

Vote 22

Defence

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R20 050 078 000	R20 489 255 000	R22 532 389 000
Statutory amounts	-	-	-
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.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Conduct the policy development, management and administration of the Department.

Programme 2: Landward Defence

Purpose: Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

Measurable objective: To prepare, maintain and provide landward combat forces, services and facilities on a continuous basis to meet South Africa's defence needs.

Programme 3: Air Defence

Purpose: Provide prepared and supported air defence capabilities for the defence and protection of South Africa.

Measurable objective: To prepare, maintain and provide air combat forces, services and facilities on a continuous basis to meet South Africa's defence needs.

Programme 4: Maritime Defence

Purpose: Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

Measurable objective: To prepare, maintain and provide maritime combat forces, services and facilities on a continuous basis to meet South Africa's defence needs.

Programme 5: Military Health Support

Purpose: Provide military health services and prepared and supported medical combat support elements.

Measurable objective: To prepare, maintain and provide military health services and facilities as required by the Department of Defence.

Programme 6: Defence Intelligence

Purpose: Provide a defence intelligence and counter-intelligence capability.

Measurable objective: To provide timely and accurate military intelligence and counter-intelligence products and services that contribute to the neutralisation of defence threats.

Programme 7: Joint Support

Purpose: Provide joint support capabilities and services to the Department.

Measurable objective: To provide general support capabilities, services and facilities as required by the Department of Defence.

Programme 8: Command and Control

Purpose: Provide and maintain a command and control capability for the operational deployment of combat forces.

Measurable objective: To command and control all operations and joint and combined exercises undertaken by the Defence Force to meet defence needs.

Programme 9: Special Defence Account

Purpose: Provide for special defence activities and purchases.

Measurable objective: To acquire and maintain appropriate defence equipment and activities to meet South Africa's defence needs.

Strategic overview and key policy developments: 1999/00 – 2005/06

The goal of the Department of Defence is effective defence of South Africa, to be achieved through four objectives:

- Defence Against Aggression focuses on the successful defence of South Africa's sovereignty and territorial integrity against potential external military aggression or threat.
- Promotion of Security relates to the external deployment of forces that enhances regional security.
- Support to the People provides affordable collateral support to other state organs when requested in order to contribute to the protection of the country's people and resources.
- Departmental Efficiency is aimed at an efficient and effective Department, administered within the prescripts of the law and government policy.

The Department's strategic imperative is to create and sustain core capabilities while meeting its current obligations. The modernisation of the Department of Defence began when Cabinet approved the strategic armaments procurement programme in September 1999. From 2000/01 to 2011/12 this provides for 4 corvettes, 3 submarines, 30 light utility helicopters, 24 trainer aircraft, and 28 fighter aircraft. The budget allocations obtained by the Department to fund this programme total R52,9 billion, of which the largest annual projected expenditure is R7,8 billion in 2005/06. (Refer to the table 'Projected Costs in Relation to the Strategic Armaments Procurement Programme' in the *Special Defence Account* programme, p507.) In order to ensure full operational

capability of the corvettes, approval was obtained in 2002/03 to procure four additional maritime helicopters.

Further key policy development areas in the medium term are: transformation of the Department of Defence, revision and updating of defence legislation, policy regarding support for Government's foreign policy initiatives, and support to other government departments. The Department aims to modernise, optimise and balance its force elements according to the principles of Government and its senior management. These essentially relate to the shift in focus from the role of aggressor to peacekeeping and to support of other departments. Particular attention is being given to creating an affordable and sustainable force structure. In 2001 the military strategy was reviewed and the Human Resources 2010 Strategy was approved. It serves as a guideline for the development and amendment of all administrative, operational and technical policies and strategies. The desired results include downsizing the South African National Defence Force (SANDF) and the renewal and rejuvenation of human resources. The SANDF's capabilities will be enhanced by bringing the products of the strategic armaments procurement programme into service.

The military population is ageing, especially in the lower ranks, and the reduced military preparedness and levels of fitness lead to a reduced ability to carry out South African National Defence Force (SANDF) core business and increases medical costs. A Military Skills Development System (MSDS) was therefore introduced in 2002. It aims to rejuvenate *Landward Defence*, and address the skills shortages amongst young disadvantaged South Africans. It will also provide for recruitment into specialised technical fields, especially in the Air Force and the South African Navy (SAN). The skills development system is a two-year programme: the first year entails training and the second operational deployment. At the end of the two years some members may stay in the SANDF, others may join the Reserve Force and the remainder may enter the labour market.

New Defence Bill

The current Defence Act (44 of 1957), as amended, contains aspects that are contrary to the spirit of the Constitution, particularly the lack of civilian oversight over the SANDF and the provision for involuntary conscription. Various other inconsistencies include the provision for capital punishment as a sentence option in military courts. In practice, the processes and activities in the Department of Defence have been aligned with the provisions and intentions of the Constitution. This has been formalised in a Defence Bill, tabled before Parliament and awaiting presidential ratification.

International peace-keeping and other support

In recognition of the capability and credibility of the Department of Defence and its role in the Southern African region, the United Nations (UN) requested its participation in Peace Support Operations (PSO) in the Democratic Republic of the Congo (DRC). At the request of former president Mandela, operations were further extended to support the peace process in Burundi. Specialist teams have been trained and 150 members deployed to the DRC for duties in military policing, air-traffic control, cargo handling, crash rescue, and fire fighting at Kinshasa and other airports. During 2002, the UN approached the Department of Defence to deploy an additional contingent to the DRC. This could result in the deployment of more than 1 000 additional members, beginning in March 2003. Although the UN is expected to share some of the costs, the financial requirements place a growing spending pressure on the Vote. Approximately 700 members have been deployed to Burundi. SANDF personnel have also been deployed as military liaison officers and observers in Eritrea, Ethiopia/Somalia and other areas.

The Department of Defence continues to provide humanitarian support and other assistance in emergencies, both to other state departments and other countries. Support is provided on a continuous basis to the South African Police Service (SAPS), ranging from cordon-and-search

operations to restricting the poaching of marine resources. Co-operation with the SAPS ensures control of entry and exit at South Africa's borders. To give effect to a Cabinet decision in 2002, which reaffirms the Department of Defence's role in border control, the Department received additional funds.

Since 1999 the Department of Defence has undergone an extensive transformation process, refocusing its core business. Changes made include the creation of the *Defence Intelligence* and *Command and Control* programmes. In addition, several subprogrammes have been shifted between main programmes to align the structure and prevent unnecessary duplication. These shifts include the centralisation of functions such as: human resource management, financial management, defence foreign relations, command and management information, acquisition and procurement services, logistic management, legal services and inspection services.

Expenditure estimates

Table 22.1: Defence

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03				
1 Administration	535 107	463 552	531 781	585 420	585 420	660 317	688 474	723 297
2 Landward Defence	3 058 058	2 898 451	3 285 102	3 335 789	3 335 789	3 188 407	3 300 712	3 547 980
3 Air Defence	1 962 936	1 947 211	1 946 029	2 040 438	2 040 438	2 137 999	2 204 611	2 303 925
4 Maritime Defence	844 986	881 859	902 341	977 506	977 506	1 050 875	1 084 090	1 091 644
5 Military Health Support	928 996	971 952	1 036 819	1 159 135	1 159 135	1 254 189	1 304 409	1 376 888
6 Defence Intelligence	148 228	127 088	138 585	142 862	142 862	153 479	165 129	176 180
7 Joint Support	1 128 263	1 529 301	1 833 179	1 963 284	1 963 284	2 039 191	2 089 127	2 203 469
8 Command and Control	269 354	369 393	540 736	832 068	832 068	721 960	716 897	722 358
9 Special Defence Account	1 841 339	4 743 284	5 830 075	7 808 232	7 808 232	8 843 661	8 935 806	10 386 648
Total	10 717 267	13 932 091	16 044 647	18 844 734	18 844 734	20 050 078	20 489 255	22 532 389
Change to 2002 Budget Estimate				430 354	430 354	711 540	606 210	
Economic classification								
Current	10 677 841	13 899 833	15 973 821	18 789 708	18 789 708	19 994 317	20 422 342	22 462 186
Personnel	5 725 487	5 838 901	6 159 149	6 590 860	6 590 860	7 093 375	7 251 867	7 556 781
Transfer payments	2 005 897	4 925 884	6 040 564	8 029 301	8 029 301	9 075 303	9 172 665	10 633 580
Other current	2 946 457	3 135 048	3 774 108	4 169 547	4 169 547	3 825 639	3 997 810	4 271 825
Capital	39 426	32 258	70 826	55 026	55 026	55 761	66 913	70 203
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	39 426	32 258	70 826	55 026	55 026	55 761	66 913	70 203
Total	10 717 267	13 932 091	16 044 647	18 844 734	18 844 734	20 050 078	20 489 255	22 532 389
Standard items of expenditure								
Personnel	5 725 487	5 838 901	6 159 149	6 590 860	6 590 860	7 093 375	7 251 867	7 556 781
Administrative	353 235	385 369	496 015	627 800	627 800	576 194	618 516	627 300
Inventories	709 116	729 801	885 744	1 046 061	1 046 061	959 428	984 976	1 041 010
Equipment	217 091	241 747	340 605	326 929	326 929	407 839	435 678	489 928
Land and buildings	2 146	2 065	5 186	5 882	5 882	12 314	11 202	11 672
Professional and special services	1 608 883	1 728 222	2 093 506	2 207 051	2 207 051	1 915 125	2 003 851	2 161 618
Transfer payments	2 005 897	4 925 884	6 040 564	8 029 301	8 029 301	9 075 303	9 172 665	10 633 580
Miscellaneous	95 412	80 102	23 878	10 850	10 850	10 500	10 500	10 500
Total	10 717 267	13 932 091	16 044 647	18 844 734	18 844 734	20 050 078	20 489 255	22 532 389

Expenditure trends

The Vote grows by an average of 13,2 per cent per year between 1999/00 and 2005/06. The largest growth occurred between 1999/00 and 2000/01, when expenditure on the strategic armaments procurement programme began. Between 2002/03 and 2005/06 the growth is on average 6,1 per cent per year.

