

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 22 DEFENCE AND MILITARY VETERANS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

26 February 2014



ISBN: 978-0-621-42406-5

RP: 01/2014

The Estimates of National Expenditure 2014 e-publications are 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 the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Defence and Military Veterans

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim	1
Mandate	1
Strategic goals	1
Programme purposes	1
Selected performance indicators	2
The national development plan	3
Expenditure estimates	3
Personnel information	5
Expenditure trends	5
Departmental receipts	6
Programme 1: Administration	6
Programme 2: Force Employment	9
Programme 3: Landward Defence	13
Programme 4: Air Defence	17
Programme 5: Maritime Defence	21
Programme 6: Military Health Support	24
Programme 7: Defence Intelligence	27
Programme 8: General Support	29
Public entities and other agencies	42
Additional tables	48

Vote 22

Defence and Military Veterans

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	4 866.5	4 288.6	546.6	31.4	5 187.9	5 478.2
Force Employment	3 437.0	2 957.9	293.4	185.6	3 656.3	3 855.4
Landward Defence	13 854.9	11 550.3	2 217.0	87.6	14 852.6	15 640.2
Air Defence	7 166.9	5 034.0	2 129.1	3.8	7 428.8	7 209.7
Maritime Defence	3 678.5	2 784.0	873.7	20.8	3 754.8	4 927.5
Military Health Support	3 849.1	3 791.5	29.5	28.0	4 059.4	4 325.1
Defence Intelligence	792.1	328.6	458.7	4.8	828.8	874.8
General Support	5 186.3	3 736.3	1 290.1	159.9	5 532.7	5 869.7
Total expenditure estimates	42 831.2	34 471.1	7 838.2	521.9	45 301.3	48 180.5

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, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

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 the Defence Act (2002), as amended by the Defence Amendment Act (2010), as well as the 1996 White Paper on Defence and the 1998 Defence Review. The department is required to provide, manage and employ defence capabilities that are commensurate with the needs of South Africa.

Strategic goals

The department's strategic goals over the medium term are to:

- conduct ordered defence commitments in accordance with government policy and strategy
- provide mission ready defence capabilities
- provide sound defence direction
- ensure defence compliance with the regulatory framework.

Programme purposes

Programme 1: Administration

Purpose: Develop policy, and manage and administer the Department of Defence; and provide for military veterans' benefits through the Department of Military Veterans.

Programme 2: Force Employment

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

Programme 3: Landward Defence

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

Programme 4: Air Defence

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

Programme 5: Maritime Defence

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

Programme 6: Military Health Support

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

Programme 7: Defence Intelligence

Purpose: Provide defence intelligence and counter intelligence capability.

Programme 8: General Support

Purpose: Provide general support capabilities and services to the department.

Selected performance indicators

Table 22.1 Defence and Military Veterans

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	37	39	40	40	41	43	45
Number of military skills development members in the system per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	8 662	11 213	8 955	4 208	4 272	4 782	4 470
Number of reserve force person days	Administration	Outcome 3: All people in South Africa are and feel safe	-1	-1	-1	-1	1 883 683	1 890 002	1 870 362
Percentage compliance with the South African Development Community standby force agreement and South African Pledge	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	-2	100%	100%	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment Landward Defence Defence Intelligence		100% (4)	100% (3)	100% (5)	100% (6)	100% (5)	100% (5)	100% (5)
Percentage compliance with number of ordered commitments (internal operations) ³	Force Employment	Outcome 3: All people in south Africa are and feel safe	100% (5)	100% (4)	100% (4)	100% (4)	100% (4)	100% (4)	100% (4)
Number of joint, interdepartmental and multinational military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	8	6	5	9	9	7	9
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	-2	7	11	13	13	13	13

Table 22.1 Defence and Military Veterans

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	8 279	11 256	11 697	6 500	6 985	6 985	6 985
Number of hours at sea per year	Maritime Defence		8 286	14 088	7 339	22 000	12 000	12 000	12 000

1. This indicator has been changed. It previously measured the number of reserves used per year.

2. This indicator was introduced in 2011/12.

3. Internal operations include border safeguarding and operations in support of other government departments.

The national development plan

A key objective of the national development plan is to reduce youth unemployment. The Department of Defence can continue to contribute to this aspect of the plan through its national youth service programme. The programme provides selected youth with basic soft skills such as discipline, entrepreneurial and vocational skills, before they are absorbed into government departments. These initiatives also contribute to broader social development and upliftment. 6 745 national youth service members have been trained since 2011/12. The department continues to recruit members and train them in its military skills development system as a means of force rejuvenation. 38 806 members have been recruited and trained since 2003. 13 524 members are set to be trained over the MTEF period.

Another objective of the national development plan is to strengthen South Africa's position in the SADC region and to increase trade and investment. The department continues to provide defence force support in operations to bring economic and political stability to the continent. This includes contributing to the SADC maritime security strategy by combating piracy along the east coast of Africa. Over the medium term, the South African National Defence Force will focus on the preparation of naval forces for operations in support of the maritime security strategy, including patrols to safeguard border posts conducted together with the South African Police Service.

Expenditure estimates

Table 22.2 Defence And Military Veterans

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
	R million						2010/11 - 2013/14					2013/14 - 2016/17
Administration	3 452.9	3 747.1	3 781.6	4 509.0	4 509.0	9.3%	10.8%	4 866.5	5 187.9	5 478.2	6.7%	11.3%
Force Employment	2 265.5	2 358.5	2 781.0	3 555.7	3 555.7	16.2%	7.7%	3 437.0	3 656.3	3 855.4	2.7%	8.2%
Landward Defence	9 295.6	10 962.2	12 367.9	13 604.9	13 604.9	13.5%	32.3%	13 854.9	14 852.6	15 640.2	4.8%	32.7%
Air Defence	5 489.1	6 527.7	7 074.9	5 714.4	5 714.4	1.4%	17.3%	7 166.9	7 428.8	7 209.7	8.1%	15.6%
Maritime Defence	2 349.9	2 574.7	2 894.9	3 107.3	3 107.3	9.8%	7.6%	3 678.5	3 754.8	4 927.5	16.6%	8.7%
Military Health Support	3 150.1	3 400.1	3 459.9	3 762.1	3 762.1	6.1%	9.6%	3 849.1	4 059.4	4 325.1	4.8%	9.0%
Defence Intelligence	633.9	653.1	705.1	767.9	767.9	6.6%	1.9%	792.1	828.8	874.8	4.4%	1.8%
General Support	3 805.4	4 107.9	4 636.9	5 636.8	5 636.8	14.0%	12.7%	5 186.3	5 532.7	5 869.7	1.4%	12.6%
Total	30 442.4	34 331.4	37 702.2	40 658.2	40 658.2	10.1%	100.0%	42 831.2	45 301.3	48 180.5	5.8%	100.0%
Change to 2013 Budget estimate				414.8	414.8			135.8	179.8	200.9		

