Department of Defence

Executive Authority's

Overarching Annual Strategic Statement (EA OASS)

For 2012

"Doing things differently to achieve more with less"

defence

Department:
Defence
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF DEFENCE (DOD)

EXECUTIVE AUTHORITY'S

OVERARCHING ANNUAL STRATEGIC STATEMENT (EA OASS)

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Date of Tabling: 07 March 2012

defence

Department:
Defence
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FOREWORD: MINISTER OF DEFENCE AND MILITARY VETERANS, THE HONOURABLE MS L.N. SISULU: EXECUTIVE AUTHORITY'S OVERARCHING STRATEGIC STATEMENT FOR FISCAL YEAR 2012

The Fiscal Year 2012 has been framed by the strategic perspective adopted by the Department of Defence in 2011, in response to the challenge issued by His Excellency J.G. Zuma, President of the Republic of South Africa, during his State of the Nation address of 11 February 2010. During this address the President articulated the strategic focus of Government and its on going commitment to build a strong developmental state, able to respond to the needs and aspirations of the people of South Africa through an effective and responsive state. The Departmental affirmation for 2012 to "do things differently to achieve more with less" will give further effect within the Department of Defence to achieve more with less.

Accordingly, 2012 has been situated within the context of the continued Government pursuit to build a performance-orientated state, through the optimising of planning as well as performance monitoring and evaluation, and the measurement for efforts in terms of outcomes, with an emphasis on accountability and an action orientation.

Within the parameters of this contextual framework, and in pursuit of the Vision ***of effective defence for a democratic South Africa***, a number of critical strategic priorities, outcomes, outputs and associated policy proposals for 2012 have been defined.

Our priorities for the coming period, taking their lead from stated Government strategic intent, are to include, inter alia, a focus on such pivotal elements as the execution of the border safeguarding function, the continued institutionalisation of the new Service Dispensation for SANDF members, and the associated enactment of the requisite amendments to pertinent Acts, the enhancement of the SANDF's Landward Capabilities, the consolidation of the Southern African Development Community (SADC) Maritime Security Strategy, recently ratified within the structures of the SADC and its subsidiary Organs, furthering the job creation agenda of Government, enhancement of the SANDF's Peacekeeping Formation, and the revitalisation of the Reserve Component. Other key agendas will include the continued restructuring and support of the defence industry, and the formation of the Department of Defence Works Formation, which has as its end-state an envisaged internal Departmental capacity for repair and maintenance, as well as a concomitant furthering of the job creation agenda of Government.

The direction of focused, outcome based effort, towards the realisation of these priorities, will position the Department in order to both optimally attain its key outcomes, viz enhanced civil control of the Department, and defence and protection of the RSA, as well as to further the Government Programme of Action and the Government Medium Term Strategic Framework.

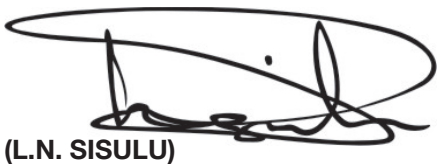
In this regard, specific focus will be directed at Outcome 11: ***Creating a better South Africa and contributing to a better and safer Africa in the world.*** This outcome is fundamental to Defence process, and more specifically, to the attainment of the Mission, which provides, inter alia, that we "***provide, manage, and employ defence capabilities commensurate with the needs of South Africa as regulated by the Constitution, national legislation and Parliamentary and Executive Direction***".

A further additional supporting focus will be directed at Outcomes 2: *A long and healthy life for all South Africans*, 3: *All people in South Africa are, and feel safe*, 5: *A skilled and capable workforce to support an inclusive growth plan*, and 12: *An efficient, effective and development orientated public service and empowered, fair and inclusive citizenship*.

It is clear that our strategic framework within the coming period is underpinned by the intent to narrow the nexus between the Government Vision of establishing a Developmental State and our Departmental Programme of Action to support this Agenda, as well as to ensure the optimal achievement of our Defence outputs and outcomes in accordance with our Constitutional Mandate.

However, it is to be noted that our capacity to attain this intent, will, to some degree, be constrained by a number of factors within the performance delivery environment, most notable being the disconnect between the Constitutional Mandate, the expectations of Government and the budget allocation, with all subsidiary risks which this entails. In addition, the continued constraints within such support domains as our Defence research capability, infrastructure and facilities, and information management, will demand careful and directed management in order to ensure adequate mitigation.

In conclusion, the Department of Defence affirms its deepest commitment to achieving the full spectrum of its Constitutional Mandate, ensuring the successful attainment of its outputs, including the meeting of its ordered commitments, mission ready defence capabilities, sound defence direction and defence compliance within the regulatory framework. This will be framed by a value system which upholds as foremost such values as discipline, transparency, fairness, excellence through leadership, honesty and integrity.



(L.N. SISULU)
MINISTER OF DEFENCE AND MILITARY VETERANS, MP

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PART 1: STRATEGIC OVERVIEW

In the execution of its Constitutional and legislative mandate, the Vision and Mission Statements of the DOD are as follows:

VISION

"Effective defence for a democratic South Africa".

MISSION

"To provide, manage, prepare and employ defence capabilities commensurate with the needs of South Africa as regulated by the Constitution, national legislation and Parliamentary and Executive direction. The above will be provided through the proper management, provision, preparedness and employment of defence capabilities, which are in line with the domestic and global needs of South Africa".

CONSTITUTIONAL AND LEGISLATIVE MANDATES

The Constitutional and legislative mandate governing the DOD is reflected in Table 1 below.

