

Vote 21

Defence and Military Veterans

Adjusted budget summary

2010/11				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	30 715 333	30 442 591	(272 742)	–
<i>of which:</i>				
Current payments	23 099 001	25 745 925	–	2 646 924
Transfers and subsidies	6 830 147	3 946 083	(2 884 064)	–
Payments for capital assets	786 185	750 583	(35 602)	–
Executive authority	Minister of Defence and Military Veterans			
Accounting officer	Secretary for Defence Director-General of Military Veterans			
Website address	www.dod.mil.za			

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.

Mid-year performance status

Indicator As published in the 2010 ENE	Programme Programme linked to the indicator	Outcome Outcome the indicator is linked to (if relevant)	Annual performance		
			Projected for 2010/11 as published in the 2010 ENE	Achieved in the first six months of 2010/11 (April to September)	Changed estimate for 2010/11
Total number of active Reserves	Landward Defence	All people in South Africa are and feel safe	31 500	11 083	13 500
Number of external operations per year	Force Employment	Create a better South Africa and contribute to a better and safer Africa and world	12	4	–
Average number of personnel deployed daily in external operations	Force Employment	Create a better South Africa and contribute to a better and safer Africa and world	2 102	2 041	–
Number of internal operations in support of other government departments per year	Force Employment	All people in South Africa are and feel safe Create a better South Africa and contribute to a better and safer Africa and world Environmental assets and natural resources that are well protected and continually enhanced	5	5	–
Number of person days used during internal operations	Force Employment	All people in South Africa are and feel safe Environmental assets and natural resources that are well protected and continually enhanced	515 516	433 468	–
Number of joint, interdepartmental and military exercises conducted per year	Force Employment	All people in South Africa are and feel safe Create a better South Africa and contribute to a better and safer Africa and world	9	4	–
Number of military skills development system members in the system per year	Landward Defence ¹	A skilled and capable workforce	11 140	8 662	–

2010 Adjusted Estimates of National Expenditure

Indicator As published in the 2010 ENE	Programme Programme linked to the indicator	Outcome Outcome the indicator is linked to (if relevant)	Annual performance		
			Projected for 2010/11 as published in the 2010 ENE	Achieved in the first six months of 2010/11 (April to September)	Changed estimate for 2010/11
Number of force employment hours flown per year ²	Air Defence	All people in South Africa are and feel safe Create a better South Africa and contribute to a better and safer Africa and world	9 500	8 279	–
Number of sea hours on patrol in South African maritime zones per year	Maritime Defence	All people in South Africa are and feel safe Environmental assets and natural resources that are well protected and continually enhanced	10 000	8 286	–
Number of health care activities per year	Military Health Support	A long and healthy life for all South Africans	2 400 000	1 138 873	–

1. The majority of military skills development system members are in the Landward Defence programme, but some are accommodated in the Air Defence, Maritime Defence and Military Health Support programmes.

2. Error in 2010 ENE corrected

The estimate of 31 500 active Reserves is the projected number of Reserves on the department's database. However, the indicator reflects the number of Reserves to be called up during the year. The indicator and estimates will be changed in the 2011 ENE process.

Flying and sea hours are largely demand driven. A significant number of the hours spent in the first half of 2010/11 were during the 2010 FIFA World Cup, hence the projected targets for the year as a whole may be exceeded.

Mid-year progress

The performance of the Department of Defence is on track and in line with the projected targets for 2010/11.

Although twelve external operations were planned, only four were needed. External operations are all related to creating a better South Africa and contributing to a better and safer Africa and world (outcome 11).

All five planned internal operations were conducted, mainly in cooperation with the South African Police Service during the 2010 FIFA World Cup and to provide medical support to the Department of Health during the public service strikes. Border safeguarding continued along the Zimbabwe and Mozambique borders, safety and security support was provided at various events, and four search and rescue operations and one disaster aid operation were conducted. These operations are all related to creating a better South Africa and contributing to a better and safer Africa and world (outcome 11) as well as to ensuring that all people in South Africa are and feel safe (outcome 3) and ensuring that environmental assets and natural resources are well protected and continually enhanced (outcome 10).