Economic classification

	25 547.0	27 237.4	29 584.6	33 588.1	33 588.1	9.6%	81.0%	34 471.1	36 510.2	39 137.1	5.2%	81.2%
Current payments												
Compensation of employees	16 597.1	17 569.0	19 688.4	21 373.0	21 373.0	8.8%	52.6%	21 980.2	23 354.7	25 138.5	5.6%	51.9%
Goods and services	8 949.9	9 668.5	9 896.2	12 215.1	12 215.1	10.9%	28.5%	12 490.9	13 155.5	13 998.6	4.6%	29.3%
<i>of which:</i>												
Administration fees	10.3	6.2	9.1	6.9	6.9	-12.6%	0.0%	6.3	5.4	5.3	-8.1%	0.0%
Advertising	5.6	6.9	12.0	7.9	7.9	12.6%	0.0%	9.4	9.8	9.9	7.6%	0.0%
Assets less than the capitalisation threshold	108.6	130.9	132.7	244.0	244.0	31.0%	0.4%	280.4	273.5	272.5	3.8%	0.6%
Audit costs: External	50.0	56.4	57.0	62.1	62.1	7.5%	0.2%	66.5	69.8	73.3	5.7%	0.2%
Catering: Departmental activities	38.0	-	17.6	30.5	30.5	-7.1%	0.1%	21.1	21.7	22.8	-9.3%	0.1%
Communication	88.7	94.1	92.9	118.0	118.0	10.0%	0.3%	124.0	141.4	145.2	7.2%	0.3%
Computer services	856.4	861.2	896.6	1 129.1	1 129.1	9.7%	2.6%	1 073.0	1 147.4	1 228.3	2.8%	2.6%
Consultants and professional services: Business and advisory services	288.1	219.7	133.3	160.9	160.9	-17.7%	0.6%	160.3	165.6	169.3	1.7%	0.4%

Table 22.2 Defence And Military Veterans

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
	R million											
Consultants and professional services: Infrastructure and planning	2.2	6.8	7.9	46.1	46.1	174.3%	0.0%	71.7	130.3	124.0	39.1%	0.2%
Consultants and professional services: Laboratory services	20.4	21.7	18.5	12.3	12.3	-15.6%	0.1%	20.8	21.6	22.3	21.9%	0.0%
Consultants and professional services: Legal costs	1.6	1.0	-	9.3	9.3	80.9%	0.0%	9.8	10.2	10.7	5.0%	0.0%
Contractors	3 322.2	3 619.5	2 041.6	2 337.0	2 337.0	-11.1%	7.9%	2 789.1	3 026.9	3 288.5	12.1%	6.5%
Agency and support / outsourced services	364.8	388.1	572.3	609.6	609.6	18.7%	1.4%	340.5	345.3	351.8	-16.7%	0.9%
Entertainment	9.2	10.6	14.8	12.0	12.0	9.3%	0.0%	6.4	6.9	7.1	-16.0%	0.0%
Fleet services (including government motor transport)	-	-	32.7	39.8	39.8		0.1%	128.3	116.2	109.1	39.9%	0.2%
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	215.1	203.2	175.2	-	0.3%
Inventory: Farming supplies	-	-	-	-	-	-	-	7.5	7.7	7.9	-	0.0%
Inventory: Food and food supplies	708.9	697.7	725.2	743.7	743.7	1.6%	2.0%	806.6	833.3	876.1	5.6%	1.8%
Inventory: Fuel, oil and gas	405.7	461.8	534.4	674.1	674.1	18.4%	1.5%	623.5	808.8	883.5	9.4%	1.7%
Inventory: Learner and teacher support material	(5.5)	-	-	-	-	-100.0%	0.0%	106.0	-	-	-	0.1%
Inventory: Materials and supplies	127.8	162.5	152.2	194.2	194.2	15.0%	0.4%	112.3	91.5	85.7	-23.9%	0.3%
Inventory: Medical supplies	99.4	78.5	76.8	84.8	84.8	-5.1%	0.2%	96.8	110.7	146.6	20.0%	0.2%
Inventory: Medicine	152.8	159.2	195.6	197.9	197.9	9.0%	0.5%	171.3	172.4	175.3	-4.0%	0.4%
Inventory: Other supplies	230.0	292.1	261.9	420.6	420.6	22.3%	0.8%	222.4	177.2	335.3	-7.3%	0.7%
Consumable supplies	-	-	221.0	-	-	-	0.2%	125.3	137.1	138.4		0.2%
Consumable: Stationery, printing and office supplies	68.8	77.3	79.3	104.2	104.2	14.8%	0.2%	92.8	95.2	94.6	-3.2%	0.2%
Operating leases	259.1	248.8	311.4	333.1	333.1	8.7%	0.8%	359.6	378.8	399.4	6.2%	0.8%
Property payments	580.9	761.6	2 130.0	2 914.9	2 914.9	71.2%	4.5%	2 970.1	3 114.3	3 285.3	4.1%	6.9%
Travel and subsistence	728.5	733.2	774.5	663.4	663.4	-3.1%	2.0%	729.0	761.3	783.7	5.7%	1.7%
Training and development	119.0	127.5	109.9	194.2	194.2	17.7%	0.4%	175.4	185.8	181.0	-2.3%	0.4%
Operating payments	298.3	425.6	271.5	864.6	864.6	42.6%	1.3%	551.9	567.4	571.1	-12.9%	1.4%
Venues and facilities	10.0	19.5	13.2	0.0	0.0	-92.6%	0.0%	17.8	18.7	19.5	1595.6%	0.0%
Rental and hiring	-	-	0.1	0.0	0.0	-	0.0%	0.1	0.1	0.1	33.8%	0.0%
Transfers and subsidies	3 888.0	5 877.8	6 103.4	6 171.2	6 171.2	16.6%	15.4%	7 838.2	8 234.6	8 555.1	11.5%	17.4%
Provinces and municipalities	-	-	-	-	-	-	-	0.1	0.1	0.1	-	0.0%
Departmental agencies and accounts	3 024.7	4 877.9	4 960.5	4 695.2	4 695.2	15.8%	12.3%	6 624.6	6 997.3	7 243.9	15.6%	14.4%
Foreign governments and international organisations	-	-	-	299.1	299.1		0.2%	-	-	-	-100.0%	0.2%
Public corporations and private enterprises	737.5	890.7	1 028.7	1 032.3	1 032.3	11.9%	2.6%	1 096.3	1 117.8	1 191.3	4.9%	2.5%
Non-profit institutions	5.2	6.3	7.0	6.9	6.9	10.1%	0.0%	7.7	8.0	8.5	6.9%	0.0%
Households	120.6	102.8	107.2	137.6	137.6	4.5%	0.3%	109.6	111.4	111.3	-6.8%	0.3%
Payments for capital assets	840.4	977.5	1 877.7	745.3	745.3	-3.9%	3.1%	521.9	556.5	488.3	-13.1%	1.3%
Buildings and other fixed structures	251.2	279.7	685.3	115.6	115.6	-22.8%	0.9%	123.7	128.7	132.9	4.8%	0.3%
Machinery and equipment	581.4	697.1	1 162.8	575.7	575.7	-0.3%	2.1%	347.1	371.0	293.1	-20.1%	0.9%
Specialised military assets	7.6	-	22.6	40.5	40.5	74.6%	0.0%	45.3	56.0	61.5	14.9%	0.1%
Biological assets	0.1	0.6	4.1	0.2	0.2	31.9%	0.0%	-	-	-	-100.0%	0.0%
Software and other intangible assets	0.1	0.1	3.0	13.4	13.4	366.5%	0.0%	5.9	0.8	0.8	-60.5%	0.0%
Payments for financial assets	167.0	238.7	136.4	153.6	153.6	-2.7%	0.5%	-	-	-	-100.0%	0.1%
Total	30 442.4	34 331.4	37 702.2	40 658.2	40 658.2	10.1%	100.0%	42 831.2	45 301.3	48 180.5	5.8%	100.0%