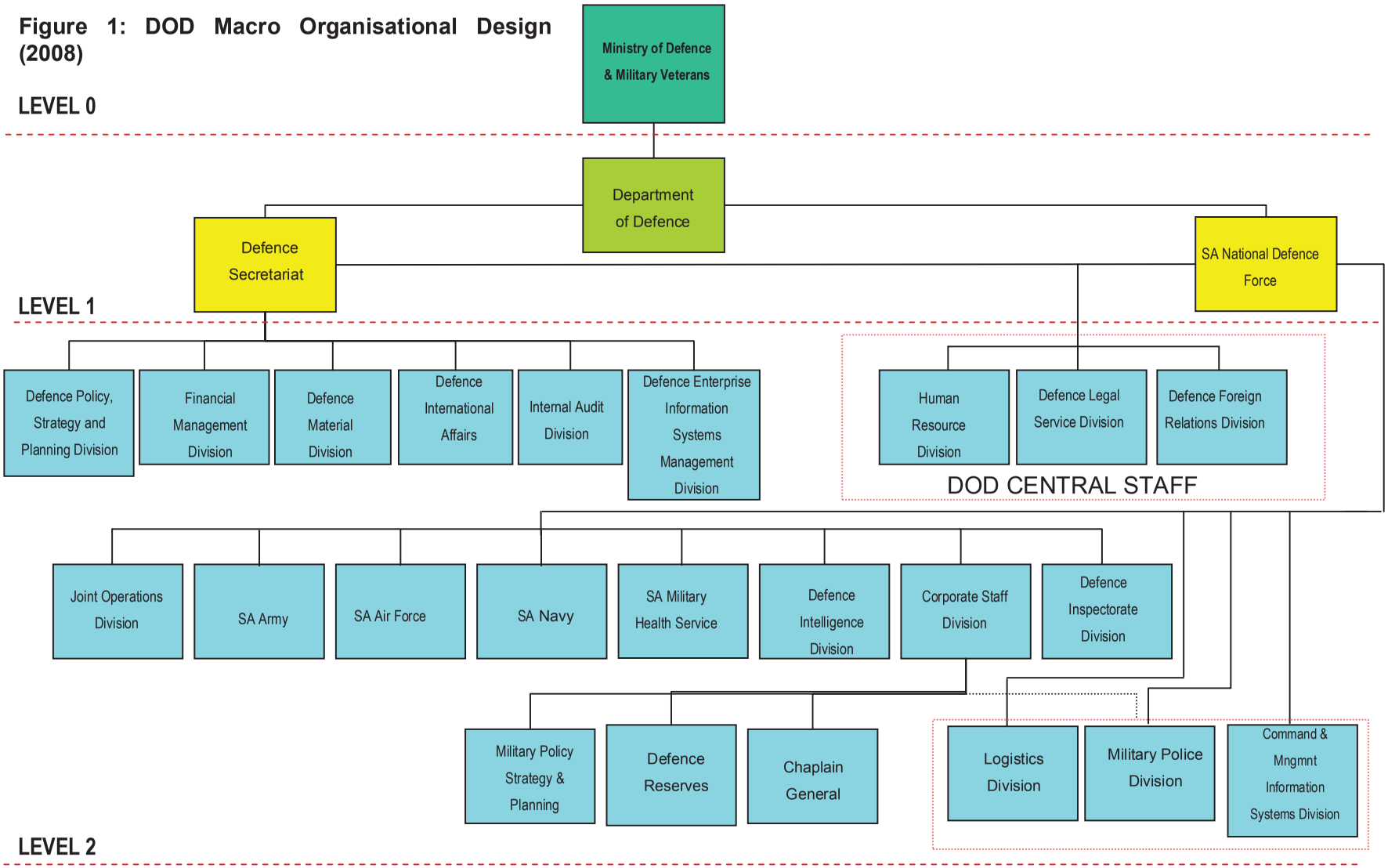
Table 1: DOD Constitutional Mandate and Legislative Mandate

Legislation	Responsibilities
Constitution, Act 108 of 1996	Section 200(2): To provide for the defence and protection of the Republic, its territorial integrity and its people. Section 204: A civilian secretariat for Defence must be established by national legislation to function under the direction of the Cabinet member responsible for defence."
Defence Act 42 of 2002	Section 5: Establishment of the Defence Secretariat. Section 11: Composition and Establishment of the South African National Defence Force. Section 48: Establishment of Reserve Force Council.
Defence Amendment Act 22 of 2010	Section 4: Appointment of the Military Command Council. Section 53/104: Rendering of service by the Reserve Force. Section 62: Establishment and Functions of the Defence Service Commission. Section 62 (A): Establishment and composition of the Defence Service Commission.
Public Service Act (3)(a)	Subject to the provisions of paragraphs (c) and (d), a head of department shall be responsible for the efficient management and administration of his or her department, including the effective utilisation and training of staff, the maintenance of discipline, the promotion of sound labour relations and the proper use and care of State property, and he or she shall perform the functions that may be prescribed.

DOD MACRO ORGANISATIONAL STRUCTURE

The approved DOD Macro Organisation Design (2008) is reflected in Figure 1 below.

