

# Vote 20

## Defence

To be appropriated by Vote	R15 803 090 000
Statutory appropriations	—
Responsible Minister	Minister of Defence
Administering Department	Department of Defence
Accounting Officer	Secretary for Defence

### Aim

The aim of Department of Defence 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.

### Key objectives and programmes

In May 1996, Parliament approved the White Paper on National Defence, which establishes a policy framework and the main principles of defence in the new democracy. The main objectives of defence policy include:

- National security, through interventions that progressively realise the political, economic, social and cultural rights and needs of South Africa's people, and maintain regional security
- Pursuit of peaceful relations with other states, with a high level of political, economic and military cooperation with southern African states in particular
- Prevention of conflict and war – the South African National Defence Force has a primarily defensive orientation and South Africa will only utilise military means when non-violent strategies and deterrence have failed
- Commitment to the goals of arms control and disarmament at national, regional and international levels

The Department of Defence collaborates with a range of government, regional and international players to ensure that these objectives are met over the medium term. The Department is essentially a contingency-based organisation. Its service delivery is visible only when and where the National Defence Force deploys to act on a specific contingency. The core objectives of the Department are to prepare the National Defence Force to act on such contingencies. This leads to long-term objectives that are consistent with the main programmes:

- *Administration* deals with the overall management of the Department.
- *Landward defence, Air defence and Maritime defence* provide prepared and supported defence capabilities for the defence and protection of the country by land, air and sea respectively.
- *Military health support* provides prepared and supported medical combat support elements and services to members of the Department and their dependants.
- *Military intelligence* provides military intelligence and counter-intelligence capability.
- *Joint support* maintains a centralised infrastructure for the provision of common supplies and services in the Department.
- *Command and control* provide and maintain an operational command and control capability for the operational employment of combat forces.
- *Special Defence Account* deals with the acquisition of special defence equipment and other smaller acquisitions.

## Strategic overview and key policy developments: 1997/98 – 2003/04

The Defence Review, which followed the 1996 White Paper on National Defence, developed a force design for the South African National Defence Force. The Review and associated structures are being revisited to bring military strategy and force design in line with projected medium-term resource constraints.

The Department of Defence has reprioritised resources, taking account of the maintenance of personnel (including supernumerary personnel), defence capabilities and capacities, operational readiness, preparation for defence contingencies, execution of operational tasks, commitments and the honouring of contractual obligations. A strategic arms procurement programme amounting to US\$4,8 billion (R30,3 billion in 1999 prices) was approved by Cabinet in September 1999, and will extend over 12 years. Actual expenditure will be affected by inflation-related contract price escalation and exchange rate movements. Currently, the total expenditure on the programme is projected as follows:

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
R million	2 849	4 220	5 078	5 828	5 533	5 793	
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total
R million	4 712	3 635	2 863	1 194	1 041	1 027	43 763

In terms of the programme, the Department will receive four corvettes, three submarines, 30 light utility helicopters, 24 trainer aircraft and 28 fighter aircraft.

## Expenditure estimates

Table 20.1: Defence

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation	Revised estimate			
R thousand	1997/98	1998/99	1999/00	2000/01		2001/02	2002/03	2003/04
Administration <sup>1</sup>	247 450	190 346	411 613	336 456	336 456	402 608	398 606	411 981
Landward defence	3 987 756	3 705 763	3 398 292	3 218 164	3 218 164	3 610 043	3 879 612	3 903 004
Air defence	2 097 082	1 900 584	1 962 936	1 947 211	1 947 211	1 947 548	2 046 976	2 090 707
Maritime defence	803 961	804 684	844 986	881 859	881 859	945 203	991 727	1 060 160
Military health support	909 899	939 579	928 996	971 952	971 952	1 095 027	1 137 524	1 191 396
Defence intelligence	161 038	157 961	180 918	151 104	151 104	164 320	170 102	175 346
Joint support	968 848	1 210 518	1 128 263	1 551 301	1 551 301	1 628 054	1 624 507	1 744 729
Command and control	62 289	27 634	19 924	162 770	162 770	200 766	203 334	220 556
Special Defence Account	1 941 871	1 624 295	1 841 339	4 721 284	4 582 052	5 809 521	6 382 428	7 099 829
<b>Total</b>	<b>11 180 194</b>	<b>10 561 364</b>	<b>10 717 267</b>	<b>13 942 101</b>	<b>13 802 869</b>	<b>15 803 090</b>	<b>16 834 816</b>	<b>17 897 708</b>
Change to 2000 Budget Estimate				175 258	36 026	530 877	343 795	

<sup>1</sup> Authorised losses of R 45 931 000 in 1999/00 included

### Economic classification

	11 107 070	10 365 651	10 677 841	13 909 843	13 770 611	15 751 536	16 781 200	17 841 679
Current								
Personnel	5 819 034	5 754 892	5 725 487	5 838 901	5 838 901	6 140 060	6 297 193	6 331 357
Transfer payments	2 104 836	1 774 761	2 005 897	4 903 311	4 764 079	6 012 685	6 593 147	7 318 405
Other current	3 183 200	2 835 998	2 946 457	3 167 631	3 167 631	3 598 791	3 890 860	4 191 917
<b>Capital</b>	<b>73 124</b>	<b>195 713</b>	<b>39 426</b>	<b>32 258</b>	<b>32 258</b>	<b>51 554</b>	<b>53 616</b>	<b>56 029</b>
Transfer payments	–	–	–	–	–	–	–	–
Acquisition of capital assets	73 124	195 713	39 426	32 258	32 258	51 554	53 616	56 029
<b>Total</b>	<b>11 180 194</b>	<b>10 561 364</b>	<b>10 717 267</b>	<b>13 942 101</b>	<b>13 802 869</b>	<b>15 803 090</b>	<b>16 834 816</b>	<b>17 897 708</b>

**Standard items of expenditure**

Personnel	5 819 034	5 754 892	5 725 487	5 838 901	5 838 901	6 140 060	6 297 193	6 331 357
Administrative	437 746	306 094	353 235	395 379	395 379	435 354	435 497	453 131
Inventories	813 103	659 561	709 116	729 799	729 799	947 774	1 029 447	1 096 135
Equipment	217 558	167 205	217 091	241 747	241 747	263 538	347 399	532 229
Land and buildings	68	1 796	2 146	2 065	2 065	2 705	2 834	1 922
Professional and special services	1 703 816	1 808 024	1 608 883	1 750 797	1 750 797	1 994 654	2 122 979	2 158 209
Transfer payments	2 104 836	1 774 761	2 005 897	4 903 311	4 764 079	6 012 685	6 593 147	7 318 405
Miscellaneous	84 033	89 031	95 412	80 102	80 102	6 320	6 320	6 320
<b>Total</b>	<b>11 180 194</b>	<b>10 561 364</b>	<b>10 717 267</b>	<b>13 942 101</b>	<b>13 802 869</b>	<b>15 803 090</b>	<b>16 834 816</b>	<b>17 897 708</b>

**Departmental receipts**

An amount of R86,9 million should be received as income and miscellaneous receipts during 2001/02. Income is received mostly from the sale of old and obsolete equipment, the rental of state quarters to married personnel as well as board and lodging of single personnel in military messes. A further R30 million should be received from the sale of main military equipment through Armscor during 2001/02. All income will be deposited into the National Revenue Fund.

**Expenditure trends**

The Defence Vote has undergone significant changes in terms of programme structure and allocation of resources over the period 1997/98 to 2003/04. This entailed the creation of the main programmes *Defence intelligence* and *Command and control*. Several subprogrammes were also shifted between the main programmes to streamline the structure. These include the consolidation and centralisation of the finance, personnel, legal, inspection, acquisition, corporate communication, intelligence, logistic, management information, military policing and command and control services.

The Defence budget increases by an average of 8,2 per cent a year over the seven-year period. The most significant trend is that the *Special Defence Account* grows by an average of 15,7 per cent between 2000/01 and 2003/04, as against 33,1 per cent a year from 1997/98 to 2000/01. Higher growth in the earlier period is due to the initial spending on the strategic arms procurement programme in 2000/01, as opposed to only the procurement services in earlier years.