The departmental budget is dominated by spending on human resources and the strategic armaments procurement programme. Personnel expenditure is expected to consume an average of 34,7 per cent of the Vote over the medium term, while current transfer payments, which include the strategic armaments procurement programme, should consume an average of 45,8 per cent.

The decreases between 2002/03 and 2003/04 of 8,2 per cent, 8,3 per cent and 13,2 per cent in the provision for administrative expenditure, inventories, and professional and special services respectively are expected. This is because provision for deployment in Burundi has not been made for the full financial year – unlike in 2002/03. The increase of 13 per cent in transfer payments from 2002/03 to 2003/04 is for the normal scheduled contractual payments and exchange rate variations, and contractual price adjustments for the strategic armaments procurement programme.

Departmental receipts

It is anticipated that R204,7 million will be received in income during 2003/04. This will mainly be derived from the sale of redundant and obsolete equipment, the rental of accommodation to personnel, as well as board and lodging.

Table 22.2: Departmental receipts

	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	181 725	146 570	144 247	237 433	201 031	164 871	182 303
Interest	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent	82 294	77 742	88 704	98 239	102 169	106 255	116 880
Sales of goods and services	19 682	13 511	6 411	99 052	57 115	15 199	17 440
Fines, penalties and forfeits	866	1 425	1 245	1 483	1 542	1 604	1 702
Miscellaneous	78 883	53 892	47 887	38 659	40 205	41 813	46 281
Sales of capital assets (capital revenue)	2 017	1 326	903	1 380	1 435	1 492	1 502
Financial transactions (recovery of loans and advances)	4 930	2 067	994	2 151	2 237	2 326	2 400
Total departmental receipts	188 672	149 963	146 144	240 964	204 703	168 689	186 205

Programme 1: Administration

Administration oversees the activities of the Department by formulating policy, providing strategic direction, and organising the Department in terms of its structure and force design. It also provides corporate management services to the Department, such as planning, finance, human resources, legal, audit and inspection, procurement and acquisition, religious guidance, corporate communications and defence foreign relations.

Expenditure estimates

Table 22.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Minister ¹	498	598	646	691	746	791	835
Deputy Minister ²	405	486	525	562	607	643	679
Political Direction	9 866	9 235	9 260	21 726	11 509	12 030	12 598
Departmental Direction	4 124	4 479	3 283	5 121	5 501	5 656	5 947
Policy and Planning	26 797	21 344	34 914	39 858	51 140	49 633	52 258
Financial Services	151 874	128 585	124 759	146 826	154 818	157 271	164 568
HR Support Services	169 699	173 162	193 639	191 271	232 614	248 379	262 972
Legal Services	52 616	48 172	47 245	59 613	61 202	65 504	69 415
Inspection Services	18 273	13 708	16 806	21 202	26 349	28 649	29 997
Acquisition Services	36 617	10 826	38 308	23 610	28 487	30 819	33 076
Corporate Communications	16 646	15 161	14 681	18 687	19 803	20 595	21 736
SANDF Command and Control	4 344	3 972	5 935	7 222	6 083	6 324	6 666
Religious Services	3 428	3 128	3 009	3 328	4 051	4 213	4 417
Part-time Component	7 230	6 680	6 383	6 359	9 150	9 507	9 580
Defence Foreign Relations	32 690	24 016	32 388	39 344	48 257	48 460	48 553
Total	535 107	463 552	531 781	585 420	660 317	688 474	723 297
Change to 2002 Budget Estimate				47 043	103 360	104 762	

¹ Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

² Payable as from 1 April 2002. Salary: R449 460. Car allowance: R112 365.

Economic classification

	535 107	463 552	531 781	585 420	660 317	688 474	723 297
Current							
Personnel	401 385	365 987	411 744	443 030	511 908	542 544	564 306
Transfer payments	-	-	-	-	-	-	-
Other current	133 722	97 565	120 037	142 390	148 409	145 930	158 991
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	535 107	463 552	531 781	585 420	660 317	688 474	723 297

Standard items of expenditure

Personnel	401 385	365 987	411 744	443 030	511 908	542 544	564 306
Administrative	61 585	40 296	50 239	61 158	67 489	68 365	70 379
Inventories	19 886	15 971	10 836	29 223	17 316	17 617	18 285
Equipment	17 803	13 660	23 840	16 837	16 570	15 404	15 944
Land and buildings	528	428	419	703	7 970	7 940	8 089
Professional and special services	29 224	23 409	34 460	34 119	39 064	36 604	46 294
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	4 696	3 801	243	350	-	-	-
Total	535 107	463 552	531 781	585 420	660 317	688 474	723 297

Expenditure trends

Spending on *Administration* is expected to increase by an average of 5,2 per cent per year from 1999/00 to 2005/06, but by 7,3 per cent per year on average from 2002/03 to 2005/06. Most of the growth in the medium term will occur in 2003/04. Beyond this, slower growth is projected as the benefits of restructuring centralised functions are realised. Personnel expenditure is expected to

continue dominating, and will increase as a proportion of the programme budget from 75,7 per cent in 2002/03 to 78,1 per cent on average over the medium term. The decrease of 40,8 per cent anticipated in inventory expenditure between 2002/03 and 2003/04 is because of a once-off provision for consumables provided for during the establishment of the Anti-Fraud Directorate and the Central Procurement Office.

The Policy and Planning subprogramme increases by 28,3 per cent from 2002/03 to 2003/04 due to additional spending on staffing critical posts in the Secretariat, servicing Memoranda of Understanding, and boards and committees such as the Military Bargaining Council and the Military Arbitration Board. Inspection Services increases by 24,3 per cent from 2002/03 to 2003/04 due to the establishment of the Anti-Fraud Directorate.

Owing to the current emphasis on maintaining and using Reserve Forces, and staffing regional offices, the Part-Time Component subprogramme increases by 43,9 per cent from 2002/03 to 2003/04. The increase of 22,7 per cent between 2002/03 and 2003/04 in Defence Foreign Relations is due to exchange rate fluctuations that impact on the cost of Military Attaché offices abroad. This is also reflected in expenditure on land and buildings. The decrease in Political Direction from R21,7 million in 2002/03 to R11,5 million in 2003/04 is because the proposed foreign service dispensation was not approved by the Department of Public Service and Administration.

Programme 2: Landward Defence

Landward Defence supplies landward defence capabilities for South Africa in the areas covered by its 10 subprogrammes.

Expenditure estimates

Table 22.4: Landward Defence

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Strategic Direction	391 679	482 013	204 449	183 216	201 661	327 806	354 030
Infantry Capability	1 567 329	1 258 593	1 373 361	1 395 003	1 334 263	1 317 642	1 356 418
Armour Capability	75 566	70 575	97 474	108 044	112 219	129 133	127 648
Artillery Capability	59 838	55 923	80 531	94 953	93 452	112 520	112 552
Air Defence Artillery Capability	35 972	32 672	59 302	68 359	71 547	107 433	108 440
Engineering Capability	186 035	168 785	157 997	147 618	169 683	200 945	204 400
Operational Intelligence	25 872	23 021	45 142	53 025	54 452	59 072	60 466
Command and Control Capability	265 413	279 514	172 656	33 009	37 241	31 242	33 239
Support Capability	319 422	415 244	980 914	1 113 153	970 529	882 991	954 899
General Training Capability	130 932	112 111	113 276	139 409	143 360	131 928	235 888
Total	3 058 058	2 898 451	3 285 102	3 335 789	3 188 407	3 300 712	3 547 980
Change to 2002 Budget Estimate				(141 546)	(371 825)	(348 401)	

2003 Estimates of National Expenditure

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1999/00	Audited 2000/01	Preliminary outcome 2001/02		2003/04	2004/05	2005/06
R thousand							
Economic classification							
Current	3 058 058	2 898 451	3 285 102	3 335 789	3 188 407	3 300 712	3 547 980
Personnel	2 539 532	2 362 136	2 292 376	2 428 847	2 570 900	2 471 303	2 648 567
Transfer payments	-	-	-	-	-	-	-
Other current	518 526	536 315	992 726	906 942	617 507	829 409	899 413
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	3 058 058	2 898 451	3 285 102	3 335 789	3 188 407	3 300 712	3 547 980

Standard items of expenditure

Personnel	2 539 532	2 362 136	2 292 376	2 428 847	2 570 900	2 471 303	2 648 567
Administrative	80 527	116 481	136 010	111 461	95 161	143 768	148 841
Inventories	180 026	193 039	338 127	319 235	299 128	349 116	365 254
Equipment	17 363	21 273	101 496	69 029	74 615	102 659	92 064
Land and buildings	4	4	1 666	71	54	54	54
Professional and special services	208 412	174 410	395 305	407 146	148 549	233 812	293 200
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	32 194	31 108	20 122	-	-	-	-
Total	3 058 058	2 898 451	3 285 102	3 335 789	3 188 407	3 300 712	3 547 980

Expenditure trends

Over the medium term, *Landward Defence* is projected to spend 15,9 per cent of the total Vote. In 1999/00 spending amounted to 28,5 per cent of the departmental budget and declined to 17,7 per cent for 2002/03. The decline of 4,4 per cent from 2002/03 to 2003/04 can be attributed to the fact that the Army will maintain its main equipment through the *Special Defence Account* programme in future. This is reflected in the decreases between 2002/03 and 2003/04 of 12,8 per cent and 63,5 per cent in the Support Capability subprogramme and professional and special services respectively.