Figure 1: DOD Macro Organisational Design (2008)



MINISTER OF DEFENCE AND MILITARY VETERANS (MOD&MV) STRATEGIC PRIORITIES

For the period ahead, the Minister has pronounced herself in terms of the Departmental Strategic Priorities as aligned with the Government Medium Term Strategic Framework (MTSF) Agenda that shall be pursued by the Department for the FY2012/13 planning cycle. These Strategic Priorities will inform subsequent Departmental planning instruments, strategic budgeting, monitoring and evaluation and risk management functions. The execution of these ministerial priorities will enhance the effective realisation of the Defence mandate through a strategically focused Department supported by and within available resource availability and allocation. The strengthened Departmental Monitoring and Evaluation of performance in support of these Ministerial priorities will test the extent to which the Defence function is and will be able to "do things differently and achieve more with less". The Ministerial Strategic Priorities for the FY2012 and beyond as confirmed during the MOD&MV Strategic Worksession conducted during February 2012 are as follows:

- **Enhancement of the SANDF's Landward Defence Capabilities**. In order to undertake all required missions, the enhancement of the Landward Defence Capabilities is essential. For the Landward Defence Capability to operate jointly with the Air Defence and Maritime Defence Capabilities, this enhancement is considered a priority. The Landward Defence Capability has not enjoyed the advantage of being part of the Strategic Defence Packages and is thus lacking technologically advanced Primary Mission Equipment. The funding of this priority will form part of the FY2012/13 onwards strategic budgeting function of the DOD.
- **Maritime Security**. The defence and security of South Africa is inextricably linked to that of the region and the continent. Being a littoral country, South Africa requires a balanced maritime capability to effectively respond, when so required, to arising maritime security threats affecting South Africa.
- **Job Creation**. In support of the Government's new growth-path initiative aimed at job creation, the DOD will continue to ensure that job creation, within available resourcing, will be effected through approved projects within the Defence industry.
- **Enhancement of the SANDF's Peacekeeping Capability (SANDF Deployability)**. The role of the SANDF in promoting peace and security in the region and on the African continent necessitates the enhancement of the SANDF's peacekeeping capability that will include the SANDF's Forward Deployment Capability.
- **National Youth Service (NYS)**. The Department will continue with the execution of the NYS programme through the utilisation of core Defence capabilities to provide initial training to selected youth prior to absorption into respective Government Institutions.
- **Revitalisation of the Reserves**. As part of the one-force concept, the Reserves will continue to be transformed and revitalised to fulfill the various Defence roles allocated to them in support of the regulars.
- **Restructuring and Support of the Defence Industry**. The restructuring of the Defence Industry will focus on required Defence capabilities and the sustainability thereof. The Defence Industry Framework and Function are to be fully aligned in order to ensure synchronisation of these with the requirements and mandate of Defence. The emphasis of the restructuring will be focused on the Governance, Risk Management, Compliance and Accountability framework function applicable to the Defence Portfolio.
- **Department of Defence Works Capability**. The current state of the Defence Facilities Portfolio has called for the review of the existing arrangements for the repair and maintenance programme of Defence facilities. The establishment of the DOD Works Capability within the Support (Logistics) Programme seeks to achieve an end state where the DOD will have a fully functional and resourced in-house capability that will ultimately assume full responsibility for the Defence facilities repair and maintenance programmes.

MOD&MV STRATEGIC FOCUS AREA

During the course of 2012 and beyond, the DOD shall adopt a zero-tolerance attitude to all forms of corruption and fraud within the department. The infrastructure to combat fraud and corruption is to be fully capacitated and shall include the capacitation of the Military Justice System, Military Police and the Inspector General. The fight against fraud and corruption must address ICT-based risk areas which must be responded to through skilled DOD IT functionaries.

In order for Defence to remain at the forefront of innovation and best practice pertaining to fraud and corruption practices and trends, benchmarking with other State organs are to be undertaken by Defence.

The management of DOD assets is the responsibility of commanders and managers within the DOD, and to ensure accountability, this aspect shall be included in the Commanders' and Managers' Performance Agreements.

