



Chapter Three Force Employment

- **PURPOSE**

The Joint Operations Division provides and employs defence capabilities, including an operational capability, to successfully conduct all operations, and joint and multinational military exercises.

- **Outputs**

Operations and Joint Multinational Exercises

- **Measurable objectives**

- providing and employing special operations capability in accordance with national requirements;



Chapter Three Force Employment

- conducting an average of 12 external peace missions per year in accordance with requirements to promote peace and security;
- conducting 24 JIM military force preparation exercises over the next three year (excluding Special Forces exercises); and
- undertaking missions in support of other government departments, and complying with international obligations.



DESIRED END STATE

- To establish, through the DOD strategy, a credible Force Design with fully equipped capabilities. Capabilities can be a single unit, like a ship, or a number of units forming a Battalion Group.
- It is foreseen that the implementation of this strategy will be a long term programme, which will result in a virtually fully capable SANDF. Most of the focus will be on the Landward Defence System, which is primarily the SA Army.
- The attainment of this Credible Force Design will position the SANDF to meet all commitments required by Government.

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Way forward wrt the SBP

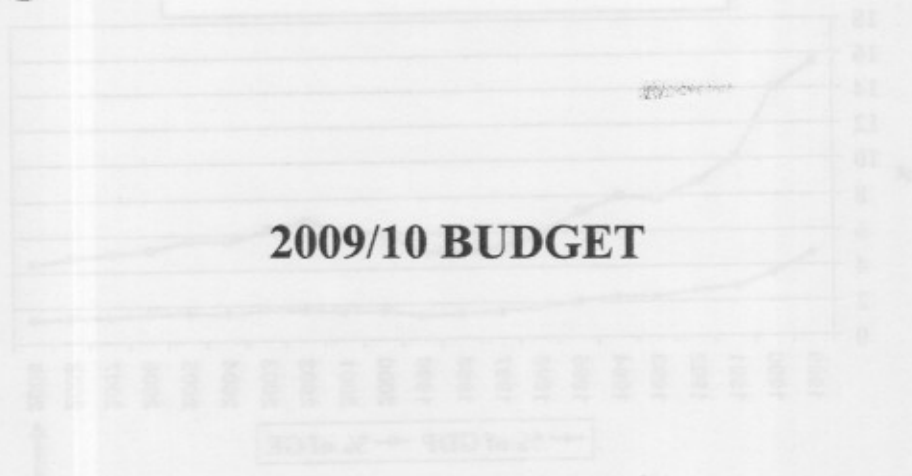
- Printing of the SBP will commence in preparation for the tabling as well as the budget Vote.

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DEFENCE BUDGET TRENDS

2009/10 BUDGET



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BUDGETARY PROCESSES

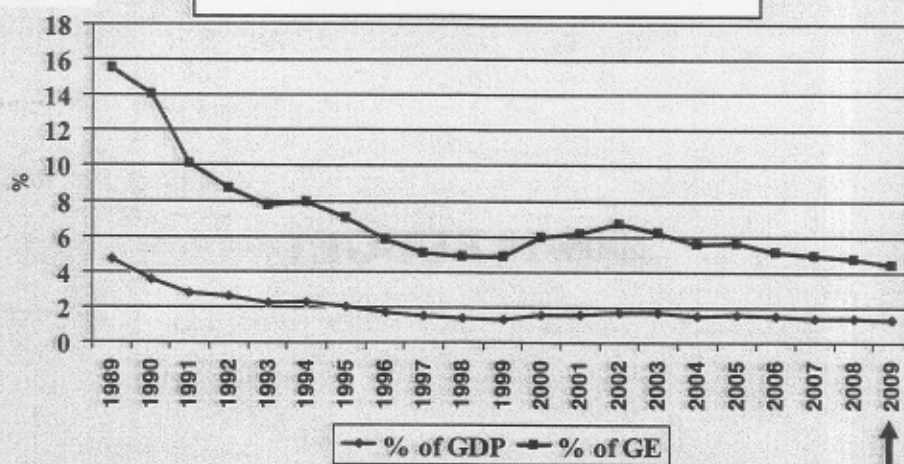
The 2009/10 budget process started in 2007 and included the following:

- Planning and Budgeting guidelines issued Sep 07.
- Plan and estimate of expenditure evaluation – May/Jun 08.
- MTEC submission with policy proposals to NT – Aug 08.
- MTEC deliberations – Sep 08.
- First letter of allocation – Nov 08.
- Final letter of allocation – Jan 09.
- Expenditure commenced on 1 Apr 09.