The considerable growth of the *Command and control* programme is also of note. Spending on the programme increases by an average of 10,7 per cent a year between 2000/01 and 2003/04, as against 37,7 per cent from 1997/98 to 2000/01. This reflects the establishment of the Regional Joint Task Forces within the *Command and Control* programme. This function was previously performed by the (now disbanded) territorial commands within the different Arms of Service. The subprogramme Special operations, which accounts for 46,2 per cent of the funds, was redirected from *Landward defence*.

Spending on personnel and on the acquisition of equipment dominates the Vote. Spending on personnel is projected to consume an average of 37,1 per cent of the total over the medium term, whereas expenditure on current transfer payments (the strategic arms procurement programme) is projected to take up 39,4 per cent. Note that Defence expenditure on machinery, equipment, buildings and structures not intended for residential purposes is classified as current expenditure. The strategic arms procurement programme is therefore classified as a current transfer payment to Armscor.

## Programme 1: Administration

The programme conducts the overall management of the Department of Defence. It addresses the formulation of defence policy, as well as the provision of political, strategic and departmental direction, command and control. It also provides planning, finance, personnel, legal, inspection, acquisition, religious and corporate communication services to the Department.

Table 20.2: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Minister <sup>1</sup>	424	475	498	598	634	669	702
Deputy Minister <sup>2</sup>	345	386	405	486	515	543	571
Political direction	5 691	4 109	9 866	9 235	9 728	9 665	10 090
Departmental direction	2 473	1 903	4 124	4 479	3 854	4 227	4 480
Policy and planning	16 076	12 367	26 797	21 344	38 673	26 575	27 285
Financial services	91 113	70 087	151 874	138 595	145 383	147 351	150 452
Personnel services	47 331	36 408	78 895	60 072	65 589	68 934	72 003
Legal services	31 566	24 281	52 616	48 172	51 647	52 509	54 289
Inspection services	10 962	8 432	18 273	13 708	17 474	19 325	21 080
Acquisition services	22 482	17 294	36 617	10 826	35 717	37 024	38 141
Corporate communications	9 986	7 681	16 646	15 161	17 332	16 819	17 475
SANDF command and control	2 607	2 004	4 344	3 972	5 824	4 348	4 544
Religious services	2 057	1 582	3 428	3 128	3 311	3 450	3 569
Part-time component	4 337	3 337	7 230	6 680	6 927	7 167	7 300
<b>Total</b>	<b>247 450</b>	<b>190 346</b>	<b>411 613</b>	<b>336 456</b>	<b>402 608</b>	<b>398 606</b>	<b>411 981</b>
Change to 2000 Budget Estimate				(47 164)	(1 997)	(27 439)	

<sup>1</sup> Payable as from 1 April 2000: salary: R 478 530, car allowance: R119 632

<sup>2</sup> Payable as from 1 April 2000: salary: R 388 942, car allowance: R97 236

### Economic classification

<b>Current</b>	<b>247 450</b>	<b>190 346</b>	<b>411 613</b>	<b>336 456</b>	<b>402 608</b>	<b>398 606</b>	<b>411 981</b>
Personnel	177 805	136 538	295 870	242 090	279 613	274 742	288 010
Transfer payments	-	-	-	-	50	50	50
Other current	69 645	53 808	115 743	94 366	122 945	123 814	123 921
<b>Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
<b>Total</b>	<b>247 450</b>	<b>190 346</b>	<b>411 613</b>	<b>336 456</b>	<b>402 608</b>	<b>398 606</b>	<b>411 981</b>

### Standard items of expenditure

Personnel	177 805	136 538	295 870	242 090	279 613	274 742	288 010
Administrative	31 358	24 122	51 412	42 302	48 512	47 259	47 943
Inventories	10 949	8 422	18 251	14 770	11 667	12 565	12 685
Equipment	8 938	5 875	14 899	12 058	14 097	13 515	15 749
Land and buildings	11	244	528	428	584	584	584
Professional and special services	15 572	12 978	25 957	21 007	47 841	49 647	46 716
Transfer payments	-	-	-	-	50	50	50
Miscellaneous							
Civil Pensions Stabilisation Fund	2 817	2 167	4 696	3 801	244	244	244
<b>Total</b>	<b>247 450</b>	<b>190 346</b>	<b>411 613</b>	<b>336 456</b>	<b>402 608</b>	<b>398 606</b>	<b>411 981</b>

## Policy developments

Restructuring initiatives to improve management in the Department of Defence led to the centralisation of finance, personnel, legal, inspections, acquisition and corporate communications services in the *Administration* programme during 1999/00.

## Expenditure trends

Spending on *Administration* increases by an annual average of 7 per cent from 2000/01 to 2003/04, as against 10,8 per cent between 1997/98 and 2000/01. Slower growth is projected over the medium term as the benefits of restructuring are realised.

## Programme 2: Landward defence

The aim of the programme is to provide prepared and supported landward defence capabilities for the defence and protection of South Africa. *Landward defence* provides strategic and operational direction to the Army and establishes, maintains and prepares combat capabilities such as the infantry, artillery, armour, air defence artillery and engineer capability. It also provides operational and tactical logistic support capabilities, tactical command and control capabilities, operational intelligence capabilities and general landward defence training capabilities. Furthermore, it provides for the deployment of Army elements during defence contingencies, as ordered by the Chief of Joint Operations. The programme comprises 15 subprogrammes, listed in the table below.

Table 20.3: Landward defence

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Strategic direction	388 542	361 067	331 108	437 313	596 708	394 503	627 382
Infantry capability	1 945 751	1 808 159	1 658 133	1 371 683	1 615 987	1 652 383	1 538 490
Special operations capability <sup>1</sup>	20 414	18 971	17 397	–	–	–	–
Armour capability	88 674	82 404	75 566	70 575	68 293	71 881	75 647
Artillery capability	70 219	65 253	59 838	55 923	55 267	58 406	61 438
Air defence artillery capability	42 212	39 227	35 972	32 672	33 503	36 078	37 936
Engineering capability	218 303	202 867	186 035	168 785	137 024	179 409	186 601
Operational intelligence	30 360	28 213	25 872	23 021	26 386	29 819	27 810
Communications capability	704	654	600	500	521	551	578
Command and control capability	311 452	289 427	265 413	279 514	124 803	246 111	258 722
Support capability	328 560	305 326	279 993	377 987	606 781	794 224	665 458
General training capability	153 644	142 779	130 932	112 111	100 375	153 016	128 170
Infrastructure	70 374	65 397	59 971	44 200	56 919	83 123	102 156
VIP protection and ceremonial	46 267	42 995	39 429	37 257	35 695	38 553	40 538
Defence commitment	272 280	253 024	232 033	206 623	151 781	141 555	152 078
<b>Total</b>	<b>3 987 756</b>	<b>3 705 763</b>	<b>3 398 292</b>	<b>3 218 164</b>	<b>3 610 043</b>	<b>3 879 612</b>	<b>3 903 004</b>
Change to 2000 Budget Estimate				5 541	210 109	441 797	

<sup>1</sup> See *Command and control programme policy developments*

### Economic classification

<b>Current</b>	<b>3 987 756</b>	<b>3 705 763</b>	<b>3 398 292</b>	<b>3 218 164</b>	<b>3 610 043</b>	<b>3 879 612</b>	<b>3 903 004</b>
Personnel	3 099 051	3 030 121	2 759 906	2 567 972	2 579 911	2 608 708	2 505 696
Transfer payments	–	–	–	–	–	–	–
Other current	888 705	675 642	638 386	650 192	1 030 132	1 270 904	1 397 308
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
<b>Total</b>	<b>3 987 756</b>	<b>3 705 763</b>	<b>3 398 292</b>	<b>3 218 164</b>	<b>3 610 043</b>	<b>3 879 612</b>	<b>3 903 004</b>

