



2019
BUDGET
ESTIMATES OF
NATIONAL EXPENDITURE

VOTE
19

**DEFENCE AND
MILITARY VETERANS**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



**Estimates of
National Expenditure**

2019

National Treasury

Republic of South Africa



ISBN: 978-0-621-47021-5

RP: 17/2019

The 2019 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. Compared to this Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The Estimates of National Expenditure (ENE) publications are an integral part of the comprehensive annual budget process. The economic climate has made it necessary to focus on reprioritising existing resources towards areas where the most value can be derived for all South Africans. The budgets shown in this document reflect the outcome of a robust negotiation process, led by a committee of senior officials in central government departments, under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, these decisions are considered and endorsed by Cabinet.

The ENE publications present the detail of national government's expenditure estimates for the three-year 2019 medium-term expenditure framework period, most importantly for 2019/20 allocations contained in the Appropriation Bill, 2019, as tabled by the Minister of Finance, for Parliament's consideration and adoption.

The abridged ENE provides extensive information on the priorities, spending plans and service delivery commitments of all 40 national government votes, as well as for associated government agencies. The e-publications for each vote contain more detail on goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

This information in these chapters ensures that Parliament, the public, civil society, the media, government departments, public entities and the executive can keep state institutions accountable and ensure that public funds are spent to achieve the outcomes for which they were intended. Since its launch in February 2018, the Vulekamali online portal has become the main source of transparent, user-friendly information, including information contained in ENE publications, for anybody who wants to know more about how government compiles its budget and spends public funds. The website, www.vulekamali.gov.za, continues to evolve, and now also provides geospatial information on government's infrastructure projects, which are focal in this year's budget as a key impetus for economic growth. I encourage you to be active citizens and use this information to hold government accountable for obtaining the best possible outcomes with the funds entrusted to it.

I wish to thank the executive for the political leadership shown in the budget process, our government colleagues for all of their efforts and contributions, and my team at the department for working diligently to bring it all together.



Dondo Mogajane
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2019 MTEF period is from 2019/20 to 2021/22.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives set out the institution's purpose (and that of its programmes), its mandate and programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2019 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2019 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Defence and Military Veterans

National Treasury

Republic of South Africa



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Vote 19

Defence and Military Veterans

Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	6 187.1	5 441.5	723.3	22.3	6 547.6	6 931.8
Force Employment	3 620.7	3 323.8	260.8	36.1	3 644.6	3 612.2
Landward Defence	16 464.3	14 486.1	1 945.7	32.6	17 406.5	17 016.3
Air Defence	6 977.7	5 657.2	1 294.5	26.1	7 674.9	6 568.8
Maritime Defence	4 517.9	3 333.1	1 174.1	10.7	5 033.9	4 368.1
Military Health Support	5 375.3	5 250.1	77.5	47.6	5 777.6	6 035.9
Defence Intelligence	1 020.5	495.5	520.9	4.1	1 082.7	821.0
General Support	6 349.5	4 140.6	1 625.6	583.3	6 657.3	6 923.4
Total expenditure estimates	50 513.0	42 127.9	7 622.4	762.8	53 825.1	52 277.5

Executive authority Minister of Defence and Military Veterans

Accounting officer Secretary for Defence

Website address www.dod.mil.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public-private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. Provide for military veterans' benefits.

Mandate

The Department of Defence derives its mandate from section 200 of the Constitution, the Defence Act (2002) as amended by the Defence Amendment Act (2010), the 1996 White Paper on Defence and the 2015 South African Defence Review. The department is required to provide, manage, prepare and employ defence capabilities that are commensurate with the needs of South Africa.

Selected performance indicators

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections ¹		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total number of defence attachè offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	44	44	44	44	44	44	44
Total number of military skills development members in the system ²	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	3 944	3 759	3 476	3 568	3 510	3 570 ²	3 550

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections ¹		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of reserve force man days ³	Administration	Outcome 3: All people in South Africa are and feel safe	2 768 982	2 679 142	2 425 899	2 679 761	2 693 048 ³	2 680 494 ³	2 674 732 ³
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	100% (32)	100% (32)	100% (32)	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment		100% (3)	100% (2)	100% (2)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Percentage compliance with number of ordered commitments (internal operations) ⁵	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4)	100% (4)	100% (4)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	6	4	3	4	1 ⁶	3 ⁶	2 ⁶
Number of landward subunits deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	15	15	15	15	15	15	15
Number of hours flown per year ⁷	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	– ⁷	– ⁷	– ⁷	25 000	17 200	17 100	17 100
Number of hours at sea per year	Maritime Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	10 711	8 132	6 047	12 000	10 000	10 000	10 000

- Over the MTEF period, most of the department's performance targets are maintained at the same level or reduced to align with available budgets.
- Indicator reworded to reflect its cumulative nature. Target increase in 2020/21 is due to a higher attrition rate for military personnel, especially an increase in retirements in the South African National Defence Force.
- A "man day" refers to a day regarded as the number of hours of work one person can complete in a day. Medium-term targets for this indicator are aligned with the operational requirements of the department. The increase in the target in 2019/20 is due to the 2019 national and provincial elections.
- Only absolute numbers for executed operations are reported on. The number of ordered commitments cannot be predicted, hence no absolute values can be provided in 2018/19 and over the MTEF period.
- Internal operations include border safeguarding and operations in support of other departments.
- Due to the 2019 national and provincial elections, only 1 joint interdepartmental, interagency and multinational military exercise will be conducted in 2019/20. 2019 targets show an inconsistent trend as these exercises involve agreements with other countries. As some of the exercises occur every second year, only 2 exercises are scheduled in 2021/22.
- No historical data available as this is a new indicator, replacing "Number of force employment hours flown per year".

Expenditure analysis

Over the medium term, the department will focus on: arresting the decline in critical defence capabilities, participating in peace support operations, safeguarding South Africa's borders and territorial integrity, supporting the people of South Africa through collaboration with other departments, and refurbishing and maintaining infrastructure. These activities support the realisation of outcome 3 (all people in South Africa are and feel safe) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium-term strategic framework.

Due to the labour-intensive nature of the department's work, compensation of employees is its largest spending item, accounting for 59 per cent (R94 billion) of its total budget over the MTEF period. As part of the department's effort to remain within government's expenditure ceiling for compensation of employees, its

number of personnel is expected to decrease by 901, from 75 210 in 2018/19 to 74 309 in 2021/22, mainly through natural attrition.

Cabinet has approved budget reductions of R183.2 million in 2019/20, R174.2 million in 2020/21 and R5 billion in 2021/22. The reductions will be effected across all programmes mainly on the special defence account and various goods and services items such as computer services, contractors and travel and subsistence. Included in these are baseline reductions of R3.8 million for the Department of Military Veterans and R96.2 million for the Armaments Corporation of South Africa. The department will implement targeted interventions, such as cost containment on non-core goods and services items, and review projects within the special defence account to ensure that it functions sustainably.

Arresting the decline in critical defence capabilities

The 2015 South African Defence Review provides a policy for South Africa's defence trajectory over the next 20 to 30 years. Over the medium term, the department will focus on implementing parts of the review that are related to arresting the decline in critical defence capabilities. Due to the constrained fiscal outlook, the department expects to only partially implement critical elements of the review such as improved operational support systems and urgent equipment enhancements. Activities related to implementing the review are expected to be achieved with funds retained through reimbursements from the United Nations. These reimbursements are projected to amount to R1.9 billion over the medium term, as part of South Africa's contribution towards peace support operations in the Democratic Republic of the Congo.

Participating in peace support operations

As part of its efforts to ensure peace and stability in Africa, the department expects to continue participating in peace support operations in the Democratic Republic of the Congo under the auspices of the United Nations stabilisation mission. To this end, the department intends to deploy an infantry battalion supported by Rooivalk and Oryx helicopters. The department also expects to continue its deployment of 4 military observers as part of the African Union mission in Sudan's Darfur region. R3.2 billion over the medium term is allocated in the *Force Employment* programme for activities related to peace support operations.

Safeguarding South Africa's borders and territorial integrity

Border security remains a key priority for the South African National Defence Force, especially the country's land and sea borders. Accordingly, over the MTEF period, the department plans to deploy 15 landward sub-units to patrol 4 471km of South Africa's land borders with Zimbabwe, eSwatini, Mozambique, Lesotho, Botswana and Namibia. R3.7 billion is allocated over the period ahead for land border control in the *Force Employment* programme.

The South African Navy will continue to prepare naval forces for operations in support of the maritime security strategy. These operations involve ongoing maritime border patrols along the Mozambican channel to combat piracy. Provision is made in the *Maritime Defence* programme over the MTEF period to finalise the acquisition of a new hydrographic survey vessel at an estimated cost of R2.1 billion. The vessel will be used to conduct hydrographic research to produce nautical charts, and ensure safe navigation for military and civilian shipping. The acquisition of this vessel also forms part of Operation Phakisa, an initiative of the Department of Environmental Affairs intended to unlock the economic potential of South Africa's oceans. Over the medium term, R1.6 billion is allocated, mainly in the *Maritime Defence* programme, for the implementation of the maritime security strategy along the east coast of Africa.

Supporting the people of South Africa

The department contributes to domestic safety and security by conducting various internal operations in support of other government departments. For this purpose, R48.1 million is allocated over the MTEF period in the *Force Employment* programme. As part of these operations, the South African National Defence Force will continue to work with the Department of Water and Sanitation, the Gauteng provincial government and the Emfuleni local municipality to deal with water pollution in the Vaal River system. In 2018/19, the South African National Defence Force deployed 400 soldiers, including engineers, to provide technical assistance and protect

equipment at pump stations and wastewater treatment plants. This project is expected to be completed in December 2019, with its total cost still to be finalised. The department will also focus on preparing and deploying the South African National Defence Force for the 2019 national and provincial elections in support of the South African Police Service at a projected cost of R67.7 million in 2019/20 in the *Force Employment* programme.

Refurbishing and maintaining infrastructure

The Defence Works Formation maintains and refurbishes defence facilities across South Africa. Priority projects over the medium term include the upgrading of the Sandhurst building in Thaba Tshwane (Gauteng), the construction of houses at the military academy in Saldanha (Western Cape), and the renovation of quarters for married officers in Potchefstroom (North West). To carry out these activities, R2.4 billion is allocated over the MTEF period in the *General Support* programme.

Expenditure trends

Table 19.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Force Employment														
3. Landward Defence														
4. Air Defence														
5. Maritime Defence														
6. Military Health Support														
7. Defence Intelligence														
8. General Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	4 827.2	4 862.4	4 981.5	5 151.1	5 348.0	5 740.6	5 380.8	5 469.5	5 505.4	5 548.9	5 653.3	5 653.3	104.7%	102.6%
Programme 2	3 603.2	3 813.3	3 602.8	3 899.6	3 672.6	3 431.0	3 688.6	3 535.4	3 208.1	3 375.6	3 375.6	3 375.6	93.5%	94.6%
Programme 3	14 805.3	15 202.4	15 119.0	15 651.4	15 627.3	15 557.8	16 550.2	16 719.8	16 691.5	16 234.3	16 271.2	16 271.2	100.6%	99.7%
Programme 4	7 049.2	7 167.6	7 085.7	6 883.5	6 936.6	6 782.6	6 628.0	6 818.5	6 753.4	6 415.9	6 650.8	6 650.8	101.1%	98.9%
Programme 5	3 717.2	3 769.1	3 732.7	4 355.9	4 386.8	4 298.4	4 790.0	4 590.0	4 613.9	4 424.7	4 699.4	4 699.4	100.3%	99.4%
Programme 6	3 932.9	4 069.3	4 243.2	4 416.8	4 440.7	4 448.7	4 586.7	4 586.7	4 852.9	4 714.1	4 714.1	4 714.1	103.4%	102.5%
Programme 7	827.5	831.5	830.1	900.2	900.2	881.3	917.3	917.3	888.0	950.4	950.4	950.4	98.7%	98.6%
Programme 8	5 817.0	5 372.6	5 476.6	5 911.1	5 924.3	6 056.7	6 077.2	6 362.4	6 463.9	6 285.9	6 181.6	6 181.6	100.4%	101.4%
Total	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 977.2	47 949.7	48 496.2	48 496.2	100.8%	100.0%
Change to 2018 Budget estimate										546.5				
Economic classification														
Current payments	36 162.0	36 607.6	36 227.6	39 101.1	39 407.1	38 780.7	38 022.0	39 175.7	38 826.4	39 447.5	39 265.5	39 265.5	100.2%	99.1%
Compensation of employees	24 595.0	24 890.4	24 788.0	26 884.6	27 094.6	27 059.7	26 448.0	27 448.0	28 040.9	27 116.7	27 116.7	27 116.7	101.9%	100.4%
Goods and services	11 567.0	11 717.2	11 439.6	12 216.5	12 312.5	11 721.0	11 574.0	11 727.7	10 785.5	12 330.8	12 148.8	12 148.8	96.7%	96.2%
Transfers and subsidies	7 830.5	7 893.7	8 003.3	7 780.8	7 541.6	7 466.8	9 180.1	8 587.2	8 507.4	7 614.4	8 160.9	8 160.9	99.2%	99.9%
Provinces and municipalities	0.0	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.2	1.5	1.5	1.5	113.1%	113.1%
Departmental agencies and accounts	6 687.8	6 745.2	6 840.1	6 622.7	6 383.4	6 251.8	7 747.1	7 154.2	6 999.7	6 011.4	6 557.9	6 557.9	98.5%	99.3%
Foreign governments and international organisations	–	5.8	5.8	–	–	–	–	–	–	–	–	–	–	100.0%
Public corporations and private enterprises	1 025.9	1 025.9	1 022.4	1 025.4	1 025.4	1 067.7	1 296.9	1 296.9	1 298.5	1 422.7	1 422.7	1 422.7	100.8%	100.8%
Non-profit institutions	8.0	8.0	8.1	9.5	9.5	9.3	8.9	8.9	8.7	9.3	9.3	9.3	99.2%	99.2%
Households	108.8	108.8	126.8	123.2	123.2	137.9	127.1	127.1	200.3	169.4	169.4	169.4	120.0%	120.0%

Table 19.2 Vote expenditure trends by programme and economic classification

	2015/16			2016/17			2017/18			2018/19			Average: Outcome/Annual budget (%)	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	2015/16	2018/19
R million														
Payments for capital assets	586.9	586.9	838.0	287.8	287.8	947.3	1 416.7	1 236.7	1 633.8	887.8	1 069.8	1 069.8	141.2%	141.1%
Buildings and other fixed structures	122.6	122.6	82.6	121.9	121.9	147.9	958.8	658.1	697.3	529.7	529.7	529.7	84.1%	101.8%
Machinery and equipment	451.2	451.2	696.7	164.5	164.5	696.9	455.7	455.7	830.7	314.8	314.8	314.8	183.2%	183.2%
Specialised military assets	12.1	12.1	58.1	1.0	1.0	7.6	1.7	1.7	–	2.8	2.8	2.8	387.9%	387.9%
Biological assets	–	–	–	–	–	–	–	–	0.1	–	–	–	–	–
Software and other intangible assets	1.0	1.0	0.6	0.3	0.3	95.0	0.4	121.1	105.8	40.6	222.6	222.6	1 001.8%	122.9%
Payments for financial assets	–	–	2.7	–	–	2.3	–	–	9.6	–	–	–	–	–
Total	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 977.2	47 949.7	48 496.2	48 496.2	100.8%	100.0%

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. Force Employment 3. Landward Defence 4. Air Defence 5. Maritime Defence 6. Military Health Support 7. Defence Intelligence 8. General Support								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2015/16 - 2018/19	2019/20		
R million								
Programme 1	5 653.3	5.2%	11.5%	6 187.1	6 547.6	6 931.8	7.0%	12.3%
Programme 2	3 375.6	-4.0%	7.2%	3 620.7	3 644.6	3 612.2	2.3%	6.9%
Programme 3	16 271.2	2.3%	33.5%	16 464.3	17 406.5	17 016.3	1.5%	32.7%
Programme 4	6 650.8	-2.5%	14.4%	6 977.7	7 674.9	6 568.8	-0.4%	13.6%
Programme 5	4 699.4	7.6%	9.1%	4 517.9	5 033.9	4 368.1	-2.4%	9.1%
Programme 6	4 714.1	5.0%	9.6%	5 375.3	5 777.6	6 035.9	8.6%	10.7%
Programme 7	950.4	4.6%	1.9%	1 020.5	1 082.7	821.0	-4.8%	1.9%
Programme 8	6 181.6	4.8%	12.7%	6 349.5	6 657.3	6 923.4	3.9%	12.7%
Total	48 496.2	2.5%	100.0%	50 513.0	53 825.1	52 277.5	2.5%	100.0%
Change to 2018 Budget estimate				(183.2)	(174.2)	(5 034.8)		
Economic classification								
Current payments	39 265.5	2.4%	80.7%	42 127.9	45 062.1	48 221.2	7.1%	85.2%
Compensation of employees	27 116.7	2.9%	56.4%	29 193.7	31 365.9	33 404.7	7.2%	59.0%
Goods and services	12 148.8	1.2%	24.3%	12 934.2	13 696.2	14 816.5	6.8%	26.1%
Transfers and subsidies	8 160.9	1.1%	16.9%	7 622.4	7 940.8	3 362.9	-25.6%	13.2%
Provinces and municipalities	1.5	260.2%	0.0%	0.9	0.6	0.6	-26.6%	0.0%
Departmental agencies and accounts	6 557.9	-0.9%	14.0%	5 977.0	6 236.9	1 583.3	-37.7%	9.9%
Public corporations and private enterprises	1 422.7	11.5%	2.5%	1 468.0	1 543.8	1 627.3	4.6%	3.0%
Non-profit institutions	9.3	5.3%	0.0%	9.7	10.2	10.2	3.1%	0.0%
Households	169.4	15.9%	0.3%	166.7	149.2	141.4	-5.8%	0.3%
Payments for capital assets	1 069.8	22.2%	2.4%	762.8	822.2	693.5	-13.5%	1.6%
Buildings and other fixed structures	529.7	62.9%	0.8%	351.3	401.6	410.0	-8.2%	0.8%
Machinery and equipment	314.8	-11.3%	1.3%	262.8	276.0	278.4	-4.0%	0.6%
Specialised military assets	2.8	-39.0%	0.0%	1.8	1.8	1.8	-12.5%	0.0%
Software and other intangible assets	222.6	507.7%	0.2%	146.9	142.7	3.2	-75.8%	0.3%
Total	48 496.2	2.5%	100.0%	50 513.0	53 825.1	52 277.5	2.5%	100.0%