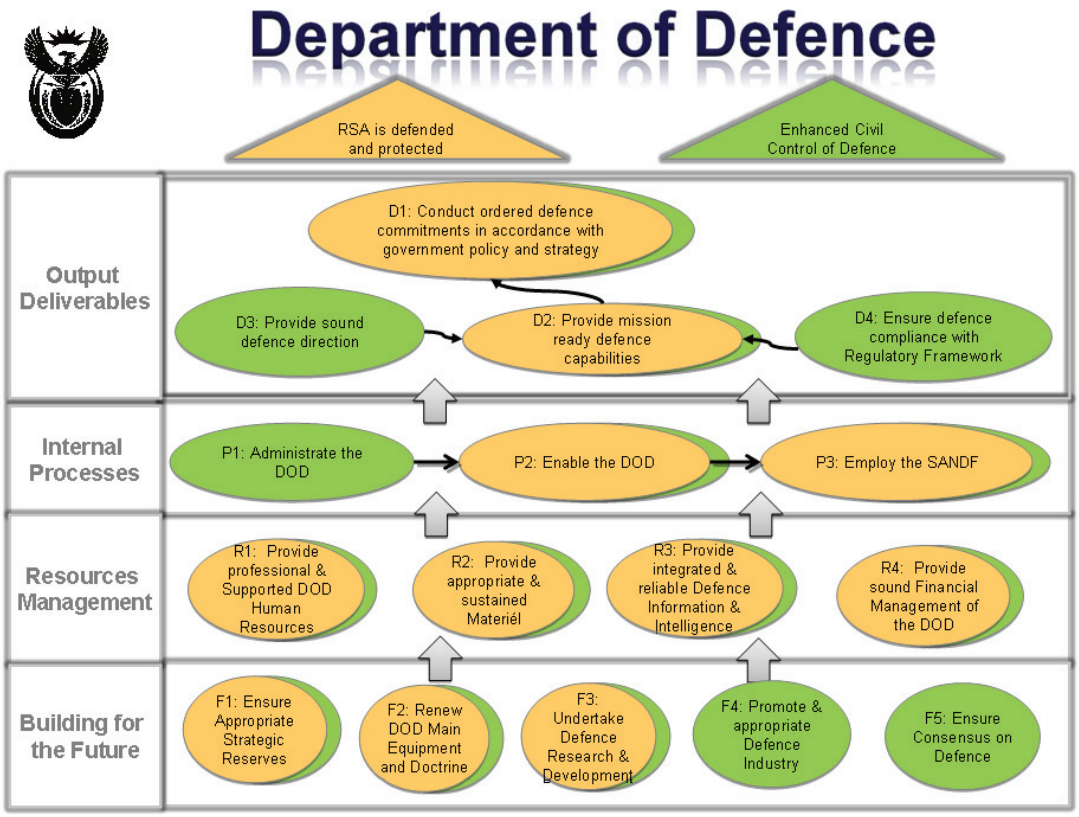
DEFENCE IN RELATION TO OUTCOMES-BASED PLANNING

During the course of FY2012/13, Defence will continue the already advanced implementation of the outcomes-based strategic planning principles as legislated through the National Treasury (NT) Framework on Strategic and Annual Performance Plans, 2010. The Framework compels Departments to ensure Constitutionally and legislatively developed Departmental outcomes-based perspectives which shall include the following: Outcomes, Outputs, Activities, Inputs and the additional DOD perspective "Building for the Future". Each of the Departmental perspectives, as presented in the DOD Strategy Map (Figure 2 below), is supported by well-defined and developed auditable and verifiable performance indicators and targets, as a means of measuring progress towards the achievement of the Departmental strategic priorities and planning instruments. The publication of "Technical Indicator Descriptions" for each performance indicator will be published on the DOD's website as prescribed by the NT Framework.

DOD STRATEGY MAP

The DOD Strategy Map is a visual presentation of the DOD's high-level strategic focus as informed by the Constitutional and legislative mandate pertaining to Defence. The DOD Strategy Map reflects various "horizontal" perspectives which intersect with multiple vertical "outputs" depicting at the point of vertical and horizontal intersection, the Departmental demand for service delivery and execution. Each of these vertical and horizontal intersecting "bubbles" are individually supported by approved Departmental "core" performance indicators and targets that will inform the level of performance that is required at that specific intersection point. The set of performance indicators which support the DOD Strategy Map intersection points are outlined in Appendix A to this Strategic Statement. The DOD Strategy Map will form the basis for the development of subordinate Departmental strategy maps, performance information development, strategic and annual planning instruments, strategic budgeting, monitoring and evaluation and risk management processes. The top-down alignment of Departmental strategic planning processes and bottom-up reporting against these processes will ensure a strategically focused Department and will ensure unity of effort and resource allocation in support of the Defence mandate.

Figure 2. DOD Strategy Map



DEFENCE OUTCOMES

Defence Outcomes are defined as "that which we wish to achieve" and are the medium term results for specific beneficiaries that are the consequence of achieving specific outputs. The Defence Outcomes as aligned with the Constitutional and Legislative Imperatives are as follows:

- RSA is defended and protected.
- Enhanced civil control of Defence.

DEFENCE OUTPUTS

Defence Outputs are defined as "what we produce or deliver" and include the final products, goods and services produced for delivery. The Departmental Outputs are as follows:

- Ordered Defence commitments in accordance with Government Policy and Strategy.
- Mission-ready Defence capabilities.
- Sound Defence direction.
- Defence compliance with Regulatory Framework.

DEFENCE ACTIVITIES

Defence activities are defined as "what we do on a daily basis" and include the processes or actions that utilise a range of inputs (resources) to produce the desired outputs and ultimately, outcomes. The Departmental activities are as follows:

- Administrate the DOD.
- Enable the DOD.
- Employ the SANDF.

DEFENCE INPUTS (RESOURCES)

Defence inputs (resources) are defined as "what we use to do the/our work on a daily basis" and include the resources that contribute to the production and delivery of activities. The Departmental inputs are as follows:

- Provide professional and supported DOD Human Resources.
- Provide appropriate and sustainable Matériel.
- Provide integrated and reliable Defence information and intelligence.
- Provide sound financial management of the DOD.

DEFENCE BUILDING FOR THE FUTURE (DEFENCE SUSTAINABILITY)

Defence building-for-the-future outlines how the DOD will ensure Defence's ongoing sustainability and relevance moving forward into the future through structure initiatives and processes. The Departmental building-for-the-future perspectives are as follows:

- Ensure appropriate strategic reserves.
- Renew DOD main equipment and doctrine.
- Undertake DOD research and development.
- Promote an appropriate Defence industry.
- Ensure consensus on Defence.

DOD CONTRIBUTION AND ALIGNMENT WITH THE MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) PRIORITIES AND OUTCOMES OF GOVERNMENT

The 2009 electoral mandate of the current administration has identified the following five strategic priorities as the cornerstone of the current national imperatives:

- Halve poverty and unemployment by 2014.
- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality.
- Improve the national health profile and skills base and ensure universal access to basic services.
- Improve the safety of citizens by reducing incidents of crime and corruption.
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia.

In support of the above-mentioned five electoral mandate priorities of the current administration, the following ten supporting strategic priorities have been identified as key drivers to the successful achievement of each of the five electoral mandate priorities. The table below provides a high-level synopsis of the alignment and support of Defence to each of the ten priorities of the developmental agenda of Government. The ten Government strategic priority outputs which will give effect to the above five electoral mandate priorities are listed in Table 2, aligned with the priorities of the DOD.