Standard items of expenditure							
Personnel	3 099 051	3 030 121	2 759 906	2 567 972	2 579 911	2 608 708	2 505 696
Administrative	193 325	106 024	84 101	118 981	104 693	125 593	129 537
Inventories	357 194	260 128	249 369	260 791	412 537	450 026	459 327
Equipment	31 553	17 539	17 762	21 273	52 425	122 739	328 998
Land and buildings	5	5	4	4	123	123	123
Professional and special services	268 014	255 062	254 244	218 035	460 354	572 423	479 323
Transfer payments	–	–	–	–	–	–	–
Miscellaneous							
Civil Pensions Stabilisation Fund	38 614	36 884	32 906	31 108	–	–	–
<b>Total</b>	<b>3 987 756</b>	<b>3 705 763</b>	<b>3 398 292</b>	<b>3 218 164</b>	<b>3 610 043</b>	<b>3 879 612</b>	<b>3 903 004</b>

## Policy developments

The South African Army provides continual support to the South African Police Service (SAPS) to control high-risk border segments and ensure security in priority areas. The *Landward defence* programme maintains the balance between a minimum standard of core capabilities and the deployment of the Army in support of the SAPS. Further restructuring of the Army is essential, but will only take place once approval has been obtained for the closing of units and the commensurate redeployment or retrenchment of surplus personnel.

## Expenditure trends

*Landward defence* is projected to spend an average of 22,5 per cent of the total over the medium term. For the period 1997/98 to 2000/01, spending on the programme declined by an average of 6,9 per cent a year, but is projected to increase by 6,6 per cent a year on average, from 2000/01 to 2003/04.

*Landward defence* did not gain any advantage from the strategic armament procurements. Despite minimal growth in spending, the programme expects to deploy the same number of companies and platoons for border control, support to the SAPS and area defence. However, a slight decline in the readiness levels and the ability to sustain deployed forces has been experienced due to the higher demand of maintenance, repair and replacement of equipment.

## Outputs and service delivery trends

Table 20.4: Landward defence: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Strategic Direction	Provision of strategic direction to the Army	Timely promulgation of strategy, operational concepts and guidelines for planning
Subprogrammes	Provision of prepared, equipped and supported landward defence forces for the various capabilities	Number of capabilities
Infantry capability		Number of product, weapon or support systems
Armour capability		Preparedness levels
Artillery capability		Vehicle and weapon system serviceability
Air defence artillery capability		
Engineering capability		
Operational intelligence capability		
Command and control capability		
Support capability		

Subprogramme	Outputs	Service delivery indicators
General training capability	Provision and maintenance of a general training capability for basic, junior leader, voluntary military service, formative and staff training at training establishments	Number of courses presented Number of trainees
VIP protection and ceremonial capability	Provision and maintenance of eminent people protection and ceremonial capability	Number of protection teams Number of ceremonies
Landward defence commitments	Deployment of Army personnel during Defence contingencies such as border control, support to the SAPS and peacekeeping operations	Number of companies or platoons deployed

The Army will maintain deployment for border control and support to the SAPS at the current level and intensity of 19 full-time force companies and 23 reserve force platoons for the year. This represents 35 per cent of the operational requirement. It is only able to ensure an average preparedness level of its landward defence capabilities of 45 per cent and will be able to sustain such forces during deployment for up to 90 days, depending on the kind of capability being deployed.

### Programme 3: Air defence

The aim of this programme is to provide prepared and supported air defence capabilities for the defence and protection of South Africa. The programme provides strategic and operational direction to the South African Air Force and establishes, maintains and prepares an air combat and reconnaissance capability, a helicopter capability and a transport and maritime capability. It also provides operational and tactical logistical support capabilities, air base support facilities, tactical command and control capabilities, operational intelligence capabilities, the functional training of technical and operational personnel, as well as the developmental training of all personnel.

Table 20.5: Air defence

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Strategic direction	9 641	8 737	9 024	44 562	42 022	11 942	14 319
Operational direction	144 023	130 528	134 810	246 426	135 627	80 470	71 968
Helicopter capability	233 032	211 198	218 126	203 821	218 169	231 198	246 240
Transport and maritime capability	276 692	250 766	258 994	117 946	233 805	302 727	313 697
Air combat and reconnaissance capability	263 150	238 493	246 317	111 632	245 217	247 612	253 694
Operational support and intelligence capability	97 238	88 127	91 018	63 206	89 934	90 767	94 714
Command and control capability	216 779	196 466	202 911	219 762	201 483	212 018	185 937
Base support capability	590 577	535 239	552 798	728 402	549 166	609 471	648 769
Training capability	265 950	241 030	248 938	211 454	232 125	260 771	261 369
<b>Total</b>	<b>2 097 082</b>	<b>1 900 584</b>	<b>1 962 936</b>	<b>1 947 211</b>	<b>1 947 548</b>	<b>2 046 976</b>	<b>2 090 707</b>
Change to 2000 Budget Estimate				89 058	(36 243)	63 998	

Economic classification							
<b>Current</b>	<b>2 097 082</b>	<b>1 900 584</b>	<b>1 962 936</b>	<b>1 947 211</b>	<b>1 947 548</b>	<b>2 046 976</b>	<b>2 090 707</b>
Personnel	972 799	876 479	910 571	899 279	918 540	932 609	939 136
Transfer payments	–	–	–	–	–	–	–
Other current	1 124 283	1 024 105	1 052 365	1 047 932	1 029 008	1 114 367	1 151 571
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
<b>Total</b>	<b>2 097 082</b>	<b>1 900 584</b>	<b>1 962 936</b>	<b>1 947 211</b>	<b>1 947 548</b>	<b>2 046 976</b>	<b>2 090 707</b>

Standard items of expenditure							
Personnel	972 799	876 479	910 571	899 279	918 540	932 609	939 136
Administrative	91 952	52 273	86 070	81 476	93 510	84 646	97 186
Inventories	217 674	152 441	203 750	192 874	205 178	251 967	268 810
Equipment	68 435	52 022	64 057	62 380	33 978	53 914	27 535
Land and buildings	11	10	11	10	–	–	–
Professional and special services	734 079	751 363	687 121	700 442	696 342	723 840	758 040
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	–	–	–	–	–	–	–
Civil Pensions Stabilisation Fund	12 132	15 996	11 356	10 750	–	–	–
<b>Total</b>	<b>2 097 082</b>	<b>1 900 584</b>	<b>1 962 936</b>	<b>1 947 211</b>	<b>1 947 548</b>	<b>2 046 976</b>	<b>2 090 707</b>

## Policy developments

Training is the priority of *Air defence* over the medium term, to maintain appropriate fighter capability to ensure the integration of the Hawk and Gripen aircraft in 2005 and 2007 respectively. The latter forms part of the strategic arms programme.

## Expenditure trends

The temporary increase in the Strategic and Operational direction subprogrammes during 2000/01 and 2001/02 is to give effect to the medium-term Air Force Plan, which requires the closure of bases, aircraft systems and support systems. Personnel and other current expenditure dominate the *Air defence* programme, comprising an average of 45,9 and 54,1 per cent of the total respectively over the medium term.

The programme accounts for an average of 12 per cent of the Department's budget and shows growth averaging 2,4 per cent a year over the medium term. The number of flying hours the programme can produce has declined. To prepare for the introduction of the Gripen, Hawk and Augusta aircraft into service, priority has been given to ensuring the availability of the combat and helicopter capabilities.