Adjusted Estimates of National Expenditure 2010

Programme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
1. Administration	3 247 080	–	–	141 960	28 172	170 132	3 417 212
2. Force Employment	1 908 870	–	225 000	128 294	20 032	373 326	2 282 196
3. Landward Defence	9 982 892	–	–	(1 097 198)	123 872	(973 326)	9 009 566
4. Air Defence	6 059 126	–	–	292 895	(815 604)	(522 709)	5 536 417
5. Maritime Defence	2 179 822	–	–	147 425	31 054	178 479	2 358 301
6. Military Health Support	2 770 215	–	–	235 600	43 754	279 354	3 049 569
7. Defence Intelligence	631 149	–	–	21 124	4 340	25 464	656 613
8. General Support	3 936 179	–	–	129 900	66 638	196 538	4 132 717
Total	30 715 333	–	225 000	–	(497 742)	(272 742)	30 442 591
Economic classification							
Current payments	23 099 001	–	225 000	2 082 033	339 891	2 646 924	25 745 925
Compensation of employees	13 450 429	–	208 776	2 213 000	339 891	2 761 667	16 212 096
Goods and services	9 648 572	–	16 224	(130 967)	–	(114 743)	9 533 829

		2010/11						
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
Economic classification								
Transfers and subsidies	6 830 147	-	-	(2 046 431)	(837 633)	(2 884 064)	3 946 083	
Departmental agencies and accounts	5 968 570	-	-	(2 049 000)	(846 043)	(2 895 043)	3 073 527	
Public corporations and private enterprises	721 184	-	-	1 916	8 410	10 326	731 510	
Non-profit institutions	4 754	-	-	653	-	653	5 407	
Households	135 639	-	-	-	-	-	135 639	
Payments for capital assets	786 185	-	-	(35 602)	-	(35 602)	750 583	
Buildings and other fixed structures	484 268	-	-	(1 644)	-	(1 644)	482 624	
Machinery and equipment	281 944	-	-	(33 958)	-	(33 958)	247 986	
Specialised military assets	19 556	-	-	-	-	-	19 556	
Biological assets	100	-	-	-	-	-	100	
Software and other intangible assets	317	-	-	-	-	-	317	
Total	30 715 333	-	225 000	-	(497 742)	(272 742)	30 442 591	

Programme 1: Administration

		2010/11						
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
Minister	1 816	-	-	-	-	-	1 816	
Deputy Minister	1 496	-	-	-	-	-	1 496	
Ministerial Direction	17 155	-	-	24 048	618	24 666	41 821	
Departmental Direction	26 096	-	-	344	305	649	26 745	
Policy and Planning	88 383	-	-	2 963	938	3 901	92 284	
Financial Services	237 021	-	-	554	3 903	4 457	241 478	
Human Resources Support Services	588 454	-	-	62 025	14 790	76 815	665 269	
Legal Services	152 120	-	-	19 113	2 565	21 678	173 798	
Inspection Services	55 934	-	-	4 011	1 046	5 057	60 991	
Acquisition Services	47 516	-	-	3 554	709	4 263	51 779	
Communication Services	27 328	-	-	2 032	396	2 428	29 756	
South African National Defence Force Command and Control	84 356	-	-	7 941	1 525	9 466	93 822	
Religious Services	8 354	-	-	925	142	1 067	9 421	
Defence Reserve Direction	14 489	-	-	1 403	220	1 623	16 112	
Defence Foreign Relations	134 271	-	-	13 047	1 015	14 062	148 333	
Office Accommodation	1 762 291	-	-	-	-	-	1 762 291	
Total	3 247 080	-	-	141 960	28 172	170 132	3 417 212	
Economic classification								
Current payments	3 193 947	-	-	141 307	24 073	165 380	3 359 327	
Compensation of employees	1 074 228	-	-	112 757	24 073	136 830	1 211 058	
Goods and services	2 119 719	-	-	28 550	-	28 550	2 148 269	
Transfers and subsidies	34 157	-	-	653	4 099	4 752	38 909	
Departmental agencies and accounts	9 108	-	-	-	4 099	4 099	13 207	
Non-profit institutions	4 174	-	-	653	-	653	4 827	
Households	20 875	-	-	-	-	-	20 875	
Payments for capital assets	18 976	-	-	-	-	-	18 976	
Machinery and equipment	18 962	-	-	-	-	-	18 962	
Software and other intangible assets	14	-	-	-	-	-	14	
Total	3 247 080	-	-	141 960	28 172	170 132	3 417 212	