Expenditure trends and estimates for significant spending items

Table 19.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total vote (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22		
R thousand												
Compensation of employees	24 788 024	27 059 700	28 040 854	27 116 696	3.0%	56.4%	29 193 710	31 365 882	33 404 665	7.2%	59.0%	
Contractors	2 207 794	2 114 847	2 022 429	2 212 360	0.1%	4.5%	2 128 973	2 065 512	2 278 562	1.0%	4.2%	
Property payments	1 465 752	1 555 229	655 990	1 398 740	-1.5%	2.7%	1 606 942	1 828 593	1 895 707	10.7%	3.3%	
Special defence account	6 235 069	5 633 479	6 350 102	5 908 182	-1.8%	12.7%	5 290 939	5 510 551	814 987	-48.3%	8.5%	
Armaments Corporation of South Africa	1 021 899	1 043 387	1 296 901	1 422 725	11.7%	2.5%	1 467 968	1 543 845	1 627 338	4.6%	3.0%	
Total	35 718 538	37 406 642	38 366 276	38 058 703	2.1%	78.8%	39 688 532	42 314 383	40 021 259	1.7%	78.0%	

Goods and services expenditure trends and estimates

Table 19.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22		
R thousand												
Administrative fees	11 381	12 373	11 690	13 554	6.0%	0.1%	18 764	19 443	19 480	12.9%	0.1%	
Advertising	8 431	98 673	76 999	80 237	111.9%	0.6%	93 465	97 208	102 521	8.5%	0.7%	
Minor assets	94 206	252 482	65 968	150 159	16.8%	1.2%	186 218	203 492	210 227	11.9%	1.4%	
Audit costs: External	60 979	50 617	61 607	70 570	5.0%	0.5%	75 393	78 927	78 927	3.8%	0.6%	
Catering: Departmental activities	27 218	22 761	26 661	30 288	3.6%	0.2%	23 430	25 752	26 185	-4.7%	0.2%	
Communication	88 963	102 362	92 730	101 748	4.6%	0.8%	97 933	110 693	105 455	1.2%	0.8%	
Computer services	1 055 993	921 495	917 707	929 561	-4.2%	8.3%	1 031 342	1 057 355	1 280 485	11.3%	8.0%	
Consultants: Business and advisory services	300 594	219 068	81 412	236 697	-7.7%	1.8%	180 208	7 712	18 898	-56.9%	0.8%	
Infrastructure and planning services	32 933	15 954	24 906	43 356	9.6%	0.3%	42 423	45 504	49 782	4.7%	0.3%	
Laboratory services	32 069	46 249	52 904	28 109	-4.3%	0.3%	25 810	36 355	39 067	11.6%	0.2%	
Legal services	54 853	34 569	21 340	31 957	-16.5%	0.3%	38 363	40 281	40 287	8.0%	0.3%	
Science and technological services	97 713	101 757	90 486	71 086	-10.1%	0.8%	63 441	63 222	64 806	-3.0%	0.5%	
Contractors	2 207 794	2 114 847	2 022 429	2 212 360	0.1%	18.6%	2 128 973	2 065 512	2 278 562	1.0%	16.2%	
Agency and support/outsourced services	583 755	645 770	856 459	592 212	0.5%	5.8%	527 896	529 763	576 376	-0.9%	4.2%	
Entertainment	4 785	4 543	3 742	2 840	-16.0%	-	3 131	3 152	3 246	4.6%	-	
Fleet services (including government motor transport)	136 107	108 860	72 827	141 649	1.3%	1.0%	311 420	414 137	422 175	43.9%	2.4%	
Inventory: Clothing material and accessories	160 038	90 305	94 400	217 706	10.8%	1.2%	220 216	257 769	260 548	6.2%	1.8%	
Inventory: Farming supplies	7 387	7 345	4 754	8 549	5.0%	0.1%	7 427	5 948	6 027	-11.0%	0.1%	
Inventory: Food and food supplies	886 530	949 315	1 034 662	1 002 942	4.2%	8.4%	1 099 268	1 113 457	1 208 305	6.4%	8.3%	
Inventory: Fuel, oil and gas	639 187	563 779	530 510	669 136	1.5%	5.2%	738 200	831 166	932 400	11.7%	5.9%	
Inventory: Materials and supplies	107 893	64 874	69 928	102 065	-1.8%	0.7%	102 158	125 563	128 098	7.9%	0.9%	
Inventory: Medical supplies	98 713	65 430	64 366	111 416	4.1%	0.7%	161 428	202 363	219 040	25.3%	1.3%	
Inventory: Medicine	154 091	198 592	245 059	196 591	8.5%	1.7%	356 224	372 053	388 195	25.5%	2.4%	
Inventory: Other supplies	58 439	60 853	99 926	265 763	65.7%	1.1%	217 200	458 056	502 394	23.6%	2.7%	
Consumable supplies	133 484	133 458	142 345	144 783	2.7%	1.2%	119 051	138 821	141 687	-0.7%	1.0%	
Consumables: Stationery, printing and office supplies	58 300	54 630	49 997	80 796	11.5%	0.5%	70 713	75 949	73 828	-3.0%	0.6%	
Operating leases	1 318 598	1 507 114	1 759 096	1 563 454	5.8%	13.3%	1 591 293	1 676 552	1 769 211	4.2%	12.3%	
Rental and hiring	4 757	5 564	4 692	383	-56.8%	-	65	68	68	-43.8%	-	
Property payments	1 465 752	1 555 229	655 990	1 398 740	-1.5%	11.0%	1 606 942	1 828 593	1 895 707	10.7%	12.6%	
Travel and subsistence	991 344	1 102 666	1 062 716	925 826	-2.3%	8.9%	1 010 017	998 389	1 117 214	6.5%	7.6%	
Training and development	228 253	239 660	196 508	309 159	10.6%	2.1%	345 140	363 728	375 941	6.7%	2.6%	
Operating payments	316 593	358 877	278 785	398 264	8.0%	2.9%	423 190	431 105	462 899	5.1%	3.2%	
Venues and facilities	12 440	10 890	11 923	16 880	10.7%	0.1%	17 411	18 143	18 457	3.0%	0.1%	
Total	11 439 573	11 720 961	10 785 524	12 148 836	2.0%	100.0%	12 934 153	13 696 231	14 816 498	6.8%	100.0%	

Transfers and subsidies expenditure trends and estimates

Table 19.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	115 981	133 255	186 109	169 419	13.5%	1.9%	166 661	149 193	141 393	-5.8%	2.3%
Employee social benefits	115 981	133 255	186 109	169 419	13.5%	1.9%	166 661	149 193	141 393	-5.8%	2.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 840 117	6 251 767	6 999 688	6 557 851	-1.4%	82.9%	5 977 039	6 236 938	1 583 319	-37.7%	75.1%
Safety and Security Sector Education and Training Authority	22 590	20 677	27 006	21 971	-0.9%	0.3%	23 070	24 051	24 051	3.1%	0.3%
Department of Military Veterans	582 201	597 607	622 111	627 087	2.5%	7.6%	662 553	701 771	743 716	5.9%	10.1%
Communication	257	4	469	611	33.5%	-	477	565	565	-2.6%	-
Special defence account	6 235 069	5 633 479	6 350 102	5 908 182	-1.8%	75.1%	5 290 939	5 510 551	814 987	-48.3%	64.7%
Households											
Other transfers to households											
Current	10 840	4 597	14 213	-	-100.0%	0.1%	-	-	-	-	-
Claims against the state	10 840	4 597	14 213	-	-100.0%	0.1%	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	28	185	194	1 542	280.5%	-	939	609	609	-26.6%	-
Vehicle licences	28	185	194	1 542	280.5%	-	939	609	609	-26.6%	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	480	312	25	-	-100.0%	-	-	-	-	-	-
Claims against the state	480	312	25	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	8 081	9 303	8 701	9 324	4.9%	0.1%	9 744	10 232	10 232	3.1%	0.1%
Reserve Force Council	7 192	8 620	7 929	8 326	5.0%	0.1%	8 742	9 179	9 179	3.3%	0.1%
St John Ambulance Brigade	889	683	772	998	3.9%	-	1 002	1 053	1 053	1.8%	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	-	24 014	1 591	-	-	0.1%	-	-	-	-	-
Claims against the state	-	24 014	1 591	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Subsidies on products and production											
Current	1 021 899	1 043 387	1 296 901	1 422 725	11.7%	14.9%	1 467 968	1 543 845	1 627 338	4.6%	22.4%
Armaments Corporation of South Africa	1 021 899	1 043 387	1 296 901	1 422 725	11.7%	14.9%	1 467 968	1 543 845	1 627 338	4.6%	22.4%
Foreign governments and international organisations											
Current	5 804	-	-	-	-100.0%	-	-	-	-	-	-
Southern African Development Community	5 804	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipal agencies and funds											
Current	33	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	33	-	-	-	-100.0%	-	-	-	-	-	-
Total	8 003 263	7 466 820	8 507 422	8 160 861	0.7%	100.0%	7 622 351	7 940 817	3 362 891	-25.6%	100.0%

Personnel information

Table 19.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Defence and Military Veterans																			
Salary level	75 211	-	75 051	28 040.9	0.4	75 210	27 116.7	0.4	74 900	29 193.7	0.4	74 662	31 365.9	0.4	74 309	33 404.7	0.4	-0.4%	100.0%
1 - 6	50 527	-	49 642	12 605.4	0.3	50 244	12 540.1	0.2	50 164	13 451.7	0.3	50 355	14 607.5	0.3	50 434	15 713.0	0.3	0.1%	67.3%
7 - 10	22 980	-	23 701	11 430.4	0.5	23 241	11 072.7	0.5	23 009	11 802.2	0.5	22 618	12 538.8	0.6	22 207	13 204.3	0.6	-1.5%	30.5%
11 - 12	1 318	-	1 329	1 175.7	0.9	1 337	1 152.8	0.9	1 337	1 266.6	0.9	1 302	1 333.6	1.0	1 285	1 400.1	1.1	-1.3%	1.8%
13 - 16	384	-	377	454.5	1.2	386	452.0	1.2	388	498.8	1.3	385	536.3	1.4	381	565.2	1.5	-0.4%	0.5%
Other	2	-	2	2 374.9	1 187.4	2	1 899.1	949.5	2	2 174.4	1 087.2	2	2 349.7	1 174.8	2	2 522.2	1 261.1	-	0.0%
Programme	75 211	-	75 051	28 040.9	0.4	75 210	27 116.7	0.4	74 900	29 193.7	0.4	74 662	31 365.9	0.4	74 309	33 404.7	0.4	-0.4%	100.0%
Programme 1	3 888	-	3 630	1 883.8	0.5	3 888	1 891.5	0.5	3 876	2 150.2	0.6	3 880	2 311.5	0.6	3 874	2 461.7	0.6	-0.1%	5.2%
Programme 2	1 969	-	2 010	1 935.8	1.0	1 969	1 909.1	1.0	1 988	2 102.9	1.1	1 981	2 243.3	1.1	1 984	2 389.1	1.2	0.3%	2.6%
Programme 3	38 301	-	38 572	11 973.0	0.3	38 300	11 499.3	0.3	37 593	12 251.7	0.3	37 335	13 170.6	0.4	37 036	14 026.7	0.4	-1.1%	50.2%
Programme 4	9 918	-	9 652	3 723.8	0.4	9 918	3 602.5	0.4	9 933	3 678.9	0.4	9 933	3 954.8	0.4	9 933	4 211.9	0.4	0.1%	13.3%
Programme 5	7 071	-	6 992	2 350.2	0.3	7 071	2 274.7	0.3	7 076	2 486.9	0.4	7 073	2 673.4	0.4	7 075	2 847.2	0.4	0.0%	9.5%
Programme 6	7 527	-	7 624	3 523.7	0.5	7 527	3 379.9	0.4	7 731	3 754.5	0.5	7 756	4 036.1	0.5	7 713	4 298.4	0.6	0.8%	10.3%
Programme 7	858	-	860	400.7	0.5	858	387.4	0.5	876	445.4	0.5	873	478.8	0.5	874	509.9	0.6	0.6%	1.2%
Programme 8	5 679	-	5 711	2 249.8	0.4	5 679	2 172.3	0.4	5 827	2 323.2	0.4	5 831	2 497.4	0.4	5 820	2 659.7	0.5	0.8%	7.7%

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

2. Rand million.

Departmental receipts

Table 19.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)	
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21			2021/22
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21			2021/22
Departmental receipts	1 082 623	1 387 310	933 331	1 085 741	1 085 741	0.1%	100.0%	1 145 273	1 202 886	1 207 696	3.6%	100.0%	
Sales of goods and services produced by department	439 041	806 472	578 864	413 958	413 958	-1.9%	49.9%	436 547	458 776	460 611	3.6%	38.1%	
Administrative fees	19	9	11	24	24	8.1%	-	26	27	27	4.0%	-	
of which:													
Request for information: Receipt	19	9	11	24	24	8.1%	-	26	27	27	4.0%	-	
Other sales	439 022	806 463	578 853	413 934	413 934	-1.9%	49.9%	436 521	458 749	460 584	3.6%	38.1%	
of which:													
Rental capital assets	86 229	84 909	-	92 206	92 206	2.3%	5.9%	97 254	102 130	102 539	3.6%	8.5%	
Sale of goods	7 325	12 161	126 300	12 519	12 519	19.6%	3.5%	13 194	13 847	13 902	3.6%	1.2%	
Services rendered	345 468	709 393	452 553	309 209	309 209	-3.6%	40.5%	326 073	342 772	344 143	3.6%	28.5%	
Sales of scrap, waste, arms and other used current goods	2 975	747	711	1 419	1 419	-21.9%	0.1%	1 497	1 542	1 548	2.9%	0.1%	
of which:													
Sales: Scrap and waste	2 975	747	711	1 419	1 419	-21.9%	0.1%	1 497	1 542	1 548	2.9%	0.1%	
Transfers received	524 130	441 660	274 670	568 563	568 563	2.7%	40.3%	599 833	629 801	632 320	3.6%	52.4%	
Fines, penalties and forfeits	600	1 164	1 709	2 210	2 210	54.4%	0.1%	1 274	1 333	1 338	-15.4%	0.1%	
Interest, dividends and rent on land	3 890	3 928	4 493	3 938	3 938	0.4%	0.4%	4 154	4 372	4 389	3.7%	0.4%	
Interest	3 890	3 928	4 493	3 938	3 938	0.4%	0.4%	4 154	4 372	4 389	3.7%	0.4%	
Sales of capital assets	36 212	31 858	9 110	27 394	27 394	-8.9%	2.3%	28 901	30 345	30 466	3.6%	2.5%	
Transactions in financial assets and liabilities	75 775	101 481	63 774	68 259	68 259	-3.4%	6.9%	73 067	76 717	77 024	4.1%	6.4%	
Total	1 082 623	1 387 310	933 331	1 085 741	1 085 741	0.1%	100.0%	1 145 273	1 202 886	1 207 696	3.6%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the Department of Defence; and provide for military veterans' benefits through the Department of Military Veterans.

Expenditure trends and estimates

Table 19.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Ministry	111 963	111 131	130 132	125 567	3.9%	2.2%	137 685	145 846	155 279	7.3%	2.2%
Departmental Direction	66 980	70 822	41 237	43 229	-13.6%	1.0%	51 852	55 578	59 031	10.9%	0.8%
Policy and Planning	94 433	103 856	108 385	114 876	6.8%	1.9%	123 646	132 570	141 213	7.1%	2.0%
Financial Services	324 266	620 566	371 441	369 395	4.4%	7.7%	435 561	465 409	494 290	10.2%	7.0%
Human Resources Support Services	736 370	791 512	821 199	800 323	2.8%	14.4%	958 728	1 020 944	1 082 216	10.6%	15.3%
Legal Services	278 596	291 268	303 934	318 122	4.5%	5.4%	364 139	389 322	413 482	9.1%	5.9%
Inspection and Audit Services	115 948	116 411	123 877	138 764	6.2%	2.3%	154 563	165 651	176 195	8.3%	2.5%
Acquisition Services	82 192	150 724	152 026	173 409	28.3%	2.6%	89 780	80 563	85 792	-20.9%	1.7%
Communication Services	43 826	100 748	116 325	116 481	38.5%	1.7%	129 878	136 664	144 815	7.5%	2.1%
South African National Defence Force Command and Control	135 727	148 025	153 257	165 047	6.7%	2.8%	185 764	199 082	211 985	8.7%	3.0%
Religious Services	18 257	14 538	19 207	15 022	-6.3%	0.3%	20 059	21 389	22 785	14.9%	0.3%
Defence Reserve Direction	25 192	28 060	26 461	29 367	5.2%	0.5%	34 995	37 226	39 510	10.4%	0.6%
Defence Foreign Relations	262 199	312 072	264 961	278 873	2.1%	5.1%	303 270	321 500	340 377	6.9%	4.9%
Office Accommodation	2 103 343	2 283 219	2 250 862	2 337 712	3.6%	41.0%	2 534 671	2 674 078	2 821 152	6.5%	40.9%
Military Veterans Management	582 201	597 607	622 111	627 087	2.5%	11.1%	662 553	701 771	743 716	5.9%	10.8%
Total	4 981 493	5 740 559	5 505 415	5 653 274	4.3%	100.0%	6 187 144	6 547 593	6 931 838	7.0%	100.0%
Change to 2018 Budget estimate				104 346			347 589	295 437	311 727		
Economic classification											
Current payments	4 309 580	5 063 598	4 742 214	4 921 134	4.5%	87.0%	5 441 510	5 761 567	6 107 984	7.5%	87.8%
Compensation of employees	1 689 577	2 105 215	1 883 801	1 891 455	3.8%	34.6%	2 150 197	2 311 462	2 461 707	9.2%	34.8%
Goods and services ¹	2 620 003	2 958 383	2 858 413	3 029 679	5.0%	52.4%	3 291 313	3 450 105	3 646 277	6.4%	53.0%
of which:											
Advertising	5 075	94 179	73 948	75 990	146.5%	1.1%	89 224	92 903	98 150	8.9%	1.4%
Computer services	78 731	86 661	73 478	75 482	-1.4%	1.4%	114 119	118 182	122 336	17.5%	1.7%
Operating leases	1 295 516	1 478 122	1 743 645	1 483 401	4.6%	27.4%	1 529 443	1 613 945	1 705 752	4.8%	25.0%
Property payments	846 773	853 871	551 538	976 527	4.9%	14.8%	1 126 614	1 191 271	1 261 969	8.9%	18.0%
Travel and subsistence	140 993	152 288	150 570	135 167	-1.4%	2.6%	142 731	146 320	150 796	3.7%	2.3%
Training and development	37 542	39 533	38 567	39 521	1.7%	0.7%	51 918	53 371	58 277	13.8%	0.8%
Transfers and subsidies¹	628 287	647 689	686 116	674 596	2.4%	12.1%	723 332	756 720	796 354	5.7%	11.7%
Provinces and municipalities	24	38	47	41	19.5%	-	47	50	50	6.8%	-
Departmental agencies and accounts	604 791	618 285	649 118	649 059	2.4%	11.5%	685 624	725 824	767 769	5.8%	11.2%
Public corporations and private enterprises	-	100	23	-	-	-	-	-	-	-	-
Non-profit institutions	7 192	8 620	7 929	8 326	5.0%	0.1%	8 742	9 179	9 179	3.3%	0.1%
Households	16 280	20 646	28 999	17 170	1.8%	0.4%	28 919	21 667	19 356	4.1%	0.3%
Payments for capital assets	43 373	29 084	76 711	57 544	9.9%	0.9%	22 302	29 306	27 500	-21.8%	0.5%
Buildings and other fixed structures	17	184	344	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	42 784	28 900	49 324	17 496	-25.8%	0.6%	22 252	29 306	27 500	16.3%	0.4%
Software and other intangible assets	572	-	27 043	40 048	312.2%	0.3%	50	-	-	-100.0%	0.2%
Payments for financial assets	253	188	374	-	-100.0%	-	-	-	-	-	-
Total	4 981 493	5 740 559	5 505 415	5 653 274	4.3%	100.0%	6 187 144	6 547 593	6 931 838	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	11.1%	12.2%	11.2%	11.7%	-	-	12.2%	12.2%	13.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	15 395	20 969	26 670	17 170	3.7%	0.4%	28 919	21 667	19 356	4.1%	0.3%
Employee social benefits	15 395	20 969	26 670	17 170	3.7%	0.4%	28 919	21 667	19 356	4.1%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	604 791	618 285	649 118	649 059	2.4%	11.5%	685 624	725 824	767 769	5.8%	11.2%
Safety and Security Sector	22 590	20 677	27 006	21 971	-0.9%	0.4%	23 070	24 051	24 051	3.1%	0.4%
Education and Training Authority	582 201	597 607	622 111	627 087	2.5%	11.1%	662 553	701 771	743 716	5.9%	10.8%
Department of Military Veterans Communication	-	1	1	1	-	-	1	2	2	26.0%	-
Households											
Other transfers to households											
Current	885	(323)	2 329	-	-100.0%	-	-	-	-	-	-
Claims against the state	885	(323)	2 329	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	7 192	8 620	7 929	8 326	5.0%	0.1%	8 742	9 179	9 179	3.3%	0.1%
Reserve Force Council	7 192	8 620	7 929	8 326	5.0%	0.1%	8 742	9 179	9 179	3.3%	0.1%

