	–	–	–	–	16 024
Departmental agencies and accounts	8 213 806	–	–	–	(878 608)	(878 608)	7 335 198
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and International organisations	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–
Non-profit institutions	2 811	–	–	–	–	–	2 811
Households	–	–	–	–	–	–	–
Payments for capital assets	66 913	–	–	4 700	–	4 700	71 613
Buildings and other fixed structures	66 913	–	–	4 700	–	4 700	71 613
Machinery and equipment	–	–	–	–	–	–	–
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
Total	20 257 326	10 887	–	–	(856 394)	(845 507)	19 411 819

Roll-overs – R10,887 million

Programme 8: Command and Control

R10,887 million has been rolled over to cover the operational costs of the emergency humanitarian assistance to Madagascar.

Virement

Table 22.2: Defence

From programme	Amount	To programme	Amount
R thousand			
1 Administration	1 382	1 Administration	24 000
2 Landward Defence	42 261	3 Air Defence	1 382
3 Air Defence	4 700	7 Joint Support	31 725
4 Maritime Defence	6 332	8 Command and Control	8 900
5 Military Health Service	332		
6 Defence Intelligence	11 000		

Details of savings realised on the above programmes

Programme 1: Administration

R1,382 million was saved because a provision for contingency expenses such as legal and external audit fees was not required.

Programme 2: Landward Defence

Funds for training opportunities abroad were centralised in *Programme 7: Joint Support*, resulting in a saving of *Landward Defence's* contribution to this of R578 000.

Landward Defence's contribution of R251 000 to the Cybersim contract was reallocated to *Programme 7: Joint Support* from where the payment was made.

The South African National Defence Force's (SANDF) Warrant Officers' Academy was established in May 2004 under *Programme 7: Joint Support* and R1,932 million was reprioritised for a contribution to this.

Movement of personnel between programmes required shifts in the allocations for compensation of employees. R39 million was reallocated from *Landward Defence*.

R500 000 was provided in *Landward Defence* for a joint venture between the South African Army and CJ Ops within *Programme 4: Command and Control* to study the Future African Battle Space concept. These funds have been reallocated to *Command and Control*.

Programme 3: Air Defence

R4,700 million was saved by curtailing day-to-day maintenance at the Waterkloof base to complete emergency repairs to the runway.

Programme 4: Maritime Defence

R332 000 was reprioritised for a contribution to the SANDF Warrant Officers' Academy.

Movement of personnel between programmes required shifts in the allocations for compensation of employees. R6 million was reallocated from *Maritime Defence*.

Programme 5: Military Health Service

R332 000 was reprioritised for a contribution to the SANDF Warrant Officers' Academy.

Programme 6: Defence Intelligence

The foreign relations function was moved from *Defence Intelligence* to *Programme 1: Administration*, resulting in a saving of R11 million.

Utilisation of savings to augment the above programmes

Programme 1: Administration

Movement of personnel between programmes required shifts in the allocations for compensation of employees. R13 million was reallocated to *Administration*.

R11 million will be used for the foreign relations function, which has been shifted to this programme.

Programme 3: Air Defence

R1,382 million was used to reimburse the South African Air Force for chartered aircraft for the president and deputy president when the department's VIP aircraft were not available.

Programme 7: Joint Support

R578 000 will be used for common foreign learning opportunities, which have been centralised under this programme.

Programme 2: Landward Defence's contribution of R251 000 was paid towards the contract with Cybersim.

R2,596 million is for the SANDF Warrant Officers' Academy, established under this programme.

R4,700 million is to complete the emergency repairs to Air Force Base Waterkloof's runway.

Movement of personnel between programmes required shifts in the allocations for compensation of employees. R23,600 million was reallocated to *Joint Support*.

Programme 8: Command and Control

R500 000 is for the joint venture between the South African Army and CJ Ops within *Command and Control* to study the Future African Battle Space concept.

Movement of personnel between programmes required shifts in the allocations for compensation of employees. R8,4 million was reallocated to *Command and Control*.

Other adjustments – (R856,394 million)

Self-financing expenditure

Programme 2: Landward Defence

R22,214 million generated in 2003/04 from the sale of equipment procured through the General Defence Account has been deposited into the National Revenue Fund and is included in the adjustments budget as a refund to the department. The funds will be used to replace and maintain old and obsolete equipment.

Programme 9: Special Defence Account

R121,392 million from the sale of equipment procured through the Special Defence Account has been deposited into the National Revenue Fund and is included in the adjustments budget as a refund to the department. The funds will be used to buy armaments and defence systems.