Programme 2: Force Employment

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Strategic Direction	80 693	–	–	9 236	1 837	11 073	91 766
Operational Direction	217 530	–	–	27 665	3 679	31 344	248 874
Special Operations	446 575	–	–	36 478	5 737	42 215	488 790
Regional Security	1 031 195	–	–	54 915	8 014	62 929	1 094 124
Support to the People	113 876	–	225 000	–	745	225 745	339 621
Defence Capability Management	19 001	–	–	–	20	20	19 021
Total	1 908 870	–	225 000	128 294	20 032	373 326	2 282 196
Economic classification							
Current payments	1 700 817	–	225 000	128 294	20 032	373 326	2 074 143
Compensation of employees	776 166	–	208 776	190 947	20 032	419 755	1 195 921
Goods and services	924 651	–	16 224	(62 653)	–	(46 429)	878 222
Transfers and subsidies	145 354	–	–	–	–	–	145 354
Departmental agencies and accounts	129 354	–	–	–	–	–	129 354
Public corporations and private enterprises	3 975	–	–	–	–	–	3 975
Households	12 025	–	–	–	–	–	12 025
Payments for capital assets	62 699	–	–	–	–	–	62 699
Buildings and other fixed structures	12 574	–	–	–	–	–	12 574
Machinery and equipment	47 772	–	–	–	–	–	47 772
Specialised military assets	2 353	–	–	–	–	–	2 353
Total	1 908 870	–	225 000	128 294	20 032	373 326	2 282 196

Programme 3: Landward Defence

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Strategic Direction	342 810	–	–	24 255	6 353	30 608	373 418
Infantry Capability	3 042 193	–	–	209 952	68 468	278 420	3 320 613
Armour Capability	249 851	–	–	38 796	5 972	44 768	294 619
Artillery Capability	273 461	–	–	25 232	6 409	31 641	305 102
Air Defence Artillery Capability	633 524	–	–	(629 834)	4 276	(625 558)	7 966
Engineering Capability	436 852	–	–	63 419	9 727	73 146	509 998
Operational Intelligence	241 190	–	–	31 900	3 133	35 033	276 223
Command and Control Capability	111 753	–	–	17 171	2 430	19 601	131 354
Support Capability	3 666 201	–	–	(1 021 773)	(5 204)	(1 026 977)	2 639 224
General Training Capability	325 397	–	–	45 515	6 123	51 638	377 035
Signal Capability	659 660	–	–	98 169	16 185	114 354	774 014
Total	9 982 892	–	–	(1 097 198)	123 872	(973 326)	9 009 566
Economic classification							
Current payments	7 409 334	–	–	940 802	110 646	1 051 448	8 460 782
Compensation of employees	5 674 660	–	–	974 731	149 412	1 124 143	6 798 803
Goods and services	1 734 674	–	–	(33 929)	(38 766)	(72 695)	1 661 979
Transfers and subsidies	2 519 184	–	–	(2 038 000)	13 396	(2 024 604)	494 580
Departmental agencies and accounts	2 438 966	–	–	(2 038 000)	13 396	(2 024 604)	414 362
Public corporations and private enterprises	39 000	–	–	–	–	–	39 000
Households	41 218	–	–	–	–	–	41 218
Payments for capital assets	54 374	–	–	–	(170)	(170)	54 204
Buildings and other fixed structures	67	–	–	–	–	–	67
Machinery and equipment	54 210	–	–	–	(170)	(170)	54 040
Specialised military assets	51	–	–	–	–	–	51
Software and other intangible assets	46	–	–	–	–	–	46
Total	9 982 892	–	–	(1 097 198)	123 872	(973 326)	9 009 566

