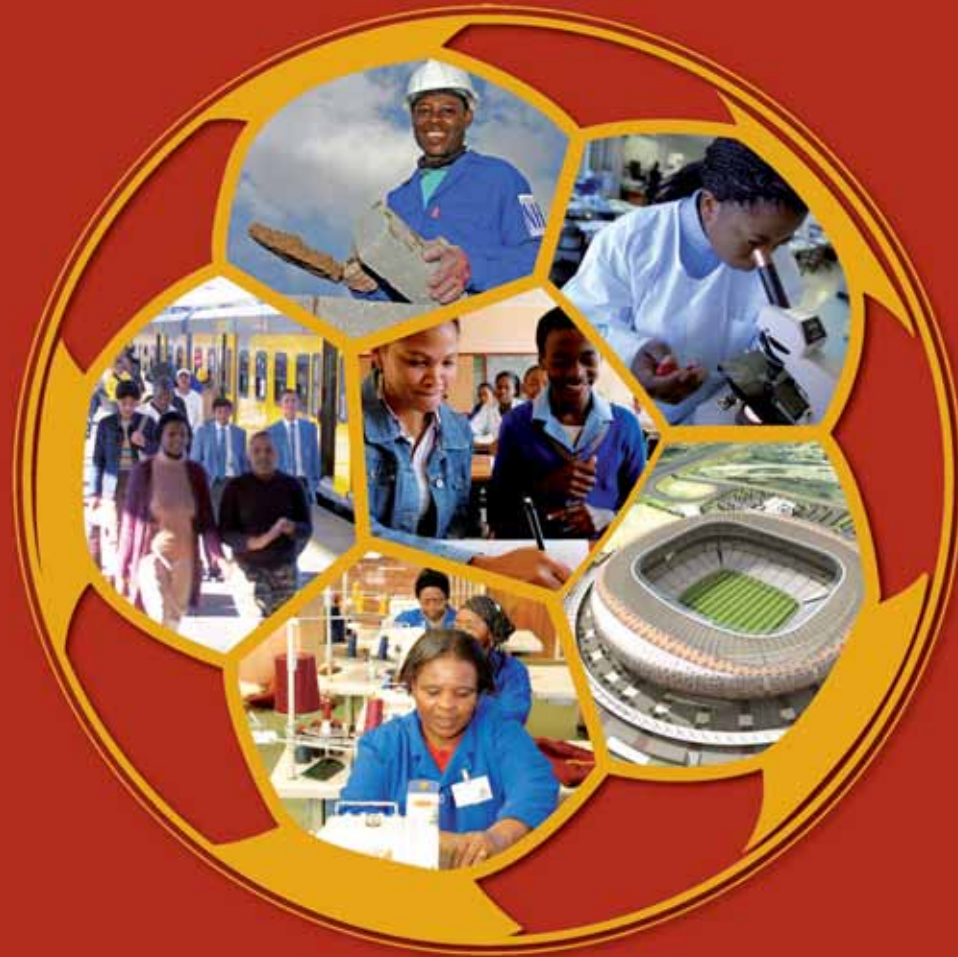


Vote 21

Defence and Military Veterans



Estimates of National Expenditure 2010



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2010

National Treasury

Republic of South Africa

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The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on www.treasury.gov.za

Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



Lesetja Kganyago

Director-General: National Treasury

Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

Newly created vote	Department/s from which all or some functions have been shifted
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget¹, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

National Treasury receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

Social Development's gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

Justice, crime prevention and security

Police is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

Correctional Services is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

Economic services and infrastructure

Human Settlements is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

Energy receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

Cooperative Governance and Traditional Affairs has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

Transport's R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

Overview of expenditure

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.

Summary tables

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

Table 4: Expenditure by economic classification

Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

Table 1. Main budget framework 2006/07 to 2012/13

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue (National Revenue Fund)							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
Total revenue	481 197.0	559 773.8	608 795.7	571 492.1	643 239.0	721 749.2	807 896.4
<i>Percentage of GDP</i>	<i>26.2%</i>	<i>26.9%</i>	<i>26.2%</i>	<i>23.3%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.5%</i>
Expenditure							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>
Current payments ¹	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets ¹	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	-
Contingency reserve	-	-	-	-	6 000.0	12 000.0	24 000.0
Total expenditure	470 192.5	541 495.7	636 063.5	748 816.5	818 142.9	888 337.6	964 313.8
<i>Percentage of GDP</i>	<i>25.6%</i>	<i>26.0%</i>	<i>27.4%</i>	<i>30.6%</i>	<i>30.3%</i>	<i>29.9%</i>	<i>29.3%</i>
Budget deficit²	11 004.5	18 278.1	-27 267.7	-177 324.3	-174 904.0	-166 588.4	-156 417.4
<i>Percentage of GDP</i>	<i>0.6%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-7.2%</i>	<i>-6.5%</i>	<i>-5.6%</i>	<i>-4.7%</i>
<i>GDP</i>	<i>1 833 191.0</i>	<i>2 081 626.0</i>	<i>2 320 117.0</i>	<i>2 449 857.9</i>	<i>2 699 888.0</i>	<i>2 967 560.3</i>	<i>3 295 748.7</i>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

Table 2. Additional allocation to national votes 2010/11 to 2012/13¹

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
Central Government Administration	1 882.8	3 072.3	7 510.5	12 465.6
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
Financial and Administrative Services	1 826.9	1 837.5	1 381.0	5 045.4
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
Social Services	5 143.8	8 479.1	13 507.1	27 130.0
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
Justice, Crime Prevention and Security	3 899.4	4 730.2	6 437.0	15 066.6
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
Economic Services and Infrastructure	4 296.7	5 684.4	8 184.8	18 166.0
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
Total	17 049.6	23 803.6	37 020.3	77 873.6

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3. Expenditure by national vote 2006/07 to 2012/13

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Central Government Administration				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
Financial and Administrative Services				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
Social Services				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
Justice, Crime Prevention and Security				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
Economic Services and Infrastructure				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
Total appropriation by vote	262 101.6	309 853.1	370 678.0	442 049.4
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	-	-	-	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
Total direct charges against the National Revenue Fund	208 090.9	231 642.6	265 385.4	313 473.5
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				Central Government Administration
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				Financial and Administrative Services
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				Social Services
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				Economic Services and Infrastructure
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
437 736.1	461 517.9	486 987.8	520 261.0	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
311 080.3	350 625.0	389 349.8	420 052.9	Total direct charges against the National Revenue Fund
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 4. Expenditure by economic classification 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Current payments				
Compensation of employees	49 574.2	56 243.2	64 973.4	76 392.8
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
Goods and services	28 335.8	32 354.3	38 587.4	44 065.4
Interest and rent on land	52 193.7	52 879.3	54 396.1	59 995.8
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
Total current payments	130 103.7	141 476.8	157 956.9	180 454.0
Transfers and subsidies to:				
Provinces and municipalities	205 438.3	243 233.9	289 397.3	345 879.0
Provinces	178 867.2	205 829.6	245 302.3	295 353.2
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
Municipalities	26 571.1	37 404.3	44 095.1	50 525.8
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
Departmental agencies and accounts	38 102.1	44 531.2	53 572.4	58 512.9
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
Universities and technikons	11 056.0	12 003.8	13 897.7	15 437.4
Foreign governments and international organisations	919.3	936.0	1 010.6	1 266.8
Public corporations and private enterprises	13 424.4	18 764.3	20 170.1	20 061.4
Public corporations	9 872.3	14 155.2	14 694.3	17 851.2
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
Private enterprises	3 552.1	4 609.0	5 475.8	2 210.2
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
Non-profit institutions	882.1	1 002.8	1 220.2	1 225.3
Households	62 862.9	70 551.4	79 084.5	91 029.5
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
Total transfers and subsidies	332 685.1	391 023.5	458 352.8	533 412.3
Payments for capital assets				
Buildings and other fixed structures	2 481.5	3 838.2	5 566.8	5 961.3
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
Machinery and equipment	3 322.8	3 210.7	2 965.0	2 741.0
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
Specialised military assets	-	-	-	27.6
Biological assets	0.7	11.2	2.7	1.1
Land and subsoil assets	31.5	27.4	49.0	-
Software and other intangible assets	231.4	95.5	197.4	167.4
Total payments for capital assets	6 067.8	7 182.9	8 780.8	8 898.3
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 758.3
Total	470 192.5	541 495.7	636 063.5	755 522.9
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
76 008.7	84 093.2	90 167.3	95 232.5	Current payments
				Compensation of employees
63 383.4	69 171.6	74 337.1	78 539.2	Salaries and wages
12 625.3	14 921.6	15 830.2	16 693.2	Social contributions
43 205.8	46 843.3	51 466.9	53 656.0	Goods and services
57 601.0	71 359.6	88 465.0	104 024.5	Interest and rent on land
57 600.2	71 358.7	88 464.1	104 023.5	Interest (including interest on finance leases)
0.8	0.8	0.9	1.0	Rent on land
176 815.6	202 296.0	230 099.3	252 913.0	Total current payments
				Transfers and subsidies to:
				Provinces and municipalities
345 167.9	381 726.9	417 237.3	442 587.4	Provinces
294 968.2	322 858.2	350 547.1	369 348.4	Provincial revenue funds
294 968.2	322 858.2	350 547.1	369 348.4	
50 199.7	58 868.7	66 690.2	73 239.0	Municipalities
50 199.7	58 868.7	66 690.2	73 239.0	Municipal bank accounts
57 114.3	58 456.5	65 123.0	68 388.7	Departmental agencies and accounts
12.7	11.6	12.4	13.0	Social security funds
57 101.6	58 445.0	65 110.6	68 375.7	Departmental agencies (non-business entities)
15 437.4	17 532.0	19 318.5	20 669.2	Universities and technikons
1 260.9	1 313.9	1 288.8	1 380.3	Foreign governments and international organisations
19 725.2	20 129.1	20 700.1	21 489.8	Public corporations and private enterprises
17 555.0	16 988.4	17 034.7	17 355.7	Public corporations
5 198.9	5 180.8	5 262.0	5 499.9	Subsidies on products or production
12 356.1	11 807.6	11 772.7	11 855.7	Other transfers to public corporations
2 170.1	3 140.7	3 665.4	4 134.1	Private enterprises
1 795.1	2 778.8	3 255.0	3 629.1	Subsidies on products or production
375.1	362.0	410.3	505.0	Other transfers to private enterprises
1 225.1	2 275.2	2 339.0	1 894.0	Non-profit institutions
90 622.4	98 234.2	108 805.0	117 648.6	Households
85 620.3	92 792.8	102 213.6	110 636.4	Social benefits
5 002.1	5 441.4	6 591.5	7 012.1	Other transfers to households
530 553.1	579 667.8	634 811.7	674 058.0	Total transfers and subsidies
				Payments for capital assets
5 862.9	5 994.9	7 237.3	9 660.6	Buildings and other fixed structures
4 743.8	4 537.4	4 836.4	6 935.7	Buildings
1 119.2	1 457.5	2 400.9	2 725.0	Other fixed structures
2 735.2	3 236.9	3 381.4	3 525.6	Machinery and equipment
1 467.8	1 352.7	1 474.3	1 690.0	Transport equipment
1 267.4	1 884.2	1 907.2	1 835.6	Other machinery and equipment
27.6	19.6	24.5	122.0	Specialised military assets
1.1	1.6	0.7	0.7	Biological assets
–	–	–	–	Land and subsoil assets
61.0	37.5	32.7	33.8	Software and other intangible assets
8 687.9	9 290.5	10 676.6	13 342.9	Total payments for capital assets
32 760.0	20 888.6	750.0	0.0	Payments for financial assets
748 816.5	812 142.9	876 337.6	940 313.8	Total
–	6 000.0	12 000.0	24 000.0	Contingency reserve
–	–	–	–	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹	
R million	2009/10	2010/11						
Central Government Administration								
1	The Presidency	609.6	343.0	371.9	12.2	-	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	-	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	-	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	-	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	-	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	-	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	-	97.8	33.8
Financial and Administrative Services								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	-	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	-	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	-	1 973.4	364.8
Social Services								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	-	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	-	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	-	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	-	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	-	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	-	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	-	1 245.6	-1 614.3
Justice, Crime Prevention and Security								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	-	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	-	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	-	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	-	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	-	52 556.4	6 146.7
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	-	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	-	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	-	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	-	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	-	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	-	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	-	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	-	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	-	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	-	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	-	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	-	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	-	7 996.6	534.2
Total	732 562.8	202 296.0	579 667.8	9 290.5	20 888.6	812 142.9	79 580.2	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a. Conditional grants to provinces 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	–	–	29.7	–	–	–	–	
6	Public Works	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
Financial and Administrative Services									
9	National Treasury	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
Social Services									
13	Arts and Culture	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	Basic Education	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	Health	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	Higher Education and Training	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	Sport and Recreation South Africa	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	Human Settlements	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	Rural Development and Land Reform	8.0	–	–	–	–	–	–	–
35	Trade and Industry	58.2	–	–	–	–	–	–	–
36	Transport	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
Total		29 621.6	34 775.9	43 506.6	58 475.4	58 090.4	61 884.5	69 858.4	74 568.4

1. Detail provided in the Division of Revenue Act (2010).

Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	Public Works	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
Financial and Administrative Services									
9	National Treasury	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
Social Services									
19	Sport and Recreation South Africa	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
Economic Services and Infrastructure									
28	Energy	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	Transport	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	Water Affairs	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
Total		8 443.1	16 645.0	18 477.3	19 316.2	18 990.1	21 111.1	24 169.1	26 994.8

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
Central Government Administration								
1	The Presidency	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	Parliament	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	Cooperative Governance and Traditional Affairs	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	Home Affairs	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	International Relations and Cooperation	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	Public Works	12.8	15.2	22.0	26.1	27.5	28.5	29.9
Financial and Administrative Services								
8	Government Communication and Information System	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	National Treasury	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	Public Enterprises	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	Public Service and Administration	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	Statistics South Africa	7.7	11.9	14.0	21.2	45.1	42.1	40.0
Social Services								
13	Arts and Culture	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	Basic Education	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	Health	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	Higher Education and Training	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	Labour	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	Social Development	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	Sport and Recreation South Africa	0.5	0.9	0.9	1.1	1.1	1.1	1.1
Justice, Crime Prevention and Security								
20	Correctional Services	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	Defence and Military Veterans	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	Independent Complaints Directorate	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	Justice and Constitutional Development	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	Police	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	Communications	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	Economic Development	-	-	-	-	0.1	0.2	0.2
28	Energy	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	Environmental Affairs	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	Human Settlements	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	Mineral Resources	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	Rural Development and Land Reform	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	Science and Technology	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	Tourism	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	Trade and Industry	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	Transport	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	Water Affairs	37.0	38.9	40.8	63.1	65.7	67.3	70.7
Total		1 223.1	1 424.2	1 604.9	1 616.8	2 016.3	2 133.7	2 237.8

Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
Financial and Administrative Services							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
Social Services							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
Justice, Crime Prevention and Security							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
Economic Services and Infrastructure							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
Total	24 304.4	41 988.0	47 205.2	54 408.3	61 099.7	68 813.1	76 057.9

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9. Personnel expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
Financial and Administrative Services									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
Social Services									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
Justice, Crime Prevention and Security									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
Total		49 574.2	56 243.2	64 973.4	76 392.8	76 008.7	84 093.2	90 167.3	95 232.5

Table 10. Departmental receipts per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
Financial and Administrative Services									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
Social Services									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
Justice, Crime Prevention and Security									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
Total departmental receipts as per Budget Review		10 843.3	12 692.6	12 616.2	9 825.0	8 982.6	10 380.3	11 483.2	12 379.4

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by the department for its operational requirements.

Transfers and subsidies are payments made by the department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2009 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2009 Budget estimate							

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

Personnel numbers refers to the physical number (head count) of people employed by the department.

Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

Unitary fee refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Project monitoring costs are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Revenue generated is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government components for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance on infrastructure refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all tables a dash (-) indicates that information is unavailable or zero.

Defence and Military Veterans

**National Treasury
Republic of South Africa**



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Vote 21

Defence and Military Veterans

Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	3 247 080	3 193 947	34 157	18 976	3 617 151	3 991 745
Force Employment	1 908 870	1 700 817	145 354	62 699	1 997 142	2 086 315
Landward Defence	9 982 892	7 409 334	2 519 184	54 374	10 431 224	11 062 075
Air Defence	6 059 126	3 713 777	2 287 687	57 662	7 910 491	8 361 920
Maritime Defence	2 179 822	1 706 479	421 194	52 149	2 320 015	2 574 214
Military Health Support	2 770 215	2 685 113	35 756	49 346	2 961 306	3 201 260
Defence Intelligence	631 149	226 642	401 060	3 447	665 961	698 899
General Support	3 936 179	2 462 892	985 755	487 532	4 028 066	4 410 091
Total expenditure estimates	30 715 333	23 099 001	6 830 147	786 185	33 931 356	36 386 519
Executive authority	Minister of Defence and Military Veterans					
Accounting officer	Secretary for Defence and Military Veterans					
Website address	www.dod.mil.za					

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

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.

The establishment of the Department of Military Veterans was proclaimed in Government Gazette number 32844, dated 28 December 2009. The department will be responsible for the overall management and administration of military veterans' affairs including, but not limited to, developing legislation, policy, programmes, benefits and services that facilitate the transition from active service to civilian life. Allocations of R20 million in 2010/11, R30 million in 2011/12 and R30 million in 2012/13 have been made for this department. These allocations are reflected in the *Human Resource Support Services* subprogramme under the *Administration* programme.

Programme purposes

Programme 1: Administration

Purpose: Develop policy, manage and administer the department.

Programme 2: Force Employment

Purpose: Provide and employ defence capabilities, including an operational capability to successfully conduct all operations as well as joint, interdepartmental and multinational military exercises.

Programme 3: Landward Defence

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

Programme 4: Air Defence

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

Programme 5: Maritime Defence

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

Programme 6: Military Health Support

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

Programme 7: Defence Intelligence

Purpose: Provide a defence intelligence and counter intelligence capability.

Programme 8: General Support

Purpose: Provide general support capabilities and services to the department.

Strategic overview: 2006/07 – 2012/13

The main objective of the Department of Defence and Military Veterans is to defend and protect South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. The Department of Defence and Military Veterans continues to provide support to the United Nations (UN) and African Union (AU) initiatives aimed at promoting peace, stability and security in Africa. It is foreseen that the South African National Defence Force's continued responsibility for borderline control may extend beyond July 2010, as is currently scheduled.

Strategic and operational priorities

To ensure a defence force that is capable of defending South Africa at any time, the department will give effect to the one force, core force and growth force concepts with an appropriate balance between regular members, reserve members, personnel appointed in terms of the Public Service Act (1994) and members from the military skills development system to rejuvenate both the regular and reserve forces. Over the medium term, 106 500 reserve members could be called up and through the military skills development system the department aims to equip 11 140 young South Africans annually with basic military skills.