Personnel information

Table 22.3 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
		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	76 538	-	78 442	19 688.4	0.3	77 609	21 373.0	0.3	77 606	21 980.2	0.3	77 822	23 354.7	0.3	78 582	25 138.5	0.3	0.4%	100.0%
1 – 6	52 066	-	54 299	10 091.0	0.2	52 604	10 538.2	0.2	53 011	10 702.6	0.2	53 695	11 829.5	0.2	54 704	12 954.5	0.2	1.3%	68.7%
7 – 10	22 730	-	22 609	8 443.8	0.4	23 261	9 173.5	0.4	22 853	9 618.2	0.4	22 431	9 808.3	0.4	22 167	10 338.7	0.5	-1.6%	29.1%
11 – 12	1 351	-	1 234	844.0	0.7	1 363	1 203.6	0.9	1 351	1 155.2	0.9	1 320	1 267.3	1.0	1 331	1 386.5	1.0	-0.8%	1.7%
13 – 16	389	-	298	307.6	1.0	379	454.0	1.2	389	500.5	1.3	374	446.2	1.2	378	455.3	1.2	-0.1%	0.5%
Other	2	-	2	2.0	1.0	2	3.7	1.9	2	3.7	1.9	2	3.4	1.7	2	3.4	1.7	-	0.0%

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

² Rand million.

Expenditure trends

The spending focus over the medium term will be on managing the department effectively, maintaining current defence capabilities, and executing ordered peace missions and border safeguarding patrols and implementing the maritime security strategy. Over this period, expenditure in the *Force Employment* programme is projected to increase due to the allocation of additional funding for border safeguarding, antipiracy operations and peacekeeping missions in foreign countries. The projected increase in expenditure in the *Maritime Defence* programme over the same period is due to the ongoing implementation of the maritime security strategy, which was introduced in 2013/14, to combat piracy on the east coast of Africa and the Mozambique Channel.

The projected increase in expenditure on goods and services over the medium term is mainly due to Cabinet approved additional allocations for peacekeeping commitments and border safeguarding. To improve operations in the South African Air Force and South African Military Health Service over the MTEF period, R341.9 million from the special defence account and R100 million from goods and services were reprioritised towards the *Air Defence* and *Military Health Support* programmes. Over the same period, expenditure in the *Administration* programme is expected to grow mainly as a result of increases in office accommodation, allocations for military veterans' benefits and the establishment of operational law structures. Due to the technical and sophisticated nature of defence equipment, the biggest spending under goods and services over the medium term is contractors and this is mainly related to aircraft upgrading and modification, and the maintenance of equipment. Specialised military health services are also outsourced to the private sector.

The growth projected in spending on transfer payments over the medium term is mainly due to expected increases in spending on armament acquisition projects and the payment of military veterans' benefits. The increase in the payments for capital assets between 2010/11 and 2012/13 was due to the completion of the new runway at the air force base in Waterkloof in 2012/13, while the further decrease projected to 2016/17 is due to the completion of a process to procure transport equipment in 2013/14 and 2014/15.

The increase in expenditure on compensation of employees between 2010/11 and 2013/14 was mainly due to the implementation of the military salary dispensation for regular and reserve force members. This is also the reason for the increase in spending over the same period in the labour intensive *Force Employment*, *Landward Defence* and *General Support* programmes. The department had a funded establishment of 76 538 posts and in totality there were no vacancies at the end of November 2013. Personnel numbers are expected to increase to 78 582 in 2016/17 to rejuvenate the landward forces and build capacity in the Defence Works Formation, which was established in 2012/13. This increase in personnel numbers over the medium term is expected to result in an increase in spending on compensation of employees over the same period.

Infrastructure spending

Through its capital works programme, the department builds medical health facilities and security installations, upgrades infrastructure for disabled persons, and improves and upgrades accommodation and training facilities.