Programme 4: Air Defence

		2010/11						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
Strategic Direction	15 622	-	-	1 549	183	1 732	17 354	
Operational Direction	90 826	-	-	11 688	-	11 688	102 514	
Helicopter Capability	928 315	-	-	23 170	(17 057)	6 113	934 428	
Transport and Maritime Capability	438 799	-	-	(28 679)	137 646	108 967	547 766	
Air Combat Capability	1 756 455	-	-	7 777	(978 817)	(971 040)	785 415	
Operational Support and Intelligence Capability	211 759	-	-	27 816	3 953	31 769	243 528	
Command and Control Capability	258 449	-	-	16 602	2 357	18 959	277 408	
Base Support Capability	1 163 782	-	-	136 478	23 152	159 630	1 323 412	
Command Post	39 973	-	-	4 704	668	5 372	45 345	
Training Capability	552 139	-	-	45 446	6 546	51 992	604 131	
Technical Support Services	603 007	-	-	46 344	5 765	52 109	655 116	
Total	6 059 126	-	-	292 895	(815 604)	(522 709)	5 536 417	
Economic classification								
Current payments	3 713 777	-	-	325 566	49 199	374 765	4 088 542	
Compensation of employees	2 035 852	-	-	331 895	49 199	381 094	2 416 946	
Goods and services	1 677 925	-	-	(6 329)	-	(6 329)	1 671 596	
Transfers and subsidies	2 287 687	-	-	-	(864 803)	(864 803)	1 422 884	
Departmental agencies and accounts	2 272 161	-	-	-	(864 803)	(864 803)	1 407 358	
Public corporations and private enterprises	2 090	-	-	-	-	-	2 090	
Households	13 436	-	-	-	-	-	13 436	
Payments for capital assets	57 662	-	-	(32 671)	-	(32 671)	24 991	
Machinery and equipment	53 108	-	-	(32 671)	-	(32 671)	20 437	
Specialised military assets	4 554	-	-	-	-	-	4 554	
Total	6 059 126	-	-	292 895	(815 604)	(522 709)	5 536 417	

Programme 5: Maritime Defence

		2010/11						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
Maritime Direction	374 480	-	-	37 900	5 416	43 316	417 796	
Maritime Combat Capability	500 028	-	-	15 246	7 074	22 320	522 348	
Maritime Logistic Support Capability	564 460	-	-	18 800	3 561	22 361	586 821	
Maritime Human Resource and Training Capability	238 733	-	-	28 651	6 040	34 691	273 424	
Base Support Capability	502 121	-	-	46 828	8 963	55 791	557 912	
Total	2 179 822	-	-	147 425	31 054	178 479	2 358 301	
Economic classification								
Current payments	1 706 479	-	-	159 440	28 299	187 739	1 894 218	
Compensation of employees	1 096 121	-	-	185 509	28 299	213 808	1 309 929	
Goods and services	610 358	-	-	(26 069)	-	(26 069)	584 289	
Transfers and subsidies	421 194	-	-	(9 084)	2 755	(6 329)	414 865	
Departmental agencies and accounts	259 214	-	-	(11 000)	1 265	(9 735)	249 479	
Public corporations and private enterprises	138 971	-	-	1 916	1 490	3 406	142 377	
Households	23 009	-	-	-	-	-	23 009	
Payments for capital assets	52 149	-	-	(2 931)	-	(2 931)	49 218	
Buildings and other fixed structures	31 500	-	-	(1 644)	-	(1 644)	29 856	
Machinery and equipment	19 289	-	-	(1 287)	-	(1 287)	18 002	
Specialised military assets	1 160	-	-	-	-	-	1 160	
Software and other intangible assets	200	-	-	-	-	-	200	
Total	2 179 822	-	-	147 425	31 054	178 479	2 358 301	