Current peace support operations in Africa

Security, peace and stability in the region and the continent are promoted not only through peace support operations, but also through humanitarian assistance and disaster relief, and post-conflict reconstruction and training. The South African National Defence Force prepares capabilities, which include land, air, maritime and military health support, annually to support UN and AU peace support operations, by ensuring the deployment and support of an average of 2 102 members per day over the MTEF period. Current deployments are mainly in the Democratic Republic of the Congo and Sudan. The deployment in Burundi was terminated at the end of June 2009, with a small contingent remaining to see to the back loading of equipment to South Africa.

Internal deployment

For internal deployment, the South African National Defence Force is prepared to support government departments in five distinct operations over the MTEF period, in terms of border safeguarding, safety and security, disaster aid and relief, search and rescue and the 2010 FIFA World Cup.

Joint, interdepartmental and multinational exercises are critical for force readiness and 24 exercises are planned to take place over the MTEF period.

Focus over the short, medium and long term

In the short term (one year), the key defence policy is to prepare, maintain and employ current defence capabilities. Medium term objectives are to create an affordable and sustainable force structure and rightsize and rejuvenate its human resources. The long term focus (10 years), is on attaining the optimal level of competencies, technology and force structure to defend and protect South Africa and its territorial integrity.

Savings and cost effective service delivery

Over the period 2008/09 to 2012/13, the Department of Defence and Military Veterans' baseline has been reduced, with efficiency savings of R23.1 million in 2008/09, R499.6 million in 2009/10, R3.2 billion in 2010/11, R2.2 billion in 2011/12 and R2.1 billion in 2012/13, amounting to a total reduction of R8 billion over the 5-year period. Included in the total reduction is a saving of R4.5 billion due to the cancellation of the Airbus A400M aircraft contract.

Significant effort has been gone into implementing cost containment measures throughout the department without compromising existing, new and expanding frontline defence services. These include: limiting overseas visits and travel; limiting the replacement of sedan vehicles; limiting the transferring of personnel between geographical areas; reducing the procurement of books, pamphlets, newspapers and magazines; curtailing the procurement of office furniture; not renewing non-essential internet subscriptions; and reassessing the allocation for performance incentives.

Over the MTEF period, the baseline efficiency savings are focused on rephrasing and rescheduling armament acquisition to match a realistic acquisition plan. Efforts are also being made to save even further on administrative expenditure and the procurement of goods and services.

Selected performance indicators

Table 21.1 Defence and Military Veterans

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Total number of active reserves	Landward Defence	13 050	12 583	19 763	24 400	31 500	35 500	39 500
Number of external operations per year	Force Employment	14	11	9	12	12	12	12
Average number of personnel deployed daily in external operations	Force Employment	4 810	2 698	2 931	3 024	2 102	2 102	2 102
Number of internal operations in support of other government departments per year	Force Employment	3	3	6	5	5	4	4
Number of person days used during internal operations	Force Employment	-	515 516	231 608	156 381	515 516	208 609	208 609
Number of joint, interdepartmental and military exercises conducted per year	Force Employment	16	10	10	9	9	7	8

Table 21.1 Defence and Military Veterans (continued)

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of military skills development members in the system per year	Landward Defence	4 710	4 677	6 736	8 833	11 140	11 140	11 140
Number of flying hours in support of operations per year	Air Defence	9 788	12 271	11 099	9 500	9 500	9 500	9 500
Number of sea hours on patrol in South African maritime zones per year	Maritime Defence	9 949	9 648	8 236	11 000	10 000	9 000	9 000
Number of health care activities* per year	Military Health Support	-	-	-	2 400 000	2 400 000	2 400 000	2 400 000

*The performance indicator was changed to provide an overview of the South African Military Health Service performance in terms of the number of health care activities, which include health assessments and medical support services in the 88 geographic health care facilities, 3 military hospitals and the military health institutes as well as to national and international dignitaries and during internal and external operations.

Expenditure estimates

Table 21.2 Defence and Military Veterans

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
1. Administration	2 012 251	2 153 864	2 480 151	2 880 637	2 880 637	3 247 080	3 617 151	3 991 745
2. Force Employment	1 507 977	1 581 185	1 913 910	1 924 471	1 924 471	1 908 870	1 997 142	2 086 315
3. Landward Defence	6 422 398	7 128 036	7 487 170	8 909 095	8 909 095	9 982 892	10 431 224	11 062 075
4. Air Defence	7 261 703	7 314 782	8 018 779	9 056 428	8 056 428	6 059 126	7 910 491	8 361 920
5. Maritime Defence	2 643 090	2 396 650	1 837 191	2 011 314	2 011 314	2 179 822	2 320 015	2 574 214
6. Military Health Support	1 705 244	1 877 742	2 176 940	2 482 797	2 482 797	2 770 215	2 961 306	3 201 260
7. Defence Intelligence	353 566	461 066	506 752	599 564	599 564	631 149	665 961	698 899
8. General Support	1 911 355	2 266 788	3 380 393	3 460 950	3 460 950	3 936 179	4 028 066	4 410 091
Total	23 817 584	25 180 113	27 801 286	31 325 256	30 325 256	30 715 333	33 931 356	36 386 519
Change to 2009 Budget estimate				(699 128)	(1 699 128)	(1 673 971)	(487 268)	120 605
Economic classification								
Current payments	14 482 514	15 723 275	17 894 281	20 737 570	20 737 570	23 099 001	24 858 914	26 725 256
Compensation of employees	9 037 595	9 735 905	10 620 019	12 223 157	12 223 157	13 450 429	14 630 105	15 686 907
Goods and services	5 444 919	5 987 370	7 274 262	8 514 413	8 514 413	9 648 572	10 228 809	11 038 349
<i>of which:</i>								
Administrative fees	5 281	5 769	7 829	8 759	8 759	9 729	10 024	10 335
Advertising	3 502	3 738	7 922	5 369	5 369	6 931	7 237	9 119
Assets less than the capitalisation threshold	86 269	95 017	97 366	143 803	143 803	211 347	260 375	260 769
Audit cost: External	23 407	27 417	41 547	46 286	46 286	49 974	52 473	55 096
Communication	54 433	59 774	96 274	87 338	87 338	90 060	90 443	94 420
Computer services	537 399	610 725	782 602	948 177	948 177	971 439	1 037 167	1 080 841
Consultants and professional services: Business and advisory services	115 353	128 840	169 810	180 628	180 628	160 566	201 522	213 950
Consultants and professional services: Infrastructure and planning	12 972	14 090	4 804	28 029	28 029	35 290	38 660	40 192
Consultants and professional services: Laboratory services	11 726	13 236	9 350	18 666	18 666	4 676	5 547	15 392
Consultants and professional services: Legal costs	3 825	4 480	3 467	7 563	7 563	1 653	8 338	8 755

Table 21.2 Defence and Military Veterans (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Economic classification								
Current payments								
<i>Contractors</i>	2 090 154	2 295 190	2 405 898	3 181 770	3 181 770	3 844 024	4 109 900	4 552 693
<i>Agency and support / outsourced services</i>	220 522	243 148	311 457	300 038	300 038	352 342	374 300	392 303
<i>Entertainment</i>	11 365	12 445	6 377	20 549	20 549	7 975	8 383	8 626
<i>Inventory: Food and food supplies</i>	287 264	315 073	575 192	491 507	491 507	559 537	645 134	698 591
<i>Inventory: Fuel, oil and gas</i>	364 266	398 768	416 327	552 389	552 389	468 457	508 784	523 257
<i>Inventory: Learner and teacher support material</i>	8 778	9 664	–	13 960	13 960	–	–	–
<i>Inventory: Materials and supplies</i>	134 419	147 585	117 873	222 018	222 018	372 600	197 947	203 864
<i>Inventory: Medical supplies</i>	166 365	187 644	210 534	263 522	263 522	215 007	230 584	233 526
<i>Inventory: Military stores</i>	22 844	24 731	97 320	34 049	34 049	92 293	74 135	75 827
<i>Inventory: Other consumables</i>	85 224	93 887	134 941	134 929	134 929	178 671	183 396	187 885
<i>Inventory: Stationery and printing</i>	50 924	55 825	72 878	83 637	83 637	147 780	155 610	163 672
<i>Lease payments</i>	330 279	356 756	236 217	473 549	473 549	276 511	309 514	348 482
<i>Property payments</i>	301 424	317 146	359 352	456 728	456 728	505 533	576 338	656 413
<i>Travel and subsistence</i>	306 700	335 681	644 629	476 465	476 465	517 064	539 942	569 007
<i>Training and development</i>	90 017	98 842	100 388	139 127	139 127	168 506	187 710	198 844
<i>Operating expenditure</i>	101 002	110 898	349 279	158 323	158 323	371 259	384 963	402 827
<i>Venues and facilities</i>	19 205	21 001	14 629	37 235	37 235	29 348	30 383	33 663
Transfers and subsidies	8 882 837	8 926 890	8 833 120	9 844 874	8 844 874	6 830 147	8 616 545	8 815 707
Provinces and municipalities	3 967	36 710	13 806	–	–	–	–	–
Departmental agencies and accounts	8 288 458	8 243 440	8 096 608	9 075 021	8 075 021	5 968 570	7 748 545	7 927 523
Public corporations and private enterprises	396 286	473 826	565 754	603 608	603 608	721 184	735 632	768 475
Non-profit institutions	2 752	2 878	4 198	4 402	4 402	4 754	4 950	5 168
Payments for capital assets	434 276	497 719	998 879	742 812	742 812	786 185	455 897	845 556
Buildings and other fixed structures	49 173	93 357	476 527	451 981	451 981	484 268	171 563	252 846
Machinery and equipment	383 820	395 937	521 047	262 993	262 993	281 944	259 406	470 232
Specialised military assets	–	–	–	27 585	27 585	19 556	24 496	122 015
Biological assets	–	–	–	–	–	100	110	115
Software and other intangible assets	1 283	8 425	1 305	253	253	317	322	348
Payments for financial assets	17 957	32 229	75 006	–	–	–	–	–
Total	23 817 584	25 180 113	27 801 286	31 325 256	30 325 256	30 715 333	33 931 356	36 386 519

Expenditure trends

Between 2006/07 and 2009/10, defence expenditure increased from R23.8 billion to R31.3 billion, at an average annual rate of 9.6 per cent. Over the medium term, expenditure is expected to increase to R36.4 billion, at an average annual rate of 5.1 per cent. Savings from the cancellation of the A400M aircraft contract carry through during the medium term. The increase over the latter part of the MTEF period is due to: the salary adjustments for government employees, additional allocations for the South African Defence Force's new remuneration system, the military skills development system, landward defence modernisation and the establishment of an office for the management of military veterans affairs. The decrease in spending in the *Maritime Defence* programme in 2008/09 is due to the finalisation of the frigate and submarine strategic defence procurement projects.

Landward Defence becomes the dominant programme within the Department of Defence and Military Veterans over the MTEF period as a result of the cancellation of the A400M aircraft contract. The programme uses 30.5 per cent of the department's total budget. The *Air Defence* programme takes up 23.1 per cent, and the *General Support and Administration* programmes take up 12 and 10.3 per cent of the

total budget. Expenditure in the *Administration* programme is expected to increase by 12.7 per cent, 11.4 per cent and 10.4 per cent in each year of the medium term due to the inclusion of the defence office accommodation portfolio of R1.8 billion in 2010/11 in this programme. The increase in expenditure in the *General Support* programme is equally large due to the inclusion in the programme of the facilities maintenance and repair programme, the capital works programme, and the upgrade of the Air Force Base Waterkloof runway. The higher than average increases in spending in the *Landward Defence*, *Maritime Defence* and *Military Health Support* programmes over the MTEF period are due to the additional allocations received for landward defence renewal, provision for the replacement of operational ambulances, and initiating programmes to acquire a hydrographic vessel and off-shore patrol vessels.

Expenditure in compensation of employees of R13.4 billion or 43.8 per cent of the total budget in 2010/11 remains the largest expenditure item in the budget. Expenditure on goods and services, and transfer payments amount to 31.4 per cent and 22.2 per cent in 2010/11. These percentages remain relatively stable over the medium term. R28 million was spent on the use of consultants on large projects in 2008/09 and R24 million will be spent in 2009/10. These consultants were mostly used to assist the department with clearing up audit qualifications, completing organisation and work study reports, supporting the department's information warfare assistance programme, and completing the defence update and defence strategy for 2010.

The department's human resource strategy to rejuvenate the South African National Defence Force resulted in 25 811 youths participating in the youth initiative between 2003/04 and 2009/10. 7 450 are still serving in the military skills development system, 12 707 have translated to the regular force and 5 654 have separated from the department. Over the MTEF period, the department intends to grow the military skills development system further to aid youth development and rejuvenation by taking on 11 022 military skills development system members. Compensation of employees in the department's baseline increased by 9.6 per cent from 2006/07 (R100 million) to 2009/10 (R200 million) and is expected to increase further over the medium term to support the military skills development system. Further adjustments of R50 million in 2010/11, R70 million in 2011/12 and R100 million in 2012/13 are expected.

The department's establishment was 77 516 in 2006/07, 74 843 in 2007/08 and 74 594 in 2008/09. The establishment as at 30 September 2009 was 74 542. Over the MTEF period, funded posts are expected to be 78 094, 79 519 and 81 217.

The department's human resource budget increased from R9 billion in 2006/07 to R12.2 billion in 2009/10, at an average annual rate of 10.6 per cent. Over the medium term, it is expected to increase to R15.7 billion, at an average annual rate of 8.7 per cent due to salary increases and addition personnel.

The minister has appointed an interim national force defence service commission in 2009 to investigate, advise and make recommendations regarding the service conditions and service benefits of regular force members to attract and retain skills in the department. The department's new remuneration strategy, which aims to introduce a dispensation that will ensure fair, equitable and competitive remuneration structures for all South African National Defence Force members, has been approved. The 2010 Budget allocates R600 million, R730 million and R850 million over the medium term to implement the provisions of the new remuneration system.

Infrastructure spending

In 2008/09, the department continued to fund 36 capital works building projects. The bulk of the funds were spent on upgrading military health facilities, installing fire detection and protection systems, making structural changes to buildings to accommodate disabled members, upgrading kitchens, building an urban training facility, and improving security at different buildings throughout the country. In consultation with the national Department of Public Works, the department continues with the repair and maintenance programme at the military hospitals in Pretoria and Cape Town, the Air Force Base Waterkloof in Pretoria, 4 SA Infantry Battalion in Middelburg, and 35 Engineer Support Regiment in Dunnottar. Over the medium term, the programme is extended to eventually include the repair and maintenance of 33 bases and 52 capital works projects. Over the MTEF period, R908.6 million has been allocated to capital works projects and R2.3 billion to the repair and maintenance programme. The rebuilding of the runway at the Air Force Base Waterkloof progressed satisfactorily, with final expenditure of R350 million expected to take place in 2010/11.

Departmental receipts

Departmental receipts are mainly from the sale of redundant or obsolete equipment and defence matériel, the rental of accommodation to personnel, and board and lodging. The reason for the fluctuations in real departmental receipts, specifically financial transactions in assets and liabilities, is due to the unpredictable nature of reimbursements for peace support operations. Revenue collection projections are also hampered by the unpredictable nature of the potential buyers for South African National Defence Force equipment, and by international treaties, protocols and licence agreements. Between 2009/10 and 2012/13, revenue is expected to increase from R676.7 million to R756.9 million, at an average annual rate of 3.8 per cent.

Table 21.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts	492 792	551 855	629 390	676 749	676 749	702 466	729 158	756 867
Sales of goods and services produced by department	111 723	165 148	165 268	252 265	174 989	181 638	188 540	195 705
Sales of scrap, waste, arms and other used current goods	58 040	7 336	28 285	–	17 205	17 859	18 537	19 242
Transfers received	–	–	290 653	158 122	188 518	195 682	203 118	210 836
Fines, penalties and forfeits	2 272	1 157	1 058	2 547	3 483	3 615	3 753	3 895
Interest, dividends and rent on land	813	1 710	1 398	1 667	2 382	2 473	2 566	2 664
Sales of capital assets	5 749	128 913	122 066	19 285	50 755	52 684	54 686	56 764
Transactions in financial assets and liabilities	314 195	247 591	20 662	242 863	239 417	248 515	257 958	267 761
Total	492 792	551 855	629 390	676 749	676 749	702 466	729 158	756 867

Programme 1: Administration

Expenditure estimates

Table 21.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Minister ¹	887	938	1 019	1 725	1 816	1 916	2 012
Deputy Minister ¹	721	762	828	1 420	1 496	1 578	1 657
Ministerial Direction	14 967	15 717	19 128	16 885	17 155	20 482	21 792
Departmental Direction	13 941	16 350	16 235	24 840	26 096	27 292	28 460
Policy and Planning	114 700	100 650	58 836	77 905	88 383	91 255	95 697
Financial Services	165 875	179 644	186 339	227 095	237 021	253 458	265 308
Human Resources Support Services	482 177	414 564	498 759	516 294	588 454	636 560	663 057
Legal Services	81 539	86 166	110 825	137 630	152 120	158 041	164 988
Inspection Services	35 905	38 407	48 054	52 284	55 934	60 936	64 011
Acquisition Services	41 083	50 674	52 874	47 025	47 516	52 939	55 322
Communication Services	19 433	21 929	23 655	25 764	27 328	30 096	31 731
South African National Defence Force Command and Control	7 097	29 146	68 030	72 467	84 356	82 414	84 728
Religious Services	5 377	5 501	7 167	5 888	8 354	9 528	10 276
Defence Reserve Direction	9 877	7 779	10 204	13 451	14 489	15 735	16 581
Defence Foreign Relations	77 354	102 969	143 792	123 772	134 271	148 286	155 495
Office Accommodation	941 318	1 082 668	1 234 406	1 536 192	1 762 291	2 026 635	2 330 630
Total	2 012 251	2 153 864	2 480 151	2 880 637	3 247 080	3 617 151	3 991 745
Change to 2009 Budget estimate				19 847	104 952	111 931	184 905