Table 19.9 Administration expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current		24	38	47	41	19.5%	–	47	50	50	6.8%	–
Vehicle licences		24	38	47	41	19.5%	–	47	50	50	6.8%	–
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current		–	100	23	–	–	–	–	–	–	–	–
Claims against the state		–	100	23	–	–	–	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.10 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		2020/21		2021/22							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22		
Administration		3 888			3 888	1 891.5	0.5	3 876	2 150.2	0.6	3 880	2 311.5	0.6	3 874	2 461.7	0.6	-0.1%	100.0%	
Salary level																			
1 – 6	1 422	–	1 230	345.5	0.3	1 418	382.9	0.3	1 419	437.5	0.3	1 424	481.1	0.3	1 421	515.1	0.4	0.1%	36.6%
7 – 10	1 801	–	1 763	863.3	0.5	1 802	846.0	0.5	1 792	957.6	0.5	1 794	1 015.7	0.6	1 792	1 084.1	0.6	-0.2%	46.3%
11 – 12	521	–	498	444.5	0.9	521	440.7	0.8	519	497.1	1.0	517	537.1	1.0	516	569.5	1.1	-0.3%	13.4%
13 – 16	142	–	137	170.3	1.2	145	169.5	1.2	144	190.7	1.3	143	205.6	1.4	143	218.4	1.5	-0.5%	3.7%
Other	2	–	2	60.1	30.1	2	52.4	26.2	2	67.3	33.6	2	72.1	36.0	2	74.6	37.3	–	0.1%

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

2. Rand million.

Programme 2: Force Employment

Programme purpose

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

Objectives

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements over the medium term
 - ensuring full participation in the number of peace missions, as instructed by the president, over the medium term
 - conducting 6 joint, interdepartmental, interagency and multinational military force preparation exercises, excluding Special Forces exercises, over the medium term
 - conducting internal operations in the interest of protecting the territorial integrity and sovereignty of South Africa on an ongoing basis
 - supporting other government departments and complying with international obligations on an ongoing basis.

Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces to promote peace, stability and security in the region and on the continent.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters.
- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force.
- *Regional Security* provides for the external deployment of forces in support of South Africa's commitment to regional, continental and global security.
- *Support to the People* provides for the internal deployment of forces in support of the South African Police Service and other government departments. This includes safeguarding borders, assisting during disasters, and conducting search and rescue missions.

Expenditure trends and estimates

Table 19.11 Force Employment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
R thousand											
Strategic Direction	164 315	151 997	157 353	175 459	2.2%	4.8%	191 259	204 720	213 330	6.7%	5.5%
Operational Direction	286 236	288 414	360 890	340 114	5.9%	9.4%	378 205	389 852	411 163	6.5%	10.7%
Special Operations	756 469	810 137	848 340	844 312	3.7%	23.9%	936 437	972 121	824 167	-0.8%	25.1%
Regional Security	1 572 998	1 068 789	929 381	1 081 053	-11.8%	34.2%	1 021 195	1 030 382	1 063 344	-0.5%	29.4%
Support to the People	822 783	1 111 674	912 095	934 646	4.3%	27.8%	1 093 622	1 047 510	1 100 162	5.6%	29.3%
Total	3 602 801	3 431 011	3 208 059	3 375 584	-2.1%	100.0%	3 620 718	3 644 585	3 612 166	2.3%	100.0%
Change to 2018							24 733	(116 593)	(379 633)		
Budget estimate											
Economic classification											
Current payments	3 038 310	2 885 688	2 784 796	3 016 441	-0.2%	86.1%	3 323 835	3 322 225	3 524 500	5.3%	92.5%
Compensation of employees	1 898 261	1 948 578	1 935 845	1 909 079	0.2%	56.5%	2 102 948	2 243 313	2 389 129	7.8%	60.6%
Goods and services ¹	1 140 049	937 110	848 951	1 107 362	-1.0%	29.6%	1 220 887	1 078 912	1 135 371	0.8%	31.9%
of which:											
Contractors	364 776	212 693	229 260	357 024	-0.7%	8.5%	346 617	273 173	293 247	-6.3%	8.9%
Fleet services (including government motor transport)	36 345	26 971	23 842	26 958	-9.5%	0.8%	46 551	56 424	39 668	13.7%	1.2%
Inventory: Food and food supplies	124 449	113 126	168 410	150 128	6.5%	4.1%	215 700	193 962	206 203	11.2%	5.4%
Inventory: Fuel, oil and gas	32 489	63 608	49 283	53 721	18.3%	1.5%	93 559	81 071	83 129	15.7%	2.2%
Travel and subsistence	248 164	214 192	208 789	182 556	-9.7%	6.3%	227 847	179 445	194 055	2.1%	5.5%
Operating payments	85 283	112 487	33 167	159 548	23.2%	2.9%	106 251	97 335	114 409	-10.5%	3.4%
Transfers and subsidies¹	431 552	257 263	288 549	266 500	-14.8%	9.1%	260 810	276 410	35 841	-48.8%	5.9%
Provinces and municipalities	–	3	3	2	–	–	2	5	5	35.7%	–
Departmental agencies and accounts	412 349	241 304	256 639	251 828	-15.2%	8.5%	241 785	259 138	18 644	-58.0%	5.4%
Foreign governments and international organisations	5 804	–	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises	8 000	8 424	9 118	9 341	5.3%	0.3%	9 808	10 298	10 298	3.3%	0.3%
Households	5 399	7 532	22 789	5 329	-0.4%	0.3%	9 215	6 969	6 894	9.0%	0.2%
Payments for capital assets	132 926	288 054	134 700	92 643	-11.3%	4.8%	36 073	45 950	51 825	-17.6%	1.6%
Buildings and other fixed structures	9 974	5 945	9 172	2 634	-35.8%	0.2%	1 026	2 581	2 581	-0.7%	0.1%
Machinery and equipment	122 952	282 109	125 528	89 016	-10.2%	4.6%	34 004	42 274	48 149	-18.5%	1.5%
Specialised military assets	–	–	–	993	–	–	1 043	1 095	1 095	3.3%	–
Payments for financial assets	13	6	14	–	-100.0%	–	–	–	–	–	–
Total	3 602 801	3 431 011	3 208 059	3 375 584	-2.1%	100.0%	3 620 718	3 644 585	3 612 166	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	7.3%	6.6%	7.0%	–	–	7.2%	6.8%	6.9%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	5 368	7 419	16 068	5 329	-0.2%	0.3%	9 215	6 969	6 894	9.0%	0.2%
Employee social benefits	5 368	7 419	16 068	5 329	-0.2%	0.3%	9 215	6 969	6 894	9.0%	0.2%

Table 19.11 Force Employment expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
		2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R thousand												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
Communication	412 349	241 304	256 639	251 828	-15.2%	8.5%	241 785	259 138	18 644	3.3%	5.4%	
Special defence account	2	2	2	43	178.1%	-	46	111	111	-	-	
Households	412 347	241 302	256 637	251 785	-15.2%	8.5%	241 739	259 027	18 533	9.0%	5.4%	
Other transfers to households												
Current												
Claims against the state	31	113	6 721	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	31	113	6 721	-	-	-	-	-	-	-	-	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current												
Vehicle licences	-	3	3	2	-	-	2	5	5	35.7%	-	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current												
Claims against the state	-	-	247	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	247	-	-	-	-	-	-	-	-	
Public corporations (subsidies on products and production)												
Current												
Armaments Corporation of South Africa	8 000	8 424	8 871	9 341	5.3%	0.3%	9 808	10 298	10 298	-58.0%	0.3%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.12 Force Employment personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22		
Force Employment																			
Salary level	1 969	-	2 010	1 935.8	1.0	1 969	1 909.1	1.0	1 988	1 102.9	1.1	1 981	1 243.3	1.1	1 984	1 389.1	1.2	0.3%	100.0%
1-6	1 026	-	1 033	288.9	0.3	1 010	271.6	0.3	1 020	296.6	0.3	1 014	324.2	0.3	1 042	357.1	0.3	1.0%	51.6%
7-10	858	-	893	441.0	0.5	877	416.9	0.5	883	454.7	0.5	882	499.7	0.6	857	518.4	0.6	-0.8%	44.2%
11-12	67	-	68	57.9	0.9	66	54.0	0.8	66	58.4	0.9	66	63.8	1.0	66	67.3	1.0	-	3.3%
13-16	18	-	16	20.1	1.3	16	19.4	1.2	19	24.7	1.3	19	27.2	1.4	19	28.7	1.5	5.9%	0.9%
Other	-	-	-	128.0	-	-	1	-	-	1	-	-	1	-	-	1	-	-	-
							147.2			268.5			328.5			417.6			

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

2. Rand million.

Programme 3: Landward Defence

Programme purpose

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

Objectives

- Defend and protect South Africa and its territory over the medium term by:

- providing 1 infantry capability, including the Chief of the South African National Defence Force Reaction Force, for external deployment and for internal safety and security, including border safeguarding
- exercising 1 tank and armoured car capability, and providing 1 squadron for internal deployment per year
- exercising 1 composite artillery capability and providing 1 battery for internal deployment per year
- exercising 1 air defence artillery capability and providing 1 battery for internal deployment per year
- providing 1 sustained composite engineer capability for external deployment, and for internal safety and security; and exercising 1 field engineer capability per year
- providing 1 signal capability for external deployment and for internal signal support, and exercising 1 composite signal capability per year.

Subprogrammes

- *Strategic Direction* directs, orchestrates and controls the South African Army in achieving its mission to prepare and provide supported landward capabilities for the defence and protection of South Africa.
- *Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units.
- *Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units.
- *Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units.
- *Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units.
- *Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments through training, preparing, exercising and supporting field and construction engineering units.
- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable the successful planning and execution of operations through training, preparing, exercising and supporting intelligence units.
- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment.
- *Support Capability* provides first, second and third line support capabilities to units and bases, and ensures support to deployed combat units through training, preparing, exercising and supporting first and second line maintenance units and workshops.
- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training, and command and management training at the training depot and decentralised units, the South African Army Gymnasium, the combat training centre and the South African Army College.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments through training, preparing, exercising and supporting signal units.

Expenditure trends and estimates

Table 19.13 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22	2018/19	2021/22
R thousand											
Strategic Direction	442 829	458 887	462 769	396 223	-3.6%	2.8%	395 089	406 315	406 048	0.8%	2.4%
Infantry Capability	6 102 469	6 208 918	6 915 049	6 663 573	3.0%	40.7%	6 294 523	6 430 515	6 040 342	-3.2%	37.9%
Armour Capability	399 336	446 568	480 913	472 791	5.8%	2.8%	497 013	526 976	559 511	5.8%	3.1%
Artillery Capability	527 555	471 569	509 675	482 802	-2.9%	3.1%	718 494	690 418	583 216	6.5%	3.7%
Air Defence Artillery Capability	561 608	571 392	698 137	547 788	-0.8%	3.7%	494 297	528 521	436 184	-7.3%	3.0%
Engineering Capability	675 942	755 414	803 687	795 266	5.6%	4.8%	813 978	875 304	947 357	6.0%	5.1%
Operational Intelligence	202 548	206 371	204 557	233 518	4.9%	1.3%	246 412	278 851	308 535	9.7%	1.6%
Command and Control Capability	188 949	198 953	211 443	218 050	4.9%	1.3%	235 115	252 060	265 697	6.8%	1.4%
Support Capability	4 414 820	4 531 161	4 663 990	4 595 480	1.3%	28.6%	4 816 730	5 342 316	5 271 353	4.7%	29.8%
General Training Capability	397 699	413 104	382 299	528 157	9.9%	2.7%	544 553	570 494	592 795	3.9%	3.3%
Signal Capability	1 205 196	1 295 485	1 359 024	1 337 573	3.5%	8.2%	1 408 095	1 504 771	1 605 266	6.3%	8.7%
Total	15 118 951	15 557 822	16 691 543	16 271 221	2.5%	100.0%	16 464 299	17 406 541	17 016 304	1.5%	100.0%
Change to 2018 Budget estimate				36 944			(167 783)	425 058	(1 030 741)		
Economic classification											
Current payments	12 484 201	13 179 373	13 469 058	13 665 824	3.1%	83.0%	14 486 069	15 703 999	16 802 171	7.1%	90.3%
Compensation of employees	10 583 972	11 470 689	11 972 965	11 499 335	2.8%	71.5%	12 251 710	13 170 588	14 026 677	6.8%	75.9%
Goods and services ¹	1 900 229	1 708 684	1 496 093	2 166 489	4.5%	11.4%	2 234 359	2 533 411	2 775 494	8.6%	14.5%
of which:											
Contractors	357 161	197 372	177 058	266 934	-9.3%	1.6%	297 941	266 190	244 387	-2.9%	1.6%
Fleet services (including government motor transport)	84 862	65 276	26 565	81 406	-1.4%	0.4%	178 107	260 122	263 831	48.0%	1.2%
Inventory: Food and food supplies	476 913	588 154	526 424	547 217	4.7%	3.4%	562 160	585 152	648 035	5.8%	3.5%
Inventory: Fuel, oil and gas	211 240	164 548	152 251	262 332	7.5%	1.2%	244 185	257 686	320 689	6.9%	1.6%
Inventory: Other supplies	15 117	1 742	1	61 056	59.3%	0.1%	51 404	200 116	221 087	53.6%	0.8%
Travel and subsistence	277 313	339 586	315 017	323 440	5.3%	2.0%	341 972	373 464	469 994	13.3%	2.2%
Transfers and subsidies¹	2 528 555	2 225 078	3 116 008	2 568 938	0.5%	16.4%	1 945 662	1 666 835	178 426	-58.9%	9.5%
Provinces and municipalities	2	92	89	6	44.2%	-	4	4	4	-12.6%	-
Departmental agencies and accounts	2 451 220	2 144 771	3 031 332	2 483 214	0.4%	15.9%	1 872 972	1 593 917	103 396	-65.3%	9.0%
Public corporations and private enterprises	33 571	38 712	35 185	27 807	-6.1%	0.2%	21 670	26 706	26 707	-1.3%	0.2%
Households	43 762	41 503	49 402	57 911	9.8%	0.3%	51 016	46 208	48 319	-5.9%	0.3%
Payments for capital assets	104 899	152 570	105 813	36 459	-29.7%	0.6%	32 568	35 707	35 707	-0.7%	0.2%
Buildings and other fixed structures	67	34 471	9 263	3 145	260.7%	0.1%	2 533	2 692	2 692	-5.1%	-
Machinery and equipment	104 832	118 084	96 550	32 257	-32.5%	0.6%	29 284	32 264	32 264	-	0.2%
Specialised military assets	-	-	-	1 057	-	-	751	751	751	-10.8%	-
Software and other intangible assets	-	15	-	-	-	-	-	-	-	-	-
Payments for financial assets	1 296	801	664	-	-100.0%	-	-	-	-	-	-
Total	15 118 951	15 557 822	16 691 543	16 271 221	2.5%	100.0%	16 464 299	17 406 541	17 016 304	1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	33.5%	33.0%	34.1%	33.6%	-	-	32.6%	32.3%	32.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	40 792	40 046	48 509	57 911	12.4%	0.3%	51 016	46 208	48 319	-5.9%	0.3%
Employee social benefits	40 792	40 046	48 509	57 911	12.4%	0.3%	51 016	46 208	48 319	-5.9%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 451 220	2 144 771	3 031 332	2 483 214	0.4%	15.9%	1 872 972	1 593 917	103 396	-65.3%	9.0%
Communication	5	1	83	73	144.4%	-	5	5	5	-59.1%	-
Special defence account	2 451 215	2 144 770	3 031 249	2 483 141	0.4%	15.9%	1 872 967	1 593 912	103 391	-65.3%	9.0%
Households											
Other transfers to households											
Current	2 970	1 457	893	-	-100.0%	-	-	-	-	-	-
Claims against the state	2 970	1 457	893	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	92	89	6	44.2%	-	4	4	4	-12.6%	-
Vehicle licences	2	92	89	6	44.2%	-	4	4	4	-12.6%	-

Table 19.13 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies				Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
Audited outcome					2018/19	2015/16	2018/19	2019/20	2020/21	2021/22	2018/19
R thousand	2015/16	2016/17	2017/18								
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	454	312	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	454	312	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	33 117	38 400	35 185	27 807	-5.7%	0.2%	21 670	26 706	26 707	-1.3%	0.2%
Armaments Corporation of South Africa	33 117	38 400	35 185	27 807	-5.7%	0.2%	21 670	26 706	26 707	-1.3%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.14 Landward Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Landward Defence		38 301			38 300	11 499.3	0.3	37 593	2 251.7	0.3	37 335	3 170.6	0.4	37 036	4 026.7	0.4	-1.1%	100.0%
Salary level		38 301			38 300	11 499.3	0.3	37 593	2 251.7	0.3	37 335	3 170.6	0.4	37 036	4 026.7	0.4	-1.1%	100.0%
1-6		30 320			30 331	7 375.9	0.2	29 895	7 891.3	0.3	29 979	8 600.8	0.3	30 001	9 286.5	0.3	-0.4%	80.0%
7-10		7 791			7 779	3 353.4	0.4	7 512	3 516.6	0.5	7 177	3 663.1	0.5	6 867	3 783.2	0.6	-4.1%	19.5%
11-12		158			158	131.9	0.8	154	140.0	0.9	147	146.4	1.0	136	146.2	1.1	-4.9%	0.4%
13-16		32			32	37.4	1.2	32	40.7	1.3	32	44.4	1.4	32	47.7	1.5	-	0.1%
Other		-			-	600.6	-	-	663.2	-	-	715.9	-	-	763.1	-	-	-

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

2. Rand million.

Programme 4: Air Defence

Programme purpose

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

Objectives

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

Subprogrammes

- Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- Operational Direction* provides operational direction to the programme by means of an air command.
- Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel.
- Transport and Maritime Capability* provides and sustains operationally ready transport and maritime aircraft crewed by appropriately qualified personnel.