Table 2: DOD Contribution and Alignment to the MTSF Priorities and Outcomes of Government

Government 10 MTSF Priorities	Primary Focus of the Government's MTSF Priorities	DOD Alignment and Support with the Government's MTSF Priorities
Strategic Priority 1. More inclusive economic growth, decent work and sustainable livelihoods.	Creation of decent employment, economic growth, broad-based industrialisation.	Ensure that procurement processes promote broad-based economic empowerment.
		Review of the White Paper and development of a Defence industry strategy to strategically position the defence function to maximise the responsiveness of the defence industry in supporting the delivery of the defence mandate.
		Enhancing of Defence sustainability through enhanced Defence research and development capabilities.
	Intensify the implementation of the National Youth Service (NYS) by enhancing youth development through job creation in public sector programmes.	The DOD NYS and Military Skills Development System (MSDS) are a work in progress to meet the government's priority of developing youth.
Strategic Priority 2. Massive programme to build economic and social infrastructure.	Development of robust, reliable, affordable and secure Information Communication Technology (ICT) infrastructure.	Promote partnerships with other organs of state at local and municipal level to accelerate the delivery of socio-economic needs. Development of the DOD integrated cyber-security policy.
	Establish an integrated management framework that will ensure synchronisation of DOD and Department of Publics (DPW) strategic objectives of facility infrastructure development and management that is compliant with regulatory requirements and meets strategic and operational requirements of both departments.	Operationalisation and capacitation of the DOD works capability formation to address lack of DPW capacity and simultaneously empower youth and underutilised DOD personnel.
Strategic Priority 3. Rural development strategy linked to land and agrarian reform and food security.	Support other government departments in the aggressive implementation of land reform policies. Facilitation of the Draft DPW Disposal Policy into a policy implementation document.	Finalisation of pending Defence land claims (land restitution). Develop partnership with local Government and broad-based community organisation in optimal utilisation of underutilised military land and facilities. Engage relevant departments National Treasury (NT) and DPW in coordinated and focused disposal of excess military land and facilities (Endowment Properties).

Government 10 MTSF Priorities	Primary Focus of the Government's MTSF Priorities	DOD Alignment and Support with the Government's MTSF Priorities
Strategic Priority 4. Access to quality education.	Broaden access to post-secondary education and improve higher education.	Access to post-secondary education funding by means of bursaries. Access to (part and full qualification- based) NQF-linked training opportunities which included Reserves.
	In partnership with identified academic institutions, develop DOD logistics training institutions into centres of excellence for supply chain management and life cycle management.	Restructuring of DOD logistics training capability to be streamlined towards force preparation objectives, broad-based skills and human resource development.
	Ensure that training and skills development initiatives respond to the requirements of economy, rural development and social integration.	Enhanced MSDS system that widens the graduates' talent and skills base in cultural activities and sport. Ongoing Adult Basic Education and Training (ABET) programmes.
	To provide the technical skills needed by the economy - there is a need to work very closely with state-owned enterprises to train people in the skills needed by the economy.	DOD will have to work with entities such as Armscor and the Castle Control Board to ensure that skills development is achieved.
Strategic Priority 5. Improved health care.	Increase institutional capacity to deliver health-system functions.	Hospital revitalisation programme. Filling critical posts and improving remuneration of health and medical care personnel.
	Improving treatment of TB.	DOD awareness programmes.
	Comprehensive plan for HIV/AIDS.	DOD awareness programmes.
Strategic Priority 6. Intensify the fight against crime and corruption.	Develop the strategy and plan to inform DOD's role in borderline safeguarding.	Ongoing phased-in implementation of the Cabinet decision regarding employment of the SANDF in a full spectrum of border safeguarding services, both internal to South Africa and externally in international waters (maritime security).
	Combat the scourge of corruption in the public and private sectors by strengthening legal and policy frameworks.	Full implementation of anti-criminality strategy and plan. Defence contribution to the Government's crime prevention strategy which will include support to the Justice, Crime Prevention and Security (JCPS) Cluster. Promote financial disclosures at all levels. Strengthen the Governance, Risk, Compliance and Accountability (GRCA) processes to address the ethical and fiduciary requirements that guide the securing of service providers. Continued maturity of the DOD enterprise risk management level.
	Support provided to other government institutions in the fight against crime and corruption and ensuring that people in SA are and feel safe.	Internal deployment of the SANDF.
	Effective and efficient Defence legal service.	Strengthening of the military justice system and reducing military court case backlogs.
Strategic Priority 7. Build cohesive, caring and sustainable communities.	Implement comprehensive social assistance.	Ongoing establishment and operationalisation of the Department of Military Veterans.
	Promote shared value system.	Intensify civic education programmes to include all DOD members and employees.