¹ From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Table 21.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	1 949 076	2 079 028	2 400 404	2 835 823	3 193 947	3 569 064	3 948 698
Compensation of employees	703 946	773 737	851 734	952 964	1 074 228	1 155 784	1 213 556
Goods and services	1 245 130	1 305 291	1 548 670	1 882 859	2 119 719	2 413 280	2 735 142
<i>of which:</i>							
<i>Administrative fees</i>	3 315	3 475	6 133	4 949	5 737	5 831	5 930
<i>Advertising</i>	2 408	2 525	6 149	3 639	4 303	4 442	6 356
<i>Assets less than the capitalisation threshold</i>	3 824	4 009	7 270	5 753	7 335	6 755	6 777
<i>Communication</i>	8 150	8 543	8 814	11 690	11 823	12 252	12 622
<i>Computer services</i>	67 394	70 650	55 275	97 059	81 103	92 117	99 410
<i>Consultants and professional services: Business and advisory services</i>	15 484	16 232	21 519	24 433	17 757	17 286	20 914
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	658	6 579	–	–	–
<i>Contractors</i>	626 525	656 797	758 729	948 254	1 127 147	1 299 641	1 482 566
<i>Agency and support / outsourced services</i>	8 495	8 905	9 988	12 020	11 244	11 890	12 428
<i>Entertainment</i>	1 849	1 939	2 245	4 095	3 935	4 076	4 213
<i>Inventory: Food and food supplies</i>	7 962	8 347	10 805	12 026	15 610	16 458	16 963
<i>Inventory: Fuel, oil and gas</i>	6 155	6 452	6 415	9 294	11 326	13 129	12 965
<i>Inventory: Learner and teacher support material</i>	1 294	1 357	–	1 955	–	–	–
<i>Inventory: Materials and supplies</i>	1 012	1 061	169	1 529	1 423	1 484	1 604
<i>Inventory: Medical supplies</i>	5	6	8	9	1	1	1
<i>Inventory: Military stores</i>	206	216	–	311	1	–	–
<i>Inventory: Other consumables</i>	3 501	3 669	4 950	5 284	4 836	4 991	5 212
<i>Inventory: Stationery and printing</i>	8 164	8 559	9 184	12 322	12 673	12 871	13 419
<i>Lease payments</i>	136 292	142 877	199 991	204 610	228 762	263 628	301 268
<i>Property payments</i>	280 796	294 363	332 192	424 415	466 373	535 639	615 211
<i>Travel and subsistence</i>	41 783	43 802	77 450	62 038	69 519	71 314	76 732
<i>Training and development</i>	7 485	7 847	8 030	11 277	15 022	15 446	15 963
<i>Operating expenditure</i>	10 361	10 861	16 787	15 369	20 913	21 048	21 479
<i>Venues and facilities</i>	2 670	2 799	5 909	3 949	2 876	2 981	3 109
Transfers and subsidies	32 772	42 216	34 245	23 125	34 157	31 888	26 363
Provinces and municipalities	286	4 976	625	–	–	–	–
Departmental agencies and accounts	7 720	7 729	8 800	8 900	9 108	12 025	15 214
Non-profit institutions	2 500	–	3 886	4 002	4 174	4 370	4 588
Households	22 266	29 511	20 934	10 223	20 875	15 493	6 561
Payments for capital assets	18 767	25 708	34 447	21 689	18 976	16 199	16 684
Buildings and other fixed structures	–	–	30	–	–	–	–
Machinery and equipment	18 670	25 698	34 417	21 689	18 962	16 184	16 668
Software and other intangible assets	97	10	–	–	14	15	16
Payments for financial assets	11 636	6 912	11 055	–	–	–	–
Total	2 012 251	2 153 864	2 480 151	2 880 637	3 247 080	3 617 151	3 991 745

Table 21.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	286	4 976	625	-	-	-	-
Regional Services Council levies	286	4 976	625	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	7 720	7 729	8 800	8 900	9 108	12 025	15 214
Safety and Security Sector Education and Training Authority	7 720	7 729	8 800	8 900	9 108	12 025	15 214
Non-profit institutions							
Current	2 500	-	3 886	4 002	4 174	4 370	4 588
Reserve Force Council	2 500	-	3 886	4 002	4 174	4 370	4 588
Households							
Social benefits							
Current	22 266	29 511	20 934	10 223	20 875	15 493	6 561
Employee Social Benefit	22 266	29 511	20 934	10 223	20 875	15 493	6 561

Expenditure trends

Expenditure increased from R2 billion in 2006/07 to R4 billion in 2012/13, at an average annual rate of 12.1 per cent. The high percentage increase in this programme is the result of the *Office Accommodation* subprogramme, in which expenditure increases at an average annual rate of 14.9 per cent. This also explains the strong growth in goods and services at an average annual rate of 13.3 per cent over the MTEF period. Expenditure on consultants on large projects amounted to R7 million for 2008/09 and R4 million for 2009/10, most of which was used by the Defence Institute, which assisted the department with the defence update and the defence strategy 2030.

The increase of 14 per cent in expenditure in the *Human Resource Support Services* subprogramme in 2010/11 is due to additional allocations for the establishment of a management capability for military veterans' affairs, funding the activities of the interim national defence force service commission and funding the training of military skills development system members at the Military Academy. The additional allocations of R20 million in 2010/11, R30 million in 2011/12 and R30 million in 2012/13 for the Department of Military Veterans is hosted in the *Human Resource Support Services* subprogramme. The increase of 10.5 per cent in the *Legal Services* subprogramme in 2010/11 is due to the implementation of the occupational specific dispensation for legal practitioners. The *Policy and Planning* and *South African National Defence Force Command and Control* subprogrammes increases in 2010/11 are mainly due to provisions for members that will be retiring and staffing of structures, especially at the defence headquarters unit. The decrease of 11.1 per cent in 2009/10 and 1 per cent in 2010/11 in the *Acquisition Services* subprogramme is due to the migration of the 2 central procurement centres from the defence materiel division to the logistics division.

Programme 2: Force Employment

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces. Funding is based on the cost of operating a joint operations division headquarters.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters. Funding is distributed according to the cost of operating one operational and nine tactical headquarters.

- *Special Operations* provides and employs a special operations capability within the approved special forces mandate for the South African National Defence Force. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of special forces operations, force preparation exercises and training courses.
- *Regional Security* provides for the deployment of forces in support of South Africa's commitment to regional, continental and global security. Funding is distributed according to the number, size and duration of deployments, and systems and equipment operating and maintenance requirements.
- *Support to the People* provides for the internal deployment of forces in support of the South African Police Service and other government departments. Funding is distributed according to the number, size and duration of deployments, and systems and equipment operating and maintenance requirement.
- *Defence Capability Management* provides for the planning and control of joint, interdepartmental and multinational military force preparation exercises, the development of the joint force employment command and control plan and capability development management. Funding is distributed according to the needs for exercise control equipment for joint, interdepartmental and multinational military exercises and contractual obligations for the development of joint force employment command and control plans, and capability development.

Objectives and measures

- Provide and manage defence capabilities, including an operational capability, to conduct operations and joint, interdepartmental and multinational military exercises by:
 - providing and employing special operations capability in line with national requirements
 - conducting an average of 12 external peace missions per year in accordance with requirements to promote peace and security
 - conducting 21 joint, interdepartmental and multinational military force preparation exercises over the next 3 years (excluding Special Forces and multinational air transport exercises)
 - conducting an average of 4 missions per year in support of other government departments and complying with international obligations.

Service delivery focus

In 2008/09, approximately 2 900 members, including 255 reserves, were deployed daily in 6 peace support operations in the Democratic Republic of the Congo, Burundi, Ethiopia and Eritrea, Sudan, Uganda, Southern Sudan and Nepal, and to 3 general military assistance operations in the Democratic Republic of the Congo, the Central African Republic and Uganda. The UN Security Council extended the mandate of the UN peace building office in Burundi until 31 December 2009, resulting in South African forces being deployed longer than planned. In 2008/09, the Ugandan government was assisted with the demolition of 368 tons of unserviceable and redundant ammunition. In general, the shortage of specialist technical staff and support negatively affected operations in all the missions. To address this, the South African Army is currently training members in the Technical Services Corps, Ordnance Services Corps and the South African Catering Corps, and is recruiting members from within the army, thus creating the opportunity for a second career and also addressing the shortage of specialists.

In the first half of 2009/10, an average of 2 680 members per day, including reserves, were deployed to conduct regional security. The South African National Defence Force's involvement in Burundi was terminated at the end of June 2009; however, a small contingent will remain behind until all equipment is back loaded to South Africa. The AU mission in northern Uganda-Southern Sudan and the UN mission in Nepal were concluded in 2009. The assistance operation in the Central African Republic will terminate in February 2010.

An average of 195 South African National Defence Force members were deployed in the first half of 2009/10 in cooperation with the South African Police Service along the South Africa-Zimbabwe border. The South African National Defence Force played a major role in safety and security support during the 2009 FIFA Confederations Cup and is preparing to play a similar role during the 2010 FIFA World Cup. It

also successfully hosted and participated in the SADC exercise to test the intervention capability of the Southern Africa standby brigade at the South African Army Combat Training Centre in September 2009.

Nationally, 501 South African National Defence Force members were deployed during the 2009 elections in cooperation with the South African Police Service. Some of these members also acted as electoral officials for the Electoral Commission in Mpumalanga. The South African National Defence Force, in cooperation with the South African Police Service, participated in maintaining safety and security in anti-crime operations in KwaZulu-Natal in the run up to the 2009 elections.

From April to September 2009, successful internal search and rescue and disaster aid relief actions were executed in support of other government departments, including the search for a missing vessel in distress in East London, rescue and medical evacuation of civilians in mountains, rescuing seamen from a bulk carrier that ran aground, and supporting the National Sea Rescue Institute in Port Elizabeth. In 2008, the South African National Defence Force cooperated with the South African Police Service during specific events such as the SADC Heads of State Summit, and with combating attacks against foreign nationals.

Expenditure estimates

Table 21.5 Force Employment

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Strategic Direction	101 053	50 792	56 481	69 860	80 693	91 029	96 219
Operational Direction	99 079	160 203	143 962	186 699	217 530	232 044	247 156
Special Operations	321 188	343 536	373 223	410 759	446 575	471 002	505 384
Regional Security	135 355	29 111	1 092 187	219 826	1 031 195	1 087 920	1 133 522
United Nations Peace Mission in the Democratic Republic of the Congo	273 494	325 288	–	552 943	–	–	–
Protection Support Detachment in Burundi	202 701	223 293	–	–	–	–	–
Special Advice Team to the Democratic Republic of the Congo	–	–	–	12 897	–	–	–
Military Observers	1 101	1 613	–	–	–	–	–
African Union/United Nations Mission in Sudan	195 170	143 337	–	292 843	–	–	–
Support to the People	163 378	293 199	234 726	158 267	113 876	95 291	83 507
Defence Capability Management	15 458	10 813	13 331	20 377	19 001	19 856	20 527
Total	1 507 977	1 581 185	1 913 910	1 924 471	1 908 870	1 997 142	2 086 315
Change to 2009 Budget estimate				(6 824 800)	(7 593 697)	(7 991 675)	8 916
Economic classification							
Current payments	1 282 889	1 405 608	1 661 559	1 699 007	1 700 817	1 782 698	1 856 226
Compensation of employees	632 802	689 064	741 197	866 317	776 166	849 381	895 171
Goods and services	650 087	716 544	920 362	832 690	924 651	933 317	961 055
<i>of which:</i>							
<i>Administrative fees</i>	<i>122</i>	<i>134</i>	<i>204</i>	<i>163</i>	<i>163</i>	<i>173</i>	<i>184</i>
<i>Advertising</i>	<i>119</i>	<i>132</i>	<i>141</i>	<i>160</i>	<i>163</i>	<i>174</i>	<i>195</i>
<i>Assets less than the capitalisation threshold</i>	<i>9 561</i>	<i>10 538</i>	<i>9 197</i>	<i>12 822</i>	<i>20 787</i>	<i>21 279</i>	<i>22 622</i>
<i>Communication</i>	<i>9 462</i>	<i>10 430</i>	<i>13 833</i>	<i>12 688</i>	<i>11 608</i>	<i>10 050</i>	<i>10 718</i>
<i>Computer services</i>	<i>2 764</i>	<i>3 046</i>	<i>1 554</i>	<i>3 706</i>	<i>3 757</i>	<i>3 558</i>	<i>3 777</i>
<i>Consultants and professional services:</i>	<i>9 144</i>	<i>10 079</i>	<i>4 024</i>	<i>12 100</i>	<i>30</i>	<i>–</i>	<i>–</i>
<i>Business and advisory services</i>							
<i>Consultants and professional services: Infrastructure and planning</i>	<i>224</i>	<i>247</i>	<i>–</i>	<i>300</i>	<i>300</i>	<i>300</i>	<i>300</i>
<i>Consultants and professional services: Laboratory services</i>	<i>–</i>	<i>–</i>	<i>2</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>Contractors</i>	<i>247 878</i>	<i>273 218</i>	<i>141 977</i>	<i>280 750</i>	<i>358 446</i>	<i>345 811</i>	<i>334 495</i>

Table 21.5 Force Employment (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments							
<i>Agency and support / outsourced services</i>	4 167	4 593	7 000	5 588	6 681	7 045	7 476
<i>Entertainment</i>	123	136	831	258	314	299	315
<i>Inventory: Food and food supplies</i>	29 603	32 629	94 213	52 388	35 645	32 991	36 055
<i>Inventory: Fuel, oil and gas</i>	9 387	10 347	35 835	12 587	14 037	14 721	15 801
<i>Inventory: Learner and teacher support material</i>	289	318	–	387	–	–	–
<i>Inventory: Materials and supplies</i>	34 641	38 182	136 520	46 449	45 802	49 415	52 962
<i>Inventory: Medical supplies</i>	5 194	5 725	6 911	6 964	7 009	7 424	7 869
<i>Inventory: Military stores</i>	1 991	2 195	49 344	2 670	2 881	3 067	3 258
<i>Inventory: Other consumables</i>	9 272	10 219	11 429	12 433	15 548	16 686	19 636
<i>Inventory: Stationery and printing</i>	3 714	4 094	6 383	4 980	5 771	6 020	6 397
<i>Lease payments</i>	161 396	177 895	8 148	216 413	5 826	2 109	2 268
<i>Property payments</i>	923	1 017	182	1 237	1 053	492	522
<i>Travel and subsistence</i>	99 400	109 561	206 894	133 281	127 724	134 863	142 929
<i>Training and development</i>	4 604	5 075	1 918	6 174	10 791	11 454	12 213
<i>Operating expenditure</i>	5 516	6 082	183 447	7 399	249 391	264 398	280 007
<i>Venues and facilities</i>	591	652	375	793	924	988	1 056
Transfers and subsidies	148 888	120 613	160 235	170 644	145 354	149 057	159 820
Provinces and municipalities	112	1 339	595	–	–	–	–
Departmental agencies and accounts	139 424	111 779	152 090	156 811	129 354	131 687	142 762
Public corporations and private enterprises	–	–	–	–	3 975	4 373	4 819
Households	9 352	7 495	7 550	13 833	12 025	12 997	12 239
Payments for capital assets	76 157	54 933	60 616	54 820	62 699	65 387	70 269
Buildings and other fixed structures	–	1 781	657	1 130	12 574	12 970	13 538
Machinery and equipment	76 157	53 152	59 959	53 415	47 772	49 997	53 588
Specialised military assets	–	–	–	275	2 353	2 420	3 143
Payments for financial assets	43	31	31 500	–	–	–	–
Total	1 507 977	1 581 185	1 913 910	1 924 471	1 908 870	1 997 142	2 086 315
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	112	1 339	595	–	–	–	–
Regional Services Council levies	112	1 339	595	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	139 424	111 779	152 090	156 811	129 354	131 687	142 762
Special Defence Account	139 424	111 779	152 090	156 811	129 354	131 687	142 762
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	–	–	–	–	3 975	4 373	4 819
Armaments Corporation of South Africa	–	–	–	–	3 975	4 373	4 819
Households							
Social benefits							
Current	9 352	7 495	7 550	13 833	12 025	12 997	12 239
Employee Social Benefit	9 352	7 495	7 550	13 833	12 025	12 997	12 239

Expenditure trends

The *Force Employment* programme accounts for 6.2 per cent of the department's total expenditure. Expenditure in this programme increase from R1.5 billion in 2006/07 to R2.1 billion in 2012/13, at an average annual rate of 5.6 per cent. The increase of 16.5 per cent in 2010/11 in the *Operational Direction* subprogramme is due to the staffing of operational structures. The decrease of 6.8 per cent in the *Defence Capability Management* subprogramme from 2009/10 to 2010/11 is due to the non-recurrent expenditure in this subprogramme in 2009/10 for the Southern Africa standby brigade exercise.

Over the MTEF period, expenditure will focus on the strategic and operational direction for the programme. This includes: planning and control of joint, interdepartmental and multinational exercises; peace support operations; general military assistance and support to other government departments; and the provision of a special forces capability.

Programme 3: Landward Defence

- *Strategic Direction* directs, orchestrates and controls the South African Army in achieving its mission to provide prepared and supported landward capabilities for the defence and protection of South Africa. Funding is based on the cost of operating the landward defence headquarters and managing centralised funds for scarce commodities and specialist services.
- *Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised and airborne infantry units. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments, through training, preparing, exercising and supporting field and construction engineer units. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable successful planning and execution of operations, through training, preparing, exercising and supporting intelligence units. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Support Capability* provides first and second line support capabilities to units and bases and ensures support to deployed combat units through training, preparing, exercising and supporting of first and second line maintenance units and workshops. Funding is distributed according to the number and size of

units, systems and equipment operating and maintenance requirements, the number of force preparation exercises and training courses, and product systems requirements.

- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training and command and management training at the Training Depot (and decentralised units), the South African Army Gymnasium, the combat training centre and the South African Army College. Funding is distributed according to the number and size of units, equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments, through training, preparing, exercising and supporting signal units. Funding is distributed according to the number and size of units, systems and equipment operations and maintenance requirements, and the number of force preparation exercises and training courses.

Objectives and measures

- Defend and protect South Africa and its territory by:
 - providing 3 infantry battalions a year sustained for external deployment, 1 airborne battalion as Chief of the South African National Defence Reaction Force, 1 multi-role battalion for internal safety and security, 1 battalion in support of internal security operations, and 4 battalions involved in exercises
 - exercising 1 tank regiment and 1 armoured car regiment with 1 squadron for internal deployment per year
 - exercising 1 composite artillery regiment and 1 light (airborne) artillery battery, and having 1 light artillery battery in reserve and 1 battery for internal deployment per year
 - exercising 1 air defence artillery regiment and 1 light (airborne) air defence artillery battery, and having 1 light air defence artillery battery as part of the mobile capability and 1 battery for internal deployment per year
 - providing 3 sustained composite engineer squadrons for external deployment, 1 composite engineer squadron for internal reserve, and exercising 1 light (airborne) engineer squadron per year
 - providing 2 signal regiments per year for external deployment, internal reserve and involvement in exercises.

Service delivery focus

In 2008/09, the South African Army provided 4 199 members for peace support operations and 393 members were utilised internally in cooperation with the South African Police Service. Of the 4 199 members, 179 were instructors who provided post-conflict reconstruction training in the Democratic Republic of the Congo and the Central African Republic. The army qualified 17 685 learners (including 91 members from other defence forces) at its centres of excellence. 30 South African Army members were trained as hand to hand combat instructors for the 2009 military skills development system intake. 79 personnel deployed in terms of the Public Service Act (1994) from various South African army units underwent training, 366 members received adult based education and training and Grade 12 qualifications. 474 members were trained in writing unit standards, 18 on the design and development of standards, and 20 were qualified as education, training and development practitioners. 22 members qualified in basic explosive ordnance and 24 as chemical, biological and radiological instructors.