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DEFENCE BUDGET TRENDS



(Note: GDP=Gross Domestic Product; GE=Government Expenditure)

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DOD BUDGET CEILINGS AS % OF GDP

Ser No	Financial Year	Amount (Rb)	GDP (Rb)	% GDP
	a	b	c	d
1	FY2002/03	19,473	1,198,344	1.62%
2	FY2003/04	20,505	1,288,952	1.59%
3	FY2004/05	20,201	1,430,673	1.41%
4	FY2005/06	23,516	1,580,119	1.49%
5	FY2006/07	23,830	1,755,340	1.36%
6	FY2007/08	25,922	1,938,934	1.34%
7	FY2008/09	28,020	2,141,747	1.31%
8	FY2009/10	29,579	2,379,299	1.24%
9	FY2010/11	31,854	2,310,742	1.38%
10	FY2011/12	33,447	2,426,279	1.38%
11	FY2012/13	35,119	2,547,593	1.38%



EFFECTS OF A DIMINISHING BUDGET

- An analysis of the proposed Credible Force Design and Force Structure needed to support Government Policies and Peace Support Operations indicates a requirement for a Defence budget allocation of 2% of GDP. 21 Aug 08 proposed that SANDF Budget be increased from 1.3 to 1.7% of GDP.
- Currently the Defence budget is 1.3% of GDP.
- This negatively impact on:
 - the already declining combat capabilities as well as
 - the operationalisation of the newly acquired prime mission equipment
 - Force Preparation.
 - The ability to support Govt's & Foreign Policy initiatives

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EFFECTS OF A DIMINISHING BUDGET

- The impact of the diminishing budget has had a negative impact on operations and the acquisition of new equipment, that is required to implement Government Policies and Peace Support Operations. 21 Aug 08 an input from proposed that SANDF Budget be increased from 1.3 to 1.7% of GDP.
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2009 BASELINE ALLOCATION

PROGRAMME	2008/09 (prior year) R'000	2009/10 R'000	2010/11 R'000	2011/12 R'000
Administration	2,426,930	2,860,790	3,142,128	3,505,220
Landward Defence	6,792,237	8,749,271	9,502,567	9,988,817
Air Defence	9,006,514	10,272,007	8,885,148	9,402,353
Maritime Defence	1,809,630	1,968,284	2,102,241	2,145,103
Military Health Support	2,119,145	2,440,600	2,605,947	2,791,788
Defence Intelligence	509,850	589,759	612,906	646,766
General Support	3,933,746	3,341,866	3,676,391	3,960,102
Force Employment	1,635,103	1,801,807	1,861,976	1,978,475
TOTAL	28,233,155	32,024,384	32,389,304	34,418,624

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2009 BASELINE ALLOCATION

ECONOMIC CLASSIFICATION	2008/09 R'000	Growth	2009/10 R'000	2010/11 R'000	2011/12 R'000
Current Payments	18,050,911	12.18%	20,249,210	21,772,538	23,979,638
Compensation of Employees	10,687,269	9.96%	11,751,857	12,309,372	13,145,882
Goods and Services	7,363,642	15.40%	8,497,353	9,463,166	10,833,756
Transfers and Subsidies	9,760,579	13.87%	11,114,516	10,061,645	9,725,585
Provinces / Municipalities	0	0.00%	0	0	0
Departmental Agencies / Accounts	9,104,979	13.83%	10,364,425	9,273,501	8,907,443
Public Corporations / Private Enterprises	530,624	10.03%	583,846	616,411	646,086
Non Profit Institutions	3,956	0.00%	4,402	4,574	4,770
Households	121,020	33.73%	161,843	167,159	167,286
Payment for Capital Assets	421,665	56.68%	660,658	555,121	713,401
Buildings / Fixed Structures	112,143	229.78%	369,827	265,250	429,256
Machinery / Equipment	308,107	-14.64%	262,993	261,274	254,336
Cultivated Assets	60	0.00%	0	0	0
Software / Intangible Assets	1,355	-81.33%	253	276	296
Specialised military assets	0	0	27,585	28,321	29,513
TOTAL	28,233,155	13.43%	32,024,384	32,389,304	34,418,624

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MTEF ALLOCATIONS: 2009/10 – 2011/12

Description	2009/10 R'000	2010/11 R'000	2011/12 R'000
Departmental Baseline (2008 MTEF allocation)	29,860,567	32,200,473	34,231,388
Additional Funds Allocated to Baseline	708,900	610,095	782,874
Continuation training for Reserves	0	30,000	50,000
Infrastructure - Air Force Base Waterkloof	250,000	100,000	250,000
Inflation related adjustment: Compensation of Employees	377,892	403,385	420,691
Inflation related adjustment: Payments for capital assets	24,852	48,547	62,183
Inflation related adjustment: Fuel	56,156	28,163	0
Adjustment to Baseline	2,195,386	222,873	0
Special Defence Account (SDP)	2,195,386	222,873	0
Defence 2009 MTEF Allocations - 24 Nov 08	32,764,853	33,033,441	35,014,262
Defence 2009 MTEF Allocation - 26 Feb 09 (Final)	32,024,384	32,389,304	34,418,624
Allocation reduced with Rb 1,98 over 2009/10 MTEF period	740,469	644,137	595,638
	2.26%	1.95%	1.70%

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NATIONAL TREASURY DIRECTIVE (Macro level).