## Outputs and service delivery trends

Table 20.6: Air defence: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Strategic operational direction	Provision of strategic and operational direction to the Air Force	Timely promulgation of strategy, operational concepts and guidelines for planning



Subprogramme	Outputs	Service delivery indicators
Subprogrammes:	Provision of prepared, equipped and supported air defence forces for the various capabilities	Number of capabilities Number of air bases Number of mission-ready aircraft Number of mission-ready crews Number of flying hours Number of product, weapon or support systems
Helicopter capability		
Transport and maritime capability		
Air combat and reconnaissance capability		
Operational support and intelligence capability		
Command and control capability		
Base support capability		
Training capability	Provision and maintenance of a training capability for basic, junior leader, formative and staff training at training establishments	Number of pupil pilots Number of flying hours

The Air Force has 88 mission-ready aircraft and 27 mission-ready helicopters. During 2001/02, it will be able to provide 35 549 flying hours, of which 71 per cent will be for force preparation and 29 per cent for force employment. This represents 57 per cent of the requirement.

## Programme 4: Maritime defence

The aim of this programme is to provide prepared and supported maritime defence capabilities for the defence and protection of South Africa. It provides strategic and operational direction to the South African Navy and establishes, maintains and prepares combat elements such as a surface combat, submarine combat and mine countermeasures capability. It also provides operational and tactical logistic support capabilities, naval base support facilities, general maritime training capabilities and a maritime reserve force capability.

## Expenditure estimates

Table 20.7: Maritime defence

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Maritime direction	156 308	157 150	164 129	153 959	110 190	260 342	277 801
Maritime combat capability	159 158	157 900	165 680	169 456	121 039	108 173	109 727
Maritime logistic support capability	212 891	213 783	225 198	254 772	327 422	314 813	352 854
Maritime training capability	103 337	103 429	108 173	104 090	168 369	163 685	170 869
Base support capability	159 562	159 705	168 475	185 264	208 101	135 919	139 728
Maritime reserve capability	12 705	12 717	13 331	14 318	10 082	8 795	9 181
<b>Total</b>	<b>803 961</b>	<b>804 684</b>	<b>844 986</b>	<b>881 859</b>	<b>945 203</b>	<b>991 727</b>	<b>1 060 160</b>
Change to 2000 Budget Estimate				(2 180)	(18 783)	(74 372)	

Economic classification							
<b>Current</b>	<b>803 961</b>	<b>804 684</b>	<b>844 986</b>	<b>881 859</b>	<b>945 203</b>	<b>991 727</b>	<b>1 060 160</b>
Personnel	592 136	592 669	622 352	648 936	665 917	708 170	741 387
Transfer payments	–	–	–	–	–	–	–
Other current	211 825	212 015	222 634	232 923	279 286	283 557	318 773
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
<b>Total</b>	<b>803 961</b>	<b>804 684</b>	<b>844 986</b>	<b>881 859</b>	<b>945 203</b>	<b>991 727</b>	<b>1 060 160</b>

Standard items of expenditure							
Personnel	592 136	592 669	622 352	648 936	665 917	708 170	741 387
Administrative	27 676	27 700	29 088	30 432	34 741	35 297	37 411
Inventories	58 368	58 420	61 346	64 181	77 136	87 708	112 844
Equipment	22 002	19 038	23 125	24 194	46 525	44 011	45 826
Land and buildings	–	–	–	–	–	–	–
Professional and special services	96 410	97 991	101 330	106 013	120 884	116 541	122 692
Transfer payments	–	–	–	–	–	–	–
Miscellaneous							
Civil Pensions Stabilisation Fund	7 369	8 866	7 745	8 103	–	–	–
<b>Total</b>	<b>803 961</b>	<b>804 684</b>	<b>844 986</b>	<b>881 859</b>	<b>945 203</b>	<b>991 727</b>	<b>1 060 160</b>

## Policy developments

The Navy will focus its activities on the retention of core skills and capabilities in order to prepare for the receipt of the vessels being acquired by the strategic arms procurement, while delivering the output required by the Chief of Joint Operations.

## Expenditure trends

The *Maritime defence* programme is projected to account for 5,9 per cent of the total over the medium term. Spending on the programme increases by an average of 4,7 per cent a year over the seven-year period. This enables the Navy to provide slightly more sea-hours, but does not provide for increased maintenance and refit of vessels.

## Outputs and service delivery trends

Table 20.8: Maritime defence: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Strategic direction	Provision of strategic direction to the Navy	Timely promulgation of strategy, operational concepts and guidelines for planning
Sub-programmes:		Number of ships
Maritime combat capability	Provision of prepared, equipped and supported maritime defence forces for the various capabilities	Number of mission ready vessels
Base support capability		Number of sea hours
Maritime logistic support capability		Number of product weapon or support systems
Maritime reserve capability		
Maritime training capability	Provision and maintenance of a training capability for basic, junior leader, formative and staff training at training establishments	Number of trainees
		Number of courses presented

The Navy maintains four strike craft, two submarines, two minesweepers, two mine hunters, two combat support ships, a hydrographic survey vessel, a diving support vessel, a torpedo recovery vessel, three tugs and 12 harbour patrol boats. It plans to provide 30 419 hours at sea, of which 39 per cent are directed towards force preparation, 40 per cent towards force employment, 12 per cent towards hydrographic surveys, 6 per cent towards tug employment, and 3 per cent towards torpedo recovery force preparation.

## Programme 5: Military health support

*Military health support* provides prepared and supported medical combat elements and services. It provides strategic and operational direction to the South African Military Health Service and provides operationally essential medical services to members of the Department and their

dependants. It also maintains military health facilities such as hospitals, sickbays, hospices and clinics, and specialist military health facilities such as the Institutes for Maritime and Aviation Medicine and the Military Psychology Institute. It furthermore provides operational and tactical logistic support capabilities, area military health services, medical product support capabilities and a general military health service training capability.

## Expenditure estimates

**Table 20.9: Military health support**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Strategic direction	88 345	91 226	90 198	96 494	131 213	92 497	96 723
Military health support	28 248	29 169	28 840	16 934	33 611	42 275	47 695
Area military health service	314 265	324 515	320 861	345 782	365 050	380 692	390 940
Specialist health service	368 546	380 568	376 282	378 347	438 907	493 883	523 822
Product support capability	46 307	47 817	47 279	62 307	53 437	50 165	51 018
Base support capability	10 922	11 279	11 151	10 525	12 576	13 394	13 785
Military health training	53 266	55 005	54 385	61 563	60 233	64 618	67 413
<b>Total</b>	<b>909 899</b>	<b>939 579</b>	<b>928 996</b>	<b>971 952</b>	<b>1 095 027</b>	<b>1 137 524</b>	<b>1 191 396</b>
Change to 2000 Budget Estimate				(1 615)	9 654	4 957	

### Economic classification

<b>Current</b>	<b>909 899</b>	<b>939 579</b>	<b>928 996</b>	<b>971 952</b>	<b>1 095 027</b>	<b>1 137 524</b>	<b>1 191 396</b>
Personnel	632 292	652 918	645 564	674 921	751 773	803 881	852 264
Transfer payments	–	–	–	2 497	–	–	–
Other current	277 607	286 661	283 432	294 534	343 254	333 643	339 132
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
<b>Total</b>	<b>909 899</b>	<b>939 579</b>	<b>928 996</b>	<b>971 952</b>	<b>1 095 027</b>	<b>1 137 524</b>	<b>1 191 396</b>

### Standard items of expenditure

Personnel	632 292	652 918	645 564	674 921	751 773	803 881	852 264
Administrative	20 464	21 131	20 893	21 896	32 264	31 887	31 978
Inventories	131 797	136 096	134 563	138 522	171 787	167 408	172 835
Equipment	32 853	28 924	33 542	35 151	48 599	45 738	45 460
Land and buildings	–	–	–	–	–	–	–
Professional and special services	84 486	89 742	86 259	90 398	90 604	88 610	88 859
Transfer payments	–	–	–	2 497	–	–	–
Miscellaneous							
Civil Pensions	8 007	10 768	8 175	8 567	–	–	–
Stabilisation Fund							
<b>Total</b>	<b>909 899</b>	<b>939 579</b>	<b>928 996</b>	<b>971 952</b>	<b>1 095 027</b>	<b>1 137 524</b>	<b>1 191 396</b>

## Policy developments

There is a marked increase in the number of requests from other departments and provinces for assistance in terms of medical care and support. The Department of Defence instituted procedures to recover marginal costs from the departments and provinces concerned.