In the first half of 2009/10, the South African Army provided 2 781 members for external deployments in Sudan, Burundi, Uganda and 1 580 members for internal deployments in cooperation with the South African Police Service, and trained and qualified 6 115 members (including 63 members from other defence forces) during the presentation of 205 courses at the South African Army centres of excellence. South African Army units also provided 366 members with adult basic education and training, including the massified induction programme. 304 members underwent training as part of the Department of Defence and Military Veterans works regiment. About 2 439 South African Army members participated in exercise Golfinho. As part of the

technology renewal initiative, phases 1 and 2 of the local area network and wide area network upgrade have been completed in 7 South African Army units, including army headquarters.

In 2009, the South African Army provided language courses in Portuguese, French and Kiswahili to members deployed externally and to those who participated in the Southern Africa standby brigade exercise. The South African Army successfully conducted the Seboka and Young Eagle (airborne) exercises for military skills development in February, October and November 2009, and interdepartmental exercises Shield 1, 2 and 4 in preparation for the 2009 FIFA Confederations Cup and the 2010 FIFA World Cup. In accordance with the bilateral agreement between South Africa and the Central African Republic, 13 courses were presented from January to November 2009, 5 training teams and 113 trainers were provided and 28 Central African Republic members attended formal courses at South African Army training institutions.

Expenditure estimates

Table 21.6 Landward Defence

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Strategic Direction	122 043	178 755	258 889	829 423	342 810	379 561	362 590
Infantry Capability	2 066 129	2 230 134	2 508 655	2 860 343	3 042 193	3 252 658	3 267 162
Armour Capability	371 593	348 110	230 312	241 307	249 851	259 560	275 742
Artillery Capability	528 259	485 626	343 818	308 232	273 461	382 758	405 781
Air Defence Artillery Capability	219 076	262 401	303 838	384 509	633 524	408 963	366 609
Engineering Capability	211 862	243 723	284 945	327 030	436 852	449 674	480 214
Operational Intelligence	79 730	133 463	196 952	281 413	241 190	175 253	181 373
Command and Control Capability	75 582	78 131	86 682	97 622	111 753	118 210	125 052
Support Capability	2 120 127	2 492 263	2 525 106	2 776 348	3 666 201	4 041 436	4 596 349
General Training Capability	154 024	177 759	219 504	263 496	325 397	340 942	362 718
Signal Capability	473 973	497 671	528 469	539 372	659 660	622 209	638 485
Total	6 422 398	7 128 036	7 487 170	8 909 095	9 982 892	10 431 224	11 062 075
Change to 2009 Budget estimate				(1 362 912)	1 097 744	1 028 871	573 817
Economic classification							
Current payments	4 664 415	4 951 873	5 316 588	6 498 766	7 409 334	7 833 424	8 429 863
Compensation of employees	3 898 292	4 113 039	4 253 569	5 113 020	5 674 660	6 074 900	6 597 826
Goods and services	766 123	838 834	1 063 019	1 385 746	1 734 674	1 758 524	1 832 037
<i>of which:</i>							
<i>Administrative fees</i>	–	–	20	–	–	–	–
<i>Advertising</i>	153	168	473	287	701	908	730
<i>Assets less than the capitalisation threshold</i>	34 755	38 054	27 708	65 000	114 321	159 378	139 218
<i>Communication</i>	11 951	13 085	34 909	22 352	25 011	26 117	27 155
<i>Computer services</i>	49 381	54 067	88 524	92 359	99 639	100 969	107 225
<i>Consultants and professional services: Business and advisory services</i>	8 281	9 067	10 028	15 489	23 328	25 040	24 923
<i>Consultants and professional services: Infrastructure and planning</i>	6 403	7 010	716	11 975	16 173	18 830	21 057
<i>Contractors</i>	162 458	177 877	148 125	303 851	245 810	284 092	294 179
<i>Agency and support / outsourced services</i>	22 797	24 961	20 517	7 627	24 670	28 214	28 227
<i>Entertainment</i>	8 107	8 876	1 647	15 322	2 424	2 585	2 533
<i>Inventory: Food and food supplies</i>	140 265	153 576	297 135	262 343	332 464	440 333	499 345
<i>Inventory: Fuel, oil and gas</i>	74 687	81 775	114 286	139 684	159 041	160 031	170 456
<i>Inventory: Learner and teacher support material</i>	944	1 033	–	1 765	–	–	–
<i>Inventory: Materials and supplies</i>	62 208	68 112	32 894	116 351	276 675	94 463	93 181

Table 21.6 Landward Defence (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments							
<i>Inventory: Medical supplies</i>	24	26	228	45	481	528	567
<i>Inventory: Military stores</i>	2 406	2 634	8 735	4 500	44 000	23 000	23 000
<i>Inventory: Other consumables</i>	16 391	17 950	23 956	30 658	61 031	59 298	60 710
<i>Inventory: Stationery and printing</i>	16 202	17 740	20 488	30 298	30 051	31 681	32 820
<i>Lease payments</i>	6 089	6 667	6 934	11 388	11 074	11 380	11 682
<i>Property payments</i>	2 351	2 574	3 303	4 397	6 343	6 865	7 019
<i>Travel and subsistence</i>	71 175	77 930	161 269	132 911	152 474	156 827	161 172
<i>Training and development</i>	38 035	41 645	35 845	54 622	68 378	85 477	83 355
<i>Operating expenditure</i>	21 681	23 738	24 126	40 550	24 010	24 607	25 045
<i>Venues and facilities</i>	9 379	10 269	1 153	21 972	16 575	17 901	18 438
Transfers and subsidies	1 689 277	2 125 278	2 077 093	2 372 764	2 519 184	2 536 744	2 371 359
Provinces and municipalities	1 535	11 576	6 093	-	-	-	-
Departmental agencies and accounts	1 643 710	2 065 911	2 018 299	2 286 917	2 438 966	2 453 685	2 288 653
Public corporations and private enterprises	-	-	-	-	39 000	41 753	41 753
Households	44 032	47 791	52 701	85 847	41 218	41 306	40 953
Payments for capital assets	64 533	47 436	83 818	37 565	54 374	61 056	260 853
Buildings and other fixed structures	-	-	-	-	67	-	50
Machinery and equipment	64 509	47 430	83 592	36 565	54 210	61 022	260 772
Specialised military assets	-	-	-	1 000	51	14	11
Software and other intangible assets	24	6	226	-	46	20	20
Payments for financial assets	4 173	3 449	9 671	-	-	-	-
Total	6 422 398	7 128 036	7 487 170	8 909 095	9 982 892	10 431 224	11 062 075
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	1 535	11 576	6 093	-	-	-	-
Regional Services Council levies	1 535	11 576	6 093	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1 643 710	2 065 911	2 018 299	2 286 917	2 438 966	2 453 685	2 288 653
Special Defence Account	1 643 710	2 065 911	2 018 299	2 286 917	2 438 966	2 453 685	2 288 653
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	-	-	-	-	39 000	41 753	41 753
Armaments Corporation of South Africa	-	-	-	-	39 000	41 753	41 753
Households							
Social benefits							
Current	44 032	47 791	52 701	85 847	41 218	41 306	40 953
Employee Social Benefit	44 032	47 791	52 701	85 847	41 218	41 306	40 953

Expenditure trends

The 11.5 per cent increase in the programme from 2006/07 to 2009/10 is due to additional allocations for the implementation of the military skills development system, the procurement of critical ammunition, the

maintenance and repair of operational vehicles, the rejuvenation of the conventional reserves and the establishment of a works regiment.

The *Landward Defence* programme accounts for 29.2 per cent of the department's total expenditure, in which expenditure increases from R6.4 billion in 2006/07 to R11.1 billion in 2012/13, at an average annual rate of 9.5 per cent. This is mainly due to additional funding for: increases in the military skills development system intake; increased maintenance requirements of the South African Army's ageing operational vehicle fleet; initiation of landward defence equipment renewal projects; and the procurement of critical ammunition. Expenditure on consultants on large projects amounted to R5 million in 2008/09 and R6 million in 2009/10. Consultants were used mostly to complete organisation and work study reports required for organisational restructuring, and for advice with regard to business architecture and business renewal services.

The decrease of 58.7 per cent in expenditure in the *Strategic Direction* subprogramme and the increase of 32.1 per cent in spending in the *Support Capability* subprogramme in 2010/11 are due to the procurement of centralised or depot items such as rations, fuel, vehicle spares, ammunition and furniture through the *Support Capability* subprogramme.

The 64.8 per cent increase in expenditure in the *Air Defence Artillery Capability* subprogramme in 2010/11 is due to the delivery milestones of the shoulder launched air defence artillery system and mobile ground to air missile system programmes. The 33.6 per cent increase in expenditure in the *Engineering Capability* subprogramme in 2010/11 is due to the establishment of 3 additional squadrons, namely a light airborne engineering squadron, a maintenance squadron and a construction squadron. The 22.3 per cent increase in spending in the *Signal Capability* subprogramme in 2010/11 and 5.7 per cent decrease thereafter is due to the finalisation of the installation of the communication system on the rooikat armoured car and ratel infantry combat vehicle.

Over the MTEF period, spending will focus on providing forces for internal and external deployments according to government requirements. The South African Army will continue to prepare its forces to comply with military strategic objectives and facilitate individual formal training to ensure career progress. Assets will be maintained and managed within budget to support deployments and force preparation. The South African Army will renew its capabilities according to government imperatives and national strategic objectives.

Programme 4: Air Defence

- *Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans via the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force. Funding is based on the cost of operating the air defence headquarters.
- *Operational Direction* provides operational direction to the programme by means of an air command. Funding is based on the cost of operating the air command.
- *Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters, crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Transport and Maritime Capability* provides and sustains operationally ready transport and maritime aircraft, crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Air Combat Capability* provides and sustains operationally ready advanced light fighter aircraft, crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.

- *Operational Support and Intelligence Capability* prepares, develops, provides and supports protection support, intelligence systems and counter intelligence support to the South African Air Force through protection squadrons, intelligence subsystems and air force unique intelligence training. Funding is distributed according to the number and size of squadrons, systems and equipment operating and maintenance requirements, and training courses.
- *Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and of force preparation exercises and training courses.
- *Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including maintenance of all relevant systems and personnel, to support flying operations. Funding is distributed according to the number and size of air force bases and units, systems and equipment operating and maintenance requirements, and the number of training courses.
- *Command Post* renders command and control over all missions flown. Funding is distributed according to the number and size of command posts and deployments, and readiness and aircraft chartering requirements.
- *Training Capability* provides for the general education, training and development of South African Air Force personnel. Funding is distributed according to the number and size of units, systems and equipment operations and maintenance requirements, and the number of force preparation exercises and training courses.
- *Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistic support capabilities to provide support to system groups and manages air service units. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and contracted human resources and product system requirements.

Objectives and measures

- Defend and protect South Africa and its airspace by providing:
 - 4 helicopter squadrons and 1 combat support squadron per year
 - 3 medium transport squadrons (including one VIP squadron), 1 maritime and transport squadron, 1 light transport squadron and 9 reserve squadrons at the required readiness levels per year
 - 1 air combat squadron per year
 - a 24-hour air command and control capability.

Service delivery focus

In 2008/09, 35 241 flying hours were recorded, of which 11 099 were force employment hours in support of operations. These operations included cooperation with the South African Police Service for border control and after the attacks on foreign nationals in 2008. In the same year, humanitarian operations involved fire fighting operations in 5 provinces and search and rescue flights were conducted for missing aircraft. In November 2008, the South African Air Force assisted with flood relief in Western Cape, evacuating 62 persons and delivering 2 tons of relief aid. In 2009, flights were conducted in Eastern Cape to assist local municipalities with drought relief. In 2009, 1 213 hours of external support flights to the Democratic Republic of the Congo, Burundi, Sudan and the Central African Republic took place. In 2008/09, helicopters were deployed at Kamina in the Democratic Republic of the Congo (435 hours) and 110 protection service personnel were deployed to Burundi in support of government initiatives. South African Air Force reserves generated 15.2 per cent of the force employment flying hours, in support of the South African National Defence Force's one force core growth strategy. South African Air Force support for government initiatives included local and international exercises with the South African Army, the South African Navy, the South African Police Service, the Singaporean Defence Force, the navies of Brazil, Argentina, Uruguay, the United States, and the Namibian Air Force, and provided casualty evacuation standby services for the British Army held at the South African Army Combat Training Centre at Lohatla. The South African Air Force hosted the 2008 Africa aerospace and defence exhibition in Cape Town.

In the first half of 2009/10, the South African Air Force's commitments to the 2009 FIFA Confederations Cup were honoured, offering an opportunity for it to gain experience in preparation for the 2010 FIFA World Cup. Aircraft flew a total of 459 hours, 3 interceptions were done by Hawk and Astra aircraft to permit civilian aircraft to fly within the designated airspace, 18 106 authorisations were requested and 5 381 pilots were screened. In preparation for the 2010 FIFA World Cup, the South African Air Force scheduled 6 air defence exercises at different venues between July 2008 and April 2010. The fourth in this series was conducted in Nelspruit in August 2009 and 2 more are planned. In April 2009, the South African Air Force assisted the Electoral Commission by flying personnel and ballot papers to election sites during elections. Humanitarian operations included medical and casualty evacuation flights, fire fighting operations, and search and rescue flights, including the rescue of 20 civilians off a bulk carrier in July 2009. The South African Air Force participated in the Southern Africa standby brigade exercise held in the Lohatla and Walvis Bay areas in September 2009.

Expenditure estimates

Table 21.7 Air Defence

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Strategic Direction	12 467	11 667	12 544	15 250	15 622	18 840	17 760
Operational Direction	139 692	169 527	170 737	73 369	90 826	92 438	106 814
Helicopter Capability	1 490 673	1 232 116	1 166 509	824 009	928 315	840 091	740 366
Transport and Maritime Capability	715 763	851 677	1 723 912	2 664 355	438 799	1 455 603	1 944 794
Air Combat Capability	3 085 400	3 133 659	2 919 927	3 032 753	1 756 455	2 338 046	2 607 312
Operational Support and Intelligence Capability	121 632	143 421	146 123	213 272	211 759	304 249	287 307
Command and Control Capability	191 637	200 067	203 020	210 767	258 449	302 418	257 183
Base Support Capability	779 802	783 237	926 094	1 100 678	1 163 782	1 245 807	1 308 263
Command Post	65 360	32 068	41 748	31 078	39 973	44 396	46 454
Training Capability	200 343	237 675	258 597	392 387	552 139	661 929	406 780
Technical Support Services	458 934	519 668	449 568	498 510	603 007	606 674	638 887
Total	7 261 703	7 314 782	8 018 779	9 056 428	6 059 126	7 910 491	8 361 920
Change to 2009 Budget estimate				7 088 144	3 956 885	5 765 388	(1 510 551)
Economic classification							
Current payments	2 448 824	2 690 282	3 009 911	3 406 928	3 713 777	3 957 744	4 155 168
Compensation of employees	1 375 982	1 502 345	1 636 799	1 825 427	2 035 852	2 227 841	2 360 536
Goods and services	1 072 842	1 187 937	1 373 112	1 581 501	1 677 925	1 729 903	1 794 632
<i>of which:</i>							
Advertising	425	470	551	624	842	998	1 104
Assets less than the capitalisation threshold	10 871	12 037	16 421	15 982	18 925	16 333	19 545
Audit cost: External	3	3	-	4	-	-	-
Communication	5 331	5 903	6 206	7 838	7 344	7 764	8 217
Computer services	33 621	37 228	19 367	49 433	40 742	35 577	32 805
Consultants and professional services: Business and advisory services	28 151	31 171	44 715	41 390	30 515	37 501	40 456
Consultants and professional services: Infrastructure and planning	1 663	1 841	1 133	2 445	4 221	4 607	5 032
Contractors	468 061	518 274	669 746	688 179	814 354	841 840	860 945
Agency and support / outsourced services	149 402	165 430	186 551	219 663	249 051	261 810	275 274
Entertainment	124	138	1 048	298	315	390	487
Inventory: Food and food supplies	43 862	48 567	49 576	64 489	50 952	29 911	13 594
Inventory: Fuel, oil and gas	161 554	178 886	143 025	241 206	164 428	185 958	205 552
Inventory: Learner and teacher support material	4 550	5 038	-	6 690	-	-	-
Inventory: Materials and supplies	12 170	13 476	(73 397)	17 894	18 776	20 105	21 378
Inventory: Medical supplies	1	1	59	2	77	42	44
Inventory: Military stores	5 197	5 755	29 587	7 642	19 808	21 612	22 872

Table 21.7 Air Defence (continued)

R thousand	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	appropriation	2010/11	2011/12	2012/13
Economic classification							
Current payments							
<i>Inventory: Other consumables</i>	19 842	21 971	39 137	29 173	39 867	42 899	44 359
<i>Inventory: Stationery and printing</i>	8 185	9 063	9 110	12 034	71 770	75 869	80 173
<i>Lease payments</i>	12 776	14 147	4 436	19 117	8 112	8 945	9 340
<i>Property payments</i>	1 541	1 706	1 871	2 266	2 203	2 292	2 402
<i>Travel and subsistence</i>	36 066	39 936	103 505	53 028	54 032	57 223	61 636
<i>Training and development</i>	22 277	24 667	32 203	32 753	34 503	34 440	45 039
<i>Operating expenditure</i>	46 689	51 698	87 603	68 646	46 445	43 102	43 647
<i>Venues and facilities</i>	480	531	659	705	643	685	731
Transfers and subsidies	4 767 226	4 567 936	4 955 689	5 628 595	2 287 687	3 927 368	4 180 951
Provinces and municipalities	597	6 251	1 829	-	-	-	-
Departmental agencies and accounts	4 729 585	4 537 887	4 924 012	5 614 511	2 272 161	3 916 235	4 173 072
Public corporations and private enterprises	-	-	-	-	2 090	-	-
Households	37 044	23 798	29 848	14 084	13 436	11 133	7 879
Payments for capital assets	44 189	56 324	52 451	20 905	57 662	25 379	25 801
Buildings and other fixed structures	-	-	93	-	-	-	-
Machinery and equipment	43 801	55 664	52 127	15 661	53 108	20 638	23 347
Specialised military assets	-	-	-	5 244	4 554	4 741	2 454
Software and other intangible assets	388	660	231	-	-	-	-
Payments for financial assets	1 464	240	728	-	-	-	-
Total	7 261 703	7 314 782	8 018 779	9 056 428	6 059 126	7 910 491	8 361 920
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	597	6 251	1 829	-	-	-	-
Regional Services Council levies	597	6 251	1 829	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	4 729 585	4 537 887	4 924 012	5 614 511	2 272 161	3 916 235	4 173 072
Special Defence Account	4 729 585	4 537 887	4 924 012	5 614 511	2 272 161	3 916 235	4 173 072
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	-	-	-	-	2 090	-	-
Armaments Corporation of South Africa	-	-	-	-	2 090	-	-
Households							
Social benefits							
Current	37 044	23 798	29 848	14 084	13 436	11 133	7 879
Employee Social Benefit	37 044	23 798	29 848	14 084	13 436	11 133	7 879

Expenditure trends

The *Air Defence* programme accounts for 26.2 per cent of the department's total expenditure, and increased from R7.3 billion in 2006/07 to R9.1 billion in 2009/10 at an average annual rate of 7.6 per cent and then decreases to R8.4 billion in 2012/13 at an average annual rate of 2.6 per cent. The decrease over the MTEF period is due to the termination of the A400M strategic airlift procurement project and the finalisation of the delivery milestones of the hawk lead in fighter trainer aircraft. This is also evident in the sharp decrease of

42.1 per cent in the *Air Combat Capability* subprogramme in 2010/11 and the decrease of 83.5 per cent in the *Transport and Maritime Capability* subprogramme in 2010/11.