Government 10 MTSF Priorities	Primary Focus of the Government's MTSF Priorities	DOD Alignment and Support with the Government's MTSF Priorities
Strategic Priority 8. Creation of a better Africa and a better world.	Pursuing African advancement and enhanced international cooperation through the continued prioritisation of the African agenda.	Promote nationally identified outputs that relate to advancement of regional and global peace, security and sustainability.
		Ensure that regional, continental and international peace security structures are capacitated and strengthened by appropriate deployments.
		Enhanced coordinated Defence engagements in respective cluster/s.
		Ensure that adequate legal instruments and frameworks exist to support the requisite deployments in peace missions and general military assistance missions. External deployment/s of DOD/SANDF members as directed by government and as per international legal instruments.
	Improving political and economic integration of the SADC region.	Improve governance within SADC in terms of Defence-specific security sector reform programmes.
	Strengthen South-South relations.	Implementation and monitoring of India, Brazil and South Africa (IBSA) agreements and action plans relevant to the DOD. Ensure alignment of agreements with the New Plan for African Development (NEPAD), revitalise the New Asia-Africa Strategic Partnership (NAASP), and support AU and UN efforts to guarantee lasting solutions to conflicts.
	Strengthening political and economic relations with emerging nations and forums.	Participation in the Brazil, Russia, India, China and South Africa (BRICS) Forum by South Africa to ensure that South Africa and Africa contribute to the growing world economy. The DOD Foreign Relations Strategy to include the BRICS objectives.
Strategic Priority 9. Sustainable resources management and use.	Promote a culture of sustainable resource management.	Assist in protecting marine resources in cooperation with the police. Promote responsible management of land resources through collaboration to promote land use recycling.
	Contribute to a system for environmental Impact Management Strategy.	Ensure compliance with National Environmental Management Act (NEMA) and the applicable protocols regarding sustainable resource management.
	Effectively utilise the allocated radio frequency spectrum.	Promote prudent utilisation of Defence allocated bandwidth.
	Implementation of national Framework for sustainable development. Develop a sustainable Supply Chain Management and Life Cycle Management framework that meets Force employment requirements and is compliant with NT resource management guidelines and requirements.	Compliance with relevant protocols to ensure sustainable environmental management. Ensure that the Logistics Intervention and Restructuring Programme objectives are accomplished and embraced within the DOD at all levels.

Government 10 MTSF Priorities	Primary Focus of the Government's MTSF Priorities	DOD Alignment and Support with the Government's MTSF Priorities
Strategic Priority 10. Building a developmental state, including improvement of public service.	Improving the capacity and efficacy of the State.	The review of the Defence Secretariat to align it with the mandate for defence organisation and support requirements for the Minister of Defence and Military Veterans. Strengthening the DOD's strategic planning, monitoring and evaluation and performance information management functions. Defence Review that responds to the country's current and emerging trends and requirements. Development of a Human Resource (HR) Policy and Defence skills development plan. Development of a Defence fiscal and capability framework. Establishment of the office of the Military Ombudsman. Establishment of the new Service Dispensation.
	In order to have a capacitated state that will ensure that service delivery is happening faster, there is a need to fill all funded vacant posts.	Linked to the Medium-Term Expenditure Framework (MTEF), the DOD will ensure that funded posts are capacitated.
	Entrenching a culture and practice of an efficient, transparent, honest and compassionate public service.	Continually project patriotism and high levels of discipline that characterise Defence. Deepen the understanding of the code of conduct that defines the outlook of the members and employees of Defence. Improve DOD supply chain and financial management to facilitate the payment of Small, Micro and Medium-Sized Enterprise (SMME's) on time. Promote the responsible use of public resources and accountability through the realisation of a qualification free audit.
	The DOD must at all times adhere to its legislative mandate of protecting South Africa and in so doing promote the institutions of constitutional democracy of South Africa.	Defence to embrace the goals of the institutions such as Gender Commission on Gender Mainstreaming and issues of the Human Rights Commission.

Government's MTSF furthermore provides support to the ten strategic priorities of government with the pronouncement of twelve approved outcomes with their association performance indicators and targets for achievement by 2014.

Each of the twelve identified MTSF Outcomes is linked to a set of activities that will facilitate the achievement of the specific outcome. The content of each of the twelve MTSF outcomes have formed the basis for the formulation and approval of a Delivery Agreement (DA) between an identified Cabinet member and the President. The MOD&MV is a co-signatory for the co-ordination and reporting in terms of MTSF **Outcome 11**: "Creating a better South Africa and contributing to a better and safer Africa in a better world". Combined, these DAs reflect Government's delivery and implementation plans for its foremost priorities as discussed above.

The MTSF has informed Government Departments pertaining to the strategic focus of the Departmental five-year strategic plans, annual performance plans and budget/resource requirements taking into account the applicable medium-term imperatives. These five-year strategic plans, as with Defence, have been aligned with the applicable MTSF priorities and outcomes of Government. The MTSF Outcomes to which Defence will indirectly contribute by virtue of its ongoing legislative activities are as follows:

- **Outcome 2:** A long and healthy life for all South Africans.
- **Outcome 3**: All people in South Africa are and feel safe.
- **Outcome 5:** Skilled and capable workforce to support an inclusive growth path.
- **Outcome 12:** An efficient, effective and development-oriented public service and empowered, fair and inclusive citizenship.

PART 2: FINANCIAL ALLOCATIONS OF THE DEFENCE PROGRAMMES: FY2012 BUDGET SUMMARY

COMPOSITION OF DEFENCE PROGRAMME BUDGET ALLOCATIONS

The composition of Defence Budget per Budget Programme Structure as published in the Estimate of National Expenditure (ENE) 2012, Vote 22, is provided below.