- *Air Combat Capability* provides and sustains operationally ready fighter aircraft crewed by appropriately qualified personnel.
- *Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counterintelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training unique to the air force.
- *Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations.
- *Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including the maintenance of all relevant systems and personnel, to support flying operations.
- *Command Post* renders command and control over all missions flown.
- *Training Capability* provides for the general education, training and development of air force personnel.
- *Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistic support capabilities to provide support to system groups and manage air service units.

Expenditure trends and estimates

Table 19.15 Air Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Strategic Direction	20 830	24 065	19 383	30 985	14.2%	0.3%	31 986	33 240	35 136	4.3%	0.5%
Operational Direction	255 332	225 828	263 323	97 268	-27.5%	3.1%	189 045	191 797	199 759	27.1%	2.4%
Helicopter Capability	619 683	728 385	1 099 855	948 456	15.2%	12.5%	700 486	756 501	757 148	-7.2%	11.3%
Transport and Maritime Capability	684 446	594 103	521 842	675 788	-0.4%	9.1%	1 156 031	1 177 901	817 314	6.5%	13.7%
Air Combat Capability	1 368 811	1 230 099	783 376	840 078	-15.0%	15.5%	726 699	981 216	528 191	-14.3%	11.0%
Operational Support and Intelligence Capability	297 730	322 769	342 954	343 284	4.9%	4.8%	370 087	404 370	435 413	8.2%	5.6%
Command and Control Capability	884 586	606 177	536 026	692 031	-7.9%	10.0%	876 590	942 585	477 924	-11.6%	10.7%
Base Support Capability	1 823 734	1 947 271	2 035 963	1 803 837	-0.4%	27.9%	1 763 885	1 900 875	1 957 774	2.8%	26.6%
Command Post	60 528	62 597	67 180	68 890	4.4%	1.0%	73 673	78 643	84 801	7.2%	1.1%
Training Capability	492 224	480 505	487 343	586 284	6.0%	7.5%	509 015	578 874	619 831	1.9%	8.2%
Technical Support Services	577 815	560 786	596 166	563 878	-0.8%	8.4%	580 250	628 850	655 544	5.1%	8.7%
Total	7 085 719	6 782 585	6 753 411	6 650 779	-2.1%	100.0%	6 977 747	7 674 852	6 568 835	-0.4%	100.0%
Change to 2018 Budget estimate				234 878			(302 277)	(501 560)	(2 099 986)		
Economic classification											
Current payments	5 146 482	5 569 920	5 765 069	5 578 057	2.7%	80.9%	5 657 170	6 063 314	6 470 455	5.1%	85.3%
Compensation of employees	3 325 169	3 539 449	3 723 847	3 602 538	2.7%	52.0%	3 678 900	3 954 818	4 211 880	5.3%	55.4%
Goods and services ¹	1 821 313	2 030 471	2 041 222	1 975 519	2.7%	28.9%	1 978 270	2 108 496	2 258 575	4.6%	29.9%
of which:											
Contractors	1 086 529	1 322 291	1 231 718	1 121 169	1.1%	17.5%	1 054 695	1 065 828	1 224 933	3.0%	16.0%
Inventory: Fuel, oil and gas	244 288	189 939	212 069	173 029	-10.9%	3.0%	208 760	251 950	263 736	15.1%	3.2%
Property payments	18 609	15 611	17 942	56 513	44.8%	0.4%	82 067	92 364	69 641	7.2%	1.1%
Travel and subsistence	103 240	127 967	103 410	78 266	-8.8%	1.5%	78 398	84 870	86 571	3.4%	1.2%
Training and development	26 311	23 977	37 202	123 455	67.4%	0.8%	116 021	136 108	139 181	4.1%	1.8%
Operating payments	128 613	161 968	151 336	107 779	-5.7%	2.0%	171 679	179 307	174 233	17.4%	2.3%
Transfers and subsidies¹	1 852 934	1 139 023	897 611	1 055 852	-17.1%	18.1%	1 294 490	1 582 361	69 671	-59.6%	14.4%
Provinces and municipalities	2	2	4	3	14.5%	-	3	3	3	-	-
Departmental agencies and accounts	1 837 617	1 120 610	876 509	1 020 018	-17.8%	17.8%	1 255 085	1 546 919	37 584	-66.7%	13.8%
Households	15 315	18 411	21 098	35 831	32.8%	0.3%	39 402	35 439	32 084	-3.6%	0.5%
Payments for capital assets	86 128	73 331	90 518	16 870	-41.9%	1.0%	26 087	29 177	28 709	19.4%	0.4%
Buildings and other fixed structures	12 746	1 412	1 858	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	73 382	71 747	88 660	16 870	-38.7%	0.9%	26 087	29 177	28 709	19.4%	0.4%
Software and other intangible assets	-	172	-	-	-	-	-	-	-	-	-
Payments for financial assets	175	311	213	-	-100.0%	-	-	-	-	-	-
Total	7 085 719	6 782 585	6 753 411	6 650 779	-2.1%	100.0%	6 977 747	7 674 852	6 568 835	-0.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.7%	14.4%	13.8%	13.7%	-	-	13.8%	14.3%	12.6%	-	-

Table 19.15 Air Defence expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Households												
Social benefits												
Current												
	13 583	18 266	20 595	35 831	38.2%	0.3%	39 402	35 439	32 084	-3.6%	0.5%	
Employee social benefits	13 583	18 266	20 595	35 831	38.2%	0.3%	39 402	35 439	32 084	-3.6%	0.5%	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
	1 837 617	1 120 610	876 509	1 020 018	-17.8%	17.8%	1 255 085	1 546 919	37 584	-66.7%	13.8%	
Communication	–	–	–	1	–	–	1	1	1	–	–	
Special defence account	1 837 617	1 120 610	876 509	1 020 017	-17.8%	17.8%	1 255 084	1 546 918	37 583	-66.7%	13.8%	
Households												
Other transfers to households												
Current												
	1 732	145	503	–	-100.0%	–	–	–	–	–	–	
Claims against the state	1 732	145	503	–	-100.0%	–	–	–	–	–	–	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current												
	2	2	4	3	14.5%	–	3	3	3	–	–	
Vehicle licences	2	2	4	3	14.5%	–	3	3	3	–	–	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.16 Air Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost			
Air Defence		9 918			9 652	3 723.8	0.4	9 918	3 602.5	0.4	9 933	3 678.9	0.4	9 933	3 954.8	0.4	9 933	4 211.9	0.4	0.1%	100.0%
Salary level																					
1 – 6	5 899	–	5 546	1 467.1	0.3	5 911	1 502.9	0.3	5 894	1 524.8	0.3	5 897	1 607.9	0.3	5 933	1 711.1	0.3	0.1%	59.5%		
7 – 10	3 869	–	3 949	2 006.3	0.5	3 857	1 939.7	0.5	3 886	1 993.4	0.5	3 881	2 104.7	0.5	3 848	2 209.7	0.6	-0.1%	39.0%		
11 – 12	124	–	129	126.3	1.0	124	119.9	1.0	127	125.0	1.0	129	134.1	1.0	127	138.7	1.1	0.8%	1.3%		
13 – 16	26	–	28	37.5	1.3	26	34.3	1.3	26	34.9	1.3	26	36.9	1.4	25	37.4	1.5	-1.3%	0.3%		
Other	–	–	–	86.6	–	–	5.8	–	–	0.9	–	–	71.3	–	–	115.0	–	–	–		

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

2. Rand million.

Programme 5: Maritime Defence

Programme purpose

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

Objectives

- Defend and protect South Africa and its maritime zones over the medium term by providing:
 - a surface combat and patrol capability of 3 frigates, 1 combat support vessel, 2 offshore patrol vessels and 3 inshore patrol vessels in each annual operational cycle
 - a subsurface combat capability of 2 submarines in each annual operational cycle
 - a mine warfare capability of 2 vessels in each annual operational cycle to ensure safe access to South Africa's harbours and mine clearance where required
 - a maritime reaction squadron capability, comprising an operational boat division, an operational diving division and a naval reaction division in each annual operational cycle
 - a hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

Subprogrammes

- *Maritime Direction* provides strategic direction to the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities.
- *Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the department.
- *Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments.
- *Maritime Human Resources and Training Capability* ensures that the maritime combat and support capability requirements are met in terms of qualified personnel.
- *Base Support Capability* provides a general base support capability to ships and submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels.

Expenditure trends and estimates

Table 19.17 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Maritime Direction	586 213	607 285	657 134	569 321	-1.0%	14.0%	594 935	629 043	654 154	4.7%	13.1%
Maritime Combat Capability	1 238 808	1 694 658	1 850 504	1 845 039	14.2%	38.2%	1 449 546	1 739 560	850 395	-22.8%	31.6%
Maritime Logistic Support Capability	803 862	841 751	924 183	1 133 131	12.1%	21.3%	1 184 276	1 280 359	1 426 980	8.0%	27.0%
Maritime Human Resources and Training Capability	497 655	529 565	518 027	545 248	3.1%	12.1%	570 067	551 921	615 292	4.1%	12.3%
Base Support Capability	606 210	625 126	664 091	606 616	–	14.4%	719 054	832 968	821 241	10.6%	16.0%
Total	3 732 748	4 298 385	4 613 939	4 699 355	8.0%	100.0%	4 517 878	5 033 851	4 368 062	-2.4%	100.0%
Change to 2018 Budget estimate				274 670			109 129	(33 120)	(1 004 998)		
Economic classification											
Current payments	2 803 542	2 889 544	2 986 623	3 150 754	4.0%	68.2%	3 333 110	3 685 532	3 964 327	8.0%	75.9%
Compensation of employees	2 102 814	2 235 134	2 350 195	2 274 695	2.7%	51.7%	2 486 879	2 673 395	2 847 166	7.8%	55.2%
Goods and services ¹	700 728	654 410	636 428	876 059	7.7%	16.5%	846 231	1 012 137	1 117 161	8.4%	20.7%
of which:											
Contractors	258 532	238 192	246 536	253 999	-0.6%	5.7%	229 882	240 282	279 097	3.2%	5.4%
Inventory: Food and food supplies	77 249	56 064	124 023	120 590	16.0%	2.2%	123 721	127 011	139 020	4.9%	2.7%
Inventory: Fuel, oil and gas	92 577	85 167	46 072	109 205	5.7%	1.9%	97 524	142 106	164 666	14.7%	2.8%
Inventory: Other supplies	25 146	34 931	29 184	126 831	71.5%	1.2%	93 950	189 996	212 230	18.7%	3.3%
Travel and subsistence	71 007	77 306	75 180	56 078	-7.6%	1.6%	59 409	68 229	59 859	2.2%	1.3%
Operating payments	50 380	47 691	18 019	47 436	-2.0%	0.9%	51 619	54 194	65 020	11.1%	1.2%
Transfers and subsidies¹	836 662	1 383 124	1 598 177	1 536 720	22.5%	30.9%	1 174 060	1 337 114	392 567	-36.5%	23.8%
Provinces and municipalities	–	2	1	–	–	–	–	–	–	–	–
Departmental agencies and accounts	601 987	1 123 038	1 283 972	1 231 990	27.0%	24.5%	866 609	1 013 085	69 325	-61.7%	17.1%
Public corporations and private enterprises	219 884	244 287	269 991	283 680	8.9%	5.9%	298 437	313 360	313 360	3.4%	6.5%
Households	14 791	15 797	44 213	21 050	12.5%	0.6%	9 014	10 669	9 882	-22.3%	0.3%
Payments for capital assets	92 289	25 629	28 836	11 881	-49.5%	0.9%	10 708	11 205	11 168	-2.0%	0.2%
Buildings and other fixed structures	1 463	308	86	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	32 728	15 790	28 302	11 186	-30.1%	0.5%	9 978	10 475	10 438	-2.3%	0.2%
Specialised military assets	58 098	7 553	–	–	-100.0%	0.4%	–	–	–	–	–
Software and other intangible assets	–	1 978	448	695	–	–	730	730	730	1.7%	–
Payments for financial assets	255	88	303	–	-100.0%	–	–	–	–	–	–
Total	3 732 748	4 298 385	4 613 939	4 699 355	8.0%	100.0%	4 517 878	5 033 851	4 368 062	-2.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	9.1%	9.4%	9.7%	–	–	8.9%	9.4%	8.4%	–	–

Table 19.17 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22			2018/19 - 2021/22
	R thousand											
Households												
Social benefits												
Current	14 594	15 767	43 974	21 050	13.0%	0.5%	9 014	10 669	9 882	-22.3%	0.3%	
Employee social benefits	14 594	15 767	43 974	21 050	13.0%	0.5%	9 014	10 669	9 882	-22.3%	0.3%	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	601 987	1 123 038	1 283 972	1 231 990	27.0%	24.5%	866 609	1 013 085	69 325	-61.7%	17.1%	
Special defence account	601 987	1 123 038	1 283 972	1 231 990	27.0%	24.5%	866 609	1 013 085	69 325	-61.7%	17.1%	
Households												
Other transfers to households												
Current	197	30	239	-	-100.0%	-	-	-	-	-	-	
Claims against the state	197	30	239	-	-100.0%	-	-	-	-	-	-	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	-	2	1	-	-	-	-	-	-	-	-	
Vehicle licence	-	2	1	-	-	-	-	-	-	-	-	
Public corporations and private enterprises												
Public corporations												
Public corporations (subsidies on products and production)												
Current	219 884	244 287	269 991	283 680	8.9%	5.9%	298 437	313 360	313 360	3.4%	6.5%	
Armaments Corporation of South Africa	219 884	244 287	269 991	283 680	8.9%	5.9%	298 437	313 360	313 360	3.4%	6.5%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.18 Maritime Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)					
		2017/18		2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22				
		Number	Unit cost	Number	Cost	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost							
Maritime Defence																			
Salary level	7 071	-	6 992	2 350.2	0.3	7 071	2 274.7	0.3	7 076	2 486.9	0.4	7 073	2 673.4	0.4	7 075	2 847.2	0.4	0.0%	100.0%
1 - 6	4 877	-	4 630	1 181.8	0.3	4 808	1 212.8	0.3	4 813	1 308.3	0.3	4 810	1 413.5	0.3	4 814	1 509.8	0.3	0.0%	68.0%
7 - 10	2 078	-	2 246	1 004.4	0.4	2 146	953.4	0.4	2 146	1 027.3	0.5	2 146	1 110.4	0.5	2 146	1 182.1	0.6	-	30.3%
11 - 12	98	-	96	81.7	0.9	98	83.1	0.8	98	89.5	0.9	98	96.8	1.0	98	102.3	1.0	-	1.4%
13 - 16	18	-	20	23.2	1.2	19	22.1	1.2	19	23.8	1.3	19	25.8	1.4	17	24.5	1.4	-3.6%	0.3%
Other	-	-	-	59.1	-	-	3.3	-	-	37.9	-	-	27.0	-	-	28.4	-	-	-

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

2. Rand million.

Programme 6: Military Health Support

Programme purpose

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

Objectives

- Ensure prepared and supported health capabilities and services over the medium term by providing:
 - a health support capability of 5 medical battalion groups and 1 specialist medical battalion group for deployed and contingency forces
 - a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members per year.

Subprogrammes

- *Strategic Direction* formulates strategy, policies and plans; and provides advice from the surgeon-general's office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- *Mobile Military Health Support* provides health support elements for deployed and contingency forces, and provides health services to provincial hospitals and the Department of Health, as and when ordered.
- *Area Military Health Service* provides a comprehensive, self-supporting, multidisciplinary geographic military health service through a formation headquarters, and commanding and controlling 9 area military health units to ensure a healthy military community. The military hospitals also attend to health care activities, medical support and health activities in the specialist aviation environment.
- *Specialist/Tertiary Health Service* provides a specialist health service to develop and maintain tertiary military health capabilities within the parameters of relevant legislation, as contained in the South African military health service strategy.
- *Military Health Product Support Capability* provides for warehousing pharmaceuticals, sundries, military health mobilisation equipment and unique stock; the procurement of unique military health products, materials and services; and an asset management service, military health product systems and cooperative common military health logistics.
- *Military Health Maintenance Capability* provides general base support services to identified military health service units to sustain and maintain the approved force design and structure.
- *Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies.