The decrease of 3.5 per cent in expenditure in the *Helicopter Capability* subprogramme over the MTEF period is due to the completion of the maritime helicopter and light utility helicopter projects. The increases of 40.7 per cent and 22.6 per cent in 2010/11 in the *Training Capability* and the *Command and Control Capability* subprogrammes are due to the upgrade of the Pilatus PC7 Mk11 Astra trainer aircraft, and radar and ground navigation systems.

Over the MTEF period, spending in the *Air Defence* programme will focus on creating and restoring capacity and capabilities to supply prepared forces and support these forces once deployed. To create air systems capacity, the spending focus is on integrating new systems to ensure sustainability. To ensure the sustainability of human resources, the spending focus is on developing and maintaining skills and retaining scarce skills.

Programme 5: Maritime Defence

- *Maritime Direction* provides strategic direction to the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide the maritime capabilities required for the defence and protection of South Africa. Funding is distributed based on the cost of operating the naval headquarters.
- *Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the Department of Defence and Military Veterans. Funding is distributed according to the number and size of units, the number of maritime combat force preparation exercises and the number of force employment operations executed.
- *Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments. Funding is distributed according to the number and size of units, utilisation and maintenance of support systems and equipment and the provision of product systems.
- *Maritime Human Resources and Training Capability* ensures that maritime combat capability requirements are met in terms of qualified personnel for regular and reserve members. Funding is distributed according to the number and size of units, utilisation and maintenance of training equipment and the number of courses presented.
- *Base Support Capability* provides a general base support capability to ships and submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels. Funding is distributed according to the size of the naval base, utilisation and maintenance of the harbour, maintenance of naval infrastructure and naval base support systems and equipment.

Objectives and measures

- Defend and protect South Africa and its maritime zones by providing:
 - a surface combat capability of 4 frigates, 1 combat support vessel, 3 offshore patrol vessels, 3 inshore patrol vessels and a maritime reaction squadron in each annual operational cycle
 - a sub-surface combat capability of 3 submarines in each annual operational cycle
 - 2 mine countermeasures systems in each annual operational cycle to ensure safe access to South African harbours and where mine clearance may be required
 - an ongoing hydrographic survey capability to ensure safe navigation in charting areas and to meet international obligations.

Service delivery focus

In 2008/09, 8 236 sea hours on patrol in South African maritime zones were recorded. The South African Navy provided 50 members in support of various peace missions in Africa, the majority forming part of the

peace support operation in Burundi. Training assistance was provided as part of the initiative to the Central African Republic. The South African Navy participated in preparatory planning and relevant exercises in support of the 2010 FIFA World Cup. Naval deployments in cooperation with the South African Police Service helped enforce state authority and protect marine resources along the South African coast. The South African Navy took command of its third and last type 209 submarine. 8 multinational naval exercises were conducted with the Indian, Brazilian, Uruguayan and Argentinean navies. 12 South African Navy vessels participated in the presidential fleet review in September 2008 to honour former president Mbeki, who was then the Commander in Chief of the South African National Defence Force. On 4 occasions, the South African Navy was deployed abroad, the most notable involving a frigate deployment to China and 5 other countries.

In the first half of 2009/10, the South African Navy hosted the third Sea Power for Africa symposium in Cape, which explored effective maritime governance for Africa. 33 African countries and 12 observer countries attended the symposium. The South African Navy complied with its pledges to the SADC brigade and participated in various planning phases and executed the Southern Africa standby brigade exercise in September 2009.

Expenditure estimates

Table 21.8 Maritime Defence

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Maritime Direction	276 042	273 880	298 761	380 315	374 480	445 206	477 403
Maritime Combat Capability	1 705 189	1 160 666	473 494	514 207	500 028	523 599	523 811
Maritime Logistic Support Capability	190 718	409 450	476 529	465 569	564 460	590 984	728 197
Maritime Human Resource and Training Capability	134 779	144 294	158 635	225 451	238 733	257 859	236 988
Base Support Capability	336 362	408 360	429 772	425 772	502 121	502 367	607 815
Total	2 643 090	2 396 650	1 837 191	2 011 314	2 179 822	2 320 015	2 574 214
Change to 2009 Budget estimate				(429 286)	(426 125)	(471 773)	321 856
Economic classification							
Current payments	1 268 053	1 327 469	1 363 000	1 595 126	1 706 479	1 858 900	1 957 960
Compensation of employees	880 841	916 434	855 119	1 031 723	1 096 121	1 201 906	1 321 594
Goods and services	387 212	411 035	507 881	563 403	610 358	656 994	636 366
<i>of which:</i>							
<i>Administrative fees</i>	–	–	8	–	–	–	–
<i>Advertising</i>	135	143	351	192	515	292	294
<i>Assets less than the capitalisation threshold</i>	9 167	9 731	13 774	13 067	19 702	14 365	15 550
<i>Communication</i>	7 524	7 987	9 479	10 725	9 470	9 848	10 232
<i>Computer services</i>	18 584	19 728	26 310	26 491	35 386	37 007	37 395
<i>Consultants and professional services: Business and advisory services</i>	10 327	10 963	13 622	14 721	2 165	2 366	2 373
<i>Consultants and professional services: Infrastructure and planning</i>	4 358	4 626	525	6 212	9 379	9 508	8 316
<i>Contractors</i>	92 130	97 798	144 875	155 717	188 396	208 571	193 212
<i>Agency and support / outsourced services</i>	16 647	17 671	28 416	23 729	21 792	23 178	24 770
<i>Entertainment</i>	–	–	–	97	136	142	147
<i>Inventory: Food and food supplies</i>	36 618	38 870	54 789	52 197	53 150	60 165	65 181
<i>Inventory: Fuel, oil and gas</i>	89 514	95 021	72 953	109 255	76 011	92 587	75 450
<i>Inventory: Learner and teacher support material</i>	351	372	–	500	–	–	–
<i>Inventory: Materials and supplies</i>	15 080	16 008	19 414	21 496	18 224	19 948	21 717
<i>Inventory: Medical supplies</i>	2	2	13	3	6	6	7
<i>Inventory: Military stores</i>	12 074	12 817	8 918	17 211	24 530	25 225	25 406
<i>Inventory: Other consumables</i>	14 874	15 789	22 813	21 204	27 162	26 341	25 789

Table 21.8 Maritime Defence (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments							
<i>Inventory: Stationery and printing</i>	4 320	4 586	5 419	6 156	8 786	9 578	10 474
<i>Lease payments</i>	6 406	6 800	7 705	9 131	11 516	11 644	11 721
<i>Property payments</i>	5 663	6 012	8 903	8 073	15 686	16 025	14 563
<i>Travel and subsistence</i>	27 496	29 187	35 503	39 145	46 804	48 874	51 793
<i>Training and development</i>	6 559	6 963	6 898	14 709	18 178	18 426	18 735
<i>Operating expenditure</i>	6 991	7 422	23 246	9 966	17 942	18 148	18 394
<i>Venues and facilities</i>	2 392	2 539	3 947	3 406	5 422	4 750	4 847
Transfers and subsidies	1 338 956	1 034 445	386 506	377 079	421 194	410 294	562 208
Provinces and municipalities	288	11 705	271	-	-	-	-
Departmental agencies and accounts	1 316 941	948 223	255 532	249 498	259 214	265 631	417 694
Public corporations and private enterprises	-	58 526	117 657	104 853	138 971	121 654	121 505
Households	21 727	15 991	13 046	22 728	23 009	23 009	23 009
Payments for capital assets	35 769	33 777	87 523	39 109	52 149	50 821	54 046
Buildings and other fixed structures	-	13 717	41 147	22 270	31 500	32 700	33 890
Machinery and equipment	35 074	19 990	46 376	13 022	19 289	17 896	19 059
Specialised military assets	-	-	-	3 570	1 160	-	850
Software and other intangible assets	695	70	-	247	200	225	247
Payments for financial assets	312	959	162	-	-	-	-
Total	2 643 090	2 396 650	1 837 191	2 011 314	2 179 822	2 320 015	2 574 214
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	288	11 705	271	-	-	-	-
Regional Services Council levies	288	11 705	271	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1 316 941	948 223	255 532	249 498	259 214	265 631	417 694
Special Defence Account	1 316 941	948 223	255 532	249 498	259 214	265 631	417 694
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	-	58 526	117 657	104 853	138 971	121 654	121 505
Armaments Corporation of South Africa	-	58 526	117 657	104 853	138 971	121 654	121 505
Households							
Social benefits							
Current	21 727	15 991	13 046	22 728	23 009	23 009	23 009
Employee Social Benefit	21 727	15 991	13 046	22 728	23 009	23 009	23 009

Expenditure trends

The *Maritime Defence* programme accounts for 7.8 per cent of the department's total expenditure. Expenditure in this programme decreases from R2.6 billion in 2006/07 to R2.2 billion in 2010/11 at an average annual rate of 4.7 per cent, due to the commissioning of the frigates and submarines between 2006 and 2009. The decrease in spending in the *Maritime Combat Capability* subprogramme between 2006/07 and 2009/10, at an average annual rate of 32.9 per cent was due to the finalisation of the frigate, submarine strategic procurement programmes between 2009/10 to 2011/12 as well as the underwater range projects. .

The increases of 23.2 per cent and 21 per cent in 2012/13 in expenditure in the *Maritime Logistic Support Capability* and *Base Support Capability* subprogrammes are due to the planned acquisition of hydrographic vessels, and the planned recruitment and staffing of personnel with scarce skills such as divers, technicians and engineers.

Over the MTEF period, spending in the *Maritime Defence* programme will focus on the preparation and maintenance of the approved force structure elements (deployable assets) and the associated force structure (supporting elements), including the associated human resources at the required readiness levels, to meet maritime defence commitments in a sustained manner. It will also focus on finalising all activities for the full acceptance and integration of the strategic defence package frigates, helicopters and submarines. The South African Navy's naval capabilities will continue to be prepared for government peace support operations and engagements in Africa.

Programme 6: Military Health Support

- *Strategic Direction* formulates strategy, policies and plans, and gives advice from the surgeon-general's office to prepare and provide the capabilities required by the Chief of the South African National Defence Force. Funding is based on the cost of operating the military health service headquarters.
- *Mobile Military Health Support* provides health support elements for deployed and contingency forces. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation activities.
- *Area Military Health Service* provides a comprehensive, self supporting, multidisciplinary geographic military health service through a formation headquarters, commanding and controlling nine area military health units to ensure a healthy military community. Funding is distributed according to the number and size of units and health care facilities, systems and equipment operating and maintenance requirements, the number and type of patient health services rendered, and the number of force preparation activities.
- *Specialist/Tertiary Health Service* provides a specialist health service to develop and maintain tertiary military health capabilities within the parameters of relevant legislation as contained in the South African Military Health Service strategy. Funding is distributed according to the number and size of military hospitals and specialist units, systems and equipment operating and maintenance requirements, the number of and type of patient health services rendered as well as force preparation activities.
- *Military Health Product Support Capability* provides for: warehousing pharmaceuticals, sundries, military health mobilisation equipment and unique stock; procuring unique military health products, materials and services; and an asset management service, military health product systems and cooperative common military health logistics. Funding is distributed according to the number and size of units, the use of military health products, equipment and consumables, and the requirements for maintaining strategic military health reserves.
- *Military Health Maintenance Capability* provides general base support services to identified South African Military Health Service units to sustain and maintain the approved force design and structure. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements.
- *Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies. Funding is distributed according to the training inputs of the sub-units, equipment operating and maintenance requirements, the number of force preparation exercises, and training courses presented to SADC countries.

Objectives and measures

- Provide prepared and supported health capabilities and services by providing:
 - a health support capability of 5 medical battalion groups per year, including 1 specialist medical battalion group, for deployed and contingency forces
 - a comprehensive multidisciplinary health service to a projected patient population of 230 000 members per year.

Service delivery focus

In 2008/09, 554 034 patients were treated by means of 973 800 health care activities at the 88 health care facilities countrywide. 332 500 health care activities took place in military hospitals by means of outpatient consultations and 23 587 patients were treated as inpatients at these hospitals. Health care practitioners supported all external and internal military operations and 1 Military Hospital provided a level 4 facility as required by the UN. The number of learners on planned courses was 4 096.

Progress was made in implementing master plans, such as the logistic and technology master plan, to address the priority risks in the South African Military Health Service. In 2008/09, the process of replacing obsolete equipment, vehicles and ambulances resulted in procuring and converting 35 ambulances, 56 mass transportation vehicles, 10 panel vans and 60 other vehicles. Another 58 ambulances will be converted in 2009/10. The implementation of the facility master plan resulted in maintaining and repairing 3 military hospitals, approval to build a new medical depot in Pretoria, and registering the upgrade of the facilities of the military health training formation as a project with the Department of Public Works. As part of the health service's focus on repairing and upgrading priority health facilities in 2008/09, 3 outdated health informatics systems were replaced.

The strategic decision to train more military skills development system members as emergency care technicians in 2009 increased the health service's capacity by approximately 230 members and members will be used during the 2010 FIFA World Cup to be included thereafter in the reserves as a contribution to the core growth one force concept. The chemical, biological and radiation defence capability for the 2010 FIFA World Cup was developed according to the plan made by the Department of Health and the South African Military Health service and training to members and external stakeholders is being conducted. The health service continued developing its capacity in disaster and humanitarian relief for the 2010 FIFA World Cup and beyond and is prepared to provide personnel for casualty decontamination and detection teams. Decontamination and isolation systems and equipment were procured in 2009/10.

In 2009/10, 584 978 health care activities and 38 218 health assessments took place in the 88 health care facilities countrywide, and 386 049 health care activities took place in military hospitals and specialist facilities. 32 488 health care activities took place in the specialist maritime environment and 6 753 activities in the specialist aviation environment. 1 320 national and international dignitary medical support and health activities took place. 2 963 learners attended planned courses. During the national strike of doctors in provincial hospitals in 2009, health care practitioners were supported by the health service providing health care to national departments such as the Department of Health, and in all external and internal military operations. The health service was appointed as the leader in rendering emergency services during the labour action of the doctors in several provincial hospitals in 2009.

In 2009, the South African Military Health Service embarked on a project to microdot and fit tracking systems in all vehicles.

Expenditure estimates

Table 21.9 Military Health Support

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Strategic Direction	88 394	118 964	149 649	194 654	181 471	203 645	232 912
Mobile Military Health Support	64 743	77 788	66 849	81 716	119 078	148 329	146 056
Area Military Health Service	632 928	678 600	733 272	796 537	886 802	925 122	938 864
Specialist / Tertiary Health Service	585 653	649 101	715 645	835 451	877 345	929 918	985 339
Military Health Product Support Capability	109 263	103 562	135 907	220 104	210 419	237 574	353 549
Military Health Maintenance Capability	120 774	114 532	222 745	136 643	192 861	189 782	197 817
Military Health Training Capability	103 489	135 195	152 873	217 692	302 239	326 936	346 723
Total	1 705 244	1 877 742	2 176 940	2 482 797	2 770 215	2 961 306	3 201 260
Change to 2009 Budget estimate				1 893 038	2 157 309	2 314 540	269 883

Table 21.9 Military Health Support (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	1 592 344	1 791 548	2 027 465	2 417 078	2 685 113	2 818 094	2 889 681
Compensation of employees	1 063 049	1 194 111	1 377 084	1 607 012	1 798 225	1 916 627	1 999 286
Goods and services	529 295	597 437	650 381	810 066	886 888	901 467	890 395
<i>of which:</i>							
Advertising	197	223	244	314	163	169	176
Assets less than the capitalisation threshold	12 727	14 366	7 431	20 259	19 783	30 469	44 576
Communication	5 797	6 544	8 715	9 228	9 140	9 777	10 332
Computer services	54 014	60 968	37 303	85 979	36 773	57 025	61 091
Consultants and professional services: Business and advisory services	4 016	4 533	11 816	6 392	12 809	17 982	19 941
Consultants and professional services: Infrastructure and planning	319	360	314	508	517	518	387
Consultants and professional services: Laboratory services	11 726	13 236	9 348	18 666	4 676	5 547	15 392
Contractors	149 317	168 540	188 423	205 157	365 816	331 188	276 927
Agency and support / outsourced services	16 087	18 158	30 166	25 607	28 350	30 763	32 155
Entertainment	144	163	115	299	123	129	134
Inventory: Food and food supplies	19 479	21 987	34 989	31 007	50 114	42 523	43 487
Inventory: Fuel, oil and gas	14 467	16 330	15 487	23 029	25 408	22 108	21 870
Inventory: Learner and teacher support material	790	891	-	1 257	-	-	-
Inventory: Materials and supplies	3 650	4 120	(4 594)	5 810	5 940	6 108	6 249
Inventory: Medical supplies	161 139	181 884	203 315	256 499	207 433	222 583	225 036
Inventory: Military stores	528	596	234	841	662	689	716
Inventory: Other consumables	16 497	18 618	22 326	26 256	21 456	21 717	21 864
Inventory: Stationery and printing	7 678	8 667	14 557	12 222	12 039	12 251	12 623
Lease payments	4 771	5 385	5 125	7 594	7 344	7 785	8 025
Property payments	9 765	11 022	12 424	15 544	13 130	14 246	15 877
Travel and subsistence	18 389	20 757	35 797	29 269	42 547	44 151	46 448
Training and development	7 189	8 115	8 172	11 442	11 546	12 044	12 560
Operating expenditure	7 921	8 940	7 193	12 608	9 588	10 064	10 495
Venues and facilities	2 688	3 034	1 481	4 279	1 531	1 631	4 032
Transfers and subsidies	25 022	15 182	15 443	9 188	35 756	57 775	50 213
Provinces and municipalities	537	281	1 681	-	-	-	-
Departmental agencies and accounts	885	1 100	1 500	1 771	24 700	46 754	39 192
Non-profit institutions	252	-	312	400	580	580	580
Households	23 348	13 801	11 950	7 017	10 476	10 441	10 441
Payments for capital assets	87 631	69 282	121 931	56 531	49 346	85 437	261 366
Buildings and other fixed structures	-	754	170	130	101	31 366	106 114
Machinery and equipment	87 563	68 528	121 570	56 395	48 534	50 321	54 460
Specialised military assets	-	-	-	-	554	3 578	100 612
Biological assets	-	-	-	-	100	110	115
Software and other intangible assets	68	-	191	6	57	62	65
Payments for financial assets	247	1 730	12 101	-	-	-	-
Total	1 705 244	1 877 742	2 176 940	2 482 797	2 770 215	2 961 306	3 201 260

Table 21.9 Military Health Support (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	537	281	1 681	-	-	-	-
Regional Services Council levies	537	281	1 681	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	885	1 100	1 500	1 771	24 700	46 754	39 192
Special Defence Account	885	1 100	1 500	1 771	24 700	46 754	39 192
Non-profit institutions							
Current	252	-	312	400	580	580	580
St Johns Ambulance Brigade	40	-	312	400	360	360	360
Regular Force Medical Continuation Fund	212	-	-	-	220	220	220
Households							
Social benefits							
Current	23 348	13 801	11 950	7 017	10 476	10 441	10 441
Employee Social Benefit	23 348	13 801	11 950	7 017	10 476	10 441	10 441

Expenditure trends

The *Military Health Support* programme accounts for 8.1 per cent of the department's total expenditure, which increases from R1.7 billion in 2006/07 to R3.2 billion in 2012/13, at an average annual rate of 11.1 per cent. This is mainly due to the additional allocations of up to R190 million in 2010/11 for the military skills development system programme and landward renewal, and R100 million from 2012/13 for the replacement of operational ambulances. The increase in this programme from 2006/07 to 2009/10 is due to additional provisions for the procurement of pharmaceuticals, additional health care responsibility for military skills development system members, the implementation of scarce skills and rural allowances for health professionals, improvements to the health informatics system, antiretroviral rollout and sustaining the presidential health team. Expenditure on consultants on large projects amounted to R4 million for 2008/09 and R9 million for 2009/10, most of which was used for completing organisation and work study reports required for organisational restructuring, and for transactional advisors on a possible public private partnership to secure hospital beds in major centres at a reduced cost.