The average increase of 24,6 per cent per year from 2002/03 to 2005/06 in the Strategic Direction subprogramme is because of extra provisions from 2003/04 onwards for Conventional Reserve Forces and the Military Skills Development System (MSDS). Once the MSDS is implemented, funds will be allocated to the appropriate subprogrammes, particularly to Infantry Capability. If the effects of the additional allocations for Conventional Reserve Forces and the MSDS are excluded, Strategic Direction decreases by approximately 33,6 per cent. Over the MTEF period, personnel spending is expected to increase by 2,9 per cent on average. This would have been lower if the Army had reached its projected human resource reduction targets. The decrease in Infantry Capability between 2002/03 and 2003/04 reflects the reduction in personnel numbers so far.

The Army's increased involvement in Peace Support Operations in Africa requires it to increase the combat readiness of engineer equipment, hence the average increase of 11,5 per cent in Engineering Capability between 2002/03 and 2005/06.

Service delivery objectives and indicators

Recent outputs

'Combat readiness' refers to the capability to perform assigned missions according to approved plans. The status of personnel, equipment, supplies, maintenance, facilities and training is considered in determining the extent of readiness. 'Force preparedness' refers to the combat readiness of a unit, which is prescribed by the Service Chief. Specific targets for combat readiness are detailed in a classified document, the Combat Readiness Schedule, issued by the Chief of Joint Operations on behalf of the Chief of the SANDF. Cabinet, the Standing Committee on Defence and the Parliamentary Portfolio Committee on Defence oversee performance in relation to target commitments. The Combat Readiness Schedule is supplemented by another confidential document, the Short-Term Force Employment Plan, which contains details of the forces required for operations and contingencies.

Preparation for the Army's primary role of Defence Against Aggression and its role in Peace Support Operations during the first nine months of 2002 was satisfactory, although not all the force preparation targets were fully met. Forces required for ordered operations were provided as required, and their performance was of an acceptable standard. Numerous management interventions have been introduced to improve performance and reduce costs; these are starting to yield results.

Medium-term output targets

Landward Defence

Measurable objective: To prepare, maintain and provide landward combat forces, services and facilities on a continuous basis to meet South Africa's defence needs.

Subprogramme	Output	Measure/Indicator
Strategic Direction	Landward Defence strategic direction	The degree of implementation of landward defence policies, strategies and plans The proportion of landward defence policy, strategy and plan inputs submitted within the deadline
Infantry Capability	Combat ready supported infantry units	State of combat readiness Level of force preparedness
Armour Capability	Combat ready supported armoured units	State of combat readiness Level of force preparedness
Artillery Capability	Combat ready supported artillery units	State of combat readiness Level of force preparedness
Air Defence Artillery Capability	Combat ready supported air defence artillery units	State of combat readiness Level of force preparedness
Engineering Capability	Combat ready supported engineering units	State of combat readiness Level of force preparedness
Operational Intelligence	Combat ready supported operational intelligence units	State of combat readiness Level of force preparedness
Command and Control Capability	Centralised brigade command and control of forces	State of combat readiness Level of force preparedness Degree of satisfaction with headquarter command and control

Subprogramme	Output	Measure/Indicator
Support Capability	Logistic support	State of combat readiness Level of force preparedness Degree of compliance with provisions of service agreements
General Training Capability	Trained South African Army personnel	The degree of adherence to planned training and syllabi Degree of adherence to Defence training policy

In the above table, and all other medium-term output tables, the target column has been omitted. 'Combat readiness' and 'force preparedness' are comprised of many individual indicators, which currently cannot be meaningfully aggregated into a composite index. Ultimately 'combat readiness' and 'force preparedness' are either achieved or not but no indication can be given of the extent of achievement. That is, without referring to extent of compliance with the many individual indicator targets contained in the Combat Readiness Schedule and Short-Term Force Employment Plan. The Department of Defence is addressing this matter.

Programme 3: Air Defence

Air Defence supplies air defence capabilities for South Africa in the areas covered by its 11 subprogrammes.

Expenditure estimates

Table 22.5: Air Defence

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
Strategic Direction	5 022	44 562	34 157	4 574	3 596	3 644	3 752	
Operational Direction	125 706	235 286	307 510	54 237	73 250	72 126	102 720	
Helicopter Capability	217 878	146 469	215 560	222 788	250 310	254 425	268 122	
Transport and Maritime Capability	228 134	89 491	149 268	166 038	188 897	187 075	196 986	
Air Combat and Reconnaissance	227 686	164 856	197 009	237 436	230 846	240 654	248 337	
Operational Support and Intelligence Capability	93 680	63 206	88 857	105 655	94 265	98 567	100 912	
Command and Control Capability	144 856	168 717	136 266	128 291	147 622	152 122	159 454	
Base Support Capability	541 883	684 716	391 859	453 188	423 691	444 792	457 836	
Command Post	25 755	21 501	15 268	22 870	71 888	75 586	77 465	
Training Capability	219 372	176 234	205 783	230 232	197 892	203 510	212 743	
Technical Support Services	132 964	152 173	204 492	415 129	455 742	472 110	475 598	
Total	1 962 936	1 947 211	1 946 029	2 040 438	2 137 999	2 204 611	2 303 925	
Change to 2002 Budget Estimate				21 774	57 278	49 194		

Economic classification

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Current	1 962 936	1 947 211	1 946 029	2 040 438	2 137 999	2 204 611	2 303 925
Personnel	910 571	899 279	908 451	988 673	1 068 184	1 126 887	1 149 746
Transfer payments	-	-	-	-	-	-	-
Other current	1 052 365	1 047 932	1 037 578	1 051 765	1 069 815	1 077 724	1 154 179
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	1 962 936	1 947 211	1 946 029	2 040 438	2 137 999	2 204 611	2 303 925

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	910 571	899 279	908 451	988 673	1 068 184	1 126 887	1 149 746
Administrative	86 070	81 476	84 271	75 941	84 188	97 933	94 626
Inventories	203 750	192 874	175 169	219 256	205 516	193 330	233 736
Equipment	64 057	62 380	41 625	54 876	43 985	42 594	42 381
Land and buildings	11	10	-	-	-	-	-
Professional and special services	687 121	700 442	736 483	701 692	736 126	743 867	783 436
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	11 356	10 750	30	-	-	-	-
Total	1 962 936	1 947 211	1 946 029	2 040 438	2 137 999	2 204 611	2 303 925

Expenditure trends

Over the medium term, *Air Defence* will comprise an average of 10,5 per cent of the total departmental budget. The increase of 214,3 per cent in the Command Post subprogramme from 2002/03 to 2003/04 can be attributed to reprioritisation to extend the functions of the Air Force command post. Operational Direction increases by 35,1 per cent from 2002/03 to 2003/04 and doubles by 2005/06. This is due to the introduction of an incentive scheme to retain highly qualified technical personnel, to service the new aircraft acquired through the strategic armaments procurement programme. The Air Force aims to undertake previously outsourced work itself.

From 2002/03 to 2003/04 Command and Control Capability increases by 15,1 per cent. This is because an Air Traffic Control incentive scheme will be implemented to retain personnel. Also, the Air Force is expected to spend on re-establishing data integrity between its different communication and IT systems.

In order to ensure that the Air Force will be ready to receive and operate the Augusta helicopter, Helicopter Capability increases by 12,4 per cent from 2002/03 to 2003/04, and continues to increase in later years. The increase of 13,8 per cent from 2002/03 to 2003/04 in the Transport and Maritime Capability subprogramme is to make provision for projected increased spending on transporting VIPs, and if necessary, the chartering of aircraft for this purpose.

The decrease of 6,5 per cent from 2002/03 to 2003/04 in Base Support Capability is a result of the shift of funds from this subprogramme to the Technical Support Services subprogramme; for financing the establishment of support structures and provision of equipment for the new aircraft. Projected expenditure on Base Support Capability increases in later years.

The substantial 19,9 per cent decrease in the provision for equipment between 2002/03 and 2003/04 is because a large number of vehicles and safety equipment, especially fire-fighting vehicles and equipment, were replaced by the Air Force during 2002/03. This inflated the figure for that year, but subsequent expenditure is projected to stabilise at between R42 million and R44 million.

Service delivery objectives and indicators

Recent outputs

In the last nine months in 2002 all ordered commitments were met, and combat readiness performance was satisfactory. Force preparedness was according to plan, but the number of

technical personnel and air crew that have resigned is a cause for concern. Notable highlights in 2002 were the introduction of the new presidential aircraft, and the 100th wings parade held since World War II. The wings parade is a graduation ceremony for qualifying flying personnel. At the parade, 54 people received wings, of whom 23 were pilots.