Expenditure trends and estimates

Table 19.19 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R thousand											
Strategic Direction	168 328	184 268	186 684	191 698	4.4%	4.0%	206 652	223 589	250 377	9.3%	4.0%
Mobile Military Health Support	120 655	120 929	140 310	131 625	2.9%	2.8%	260 527	288 108	184 525	11.9%	3.9%
Area Military Health Service	1 597 652	1 672 299	1 809 636	1 672 169	1.5%	37.0%	1 956 339	2 097 784	2 213 511	9.8%	36.3%
Specialist/Tertiary Health Service	1 553 413	1 718 510	1 884 454	1 876 452	6.5%	38.5%	2 049 235	2 199 958	2 363 028	8.0%	38.8%
Military Health Product Support Capability	134 540	181 975	181 271	294 984	29.9%	4.3%	302 508	325 500	333 474	4.2%	5.7%
Military Health Maintenance Capability	319 614	235 704	309 336	175 829	-18.1%	5.7%	221 370	236 665	250 733	12.6%	4.0%
Military Health Training Capability	348 948	335 060	341 225	371 305	2.1%	7.6%	378 635	406 038	440 212	5.8%	7.3%
Total	4 243 150	4 448 745	4 852 916	4 714 062	3.6%	100.0%	5 375 266	5 777 642	6 035 860	8.6%	100.0%
Change to 2018				-			111 172	(29 189)	(142 131)		
Budget estimate											
Economic classification											
Current payments	4 170 043	4 373 961	4 739 981	4 650 481	3.7%	98.2%	5 250 141	5 633 239	5 988 723	8.8%	98.3%
Compensation of employees	3 136 307	3 328 783	3 523 685	3 379 923	2.5%	73.2%	3 754 500	4 036 087	4 298 433	8.3%	70.6%
Goods and services ¹	1 033 736	1 045 178	1 216 296	1 270 558	7.1%	25.0%	1 495 641	1 597 152	1 690 290	10.0%	27.6%
of which:											
Contractors	40 006	40 123	41 350	79 060	25.5%	1.1%	70 316	79 985	80 669	0.7%	1.4%
Agency and support/outsourced services	406 119	421 961	531 570	436 316	2.4%	9.8%	428 182	441 253	491 286	4.0%	8.2%
Inventory: Food and food supplies	85 079	54 358	64 836	60 791	-10.6%	1.5%	65 644	72 185	73 528	6.5%	1.2%
Inventory: Medical supplies	71 526	59 885	63 884	109 495	15.3%	1.7%	159 435	200 259	216 863	25.6%	3.1%
Inventory: Medicine	154 080	197 952	244 628	194 540	8.1%	4.3%	352 139	370 809	385 888	25.6%	6.0%
Travel and subsistence	79 433	84 932	76 861	81 104	0.7%	1.8%	91 260	89 191	97 926	6.5%	1.6%
Transfers and subsidies¹	26 194	15 540	27 615	15 021	-16.9%	0.5%	77 519	110 593	13 325	-3.9%	1.0%
Provinces and municipalities	-	-	2	1 434	-	-	824	488	488	-30.2%	-
Departmental agencies and accounts	6 666	-	11 099	84	-76.7%	0.1%	62 721	97 322	22	-36.0%	0.7%
Public corporations and private enterprises	26	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	889	683	772	998	3.9%	-	1 002	1 053	1 053	1.8%	-
Households	18 613	14 857	15 742	12 505	-12.4%	0.3%	12 972	11 730	11 762	-2.0%	0.2%

Table 19.19 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Economic classification			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
Audited outcome						2018/19	2015/16 - 2018/19	2019/20			2020/21
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22	
Payments for capital assets	46 300	58 583	85 101	48 560	1.6%	1.3%	47 606	33 810	33 812	-11.4%	0.7%
Buildings and other fixed structures	275	259	1 765	47	-44.5%	-	-	-	-	-100.0%	-
Machinery and equipment	46 025	58 324	83 256	47 805	1.3%	1.3%	47 606	33 810	33 812	-10.9%	0.7%
Specialised military assets	-	-	-	708	-	-	-	-	-	-100.0%	-
Biological assets	-	-	80	-	-	-	-	-	-	-	-
Payments for financial assets	613	661	219	-	-100.0%	-	-	-	-	-	-
Total	4 243 150	4 448 745	4 852 916	4 714 062	3.6%	100.0%	5 375 266	5 777 642	6 035 860	8.6%	100.0%
Proportion of total programme expenditure to vote expenditure	9.4%	9.4%	9.9%	9.7%	-	-	10.6%	10.7%	11.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	14 670	11 980	12 486	12 505	-5.2%	0.3%	12 972	11 730	11 762	-2.0%	0.2%
Employee social benefits	14 670	11 980	12 486	12 505	-5.2%	0.3%	12 972	11 730	11 762	-2.0%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 666	-	11 099	84	-76.7%	0.1%	62 721	97 322	22	-36.0%	0.7%
Communication	-	-	48	84	-	-	21	22	22	-36.0%	-
Special defence account	6 666	-	11 051	-	-100.0%	0.1%	62 700	97 300	-	-	0.7%
Households											
Other transfers to households											
Current	3 943	2 877	3 256	-	1.3%	0.1%	-	-	-	-10.9%	-
Claims against the state	3 943	2 877	3 256	-	-	0.1%	-	-	-	-	-
Non-profit institutions											
Current	889	683	772	998	3.9%	-	1 002	1 053	1 053	1.8%	-
St. Johns Ambulance Brigade	889	683	772	998	3.9%	-	1 002	1 053	1 053	1.8%	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	2	1 434	-	-	824	488	488	-30.2%	-
Vehicle licences	-	-	2	1 434	-	-	824	488	488	-30.2%	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	26	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	26	-	-	-	-100.0%	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.20 Military Health Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Military Health Support																			
Salary level	7 527	-	7 624	3 523.7	0.5	7 527	3 379.9	0.4	7 731	3 754.5	0.5	7 756	4 036.1	0.5	7 713	4 298.4	0.6	0.8%	100.0%
1-6	3 295	-	3 279	834.0	0.3	3 210	805.7	0.3	3 404	914.4	0.3	3 510	1 014.3	0.3	3 504	1 086.5	0.3	3.0%	44.4%
7-10	3 936	-	4 036	2 290.6	0.6	4 001	2 244.2	0.6	4 011	2 444.2	0.6	3 959	2 623.6	0.7	3 922	2 804.5	0.7	-0.7%	51.7%
11-12	188	-	207	189.0	0.9	208	188.3	0.9	208	204.5	1.0	182	193.3	1.1	182	206.8	1.1	-4.4%	2.5%
13-16	108	-	102	118.2	1.2	108	124.0	1.1	108	134.8	1.2	105	142.1	1.4	105	151.9	1.4	-0.9%	1.4%
Other	-	-	-	91.9	-	-	17.8	-	-	56.6	-	-	62.8	-	-	48.8	-	-	-

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

2. Rand million.

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capabilities.

Objective

- Ensure prepared and supported intelligence services by providing an intelligence, a counterintelligence and a defence foreign relations capability over the medium term.

Subprogrammes

- *Strategic Direction* provides advice on defence intelligence, policy and doctrine in support of the department's decision-making and policy formulation processes.
- *Operations* provides timely defence prediction, intelligence and counterintelligence capabilities and services.
- *Defence Intelligence Support Services* provides human resources, logistics, planning, security, labour relations, and training and information support services to the defence intelligence community.

Expenditure trends and estimates

Table 19.21 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
R thousand											
Operations	459 762	472 416	459 946	529 182	4.8%	54.1%	542 532	567 998	244 588	-22.7%	48.6%
Defence Intelligence Support Services	370 298	408 873	428 054	421 182	4.4%	45.9%	477 937	514 730	576 440	11.0%	51.4%
Total	830 060	881 289	888 000	950 364	4.6%	100.0%	1 020 469	1 082 728	821 028	-4.8%	100.0%
Change to 2018 Budget estimate							28 809	19 435	(305 411)		
Economic classification											
Current payments	382 083	422 685	433 418	436 397	4.5%	47.2%	495 471	532 048	595 352	10.9%	53.1%
Compensation of employees	347 933	379 166	400 714	387 407	3.6%	42.7%	445 419	478 825	509 948	9.6%	47.0%
Goods and services ¹	34 150	43 519	32 704	48 990	12.8%	4.5%	50 052	53 223	85 404	20.4%	6.1%
of which:											
<i>Fleet services (including government motor transport)</i>	3	33	80	201	306.2%	–	359	746	31 170	437.3%	0.8%
<i>Inventory: Food and food supplies</i>	10 442	11 928	6 982	14 291	11.0%	1.2%	14 442	15 195	15 707	3.2%	1.5%
<i>Inventory: Fuel, oil and gas</i>	1 862	2 056	2 474	3 412	22.4%	0.3%	3 512	3 697	3 943	4.9%	0.4%
<i>Operating leases</i>	7 566	8 338	6 078	6 485	-5.0%	0.8%	6 810	7 166	7 257	3.8%	0.7%
<i>Travel and subsistence</i>	6 314	6 866	7 194	9 019	12.6%	0.8%	9 297	9 778	10 437	5.0%	1.0%
<i>Training and development</i>	1 348	1 646	1 545	2 730	26.5%	0.2%	2 820	2 967	3 010	3.3%	0.3%
Transfers and subsidies¹	444 994	457 700	449 215	510 031	4.7%	52.5%	520 865	546 341	221 337	-24.3%	46.4%
Provinces and municipalities	3	2	2	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts	442 271	452 132	444 224	505 486	4.6%	52.0%	519 139	543 346	219 475	-24.3%	46.1%
Households	2 720	5 566	4 989	4 545	18.7%	0.5%	1 726	2 995	1 862	-25.7%	0.3%
Payments for capital assets	2 978	904	5 344	3 936	9.7%	0.4%	4 133	4 339	4 339	3.3%	0.4%
Buildings and other fixed structures	–	–	16	–	–	–	–	–	–	–	–
Machinery and equipment	2 978	904	5 328	3 936	9.7%	0.4%	4 133	4 339	4 339	3.3%	0.4%
Payments for financial assets	5	–	23	–	-100.0%	–	–	–	–	–	–
Total	830 060	881 289	888 000	950 364	4.6%	100.0%	1 020 469	1 082 728	821 028	-4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	1.9%	1.8%	2.0%	–	–	2.0%	2.0%	1.6%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	2 720	5 566	4 989	4 545	18.7%	0.5%	1 726	2 995	1 862	-24.3%	46.1%
Employee social benefits	2 720	5 566	4 989	4 545	18.7%	0.5%	1 726	2 995	1 862	2.2%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	442 271	452 132	444 224	505 486	4.6%	52.0%	519 139	543 346	219 475	2.2%	–
Communication	247	–	335	393	16.7%	–	400	421	420	-24.3%	46.1%
Special defence account	442 024	452 132	443 889	505 093	4.5%	51.9%	518 739	542 925	219 055	-24.3%	46.1%

Table 19.21 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R thousand											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	2	2	-	-	-	-	-	-	-	-
Vehicle licences	-	2	2	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	3	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	3	-	-	-	-100.0%	-	-	-	-	-4.8%	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.22 Defence Intelligence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Defence Intelligence																			
Salary level	858	-	860	400.7	0.5	858	387.4	0.5	876	445.4	0.5	873	478.8	0.5	874	509.9	0.6	0.6%	100.0%
1 – 6	235	-	219	52.3	0.2	227	52.8	0.2	245	65.3	0.3	245	70.6	0.3	246	76.3	0.3	2.7%	27.7%
7 – 10	554	-	567	271.9	0.5	558	263.1	0.5	558	302.2	0.5	558	326.7	0.6	558	350.7	0.6	-	64.1%
11 – 12	52	-	56	46.5	0.8	56	45.6	0.8	56	52.4	0.9	53	53.4	1.0	53	57.0	1.1	-1.8%	6.3%
13 – 16	17	-	18	20.2	1.1	17	18.8	1.1	17	21.5	1.3	17	23.3	1.4	17	24.9	1.5	-	2.0%
Other	-	-	-	9.9	-	-	7.1	-	-	3.9	-	-	4.9	-	-	1.1	-	-	-

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

2. Rand million.

Programme 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services through effective and efficient centralised common logistics support of ordered commitments, in accordance with defence policy and strategy, by providing:
 - appropriate, ready and sustained centralised common matériel management to the department
 - appropriate, ready and sustained centralised facilities management to the department
 - appropriate, ready and sustained centralised common logistics services and movement management to the department
 - sound logistics strategic direction to the department.
- Provide ICT prime systems integration and strategic direction to the department over the medium term by providing:
 - strategic direction and staff support services to the division
 - integrated ICT solutions and enablers
 - an information warfare strategic direction capability
 - maintenance and support for information systems.
- Provide a military policing capability to the department over the medium term by:

- investigating backlog criminal cases
- investigating new criminal cases reported
- conducting deliberate crime prevention operations per year
- sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and the investigation of criminal cases
- sustaining 2 military correctional facilities for detention and rehabilitation.
- Provide a military policing capability to the department by sustaining a provost company for operational deployment on an ongoing basis.

Subprogrammes

- *Joint Logistic Services* provides logistics services to the department in terms of warehousing for ammunition, main equipment and stores. It also provides the defence works capability, the capital works programme and the defence facility refurbishment programme.
- *Command and Management Information Systems* provides command and management information systems and related services to the department.
- *Military Police* provides a military policing capability to the department.
- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits and bank charges.

Expenditure trends and estimates

Table 19.23 General Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand											
Joint Logistic Services	2 546 667	2 925 331	3 315 974	2 898 858	4.4%	48.3%	2 905 512	3 062 222	3 206 922	3.4%	46.2%
Command and Management Information Systems	1 096 461	1 143 673	979 966	978 184	-3.7%	17.4%	1 047 971	1 101 920	1 134 792	5.1%	16.3%
Military Police	529 249	589 506	633 791	671 565	8.3%	10.0%	704 537	755 893	804 955	6.2%	11.2%
Technology Development	424 021	515 935	441 123	465 995	3.2%	7.6%	487 700	472 294	394 045	-5.4%	7.0%
Departmental Support	880 214	882 253	1 093 095	1 166 994	9.9%	16.6%	1 203 751	1 264 984	1 382 706	5.8%	19.2%
Total	5 476 612	6 056 698	6 463 949	6 181 596	4.1%	100.0%	6 349 471	6 657 313	6 923 420	3.9%	100.0%
Change to 2018 Budget estimate				(104 346)			(334 616)	(233 646)	(383 586)		
Economic classification											
Current payments	3 893 356	4 395 892	3 905 219	3 846 444	-0.4%	66.3%	4 140 557	4 360 189	4 767 651	7.4%	65.5%
Compensation of employees	1 703 991	2 052 686	2 249 802	2 172 264	8.4%	33.8%	2 323 157	2 497 394	2 659 725	7.0%	37.0%
Goods and services ¹	2 189 365	2 343 206	1 655 417	1 674 180	-8.6%	32.5%	1 817 400	1 862 795	2 107 926	8.0%	28.6%
<i>of which:</i>											
<i>Audit costs: External</i>	60 038	50 617	61 607	68 826	4.7%	1.0%	73 352	77 020	77 020	3.8%	1.1%
<i>Computer services</i>	804 118	682 080	688 647	670 268	-5.9%	11.8%	689 591	719 557	912 886	10.8%	11.5%
<i>Contractors</i>	90 502	96 139	86 391	116 022	8.6%	1.6%	120 331	130 753	146 780	8.2%	2.0%
<i>Inventory: Food and food supplies</i>	25 601	23 993	28 403	35 913	11.9%	0.5%	68 237	69 875	74 186	27.4%	1.0%
<i>Property payments</i>	515 222	599 823	19 624	242 942	-22.2%	5.7%	252 035	397 495	416 008	19.6%	5.0%
<i>Training and development</i>	117 572	109 323	52 985	49 306	-25.1%	1.4%	69 732	65 390	66 398	10.4%	1.0%
Transfers and subsidies¹	1 254 085	1 341 403	1 444 131	1 533 203	6.9%	23.0%	1 625 613	1 664 443	1 655 370	2.6%	24.8%
Provinces and municipalities	30	46	46	56	23.1%	–	59	59	59	1.8%	–
Departmental agencies and accounts	483 216	551 627	446 795	416 172	-4.9%	7.8%	473 104	457 387	367 104	-4.1%	6.6%
Public corporations and private enterprises	760 898	776 190	984 200	1 101 897	13.1%	15.0%	1 138 053	1 193 481	1 276 973	5.0%	18.0%
Households	9 941	13 540	13 090	15 078	14.9%	0.2%	14 397	13 516	11 234	-9.3%	0.2%
Payments for capital assets	329 104	319 139	1 106 763	801 949	34.6%	10.6%	583 301	632 681	500 399	-14.5%	9.6%
Buildings and other fixed structures	58 055	105 277	674 758	523 868	108.2%	5.6%	347 741	396 352	404 743	-8.2%	6.4%
Machinery and equipment	270 974	121 037	353 715	96 237	-29.2%	3.5%	89 421	94 377	93 226	-1.1%	1.4%
Software and other intangible assets	75	92 825	78 290	181 844	1243.4%	1.5%	146 139	141 952	2 430	-76.3%	1.8%
Payments for financial assets	67	264	7 836	–	-100.0%	–	–	–	–	–	–
Total	5 476 612	6 056 698	6 463 949	6 181 596	4.1%	100.0%	6 349 471	6 657 313	6 923 420	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	12.2%	12.8%	13.2%	12.7%	–	–	12.6%	12.4%	13.2%	–	–

Table 19.23 General Support expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
	R thousand				2015/16 - 2018/19						
Households											
Social benefits											
Current	8 859	13 242	12 818	15 078	19.4%	0.2%	14 397	13 516	11 234	-9.3%	0.2%
Employee social benefits	8 859	13 242	12 818	15 078	19.4%	0.2%	14 397	13 516	11 234	-9.3%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	483 216	551 627	446 795	416 172	-4.9%	7.8%	473 104	457 387	367 104	-4.1%	6.6%
Communication	3	-	-	16	74.7%	-	3	3	4	-37.0%	-
Special defence account	483 213	551 627	446 795	416 156	-4.9%	7.8%	473 101	457 384	367 100	-4.1%	6.6%
Households											
Other transfers to households											
Current	1 082	298	272	-	-100.0%	-	-	-	-	-1.1%	-
Claims against the state	1 082	298	272	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	46	46	56	-	-	59	59	59	1.8%	-
Vehicle licences	-	46	46	56	-	-	59	59	59	1.8%	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	25	-	-	-	-	-	-	-	-
Claims against the state	-	-	25	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	23 914	1 321	-	-	0.1%	-	-	-	-	-
Claims against the state	-	23 914	1 321	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	760 898	752 276	982 854	1 101 897	13.1%	14.9%	1 138 053	1 193 481	1 276 973	5.0%	18.0%
Armaments Corporation of South Africa	760 898	752 276	982 854	1 101 897	13.1%	14.9%	1 138 053	1 193 481	1 276 973	5.0%	18.0%
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	30	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	30	-	-	-	-100.0%	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.24 General Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
General Support																			
Salary level	5 679	-	5 711	2 249.8	0.4	5 679	2 172.3	0.4	5 827	2 323.2	0.4	5 831	2 497.4	0.4	5 820	2 659.7	0.5	0.8%	100.0%
1-6	3 453	-	3 352	923.2	0.3	3 329	935.4	0.3	3 474	1 013.5	0.3	3 476	1 095.2	0.3	3 473	1 170.7	0.3	1.4%	59.4%
7-10	2 093	-	2 230	1 040.2	0.5	2 221	1 056.0	0.5	2 221	1 106.2	0.5	2 221	1 194.9	0.5	2 217	1 271.6	0.6	-0.1%	38.3%
11-12	110	-	106	87.4	0.8	106	89.4	0.8	109	99.7	0.9	110	108.8	1.0	107	112.2	1.0	0.3%	1.9%
13-16	23	-	23	25.9	1.1	23	26.5	1.2	23	27.7	1.2	24	31.2	1.3	23	31.7	1.4	-	0.4%
Other	-	-	-	173.1	-	-	64.9	-	-	76.0	-	-	67.3	-	-	73.5	-	-	-

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

2. Rand million.

Other department within the vote

Department of Military Veterans

Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	136.1	126.3	–	9.8	144.9	153.3
Socioeconomic Support	356.8	110.7	243.0	3.0	377.6	398.8
Empowerment and Stakeholder Management	169.7	156.0	4.2	9.5	179.3	191.6
Total expenditure estimates	662.6	393.1	247.3	22.2	701.8	743.7
Executive authority	Minister of Defence and Military Veterans					
Accounting officer	Director-General of Military Veterans					
Website address	www.dmv.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public-private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Formulate policies and standards aimed at providing a comprehensive delivery system to military veterans and their dependants in recognition of their role in the democratisation of South Africa.