Table 3: Financial Allocations of the Defence Programmes

Main Programme	2012/13	2013/14	2014/15
	R'000	R'000	R'000
Administration	3,730,776	4,040,659	4,262,656
Force Employment	2,670,902	2,959,205	3,200,673
Landward Defence	12,686,731	13,751,279	14,253,986
Air Defence	6,749,665	7,204,878	7,709,470
Maritime Defence	2,551,307	2,755,491	3,198,209
Military Health Support	3,316,507	3,515,105	3,692,513
Defence Intelligence	709,663	740,475	778,507
General Support	5,077,403	4,977,568	5,236,095
TOTAL	**37,492,954**	**39,944,660**	**42,332,109**

PART 3: DOD PERFORMANCE INFORMATION MANAGEMENT

The DOD is in the process of developing the DOD Integrated Strategic Management Enabler (ISME) which will enable the integration and full alignment of the DOD planning, budgeting, reporting and risk management functions thereby ensuring a strategically focused DOD. The DOD ISME will enable the alignment between departmental outputs, budgets and risks supported and enabled by a sound reporting system to ensure performance reporting/evaluation and identification of deviation to plan. The development of the DOD ISME during the MTEF period and beyond will see the phased-in implementation of key focused strategic elements of the planning, budgeting, reporting and risk management process with an initial primary focus on DOD performance information management, and reporting. The DOD ISME will at it's core, ensure the enhancement of Departmental information systems which will enable the effective and efficient utilisation of state resources in support of the Defence mandate and support to Government MTSF priorities.

The continuing enhancement of the DOD Performance Information Management (PIM) function, amongst others, through the development of the DOD ISME, will ensure the accuracy and auditability of Departmental performance information as a basis for the development of the Defence Chapter of the annual Estimate of National Expenditure (ENE), and subsequent subordinate planning, budgeting, reporting and risk management functions within the DOD.

Table 4 below provides the current high-level performance indicators, aligned with the DOD Strategy Map and will form the basis for the development of subordinate departmental planning instruments and also the basis of departmental reporting.

DOD ANNUAL SELECTED PERFORMANCE INDICATORS FOR THE PERIOD FY2012/13

Table 4: DOD Selected Performance Indicators and Targets: FY2012

Indicator	Programme	Past			Projections			
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Compliance with the SADC standby force agreements and South African Pledge when required	Force Employment	-	-	-	-	Full compliance subject to resource allocation		
Total number of defence attaché offices	Administration	36	37	37	38	40	40	40
Number of external operations[1]	Force Employment	-	-	4	4	4	4	4
Average number of personnel deployed daily in external operations	Force Employment	2 931	2 480	2 041	2 280	2 250	2 250	2 250
Number of force employment hours flown each year	Air Defence	11 099	12 754	8 279	10 902	10 500	9 500	9 500
Number of hours at sea per year[2]	Maritime Defence	-	-	-	-	35 000	35 000	35 000
Number of internal[3] operations per year	Force Employment	4	5	5	4	4	4	4
Number of man days used during internal operations	Force Employment	231 608	133 036	556 099	580 000	620 000	850 000	850 000
Number of joint, interdepartmental and military exercises conducted per year	Force Employment	10	8	8	6	8	9	8
Number of military skills development members in the system per year	Landward Defence	6 736	8 874	8 662	11 140	6 673	4 159	4 153
Number of health care activities per year[4]	Military Health Support	-	-	1 138 873	2 200 000	2 140 550	2 140 550	2 140 550
Number of active Reserves per year	Landward Defence	19 763	13 352	12 362	13 816	12 400	12 900	13 500
Defence Force Service Commission status	Administration	New target	New target	New target	New target	Fully functional and recommendations to MOD&MV and report to Parliament	Impact Assessment (Review) and report to Parliament	Assessment findings (Reviewed) and report to Parliament

1 External operations include peace support operations and general military assistance operations. This was previously indicated as large scale operations.

2 This indicator has been changed from FY2012/13. The previous indicator only captured the sea hours on patrol in the RSA maritime zones, where as the amended figure is all encompassing as it captures Force Preparation and Force Employment hours both in the RSA maritime zones as well as for missions abroad.

3 This includes border safeguarding and operations in support of other government departments.

4 This indicator was not included in the ENE for FY2011/12. Health care activities include for all eligible patients (ie SANDF permanent force members, MSDS members, Youth service members, Reserves, VIP members, International Dignitaries).

PUBLIC ENTITIES/ORGANS OF STATE REPORTING TO THE EXECUTIVE AUTHORITY

The DOD has a legislative oversight function in terms of two Public Entities which fall within Schedule 2 and 3 respectively of the Public Finance Management Act (PFMA) (Act No 1 of 1999) , namely Armscor and the Castle Control Board. The Armscor receives allocations from the fiscus while the Castle Control Board generates its own revenue. The summary of the mandate, outputs and annual budget for both the above-mentioned entities is provided in Table 5 below.

Table 5: Public Entities Reporting to the Executive Authority

Name of Public Entity	Legislative Mandate	Outputs
Armscor	Armscor's mandate is derived from the Armscor Act 51 of 2003 to assist the DOD and MOD&MV with the following: • To be a nodal centre for acquisition; • Disposal of equipment; • Decision support to defence matériel requirements of the DOD requirements; • Conduct the Defence technology, research, development, analysis, test and evaluation requirements of the Department of Defence effectively, efficiently and economically; and • Custodian of Defence Matériel Intellectual Property, including an asset register.	• Funding and growth. • People capabilities. • Broad-based black economic empowerment. • Stakeholder relationships. • Support local industry. • Operational efficiency.
Castle Control Board	The Castle Control Board as a public entity, under the Public Finance Management Act (Act No 1 of 1999) sec. 1, has the mandate to manage and protect the Castle of Good Hope on behalf of the MOD&MV having the ultimate ownership responsibility for the Castle.	• Compliance with Regulatory Framework. • Preserved and protected military and cultural heritage site. • Optimised tourism potential of the Castle of Good Hope. • Optimise accessibility to the Castle of Good Hope by the general public.

ORGANS OF STATE REPORTING TO THE EXECUTIVE AUTHORITY

The following organs of State report to the Executive Authority:

- Department of Military Veterans.
- Defence Force Service Commission (DFSC).
- Office of the Military Ombudsman.