Medium-term output targets

Air Defence

Measurable Objective: To prepare, maintain and provide air combat forces, services and facilities on a continuous basis to meet South Africa's defence needs.

Subprogramme	Output	Measure/Indicator
Strategic Direction	Air Defence strategic direction	Degree of implementation of air defence policies, strategies and plans Proportion of air defence policy, strategy and plan inputs submitted within the deadline
Operational Direction	Air Defence operational direction	State of combat readiness Level of force preparedness
Helicopter Capability	Combat ready helicopter squadrons	State of combat readiness Level of force preparedness
Transport and Maritime Capability	Combat ready transport, VIP transport, maritime and reserve squadrons	State of combat readiness Level of force preparedness
Air Combat and Reconnaissance	Air combat and reconnaissance readiness	State of combat Readiness Level of force preparedness
Operational Support and Intelligence Capability	Air space control and airfield defence readiness	State of combat readiness Level of force preparedness
Command and Control Capability	Centralised command and control of forces	State of combat readiness Level of force preparedness
Base Support Capability	Management of air bases and Air Force stations	Degree of compliance with aviation regulatory requirements for aircraft movements Degree of satisfaction with operation and management of Air Defence infrastructure
Command Post	Combat ready air operations control structures	Extent of timeliness of response to requests for air control structure support Degree of satisfaction with air control structure support provided
Training Capability	Trained South African Air Force personnel	Degree of adherence to planned training and syllabi Degree of adherence to Defence training policy
Technical Support Services	Technical support	State of combat readiness Level of force preparedness Degree of compliance with provisions of service agreements

Programme 4: Maritime Defence

Maritime Defence supplies maritime defence capabilities for South Africa in the areas covered by its six subprogrammes.

Expenditure estimates

Table 22.6: Maritime Defence

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Maritime Direction	164 129	153 959	129 033	353 535	342 482	349 440	343 258
Maritime Combat Capability	165 680	169 456	151 102	101 490	95 151	98 413	100 078
Maritime Logistic Support Capability	225 198	254 772	260 046	165 577	198 190	205 635	208 754
Maritime Training Capability	108 173	104 090	129 610	131 176	135 924	134 036	136 907
Base Support Capability	168 475	185 264	221 652	211 693	266 852	283 678	289 529
Maritime Reserve Capability	13 331	14 318	10 898	14 035	12 276	12 888	13 118
Total	844 986	881 859	902 341	977 506	1 050 875	1 084 090	1 091 644
Change to 2002 Budget Estimate				(2 162)	11 848	(12 914)	
Economic classification							
Current	844 986	881 859	902 341	977 506	1 050 875	1 084 090	1 091 644
Personnel	622 352	648 936	621 240	620 430	666 565	700 920	714 291
Transfer payments	-	-	-	-	-	-	-
Other current	222 634	232 923	281 101	357 076	384 310	383 170	377 353
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	844 986	881 859	902 341	977 506	1 050 875	1 084 090	1 091 644
Standard items of expenditure							
Personnel	622 352	648 936	621 240	620 430	666 565	700 920	714 291
Administrative	29 088	30 432	34 561	46 714	56 523	54 641	54 752
Inventories	61 346	64 181	98 369	108 203	108 454	104 901	99 588
Equipment	23 125	24 194	35 667	48 407	62 157	64 023	66 843
Land and buildings	-	-	-	-	-	-	-
Professional and special services	101 330	106 013	112 279	153 752	157 176	159 605	156 170
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	7 745	8 103	225	-	-	-	-
Total	844 986	881 859	902 341	977 506	1 050 875	1 084 090	1 091 644

Expenditure trends

Maritime Defence will comprise 5,1 per cent of the total Vote from 2003/04 to 2005/06, and will grow on average by 3,8 per cent over the medium term. The immediate focus is to allocate resources to the 'sharp end' of the Navy and preparing for accepting the vessels being acquired through the strategic armaments procurement programme. The personnel situation in the Navy has stabilised at a level below that up to 2001/02, and this allows funds to be shifted to the maintenance and repair of ships. This is evident in the increase of 26,1 per cent from 2002/03 to 2003/04 in the Base Support Capability subprogramme.

Spending on foreign courses and visits is expected to increase substantially from 2003/04, to enable Navy personnel to master the new technologies being introduced, reflected in the increase of 21 per cent in the provision for administrative expenditure. Similarly, the quality assurance, naval weapons acceptance, and electronic warfare analysis sections in *Maritime Defence* have been allocated additional funding in preparation for the strategic armaments procurement programme delivery. Additional spending is projected for outfitting the first corvette, which includes ammunition, cryptographic equipment and other specialised technical equipment. This shows in

the increase of 26,1 per cent between 2002/03 and 2005/06 in Maritime Logistic Support Capability, as well as in the increase of 38,1 per cent in the provision for equipment.

Service delivery objectives and indicators

Recent outputs

The South African Navy (SAN) supplied the forces and sea hours required for ordered operations and exercises from April to December 2002. The Navy did not meet all its force preparation objectives, although preparations to receive the new vessels being acquired by the strategic armaments procurement programme are progressing satisfactorily. The phased closure of four SAN units in Durban and the establishment of a Naval Station, to reduce the force size and lower costs, are on track.

Medium-term output targets

Maritime Defence

Measurable Objective: To prepare, maintain and provide maritime combat forces, services and facilities on a continuous basis to meet South Africa's defence needs.

Subprogramme	Output	Measure/Indicator
Maritime Direction	Maritime Defence strategic direction	Degree of implementation of maritime defence policies, strategies and plans Proportion of maritime defence policy, strategy and plan inputs submitted within the deadline
Maritime Combat Capability	Maritime combat readiness	State of combat readiness Level of force preparedness
Maritime Logistic Support Capability	Logistic support	Degree of implementation of the South African Navy (SAN) maintenance upkeep plan Degree of compliance with the SAN logistics policy
Maritime Training Capability	Trained SAN personnel	Degree of adherence to planned training and syllabi Degree of national accreditation of programmes
Base Support Capability	Management of maritime bases	Degree of compliance with maritime regulatory requirements Degree of adherence to the SAN strategic plan
Maritime Reserve Capability	Combat ready maritime reserve force	Number of reserve units Annual work days of trained reserves

Programme 5: Military Health Support

Military Health Support provides medical combat support and other services. It maintains military health and training facilities, including specialist facilities such as the institutes for maritime and aviation medicine. It supplies various support functions, including to the departments of Health and Agriculture, when required.

Expenditure estimates

Table 22.7: Military Health Support

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Strategic Direction	90 198	96 494	84 281	124 816	105 473	116 795	121 054
Military Health Support	28 840	16 934	27 846	44 788	55 558	57 897	74 815
Area Military Health Service	320 861	345 782	353 631	402 635	438 993	453 774	474 725
Specialist/Tertiary Health	376 282	378 347	455 305	474 603	521 616	538 230	564 831
Product Support Capability	47 279	62 307	44 290	31 785	32 370	33 433	35 546
Base Support Capability	11 151	10 525	13 414	6 559	20 953	21 666	21 944
Military Health Training	54 385	61 563	58 052	73 949	79 226	82 614	83 973
Total	928 996	971 952	1 036 819	1 159 135	1 254 189	1 304 409	1 376 888
Change to 2002 Budget Estimate				14 196	70 117	66 862	
Economic classification							
Current	928 996	971 952	1 036 819	1 159 135	1 254 189	1 304 409	1 376 888
Personnel	645 564	674 921	688 512	762 364	833 519	883 738	900 516
Transfer payments	-	-	-	-	-	-	-
Other current	283 432	297 031	348 307	396 771	420 670	420 671	476 372
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	928 996	971 952	1 036 819	1 159 135	1 254 189	1 304 409	1 376 888
Standard items of expenditure							
Personnel	645 564	674 921	688 512	762 364	833 519	883 738	900 516
Administrative	20 893	21 896	28 280	40 770	50 196	50 197	50 190
Inventories	134 563	138 522	182 664	194 293	206 206	206 206	206 211
Equipment	33 542	35 151	38 267	54 222	59 711	59 711	113 712
Land and buildings	-	-	-	1 300	-	-	-
Professional and special services	86 259	92 895	98 261	106 186	104 557	104 557	106 259
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	8 175	8 567	835	-	-	-	-
Total	928 996	971 952	1 036 819	1 159 135	1 254 189	1 304 409	1 376 888

Expenditure trends

Military Health Support is projected to consume 6,3 per cent of the total Vote in 2003/04. The South African Military Health Service (SAMHS) will continue to provide an acceptable medical service, despite the fact that the programme budget has not grown in line with projected increases in the Service's patient load (including patients engaged in commitments in the DRC and Burundi, and those with opportunistic illnesses related to HIV/Aids). Keeping up the level of service is possible because the SAMHS has acquired the services of numerous health practitioners doing community service. Thus the provision for personnel expenditure increases by 9,3 per cent from 2002/03 to 2003/04. The recruitment of doctors and the intended replacement of the clinical wings at the military hospitals during 2005/06, are responsible for the 67 per cent increase in the Military Health Support subprogramme over the medium term. These also account for the projected increases in administrative and inventory expenditure between 2002/03 and 2003/04.