The national policy on HIV/Aids, stating that there will be no discrimination against members with HIV/Aids, has a direct impact on the management of health care in the Department. The treatment of health workers after accidental exposure to HIV/Aids, rape victims and pregnant woman has led to increased spending on medical care and support.

## Expenditure trends

Spending on *Military health support* increases by an average of 7 per cent a year between 2000/01 and 2003/04, as against 2,2 per cent a year from 1997/98 to 2000/01. Higher growth over the medium term enables the Surgeon-General to continue providing an acceptable level of medical services to the Department's patients. The impact of HIV/Aids-related illnesses is an unknown factor and no provision has been made for the possible implementation of a national policy on the treatment of persons suffering from HIV/Aids-related illnesses. It is projected that a low incidence rate of 10 per cent, increasing to 14 per cent over the medium term, will lead to additional medical care costs of R243 million.

Provinces have made own arrangements to obtain their medical requirements. The Department has therefore approved the closure of the Trading Account for Medical Stock before 2001/02.

## Outputs and service delivery trends

Table 20.10: Military health support: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Strategic direction	Provision of strategic direction to the Military health services	Timely promulgation of strategy, operational concepts and guidelines for planning
Military health support	Provision of prepared, equipped and supported military health forces	Number of capabilities
Area military health service	Provision of direct health support to approved clientele	Number of admissions Number of in-patient days Number of consultations
Specialist health service	Provision of specialist health services to approved clientele	Number of admissions Number of in-patient days Number of consultations
Product support capability	Provision of medicine to approved clientele and other departments	Number of prescriptions Number of medicine types Time of delivery
Base support capability	Provision of general base support to the Department	Timely delivery of support services according to specification or agreement
Military health training	Provision and maintenance of a training capability for basic, junior leader, formative, staff, professional and functional training at training establishments	Number of trainees Number of courses presented

The Military Health Service will continue to provide a comprehensive medical service to a patient population of approximately 320 000 persons. This includes 30 391 admissions, 129 061 in-patient days, 468 233 general practitioner consultations, 7 841 specialist consultations, 204 554 nursing consultations, 53 766 medical orderly consultations, 8 859 paramedical consultations, 79 858 oral health consultations, 282 405 laboratory requests, 26 500 radiology requests and 101 992 radiology exposures. It deploys 211 members per month in support of operational commitments, 26 members in support of the President, 25 members in support of the Deputy-President and 22 members in support of other eminent people.

## Programme 6: Defence intelligence

The aim of this programme is to provide a defence intelligence and counter-intelligence capability. The programme provides strategic direction to the defence intelligence function and establishes, trains and maintains prepared defence intelligence services. It also provides defence counter-intelligence for operational security, for vetting decisions, and against threats such as sabotage and subversion. It services Memoranda of Understanding through foreign military relations and provides for a strategic defence intelligence training capability.

Table 20.11: Defence intelligence

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Strategic direction	105 496	103 480	118 518	102 502	110 323	115 532	120 556
Defence intelligence services	12 086	11 855	13 577	10 338	12 360	12 359	12 359
Defence counter-intelligence services	6 009	5 894	6 751	5 865	5 638	5 638	5 638
Foreign military relations	32 373	31 754	36 370	27 696	19 484	20 058	20 278
Defence intelligence support services	3 686	3 616	4 141	3 603	14 614	14 614	14 614
Defence intelligence training	1 388	1 362	1 561	1 100	1 901	1 901	1 901
<b>Total</b>	<b>161 038</b>	<b>157 961</b>	<b>180 918</b>	<b>151 104</b>	<b>164 320</b>	<b>170 102</b>	<b>175 346</b>
Change to 2000 Budget Estimate					(2 694)	(2 482)	

**Economic classification**

<b>Current</b>	<b>161 038</b>	<b>157 961</b>	<b>180 918</b>	<b>151 104</b>	<b>164 320</b>	<b>170 102</b>	<b>175 346</b>
Personnel	109 411	107 319	122 917	102 661	112 080	117 863	123 107
Transfer payments	–	–	–	–	–	–	–
Other current	51 627	50 642	58 001	48 443	52 240	52 239	52 239
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
<b>Total</b>	<b>161 038</b>	<b>157 961</b>	<b>180 918</b>	<b>151 104</b>	<b>164 320</b>	<b>170 102</b>	<b>175 346</b>

**Standard items of expenditure**

Personnel	109 411	107 319	122 917	102 661	112 080	117 863	123 107
Administrative	29 781	29 212	33 458	27 944	23 118	22 820	22 820
Inventories	4 414	4 330	4 959	4 142	5 178	5 248	5 248
Equipment	4 168	3 589	4 683	3 911	9 880	9 768	9 768
Land and buildings	–	–	–	–	–	–	–
Professional and special services	11 606	11 884	13 038	10 890	14 064	14 403	14 403
Transfer payments	–	–	–	–	–	–	–
Miscellaneous							
Civil Pensions Stabilisation Fund	1 658	1 627	1 863	1 556	–	–	–
<b>Total</b>	<b>161 038</b>	<b>157 961</b>	<b>180 918</b>	<b>151 104</b>	<b>164 320</b>	<b>170 102</b>	<b>175 346</b>

**Policy developments**

*Defence intelligence* is focusing on improving cooperation with the wider South African intelligence community. In addition, it is intensifying military foreign liaison with countries that share the same values as South Africa.

**Expenditure trends**

*Defence intelligence* is a small but important item on the Defence Vote, and accounts for a mere 1 per cent of the total over the medium term. Spending on the programme is expected to increase by an average of 5,1 per cent a year between 2000/01 and 2003/04, as against a reduction of 2,1 per cent a year over the previous three-year period. The latter is due to the funding of certain activities related to defence intelligence from the *Special Defence Account*.

## Outputs and service delivery trends

Table 20.12: Defence intelligence: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Strategic direction	Provision of defence intelligence products to identified clients	Timely delivery of integrated, quality assured and focused defence intelligence products
Defence intelligence services	Collection and processing of intelligence in support of operations	Number of intelligence reports
Defence counter-intelligence services	Provision of counter-intelligence to exploit or inhibit intelligence activities, subversion and sabotage efforts against the Department	Number of security clearances Number of investigation dossiers
Foreign military relations	Servicing of Memoranda of Understanding through Military Attaché Offices	Number of Attaché Offices Number of Memoranda
Defence intelligence support services	Provision of support services	Timely delivery of support services according to specification agreement
Defence intelligence training	Provision of trained intelligence personnel	Number of trainees

*Defence intelligence* administers 27 military attaché offices and 69 memoranda of understanding. Military attaché offices were opened at the United Nations and in the People's Republic of China during 2000/01. During 2001/02, a military attaché office will also be opened in Nigeria while the offices in Kenya and Chile will be closed. Approximately 2 612 intelligence reports and 2 142 investigation dossiers were processed while 5 566 security clearances were issued last year.

## Programme 7: Joint support

The aim of this programme is to provide and maintain a centralised infrastructure for the provision of common supplies and services in support of all Defence objectives. The programme deals with the provision of common logistical services, facilities, capital works, commodities, management information systems and telecommunication services. It also provides a joint training capability, military policing capability and a military testing capability. It assists defence-related organisations such as Armscor, the Reserve Force Council, the South African First Aid League, St Johns Ambulance Brigade, DDTETA (Defence, Intelligence, Diplomacy and Trade Education and Training Authority) and the Medical Fund for Retired Members. It includes the temporary provision of vocational training, as well as integration evaluation and training services.