Programme 6: Military Health Support

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Strategic Direction	181 471	–	–	14 194	2 365	16 559	198 030
Mobile Military Health Support	119 078	–	–	12 540	1 672	14 212	133 290
Area Military Health Service	886 802	–	–	90 727	15 242	105 969	992 771
Specialist / Tertiary Health Service	877 345	–	–	71 215	14 226	85 441	962 786
Military Health Product Support Capability	210 419	–	–	4 615	690	5 305	215 724
Military Health Maintenance Capability	192 861	–	–	12 466	2 936	15 402	208 263
Military Health Training Capability	302 239	–	–	29 843	6 623	36 466	338 705
Total	2 770 215	–	–	235 600	43 754	279 354	3 049 569
Economic classification							
Current payments	2 685 113	–	–	235 600	43 754	279 354	2 964 467
Compensation of employees	1 798 225	–	–	239 600	43 754	283 354	2 081 579
Goods and services	886 888	–	–	(4 000)	–	(4 000)	882 888
Transfers and subsidies	35 756	–	–	–	–	–	35 756
Departmental agencies and accounts	24 700	–	–	–	–	–	24 700
Non-profit institutions	580	–	–	–	–	–	580
Households	10 476	–	–	–	–	–	10 476
Payments for capital assets	49 346	–	–	–	–	–	49 346
Buildings and other fixed structures	101	–	–	–	–	–	101
Machinery and equipment	48 534	–	–	–	–	–	48 534
Specialised military assets	554	–	–	–	–	–	554
Biological assets	100	–	–	–	–	–	100
Software and other intangible assets	57	–	–	–	–	–	57
Total	2 770 215	–	–	235 600	43 754	279 354	3 049 569

Programme 7: Defence Intelligence

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Strategic Direction	1 488	–	–	–	–	–	1 488
Operations	398 116	–	–	–	–	–	398 116
Defence Intelligence Support Services	231 545	–	–	21 124	4 340	25 464	257 009
Total	631 149	–	–	21 124	4 340	25 464	656 613
Economic classification							
Current payments	226 642	–	–	21 124	4 340	25 464	252 106
Compensation of employees	204 393	–	–	21 195	4 340	25 535	229 928
Goods and services	22 249	–	–	(71)	–	(71)	22 178
Transfers and subsidies	401 060	–	–	–	–	–	401 060
Departmental agencies and accounts	396 779	–	–	–	–	–	396 779
Households	4 281	–	–	–	–	–	4 281
Payments for capital assets	3 447	–	–	–	–	–	3 447
Machinery and equipment	3 447	–	–	–	–	–	3 447
Total	631 149	–	–	21 124	4 340	25 464	656 613

Programme 8: General Support

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Joint Logistic Services	1 758 352	-	-	73 512	50 854	124 366	1 882 718
Command and Management Information Systems	852 815	-	-	6 881	1 048	7 929	860 744
Military Police	343 439	-	-	55 973	7 816	63 789	407 228
Technology Development	357 768	-	-	-	-	-	357 768
Departmental Support	615 874	-	-	(6 466)	6 920	454	616 328
British Peace Support and Training Team	7 931	-	-	-	-	-	7 931
Total	3 936 179	-	-	129 900	66 638	196 538	4 132 717
Economic classification							
Current payments	2 462 892	-	-	129 900	59 548	189 448	2 652 340
Compensation of employees	790 784	-	-	156 366	20 782	177 148	967 932
Goods and services	1 672 108	-	-	(26 466)	38 766	12 300	1 684 408
Transfers and subsidies	985 755	-	-	-	6 920	6 920	992 675
Departmental agencies and accounts	438 288	-	-	-	-	-	438 288
Public corporations and private enterprises	537 148	-	-	-	6 920	6 920	544 068
Households	10 319	-	-	-	-	-	10 319
Payments for capital assets	487 532	-	-	-	170	170	487 702
Buildings and other fixed structures	440 026	-	-	-	-	-	440 026
Machinery and equipment	36 622	-	-	-	170	170	36 792
Specialised military assets	10 884	-	-	-	-	-	10 884
Total	3 936 179	-	-	129 900	66 638	196 538	4 132 717

Details of adjustments to Estimates of National Expenditure 2010**Unforeseeable and unavoidable expenditure – R225 million**

Programme 2: Force Employment

An additional R200 million is allocated for the South African National Defence Force for the support provided to the South African Police Service during the hosting of the 2010 FIFA World Cup.

An additional R25 million is allocated for support provided during the 2010 public service strike.