The average annual increase of 21.4 per cent in spending in the *Mobile Military Health Support* subprogramme over the MTEF period is due to the initiation of a defence against chemical and biological warfare project and the aero medical and specialist training facility project. The 41.1 per cent increase in spending in the *Military Health Maintenance Capability* subprogramme from 2009/10 to 2010/11 is based on the planned reactivation of the military health technical support capabilities through regular and reserve members. The increase of 38.8 per cent in the *Military Health Training Capability* subprogramme between 2009/10 and 2010/11 is due to the additional allocation for the military skills development system.

Over the MTEF period, spending in the *Military Health Support* programme will focus on the improvement of health service delivery to contribute to the readiness of the South African National Defence Force. The South African Military Health Service will focus on programmes to address operational support capabilities, and tertiary/specialist and base orientated capabilities. The South African Military Health Service will be prioritised: acquiring 4 field hospitals, developing the landward vehicle projects to provide the necessary operational ambulance and health support vehicles; renewing main medical equipment for operational and base orientated infrastructure; procuring integrated air medical evaluation and training system; and renewing health facilities to render a world class military health service to patients. The prioritisation will be done according to the need and availability of funding.

Programme 7: Defence Intelligence

- *Strategic Direction* provides defence intelligence policy, doctrine and intelligence advice to support the department's decision making and policy formulation processes. Funding is based on the cost of operating the defence intelligence headquarters.
- *Operations* provides timely defence prediction, intelligence and counterintelligence capabilities and services. Funding is distributed according to the number and size of intelligence offices, systems and equipment operating and maintenance requirements, and the number of intelligence products produced.
- *Defence Intelligence Support Services* provides human resource, logistic, planning, security, labour relations, and training and information support services to the defence intelligence community. Funding is distributed according to the number and size of units and offices, equipment operations and maintenance requirements, and the number of force preparation exercises and training courses.

Objectives and measures

- The detail of the output of *Defence Intelligence* is classified and not available to the public.

Service delivery focus

In 2008/09, the division remained involved in peace processes in Africa in support of the South African government's peace initiatives, both by providing intelligence on the current security situation and by being directly involved in peace talks. The department's involvement in reform processes centred on training military intelligence personnel of various countries, both in South Africa and abroad. In 2008/09, the division conducted a number of intelligence exchange meetings with intelligence services around the world. These exchanges confirmed intelligence assessments on global issues and strengthened relations between the department and its strategic partners. On a regional level, the division participated in forums and processes in which common issues of security and governance were discussed. The division's support to and participation in the national intelligence coordinating committee elicited positive feedback from the coordinator for intelligence. Intelligence functionaries have been deployed to the department's external missions in Burundi, the Central African Republic, the Democratic Republic of the Congo and Sudan. Regular intelligence updates were provided to the joint operations division in 2008/09 and mission visits were conducted where there was interaction with the deployed members to align intelligence related issues.

In the first half of 2009/10, a close relationship with the division's clients was promoted through liaison with the joint standing committee on intelligence and the national intelligence coordinating committee. Specific intelligence requirements of the national intelligence coordinating committee and the scrutiny committee of the national conventional arms control committee such as the SADC defence subcommittee and the SADC defence intelligence standing committee were addressed. Intelligence support was provided on an ongoing basis when necessary to interdepartmental structures to provide stability programmes at major national events such as the 2010 FIFA World Cup as well as border related operations. The division formed part of several discussions that assisted in the Burundi peace process and mediation efforts to resolve the political and security developments in Madagascar. The division played a major role in drafting the SADC regional defence estimate that was accepted in the first half of 2009/10 at the defence intelligence standing committee in Namibia. Six Namibian defence force members were trained in South Africa. Successful intelligence exchange visits were conducted with both African and European countries and meetings were held with Lesotho and Namibia.

Expenditure estimates

Table 21.10 Defence Intelligence

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
Strategic Direction	1 232	1 276	1 263	1 484	1 488	1 518	1 547
Operations	206 910	301 439	334 109	393 031	398 116	413 948	431 314
Defence Intelligence Support Services	145 424	158 351	171 380	205 049	231 545	250 495	266 038
Total	353 566	461 066	506 752	599 564	631 149	665 961	698 899
Change to 2009 Budget estimate				(2 742 302)	(3 045 242)	(3 294 141)	19 795

Table 21.10 Defence Intelligence (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	147 368	157 957	169 114	205 236	226 642	248 079	261 521
Compensation of employees	137 987	146 990	149 938	176 210	204 393	222 725	237 535
Goods and services	9 381	10 967	19 176	29 026	22 249	25 354	23 986
<i>of which:</i>							
<i>Advertising</i>	29	34	–	81	81	82	84
<i>Assets less than the capitalisation threshold</i>	424	496	852	1 155	1 472	1 503	1 534
<i>Communication</i>	695	813	1 522	1 895	1 827	1 865	1 900
<i>Computer services</i>	4	5	4	12	–	–	–
<i>Consultants and professional services: Business and advisory services</i>	–	–	–	4 218	–	–	–
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	776	–	–	–	–
<i>Contractors</i>	1 270	1 485	2 060	3 462	2 057	2 099	2 140
<i>Agency and support / outsourced services</i>	19	23	15	53	150	153	156
<i>Entertainment</i>	–	–	–	90	95	100	105
<i>Inventory: Food and food supplies</i>	854	999	2 289	1 477	1 385	1 413	1 440
<i>Inventory: Fuel, oil and gas</i>	696	814	1 355	1 898	1 954	2 172	2 051
<i>Inventory: Learner and teacher support material</i>	397	464	–	1 084	–	–	–
<i>Inventory: Materials and supplies</i>	342	399	1 031	931	492	502	530
<i>Inventory: Other consumables</i>	458	532	1 176	1 241	2 418	4 134	2 499
<i>Inventory: Stationery and printing</i>	487	569	1 311	1 327	2 039	2 081	2 121
<i>Lease payments</i>	342	400	737	932	478	488	496
<i>Property payments</i>	45	53	55	123	100	102	103
<i>Travel and subsistence</i>	2 259	2 641	2 802	6 157	4 109	5 132	5 230
<i>Training and development</i>	672	786	2 109	1 832	2 889	2 831	2 885
<i>Operating expenditure</i>	192	225	582	524	347	354	361
<i>Venues and facilities</i>	196	229	500	534	356	343	349
Transfers and subsidies	203 064	302 436	337 006	393 706	401 060	414 800	432 913
Provinces and municipalities	63	13	–	–	–	–	–
Departmental agencies and accounts	201 037	296 207	332 413	391 540	396 779	412 721	430 064
Households	1 964	6 216	4 593	2 166	4 281	2 079	2 849
Payments for capital assets	3 132	673	632	622	3 447	3 082	4 465
Machinery and equipment	3 132	673	632	622	3 447	3 082	4 465
Payments for financial assets	2	–	–	–	–	–	–
Total	353 566	461 066	506 752	599 564	631 149	665 961	698 899
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	63	13	–	–	–	–	–
Regional Services Council levies	63	13	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	201 037	296 207	332 413	391 540	396 779	412 721	430 064
Special Defence Account	201 037	296 207	332 413	391 540	396 779	412 721	430 064
Households							
Social benefits							
Current	1 964	6 216	4 593	2 166	4 281	2 079	2 849
Employee Social Benefit	1 964	6 216	4 593	2 166	4 281	2 079	2 849

Expenditure trends

The *Defence Intelligence* programme accounts for 1.9 per cent of the department's total expenditure. Spending increases from R353.6 million in 2006/07 to R698.9 million in 2012/13, at an average annual rate of 12 per cent, due to the planned investment in and development of a strategic information collection capability.

Over the MTEF period, spending in the *Defence Intelligence* programme will continue to focus on the provision of strategic and operation intelligence and counterintelligence to support the ministry, department activities and the government.

Programme 8: General Support

- *Joint Logistic Services* provides logistic services to the department. Funding is distributed according to the number and size of units, use and warehousing requirements for ammunition, main equipment and stores, the defence facility repair and maintenance programme, and the number of training courses.
- *Command and Management Information Systems* provides command and management information systems and related services to the department. Funding is distributed according to the number and size of mainframe systems, the communication infrastructure operated by the department, and maintenance and upgrading requirements.
- *Military Police* provides a military policing capability to the department. Funding is distributed according to the number and size of units, systems and equipment operating and maintenance requirements, and the number of force preparation exercises and training courses.
- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry. Funding is distributed according to the requirements for strategically essential research about sensors, signal processing, protection, chemical biological defence and information warfare and security.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits, public private partnership transaction advisors and bank charges. Funding is distributed according to the service level agreement and memoranda of understanding with the public entity, expected interaction with the auditor-general and state attorney, historical banking costs and public private partnership expectations.
- *British Peace Support and Training Team* provides for the personnel from the United Kingdom Department of Defence and Military Veterans, which provides services to the South African National Defence Force. Funding is distributed based on the memorandum of understanding with the United Kingdom.

Objectives and measures

- Provide general support capabilities and services by:
 - repairing and maintaining the department's infrastructure at 33 bases over the next 3 years (13 in 2010/11, 9 in 2011/12 and 11 in 2012/13) and executing the capital works programme through 52 projects (7 in 2010/11, 24 in 2011/12 and 21 in 2012/13)
 - providing appropriate, ready and sustained materiel, facilities, movement and logistic services focusing on supply chain and life cycle management to enable force preparation and employment.
- Provide the department with key information and communication systems by:
 - ensuring that the mainframe service is available 98 per cent of the time and the wide area network 95 per cent of the time
 - providing information and communication systems solutions in accordance with the defence enterprise information systems master plan according to programme and project milestones and associated deliverables.

- Reduce the number of new criminal cases under investigation by the military police by 10 per cent per year, by sustaining 1 provost company for deployment, 4 regional headquarters, 22 area offices and 22 detachments for investigations and crime prevention, and 2 military correctional facilities.

Service delivery focus

In 2008/09, the Council for Scientific and Industrial Research provided technical support in creating an enabling environment for the department's mandated facilities management functions. Progress was also made in researching and formulating a new policy that will align the department with National Treasury's asset management guidelines on accrual accounting, resulting in a draft strategy that covers life cycle and supply chain management. Initial progress was made in converting chapters from National Treasury applicable to the Department of Defence and Military Veterans. However, only 63.5 per cent was achieved for the serviceability of material due to the lack of accountability, focus and discipline, limited technical support, the diversity of deployed equipment and the resultant high skill level required, as well as the difficulty in optimising the supply of spares supply.

The implementation of the first phase of the defence enterprise information systems master plan in the Department of Defence and Military Veterans was an achievement that enabled a global view of overall ICT requirements, including funds utilised.

The rollout of the Oracle time and labour electronic time keeping system between January and March 2008/09 is complete and initial reports from the system indicated the possibility of reporting against budget, thus providing the department with the capability to mitigate risks and vulnerability on its own forces' mobile devices and enable it to explore opposing forces' mobile devices. Over the medium term, the department will develop and maintain information warfare capability to deal with challenges presented in the information age. In 2008/09, 256 military police members were deployed in external operations on a daily basis. In the same year, 1 722 criminal and disciplinary cases involving personnel and equipment were finalised and 2 594 new cases were reported. Outstanding cases at the end of 2007/08 reduced by 733 from 7 838 to 6 116 and 927 crime prevention operations were conducted throughout the country in 2008/09.

In the first half of 2009/10, the logistic intervention and repositioning programme started developing a single, comprehensive, rigorous and tailorable logistics process for the department. This process is set to end by 2016/17. The repair work on 5 bases continued according to the repair and maintenance programme and 17 bases were added to the maintenance programme, with a call for tenders in 2009/10. A strategic facilities implementation plan is currently being developed and executed, which includes the strategic footprint and user asset management plans in accordance with legislation to deliver appropriate functional accommodation in support of the readiness requirements of a credible force.

In the second half of 2008/09, improvement was noted on the availability of data and telephone services as a result of upgrading certain obsolete information and communications technology equipment. The availability of the department's wide area network was at core 99.5 per cent and at access 97.8 per cent, higher than the target of 98 per cent published in the department's strategic business plan. The interoperability development environment was created in the first quarter of 2009/10 to provide a platform on which information systems can be tested and integrated into the battle space system where 72 military police members are deployed externally on a daily bases. From April to September 2009, 176 deliberate crime prevention operations had been conducted throughout the country and 185 military skills development system members are undergoing functional training at the military police school. 4 999 cases have been investigated by the military police and 581 new cases were reported. By the end of September 2009, the backlog had been reduced by 1 540 cases, from 6 116 to 4 576.

Expenditure estimates

Table 21.11 General Support

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Joint Logistic Services	458 897	651 235	1 432 630	1 469 788	1 758 352	1 557 083	1 906 557
Command and Management Information Systems	574 070	641 625	875 779	825 671	852 815	1 014 040	1 079 505
Military Police	230 684	248 772	291 174	310 242	343 439	384 357	394 490
Technology Development	184 941	235 676	258 845	258 193	357 768	391 245	300 115
Departmental Support	457 139	489 480	511 233	589 502	615 874	672 991	720 656
British Peace Support and Training Team	5 624	–	10 732	7 554	7 931	8 350	8 768
Total	1 911 355	2 266 788	3 380 393	3 460 950	3 936 179	4 028 066	4 410 091
Change to 2009 Budget estimate				1 659 143	2 074 203	2 049 591	251 984
Economic classification							
Current payments	1 129 545	1 319 510	1 946 240	2 079 606	2 462 892	2 790 911	3 226 139
Compensation of employees	344 696	400 185	754 579	650 484	790 784	980 941	1 061 403
Goods and services	784 849	919 325	1 191 661	1 429 122	1 672 108	1 809 970	2 164 736
<i>of which:</i>							
<i>Administrative fees</i>	1 844	2 160	1 464	3 647	3 829	4 020	4 221
<i>Advertising</i>	36	43	13	72	163	172	180
<i>Assets less than the capitalisation threshold</i>	4 940	5 786	14 713	9 765	9 022	10 293	10 947
<i>Audit cost: External</i>	23 404	27 414	41 547	46 282	49 974	52 473	55 096
<i>Communication</i>	5 523	6 469	12 796	10 922	13 837	12 770	13 244
<i>Computer services</i>	311 637	365 033	554 265	593 138	674 039	710 914	739 138
<i>Consultants and professional services: Business and advisory services</i>	39 950	46 795	64 086	61 885	73 962	101 347	105 343
<i>Consultants and professional services: Infrastructure and planning</i>	5	6	682	10	4 700	4 897	5 100
<i>Consultants and professional services: Legal costs</i>	3 825	4 480	3 467	7 563	1 653	8 338	8 755
<i>Contractors</i>	342 515	401 201	351 963	596 400	741 998	796 658	1 108 229
<i>Agency and support / outsourced services</i>	2 908	3 407	28 804	5 751	10 404	11 247	11 817
<i>Entertainment</i>	1 018	1 193	491	90	633	662	692
<i>Inventory: Food and food supplies</i>	8 621	10 098	31 396	15 580	20 217	21 340	22 526
<i>Inventory: Fuel, oil and gas</i>	7 806	9 143	26 971	15 436	16 252	18 078	19 112
<i>Inventory: Learner and teacher support material</i>	163	191	–	322	–	–	–
<i>Inventory: Materials and supplies</i>	5 316	6 227	5 836	11 558	5 268	5 922	6 243
<i>Inventory: Military stores</i>	442	518	502	874	411	542	575
<i>Inventory: Other consumables</i>	4 389	5 139	9 154	8 680	6 353	7 330	7 816
<i>Inventory: Stationery and printing</i>	2 174	2 547	6 426	4 298	4 651	5 259	5 645
<i>Lease payments</i>	2 207	2 585	3 141	4 364	3 399	3 535	3 680
<i>Property payments</i>	340	399	422	673	645	677	716
<i>Travel and subsistence</i>	10 132	11 867	21 409	20 636	19 855	21 558	23 067
<i>Training and development</i>	3 196	3 744	5 213	6 318	7 199	7 592	8 094
<i>Operating expenditure</i>	1 649	1 932	6 295	3 261	2 623	3 242	3 399
<i>Venues and facilities</i>	809	948	605	1 597	1 021	1 104	1 101
Transfers and subsidies	677 632	718 784	866 903	869 773	985 755	1 088 619	1 031 880
Provinces and municipalities	549	569	2 712	–	–	–	–