The department funded 25 capital works building projects in 2013/14. Spending on capital works increases from R109 million in 2014/15 to R121 million in 2016/17 to provide for the relocation of the air force base in Durban and the construction of training facilities. Five projects are expected to continue beyond the medium term, for which R344 million has been allocated.

The department also continued with 46 refurbishment projects in 2013/14, of which 20 are expected to be completed over the medium term. R3.8 billion has been allocated for their completion. The department has prioritised the refurbishments of its military bases, units, depots, ammunition sites, hospitals, accommodation facilities and energy saving devices. In addition, R28 million has been allocated over the medium term to demolish unserviceable infrastructure.

Departmental receipts

Table 22.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R thousand												
Departmental receipts	689 688	4 269 010	1 044 487	798 930	798 930	5.0%	100.0%	814 908	818 166	859 075	2.4%	100.0%
Sales of goods and services produced by department	255 338	286 108	304 877	301 414	301 414	5.7%	16.9%	300 035	272 246	285 858	-1.8%	35.2%
Administration fees	15	21	17	30	30	26.0%	-	-	-	-	-100.0%	-
of which:												
Administrative fees	15	21	17	30	30	26.0%	-	-	-	-	-100.0%	-
Other sales	255 323	286 087	304 860	301 384	301 384	5.7%	16.9%	300 035	272 246	285 858	-1.7%	35.2%
of which:												
Services rendered	185 077	213 412	-	244 062	244 062	9.7%	9.4%	248 943	264 129	277 335	4.4%	31.4%
Sale of goods	5 738	3 923	304 860	10 000	10 000	20.3%	4.8%	2 824	2 996	3 146	-32.0%	0.6%
Rental of capital assets	64 508	68 752	-	47 322	47 322	-9.8%	2.7%	48 268	5 121	5 377	-51.6%	3.2%
Sales of scrap, waste, arms and other used current goods	8 651	6 102	2 295	18 653	18 653	29.2%	0.5%	19 026	20 186	21 196	4.4%	2.4%
of which:												
Sales: Scrap	6 613	2 600	2 295	18 603	18 603	41.2%	0.4%	18 975	20 132	21 139	4.4%	2.4%
Military equipment sold	2 038	3 502	-	50	50	-70.9%	0.1%	51	54	57	4.5%	-
Transfers received	250 767	360 206	570 322	171 098	171 098	-12.0%	19.9%	174 508	185 153	194 411	4.3%	22.0%
Fines, penalties and forfeits	4 459	894	1 297	3 776	3 776	-5.4%	0.2%	3 851	4 086	4 290	4.3%	0.5%
Interest, dividends and rent on land	2 628	162 779	36 776	2 583	2 583	-0.6%	3.0%	2 635	2 796	2 936	4.4%	0.3%
Interest	2 628	162 779	36 776	2 583	2 583	-0.6%	3.0%	2 635	2 796	2 936	4.4%	0.3%
Sales of capital assets	23 068	78 919	64 220	55 025	55 025	33.6%	3.3%	56 125	59 549	62 526	4.4%	7.1%
Transactions in financial assets and liabilities	144 777	3 374 002	64 700	246 381	246 381	19.4%	56.3%	258 728	274 150	287 858	5.3%	32.4%
Total	689 688	4 269 010	1 044 487	798 930	798 930	5.0%	100.0%	814 908	818 166	859 075	2.4%	100.0%

Programme 1: Administration

Expenditure estimates

Table 22.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Ministry	97 338	124 228	93 310	68 736	-10.9%	2.5%	77 438	80 011	84 226	7.0%	1.5%
Departmental Direction	27 181	40 067	49 493	58 788	29.3%	1.1%	62 370	62 379	64 188	3.0%	1.2%
Policy and Planning	67 698	75 690	94 794	98 323	13.2%	2.2%	100 552	115 498	122 303	7.5%	2.2%
Financial Services	240 803	264 259	276 604	312 995	9.1%	7.1%	315 995	328 983	349 307	3.7%	6.5%
Human Resources Support Services	609 694	586 971	608 575	667 179	3.0%	16.0%	688 169	717 981	761 183	4.5%	14.1%
Legal Services	159 016	168 647	208 390	271 956	19.6%	5.2%	271 817	288 578	306 377	4.1%	5.7%
Inspection Services	62 033	68 526	74 742	85 555	11.3%	1.9%	116 628	119 529	126 291	13.9%	2.2%
Acquisition Services	52 635	47 904	54 275	49 558	-2.0%	1.3%	49 809	52 055	55 258	3.7%	1.0%
Communication Services	29 110	29 927	32 646	30 887	2.0%	0.8%	40 006	41 778	44 201	12.7%	0.8%