Virements and shifts

Programmes

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

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(62 653)	Programme 1		653
Goods and services	Reduction on special advisory team to the Democratic Republic of the Congo ¹	(653)	Non-profit institutions	For the Reserve Force Council	653
	Reduction on contractors	(62 000)	Programme 2		62 000
			Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	62 000
Percentage of programme budget		3.3%			
Programme 3		(2 076 000)	Programme 8		4 000
Compensation of employees	Funds incorrectly budgeted in this programme for the military skills development system programme	(4 000)	Compensation of employees	For the military skills development system programme provided by the Military Police	4 000
			Programme 1		4 000
Goods and services	Funds budgeted for services to be provided by the Centre for Conflict Simulation	(4 000)	Goods and services	For services provided by the Centre for Conflict simulation	4 000
	Reduction on food and food supplies	(20 000)	Programme 3		20 000
			Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	20 000
	Reduction on food and food supplies	(10 000)	Programme 8		10 000
			Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	10 000
			Programme 1		112 757
Departmental agencies and accounts	Funds rescheduled within the Special Defence Account	(112 757)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	112 757
			Programme 2		128 947
	Funds rescheduled within the Special Defence Account	(128 947)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	128 947

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3			Programme 8		951 785
	Funds rescheduled within the Special Defence Account	(951 785)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	951 785
			Programme 4		312 895
	Funds rescheduled within the Special Defence Account	(312 895)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	312 895
			Programme 5		145 509
	Funds rescheduled within the Special Defence Account	(145 509)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	145 509
			Programme 6		239 600
	Funds rescheduled within the Special Defence Account	(239 600)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	239 600
			Programme 7		28 141
	Funds rescheduled within the Special Defence Account	(28 141)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	28 141
			Programme 8		118 366
	Funds rescheduled within the Special Defence Account	(118 366)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	118 366
Percentage of programme budget		20.8%²			
Programme 4		(69 700)	Programme 1		20 000
Goods and services	Reduction on stationery and printing	(20 000)	Goods and services	For subsistence and travel and a multimedia campaign	20 000
			Programme 4		49 700
	Reduction on stationery and printing	(17 029)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	17 029

2010 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Machinery and equipment	Reduction on operating budget	(1 971)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	1 971
	Funds incorrectly classified in the 2010 ENE have been reclassified	(30 700)	Goods and services	Funds incorrectly classified in the 2010 ENE have been reclassified for personal locator beams for pilots	30 700
Percentage of programme budget		1.2%			
Programme 5		(51 000)	Programme 5		51 000
Goods and services	Reduction on contractors, fuel, and agency and outsourced services	(37 069)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	37 069
Machinery and equipment	Reduction on operating budget	(1 287)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	1 287
Departmental agencies and accounts	Funds rescheduled within the Special Defence Account	(11 000)	Goods and services	For additional dockyard work and the statement of work for the submarine SAS MANTHATISI	11 000
Buildings and other fixed structures	Reduction due to slow performing capital projects	(1 644)	Compensation of employees	For shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	1 644
Percentage of programme budget		2.3%			
Programme 6		(4 000)	Programme 8		4 000
Goods and services	Funds incorrectly budgeted in this programme for the military skills development system programme	(4 000)	Goods and services	For the military skills development system programme provided by the Military Police	4 000
Percentage of programme budget		0.1%			
Programme 7		(7 017)	Programme 3		7 017
Compensation of employees	Funds incorrectly budgeted in this programme for guard services	(6 946)	Compensation of employees	For guard services at Fontana Mill Base	6 946
Goods and services	Funds incorrectly budgeted in this programme for guard services	(71)	Goods and services	For guard services at Fontana Mill Base	71
Percentage of programme budget		1.1%			
Programme 8		(30 466)	Programme 1		4 550
Goods and services	Reduction on advisory services	(4 550)	Goods and services	For local and international travel	4 550
	Reduction on advisory services	(1 916)	Programme 5		1 916
	Mainly funds rescheduled within the repairs and maintenance programme	(24 000)	Public corporations and private enterprises	For post-employment medical continuation fund following the transfer of the naval dockyard function to Amscor	1 916
			Programme 8		24 000
			Compensation of employees	Mainly for shortfall in salaries and wages due to the implementation of the new South African National Defence Force salary grading system	24 000
Percentage of programme budget		0.8%			
Total		(2 300 836)			2 300 836