Table 21.11 General Support (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments							
Departmental agencies and accounts	249 156	274 604	403 962	365 073	438 288	509 807	420 872
Public corporations and private enterprises	396 286	415 300	448 097	498 755	537 148	567 852	600 398
Non-profit institutions	–	2 878	–	–	–	–	–
Households	31 641	25 433	12 132	5 945	10 319	10 960	10 610
Payments for capital assets	104 098	209 586	557 461	511 571	487 532	148 536	152 072
Buildings and other fixed structures	49 173	77 105	434 430	428 451	440 026	94 527	99 254
Machinery and equipment	54 914	124 802	122 374	65 624	36 622	40 266	37 873
Specialised military assets	–	–	–	17 496	10 884	13 743	14 945
Software and other intangible assets	11	7 679	657	–	–	–	–
Payments for financial assets	80	18 908	9 789	–	–	–	–
Total	1 911 355	2 266 788	3 380 393	3 460 950	3 936 179	4 028 066	4 410 091
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	549	569	2 712	–	–	–	–
Regional Services Council levies	549	569	2 712	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	249 156	274 604	403 962	365 073	438 288	509 807	420 872
Special Defence Account	249 156	274 604	403 962	365 073	438 288	509 807	420 872
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	396 286	415 300	448 097	498 755	537 148	567 852	600 398
Armaments Corporation of South Africa	396 286	415 300	448 097	498 755	537 148	567 852	600 398
Non-profit institutions							
Current	–	2 878	–	–	–	–	–
South African First Aid League	–	2 878	–	–	–	–	–
Households							
Social benefits							
Current	31 641	25 433	12 132	5 945	10 319	10 960	10 610
Employee Social Benefit	31 641	25 433	12 132	5 945	10 319	10 960	10 610

Expenditure trends

The *General Support* programme accounts for 11 per cent of the department's total expenditure, which increases from R1.9 billion in 2006/07 to R4.4 billion in 2012/13, at an average annual rate of 15 per cent. The increase of 19.6 per cent in 2010/11 in spending in the *Joint Logistic Services* subprogramme, which is responsible for most of the expenditure in the programme, is due to the additional allocation related to upgrading the runways and hardstands of Air Force Base Waterkloof. In 2012/13, expenditure in this subprogramme increased by 22.4 per cent due to the additional allocation received for the repair and maintenance of defence infrastructure and facilities. Expenditure in the *Technology Development* subprogramme increased at an average annual rate of 38.6 per cent between 2009/10 to 2010/11 due to an investment in the test and evaluation capability, electronic research and development, and missile technology research and development. The increase of 18.9 per cent in expenditure in the *Command and Management Information Services* subprogramme in 2011/12 is due to a provision for research and development of new

generation telecommunication systems. Expenditure on consultants on large projects amounted to R12 million for 2008/09 and R35 million for 2009/10. Most of this expenditure has been used to pay consultants who assisted the department in cleaning up audit qualifications, designed and implemented internal controls, and trained defence members in compliance management, risk management and the auditing of financial statements. R7 million was also used in 2008/09 to develop and support an information warfare assistance programme, a collaboration between the department and the Council for Scientific and Industrial Research, and to execute an environmental impact assessment at the ammunition depot and school.

Over the MTEF period, spending in the *General Support* programme will focus on finalising the upgrade of the Waterkloof Air Force Base, maintaining and repairing defence facilities, maintaining and enhancing command and management information systems and conducting crime prevention.

Public entities

Armaments Corporation of South Africa

Strategic overview: 2006/07 – 2012/13

The Armaments Corporation of South Africa derives its mandate from the Armscor Act (2003), which states that the objectives of the corporation are to meet the defence matériel requirements of the Department of Defence and Military Veterans effectively, efficiently and economically. The corporation conducts research, development and analysis, and testing and evaluation. As the procurement agency for the Department of Defence and Military Veterans, the corporation maintains a tender and contracting process, and provides quality, legal, financial and security management services as well as arms control compliance administration and IT capacity.

The Armaments Corporation of South Africa disposes of matériel in accordance with the regulatory framework, and supports and maintains the facilities that are identified as strategic by the Department of Defence and Military Veterans. The corporation also makes acquisitions for the South African Police Service and other government departments with security mandates, with the approval of the Minister of Defence and Military Veterans. The corporation's Defence Institute provides specialised services to the Department of Defence and Military Veterans in support of its research and development, and testing and evaluation requirements.

The Armaments Corporation of South Africa's two key priorities over the MTEF period are: acquiring defence matériel for the South African National Defence Force and contracting through life support for in-service equipment; and managing the Simon's Town dockyard and the management of the Defence Institute.

Savings and cost effective service delivery

Personnel costs are the main contributor (74 per cent) to total operating expenditure. Following an evaluation, certain activities have been restructured with the focus on the workload and ensuring the most effective utilisation of existing resources. In addition, the 2010/11 budget only provides for critical existing vacancies to be filled.

Selected performance indicators

Table 21.12 Armaments Corporation of South Africa

Indicator	Performance/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Contracts placed as a percentage of confirmed commitments from the Department of Defence and Military Veterans	Capital defence matériel acquisition	74.8% (R3.3bn)	99.8% (R4.4bn)	99.9% (R583m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Capital defence matériel acquisition	53.3% (R2.2bn)	75.3% (R3.4bn)	86.2% (R3.51m)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence and Military Veterans	Strategic defence acquisition	95.6% (R5.8bn)	99.6% (R5.0bn)	99.9% (R73m)	90%	90%	90%	90%

Table 21.12 Armaments Corporation of South Africa (continued)

Indicator	Performance/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Cash flow achieved as a percentage of planned cash flow	Strategic defence acquisition	89.9% (R5.3bn)	69.9% (R3.5m)	98.3% (R4.6m)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence and Military Veterans	System support acquisition and procurement	94.4% (R1.5bn)	96.9% (R2.0bn)	99.6% (R7.0m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	System support acquisition and procurement	89.5% (R1.4bn)	84.1% (R1.8bn)	95.6% (R2.1m)	90%	90%	90%	90%
DIP credits awarded in terms of contractually agreed milestones	Management of defence industrial participation	R2.2b	R1.4b	R1.08b	R600m	R511m	R575m	R177m
Amount spend on execution of activities within approved budget*	Management of defence technology, research, test and evaluation requirements of the Department of Defence and Military Veterans	R31m profit	R4.6m loss	R9m loss	-	-	-	-
Execution of activities as a percentage of planned activities*	Management of defence technology, research, test and evaluation requirements of the Department of Defence and Military Veterans	-	-	-	90%	90%	90%	90%
Percentage of the corporation's operating budget to be spent on the corporation's approved BEE companies	BEE	66.6% (R29m)	59.4% (R22m)	66.6% (R25m)	65%	65%	65%	65%
Percentage of the department's and the general defence accounts spending to be spent on the corporation's approved BEE companies	BEE	21.0% (R257m)	26.3% (R307m)	27.6% (R391m)	35%	35%	35%	35%
Percentage of the corporation's business' discretionary cost of sales spending to be spent on the corporation's approved BEE companies	BEE	45.6%	48.1% (R57m)	34.4% (R27m)	50%	50%	50%	50%
Percentage of the corporation's dockyard's discretionary cost of sales spending to be spent on the corporation's approved BEE companies**	BEE	-	-	-	50%	50%	50%	50%
Percentage of external appointees who are black	Human resources	95% (57)	90.9% (73)	92.9% (91)	81%	82%	82%	82%
Percentage of external appointees in the technical functional groups who are women	Human resources	12% (2)	20% (6)	19.2% (10)	21%	22%	22%	22%
Percentage of external appointees in the non-technical groups who are women	Human resources	81% (26)	63.8% (33)	65.2% (30)	65%	65%	65%	65%
Percentage of employees in the supervisory levels and above who are women	Human resources	28% (186)	29.1% (198)	30.1% (210)	30%	31%	32%	32%
Number of trainees on the talent development programme per year	Human resources	8	15	17	12	12	12	12
Number of students granted bursaries per year	Human resources	5	4	7	6	6	6	6

* Target was adjusted in current year to reflect activities as percentage of planned activities

** New target set for current year

Service delivery focus

The corporation's 3-year integrated corporate and business plan defines 7 key performance indicators. The first 5 are directly linked to the corporation's functions as defined in the Armaments Corporation of South Africa, Limited Act (2003). The other indicators deal with the corporation's BEE initiative, which is in support of the Broad Based Black Economic Empowerment Act (2003) and the transformation of the corporation to reflect the demographics of the country.

The corporation's initiatives to refocus its resources towards adding more technical value in the relevant integrated project teams are progressing well. Strict baseline management and more formalised requirements

reviews of all acquisition projects are also delivering positive results. Detailed measurements of executing these services are reported on a quarterly basis.

Expenditure estimates

Table 21.13 Armaments Corporation of South Africa: Activity information

R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Management of defence matériel acquisition	368 839	365 800	408 926	478 886	523 971	557 317	590 548
Quality Assurance	43 508	47 850	51 910	71 068	73 501	77 911	82 586
Tender Management	2 262	2 285	2 642	2 528	2 791	2 959	3 136
Defence Industrial Participation	2 838	2 844	2 952	3 469	3 710	3 933	4 169
Logistics Matériel and Support	–	–	1 369 400	582 217	590 587	626 023	663 584
Other activities	1 213 500	1 068 066	328 274	375 838	438 560	441 054	466 128
Total expense	1 630 947	1 486 845	2 164 104	1 514 006	1 633 120	1 709 197	1 810 151

Table 21.14 Armaments Corporation of South Africa: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	1 292 633	1 057 019	1 636 276	856 102	850 380	905 255	957 941
Sale of goods and services other than capital assets of which:	1 260 655	1 015 599	1 592 062	790 899	788 036	847 030	901 962
<i>Services rendered</i>	1 260 655	1 015 599	1 592 062	790 899	788 036	847 030	901 962
<i>Other non-tax revenue</i>	31 978	41 420	44 214	65 203	62 344	58 225	55 979
Transfers received	396 286	473 827	565 754	603 608	721 185	735 632	768 475
Total revenue	1 688 919	1 530 846	2 202 030	1 459 710	1 571 565	1 640 887	1 726 416
Expenses							
Current expense	1 630 947	1 486 845	2 164 104	1 514 006	1 633 120	1 709 197	1 810 151
Compensation of employees	335 592	373 912	519 368	587 083	636 523	666 823	706 832
Goods and services	1 278 760	1 092 482	1 619 926	900 208	967 869	1 012 133	1 071 474
Depreciation	16 595	20 451	24 810	26 715	28 728	30 241	31 845
Total expenses	1 630 947	1 486 845	2 164 104	1 514 006	1 633 120	1 709 197	1 810 151
Surplus / (Deficit)	57 972	44 001	37 926	(54 296)	(61 555)	(68 310)	(83 735)
Statement of financial position							
Carrying value of assets	198 087	203 529	215 052	215 226	214 360	213 652	213 112
of which: <i>Acquisition of assets</i>	20 722	28 029	37 222	26 889	27 862	29 533	31 305
Inventory	2 356	6 760	6 106	6 411	6 801	7 201	7 631
Receivables and prepayments	174 776	183 607	298 225	298 425	296 225	309 825	324 225
Cash and cash equivalents	287 977	312 509	336 223	285 248	229 369	163 667	82 542
Total assets	663 196	706 405	855 606	805 310	746 755	694 345	627 510
Accumulated surplus/deficit	470 630	514 631	552 557	498 261	436 706	368 396	284 661
Trade and other payables	170 343	92 062	223 111	223 111	221 111	231 711	243 011
Provisions	22 223	99 712	79 938	83 938	88 938	94 238	99 838
Total equity and liabilities	663 196	706 405	855 606	805 310	746 755	694 345	627 510

Expenditure trends

The Armaments Corporation of South Africa's operating expenses are largely funded by a transfer payment from the Department of Defence and Military Veterans. Together with interest earned on the payment, these funds are used to finance operating expenditure.

As the corporation's total revenue is not sufficient to cover its expenditure, the shortfall therefore has to be funded from its existing reserves. The balance at 31 March 2011 is approximately R362 million. Although this situation can be accommodated in the short term, agreement will have to be reached with the Department of Defence and Military Veterans on the funding level for services required. The large decrease in sales by market establishments from 2006/07 to 2009/10 is due to the activities of Armscor Logistics, which is responsible for import and export of defence matériel. The strategic defence package resulted in a significant increase in its activities, but is nearing completion and thus not sustainable in future forecasts. The growth in expenditure in compensation of employees, at an average annual rate of 20.5 per cent from 2006/07 to 2009/10, can largely be attributed to the personnel implications of the transfer of the naval dockyard at Simon's Town to the corporation in September 2007. The fixed capital requirements of subsidiaries are financed from own income generated and additional funding from the Department of Defence and Military Veterans. All reserves are considered to be non-distributable. The full share capital and reserves are required for the total net capital requirements of the group. Cash is therefore retained to meet future commitments and is therefore not available for the distribution of dividends.

Castle Control Board

Strategic overview: 2006/07 – 2012/13

The mandate of the Castle Control Board is derived from the Castle Management Act (1993). Its objectives are to preserve and protect the military and cultural heritage of the Castle of Good Hope, to optimise its tourism potential, and to maximise public access to the parts of the castle that are not used by the Department of Defence and Military Veterans.

The Minister of Defence and Military Veterans is the executive authority, and two military personnel are appointed to the board. No grants are received from any state department. Funds are generated from entrance fees, catering services, donations and the hiring out of premises and venues to the public. A multimedia approach to marketing the Castle of Good Hope is being followed, and efforts are also being made to get venue rental from institutions that are exempted as a result of their departmental status. Military personnel are seconded to the board to manage and operate the Castle of Good Hope. Over the past 11 years, the number of seconded staff has declined, and the board has had to fund their replacements. Currently, the board has 10 seconded staff and 8 employed by the board.

Although the Department of Public Works is responsible for maintaining and restoring the castle, the Castle Control Board has supplemented certain emergency repair and maintenance costs since 2003/04. Financing maintenance and upgrading will be a focus for the board over the medium term.

Apart from the extensive maintenance and upgrading of facilities, the board continues to diversify its services and attractions for tourists. Besides regular activities, the castle also hosts commemorative celebrations.

Selected performance indicators

Table 21.15 Castle Control Board

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Amount of ticket sales per year	Marketing	R1.4m	R1.5m	R1.5m	R1.8m	R2.1m	R2.3m	R2.5m
Amount of venue rental per year	Tenants, films and fashion shoots	R784 000	R803 000	R679 000	R894 000	R1.4m	R1.8m	R2m
Amount received for special events per year	Military tattoo	-	R65 000	R130 000	R170 000	R300 000	R400 000	R500 000

Service delivery focus

There were 135 948 visitors to the Castle of Good Hope in 2008/09 and 25 000 guests attended functions and events at the castle. Despite the global recession, it is expected that the number of visitors will increase in 2009/10, especially during the 2010 FIFA World Cup. Up to December 2009, R1.1 million was earned in ticket sales, R461 000 in venue rental and R173 000 for the military tattoo.

The castle hosted the Timbuktu exhibition in August and September 2008 and the Cape Town Military Tattoo in November 2008 and 2009. Other events included the Breathing Spaces exhibition and the international military chaplains' conference. Film and fashion shoots also remain a source of income.

Expenditure estimates

Table 21.16 Castle Control Board: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	2 401	2 816	3 114	3 316	4 399	5 119	5 585
Sale of goods and services other than capital assets <i>of which:</i>	2 137	2 317	2 180	2 686	3 564	4 109	4 474
<i>Ticket sales</i>	2 137	2 317	2 180	2 686	3 564	4 109	4 474
<i>Rent on buildings</i>	264	499	934	630	835	1 010	1 111
Total revenue	2 401	2 816	3 114	3 316	4 399	5 119	5 585
Expenses							
Current expense	891	945	1 292	1 883	2 975	3 085	3 316
Compensation of employees	252	265	295	372	1 359	1 455	1 556
Goods and services	627	667	937	1 437	1 546	1 563	1 679
Depreciation	12	13	60	74	70	67	81
Total expenses	891	945	1 292	1 883	2 975	3 085	3 316
Surplus / (Deficit)	1 510	1 871	1 822	1 433	1 424	2 034	2 269
Statement of financial position							
Carrying value of assets	520	1 196	1 173	1 210	1 240	1 293	1 342
<i>of which: Acquisition of assets</i>	27	53	37	111	100	120	130
Inventory	53	40	107	85	95	105	110
Receivables and prepayments	30	10	81	120	110	105	118
Cash and cash equivalents	5 426	7 298	9 181	10 741	12 144	14 126	16 343
Total assets	6 029	8 544	10 542	12 156	13 589	15 629	17 913
Accumulated surplus/deficit	6 023	7 894	9 548	10 981	12 405	14 439	16 708
Capital and reserves	-	636	803	970	1 005	1 005	1 005
Trade and other payables	6	14	191	205	179	185	200
Total equity and liabilities	6 029	8 544	10 542	12 156	13 589	15 629	17 913

Expenditure trends

Revenue is mainly generated from ticket sales to visitors to the castle, rental income and fees from hosting special events. The planned increases in income are based on anticipated increases in the number of ticket sales to visitors to the castle and expected increases in the rental income from hiring out the venue for functions, film and fashion shoots. Market related rentals are likely to have been established by April 2010. The hosting of special events such as the military tattoo every November will also provide additional income.

Expenditure increased at an average annual rate of 24.5 per cent between 2006/07 and 2012/13, from R891 000 to R3.3 million. The considerable increase in expenditure over the latter part of the period under review is mainly due to expenditure related to the frontier wars display, salaries and wages of new appointees, audit fees, accounting fees arising from the appointment of an audit committee, internal audit function and preparation of annual financial statements, and estimates of national expenditure for compliance and auditing purposes. The increases in goods and services are mainly to provide for the planned maintenance and repair of the Castle of Good Hope.