Mandate

The Department of Military Veterans derives its mandate from the Military Veterans Act (2011), which requires the department to provide national policy and standards on socioeconomic support to military veterans and to their dependants, including benefits and entitlement to help realise a dignified, unified, empowered and self-sufficient community of military veterans.

Selected performance indicators

Table 19.25 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total number of military veterans with access to health care services ¹	Socioeconomic Support	Outcome 2: A long and healthy life for all South Africans	8 264	15 740	16 673	17 000	18 000	19 000	20 000
Number of military veterans provided with newly built houses per year ²	Socioeconomic Support	Outcome 8: Sustainable human settlements and improved quality of household life	130 ²	168 ²	270 ²	1 000 ²	400 ²	500 ²	600 ²
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	2	2	0 ³	3	3	3	3
Number of bursaries provided to military veterans and their dependants per year ⁴	Socioeconomic Support	Outcome 1: Quality basic education	5 482	7 146	7 702	10 700	7 466 ⁵	7 466 ⁵	7 466 ⁵

- Increases over the MTEF period are mainly due to the approval of regulations for military veterans' benefits, resulting in increased information campaigns to make veterans aware of their due benefits.
- Although the department has significantly underperformed in the past, there are ongoing engagements between the Department of Military Veterans and the Department of Human Settlements to expedite the delivery of housing to military veterans. Targets over the medium term have been reduced to align with historical performance and available budget.
- Zero performance in 2017/18 was mainly due to lack of capacity within the Heritage, Memorials, Burials and Honours subprogramme.
- Indicator reworded to align with the department's annual performance plan.
- Targets over the MTEF period are reduced and maintained at the same level to align with available budget.

Expenditure analysis

Recognising the role military veterans played in the democratisation of South Africa ties into the National Development Plan's aspirations to realise a developmental, capable and ethical state that treats citizens with

dignity. As such, acknowledging military veterans for their contributions can deepen social cohesion and national unity while redressing the inequities of the past. In pursuit of this, over the medium term, the Department of Military Veterans will focus on providing housing; health care; and education, training and skills development programmes to veterans and their dependants.

Housing

A projected 79.2 per cent (R1.7 billion) of the department's total budget over the medium term is allocated to the *Socioeconomic Support*, and *Empowerment and Stakeholder Management* programmes. The aim of these programmes is to improve the quality of life of military veterans and their dependants. Through the *Socioeconomic Support* programme, the department expects to deliver 1 500 houses at a projected cost of R111 million over the MTEF period. The provincial departments of human settlements will construct the houses on behalf of the department, as per the terms of the department's housing delivery model.

Health care

The department fully subsidises eligible military veterans' health care through the South African Military Health Service. Over the period ahead, the department plans to increase the number of military veterans accessing health care services, from 17 000 in 2018/19 to 20 000 in 2021/22. These services are provided for in the *Health Care and Wellbeing Support* subprogramme in the *Socioeconomic Support* programme. Due to the planned increase in veterans accessing health care services, spending in the subprogramme is expected to increase at an average annual rate of 6 per cent, from R80.9 million in 2018/19 to R96.4 million in 2021/22.

Education and training

The department plans to provide 7 466 education and training bursaries to military veterans and their dependants in each year over the medium term. For this purpose, R465 million is allocated over the period ahead in the *Socioeconomic Support* programme, and a memorandum of understanding between the department, the National Student Financial Aid Scheme and the Department of Basic Education is being implemented. As per the memorandum of understanding, support to military veterans and their dependants is given in the form of a departmental bursary using funds transferred to the National Student Financial Aid Scheme. Similar arrangements have been made with the Department of Basic Education to enable eligible military veterans' dependants to access primary and secondary schooling in public schools, especially for quintiles 4 to 5.

A projected 18 000 veterans and their dependants are expected to benefit from training and skills development programmes over the medium term. These programmes are offered through accredited service providers at a projected cost of R224 million over the period in the *Empowerment and Stakeholder Management* programme.

Expenditure trends

Table 19.26 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Socioeconomic Support														
3. Empowerment and Stakeholder Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	157.5	157.5	131.3	143.7	143.7	159.2	149.8	149.8	140.5	127.6	133.6	133.6	97.6%	96.6%
Programme 2	266.3	266.3	136.4	294.1	294.1	243.9	307.4	307.4	356.4	336.8	336.8	336.8	89.1%	89.1%
Programme 3	158.4	158.4	80.2	159.8	159.8	101.5	164.9	164.9	104.5	162.8	156.8	156.8	68.6%	69.2%
Total	582.2	582.2	348.0	597.6	597.6	504.6	622.1	622.1	601.5	627.1	627.1	627.1	85.7%	85.7%
Change to 2018 Budget estimate														

Goods and services expenditure trends and estimates

Table 19.29 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/Total (%) 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/Total (%) 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administrative fees	3 669	4 347	5 867	550	-46.9%	1.7%	1 743	165	174	-31.9%	0.2%
Advertising	12 055	5 972	2 634	1 592	-49.1%	2.6%	9 052	1 553	1 639	1.0%	1.2%
Minor assets	1 844	374	110	7 308	58.3%	1.1%	4 081	8 478	8 945	7.0%	2.6%
Audit costs: External	7 891	5 961	6 658	4 736	-15.6%	2.9%	6 543	5 276	5 566	5.5%	2.0%
Bursaries: Employees	526	592	452	651	7.4%	0.3%	395	726	766	5.6%	0.2%
Catering: Departmental activities	1 933	1 591	431	5 273	39.7%	1.1%	3 230	5 540	5 845	3.5%	1.8%
Communication	2 707	2 975	5 824	7 443	40.1%	2.2%	2 556	11 745	12 391	18.5%	3.1%
Computer services	888	34 640	21 033	2 098	33.2%	6.8%	9 163	2 338	2 467	5.5%	1.4%
Consultants: Business and advisory services	1 646	1 226	904	10 094	83.0%	1.6%	4 180	10 128	10 684	1.9%	3.2%
Infrastructure and planning services	37	-	-	14 779	636.5%	1.7%	-	17 374	18 330	7.4%	4.5%
Legal services	833	1 239	550	4 388	74.0%	0.8%	2 500	4 889	5 158	5.5%	1.5%
Contractors	56 949	61 486	55 947	58 544	0.9%	27.0%	57 652	65 794	69 412	5.8%	22.6%
Agency and support/outsourced services	380	735	4 156	469	7.3%	0.7%	5 308	522	5 551	127.9%	1.1%
Entertainment	-	-	-	105	-	-	81	117	123	5.4%	-
Fleet services (including government motor transport)	1 512	1 889	1 821	3 364	30.5%	1.0%	3 388	1 520	1 604	-21.9%	0.9%
Consumable supplies	1 038	1 005	176	5 839	77.8%	0.9%	3 555	6 335	6 695	4.7%	2.0%
Consumables: Stationery, printing and office supplies	5 162	6 134	2 291	5 447	1.8%	2.2%	5 934	5 513	5 816	2.2%	2.0%
Operating leases	15 382	16 834	15 459	6 243	-26.0%	6.3%	18 143	1 942	2 048	-31.0%	2.5%
Rental and hiring	756	337	106	1 308	20.0%	0.3%	504	1 457	1 537	5.5%	0.4%
Property payments	6 133	2 943	2 740	2 705	-23.9%	1.7%	4 856	3 013	3 179	5.5%	1.2%
Transport provided: Departmental activity	-	25	-	-	-	-	1 800	-	-	-	0.2%
Travel and subsistence	37 307	41 226	43 536	50 271	10.5%	20.0%	57 899	60 297	65 550	9.2%	21.0%
Training and development	16 546	24 690	22 382	60 245	53.8%	14.4%	48 829	56 046	59 616	-0.3%	20.2%
Operating payments	611	446	77	119	-42.0%	0.1%	783	77	81	-12.0%	0.1%
Venues and facilities	3 807	1 821	7 089	10 209	38.9%	2.7%	9 337	11 905	12 557	7.1%	4.0%
Total	179 612	218 488	200 243	263 780	13.7%	100.0%	261 512	282 750	305 734	5.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.30 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/Total (%) 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/Total (%) 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Households											
Social benefits											
Current	9 199	35 496	26 227	53 908	80.3%	17.0%	55 309	58 351	61 560	4.5%	22.5%
Households	9 199	35 496	26 227	53 908	80.3%	17.0%	55 309	58 351	61 560	4.5%	22.5%
Households											
Other transfers to households											
Current	48 371	130 638	252 086	180 258	55.0%	83.0%	191 971	202 529	213 668	5.8%	77.5%
Households	48 371	130 638	252 086	180 258	55.0%	83.0%	191 971	202 529	213 668	5.8%	77.5%
Total	57 570	166 134	278 313	234 166	59.6%	100.0%	247 280	260 880	275 228	5.5%	100.0%

Personnel information

Table 19.31 Departmental personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. Socioeconomic Support																				
3. Empowerment and Stakeholder Management																				
Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Military Veterans		169	87	200	116.2	0.6	206	122.3	0.6	208	131.5	0.6	208	141.4	0.7	207	150.6	0.7	0.2%	100.0%
Salary level		169	87	200	116.2	0.6	206	122.3	0.6	208	131.5	0.6	208	141.4	0.7	207	150.6	0.7	0.2%	100.0%
1 – 6		29	71	79	21.7	0.3	75	19.5	0.3	77	21.3	0.3	77	23.1	0.3	75	23.8	0.3	–	36.7%
7 – 10		61	10	57	30.7	0.5	63	35.7	0.6	63	38.4	0.6	63	41.4	0.7	63	44.3	0.7	–	30.4%
11 – 12		48	4	43	38.3	0.9	39	32.3	0.8	39	34.5	0.9	39	37.0	0.9	40	39.9	1.0	0.8%	18.9%
13 – 16		31	2	21	25.5	1.2	29	34.8	1.2	29	37.3	1.3	29	39.9	1.4	29	42.5	1.5	–	14.0%
Programme		169	87	200	116.2	0.6	206	122.3	0.6	208	131.5	0.6	208	141.4	0.7	207	150.6	0.7	0.2%	100.0%
Programme 1		102	50	120	69.8	0.6	85	43.7	0.5	86	47.0	0.5	86	50.5	0.6	86	53.8	0.6	0.4%	41.4%
Programme 2		21	23	41	19.1	0.5	67	40.6	0.6	68	43.7	0.6	68	47.0	0.7	67	50.1	0.7	–	32.6%
Programme 3		46	14	39	27.4	0.7	54	38.0	0.7	54	40.8	0.8	54	43.9	0.8	54	46.7	0.9	–	26.1%

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

2. Rand million.

Departmental receipts

Table 19.32 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
Departmental receipts	789	330	2 758	62	80	-53.4%	100.0%	86	93	100	7.7%	100.0%
Sales of goods and services produced by department	23	28	32	32	32	11.6%	2.9%	34	37	40	7.7%	39.8%
Other sales	23	28	32	32	32	11.6%	2.9%	34	37	40	7.7%	39.8%
of which:												
Other	23	28	32	32	32	11.6%	2.9%	34	37	40	7.7%	39.8%
Transactions in financial assets and liabilities	766	302	2 726	30	48	-60.3%	97.1%	52	56	60	7.7%	60.2%
Total	789	330	2 758	62	80	-53.4%	100.0%	86	93	100	7.7%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 19.33 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Management	8 433	10 164	10 851	12 852	15.1%	7.5%	7 106	7 583	8 050	-14.4%	6.3%
Corporate Services	67 452	94 328	81 370	54 613	-6.8%	52.7%	58 764	62 402	66 065	6.6%	42.6%
Financial Administration	16 437	22 265	18 894	16 676	0.5%	13.2%	17 156	18 295	19 413	5.2%	12.6%
Internal Audit	12 592	10 551	10 016	10 055	-7.2%	7.7%	10 878	11 514	12 166	6.6%	7.9%
Strategic Planning, Policy Development and Monitoring and Evaluation	9 632	9 375	8 262	19 367	26.2%	8.3%	20 584	21 876	23 170	6.2%	15.0%
Office Accommodation	16 735	12 524	11 127	20 002	6.1%	10.7%	21 566	23 192	24 468	6.9%	15.7%
Total	131 281	159 207	140 520	133 565	0.6%	100.0%	136 054	144 862	153 332	4.7%	100.0%
Change to 2018				6 000			–	–	–		
Budget estimate											

Table 19.33 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Current payments	121 940	152 731	134 180	130 036	2.2%	95.5%	126 296	140 931	149 185	4.7%	96.2%
Compensation of employees	57 123	65 094	69 768	43 693	-8.5%	41.7%	47 043	50 514	53 796	7.2%	34.4%
Goods and services ¹	64 817	87 637	64 412	86 343	10.0%	53.7%	79 253	90 417	95 389	3.4%	61.9%
of which:											
Audit costs: External	7 891	5 961	6 280	4 736	-15.6%	4.4%	6 543	5 276	5 566	5.5%	3.9%
Communication	2 707	2 975	5 824	7 333	39.4%	3.3%	2 430	11 623	12 262	18.7%	5.9%
Consultants: Business and advisory services	1 646	1 226	904	9 452	79.1%	2.3%	3 102	9 415	9 932	1.7%	5.6%
Infrastructure and planning services	37	-	-	14 779	636.5%	2.6%	-	17 374	18 330	7.4%	8.9%
Operating leases	15 328	16 796	15 459	6 044	-26.7%	9.5%	18 008	1 721	1 815	-33.0%	4.9%
Travel and subsistence	6 214	7 008	5 198	7 822	8.0%	4.6%	7 764	8 156	8 605	3.2%	5.7%
Transfers and subsidies¹	269	29	205	-	-100.0%	0.1%	-	-	-	-	-
Households	269	29	205	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	9 072	6 447	6 135	3 529	-27.0%	4.5%	9 758	3 931	4 147	5.5%	3.8%
Machinery and equipment	9 042	6 447	6 135	3 529	-26.9%	4.5%	9 258	3 931	4 147	5.5%	3.7%
Software and other intangible assets	30	-	-	-	-100.0%	-	500	-	-	-	0.1%
Total	131 281	159 207	140 520	133 565	0.6%	100.0%	136 054	144 862	153 332	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	37.7%	31.5%	23.4%	21.3%	-	-	20.5%	20.6%	20.6%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	269	29	205	-	-100.0%	0.1%	-	-	-	-	-
Households	269	29	205	-	-100.0%	0.1%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.34 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2019	Number of posts additional to the establishment	Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2017/18	2018/19	Unit cost	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22									
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Administration	102	50	120	69.8	0.6	85	43.7	0.5	86	47.0	0.5	86	50.5	0.6	86	53.8	0.6	0.4%	100.0%
Salary level																			
1 – 6	25	44	53	15.5	0.3	46	12.0	0.3	47	13.1	0.3	47	14.1	0.3	46	14.4	0.3	-	54.2%
7 – 10	35	1	31	16.9	0.5	17	10.3	0.6	17	11.0	0.6	17	11.8	0.7	17	12.7	0.7	-	19.8%
11 – 12	26	4	24	21.7	0.9	12	8.6	0.7	12	9.2	0.8	12	9.8	0.8	13	10.9	0.8	2.7%	14.3%
13 – 16	16	1	12	15.6	1.3	10	12.9	1.3	10	13.8	1.4	10	14.8	1.5	10	15.8	1.6	-	11.7%

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

2. Rand million.

Programme 2: Socioeconomic Support

Programme purpose

Develop and monitor the implementation of legislation, policy frameworks and service delivery cooperation agreements on compensation for injury in military service, counselling, education, health care, public transport, pension and housing benefits for military veterans eligible for such support.

Objectives

- Establish an enabling environment to provide socioeconomic support services to military veterans by:
 - maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and personal files of military veterans on an ongoing basis

- facilitating access to benefits espoused in section 5 of the Military Veterans Act (2011) for eligible military veterans by 2021/22.
- Advance the delivery of social services to military veterans and their dependants by developing strategic partnerships with other organs of the state and in broader society, where applicable, to ensure that:
 - 1 500 military veterans are provided with newly built houses over the medium term
 - 20 000 military veterans have access to health care services by 2021/22
 - 7 466 eligible military veterans and their dependants across the country are provided with ongoing education support each year over the medium term.
- Provide strategic leadership to the socioeconomic sector by conducting ongoing research on pertinent issues affecting military veterans and developing requisite policies; and implementing norms and standards, strategies, guidelines, and frameworks by 2021/22.

Subprogrammes

- *Database and Benefits Management* establishes systems for the seamless transition of servicemen and servicewomen from active military service to civilian life. This subprogramme also consolidates and ensures the credibility and security of the national military veterans' database, and exercises oversight on governance obligations and resources allocated to the unit based on the provisions of the Military Veterans Act (2011).
- *Health Care and Wellbeing Support* facilitates the provision of health care services and wellbeing support to military veterans, including initiatives to prevent diseases.
- *Socioeconomic Support Management* develops norms and standards for the provision of education, public transport, pension, housing and social relief of distress for military veterans eligible for such support. This subprogramme also establishes strategic partnerships to advance service delivery, tracks delivery by service providers on agreed targets, ensures continual improvement, and reports on service delivery.