1. National Treasury approval has been obtained.

2. In terms of the PFMA, only the legislature may approve this virement.

Other adjustments – R497.742 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R352.4 million has been allocated for higher personnel remuneration increases than the main budget provided for, including the increased housing allowance, as follows:

Programme 1: Administration

R28.172 million

Programme 2: Force Employment

R20.032 million

Programme 3: Landward Defence

R149.412 million

Programme 4: Air Defence

R49.199 million

Programme 5: Maritime Defence

R29.789 million

Programme 6: Military Health Support

R43.754 million

Programme 7: Defence Intelligence

R4.340 million

Programme 8: General Support

R27.702 million

Self-financing expenditure

Departmental revenue of R149.858 million from selling equipment and spares procured through the Special Defence Account will be used for special defence activities as follows:

Programme 3: Landward Defence

R13.396 million

Programme 4: Air Defence

R135.197 million

Programme 5: Maritime Defence

R1.265 million

Funds shifted within a vote to follow a function shift within the same vote

Programme 8: General Support

R38.936 million has been received from programme 3 following the shift of the migration of the Works Regiment.

Declared savings

Programme 4: Air Defence

Savings of R1 billion due to delays in the strategic defence procurement programme have been declared.

Expenditure for 2009/10 and preliminary expenditure for 2010/11

Programme	2009/10 Expenditure outcome					2010/11 Preliminary expenditure		
	Adjusted appropriation	Apr 09 - Sep 09	% of adjusted appropriation	Apr 09 - Mar 10	% of adjusted appropriation	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation
R thousand								
1.Administration	2 880 637	1 272 700	44.2	2 914 090	101.2	3 417 212	1 522 420	44.6
2.Force Employment	1 924 471	902 342	46.9	1 886 540	98.0	2 282 196	854 563	37.4
3.Landward Defence	8 909 095	3 679 937	41.3	9 042 226	101.5	9 009 566	5 078 429	56.4
4.Air Defence	9 056 428	3 516 148	38.8	8 643 761	95.4	5 536 417	2 162 461	39.1
5.Maritime Defence	2 011 314	905 445	45.0	1 997 454	99.3	2 358 301	1 084 183	46.0
6.Military Health Support	2 482 797	1 164 420	46.9	2 608 129	105.0	3 049 569	1 449 960	47.5
7.Defence Intelligence	599 564	120 175	20.0	594 704	99.2	656 613	300 663	45.8
8.General Support	3 460 950	1 635 683	47.3	3 637 343	105.1	4 132 717	1 810 115	43.8
Total	31 325 256	13 196 850	42.1	31 324 247	100.0	30 442 591	14 262 794	46.9
Economic classification								
Current payments	20 737 570	8 968 806	43.2	20 774 911	100.2	25 745 925	11 778 391	45.7
Compensation of employees	12 223 157	5 478 673	44.8	12 705 579	103.9	16 212 096	7 958 999	49.1
Goods and services	8 514 413	3 490 133	41.0	8 069 332	94.8	9 533 829	3 819 392	40.1
Transfers and subsidies	9 844 874	3 682 971	37.4	9 363 428	95.1	3 946 083	2 197 516	55.7
Departmental agencies and accounts	9 075 021	3 292 434	36.3	8 629 128	95.1	3 073 527	1 603 336	52.2
Public corporations and private enterprises	603 608	308 316	51.1	603 608	100.0	731 510	533 781	73.0
Non-profit institutions	4 402	3 502	79.6	4 342	98.6	5 407	3 000	55.5
Households	161 843	78 719	48.6	126 350	78.1	135 639	57 399	42.3
Payments for capital assets	742 812	531 454	71.5	1 136 349	153.0	750 583	270 779	36.1
Buildings and other fixed structures	451 981	357 702	79.1	599 094	132.5	482 624	156 638	32.5
Machinery and equipment	262 993	151 879	57.8	454 014	172.6	247 986	79 909	32.2
Specialised military assets	27 585	21 802	79.0	83 091	301.2	19 556	34 213	174.9
Biological assets	–	10	0.0	10	0.0	100	19	19.0
Software and other intangible assets	253	61	24.1	140	55.3	317	–	0.0
Payments for financial assets	–	13 619	–	49 559	–	–	16 108	–
Total	31 325 256	13 196 850	42.1	31 324 247	100.0	30 442 591	14 262 794	46.9