Savings

Programme 9: Special Defence Account

The favourable rate of exchange, unspent funds from previous years and delays in delivery schedules resulted in savings on the strategic defence packages of R1 billion.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 22.3: Defence

Programme		Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand	Adjusted appropriation				
1 Administration	742 318	297 583	40,1	444 735	59,9
2 Landward Defence	3 305 461	1 395 176	42,2	1 910 285	57,8
3 Air Defence	2 218 978	929 184	41,9	1 289 794	58,1
4 Maritime Defence	1 086 239	474 472	43,7	611 767	56,3
5 Military Health Service	1 305 227	602 886	46,2	702 341	53,8
6 Defence Intelligence	134 820	59 500	44,1	75 320	55,9
7 Joint Support	2 335 123	1 097 829	47,0	1 237 294	53,0

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
8 Command and Control	1 238 653	710 817	57,4	527 836	42,6
9 Special Defence Account	7 045 000	4 622 832	65,6	2 422 168	34,4
Special Programme: Thefts and Losses	–	3 984	–	(3 984)	–
Total	19 411 819	10 194 263	52,5	9 217 556	47,5

Economic classification

Current payments	11 986 173	5 325 208	44,4	6 660 965	55,6
Compensation of employees	7 770 087	3 640 723	46,9	4 129 364	53,1
Goods and services	4 216 086	1 684 485	40,0	2 531 601	60,0
Interest and rent on land	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–
Transfers and subsidies to:	7 354 033	4 847 358	65,9	2 506 675	34,1
Provinces and municipalities	16 024	7 396	46,2	8 628	53,8
Departmental agencies and accounts	7 335 198	4 838 779	66,0	2 496 419	34,0
Universities and technikons	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–
Non-profit institutions	2 811	1 183	42,1	1 628	57,9
Households	–	–	–	–	–
Payments for capital assets	71 613	21 697	30,3	49 916	69,7
Buildings and other fixed structures	71 613	21 697	30,3	49 916	69,7
Machinery and equipment	–	–	–	–	–
Cultivated assets	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–
Total	19 411 819	10 194 263	52,5	9 217 556	47,5

Table 22.4: Summary of transfers and subsidies per programme

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll- overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
1 Administration	940	-	-	-	-	-	940
Provinces and municipalities							
Municipalities							
Current	940	-	-	-	-	-	940
Regional Services Council levies	940	-	-	-	-	-	940
2 Landward Defence	7 116	-	-	-	-	-	7 116
Provinces and municipalities							
Municipalities							
Current	7 116	-	-	-	-	-	7 116
Regional Services Council levies	7 116	-	-	-	-	-	7 116
3 Air Defence	1 813	-	-	-	-	-	1 813
Provinces and municipalities							
Municipalities							
Current	1 813	-	-	-	-	-	1 813
Regional Services Council levies	1 813	-	-	-	-	-	1 813
4 Maritime Defence	1 604	-	-	-	-	-	1 604
Provinces and municipalities							
Municipalities							
Current	1 604	-	-	-	-	-	1 604
Regional Services Council levies	1 604	-	-	-	-	-	1 604

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll- overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
5 Military Health Service	1 647	-	-	-	-	-	1 647
Provinces and municipalities							
Municipalities							
Current	1 647	-	-	-	-	-	1 647
Regional Services Council levies	1 647	-	-	-	-	-	1 647
6 Defence Intelligence	181	-	-	-	-	-	181
Provinces and municipalities							
Municipalities							
Current	181	-	-	-	-	-	181
Regional Services Council levies	181	-	-	-	-	-	181
7 Joint Support	295 396	-	-	-	-	-	295 396
Provinces and municipalities							
Municipalities							
Current	2 387	-	-	-	-	-	2 387
Regional Services Council levies	2 387	-	-	-	-	-	2 387
Departmental agencies and accounts							
Entities							
Current	290 198	-	-	-	-	-	290 198
Armaments Corporation of South Africa Ltd	284 098	-	-	-	-	-	284 098
Defence, Intelligence, Diplomacy and Trade Education and Training	6 100	-	-	-	-	-	6 100

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll- overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
Non-profit institutions							
Current	2 811	-	-	-	-	-	2 811
San Community	-	-	-	-	-	-	-
St John's Ambulance Brigade	40	-	-	-	-	-	40
International Committee of the Red Cross	-	-	-	-	-	-	-
SA First Aid League	35	-	-	-	-	-	35
Medical Fund	275	-	-	-	-	-	275
SA Shooting Union	-	-	-	-	-	-	-
Part Time Force Council	2 461	-	-	-	-	-	2 461
8 Command and Control	336	-	-	-	-	-	336
Provinces and municipalities							
Municipalities							
Current	336	-	-	-	-	-	336
Regional Services Council levies	336	-	-	-	-	-	336
9 Special Defence Account	7 923 608	-	-	-	(878 608)	(878 608)	7 045 000
Departmental agencies and accounts							
Entities							
Current	7 923 608	-	-	-	(878 608)	(878 608)	7 045 000
Special Defence Account	7 923 608	-	-	-	(878 608)	(878 608)	7 045 000
Total	8 232 641	-	-	-	(878 608)	(878 608)	7 354 033