Table 22.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
South African National Defence Force Command and Control	96 405	107 779	152 911	138 688	12.9%	3.2%	144 636	149 463	158 525	4.6%	3.0%
Religious Services	8 710	9 671	11 337	11 748	10.5%	0.3%	12 566	13 403	14 189	6.5%	0.3%
Defence Reserve Direction	19 778	22 817	17 509	23 497	5.9%	0.5%	25 223	26 060	27 572	5.5%	0.5%
Defence Foreign Relations	140 293	159 745	150 437	224 289	16.9%	4.4%	212 417	223 367	236 327	1.8%	4.5%
Office Accommodation	1 842 226	2 020 900	1 859 562	2 115 369	4.7%	50.6%	2 244 741	2 361 972	2 487 157	5.5%	46.0%
Military Veterans Management	–	19 989	96 976	351 431	–	3.0%	504 160	606 841	641 071	22.2%	10.5%
Total	3 452 920	3 747 120	3 781 561	4 508 999	9.3%	100.0%	4 866 527	5 187 898	5 478 175	6.7%	100.0%
Change to 2013 Budget estimate				74 397			88 158	91 595	78 481		
Economic classification											
Current payments	3 371 634	3 652 874	3 573 281	4 091 251	6.7%	94.8%	4 288 614	4 509 972	4 763 481	5.2%	88.1%
Compensation of employees	1 134 350	1 178 955	1 274 516	1 464 632	8.9%	32.6%	1 550 223	1 618 992	1 730 411	5.7%	31.8%
Goods and services	2 237 284	2 473 919	2 298 765	2 626 619	5.5%	62.2%	2 738 391	2 890 980	3 033 070	4.9%	56.3%
of which:											
Administration fees	8 550	4 434	5 969	4 634	-18.5%	0.2%	4 101	3 102	2 962	-13.9%	0.1%
Advertising	3 859	4 612	9 035	4 490	5.2%	0.1%	5 802	6 206	6 358	12.3%	0.1%
Assets less than the capitalisation threshold	5 957	5 316	5 511	10 897	22.3%	0.2%	12 624	11 819	11 350	1.4%	0.2%
Catering: Departmental activities	7 336	–	6 835	3 641	-20.8%	0.1%	5 111	5 143	5 386	13.9%	0.1%
Communication	10 385	9 644	9 550	15 835	15.1%	0.3%	13 948	15 791	16 347	1.1%	0.3%
Computer services	62 168	90 083	74 055	106 816	19.8%	2.2%	99 791	111 947	112 525	1.8%	2.2%
Consultants and professional services: Business and advisory services	29 410	25 020	9 685	35 692	6.7%	0.6%	7 118	8 311	6 880	-42.2%	0.3%
Consultants and professional services: Infrastructure and planning	–	–	2	–	–	–	–	–	–	–	–
Contractors	1 137 175	1 132 829	9 507	27 866	-71.0%	14.9%	11 328	11 343	11 464	-25.6%	0.3%
Agency and support / outsourced services	5 802	12 127	7 845	11 540	25.8%	0.2%	9 039	7 862	8 168	-10.9%	0.2%
Entertainment	3 561	4 350	4 379	5 396	14.9%	0.1%	4 677	5 127	5 323	-0.5%	0.1%
Fleet services (including government motor transport)	–	–	28	43	–	–	1 046	1 094	1 095	194.2%	–
Housing	–	–	–	–	–	–	17	–	11	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	4 233	4 334	4 431	–	0.1%
Inventory: Food and food supplies	9 987	8 921	7 212	13 195	9.7%	0.3%	12 836	12 659	13 041	-0.4%	0.3%
Inventory: Fuel, oil and gas	7 023	9 342	9 444	11 699	18.5%	0.2%	12 531	11 840	12 637	2.6%	0.2%
Inventory: Learner and teacher support material	–	–	–	–	–	–	13	–	–	–	–
Inventory: Materials and supplies	1 293	1 465	1 340	1 975	15.2%	–	1 030	1 057	1 094	-17.9%	–
Inventory: Medical supplies	2	3	2	44	180.2%	–	8	8	8	-43.3%	–
Inventory: Medicine	1	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	3 997	7 259	–	9 655	34.2%	0.1%	1	1	1	-95.3%	–
Consumable supplies	–	–	8 870	–	–	0.1%	11 591	11 885	12 609	–	0.2%
Consumable: Stationery, printing and office supplies	10 840	11 550	11 368	14 504	10.2%	0.3%	12 209	12 898	13 604	-2.1%	0.3%
Operating leases	223 182	213 132	270 478	281 935	8.1%	6.4%	301 978	320 251	337 788	6.2%	6.2%
Property payments	551 244	731 552	1 658 032	1 896 351	51.0%	31.2%	2 020 885	2 129 180	2 243 717	5.8%	41.4%
Travel and subsistence	106 805	110 469	119 100	108 596	0.6%	2.9%	125 780	135 237	141 300	9.2%	2.5%
Training and development	13 368	13 902	32 027	31 450	33.0%	0.6%	30 549	31 104	31 836	0.4%	0.6%
Operating payments	32 861	71 678	33 035	30 341	-2.6%	1.1%	24 565	26 917	27 025	-3.8%	0.5%
Venues and facilities	2 478	6 231	5 427	–	-100.0%	0.1%	5 555	5 839	6 084	–	0.1%
Rental and hiring	–	–	29	24	–	–	25	25	26	2.7%	–
Transfers and subsidies	33 171	32 843	134 795	388 894	127.2%	3.8%	546 556	652 806	687 889	20.9%	11.4%
Provinces and municipalities	–	–	–	–	–	–	42	40	46	–	–
Departmental agencies and accounts	14 408	15 283	114 140	369 935	195.0%	3.3%	526 933	631 351	666 068	21.7%	10.9%
Non-profit institutions	4 827	5 917	6 213	6 523	10.6%	0.2%	6 850	7 192	7 552	5.0%	0.1%
Households	13 936	11 643	14 442	12 436	-3.7%	0.3%	12 731	14 223	14 223	4.6%	0.3%
Payments for capital assets	29 152	34 017	38 333	28 854	-0.3%	0.8%	31 357	25 120	26 805	-2.4%	0.6%
Buildings and other fixed structures	30	21	42	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	29 072	33 996	38 291	28 839	-0.3%	0.8%	31 341	25 080	26 755	-2.5%	0.6%
Specialised military assets	30	–	–	–	-100.0%	–	–	–	–	–	–
Software and other intangible assets	20	–	–	15	-9.1%	–	16	40	50	49.4%	–
Payments for financial assets	18 963	27 386	35 152	–	-100.0%	0.5%	–	–	–	–	–
Total	3 452 920	3 747 120	3 781 561	4 508 999	9.3%	100.0%	4 866 527	5 187 898	5 478 175	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.3%	10.9%	10.0%	11.1%			11.4%	11.5%	11.4%		

Table 22.5 Administration

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	-	-	-	-	42	40	46	-	-
Vehicle licences	-	-	-	-	-	-	42	40	46	-	-
Households											
Social benefits											
Current	13 936	11 643	14 442	12 436	-3.7%	0.3%	12 731	14 223	14 223	4.6%	0.3%
Employee social benefits	13 936	11 643	14 442	12 436	-3.7%	0.3%	12 731	14 223	14 223	4.6%	0.3%
Non-profit institutions											
Current	4 827	5 917	6 213	6 523	10.6%	0.2%	6 850	7 192	7 552	5.0%	0.1%
Reserve Force Council	4 827	5 917	6 213	6 523	10.6%	0.2%	6 850	7 192	7 552	5.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	14 408	15 283	114 140	369 935	195.0%	3.3%	526 933	631 351	666 068	21.7%	10.9%
Safety and security sector education and training authority	14 408	15 283	17 164	18 504	8.7%	0.4%	22 603	24 334	24 813	10.3%	0.5%
Military veterans management	-	-	96 976	351 431	-	2.9%	504 160	606 841	641 071	22.2%	10.5%
Communication	-	-	-	-	-	-	170	176	184	-	-