GLOSSARY

AU	African Union
BRICS	Brazil, Russia, India, China and South Africa
DA	Delivery Agreement
DOD	Department of Defence
ENE	Estimate of National Expenditure
FY	Financial Year
HR	Human Resources
IBSA	India, Brazil and South Africa
MTSF	Medium Term Strategic Framework
MSDS	Military Skills Development System
NAASP	New Asia-Africa Strategic Partnership
NEPAD	New Plan for African Development
NT	National Treasury
NYS	National Youth Service
SA	South Africa
SADC	South African Development Community
SMME	Small, Micro and Medium-Sized Enterprise
UN	United Nations

APPENDIX A

DOD PERFORMANCE INFORMATION ALIGNED WITH THE DOD STRATEGY MAP: FY2012

Table 6: Performance Information Linked to DOD Strategy Map: Outputs

DOD Output 1: Conduct ordered Defence Commitments in accordance with Government policy and strategy.	% Compliance with Force Levels for external operations.
	% Compliance with serviceability of equipment of external operations.
	% Of the value of claims reimbursed by the UN/AU.
	Number of landward sub-units deployed.
	% Compliance with UN Requirements rules and regulations for peace missions.
	Average number of personnel deployed daily in external operations per year.
	Number of force employment hours flown per year.
	Number of hours at sea per year.
	% MOU Compliance with agreed force level for deployment in UN Missions.
	Number of person days used during internal operations.
DOD Output 2: Provide mission-ready Defence capabilities.	% Compliance with Joint Force Employment (JFE) Requirements.
DOD Output 3: Provide sound Defence direction.	Number of positions filled against allocated quota for international institutions.
	% Adherence to DOD governance promulgation schedule.
DOD Output 4: Ensure Defence compliance with Regulatory Framework.	Number of Adverse Audit Findings.
	% Compliance with departmental controls.
	Office of the Military Ombudsman status.

Table 7: Performance Information Linked to DOD Strategy Map: Activities

Activity 1: Administrate the DOD.	% Achievement of signed and submitted performance Agreements by DOD SMS members.
	% Increase in military court docket readiness rate.
	% Reduction in military court case backlogs.
	% Of PSAP disciplinary cases finalised within 120 days in the DOD.
	% Payments in accordance with invoices / claims / charges, etc.
	% Litigation settled in favour of the DOD.
	% Collective grievances and disputes resolved.
	% Of criminal cases successfully prosecuted.
	% Availability at all times of mission-ready air traffic service units.
	% Availability of air defence radars in continuous operation.
	% Availability of mission-ready static control centres at all times.
	Coordinated Defence engagements in Clusters.
	DOD Enterprise Risk Management maturity level.
Activity 2: Enable the DOD.	% Compliance with the approved Force Structure.
	% Compliance with the approved Force Design.
	% Compliance Force Sustainment Requirement.
	Broader DOD Health / Fitness Status.
	Trend of deployable status on Concurrent Health Assessments.
	% Compliance with the number of Force Elements / Units Prepared.
	% Ammunition disposed in accordance with disposal plan.
	% Compliance with DOD training targets.
Activity 3: Employ the SANDF.	% Compliance with Number of Ordered Commitments.
	Number of Joint, Interdepartmental and Multinational (JIM) exercises conducted per year.
	Number of Defence Attaché Offices.

Table 8: DOD Performance Information Linked to DOD Strategy Map: Inputs (Resources)

DOD Input 1: Provide professional and supported DOD Human Resources.	Compliance with planned staffing of funded posts.
	Number of MSDS members in the system per year.
	Number of Reserve Force members utilised.
	% DOD Skills audit status.
	Level of DOD morale.
DOD Input 2: Provide appropriate and sustainable Matériel.	% Compliance with DOD Refurbishment Programme annual schedule.
	% Of approved Capital Works Plan projects completed as scheduled per year.
	% Compliance with DOD codification requirements.
	% Availability of medical stock at all times.
	% Compliance with environmental services project requirements.
	% Compliance with stock procurement and delivery requirements.
DOD Input 3: Provide integrated and reliable Defence information and intelligence.	% Compliance with the six DOD ICT Portfolios of the Defence Enterprise Information Systems Master Plan.
	% Availability of the DOD telecommunication backbone capability at all times.
	% Availability of the Mainframe Service provided to Corporate DOD at all times.
	Number of promulgated Information Warfare (IW) Plans in accordance with the IW Master Plan.
	% Availability of the Wider Area Network (WAN) provided to Corporate DOD at all times.
	Number of policies promulgated that provide Information Security Systems (ISS) direction in accordance with the IS Policy Development Portfolio.
DOD Input 4: Provide sound Financial Management of the DOD.	Defence fiscal framework status.
	Percentage (%) payments in accordance with invoices / claims / charges, etc.

Table 9: DOD Performance Information Linked to DOD Strategy Map: Building for the Future

DOD BFF 1: Ensure appropriate Defence reserves.	Level of Strategic Reserves.
DOD BFF 2: Renew DOD Main Equipment and Doctrine.	% Budget Allocation for the renewal of DOD Main Equipment in relation to the Total DOD Budget Vote.
DOD BFF 3: Undertake Defence Research and Development.	% Expenditure on Research and Development.
	Defence Intangible Capital Assets (ICA) Status.
DOD BFF 4: Promote an Appropriate Defence Industry.	White Paper on Defence Industry Status.
	Strategy on Defence Industry Status.
DOD BFF 5: Ensure consensus on Defence.	% Improvement Public Opinion of the SANDF (Value for money).

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