The increase of 219,5 per cent between 2002/03 and 2003/04 in Base Support Capability is due to the establishment of the General Support Base Thaba Tshwane North. This causes the decrease of

15,5 per cent in the same year in Strategic Direction, because the base was previously provided for in this subprogramme. Over the medium term the average increase of 5,6 per cent in Area Military Health Service is because of a shift of funds: towards expenditure on military sick bays at all the Department of Defence bases in South Africa and towards outsourcing medical services in rural areas, where numerous dependants of employees of the Department qualifying for medical benefits still reside. The average increase in Specialist/Tertiary Health of 6,0 per cent between 2002/03 and 2005/06 is attributable to medical inflation, especially the high increases expected in the price of specialised medical equipment. The escalation in the treatment of HIV/Aids-related illnesses and the continued medical benefits available to members after leaving the service of the Department, also impact on this subprogramme.

Service delivery objectives and indicators

Recent outputs

In the first nine months of 2002/03 the South African Military Health Service provided acceptable military health support to the SANDF and other patients in South Africa. The deployment of personnel not only in South Africa but also to the DRC and Burundi, posed serious challenges but illustrated that the Service was able to provide comprehensive health services to the SANDF, while continuing to provide health care to dependants and other Department of Defence clients. The quality of the health care provided has been acknowledged – all three military hospitals will be used to provide care related to United Nations missions in Africa.

Medium-term output targets

Military Health Support

Measurable Objective: To prepare, maintain and provide military health services and facilities as required by the Department of Defence.

Subprogramme	Output	Measure/Indicator
Strategic Direction	Health Service strategic direction	Degree of implementation of health service policies, strategies and plans Proportion of health service policy, strategy and plan inputs submitted within the deadline
Military Health Support	Logistic support	Degree of compliance with provisions of service agreements Degree of compliance with statutory medical equipment service requirements
Area Military Health Service	Local multi-disciplinary health service	Degree of compliance with departmental health requirements Percentage of patients who are within 30 kilometres of a health facility
Specialist / Tertiary Health	Tertiary emergency health services	Extent of maritime specialist services Extent of aviation specialist services Degree of adherence to codes of conduct
Product Support Capability	Mobile military health support units	State of combat readiness Level of force preparedness Proportion of successfully executed military operations
Base Support Capability	Management of medical bases	Degree of compliance with Defence policies and prescripts Degree of compliance with provisions of service agreements
Military Health Training	Trained SAMHS personnel	Degree of adherence to planned training and syllabi Degree of national accreditation of programmes

Programme 6: Defence Intelligence

Defence Intelligence provides defence intelligence and counter-intelligence for operational security in support of the Department. It also provides for personnel vetting.

Expenditure estimates

Table 22.8: Defence Intelligence

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Strategic Direction	10 312	10 648	2 008	2 687	2 546	2 606	2 718
Collection Services	12 266	8 594	8 814	11 549	11 394	11 180	11 436
Defence Counter Intelligence Services	6 751	5 865	4 656	4 620	6 309	6 529	6 651
Intelligence Processing	1 311	1 744	3 884	1 034	1 982	1 948	2 210
Defence Intelligence Support Services	117 588	100 237	119 223	122 972	131 248	142 866	153 165
Total	148 228	127 088	138 585	142 862	153 479	165 129	176 180
Change to 2002 Budget Estimate				(6 322)	2 911	3 658	
Economic classification							
Current	148 228	127 088	138 585	142 862	153 479	165 129	176 180
Personnel	108 206	91 854	104 531	109 862	114 659	125 568	134 987
Transfer payments	-	-	-	-	-	-	-
Other current	40 022	35 234	34 054	33 000	38 820	39 561	41 193
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	148 228	127 088	138 585	142 862	153 479	165 129	176 180
Standard items of expenditure							
Personnel	108 206	91 854	104 531	109 862	114 659	125 568	134 987
Administrative	23 285	19 940	11 583	10 008	12 707	13 056	13 852
Inventories	3 324	2 941	3 749	4 490	5 421	5 419	5 707
Equipment	1 779	2 309	6 037	6 389	7 187	7 466	7 608
Land and buildings	-	-	-	-	-	-	-
Professional and special services	9 771	8 488	12 676	12 113	13 505	13 620	14 026
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	1 863	1 556	9	-	-	-	-
Total	148 228	127 088	138 585	142 862	153 479	165 129	176 180

Expenditure trends

Defence Intelligence only comprises 0,8 per cent of the Department's total budget over the medium term. Average spending increases by 7,2 per cent per year from 2002/03 to 2005/06, mainly due to the increased involvement of military intelligence personnel in Peace Support Operations in Africa, the Inter-State Defence and Security Committee and New Partnership for Africa's Development (NEPAD) initiatives. This is reflected in the 36,6 per cent and 91,7 per cent increases in the Defence Counter Intelligence Services and Intelligence Processing subprogrammes respectively from 2002/03 to 2003/04. In the 2003/04 financial year expenditure on equipment is projected to increase by 12,5 per cent.

Service delivery objectives and indicators

Recent outputs

Intelligence products and services requested by the Department of Defence and other national clients for the April 2002 to December 2002 period were provided in line with the targets. Outputs include products to the National Intelligence and Co-ordinating Committee and its work groups, and early warning reports to the Presidential National Early Warning Centre.

Medium-term output targets

Defence Intelligence

Measurable Objective: To provide timely and accurate military intelligence and counter-intelligence products and services that contribute to the neutralisation of defence threats.

Subprogramme	Output	Measure/Indicator
Strategic Direction	Defence Intelligence strategic direction	Degree of implementation of defence intelligence policies, strategies, and plans Proportion of defence intelligence policy, strategy and plan inputs submitted within the deadline
Collection Services, Defence Counter Intelligence Services, Intelligence Processing	Defence intelligence and counter intelligence	Degree of compliance with service agreements Proportion of written responses to requests submitted within the deadline
Defence Intelligence Support Services	Defence intelligence support	Degree of compliance with service agreements Proportion of written responses to requests submitted within the deadline

Programme 7: Joint Support

Joint Support provides support capabilities, facilities and services to the Department. It establishes, trains and maintains joint logistic, IT, military police, vocational training, joint training and acquisition services. It assists organisations related to defence, such as the Armaments Corporation of South Africa (Armscor), Reserve Force Council, South African First Aid League, Saint Johns Ambulance Brigade, Medical Fund for Military Members Retired before 1964 and the Defence, Intelligence, Diplomacy and Trade Sector Education and Training Authority (DIDTETA).

Expenditure estimates

Table 22.9: Joint Support

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1999/00	Audited 2000/01	Preliminary outcome 2001/02	2002/03		2003/04	2004/05	2005/06
R thousand								
Strategic Direction	41 562	13 486	10 403	8 562	5 890	5 973	6 158	
Joint Logistic Services	205 802	371 068	420 380	501 499	557 430	596 739	630 589	
Command and Management Information Services	450 378	596 109	769 318	768 399	804 324	816 565	863 627	
Military Police	120 309	166 665	186 180	202 353	204 613	202 948	215 732	
Service Corps	34 772	46 769	45 806	46 918	47 493	50 668	53 673	
Acquisition Services	1 417	2 261	3 547	628	2 392	2 330	2 418	
Joint Training	92 282	72 992	153 263	103 834	112 634	118 752	125 121	
Assistance	666	890	2 322	4 290	3 930	330	330	
Departmental Support	175 648	253 939	234 298	314 948	288 632	294 822	305 821	
British Military Advisory and Training	5 427	5 122	7 662	11 853	11 853	–	–	
Total	1 128 263	1 529 301	1 833 179	1 963 284	2 039 191	2 089 127	2 203 469	
Change to 2002 Budget Estimate				20 502	26 517	2 328		

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	1 088 837	1 497 043	1 762 353	1 908 258	1 983 430	2 022 214	2 133 266
Personnel	354 129	585 016	811 754	907 713	988 591	1 036 422	1 078 189
Transfer payments	164 558	182 600	210 489	221 069	231 642	236 859	246 932
Other current	570 150	729 427	740 110	779 476	763 197	748 933	808 145
Capital	39 426	32 258	70 826	55 026	55 761	66 913	70 203
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	39 426	32 258	70 826	55 026	55 761	66 913	70 203
Total	1 128 263	1 529 301	1 833 179	1 963 284	2 039 191	2 089 127	2 203 469

Standard items of expenditure

Personnel	354 129	585 016	811 754	907 713	988 591	1 036 422	1 078 189
Administrative	46 682	62 979	102 144	101 047	105 249	106 313	109 448
Inventories	35 688	51 361	47 721	52 909	63 850	65 144	67 960
Equipment	58 566	79 011	46 527	52 026	97 329	98 735	105 512
Land and buildings	1 603	1 544	3 101	3 808	4 290	3 208	3 529
Professional and special services	438 554	551 646	609 035	614 212	537 740	531 946	581 399
Transfer payments	164 558	182 600	210 489	221 069	231 642	236 859	246 932
Miscellaneous	28 483	15 144	2 408	10 500	10 500	10 500	10 500
Total	1 128 263	1 529 301	1 833 179	1 963 284	2 039 191	2 089 127	2 203 469

Transfer payments per subprogramme

Departmental Support							
Armaments Corporation of South Africa Ltd.	163 000	180 490	194 875	209 441	219 635	229 068	238 969
San Community	-	-	2 000	3 400	3 600	-	-
St Johns Ambulance Brigade	42	31	40	95	45	45	45
International Committee of the Red Cross	50	50	-	-	-	-	-
SA First-Aid League	35	29	32	95	35	35	35
Medical Fund	352	300	249	700	250	250	250
SA Shooting Union	30	-	-	-	-	-	-
Part Time Force Council	1 049	1 700	1 900	1 938	2 300	2 461	2 633
Defence, Intelligence, Diplomacy and Trade Education and Training Authority	-	-	11 393	5 400	5 777	5 000	5 000
Total	164 558	182 600	210 489	221 069	231 642	236 859	246 932

Expenditure trends

In 2003/04 the *Joint Support* programme will comprise 10,2 per cent of the Department of Defence's budget. Although spending on the programme increased on average by 20,3 per cent per year between 1999/00 and 2002/03, it is only projected to increase by 3,9 per cent between 2002/03 and 2005/06. The high average increase of 20,3 per cent is mainly due to the increases in logistics and IT, and personnel and equipment.