Expenditure trends and estimates

Table 19.35 Socioeconomic Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16	2018/19	2019/20	2020/21		
R thousand											
Database and Benefits Management	11 703	6 455	5 544	15 577	10.0%	3.7%	14 685	18 116	19 212	7.2%	4.6%
Health Care and Wellbeing Support	67 327	70 503	66 949	80 858	6.3%	26.6%	87 495	91 232	96 364	6.0%	24.2%
Socioeconomic Support Management	57 408	166 956	283 944	240 337	61.2%	69.7%	254 571	268 238	283 247	5.6%	71.2%
Total	136 438	243 914	356 437	336 772	35.1%	100.0%	356 751	377 586	398 823	5.8%	100.0%
Change to 2018 Budget estimate				-			-	-	-		
Economic classification	82 470	86 915	83 796	103 284	7.8%	33.2%	110 733	117 461	124 392	6.4%	31.0%
Current payments											
Compensation of employees	19 845	18 590	19 085	40 581	26.9%	9.1%	43 686	47 029	50 087	7.3%	12.3%
Goods and services ¹	62 625	68 325	64 711	62 703	-	24.1%	67 047	70 432	74 305	5.8%	18.7%
of which:											
Catering: Departmental activities	239	195	14	876	54.2%	0.1%	796	977	1 031	5.6%	0.3%
Consultants: Business and advisory services	-	-	-	642	-	0.1%	1 078	713	752	5.4%	0.2%
Contractors	55 585	61 453	55 813	53 726	-1.1%	21.1%	54 515	60 426	63 749	5.9%	15.8%
Travel and subsistence	4 788	3 217	4 625	4 226	-4.1%	1.6%	4 963	4 709	4 968	5.5%	1.3%
Training and development	3	30	-	1 401	675.8%	0.1%	-	1 033	1 090	-8.0%	0.2%
Venues and facilities	25	35	12	412	154.5%	-	676	991	1 045	36.4%	0.2%
Transfers and subsidies¹	53 410	156 891	272 405	230 148	62.7%	66.4%	243 037	256 404	270 506	5.5%	68.0%
Households	53 410	156 891	272 405	230 148	62.7%	66.4%	243 037	256 404	270 506	5.5%	68.0%
Payments for capital assets	558	108	236	3 340	81.6%	0.4%	2 981	3 721	3 925	5.5%	1.0%
Machinery and equipment	558	108	236	840	14.6%	0.2%	2 361	936	987	5.5%	0.3%
Software and other intangible assets	-	-	-	2 500	-	0.2%	620	2 785	2 938	5.5%	0.6%
Total	136 438	243 914	356 437	336 772	-	100.0%	356 751	377 586	398 823	-	100.0%
Proportion of total programme expenditure to vote expenditure	39.2%	48.3%	59.3%	53.7%	-	-	53.8%	53.8%	53.6%	-	-

Table 19.35 Socioeconomic Support expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
Audited outcome			2018/19				2019/20	2020/21	2021/22		
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22		
Households											
Social benefits											
Current	5 195	26 253	25 967	49 890	–	10.0%	51 066	53 875	56 838	–	14.4%
Households	5 195	26 253	25 967	49 890	–	10.0%	51 066	53 875	56 838	–	14.4%
Households											
Other transfers to households											
Current	48 215	130 638	246 438	180 258	–	56.4%	191 971	202 529	213 668	–	53.6%
Households	48 215	130 638	246 438	180 258	–	56.4%	191 971	202 529	213 668	–	53.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.36 Socioeconomic Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22		
Socioeconomic Support																			
Salary level	21	23	41	19.1	0.5	67	40.6	0.6	68	43.7	0.6	68	47.0	0.7	67	50.1	0.7	–	100.0%
1–6	1	18	22	5.2	0.2	23	5.7	0.2	24	6.4	0.3	24	6.9	0.3	23	7.2	0.3	–	34.8%
7–10	5	5	9	4.7	0.5	20	12.2	0.6	20	13.1	0.7	20	14.2	0.7	20	15.2	0.8	–	29.6%
11–12	8	–	7	6.8	1.0	12	11.9	1.0	12	12.7	1.1	12	13.7	1.1	12	14.6	1.2	–	17.8%
13–16	7	–	3	2.3	0.8	12	10.7	0.9	12	11.4	1.0	12	12.3	1.0	12	13.1	1.1	–	17.8%

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

2. Rand million.

Programme 3: Empowerment and Stakeholder Management

Programme purpose

Manage and facilitate the implementation of military veteran empowerment and stakeholder management programmes.

Objectives

- Ensure the empowerment of deserving military veterans by:
 - continuing to develop and implement a fully functional special purpose vehicle that will facilitate business opportunities by 2021/22
 - forming partnerships with 12 companies in the private sector and other organs of state, and entering into service level agreements and memorandums of understanding over the medium term
 - monitoring and evaluating the implementation of the agreements and memorandums of understanding to ensure that support is provided annually
 - providing 18 000 military veterans with access to relevant training and skills development, and concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
 - facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes by 2021/22
 - facilitating the integration of military veterans into the national workforce on an ongoing basis.

Subprogrammes

- *Provincial Offices and Stakeholder Relations* facilitates and coordinates military veteran stakeholder institutions and provides administrative support to secure stakeholders from public and private institutions willing to contribute towards the wellbeing of military veterans.
- *Empowerment and Skills Development* provides skills programmes and related activities to ensure that military veterans contribute positively to mainstream economic activities.
- *Heritage, Memorials, Burials and Honours* provides services to honour the contributions made by military veterans in the struggle for democracy; and ensures that their memorials are adequately secured, articulated in a dignified manner and captured in historical texts.

Expenditure trends and estimates

Table 19.37 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Provincial Offices and Stakeholder Relations	38 777	32 319	34 317	59 595	15.4%	37.2%	63 376	67 509	71 574	6.3%	37.6%
Empowerment and Skills Development	29 346	34 255	42 331	77 659	38.3%	41.4%	80 710	84 904	91 812	5.7%	48.0%
Heritage, Memorials, Burials and Honours	12 109	34 926	27 895	19 496	17.2%	21.3%	25 662	26 910	28 175	13.1%	14.4%
Total	80 232	101 500	104 543	156 750	25.0%	100.0%	169 748	179 323	191 561	6.9%	100.0%
Change to 2018				(6 000)			(1 974)	(1 835)	–		
Budget estimate											
Economic classification											
Current payments	75 840	87 305	98 510	152 717	26.3%	93.5%	156 032	165 773	182 764	6.2%	94.3%
Compensation of employees	23 670	24 779	27 390	37 983	17.1%	25.7%	40 820	43 872	46 724	7.1%	24.3%
Goods and services ¹	52 170	62 526	71 120	114 734	30.0%	67.8%	115 212	121 901	136 040	5.8%	70.0%
of which:											
Minor assets	350	202	7	3 826	121.9%	1.0%	1 543	4 262	4 497	5.5%	2.0%
Catering: Departmental activities	1 041	1 030	340	3 693	52.5%	1.4%	1 799	4 114	4 340	5.5%	2.0%
Agency and support/outsource services	380	735	4 156	140	-28.3%	1.2%	5 208	156	5 165	232.9%	1.5%
Travel and subsistence	26 305	31 001	33 713	38 223	13.3%	29.2%	45 172	47 432	51 977	10.8%	26.2%
Training and development	15 909	23 343	21 904	55 107	51.3%	26.2%	47 638	50 850	54 133	-0.6%	29.8%
Venues and facilities	3 475	1 429	6 966	7 293	28.0%	4.3%	7 101	8 125	8 571	5.5%	4.5%
Transfers and subsidies¹	3 891	9 214	5 703	4 018	1.1%	5.2%	4 243	4 476	4 722	5.5%	2.5%
Households	3 891	9 214	5 703	4 018	1.1%	5.2%	4 243	4 476	4 722	5.5%	2.5%
Payments for capital assets	501	4 981	330	15	-68.9%	1.3%	9 473	9 074	4 075	547.7%	3.2%
Machinery and equipment	501	696	330	15	-68.9%	0.3%	4 473	4 074	4 075	547.7%	1.8%
Heritage assets	–	4 285	–	–	–	1.0%	5 000	5 000	–	–	1.4%
Total	80 232	101 500	104 543	156 750	–	100.0%	169 748	179 323	191 561	–	100.0%
Proportion of total programme expenditure to vote expenditure	23.1%	20.1%	17.4%	25.0%	–	–	25.6%	25.6%	25.8%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	3 735	9 214	55	4 018	–	3.8%	4 243	4 476	4 722	–	2.5%
Households	3 735	9 214	55	4 018	–	3.8%	4 243	4 476	4 722	–	2.5%
Households											
Other transfers to households											
Current	156	–	5 648	–	–	1.3%	–	–	–	–	–
Households	156	–	5 648	–	–	1.3%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 19.38 Empowerment and Stakeholder Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Empowerment and Stakeholder Management		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost	Number	Cost	Unit cost		
Salary level	46	14	39	27.4	0.7	54	38.0	0.7	54	40.8	0.8	54	43.9	0.8	54	46.7	0.9	-	100.0%
1 – 6	3	9	4	1.0	0.2	6	1.8	0.3	6	1.9	0.3	6	2.1	0.3	6	2.2	0.4	-	11.1%
7 – 10	21	4	17	9.1	0.5	26	13.2	0.5	26	14.2	0.5	26	15.4	0.6	26	16.4	0.6	-	48.1%
11 – 12	14	-	12	9.8	0.8	15	11.8	0.8	15	12.7	0.8	15	13.6	0.9	15	14.4	1.0	-	27.8%
13 – 16	8	1	6	7.6	1.3	7	11.2	1.6	7	12.0	1.7	7	12.9	1.8	7	13.7	2.0	-	13.0%

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

2. Rand million.

Entities

Armaments Corporation of South Africa

Mandate

The Armaments Corporation of South Africa derives its mandate from the Armscor Act (2003). Its mission is to meet the acquisition, maintenance and disposal needs of the Department of Defence and other clients in terms of defence matériel and related products and services. The corporation maintains strategic capabilities and technologies, and promotes the local defence-related industry, ensuring that the South African National Defence Force receives quality equipment to carry out its mandate.

Selected performance indicators

Table 19.39 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
Percentage of capital requirements from the Department of Defence converted into orders placed per year	Management of defence matériel acquisition	Outcome 3: All people in South Africa are and feel safe	100% (R1.8bn/ R1.8bn)	100% (R597.9m/ R597.9m)	100% (R1.9bn/R1.9bn)	95% ¹	95% ¹	95% ¹	95% ¹
Percentage of technology requirements executed per year	Management of strategic facilities: Research and development		99.6% (R223.2m/ R224.1m)	96.7% (R219.7m/ R227.3m)	97.2% (R288m/R296.4m)	95% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits ² awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R103.8m	R135.5m	R157m	R51.7m	R80.4m ³	R98.4m ³	R101.5m ³

1. The corporation cannot project rand values as it is dependent on capital requirements from the Department of Defence. Performance targets are maintained at the same level to align with available budgets.

2. Defence industrial participation credits are contracted with foreign suppliers who have been awarded defence contracts to reciprocate defence business in South Africa. This creates a quantified monetary obligation on the foreign party. In the execution of the contract, and subject to the foreign supplier meeting the defence industrial participation requirements, credits are awarded that reduce the liability.

3. The 2019 MTEF targets are lower compared to the historical outcome due to the tapering down of most current defence industrial participation agreements based on the contractually agreed milestones of applicable contracts.

Expenditure analysis

The Armaments Corporation of South Africa aims to adopt procurement approaches that stimulate the domestic defence industry and job creation through greater investment in research and development. The corporation's focus over the medium term will be on meeting defence matériel requirements and those of the department in technology, research, development analysis, tests and evaluation; improving internal systems and processes; providing support to the local defence industry; and improving revenue generation.

In striving to achieve its strategic goals, the corporation expects to fill only critical vacancies over the medium term, particularly those that would contribute to increased revenue generation in the *Management of strategic*

facilities: research and development programme. To contain costs over the period ahead, expiring fixed-term contracts for employees, particularly at the Armscor Dockyard, will not be renewed. The corporation's budget for compensation of employees is expected to increase marginally, from R1.25 billion in 2018/19 to R1.32 billion in 2021/22, to improve conditions of service. Personnel headcount is expected to stabilise at 1 705 over the medium term.

Improvements in internal controls over the medium term are expected to ensure adherence and compliance to procurement regulations, resulting in the acquisition of economically efficient capital assets. As a result, the percentage of the department's capital requirements converted into orders placed is expected to be maintained at 95 per cent over the period ahead. The corporation plans to spend R407.8 million over the MTEF period on activities to improve compliance with procurement regulations, which is provided for in the *Management of defence matériel acquisition* programme.

The corporation plans to continue providing support to the South African defence industry over the medium term. This involves facilitating participation in international defence exhibitions, promoting the industry, and managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes. It is expected that R85.1 million will be spent on these activities over the medium term in the *Management of strategic facilities: research and development* programme.

Over the MTEF period, the corporation will provide services for operational research and comprehensive testing, and the evaluation of defence systems and capabilities in the military and civilian environments. The corporation intends to acquire the latest technologies to fulfil its mandate effectively and efficiently. Over the period ahead, the execution of technology requirements to achieve agreed contractual milestones will be maintained at 95 per cent. Spending on these activities is projected to be R984.1 million over the medium term in the *Management of strategic facilities: research and development* programme.

Transfers from the department account for 69.5 per cent (R4.6 billion) of the corporation's total projected revenue over the medium term. These transfers, however, do not cover the corporation's operational costs, which, along with expenses related to administration, training, the maintenance of buildings, and other goods and services, are covered with interest earned from investments. The aim of the corporation's 2016 turnaround strategy is to transform it into a self-sustaining organisation. To achieve this, the corporation will continue to diversify its revenue sources through the commercialisation of intellectual property and strategic facilities, and the brokering of defence-sector deals in Africa. In 2017/18, new revenue streams assisted the corporation in achieving a surplus of R1.7 million, instead of a budgeted deficit of R25.5 million.

Cabinet has approved budget reductions of R29.9 million in 2019/20, R31.6 million in 2020/21 and R34.8 million in departmental transfers. These reductions are implemented on goods and services, and spending on compensation of employees. Accordingly, a freeze on salary increases for senior management staff earning more than R1.5 million per year and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year have been effected. To mitigate the impact of budget reductions, the corporation expects to increase its own revenue generation, in line with its turnaround strategy, and continue to freeze all non-critical vacancies. Nevertheless, transfers from the department increase at an annual average rate of 5.2 per cent, from R1.5 billion in 2018/19 to R1.6 billion in 2021/22.

Programmes/Objectives/Activities

Table 19.40 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	391 999	422 988	439 931	504 277	8.8%	24.1%	790 796	840 758	902 944	21.4%	35.0%
Quality assurance	118 474	101 893	108 570	122 478	1.1%	6.2%	110 317	118 155	126 560	1.1%	5.5%
Management of defence matériel acquisition	328 302	337 101	359 140	405 781	7.3%	19.6%	324 472	347 341	372 036	-2.9%	16.8%
Logistics support	217 669	215 492	228 440	276 310	8.3%	12.9%	218 454	230 059	247 312	-3.6%	11.3%
Management of strategic facilities: Armscor Dockyard	250 875	250 544	266 893	302 224	6.4%	14.7%	298 971	320 066	342 678	4.3%	14.6%
Management of strategic facilities: Research and development	370 983	386 207	411 152	469 989	8.2%	22.5%	307 570	327 481	348 724	-9.5%	16.9%
Total	1 678 300	1 714 225	1 814 126	2 081 059	7.4%	100.0%	2 050 580	2 183 860	2 340 254	4.0%	100.0%

Statements of historical financial performance

Table 19.41 Armaments Corporation of South Africa statements of historical financial performance

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/ Budget (%)
	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	
R thousand	2015/16		2016/17		2017/18		2018/19		2018/19		2018/19		2015/16 - 2018/19
Revenue													
Non-tax revenue	383 387	1 006 700	453 594	545 218	554 287	610 033	681 943	681 943					137.2%
Sale of goods and services other than capital assets	291 289	479 500	353 003	403 303	370 861	467 426	525 517	525 517					121.7%
of which:													
Sales by market establishment	291 289	479 500	353 003	403 303	370 861	467 426	525 517	525 517					121.7%
Other non-tax revenue	92 098	527 200	100 591	141 915	183 426	142 607	156 426	156 426					181.8%
Transfers received	1 025 893	858 700	1 042 144	1 042 144	1 325 406	1 205 750	1 399 331	1 399 331					94.0%
Total revenue	1 409 280	1 878 400	1 495 738	1 587 362	1 879 693	1 815 783	2 081 274	2 081 274					107.2%
Expenses													
Current expenses	1 636 047	1 678 300	1 704 359	1 714 225	1 905 164	1 814 126	2 081 059	2 081 059					99.5%
Compensation of employees	1 029 203	940 146	1 048 959	1 048 959	1 202 516	1 118 008	1 251 853	1 251 853					96.2%
Goods and services	535 533	673 212	576 451	586 317	620 759	610 558	746 799	746 799					105.5%
Depreciation	71 311	64 942	78 949	78 949	81 889	85 560	82 407	82 407					99.1%
Total expenses	1 636 047	1 678 300	1 704 359	1 714 225	1 905 164	1 814 126	2 081 059	2 081 059					99.5%
Surplus/(Deficit)	(226 767)	200 100	(208 621)	(126 863)	(25 471)	1 657	215	215					

Statements of estimates of financial performance

Table 19.42 Armaments Corporation of South Africa statements of estimates of financial performance

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2015/16 - 2018/19	2019/20		
R thousand	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue								
Non-tax revenue	681 943	-12.2%	38.6%	624 297	655 512	688 287	0.3%	30.5%
Sale of goods and services other than capital assets	525 517	3.1%	25.5%	472 570	496 199	521 008	-0.3%	23.2%
of which:								
Sales by market establishment	525 517	3.1%	25.5%	472 570	496 199	521 008	-0.3%	23.2%
Other non-tax revenue	156 426	-33.3%	13.1%	151 727	159 313	167 279	2.3%	7.3%
Transfers received	1 399 331	17.7%	61.3%	1 467 968	1 543 845	1 627 338	5.2%	69.5%
Total revenue	2 081 274	3.5%	100.0%	2 092 265	2 199 357	2 315 625	3.6%	100.0%
Expenses								
Current expenses	2 081 059	7.4%	100.0%	2 050 580	2 183 860	2 340 254	4.0%	100.0%
Compensation of employees	1 251 853	10.0%	59.7%	1 145 768	1 231 700	1 324 077	1.9%	57.3%
Goods and services	746 799	3.5%	36.0%	813 065	855 826	913 683	7.0%	38.4%
Depreciation	82 407	8.3%	4.3%	91 747	96 334	102 494	7.5%	4.3%
Total expenses	2 081 059	7.4%	100.0%	2 050 580	2 183 860	2 340 254	4.0%	100.0%
Surplus/(Deficit)	215			41 685	15 497	(24 629)		

Personnel information

Table 19.43 Armaments Corporation of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost							
Armaments Corporation of South Africa		1 863	1 863	1 689	1 118.0	0.7	1 863	1 251.9	0.7	1 705	1 145.8	0.7	1 705	1 231.7	0.7	1 705	1 324.1	0.8	1.9%	100.0%
Salary level																				
1 – 6	511	511	357	57.8	0.2	511	107.5	0.2	452	84.8	0.2	452	91.2	0.2	452	98.0	0.2	-3.0%	26.7%	
7 – 10	865	865	822	394.5	0.5	865	473.7	0.5	785	414.8	0.5	785	445.9	0.6	785	479.4	0.6	0.4%	46.1%	
11 – 12	241	241	202	191.7	0.9	241	260.7	1.1	228	234.5	1.0	228	252.1	1.1	228	271.0	1.2	1.3%	13.3%	
13 – 16	240	240	301	451.3	1.5	240	389.6	1.6	234	389.7	1.7	234	418.9	1.8	234	450.3	1.9	4.9%	13.5%	
17 – 22	6	6	7	22.7	3.2	6	20.4	3.4	6	21.9	3.7	6	23.6	3.9	6	25.4	4.2	7.5%	0.3%	

1. Rand million.

Castle Control Board

Mandate

The mandate of the Castle Control Board is derived from the Castle Management Act (1993), which requires it to preserve and protect the military and cultural heritage of the Castle of Good Hope to optimise its tourism potential and public accessibility. Aspects of the board's mandate are also derived from the Defence Endowment Property and Account Act (1922), and the National Heritage Resources Act (1999).