Personnel information

Table 22.6 Details of approved establishment and personnel numbers according to salary level¹

Administration	Number of posts estimated for 31 March 2014	Number of posts funded	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 (%)	Salary level/total: Average (%)
				2012/13		Unit Cost	2013/14		Unit Cost	2014/15			2015/16			2016/17				
				Number	Cost		Number	Cost		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit		
Salary level	4 082	-		3 892	1 274.5	0.3	3 807	1 464.6	0.4	4 082	1 550.2	0.4	4 024	1 619.0	0.4	4 024	1 730.4	0.4	1.9%	100.0%
1 - 6	1 639	-		1 642	319.1	0.2	1 455	302.7	0.2	1 639	342.3	0.2	1 620	309.1	0.2	1 620	312.2	0.2	3.6%	39.7%
7 - 10	1 793	-		1 795	634.4	0.4	1 743	654.5	0.4	1 793	675.4	0.4	1 770	609.6	0.3	1 770	615.8	0.3	0.5%	44.4%
11 - 12	511	-		325	208.6	0.6	469	352.3	0.8	511	386.5	0.8	504	574.5	1.1	504	675.3	1.3	2.4%	12.5%
13 - 16	137	-		128	110.4	0.9	138	151.4	1.1	137	142.3	1.0	128	122.4	1.0	128	123.7	1.0	-2.5%	3.3%
Other	2	-		2	2.0	1.0	2	3.7	1.9	2	3.7	1.9	2	3.4	1.7	2	3.4	1.7	-	0.1%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on developing comprehensive defence and military policy and strategy, and maintaining the administrative functions and services of the department. The bulk of the programme's allocation over the medium term is thus allocated to spending on compensation of employees and in the *Office Accommodation* subprogramme, which is the largest in the programme and provides for accommodation charges, buildings leases and municipal rates.

The programme had a funded establishment of 4 082 posts, which is expected to decrease to 4 024 in 2016/17 as efforts are made to curtail spending on compensation of employees. There were 275 vacancies at the end of November 2013. However, expenditure on compensation of employees between 2013/14 and 2014/15 is projected to increase due to the establishment of the National Defence Force Service Commission and the office of the chief audit executive. The establishment of the commission will not have an effect on expenditure because funds for salaries of employees of the interim commission were previously allocated under goods and services. The establishment of the office of the chief audit executive is expected to increase expenditure in the *Inspection Services* subprogramme over the medium term. Spending on compensation of employees is expected to grow at an average annual rate of 5.7 per cent over the MTEF period, mainly to provide for inflationary adjustments.

Spending in the *Defence Foreign Relations* subprogramme increased between 2010/11 and 2013/14 to make up for the weakening foreign exchange rates. Its expenses are incurred in foreign currencies, such as the dollar, pound and euro. Spending in the *Legal Services* subprogramme over the same period increased due to the creation of an operational law structure to provide legal assistance during peace missions. In addition, the military ombud's office was also shifted from the *Ministry* subprogramme to this subprogramme in 2013/14. The significant increase projected in spending on property payments between 2012/13 and 2016/17 is due the reclassification of accommodation charges from contractors to property payments.

The *Military Veterans Management* subprogramme receives a Cabinet approved additional allocation of R2.1 billion between 2013/14 and 2016/17 to provide for military veterans' benefits. This is also the reason for the projected increase in spending on transfers and subsidies between 2013/14 and 2016/17.

Programme 2: Force Employment

Objectives

- Ensure successful joint force employment over the medium term by:
 - providing and employing 1 special operations capability in accordance with national requirements
 - ensuring full participation in the number of peace missions, as instructed by the president
 - conducting 25 joint, interdepartmental and multinational military force preparation exercises between 2014/15 and 2016/17, excluding special forces exercises
 - conducting 4 operations per year protecting the territorial integrity and sovereignty of South Africa, 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. Funding is based on the cost of operating a joint operations division headquarters. The joint operations division focuses on enhancing and maintaining comprehensive defence capabilities; promoting peace, stability and security in the region and continent; and supporting the people of South Africa in terms of the country's policies and international obligations for the promotion of peace, stability and security. In 2012/13 and 2013/14, the joint operations division in this subprogramme played an important role in the South African National Defence Force achieving the strategic military objective of promoting peace in Africa. This subprogramme had a staff complement of 142 in 2013/14.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters. Funding is distributed according to the cost of running an operational headquarters and 9 tactical headquarters. In 2012/13, 10 command and control planning capabilities were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 515 in 2013/14.
- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force. Funding is distributed according to the number and size of units, systems, and equipment for operations, and maintenance requirements; and the number of Special Forces operations, force preparation exercises and training courses.
- *Regional Security* provides for the deployment of forces in support of South Africa's commitment to regional, continental and global security. Funding is distributed according to the number, size and duration of deployments, and the systems and equipment required for operations and maintenance. The South African National Defence Force participates in the United Nations (UN) peace support operation in the Democratic Republic of the Congo and the UN-African Union (AU) hybrid peace support operation in Sudan, provides training to the armed forces of the Central African Republic, and executes operations in support of the Mozambican Defence Force's counter piracy operations in the Mozambique channel. In 2012/13, the South African National Defence Force participated in 5 external operations. By the end of September 2013/14, the South African National Defence Force had participated in 3 external operations. The personnel involved are mostly provided by the 4 services of the South African National Defence Force: the army, navy, air force and military health service.

- *Support to the People* is discussed in more detail below.
- *Defence Capability Management* provides for the planning and control of joint, interdepartmental and multinational military force preparation exercises; development of the joint force employment command and control plan; and capability development management. Funding is distributed according to the need for exercise control equipment used in joint, interdepartmental and multinational military exercises, for contractual obligations in connection with the development of the joint force employment command and control plan, and for capability development. In 2012/13, 5 exercises were executed. In 2013/14, 5 of the planned 9 exercises took place. There were 4 cancellations.