Table 20.13: Joint support

Sub Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Joint support management	34 191	38 736	41 562	73 842	90 019	64 538	69 733
Joint logistic services	199 731	339 151	193 328	255 996	251 295	259 518	269 046
Command and management information services	371 500	419 757	450 378	596 109	645 356	645 685	661 057
Military policing	98 971	112 129	120 309	166 665	171 021	176 219	179 730
Service corps	28 605	32 408	34 772	46 769	49 473	51 921	54 213
Test facilities	165	1 320	1 417	24 261	2 020	2 000	2 000
Joint training	86 177	97 633	104 756	127 708	151 168	156 409	162 767
Assistance	548	621	666	890	890	890	889
Departmental support	144 495	163 705	175 648	253 939	266 812	258 331	345 294
British Military Advisory and Training Team	4 465	5 058	5 427	5 122	–	8 996	–
<b>Total</b>	<b>968 848</b>	<b>1 210 518</b>	<b>1 128 263</b>	<b>1 551 301</b>	<b>1 628 054</b>	<b>1 624 507</b>	<b>1 744 729</b>
Change to 2000 Budget Estimate				82 365	61 764	46 325	

**Economic classification**

<b>Current</b>	<b>895 724</b>	<b>1 014 805</b>	<b>1 088 837</b>	<b>1 519 043</b>	<b>1 576 500</b>	<b>1 570 891</b>	<b>1 688 700</b>
Personnel	191 219	339 185	354 129	585 016	672 304	682 763	706 626
Transfer payments	162 965	150 466	164 558	179 530	203 114	210 669	218 526
Other current	541 540	525 154	570 150	754 497	701 082	677 459	763 548
<b>Capital</b>	<b>73 124</b>	<b>195 713</b>	<b>39 426</b>	<b>32 258</b>	<b>51 554</b>	<b>53 616</b>	<b>56 029</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	73 124	195 713	39 426	32 258	51 554	53 616	56 029
<b>Total</b>	<b>968 848</b>	<b>1 210 518</b>	<b>1 128 263</b>	<b>1 551 301</b>	<b>1 628 054</b>	<b>1 624 507</b>	<b>1 744 729</b>

**Standard items of expenditure**

Personnel	191 219	339 185	354 129	585 016	672 304	682 763	706 626
Administrative	38 403	43 508	46 682	62 979	85 899	76 463	74 574
Inventories	28 985	38 073	35 688	51 361	52 200	41 828	41 538
Equipment	48 179	39 584	58 566	79 011	50 757	53 955	55 016
Land and buildings	41	1 537	1 603	1 544	1 998	2 127	1 215
Professional and special services	486 209	585 703	438 554	576 716	555 706	550 626	641 158
Transfer payments	162 965	150 466	164 558	179 530	203 114	210 669	218 526
Miscellaneous							
Civil Pensions Stabilisation Fund	12 847	12 462	28 483	15 144	6 076	6 076	6 076
<b>Total</b>	<b>968 848</b>	<b>1 210 518</b>	<b>1 128 263</b>	<b>1 551 301</b>	<b>1 628 054</b>	<b>1 624 507</b>	<b>1 744 729</b>

**Policy developments**

The *Joint support* programme reflects the restructuring of the Department of Defence to focus on core business. Consolidation of activities led to the shifting of the Joint logistical services and Management information services subprogrammes from the *Administration* programme to the *Joint support* programme.

**Expenditure trends**

The programme is projected to account for an average of 9.9 per cent of the Vote over the medium term. Spending on the programme increases by an annual average of 17 per cent between 1997/98 and 2000/01, as against 4 per cent a year in the period thereafter. This is due to the gradual movement of personnel and equipment from the Arms of Service to the Logistic, Management Information, Joint Training and Military Policing Divisions as they became operational.

The medium-term allocation to the British Military Advisory and Training Team tapers off in 2002/03, owing to the completion of the team's task. No further provision is made for this activity.

**Outputs and service delivery trends****Table 20.14: Joint support: Key outputs and indicators**

Subprogramme	Outputs	Service delivery indicators
Joint support management	Coordination of corporate support services within the Department	Timely delivery of support services according to specification or agreement
Joint logistic services	Provision of joint logistic services to the Department	Number of support bases Number of stock issues Number of trainees Number of auctions
Command and management information services	Provision of command and management information services to the Department	Number of information systems Number of communication systems

Subprogramme	Outputs	Service delivery indicators
Military policing services	Provision of military policing services to the Department	Number of dossiers Number of arrests Number of charges Number of detainees Decline in criminality
Service corps	Provision of demilitarisation services to individual members of the Department including vocational and life skills training	Number of trainees
Test facilities	Provision of missile and ammunition test facilities	Number of tests
Joint training	Provision of professional development and non-combat or mission common functional learning opportunities	Number of trainees Number of courses presented
Departmental assistance and support	Provision of assistance to defence-related organisations: <ul style="list-style-type: none"> <li>• Armscor</li> <li>• Reserve Force Council</li> <li>• South African Shooting Union</li> <li>• South African First Aid League</li> <li>• St John's Ambulance Brigade</li> </ul>	Number of procurements Number of acquisitions
British military advisory and training team	Provision of integration evaluation and training advice	Number of evaluations

## Programme 8: Command and control

The aim of this programme is to provide and maintain an operational command and control capability. *Command and control* provides strategic and operational direction for the deployment of combat elements and exercises command and control over all defence operations through Regional Joint Task Forces. It also provides, maintains and prepares a special operations capability.

Table 20.15: Command and control

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Command and control	62 289	27 634	19 924	87 531	115 520	111 612	115 891
Special operations	–	–	–	75 239	85 246	91 722	104 665
<b>Total</b>	<b>62 289</b>	<b>27 634</b>	<b>19 924</b>	<b>162 770</b>	<b>200 766</b>	<b>203 334</b>	<b>220 556</b>
Change to 2000 Budget Estimate				49 253	73 533	68 499	
<b>Economic classification</b>							
<b>Current</b>	<b>62 289</b>	<b>27 634</b>	<b>19 924</b>	<b>162 770</b>	<b>200 766</b>	<b>203 334</b>	<b>220 556</b>
Personnel	44 321	19 663	14 178	118 026	159 922	168 457	175 131
Transfer payments	–	–	–	–	–	–	–
Other current	17 968	7 971	5 746	44 744	40 844	34 877	45 425
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
<b>Total</b>	<b>62 289</b>	<b>27 634</b>	<b>19 924</b>	<b>162 770</b>	<b>200 766</b>	<b>203 334</b>	<b>220 556</b>



**Standard items of expenditure**

Personnel	44 321	19 663	14 178	118 026	159 922	168 457	175 131
Administrative	4 787	2 124	1 531	9 369	12 617	11 532	11 682
Inventories	3 722	1 651	1 190	3 158	12 091	12 697	22 848
Equipment	1 430	634	457	3 769	7 277	3 759	3 877
Land and buildings	–	–	–	79	–	–	–
Professional and special services	7 440	3 301	2 380	27 296	8 859	6 889	7 018
Transfer payments	–	–	–	–	–	–	–
Miscellaneous							
Civil Pensions Stabilisation Fund	589	261	188	1 073	–	–	–
<b>Total</b>	<b>62 289</b>	<b>27 634</b>	<b>19 924</b>	<b>162 770</b>	<b>200 766</b>	<b>203 334</b>	<b>220 556</b>

**Policy developments**

Restructuring in the Department led to the transfer of the Special forces capability from the *Landward defence* programme to the *Command and control* programme in 2000/01.

**Expenditure trends**

The *Command and control* programme is a minor programme on the Vote. Spending on the programme increases by an average of 37,7 per cent between 1997/98 and 2000/01, as against 10,7 per cent a year over the medium term. Higher growth in the earlier period is due to the establishment of the Regional Joint Task Forces and the shift of the Special Forces.

**Table 20.16: Command and control: Key outputs and indicators**

Subprogramme	Outputs	Service delivery indicators
Command and control	Command and control over all National Defence Force operations	Number of operations Number of exercises Number of support missions
Special operations capability	Provision of prepared, equipped and supported special forces	Number of product, weapon or support systems Preparedness levels Vehicle and weapon system serviceability

The Special operations subprogramme provides a first line of defence against any defence contingency. The subprogramme trains and maintains approximately 200 special forces operators per year.