Additional tables

Table 21.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
	2008/09		2008/09	2009/10			2009/10
R thousand							
1. Administration	2 482 722	2 459 246	2 480 151	2 860 790	19 847	2 880 637	2 880 637
2. Force Employment	7 588 590	7 062 679	1 913 910	1 801 807	122 664	1 924 471	1 924 471
3. Landward Defence	9 026 607	8 021 291	7 487 170	8 749 271	159 824	8 909 095	8 909 095
4. Air Defence	1 825 406	1 874 668	8 018 779	10 272 007	(1 215 579)	9 056 428	8 056 428
5. Maritime Defence	2 119 145	2 148 179	1 837 191	1 968 284	43 030	2 011 314	2 011 314
6. Military Health Support	515 401	512 864	2 176 940	2 440 600	42 197	2 482 797	2 482 797
7. Defence Intelligence	3 015 357	4 036 943	506 752	589 759	9 805	599 564	599 564
8. General Support	1 659 927	1 783 157	3 380 393	3 341 866	119 084	3 460 950	3 460 950
Total	28 233 155	27 899 027	27 801 286	32 024 384	(699 128)	31 325 256	30 325 256
Economic classification							
Current payments	18 050 911	18 495 321	17 894 281	20 249 210	488 360	20 737 570	20 737 570
Compensation of employees	10 687 269	10 908 108	10 620 019	11 751 857	471 300	12 223 157	12 223 157
Goods and services	7 363 642	7 587 213	7 274 262	8 497 353	17 060	8 514 413	8 514 413
Transfers and subsidies	9 760 579	8 787 848	8 833 120	11 114 516	(1 269 642)	9 844 874	8 844 874
Provinces and municipalities	–	–	13 806	–	–	–	–
Departmental agencies and accounts	9 104 979	8 096 608	8 096 608	10 364 425	(1 289 404)	9 075 021	8 075 021
Public corporations and private enterprises	530 624	565 754	565 754	583 846	19 762	603 608	603 608
Non-profit institutions	3 956	4 466	4 198	4 402	–	4 402	4 402
Households	121 020	121 020	152 754	161 843	–	161 843	161 843
Payments for capital assets	421 665	615 858	998 879	660 658	82 154	742 812	742 812
Buildings and other fixed structures	112 143	286 736	476 527	369 827	82 154	451 981	451 981
Machinery and equipment	308 107	327 707	521 047	262 993	–	262 993	262 993
Specialised military assets	–	–	–	27 585	–	27 585	27 585
Biological assets	60	60	–	–	–	–	–
Software and other intangible assets	1 355	1 355	1 305	253	–	253	253
Payments for financial assets	–	–	75 006	–	–	–	–
Total	28 233 155	27 899 027	27 801 286	32 024 384	(699 128)	31 325 256	30 325 256

Table 21.B Detail of approved establishment and personnel numbers according to salary level ¹

Department	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year ²	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Department	97 964	77 289	–	77 516	74 843	74 594	74 542	78 094	79 519	81 217
Salary level 1 – 6	68 391	55 965	–	54 317	51 884	51 761	52 278	55 478	56 660	57 269
Salary level 7 – 10	27 394	19 455	–	21 382	21 051	20 948	20 457	20 671	20 906	21 981
Salary level 11 – 12	1 792	1 539	–	1 514	1 583	1 566	1 486	1 559	1 568	1 574
Salary level 13 – 16	387	330	–	304	325	320	321	386	385	393
Administration	5 222	4 050	–	2 846	3 697	3 367	3 808	3 960	3 956	3 922
Salary level 1 – 6	1 989	1 560	–	1 298	1 686	1 535	1 643	1 749	1 739	1 698
Salary level 7 – 10	2 523	1 936	–	1 199	1 558	1 419	1 640	1 657	1 655	1 660
Salary level 11 – 12	592	445	–	276	358	326	415	418	427	429
Salary level 13 – 16	118	109	–	73	95	87	110	136	135	135

Table 21.B Detail of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year ²	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Force Employment	51 409	39 772	-	36 783	34 022	33 442	37 318	40 279	41 563	43 374
Salary level 1 – 6	42 760	32 676	-	30 086	27 828	27 353	30 088	32 935	33 949	34 762
Salary level 7 – 10	8 458	6 888	-	6 488	6 001	5 899	7 028	7 150	7 420	8 418
Salary level 11 – 12	155	170	-	175	162	159	165	158	158	158
Salary level 13 – 16	36	38	-	34	31	31	37	36	36	36
Landward Defence	14 113	10 986	-	10 589	10 603	10 621	10 709	11 262	11 445	11 748
Salary level 1 – 6	8 665	7 335	-	6 661	6 669	6 681	6 856	7 551	7 845	8 219
Salary level 7 – 10	5 250	3 493	-	3 736	3 741	3 748	3 691	3 543	3 432	3 361
Salary level 11 – 12	170	132	-	167	167	167	137	143	143	143
Salary level 13 – 16	28	26	-	25	26	26	25	25	25	25
Air Defence	8 972	6 969	-	6 492	6 232	6 708	7 009	6 641	6 399	6 121
Salary level 1 – 6	6 193	4 799	-	4 436	4 259	4 730	5 058	4 394	4 079	3 623
Salary level 7 – 10	2 648	2 068	-	1 938	1 860	1 866	1 844	2 115	2 188	2 356
Salary level 11 – 12	103	84	-	99	95	95	89	115	115	117
Salary level 13 – 16	28	18	-	18	18	17	18	17	17	25
Maritime Defence	9 050	8 850	-	7 699	8 025	8 126	8 380	8 871	8 955	8 905
Salary level 1 – 6	3 665	5 827	-	4 010	4 179	4 232	4 395	4 881	4 976	4 961
Salary level 7 – 10	4 698	2 442	-	3 171	3 305	3 346	3 431	3 359	3 348	3 311
Salary level 11 – 12	563	490	-	437	456	462	473	510	510	512
Salary level 13 – 16	124	91	-	82	85	86	81	121	121	121
Military Health Support	1 022	731	-	654	648	826	715	752	778	803
Salary level 1 – 6	192	136	-	151	150	191	177	154	177	187
Salary level 7 – 10	760	525	-	438	434	553	473	529	532	547
Salary level 11 – 12	53	53	-	50	49	63	49	52	52	52
Salary level 13 – 16	17	17	-	15	15	19	16	17	17	17
Defence Intelligence	5 768	4 128	-	11 004	9 931	9 795	4 889	4 473	4 531	4 444
Salary level 1 – 6	3 624	2 744	-	6 958	6 279	6 193	3 239	2 854	2 912	2 825
Salary level 7 – 10	2 036	1 284	-	3 756	3 390	3 343	1 545	1 507	1 507	1 507
Salary level 11 – 12	89	87	-	248	224	221	89	95	95	95
Salary level 13 – 16	19	13	-	42	38	38	16	17	17	17
General Support	2 408	1 803	-	1 449	1 685	1 709	1 714	1 856	1 892	1 900
Salary level 1 – 6	1 303	888	-	717	834	846	822	960	983	994
Salary level 7 – 10	1 021	819	-	656	763	774	805	811	824	821
Salary level 11 – 12	67	78	-	61	71	72	69	68	68	68
Salary level 13 – 16	17	18	-	15	17	17	18	17	17	17

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2009.

Table 21.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R thousand)	9 037 595	9 735 905	10 620 019	12 223 157	13 450 429	14 630 105	15 686 907
Training expenditure (R thousand)	85 647	87 447	117 655	113 621	145 592	151 008	166 958
Training as percentage of compensation of which:	0.9%	0.9%	1.1%	0.9%	1.1%	1.0%	1.1%

Table 21.D Summary of departmental public private partnership (PPP) projects

Project description: R thousand	Project annual unitary fee at time of contract	Budgeted expenditure 2009/10	Medium-term expenditure estimate		
			2010/11	2011/12	2012/13
Projects in preparation, registered in terms of Treasury Regulation 16 ¹	-	-	2 289	2 517	2 769
Advisory fees	-	-	2 289	2 517	2 769
Total	-	-	2 289	2 517	2 769

1. Only projects that have received Treasury Approval: 1

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Comprehensive Healthcare service to member for their legal dependants as well as beneficiaries of the fund for the SA Military Health Service in the DOD
Brief description	The identification and procurement of referral services in eight regional centres in South Africa through a PPP
Date PPP agreement was signed	No PPP agreement signed yet, must follow/enter the procurement phase.
Duration of PPP agreement	If it is successful it will be for 10 years
Escalation index for unitary fee	No unitary fee to be paid only service fee with a discount.
Net Present Value of all payment obligations discounted at appropriate duration government bond yield	There will be none.
Variations / amendments to PPP agreement	N/A
Cost implications of variations/amendments	N/A
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	N/A

Table 21.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
Foreign In cash												
United Kingdom	Support to Burundi for operation curriculum	Force Employment	21 000	Goods and services	Aircraft chartering expenditure	-	21 000	-	-	-	-	-
In kind												
United States of America	Aircrew simulator training and C130 aircraft spares	Air Defence	-	Goods and services	59 members were trained	2 857	1 000	-	-	-	-	-
United States Department of Defence and United States of America President's Emergency Plan for AIDS Relief	Project Masibambane AIDS awareness promotion	Military Health Support	-	Goods and services	Programme to educate and prevent the transmission of HIV among department members	587	131 967	600	-	-	-	-
United States of America President's Emergency Plan for AIDS Relief	Sponsorship of antiretroviral drugs	Military Health Support	-	Goods and services	Sponsorship of antiretroviral drugs	2 805	4 750	4 219	-	-	-	-
United States Department of Defence, Henry Jackson Foundation and National Institute of Allergy and Infectious Disease	Establish clinical research capability	Military Health Support	-	Goods and services	Establish a clinical research capability through 6 clinics, secure the participation of 10 000 members on protocol 1 and 2 800 members on protocol 2	37 233	61 710	11 543	-	-	-	-
United Kingdom Department for International Development	Capacity building in antiretroviral training	Military Health Support	-	Goods and services	Capacity building for health care professionals in antiretroviral treatment	96	938	404	-	-	-	-
Germany	Evaluation and assistance with regards to training and onboard procedures on the new frigates	Maritime Defence	180	Goods and services	Operational sea training and evaluation for strategic defence packages	180	-	-	-	-	-	-
United Kingdom	Evaluation and assistance in training and onboard procedures on the new frigates	Maritime Defence	92	Goods and services	86 members were trained	92	-	-	-	-	-	-
France	Command and control training course	Air Defence	138	Goods and services	1 member attended the course	-	138	-	-	-	-	-

Table 21.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
Sweden	Peace operations training course	Air Defence	39	Goods and services	1 member attended the course	-	39	-	-	-	-	-
United States of America	Leadership training	Air Defence	73	Goods and services	2 members attended the course	-	-	-	-	-	-	-
United States of America	Aviation safety training	Air Defence	144	Goods and services	1 member attended the course	-	144	-	-	-	-	-
United States of America	Senior non-commissioned officer development training	Air Defence	112	Goods and services	1 member attended the course	-	-	-	-	-	-	-
United States of America	Healthcare specialist training, combating terrorism training, international special forces training and ranger training	Force Employment	220	Goods and services	Each of the courses was attended by 1 member, except ranger training that was attended by 2 members	-	-	220	-	-	-	-
United Kingdom	International peace support operations programmes	Force Employment	18	Goods and services	2 members attended the course	-	-	18	-	-	-	-
Germany	United Nations military observers course	Force Employment	8	Goods and services	1 member attended the course	-	-	8	-	-	-	-
United States of America	Captains career courses for armour, air defence artillery, artillery, infantry and intelligence. Army war college and United States warrant officer academy	Landward Defence	2 194	Goods and services	Each of the courses was attended by 1 member, except the warrant officer academy that was attended by 2 members	-	-	2 194	-	-	-	-
United Kingdom	Royal college for defence studies, 2 senior command and staff courses and officer commissioning course	Landward Defence	450	Goods and services	Each of the courses was attended by 1 member	-	-	450	-	-	-	-
Peoples Republic of China	Defence and strategy course and senior army and staff command course	Landward Defence	40	Goods and services	Each of the courses was attended by 1 member	-	-	40	-	-	-	-
India	Civil defence bomb disposal training	Landward Defence	80	Goods and services	4 members attended training	-	-	80	-	-	-	-
United States of America	Combating terrorism, United States Air Force squadron officer, United States air war college, United States air command and staff college	Air Defence	2 060	Goods and services	Each of the courses was attended by 1 member	-	-	2 060	-	-	-	-
United Kingdom	Royal College of Defence studies	Air Defence	1 050	Goods and services	1 member attended the course	-	-	1 050	-	-	-	-
Germany	Senior executive seminar, programme in advanced security studies and programme in terrorism and security studies	Air Defence	1 655	Goods and services	Each course was attended by 2 members, except the programme in terrorism and security studies that was attended by 1 member	-	-	1 655	-	-	-	-

Table 21.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
Peoples Republic of China	Research course on defence and strategy	Air Defence	1 580	Goods and services	1 member attended the course	-	-	1 580	-	-	-	-
Spain	Defence staff course preceded by language course	Air Defence	950	Goods and services	1 member attended the course	-	-	950	-	-	-	-
Tunisia	Desert survival training	Air Defence	66	Goods and services	2 members attended the course	-	-	66	-	-	-	-
United States of America	Senior enlisted course, defence management course, senior enlisted symposium and senior staff course	Maritime Defence	1 870	Goods and services	Each course was attended by 1 member	-	-	1 870	-	-	-	-
United Kingdom	Peace and security fellowship for African women and helicopter transit course	Maritime Defence	40	Goods and services	Each course was attended by 1 member	-	-	40	-	-	-	-
Germany	Senior staff course preceded by German language course and detachment to training ship GORSH FOCK	Maritime Defence	93	Goods and services	1 member attended the courses and 1 member was detached	-	-	93	-	-	-	-
Italy	Combined force maritime commander course	Maritime Defence	50	Goods and services	1 member attended the course	-	-	50	-	-	-	-
Argentina	Detachment to training ship LIBERTAD	Maritime Defence	13	Goods and services	1 member was detached	-	-	13	-	-	-	-
Brazil	Detachment to training ship BRASIL	Maritime Defence	13	Goods and services	1 member was detached	-	-	13	-	-	-	-
Chile	Detachment to training ship ESMERALDA	Maritime Defence	13	Goods and services	1 member was detached	-	-	13	-	-	-	-
Nigeria	Senior staff course	Maritime Defence	80	Goods and services	1 member attended the course	-	-	80	-	-	-	-
Pakistan	Senior command and staff course	Maritime Defence	80	Goods and services	1 member attended the course	-	-	80	-	-	-	-
World Health Organisation	Sponsorship to global forum on human resources for health international conference in Uganda	Military Health Support	20	Goods and services	1 member attended the forum	-	-	20	-	-	-	-
Uganda National Academy of Sciences and the Sloan Foundation	Sponsorship to an international workshop in East Africa on promoting bio-safety and security within the life of sciences	Military Health Support	20	Goods and services	1 member attended the workshop	-	-	20	-	-	-	-
South African Pharmaceutical Company, Astra Zeneca	Sponsorship to digestive diseases meeting in the United States	Military Health Support	20	Goods and services	1 member attended the meeting	-	-	20	-	-	-	-

Table 21.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
United Nations AIDS and the Henry Jackson Institute for Medical Research	Sponsorship to the United Nations uniformed services HIV task force	Military Health Support	20	Goods and services	3 members attended	-	-	20	-	-	-	-
International Medicine Regimental Trust Fund	Sponsorship to the seventeenth international AIDS conference in Mexico	Military Health Support	20	Goods and services	1 member attended the conference	-	-	20	-	-	-	-
Southern Africa Region Network and Southern African Development Community Roll Back Malaria Partnership	Sponsorship to malaria managers meeting in Botswana	Military Health Support	20	Goods and services	1 member attended the meeting	-	-	20	-	-	-	-
SA Pharmaceutical Company, Astra Zeneca	Sponsorship to respiratory society annual congress in Germany	Military Health Support	20	Goods and services	1 member attended the congress	-	-	20	-	-	-	-
United States of America	Battlefield waste management workshop and joint services environmental management conference	General Support	32	Goods and services	3 members attended the course and 1 attended the conference	-	-	32	-	-	-	-
United Kingdom	International logistics officers course	General Support	26	Goods and services	1 member attended the course	-	-	26	-	-	-	-
Total			34 599			43 850	221 686	29 587	-	-	-	-

Table 21.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand										
Departmental infrastructure										
Rebuilding of runway at Waterkloof air force base	Aircraft landing facility	Construction	1 153 399	-	8 092	313 237	430 000	350 000	52 070	-
Construction of living accommodation	Member accommodation	Various	157 000	49 173	70 793	52 142	-	-	-	74 180
Upgrading of medical health facilities	Functional medical facilities	Construction	174 912	-	-	70 000	-	37 487	20 034	6 073
Construction of boat park	More efficient operations	Construction	120 604	-	-	-	-	31 560	15 544	-
Construction of training facilities	More efficient operations	Various	76 394	-	-	-	-	3 820	-	-
Construction of medical depot	Medical distribution point	Identification	537 000	-	-	-	-	101	31 365	106 114
Construction and upgrading of medical health facilities	Functional medical facilities	Construction	41 041	-	-	-	-	5 018	2 052	-
Upgrading of infrastructure for disabled members	Accessibility for disabled members	Various	10 007	-	-	-	-	200	200	2 200
Upgrading of kitchens	Improved food preparation	Various	7 236	-	-	-	-	-	-	-
Erection of fences, burglar bars and security gates	Safety and security	Various	9 130	-	-	-	-	-	-	2 200
Construction of ammunition storage facility	Safe ammunition storage	Construction	22 316	-	-	-	-	8 262	1 116	-
Construction of training facilities	More efficient operations	Various	15 230	-	-	-	-	3 679	3 212	1 500
Construction and upgrading of runway, roads, security fences and water and electrical supply	Provision of civil infrastructure	Various	57 000	-	-	-	-	-	-	9 050
Construction of office accommodation	Administration support	Various	53 000	-	-	-	-	-	300	2 550
Construction of ordnance hangars	Safe storage of ordnance	Identification	24 000	-	-	-	-	-	-	1 500
Construction of accommodation and training facilities	Accommodation and training	Various	-	-	14 472	41 148	21 981	31 500	32 700	33 890
Procurement of containers	Storage of ammunition	Various	-	-	-	-	-	12 641	12 970	13 589

Table 21.F Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand										
Maintenance										
Repair and maintenance of infrastructure	Improved facilities	Construction	881 050	-	-	-	-	127 410	857	-
Repair and maintenance of infrastructure	Improved facilities	Tender	1 648 540	-	-	-	-	488 051	605 661	375 902
Repair and maintenance of infrastructure	Improved facilities	Design	101 685	-	-	-	-	-	-	61 011
Repair and maintenance of infrastructure	Improved facilities	Identification	1 520 752	-	-	-	-	21 000	63 000	528 575
Total			6 610 296	49 173	93 357	476 527	451 981	1 120 729	841 081	1 218 334

Table 21.G Summary of allocations to the special defence account per programme

Programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Force Employment	139 424	111 779	152 090	156 811	129 354	131 687	142 762
Landward Defence	1 643 710	2 065 911	2 018 299	2 286 917	2 438 966	2 453 685	2 288 653
Air Defence	4 729 585	4 537 887	4 924 012	5 614 508	2 272 161	3 916 235	4 173 072
Maritime Defence	1 316 941	948 223	255 532	249 498	259 214	265 631	417 694
Military Health Support	885	1 100	1 500	1 771	24 700	46 754	39 192
Defence Intelligence	201 037	296 207	332 413	391 540	396 779	412 721	430 064
General Support	249 156	274 604	403 962	365 073	438 288	509 807	420 872
Total	8 280 738	8 235 711	8 087 808	9 066 118	5 959 462	7 736 520	7 912 309