Expenditure estimates

Table 22.7 Force Employment

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Strategic Direction	78 410	92 547	100 308	111 571	12.5%	3.5%	115 965	121 659	131 505	5.6%	3.3%
Operational Direction	228 076	236 475	258 115	274 866	6.4%	9.1%	242 827	237 158	253 809	-2.6%	7.0%
Special Operations	480 340	576 059	604 969	633 957	9.7%	20.9%	653 809	683 422	699 053	3.3%	18.4%
Regional Security	959 599	1 033 769	1 147 477	1 650 171	19.8%	43.7%	1 470 943	1 705 381	1 814 296	3.2%	45.8%
Support to the People	502 392	399 172	652 817	855 057	19.4%	22.0%	934 097	892 870	940 537	3.2%	25.0%
Defence Capability Management	16 640	20 493	17 290	30 120	21.9%	0.8%	19 317	15 857	16 171	-18.7%	0.6%
Total	2 265 457	2 358 515	2 780 976	3 555 742	16.2%	100.0%	3 436 958	3 656 347	3 855 371	2.7%	100.0%
Change to 2013 Budget estimate				271 867			13 773	8 891	(23 657)		

Economic classification

Current payments	2 011 508	2 037 231	2 404 939	3 167 037	16.3%	87.8%	2 957 908	3 169 768	3 394 083	2.3%	87.5%
Compensation of employees	1 184 605	1 184 008	1 482 988	1 531 815	8.9%	49.1%	1 659 160	1 701 317	1 798 290	5.5%	46.1%
Goods and services	826 903	853 223	921 951	1 635 222	25.5%	38.7%	1 298 748	1 468 451	1 595 793	-0.8%	41.4%
of which:											
Administration fees	150	123	94	100	-12.6%	-	10	11	11	-52.1%	-
Advertising	147	194	211	305	27.5%	-	330	365	384	8.0%	-
Assets less than the capitalisation threshold	17 656	27 087	24 457	39 827	31.1%	1.0%	23 197	20 688	23 154	-16.5%	0.7%
Catering: Departmental activities	6 002	-	3 901	4 198	-11.2%	0.1%	2 056	2 147	2 268	-18.6%	0.1%
Communication	10 719	14 626	14 065	19 286	21.6%	0.5%	33 324	42 632	43 498	31.1%	1.0%
Computer services	3 206	6 134	8 613	3 076	-1.4%	0.2%	5 290	5 497	5 150	18.7%	0.1%
Consultants and professional services: Business and advisory services	2 179	2 522	2 814	520	-38.0%	0.1%	-	-	-	-100.0%	-
Consultants and professional services: Infrastructure and planning	-	-	59	770	-	-	984	1 136	1 184	15.4%	-
Consultants and professional services: Laboratory services	2	-	3	-	-100.0%	-	-	-	-	-	-
Contractors	170 614	151 929	139 638	499 140	43.0%	8.8%	461 649	592 104	691 915	11.5%	15.5%
Agency and support / outsourced services	8 457	9 764	4 064	4 452	-19.3%	0.2%	2 607	3 376	3 586	-7.0%	0.1%
Entertainment	1 211	1 418	594	189	-46.2%	-	165	169	173	-2.9%	-
Fleet services (including government motor transport)	-	-	20 165	34 100	-	0.5%	24 047	24 097	25 136	-9.7%	0.7%
Inventory: Clothing material and accessories	-	-	-	-	-	-	10 437	10 850	11 503	-	0.2%
Inventory: Farming supplies	-	-	-	-	-	-	2 512	2 635	2 756	-	0.1%
Inventory: Food and food supplies	81 037	81 230	102 441	78 873	-0.9%	3.1%	97 611	103 313	109 589	11.6%	2.7%
Inventory: Fuel, oil and gas	20 601	30 744	40 788	42 065	26.9%	1.2%	105 781	114 677	122 238	42.7%	2.7%
Inventory: Materials and supplies	169 421	209 709	183 894	28 605	-44.7%	5.4%	17 816	20 182	26 594	-2.4%	0.6%
Inventory: Medical supplies	369	24	433	1 730	67.4%	-	1 695	1 781	1 872	2.7%	-
Inventory: Medicine	3 025	16 849	5 791	6 928	31.8%	0.3%	7 982	8 140	8 304	6.2%	0.2%
Inventory: Other supplies	22 453	16 393	1 105	20 385	-3.2%	0.6%	472	472	482	-71.3%	0.2%
Consumable supplies	-	-	15 660	-	-	0.1%	20 553	21 101	22 330	-	0.4%
Consumable: Stationery, printing and office supplies	7 681	6 703	7 729	8 182	2.1%	0.3%	5 700	6 010	6 230	-8.7%	0.2%
Operating leases	8 625	8 380	8 165	2 505	-33.8%	0.3%	5 663	5 962	6 336	36.2%	0.1%
Property payments	777	643	14 724	14 544	165.5%	0.3%	19 577	15 413	16 184	3.6%	0.5%
Travel and subsistence	171 504	179 673	238 890	209 532	6.9%	7.3%	238 635	246 582	254 292	6.7%	6.5%
Training and development	3 439	3 140	2 711	8 636	35.9%	0.2%	6 178	6 827	7 386	-5.1%	0.2%
Operating payments	117 171	85 077	79 855	607 274	73.1%	8.1%	201 281	208 902	199 672	-31.0%	8.4%
Venues and facilities	457	861	1 087	-	-100.0%	-	3 196	3 382	3 566	-	0.1%