**Programme 9: Special Defence Account**

The aim of this programme is to augment the Account in terms of the Defence Special Account Act of 1974, which was established for financing special defence activities and purchases. The programme provides for the acquisition of special defence equipment and strategic armaments, for maintaining approved defence capabilities and for financing sensitive defence activities.

Table 20.17: Special Defence Account

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Procurement services	1 688 856	1 412 659	1 601 423	1 505 934	1 373 784	1 131 450	1 049 170
Strategic arms procurement	–	–	–	2 899 200	4 223 384	5 078 488	5 828 412
Operating	168 804	141 197	160 064	283 230	172 299	130 943	180 700
Sensitive activities	84 211	70 439	79 852	32 920	40 054	41 547	41 547
<b>Total</b>	<b>1 941 871</b>	<b>1 624 295</b>	<b>1 841 339</b>	<b>4 721 284</b>	<b>5 809 521</b>	<b>6 382 428</b>	<b>7 099 829</b>
Change to 2000 Budget Estimate					235 534	(177 488)	

**Economic classification**

<b>Current</b>	<b>1 941 871</b>	<b>1 624 295</b>	<b>1 841 339</b>	<b>4 721 284</b>	<b>5 809 521</b>	<b>6 382 428</b>	<b>7 099 829</b>
Personnel	–	–	–	–	–	–	–
Transfer payments	1 941 871	1 624 295	1 841 339	4 721 284	5 809 521	6 382 428	7 099 829
Other current	–	–	–	–	–	–	–
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
<b>Total</b>	<b>1 941 871</b>	<b>1 624 295</b>	<b>1 841 339</b>	<b>4 721 284</b>	<b>5 809 521</b>	<b>6 382 428</b>	<b>7 099 829</b>

**Standard items of expenditure**

Personnel	–	–	–	–	–	–	–
Administrative	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–
Equipment	–	–	–	–	–	–	–
Land and buildings	–	–	–	–	–	–	–
Professional and special services	–	–	–	–	–	–	–
Transfer payments	1 941 871	1 624 295	1 841 339	4 721 284	5 809 521	6 382 428	7 099 829
Miscellaneous							
Civil Pensions Stabilisation Fund	–	–	–	–	–	–	–
<b>Total</b>	<b>1 941 871</b>	<b>1 624 295</b>	<b>1 841 339</b>	<b>4 721 284</b>	<b>5 809 521</b>	<b>6 382 428</b>	<b>7 099 829</b>

**Policy developments**

The Defence Review highlighted the necessity of replacing outdated and obsolete equipment. In September 1998, Cabinet announced the strategic arms procurement programme for the South African National Defence Force. Spending on the programme will be accounted for in the national budget as funds are paid to arms suppliers or to cover other costs, such as taxes and shipment while the equipment is being built and delivered. The Auditor-General and the Standing Committee on Public Accounts are currently investigating the integrity of the arms procurement process.

**Expenditure trends**

The *Special Defence Account* is projected to consume an average of 38,2 per cent of the Vote over the medium term. It funds the strategic armaments procurements, special defence equipment, as well as other special defence activities to realise the Defence Force's armament acquisition plan. The entire programme is classified as a current transfer payment to Armscor. There is no personnel expenditure associated with the programme.

## Outputs and service delivery trends

**Table 20.18: Special Defence Account: Key outputs and indicators**

Subprogramme	Outputs	Service delivery indicators
Strategic / procurement services	Provision of efficient procurement service to obtain defence equipment	Timely delivery of equipment according to specification on the planned date
Operating services	Provision and maintenance of the main equipment within the operating capabilities	Timely maintenance of equipment according to specification by the planned date

## Public entities reporting to the Minister responsible for Defence

### Armaments Corporation of South Africa (Armcor)

Armcor's primary function is to acquire defence products, mainly for the Defence Force, and to co-manage, with the Defence Force, the development of technologies required for future weapon systems and products. During the past three years, Armcor and the Department of Defence focused on the strategic arms procurement. Due to the changes in the political environment, the Armament Development and Production Act of 1968 had to be revised. The Act has been amended to ensure consistency with the Constitution, national legislation, national policies, and departmental policies and procedures. It is expected that the new Bill will be tabled in Parliament shortly.

The Armcor Group has seven subsidiaries:

- The Institute for Maritime Technology (Pty) Ltd aims to satisfy strategic needs for techno-military support, products and services, and to establish applicable technology and systems to further the interests of the Defence Force.
- Gerotek Test Facilities (Pty) Ltd is an acknowledged global leader in vehicle testing and related services such as product testing, consultancy and armour development.
- Alkantpan (Pty) Ltd offers an all-purpose weapons and ammunition test range, compiles specifications and analyses test data.
- Military Sales and Services (Pty) Ltd provides services such as freight clearing and forwarding, travel arrangements and business development to Armcor, the defence industry and private industry.
- Protechnik Laboratories (Pty) Ltd conducts research and development in the field of chemical defence, such as the protection of personnel working in chemically hazardous environments.
- Hazmat Protective Systems (Pty) Ltd manufactures and markets protective equipment for personnel for use in chemical or biological warfare, as well as industrial respirators and breathing equipment.
- Gennan Systems (Pty) Ltd supports decision-makers in the acquisition, operation and phasing out of systems by rendering engineering and management services.

The net value of the group assets of R373,8 million on 31 March 2000 was slightly higher than the previous year's figure of R371,5 million. Investments and cash form a substantial part of the assets and are reserved to finance specific future obligations, such as the redemption of stock, replacement of capital equipment and marketing promotion activities. The net income of the group decreased by R5,6 million from the previous financial year.

## **Annexure: Vote 20: Defence**

Table 20.19: Summary of expenditure trends and estimates per programme

Table 20.20: Summary of expenditure trends and estimates per economic classification

Table 20.21: Summary of expenditure trends and estimates per standard item

Table 20.22: Summary of transfers and subsidies per programme

Table 20.23: Summary of personnel numbers and costs

Table 20.24: Summary of expenditure on training

Table 20.19: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1997/98	1998/99	1999/00		2000/01				2001/02			2002/03	2003/04
R thousand													
Administration	247 450	190 346	411 613	333 813	–	2 643	336 456	336 456	402 608	–	402 608	398 606	411 981
Landward defence	3 987 756	3 705 763	3 398 292	3 212 623	–	5 541	3 218 164	3 218 164	3 610 043	–	3 610 043	3 879 612	3 903 004
Air defence	2 097 082	1 900 584	1 962 936	1 858 153	–	89 058	1 947 211	1 947 211	1 947 548	–	1 947 548	2 046 976	2 090 707
Maritime defence	803 961	804 684	844 986	884 039	–	(2 180)	881 859	881 859	945 203	–	945 203	991 727	1 060 160
Military health support	909 899	939 579	928 996	973 567	–	(1 615)	971 952	971 952	1 095 027	–	1 095 027	1 137 524	1 191 396
Defence intelligence	161 038	157 961	180 918	151 104	–	–	151 104	151 104	164 320	–	164 320	170 102	175 346
Joint support	968 848	1 210 518	1 128 263	1 496 835	4 359	50 107	1 551 301	1 551 301	1 576 500	51 554	1 628 054	1 624 507	1 744 729
Command and control	62 289	27 634	19 924	113 517	–	49 253	162 770	162 770	200 766	–	200 766	203 334	220 556
Special Defence Account	1 941 871	1 624 295	1 841 339	4 721 284	–	–	4 721 284	4 582 052	5 809 521	–	5 809 521	6 382 428	7 099 829
<b>Total</b>	<b>11 180 194</b>	<b>10 561 364</b>	<b>10 717 267</b>	<b>13 744 935</b>	<b>4 359</b>	<b>192 807</b>	<b>13 942 101</b>	<b>13 802 869</b>	<b>15 751 536</b>	<b>51 554</b>	<b>15 803 090</b>	<b>16 834 816</b>	<b>17 897 708</b>
Change to 2000 Budget Estimate							175 258	36 026	479 323	51 554	530 877	343 795	