Table 19.44 Castle Control Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Annual income from hosting events, and film and fashion shoots	Increased public profile and positive perception across all sectors of the community	Outcome 14: Nation building and social cohesion	R3.2m	R3.3m	R3.9m	R4m	R3.5m ¹	R3.6m	R4m
Number of visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		154 067	195 445 ²	160 000	165 000 ³	165 000 ³	170 000	175 000
Income from visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		R4.2m	R4.2m	R4.4m	R5m	R6m	R6.5m	R7m
Number of student interns successfully supported and mentored at the Castle of Good Hope per year	Increased public profile and positive perception across all sectors of the community		26	25	30	30	12 ⁴	12 ⁴	12 ⁴

1. Decrease in income from events and visitors in 2019/20 is due to an expected decrease in the number of commercial events hosted at the castle in line with the integrated conservation management plan.

2. The significant increase in the number of visitors to the Castle of Good Hope in 2016/17 was due to an initiative to promote the castle to the wider community in December 2016, as well as an event related to the commemoration of the castle's 350th anniversary.

3. Targets are kept constant between 2018/19 and 2019/20 in line with the integrated conservation management plan, which recommends that the castle should limit the number of commercial events held.

4. Targets over the MTEF period are significantly reduced and maintained to align with available budget.

Expenditure analysis

Over the medium term, the Castle Control Board aims to optimise the heritage tourism potential of the Castle of Good Hope and increase accessibility of the castle to the broader public, implementing a revenue optimisation strategy to ensure self-sustainability.

Major activities over the medium term include the delivery of a comprehensive range of visitor services and products such as tourist literature, maps, guidebooks, an upgraded information centre and website, better and clearer signage, an improved security system and a larger offering of tour options to attract more tourists and local visitors.

The board generates its own revenue from ticket sales, renting out venues in the castle and fees from hosting special events. Expenditure is expected to increase over the MTEF period at an average annual rate of 6.3 per cent, from R7.9 million in 2018/19 to R9.4 million in 2021/22.

Programmes/Objectives/Activities

Table 19.45 Castle Control Board expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R thousand											
Administration	5 412	8 011	7 562	7 061	9.3%	83.2%	7 485	7 971	8 450	6.2%	89.6%
Ensure the preservation, interpretation and showcasing the history of the castle	541	238	570	525	-1.0%	5.8%	584	623	660	7.9%	6.9%
Maximising the tourist potential of the Castle of Good Hope	131	48	41	60	-22.9%	0.9%	75	80	85	12.3%	0.9%
Increased public profile and positive perception across all sectors of the community	1 354	1 642	279	204	-46.8%	10.2%	215	229	243	6.0%	2.6%
Total	7 438	9 939	8 451	7 850	1.8%	100.0%	8 359	8 903	9 438	6.3%	100.0%

Statements of historical financial performance

Table 19.46 Castle Control Board statements of historical financial performance

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2015/16	Budget	2016/17	Budget	2017/18			
R thousand									
Revenue									
Non-tax revenue	7 501	4 905	8 214	3 995	8 538	5 822	9 301	7 850	67.3%
Sale of goods and services other than capital assets	6 901	4 259	7 614	3 434	8 289	5 255	9 001	7 120	63.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	6 901	4 259	7 614	3 434	8 289	5 255	9 001	7 120	63.1%
Other non-tax revenue	600	646	600	560	249	567	300	730	143.1%
Total revenue	7 501	4 905	8 214	3 995	8 538	5 822	9 301	7 850	67.3%
Expenses									
Current expenses	7 501	7 438	8 214	9 939	8 538	8 452	9 301	7 850	100.4%
Compensation of employees	3 845	3 362	4 278	5 393	6 044	5 794	6 509	5 706	98.0%
Goods and services	3 586	3 988	3 936	4 361	2 384	2 567	2 720	2 099	103.1%
Depreciation	70	88	—	185	110	91	72	45	162.3%
Total expenses	7 501	7 438	8 214	9 939	8 538	8 452	9 301	7 850	100.4%
Surplus/(Deficit)	—	(2 533)	—	(5 944)	—	(2 629)	—	—	

Statements of estimates of financial performance

Table 19.47 Castle Control Board statements of estimates of financial performance

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2018/19	2015/16 - 2018/19	2019/20			2020/21
R thousand									
Revenue									
Non-tax revenue	7 850	17.0%	100.0%	8 359	8 903	9 438	6.3%	100.0%	
Sale of goods and services other than capital assets	7 120	18.7%	88.4%	7 620	8 110	8 600	6.5%	91.0%	
<i>of which:</i>									
<i>Sales by market establishment</i>	7 120	18.7%	88.4%	7 620	8 110	8 600	6.5%	91.0%	
Other non-tax revenue	730	4.2%	11.6%	739	793	838	4.7%	9.0%	
Total revenue	7 850	17.0%	100.0%	8 359	8 903	9 438	6.3%	100.0%	
Expenses									
Current expenses	7 850	1.8%	100.0%	8 359	8 903	9 438	6.3%	100.0%	
Compensation of employees	5 706	19.3%	60.2%	6 075	6 473	6 863	6.3%	72.7%	
Goods and services	2 099	-19.3%	38.7%	2 234	2 375	2 515	6.2%	26.7%	
Depreciation	45	-20.0%	1.2%	50	55	60	10.1%	0.6%	
Total expenses	7 850	1.8%	100.0%	8 359	8 903	9 438	6.3%	100.0%	
Surplus/(Deficit)	—			—	—	—			

Personnel information

Table 19.48 Castle Control Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22			
Castle Control Board		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	21	21	31	5.8	0.2	21	5.7	0.3	20	6.1	0.3	19	6.5	0.3	19	6.9	0.4	6.3%	100.0%
1 – 6	15	15	25	2.5	0.1	15	2.1	0.1	14	2.1	0.2	13	2.3	0.2	13	2.4	0.2	5.2%	69.6%
7 – 10	4	4	4	1.4	0.3	4	1.5	0.4	4	1.7	0.4	4	1.8	0.4	4	1.9	0.5	7.0%	20.3%
11 – 12	1	1	1	0.9	0.9	1	0.9	0.9	1	1.0	1.0	1	1.1	1.1	1	1.2	1.2	6.9%	5.1%
13 – 16	1	1	1	1.1	1.1	1	1.2	1.2	1	1.3	1.3	1	1.4	1.4	1	1.4	1.4	7.1%	5.1%

1. Rand million.

Additional tables

Table 19.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand										
Departmental infrastructure										
Upgrade and refurbishment of the South African Military Health Training Centre: Phase 2 (nurses college)	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	1 803 201	–	–	22 683	15 000	4 954	85 727	146 729
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	3 257 571	743	7 334	169 263	(38 729)	71 593	93 615	127 224
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Construction	609 973	839	2 717	1 948	22 000	12 355	45 559	47 537
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	936 152	24 178	36 844	145 685	208 982	48 100	–	–
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	581 025	1 579	746	3 638	15 484	26 809	26 256	25 241
Demolition of infrastructure	Demolition of infrastructure	Various	80 285	–	–	–	–	–	–	7 630
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	77 702	–	3 474	7 465	–	–	–	–
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	199 128	840	3 271	10 806	20 075	12 413	9 399	383
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Site identification	550 595	4 884	11 209	89 431	75 036	45 914	21 968	10 761
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	3 277 497	45 659	63 678	171 636	171 529	83 122	79 790	16 543
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	91 361	483	222	1 227	20 922	3 749	746	–

Table 19.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
R thousand										
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24 196	2	-	-	-	-	-	-
Upgrading of infrastructure for disabled members	Upgrade of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8 911	17	213	-	-	-	-	-
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	30 289	34	949	13 818	1 047	-	219	1 716
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaat	Site identification	5 021	12	-	-	-	-	-	-
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	47 952	78	50	6 428	8 745	2 450	732	-
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	25 431	27	1 447	10 808	1 152	-	149	-
Training facilities	Construction and upgrades of training facilities	Various	119 051	-	403	233	(2 011)	1 960	10 678	9 403
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	241 212	3 222	15 043	41 543	14 563	10 750	2 302	3 434
Workshops and stores	Construction of workshops and stores	Various	22 496	-	14	-	303	700	-	-
Fences and gates	Replacement or erection of fences	Various	249 777	-	242	650	(4 404)	27 151	24 485	2 153
Recoverable projects	Upgrades of buildings in military bases	Various	129 351	-	-	-	-	(720)	-	11 262
Total			12 368 177	82 597	147 856	697 262	529 694	351 300	401 625	410 016

Table 19.B Largest defence force units

Unit	Audited outcome			Adjusted appropriation	Medium-term estimates		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand							
1 Military Hospital	774 579	838 065	946 348	847 841	905 173	919 377	936 754
Naval Base Simonstown	506 214	522 406	547 350	492 894	547 514	611 315	595 301
School of Infantry	602 009	578 748	600 431	671 660	605 284	655 255	716 830
15 SA Infantry Battalion	246 710	281 387	302 136	252 509	264 407	234 325	225 935
Air Force Base Waterkloof	299 796	343 108	340 761	302 147	289 751	280 918	271 111
2 Military Hospital	332 186	373 930	405 878	444 737	459 934	465 707	474 420
General Support Base Thaba Tswane	271 178	235 572	308 531	175 829	221 370	220 180	219 093
Area Military Health Unit Gauteng	298 069	349 153	347 034	279 342	358 036	357 559	355 402
7 SA Infantry Battalion	218 988	271 241	291 462	207 253	262 688	229 774	228 608
Joint Support Base Garrison	240 839	276 159	272 407	255 059	318 813	357 507	367 395
1 SA Infantry Battalion	221 977	253 002	261 990	253 721	284 940	290 310	292 890
21 SA Infantry Battalion	235 367	270 877	287 339	276 276	262 515	261 273	263 401
14 SA Infantry Battalion	233 863	242 427	257 569	246 908	262 863	256 375	253 175
4 Artillery Regiment	220 305	265 263	279 011	258 382	261 879	259 121	255 724
8 SA Infantry Battalion	182 466	217 708	225 145	237 882	238 586	240 527	238 229
6 SA Infantry Battalion	209 397	224 743	254 265	240 247	270 582	264 481	257 892
121 SA Infantry Battalion	324 404	248 821	254 982	259 261	279 404	282 973	286 000
4 SA Infantry Battalion	203 997	264 489	286 616	265 281	296 507	292 717	290 567
5 SA Infantry Battalion	225 181	270 858	276 806	267 393	263 117	270 558	272 797
10 SA Infantry Battalion	241 270	260 896	274 206	260 389	278 880	274 132	271 959
9 SA Infantry Battalion	184 679	210 843	220 239	218 896	232 401	233 801	235 291
3 Military Hospital	204 988	225 955	264 650	267 511	258 131	263 563	275 160
Area Military Health Unit Western Cape	197 775	223 824	217 944	245 819	252 097	248 274	248 196
68 Air School	365 742	204 236	182 310	220 422	191 822	193 415	196 204
1 Parachute Battalion	155 590	201 198	209 243	206 344	217 823	220 601	222 021
10 Anti Aircraft Regiment	177 328	203 635	211 379	207 973	212 004	213 158	215 838
2 SA Infantry Battalion	212 545	226 179	221 871	238 119	245 494	244 977	244 018
2 Field Engineer Regiment	174 314	205 927	217 943	193 745	208 165	206 885	205 250
Army Support Base Bloemfontein	158 772	204 560	205 013	139 564	177 403	166 416	157 281
1 Construction Regiment	231 447	171 422	185 833	173 676	157 912	162 765	163 012
Joint Support Base Wonderboom	141 744	162 064	175 861	157 366	161 567	166 819	170 266
Air Force Base Hoedspruit	141 191	159 337	162 949	161 392	140 644	129 919	121 061
SAS Simonsberg	155 296	166 151	171 224	168 097	196 547	149 306	161 618
Army Support Base Limpopo	149 202	172 524	177 656	169 800	171 444	163 223	156 123
Army Support Base Potchefstroom	120 138	123 238	127 788	126 260	127 891	128 045	126 038
Defence Works Formation	90 028	123 540	124 489	115 156	123 657	117 148	115 391
Army Support Base KwaZulu-Natal	127 408	150 654	153 342	131 909	148 235	141 157	132 694
Area Military Health Unit Limpopo	137 021	171 892	185 905	172 251	193 243	188 021	187 134
Army Support Base Western Cape	123 353	134 903	133 099	127 209	134 848	134 316	134 705
Area Military Health Unit KwaZulu-Natal	136 910	165 319	189 348	182 893	182 298	186 368	194 303
1 Special Services Battalion	128 678	150 381	165 144	154 311	168 180	168 897	171 206
Defence Headquarters Unit	115 314	127 987	130 630	145 595	163 794	164 509	165 954
Air Force Base Makhado	113 019	137 694	9 064	9 234	9 917	10 062	9 093
1 SA Tank Regiment	124 750	136 927	144 450	149 843	148 260	147 903	148 264
Area Military Health Unit Eastern Cape	117 090	130 509	150 006	143 392	152 180	152 103	155 359
3 SA Infantry Battalion	151 302	118 674	127 673	143 087	137 017	132 729	131 478
SAS Saldanha	140 320	192 377	194 091	191 140	197 058	197 496	199 528
Army Support Base Eastern Cape	103 105	119 049	124 931	116 901	123 491	119 840	115 991
Area Military Health Unit Free State	104 474	119 851	116 298	136 529	149 123	149 870	149 006
1 Tactical Intelligence Regiment	116 607	105 530	102 542	125 280	111 648	115 506	117 851
5 Signal Regiment	122 000	151 812	174 544	180 505	197 972	199 872	198 381
Area Military Health Unit North West	108 477	126 534	141 115	143 384	152 327	154 931	155 100
SA Army Gymnasium	122 985	108 701	111 979	120 921	133 522	132 363	127 586
Air Force Base Ysterplaat	103 834	116 956	120 512	123 809	122 297	126 216	126 596
Air Force Base Langebaanweg	102 687	127 634	134 521	126 050	120 630	118 839	117 117
School for Military Health Training	87 380	77 428	87 623	82 290	85 389	86 470	87 466
School of Engineers	110 981	132 588	150 760	155 449	160 531	158 570	159 214
SA Army Technical Training Centre	145 887	154 820	161 848	157 297	150 050	152 912	160 037
Army Support Base Johannesburg	91 700	104 186	107 466	98 467	105 950	101 783	93 428
National Ceremonial Guard	92 007	110 859	116 628	101 992	104 456	105 903	106 025
SA Army Combat Training Centre	120 815	94 140	95 187	107 576	115 459	115 215	113 398
43 SA Brigade	100 283	106 808	115 479	114 725	119 502	120 082	119 947
SAS Wingfield	129 524	131 386	126 203	128 036	115 719	108 003	118 238
Army Support Base Kimberley	94 079	107 395	108 917	104 205	10 686	104 115	99 312
Air Force Base Overberg	83 821	103 329	107 786	107 078	114 060	117 206	118 568
5 Air Supply Unit	99 801	117 079	114 557	129 146	125 085	120 026	135 079
Army Support Base Lohatla	77 935	100 734	107 430	100 877	100 907	100 833	99 321
Nursing College	122 182	86 551	82 871	88 814	99 393	99 001	96 333
Air Force Gymnasium	54 266	45 857	70 344	58 205	55 134	61 897	61 459

Table 19.B Largest defence force units

Unit	Audited outcome			Adjusted appropriation	Medium-term estimates		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand							
Army Support Base Mpumalanga	88 319	104 185	107 542	103 810	104 020	101 472	98 242
Area Military Health Unit Northern Cape	110 110	108 299	114 149	117 928	123 980	125 186	126 737
School of Armour	78 043	89 284	93 854	91 440	87 449	82 462	79 238
Army Support Base Dequar Road	109 525	28 438	6 058	—	—	—	—
46 SA Brigade	91 489	89 816	93 567	98 964	103 254	103 722	102 899
Gauteng Signal Unit	77 901	86 950	91 148	90 038	95 814	95 212	94 806
Air Force Base Bloemspuit	72 214	86 536	90 549	88 708	72 083	70 070	64 619
7 Medical Battalion Group	51 044	59 000	64 454	63 450	72 051	72 265	72 692
93 Ammunition Depot	64 739	57 640	59 027	63 767	69 498	69 603	69 489
10 Air Depot	70 450	57 118	57 828	54 175	54 325	57 212	57 827
Air Force Base Durban	39 350	47 368	50 144	50 993	54 216	55 603	56 888
85 Combat Flying School	34 970	33 092	32 465	42 604	36 069	36 425	37 624
2 Squadron	29 926	28 928	31 251	41 164	34 357	34 977	35 113
60 Squadron	9 898	14 177	15 556	14 016	15 088	15 440	15 587
28 Squadron	44 214	52 429	54 320	56 070	58 579	60 133	62 568
22 Squadron	43 242	45 769	49 362	47 118	52 475	51 542	52 782
15 Squadron	39 380	44 011	48 539	49 281	52 029	51 446	52 752
87 Helicopter Flying School	34 728	34 960	45 250	38 274	41 362	41 543	41 406
17 Squadron	35 155	40 112	41 929	43 485	47 707	47 180	46 661
41 Squadron	38 553	44 711	46 674	49 655	51 817	52 527	53 339
35 Squadron	33 626	38 002	38 900	41 354	44 586	45 031	45 667
21 Squadron	61 332	41 980	41 337	69 710	75 614	79 192	80 951
School of Artillery	59 847	59 185	71 604	73 453	73 103	76 960	82 031
SA Army College	60 950	54 045	49 483	63 415	65 070	64 458	65 110
16 Maintenance Unit	34 386	33 135	33 196	54 863	39 249	40 891	40 903
SA National War College	39 442	46 700	51 674	46 035	55 908	57 153	57 869
SAS Protea	37 227	33 464	35 363	39 732	50 934	51 401	51 228
101 Workshop	29 181	33 311	31 658	35 197	43 440	42 557	42 636
Personnel Services School	22 919	24 589	29 046	29 530	34 573	34 993	35 260



2019 BUDGET

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