Main expenditure trends for the first half of 2010/11

Total expenditure for 2009/10 was 100 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 was R14.3 billion, or 46.9 per cent of the adjusted appropriation of R30.4 billion for the year as a whole. In comparison, mid-year expenditure in 2009/10 was R13.2 billion, or 42.1 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 increased by R1.1 billion or 8.1 per cent, compared to expenditure in the first six months of 2009/10.

The main expenditure increase compared to 2009/10 is due to the higher personnel remuneration increases than the main budget provided for.

Departmental receipts

R thousand	2009/10					2010/11			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate	Apr 09 - Mar 09	Apr 09 - Mar 10 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate
Departmental receipts	676 749	427 100	63.1	699 949	103.4	702 466	902 466	454 150	50.3
Sales of goods and services produced by department	252 265	88 561	35.1	189 720	75.2	181 638	281 638	124 836	44.3
Sales of scrap, waste, arms and other used current goods	–	26 920	–	15 196	–	17 859	17 859	5 566	31.2
Transfers received	158 122	81 580	51.6	228 291	144.4	195 682	195 682	161 974	82.8
Fines, penalties and forfeits	2 547	1 691	66.4	3 482	136.7	3 615	3 615	1 904	52.7
Interest, dividends and rent on land	1 667	1 079	64.7	2 750	165.0	2 473	2 473	1 357	54.9
Sales of capital assets	19 285	–	–	24 413	126.6	52 684	52 684	35 048	66.5
Transactions in financial assets and liabilities	242 863	227 269	93.6	236 097	97.2	248 515	348 515	123 465	35.4
Total	676 749	427 100	63.1	699 949	103.4	702 466	902 466	454 150	50.3

Main departmental revenue trends for the first half of 2010/11

Departmental revenue collection in the first six months of 2010/11 was R454.2 million, or 50.3 per cent of the adjusted revenue estimate of R902.5 million for the year as a whole. In comparison, mid-year revenue collection in 2009/10 was R427.1 million, or 63.1 per cent of the 2009/10 adjusted estimate. Departmental revenue collection in the first six months of 2010/11 increased by R27.1 million or 6.3 per cent, compared to revenue in the first six months of 2009/10.

The main revenue increase compared to 2009/10 is due to a more effective revenue collection system and increased sales of goods.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2010/11 Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
1. Administration							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	9 108	–	–	–	4 099	4 099	13 207
Safety and Security	9 108	–	–	–	4 099	4 099	13 207
Sector Education and Training Authority							
Non-profit institutions							
Current	4 174	–	–	653	–	653	4 827
Reserve Force Council	4 174	–	–	653	–	653	4 827

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

R thousand	2010/11						Adjusted appropriation
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
3. Landward Defence							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	2 438 966	-	-	(2 038 000)	13 396	(2 024 604)	414 362
Special Defence Account	2 438 966	-	-	(2 038 000)	13 396	(2 024 604)	414 362
4. Air Defence							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1 153 729	-	-	-	(864 803)	(864 803)	288 926
Special Defence Account	1 153 729	-	-	-	(864 803)	(864 803)	288 926
5. Maritime Defence							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	259 214	-	-	(11 000)	1 265	(9 735)	249 479
Special Defence Account	158 619	-	-	(11 000)	-	(11 000)	147 619
Special Defence Account	100 595	-	-	-	1 265	1 265	101 860
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	138 971	-	-	1 916	1 490	3 406	142 377
Armaments Corporation of South Africa	138 971	-	-	1 916	1 490	3 406	142 377
8. General Support							
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	537 148	-	-	-	6 920	6 920	544 068
Armaments Corporation of South Africa	537 148	-	-	-	6 920	6 920	544 068