On average the Joint Logistic Services subprogramme increases by 20,5 per cent between 1999/00 and 2005/06. Between 2001/02 and 2003/04 it increased by 32,6 per cent, which is attributable to the provision of joint logistical support and equipment for Peace Support Operations in Africa. This is also evident in the average 20,4 per cent increase per year in the provisions for personnel expenditure between 1999/00 and 2005/06, and the increase of 87,1 per cent expected on equipment spending from 2002/03 to 2003/04. The substantial increase in expenditure on

equipment is related to price increases for telecommunication equipment and the need to replace redundant and obsolete IT equipment.

The average annual increase of 4,0 per cent from 2002/03 to 2005/06 in the Command and Management Information Services subprogramme is mainly the result of State Information Technology Agency (Sita) tariff increases. This increase would have been greater were it not for the decrease of 12,5 per cent in the provision for professional and special services between 2002/03 and 2003/04, which is due to a much more economic service agreement that has been negotiated with Sita.

The increase of 20,5 per cent between 2002/03 and 2005/06 in Joint Training occurs because senior command and staff training has been centralised within this subprogramme. Spending on the DIDTETA has also increased, as well as the cost of foreign training opportunities. Provision for the British Military Advisory and Training Team is only made until 2003/04, at the 2002/03 level, when the Memorandum of Understanding expires. The provision for the transfer payment for relocating the San community from Schmidtsdriif to Platfontein amounts to R3,6 million in 2003/04, and this transfer payment will be the final allocation.

The increase of 20,7 per cent in inventory expenditure from 2002/03 to 2003/04 is because of the new premises provided for the South African War College from 2003, which necessitates high initial maintenance and repair costs. The high increases in the cost of rations and telecommunication spares also influence spending on inventories.

Service delivery objectives and indicators

Recent outputs

Joint support was provided for the Department's various objectives as required in the last nine months of 2002. Combat support units were prepared and deployed, both internally and externally, in support of ordered operations as required. Appropriate measures have been implemented to improve the quality of support and to reduce costs.

Medium-term output targets

Joint Support

Measurable objective: To provide general support capabilities, services and facilities as required by the Department of Defence.		
Subprogramme	Output	Measure/Indicator
Strategic Direction	Joint Support strategic direction	Degree of implementation of joint support policies, strategies and plans Proportion of joint support policy, strategy and plan inputs submitted within the deadline
Joint Logistic Services	Logistic support	Degree of compliance with service agreements
Command and Management Information Services	Centralised command and management information services	Degree of compliance with service agreements State of combat readiness
Military Police	Military policing	Percentage of offenders successfully prosecuted State of combat readiness
Service Corps	Demilitarisation service to individuals	Degree of satisfaction with services provided Availability of reskilling and redeployment facilities and services
Acquisition Services	Procurement of defence equipment	Degree of adherence to time schedules Degree of satisfaction with services provided
Joint Training	Professional and non-combat learning opportunities	Degree of adherence to Defence training policy Proportion of personnel trained to specification

Subprogramme	Output	Measure/Indicator
Assistance	Assistance to defence-related organisations	Degree of adherence to time schedules Degree of satisfaction with services provided
Departmental Support	Legal services	Degree of adherence to time schedules Degree of satisfaction with services provided
British Military Advisory and Training	Right-sized force structure	Degree of rationalisation and force development

Programme 8: Command and Control

Command and Control provides an operational command and control capability for the deployment of combat forces. It exercises command and control over all defence operations, through permanent Regional Joint Task Force headquarters for internal missions and temporary Joint Task Force headquarters for external missions. It also provides a special operations capability.

Expenditure estimates

Table 22.10: Command and Control

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Command and Control	19 924	87 531	98 534	127 009	107 146	107 306	114 516
Special Operations	17 397	75 239	99 145	116 115	121 532	124 372	131 151
Peace Support Operations	-	-	-	-	-	200 000	200 000
UN Peace Mission in the DRC (MONUC II)	-	-	45 686	50 919	55 400	-	-
Protection Support Detachment in Burundi (FIBER)	-	-	118 173	330 275	162 069	-	-
UN Peace Mission in the DRC (MONUC III)	-	-	-	-	28 731	-	-
Conventional Operations	232 033	206 623	179 198	207 750	247 082	285 219	276 691
Total	269 354	369 393	540 736	832 068	721 960	716 897	722 358
Change to 2002 Budget Estimate				294 094	452 187	481 102	
Economic classification							
Current	269 354	369 393	540 736	832 068	721 960	716 897	722 358
Personnel	143 748	210 772	320 541	329 941	339 049	364 485	366 179
Transfer payments	-	-	-	-	-	-	-
Other current	125 606	158 621	220 195	502 127	382 911	352 412	356 179
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	269 354	369 393	540 736	832 068	721 960	716 897	722 358
Standard items of expenditure							
Personnel	143 748	210 772	320 541	329 941	339 049	364 485	366 179
Administrative	5 105	11 869	48 927	180 701	104 681	84 243	85 212
Inventories	70 533	70 912	29 109	118 452	53 537	43 243	44 269
Equipment	856	3 769	47 146	25 143	46 285	45 086	45 864
Land and buildings	-	79	-	-	-	-	-
Professional and special services	48 212	70 919	95 007	177 831	178 408	179 840	180 834
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	900	1 073	6	-	-	-	-
Total	269 354	369 393	540 736	832 068	721 960	716 897	722 358

Expenditure trends

Command and Control expenditure is projected to decrease by 13,2 per cent between 2002/03 and 2003/04, and consumes only 3,6 per cent of the total Vote in the latter year. This is because the deployment to Burundi in 2003/04 has not been funded for the entire year, also the main cause of the expected decreased spending between 2002/03 and 2003/04 on the standard items administrative expenditure (42,1 per cent) and inventories (54,8 per cent).

Staffing of the Regional Joint Task Force has been reduced. This is reflected in the decrease of 15,6 per cent from 2002/03 to 2003/04 in the *Command and Control* subprogramme. The increase of 22,6 per cent from 2001/02 to 2003/04 in *Special Operations* is due to the procurement of highly specialised equipment and ammunition, and the introduction of an incentive scheme for *Special Forces* operators. *Conventional Operations* increases by 10 per cent on average between 2002/03 and 2005/06 because an additional allocation has been received for increased internal deployment, for support to the SAPS in enforcing law and order within the country and at borderlines.

Service delivery objectives and indicators

Recent outputs

The SANDF met its ordered commitments to execute the Rural Safeguarding Plan and combat general crime in co-operation with the SAPS in the first nine months of 2002/03. Good operational results have been achieved. Landward-, Air-, Maritime- Defence and Military Health Support, supported by the Joint Support Division, participated in these operations as well as in operations to patrol borders and combat trans-national crime. Forces were provided to the missions in the DRC, Ethiopia and Eritrea, and Burundi; and observers and technicians were provided to the mission in the Comoros. The United Nations has expressed its satisfaction with the performance of the South African forces that have been deployed on UN missions.

Medium-term output targets

Command and Control

Measurable objective: To command and control all operations and joint and combined exercises undertaken by the Defence Force to meet defence needs.		
Subprogramme	Output	Measure/Indicator
Command and Control	Centralised command and control	Degree of achievement of directed operations Degree to which joint operations policy is useful
Special Operations	Combat ready and supported special forces	State of combat readiness Level of force preparedness
Peace Support Operations	Supported headquarters and special services capabilities	Degree of satisfaction with the performance of deployed forces Degree of compliance in terms of the Memorandum of Understanding
Conventional Operations	Military support to policing	Degree of adherence to timeframes Degree of satisfaction with services provided

Programme 9: Special Defence Account

The *Special Defence Account* programme provides for special defence activities and purchases, including procuring defence main equipment and strategic armaments, operating and maintaining defence main equipment, and financing sensitive defence activities.

Expenditure estimates

Table 22.11: Special Defence Account

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Procurement Services	1 601 423	1 505 934	1 394 338	1 071 407	1 357 927	1 759 832	1 856 778
Strategic Defence Procurement	–	2 899 200	4 223 384	6 475 900	6 889 034	6 564 744	7 837 685
Operating	160 064	305 230	172 299	211 313	546 042	559 137	639 332
Intelligence Related	79 852	32 920	40 054	49 612	50 658	52 093	52 853
Total	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648
Change to 2002 Budget Estimate				182 775	359 147	259 619	

Economic classification

Current	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648
Personnel	–	–	–	–	–	–	–
Transfer payments	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648
Other current	–	–	–	–	–	–	–
Capital	–	–	–	–	–	–	–
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
Total	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648

Standard items of expenditure

Personnel	–	–	–	–	–	–	–
Administrative	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–
Equipment	–	–	–	–	–	–	–
Land and buildings	–	–	–	–	–	–	–
Professional and special services	–	–	–	–	–	–	–
Transfer payments	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648
Miscellaneous	–	–	–	–	–	–	–
Total	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648

Transfer payments per subprogramme

Special Defence Account	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648
Total	1 841 339	4 743 284	5 830 075	7 808 232	8 843 661	8 935 806	10 386 648

Expenditure trends

Special Defence Account is by far the fastest growing programme between 1999/00 and 2005/06, with an average growth of 33,4 per cent per year. The programme is projected to spend 44,1 per cent of the total departmental budget in 2003/04. This is attributable to the strategic armaments procurement programme for which the total cost over the years 2000/01 to 2011/12 is projected to be approximately R52,9 billion. The table below reflects the annual cost projections.