Table 20.20: Summary of expenditure trends and estimates per economic classification

R thousand	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1997/98	1998/99	1999/00			2000/01				2001/02		2002/03	2003/04
Current	11 107 070	10 365 651	10 677 841	13 717 036	-	192 807	13 909 843	13 770 611	15 751 536	-	15 751 536	16 781 200	17 841 679
Personnel	5 819 034	5 754 892	5 725 487	5 719 613	-	119 288	5 838 901	5 838 901	6 140 060	-	6 140 060	6 297 193	6 331 357
Salaries and wages	3 317 694	3 989 369	3 938 611	3 875 592	-	119 288	3 994 880	3 994 880	4 252 657	-	4 252 657	4 345 063	4 368 636
Other	2 501 340	1 765 523	1 786 876	1 844 021	-	-	1 844 021	1 844 021	1 887 403	-	1 887 403	1 952 130	1 962 721
Transfer payments	2 104 836	1 774 761	2 005 897	4 903 311	-	-	4 903 311	4 764 079	6 012 685	-	6 012 685	6 593 147	7 318 405
Other levels of Government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current transfers	2 104 836	1 774 761	2 005 897	4 903 311	-	-	4 903 311	4 764 079	6 012 685	-	6 012 685	6 593 147	7 318 405
Other current expenditure	3 183 200	2 835 998	2 946 457	3 094 112	-	73 519	3 167 631	3 167 631	3 598 791	-	3 598 791	3 890 860	4 191 917
Capital	73 124	195 713	39 426	27 899	4 359	-	32 258	32 258	-	51 554	51 554	53 616	56 029
Capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of Government	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-	-	-	-
Other office equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed capital	73 124	195 713	39 426	27 899	4 359	-	32 258	32 258	-	51 554	51 554	53 616	56 029
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	73 124	195 713	39 426	27 899	4 359	-	32 258	32 258	-	51 554	51 554	53 616	56 029
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11 180 194	10 561 364	10 717 267	13 744 935	4 359	192 807	13 942 101	13 802 869	15 751 536	51 554	15 803 090	16 834 816	17 897 708

**Table 20.21: Summary of expenditure trends and estimates per standard item**

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers for 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1997/98	1998/99	1999/00			2000/01			2001/02			2002/03	2003/04
R thousand													
Personnel	5 819 034	5 754 892	5 725 487	5 719 613		119 288	5 838 901	5 838 901	6 140 060		6 140 060	6 297 193	6 331 357
Administrative expenditure	437 746	306 094	353 235	393 675		1 704	395 379	395 379	435 354		435 354	435 497	453 131
Inventories	813 103	659 561	709 116	732 821		(3 022)	729 799	729 799	947 774		947 774	1 029 447	1 096 135
Equipment	217 558	167 205	217 091	238 842		2 905	241 747	241 747	263 538		263 538	347 399	532 229
Land and buildings	68	1 796	2 146	1 986		79	2 065	2 065	2 705		2 705	2 834	1 922
Professional and special services	1 703 816	1 808 024	1 608 883	1 674 585	4 359	71 853	1 750 797	1 750 797	1 943 100	51 554	1 994 654	2 122 979	2 158 209
Transfer payments	2 104 836	1 774 761	2 005 897	4 903 311			4 903 311	4 764 079	6 012 685		6 012 685	6 593 147	7 318 405
Miscellaneous													
Civil Pensions	84 033	89 031	95 412	80 102			80 102	80 102	6 320		6 320	6 320	6 320
Stabilisation Fund													
<b>Total</b>	<b>11 180 194</b>	<b>10 561 364</b>	<b>10 717 267</b>	<b>13 744 935</b>	<b>4 359</b>	<b>192 807</b>	<b>13 942 101</b>	<b>13 802 869</b>	<b>15 751 536</b>	<b>51 554</b>	<b>15 803 090</b>	<b>16 834 816</b>	<b>17 897 708</b>

Table 20.22: Summary of transfers and subsidies per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate					
	Audited	Audited	Preliminary outcome			Rollovers from 1999/00	Other adjustments 2000/01		Adjustments appropriation	Current transfers	Capital transfers	Total		
R thousand	1997/98	1998/99	1999/00						2001/02		2002/03	2003/04		
Administration	-	-	-	-	-	-	-	-	50	-	50	50	50	
SA Red Cross Society¹	-	-	-	-	-	-	-	-	50	-	50	50	50	
Military health – Support		-	-	2 497	-	-	2 497	2 497	-	-	-			
Medical Trade Account		-	-	2 497	-	-	2 497	2 497	-	-	-			
Joint support	162 651	150 466	164 558	179 530	-	-	179 530	179 530	203 114	-	203 114	210 669	218 524	
Armscor	162 000	149 369	163 000	176 590	-	-	176 590	176 590	194 875	-	194 875	202 430	210 287	
South African Red Cross Society¹	18	57	-	70	-	-	70	70	-	-	-	-	-	
St Johns Ambulance Brigade¹	50	42	42	95	-	-	95	95	95	-	95	95	95	
International Committee of the Red Cross¹	50	50	50	50	-	-	50	50	-	-	-	-	-	
First Aid League¹	60	35	35	95	-	-	95	95	95	-	95	95	95	
Medical Fund for Retired Members	342	211	352	700	-	-	700	700	700	-	700	700	700	
Shooting Union¹	30	30	30	30	-	-	30	30	30	-	30	30	30	
Part-time Force Council	415	672	1 049	1 900	-	-	1 900	1 900	1 900	-	1 900	1 900	1 900	
DIDTETA	-	-	-	-	-	-	-	-	5 419	-	5 419	5 419	5 419	
Special Defence Account	1 941 871	1 624 295	1 841 339	4 721 284	-	-	4 721 284	4 721 284	5 809 521	-	5 809 521	6 382 428	7 099 829	
Total	2 104 836	1 774 761	2 005 897	4 903 311	-	-	4 903 311	4 903 311	6 012 685	-	6 012 685	6 593 147	7 318 405	

<sup>1</sup> Amounts specifically and exclusively appropriated



**Table 20.23: Summary of personnel numbers and costs<sup>1</sup>**

Personnel numbers	1997/98	1998/99	1999/00	2000/01	2001/02
Administration	1 588	1 538	2 660	1 876	2 234
Landward defence	60 912	58 989	49 964	42 946	39 156
Air defence	13 471	13 046	12 116	10 932	10 979
Maritime defence	8 390	8 125	8 288	8 203	7 821
Military health support	8 379	8 114	8 114	8 114	7 740
Defence intelligence	949	919	850	979	835
Joint support	5 741	5 560	8 189	9 833	9 147
Command and control	–	–	153	2 040	1 383
Special Defence Account	–	–	–	–	–
<b>Total</b>	<b>99 430</b>	<b>96 291</b>	<b>90 334</b>	<b>84 923</b>	<b>79 295</b>
Total personnel cost (R thousand)	5 819 034	5 754 892	5 725 487	5 838 901	6 140 060
Unit cost (R thousand)	58,5	59,8	63,4	68,8	77,4

*1 Full-time equivalent*

**Table 20.24: Summary of expenditure on training**

	Preliminary outcome	Revised estimate	Medium-term expenditure estimate		
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04
Administration	3 066	2 507	5 478	5 508	5 235
Landward defence	6 230	6 986	8 549	8 977	9 426
Air defence	5 960	10 492	5 782	6 201	6 608
Maritime defence	4 825	4 865	3 825	3 825	3 825
Military health support	3 181	2 900	3 002	3 002	3 002
Defence intelligence	–	250	294	294	294
Joint support	15 086	1 604	1 933	1 914	1 935
Command and control	–	–	–	–	–
Special Defence Account	–	–	–	–	–
<b>Total</b>	<b>38 348</b>	<b>29 604</b>	<b>28 863</b>	<b>29 721</b>	<b>30 325</b>