R thousand	2009 MTEF		
	2009/10	2010/11	2011/12
Compensation of employees ¹	77 388	117 009	125 558
Goods and services ²	293 014	326 319	373 581
Transfers to Public Corporations: SDA	4 116	6 226	6 526
Transfers to Public Corporations: SASSETA ³	62	92	97
Transfers to Departmental Agencies (ARMSCOR)	75 051	94 588	89 876
Forex adjustment (SDP)	290 838	99 903	0
Total	740 469	644 137	595 638

1. Reduce improvements in conditions of service and carry through cost due to adjustments in projected salary increases.
2. Proportional reduction per sub-programme (Micro level) due to revised inflation rates.
3. This amount is directly linked to the amount of the department's payroll.

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REVENUE ESTIMATES				
Economic classification	Actual Collected R'000	Medium-term receipts estimate R'000		
	2008/9	2009/10	2010/11	2011/12
R thousand				
Tax receipts		-	-	
Sales of goods and services other than capital assets	193,644	357,041	367,752	378,784
Transfers received	290,653	152,775	152,858	152,944
Fines, penalties and forfeits	1,058	1,717	1,769	1,822
Interest, dividends and rent on land	1,398	1,174	1,209	1,246
Sales of capital assets	122,711	38,486	39,641	40,830
Financial transactions in assets and liabilities	20,828	31,127	32,060	33,022
TOTAL DEPARTMENTAL RECEIPTS	630,292	582,320	595,289	601,511

IMPACT	
<p>DOD contribution = R1,980 billion over the 2009/10 MTEF period.</p> <p>The reduced allocations have a negative impact on the Department and performance targets had to be revised.</p>	
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THE WAY FORWARD (2010/11)

During the discussions with the JCPS Budget Review Team on 1 Jun 09 the following departmental policy options have been tabled in preparation for the 2009 MTEC deliberations:

- Establishment of a Military Veterans Management Organisational Structure
- Occupational Specific dispensation and allowances
- Remuneration for salary levels 1 to 12
- General rejuvenation of primarily the SA Army main mission equipment
- Operating funding for the SDPs
- Continuation training for the Reserves
- Completion of Air Force Base Waterkloof runway
- Enhancement of Information Technology through the Defence Enterprise Information System Master Plan.

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DOD's Response to State of the Nation Address (SONA)

- Speeding up economic growth, transforming the economy and creating decent work for sustainable development
 - MSDS Programme
- Developing and implementing a comprehensive rural development strategy linked to land and agrarian reform as well as food security
 - The land restitution programmes that the DOD is currently involved in



DOD's Response to State of the Nation Address (SONA)

- Strengthening the skills and human resource base
 - Two – pronged strategy (Renumorative and non – numerative), which is to be reviewed as and when necessary.
- Improving the health profile of all South Africans
 - Provided for within the Military Health Support Programme
 - The info on the health profile is provided in a confidential presentation by Surgeon -General
- Intensifying the fight against crime and corruption
 - Support to the SAPS in internal crime prevention interventions and borderline control
 - Implementation anti- fraud and anti-criminality strategies



DOD's Response to State of the Nation Address (SONA)

- Pursuing African advancement and enhanced international cooperation
 - Defence diplomacy as reflected in Military Attaché footprint, SANDF deployments and defence cooperation agreements
- Ensuring sustainable resource management and use
 - Multi-pronged strategy to help realise the qualification free audit, whose initial phase is currently implemented through the operation clean audit
 - Strengthening of internal controls
- Building a developmental state
 - In embracing the above, the DOD, pursues the following objectives :
 - Enhance and maintain comprehensive defence capabilities
 - Promote peace, security and stability in the region and the Continent
 - Support to the people



DOD's Response to State of the Nation Address (SONA)

- Improving public services
 - As part of Service Delivery Improvement Plan (SDIP), the DOD has selected MSDS and Balanced Scorecard as the programmes to track overtime, in addition to the interventions that the DOD embarks upon as part of support to the people.
 - Execution of successful missions
- Strengthening democratic institutions
 - Participation in SADC, AU and UN structures



Reflection on Recommendations by PCD

- The recommendations by the Portfolio Committee on Defence (PCD) aimed at improving the content and focus of the strategic plan have been factored.
- Detail of the coverage is provided in a separate presentation



CONCLUSION

- There has been remarkable improvement in the quality of the plans and performance information.
- The contents of the strategic plan complies with Treasury Regulation 5.2
- Changes that are a consequence of strategic positioning initiatives where possible have been factored into the strategic plan as soon as all the necessary approvals are solicited.
- The DOD is systematically addressing the strategic issues that pose a threat the full realisation of the defence outputs whilst successfully meeting its ordered commitments.

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QUESTIONS?

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Francis