Projected Costs in Relation to the Strategic Armaments Procurement Programme

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
R million	2 899	4 223	6 476	6 889	6 565	7 838	
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total
R million	5 800	4 386	3 499	1 606	1 378	1 385	52 944

There is no personnel expenditure associated with the *Special Defence Account* programme. It is a holding account for funding for equipment (including that which is subject to military specification), strategic armaments and sensitive military activities.

The increase of approximately R335 million in the Operating subprogramme between 2002/03 and 2003/04 relates to the fact that the Army will maintain its main equipment through the *Special Defence Account* programme from 2003/04. Procurement Services increases between 2002/03 and 2003/04, by 26,7 per cent, and this can be attributed to the additional allocation associated with buying the inter-continental aircraft and the four maritime helicopters.

Service delivery objectives and indicators

Recent outputs

Generally the Strategic Defence Procurement subprogramme performed according to planned commitments for April to December 2002. Contractual commitments regarding the 30 light utility helicopters and four corvettes have been delayed, but will be taken up within the next two financial years. The commitments on the non-strategic projects in Procurement Services are being completed in order to address the Army's urgent armament requirements.

Medium-term output targets

Special Defence Account

Measurable objective: To acquire and maintain appropriate defence equipment and activities to meet South Africa's defence needs.

Subprogramme	Output	Measure/Indicator
Procurement Services, Strategic Defence Procurement	Procurement of defence equipment	Degree of timely delivery of equipment according to specification
Operating	Maintenance of defence equipment	Degree of timely delivery of equipment according to specification
Intelligence Related	Defence intelligence products	Number of intelligence reports generated

Public entities reporting to the Minister

Castle Control Board

The Castle Control Board operates in accordance with the provisions of the Castle Management Act (207 of 1993). The objectives of the Board are to: preserve and protect the military and cultural heritage of the Castle, optimise its tourism potential, and maximise its accessibility to the public (the parts which are not used by the Department of Defence).

Since its inception, the Castle Control Board has received no direct contribution from any government department or agency. Its costs include those associated with the operation of the military museum in the Castle. Restoration and maintenance of the Castle is the responsibility of the Department of Public Works.

Armaments Corporation of South Africa

The primary function of the Armaments Corporation of South Africa (Armcor) is to acquire defence products and services for the SANDF and to co-manage, with the Department of Defence, the development of technologies for future weapon systems and products. Armcor also manages subsidiary companies, which directly support defence technology and acquisition strategies and the disposal of excess, forfeited, redundant or surplus defence material for the SANDF.

In support of its primary functions, Armscor's other functions include: providing tender board functions; a procurement secretariat; legal, financial, quality and asset management services; project security and arms control compliance assurance.

On 31 March 2002 the net value of the Armscor Group's assets was R350,3 million, slightly higher than the R336,9 million on 31 March 2001. Investments and cash form a substantial part of the assets, and are reserved to finance specific future obligations, such as the replacement of capital equipment, and marketing and promotion activities.

The Armscor Group has the following subsidiaries:

- The Institute for Maritime Technologies (Pty) Ltd aims to satisfy strategic needs for technomilitary maritime support, products and services, and to establish applicable technology and systems to further the interests of the SANDF.
- Alkantpan (Pty) Ltd offers an all-purpose weapons and ammunition test range, and compiles specifications and analyses test data.
- Protechnik Laboratories (Pty) Ltd conducts research and development in the field of chemical defence, such as in the protection of personnel working in chemically hazardous environments.
- Gennan Systems (Pty) Ltd supports decision makers in the acquisition, operation and phasing out of systems, by rendering engineering and management services.
- Defence Research Centre (Pty) Ltd provides advice to the defence industry on a strategic, operational and technical level.
- Armscor Business (Pty) Ltd is a full subsidiary of Armscor and the shareholder of the following companies:
 - Gerotek Test Facilities (Pty) Ltd is a global leader in vehicle testing and related services; like product testing and consultancy.
 - Hazmat Protective Systems (Pty) Ltd manufactures and markets protective equipment for use in chemical or biological warfare, including industrial respirators and breathing equipment.
 - Technology Exploitation Centre (Pty) Ltd is a newly established subsidiary managing the process of commercialising technologies.
 - Macro Freight (Pty) Ltd is a freight clearing and forwarding agent, specialising in the handling of dangerous goods.
 - Airborne Travel (Pty) Ltd is an in-house travel agent rendering all travel-related services.

Table 22.12: Summary of revenue and expenditure for the Armament Corporation of South Africa

	Revenue/Expenditure outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	329 200	326 300	456 300	630 900	755 100	818 200	896 000
Sale of capital assets	-	-	-	-	-	-	-
Transfers received	163 000	180 490	194 875	209 441	219 635	229 068	238 969
Total Revenue	492 200	506 790	651 175	840 341	974 735	1 047 268	1 134 969

2003 Estimates of National Expenditure

R thousand	Revenue/Expenditure outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
Expenditure							
Current expenditure	483 500	497 800	615 500	838 900	1 009 830	1 091 226	1 200 760
Compensation of employees	218 400	237 400	258 000	280 500	304 900	346 700	385 900
Goods and services	249 460	243 705	339 492	539 500	685 030	723 626	791 860
Transfer payments and subsidies	15 640	16 695	18 008	18 900	19 900	20 900	23 000
Other expenditure	-	-	-	-	-	-	-
Capital expenditure	12 300	14 400	22 300	7 700	13 870	17 074	17 940
Transfer payments	-	-	-	-	-	-	-
Fixed assets	12 300	14 400	22 300	7 700	13 870	17 074	17 940
Land and subsoil assets	-	-	-	-	-	-	-
Total Expenditure	495 800	512 200	637 800	846 600	1 023 700	1 108 300	1 218 700
Surplus/(Deficit)	(3 600)	(5 410)	13 375	(6 259)	(48 965)	(61 032)	(83 731)

Annexure

Vote 22: Defence

Table 22.13: Summary of expenditure trends and estimates per programme

Table 22.14: Summary of expenditure trends and estimates per economic classification

Table 22.15: Summary of expenditure trends and estimates per standard item

Table 22.16: Summary of personnel numbers and costs

Table 22.17: Summary of expenditure on training

Table 22.18: Summary of information and communications technology expenditure

Table 22.19: Summary of expenditure on infrastructure

Table 22.13: Summary of expenditure trends and estimates per programme

	Expenditure outcome				Preliminary outcome	Main appropriation	2002/03		Adjusted appropriation	Revised estimate	Medium-term expenditure estimate				
	Audited		Audited				Additional appropriation	Current			Capital	Total	2004/05		2005/06
	1999/00	2000/01	2000/01	2001/02									2003/04	2004/05	
1 Administration	535 107	463 552	531 781	538 377	47 043	585 420	585 420	585 420	585 420	660 317	688 474	723 297			
2 Landward Defence	3 058 058	2 898 451	3 285 102	3 269 585	66 204	3 335 789	3 335 789	3 335 789	3 335 789	3 188 407	3 300 712	3 547 980			
3 Air Defence	1 962 936	1 947 211	1 946 029	2 018 664	21 774	2 040 438	2 040 438	2 040 438	2 040 438	2 137 999	2 204 611	2 303 925			
4 Maritime Defence	844 986	881 859	902 341	979 668	(2 162)	977 506	977 506	977 506	977 506	1 050 875	1 084 090	1 091 644			
5 Military Health Support	928 996	971 952	1 036 819	1 144 939	14 196	1 159 135	1 159 135	1 159 135	1 159 135	1 254 189	1 304 409	1 376 888			
6 Defence Intelligence	148 228	127 088	138 585	149 184	(6 322)	142 862	142 862	142 862	142 862	153 479	165 129	176 180			
7 Joint Support	1 128 263	1 529 301	1 833 179	1 920 782	42 502	1 963 284	1 963 284	1 963 284	1 963 284	1 983 430	2 089 127	2 203 469			
8 Command and Control	269 354	369 393	540 736	745 724	86 344	832 068	832 068	832 068	832 068	721 960	716 897	722 358			
9 Special Defence Account	1 841 339	4 743 284	5 830 075	7 647 457	160 775	7 808 232	7 808 232	7 808 232	7 808 232	8 843 661	8 935 806	10 386 648			
Total	10 717 267	13 932 091	16 044 647	18 414 380	430 354	18 844 734	18 844 734	18 844 734	18 844 734	19 994 317	20 489 255	22 532 389			
Change to 2002 Budget Estimate						430 354	430 354	430 354	430 354	55 761	606 210	711 540			

Table 22.14: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Medium-term expenditure estimate					
	Audited		Preliminary outcome		Current	Capital	Total	2004/05	2005/06	
	1999/00	2000/01	2001/02	2002/03						2003/04
R thousand	10 677 841	13 899 833	15 973 821	18 360 764	428 944	18 789 708	18 789 708	19 994 317	20 422 342	22 462 186
Personnel	5 725 487	5 838 901	6 159 149	6 352 181	238 679	6 590 860	6 590 860	7 093 375	7 251 867	7 556 781
Salaries and wages	3 938 611	4 087 626	4 459 387	4 528 457	238 679	4 767 136	4 767 136	4 684 636	4 546 019	4 699 797
Other	1 786 876	1 751 275	1 699 762	1 823 724	-	1 823 724	1 823 724	2 408 739	2 705 848	2 856 984
Transfer payments	2 005 897	4 925 884	6 040 564	7 865 126	164 175	8 029 301	8 029 301	9 075 303	9 172 665	10 633 580
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-	-	-	-	-	-	-	-
social security funds	-	-	-	-	-	-	-	-	-	-
universities and technicians	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	2 005 897	4 925 884	6 040 564	7 865 126	160 775	8 025 901	8 025 901	9 071 703	9 172 665	10 633 580
provincial government	-	-	-	-	-	-	-	-	-	-
local government	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	3 400	3 400	3 400	3 600	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-
Other	2 946 457	3 135 048	3 774 108	4 143 457	26 090	4 169 547	4 169 547	3 825 639	3 997 810	4 271 825
Capital	39 426	32 258	70 826	53 616	1 410	55 026	55 026	55 761	66 913	70 203
Transfer payments	-	-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-	-	-	-	-	-	-	-
Movable capital	-	-	-	-	-	-	-	-	-	-
Motor vehicles (transport)	-	-	-	-	-	-	-	-	-	-
Equipment - Computers	-	-	-	-	-	-	-	-	-	-
Equipment - Other office equipment	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Fixed capital	39 426	32 258	70 826	53 616	1 410	55 026	55 026	55 761	66 913	70 203
Land	-	-	-	-	-	-	-	-	-	-
Buildings	39 426	32 258	70 826	53 616	1 410	55 026	55 026	55 761	66 913	70 203
Infrastructure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	10 717 267	13 932 091	16 044 647	18 414 380	430 354	18 844 734	18 844 734	19 994 317	20 489 255	22 532 389

Table 22.15: Summary of expenditure trends and estimates per standard item

	Expenditure outcome				Main appropriation			Additional appropriation			Adjusted appropriation			Revised estimate			Medium-term expenditure estimate		
	Audited		Preliminary outcome		Main appropriation			Additional appropriation			Adjusted appropriation			Revised estimate			Medium-term expenditure estimate		
	1999/00	2000/01	2001/02	2001/02	1999/00	2000/01	2001/02	2002/03	2002/03	2002/03	2003/04	2003/04	2003/04	2004/05	2004/05	2005/06	2003/04	2003/04	2005/06
R thousand																			
Personnel	5 725 487	5 838 901	6 159 149	6 159 149	6 352 181	6 352 181	238 679	6 590 860	6 590 860	6 590 860	6 590 860	6 590 860	6 590 860	6 590 860	6 590 860	6 590 860	7 093 375	7 093 375	7 556 781
Administrative	353 235	385 369	496 015	496 015	581 726	581 726	46 074	627 800	627 800	627 800	627 800	627 800	627 800	627 800	627 800	627 800	576 194	576 194	627 300
Inventories	709 116	729 801	885 744	885 744	1 079 836	1 079 836	(33 775)	1 046 061	1 046 061	1 046 061	1 046 061	1 046 061	1 046 061	1 046 061	1 046 061	1 046 061	959 428	959 428	1 041 010
Equipment	217 091	241 747	340 605	340 605	318 937	318 937	7 992	326 929	326 929	326 929	326 929	326 929	326 929	326 929	326 929	326 929	407 839	407 839	489 928
Land and buildings	2 146	2 065	5 186	5 186	5 882	5 882	-	5 882	5 882	5 882	5 882	5 882	5 882	5 882	5 882	5 882	12 314	12 314	11 672
Professional and special services	1 608 883	1 728 222	2 093 506	2 093 506	2 199 842	2 199 842	7 209	2 207 051	2 207 051	2 207 051	2 207 051	2 207 051	2 207 051	2 207 051	2 207 051	2 207 051	1 859 364	1 915 125	2 161 618
Transfer payments	2 005 897	4 925 884	6 040 564	6 040 564	7 865 126	7 865 126	164 175	8 029 301	8 029 301	8 029 301	8 029 301	8 029 301	8 029 301	8 029 301	8 029 301	8 029 301	9 075 303	9 075 303	10 633 580
Miscellaneous	95 412	80 102	23 878	23 878	10 850	10 850	-	10 850	10 850	10 850	10 850	10 850	10 850	10 850	10 850	10 850	10 500	10 500	10 500
Total	10 717 267	13 932 091	16 044 647	16 044 647	18 414 380	18 414 380	430 354	18 844 734	18 844 734	18 844 734	18 844 734	18 844 734	18 844 734	18 844 734	18 844 734	18 844 734	19 994 317	20 050 078	22 532 389

Table 22.16: Summary of personnel numbers and costs¹

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	2 660	1 876	2 174	3 505	3 476
2 Landward Defence	49 964	40 813	38 646	34 067	33 952
3 Air Defence	12 116	10 932	10 979	10 662	10 346
4 Maritime Defence	8 288	8 203	7 821	6 223	6 338
5 Military Health Support	8 114	8 114	7 739	7 136	6 862
6 Defence Intelligence	850	979	835	793	853
7 Joint Support	8 189	9 833	9 147	11 486	11 387
8 Command and Control	153	2 040	1 383	1 418	1 385
Total	90 334	82 790	78 724	75 290	74 599
Total personnel cost (R thousand)	5 725 487	5 838 901	6 159 149	6 590 860	7 093 375
Unit cost (R thousand)	63.4	70.5	78.2	87.5	95.1

¹ Full-time equivalent

Table 22.17: Summary of expenditure on training

R thousand	Expenditure outcome						Adjusted appropriation	Medium-term expenditure estimate		
	Audited		Preliminary outcome		2002/03	2003/04		2004/05	2005/06	
	1999/00	2000/01	2001/02	2002/03						
1 Administration	2 369	2 618	5 450	5 390	5 454	6 139	6 314			
2 Landward Defence	6 075	9 867	10 464	12 270	15 567	20 975	29 218			
3 Air Defence	10 900	11 366	24 451	21 434	18 828	26 676	27 632			
4 Maritime Defence	5 376	4 232	5 376	8 974	9 429	9 429	9 429			
5 Military Health Support	3 014	2 546	2 139	3 254	3 849	3 849	3 850			
6 Defence Intelligence	622	901	686	392	1 025	1 022	1 072			
7 Joint Support	3 458	9 464	6 321	4 155	3 661	3 988	4 197			
8 Command and Control	42	70	195	263	387	366	349			
Total	31 856	41 064	55 082	56 132	58 200	72 444	82 061			

Table 22.18: Summary of information and communications technology expenditure

R thousand	Expenditure outcome		Medium-term expenditure estimate			
	2001/02	Adjusted appropriation	2003/04	2004/05	2005/06	
1 Administration	8 477	12 438	8 915	8 363	12 268	
Technology	6 839	2 888	6 366	5 569	6 179	
IT services	1 638	9 550	2 549	2 794	6 089	
2 Landward Defence	68 383	36 659	24 942	43 929	37 108	
Technology	44 022	7 325	13 758	8 077	3 190	
IT services	24 361	29 334	11 184	35 852	33 918	
3 Air Defence	25 994	31 485	25 346	26 163	27 909	
Technology	2 617	5 615	3 317	3 029	3 143	
IT services	23 377	25 870	22 029	23 134	24 766	
4 Maritime Defence	5 323	7 904	10 837	6 660	5 407	
Technology	3 320	6 295	8 237	4 660	4 407	
IT services	2 003	1 609	2 600	2 000	1 000	
5 Military Health Support	3 571	2 399	1 145	1 145	1 145	
Technology	2 599	2 399	1 145	1 145	1 145	
IT services	972	-	-	-	-	
6 Defence Intelligence	5 225	4 000	5 304	5 536	5 695	
Technology	1 777	1 569	2 205	2 314	2 345	
IT services	3 448	2 431	3 099	3 222	3 350	
7 Joint Support	355 375	354 454	344 825	337 855	383 973	
Technology	11 409	5 393	42 880	42 580	48 926	
IT services	343 966	349 061	301 945	295 275	335 047	
8 Command and Control	5 504	4 020	3 717	3 736	3 781	
Technology	3 154	1 716	1 917	1 936	1 981	
IT services	2 350	2 304	1 800	1 800	1 800	
Total	477 852	453 359	425 031	433 387	477 286	

Table 22.19: Summary of expenditure on infrastructure

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			Long-term planning		
	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Projects											
R thousand											
Infrastructure programmes or large infrastructure projects	-	-	-	-	-	-	-	-	-	-	-
Small project groups	-	-	-	-	-	-	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-
Fixed installations transferred to households	-	-	-	-	-	-	-	-	-	-	-
Maintenance on infrastructure	39 426	32 258	70 826	55 026	55 761	66 913	70 203	74 064	78 138	82 435	
- Major maintenance and repair of facilities	39 426	32 258	70 826	55 026	55 761	66 913	70 203	74 064	78 138	82 435	
Total	39 426	32 258	70 826	55 026	55 761	66 913	70 203	74 064	78 138	82 435	