Table 22.7 Force Employment

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15			2015/16
R thousand												
Transfers and subsidies	139 151	202 787	166 103	172 109	7.3%	6.2%	293 445	308 483	315 902	22.4%	7.5%	
Provinces and municipalities	-	-	-	-	-	-	2	2	2	-	-	
Departmental agencies and accounts	129 354	186 867	150 582	149 131	4.9%	5.6%	277 715	292 797	300 193	26.3%	7.0%	
Public corporations and private enterprises	3 975	11 673	12 587	13 250	49.4%	0.4%	8 000	8 000	8 000	-15.5%	0.3%	
Households	5 822	4 247	2 934	9 728	18.7%	0.2%	7 728	7 684	7 707	-7.5%	0.2%	
Payments for capital assets	114 653	118 487	209 810	216 596	23.6%	6.0%	185 605	178 096	145 386	-12.4%	5.0%	
Buildings and other fixed structures	5 565	3 157	39 773	800	-47.6%	0.4%	760	183	192	-37.9%	-	
Machinery and equipment	105 576	115 330	169 985	214 465	26.6%	5.5%	183 779	176 770	144 001	-12.4%	5.0%	
Specialised military assets	3 512	-	52	1 331	-27.6%	-	1 066	1 143	1 193	-3.6%	-	
Payments for financial assets	145	10	124	-	-100.0%	-	-	-	-	-	-	
Total	2 265 457	2 358 515	2 780 976	3 555 742	16.2%	100.0%	3 436 958	3 656 347	3 855 371	2.7%	100.0%	
Proportion of total programme expenditure to vote expenditure	7.4%	6.9%	7.4%	8.7%			8.0%	8.1%	8.0%			

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	-	-	-	-	2	2	2	-	-
Vehicle licence	-	-	-	-	-	-	2	2	2	-	-
Households											
Social benefits											
Current	5 822	4 247	2 934	9 728	18.7%	0.2%	7 728	7 684	7 707	-7.5%	0.2%
Employee social benefits	5 822	4 247	2 934	9 728	18.7%	0.2%	7 728	7 684	7 707	-7.5%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	129 354	186 867	150 582	149 131	4.9%	5.6%	277 715	292 797	300 193	26.3%	7.0%
Communication	-	-	-	-	-	-	862	887	914	-	-
Special defence account	129 354	186 867	150 582	149 131	4.9%	5.6%	276 853	291 910	299 279	26.1%	7.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	3 975	11 673	12 587	13 250	49.4%	0.4%	8 000	8 000	8 000	-15.5%	0.3%
Armaments Corporation of South Africa	3 975	11 673	12 587	13 250	49.4%	0.4%	8 000	8 000	8 000	-15.5%	0.3%

Personnel information

Table 22.8 Details of approved establishment and personnel numbers according to salary level¹

Force Employment	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	1 919	-	1 939	1 483.0	0.8	1 967	1 531.8	0.8	1 919	1 659.2	0.9	1 776	1 701.3	1.0	1 776	1 798.3	1.0	-3.3%	100.0%
1 - 6	1 025	-	979	494.7	0.5	1 002	506.5	0.5	1 025	564.1	0.6	938	490.4	0.5	938	491.9	0.5	-2.2%	52.5%
7 - 10	806	-	876	817.2	0.9	878	817.5	0.9	806	892.2	1.1	751	1 019.9	1.4	751	1 116.2	1.5	-5.1%	42.8%
11 - 12	70	-	67	127.7	1.9	70	159.9	2.3	70	148.8	2.1	69	139.7	2.0	69	139.1	2.0	-0.5%	3.7%
13 - 16	18	-	17	43.3	2.5	17	48.0	2.8	18	54.1	3.0	18	51.3	2.9	18	51.1	2.8	1.9%	1.0%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on conducting foreign peace support, border safeguarding, and antipiracy operations. These activities are conducted in the *Regional Security* and *Support to the People* subprogrammes. The latter subprogramme is discussed in further detail below. In 2013/14, the president approved new peace support operations for the Democratic Republic of the Congo and Central African

Republic. An additional R150 million has been allocated over the medium term to the South African National Defence Force for the deployment of members as part of the United Nations Security Council approved force intervention brigade in the Democratic Republic of the Congo. The programme had a funded and filled establishment of 1 919 posts at the end of November 2013. Personnel numbers are expected to decrease to 1 776 in 2016/17 as efforts continue to be made to curtail personnel expenditure.

The projected growth in expenditure on goods and services and operating payments over the MTEF period is due to an expected increase in the number of peace support operations, designed to improve border security, and charter flights to deployment areas.

Subprogramme: Support to the People

This subprogramme provides for the internal deployment of forces for border safeguarding and the support of the South African Police Service and other government departments. The South African National Defence Force is responsible for safeguarding landward borders and conducting search and rescue missions, and also provides assistance during disaster situations. In 2012/13, 11 landward sub-units were deployed on the borders. In 2013/14, 13 sub-units and 2 580 South African National Defence Force members were deployed. There was also a 100 per cent compliance with the number of authorised ordered commitments in respect of safety and security support, disaster aid and relief, and search and rescue operations.

Expenditure estimates

Table 22.9 Support to the People

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
Current payments	455 139	339 316	505 757	773 811	19.4%	86.1%	836 208	877 591	924 568	6.1%	94.2%
Compensation of employees	258 747	150 294	305 667	422 364	17.7%	47.2%	473 980	500 300	530 680	7.9%	53.2%
Goods and services	196 392	189 022	200 090	351 447	21.4%	38.9%	362 228	377 291	393 888	3.9%	41.0%
of which:											
Administration fees	47	–	22	–	-100.0%	–	–	–	–	–	–
Advertising	31	10	13	40	8.9%	–	–	–	–	-100.0%	–
Assets less than the capitalisation threshold	7 100	15 514	18 250	23 549	49.1%	2.7%	4 917	4 047	4 865	-40.9%	1.0%
Catering: Departmental activities	3 819	–	231	8	-87.2%	0.2%	65	21	22	40.1%	–
Communication	821	566	1 002	2 167	38.2%	0.2%	4 101	4 304	4 499	27.6%	0.4%
Computer services	21	3 460	4 548	55	37.8%	0.3%	33	27	28	-20.2%	–
Consultants and professional services: Business and advisory services	2 159	2 519	2 288	–	-100.0%	0.3%	–	–	–	–	–
Consultants and professional services: Infrastructure and planning	–	–	7	–	–	–	–	–	–	–	–
Contractors	20 259	79 834	47 725	200 696	114.8%	14.5%	224 522	235 935	243 861	6.7%	25.0%
Agency and support / outsourced services	353	964	18	–	-100.0%	0.1%	–	–	–	–	–
Entertainment	316	1 263	478	–	-100.0%	0.1%	–	–	–	–	–
Fleet services (including government motor transport)	–	–	2 771	959	–	0.2%	6 384	6 303	6 877	92.8%	0.6%
Inventory: Clothing material and accessories	–	–	–	–	–	–	1 267	1 318	1 379	–	0.1%
Inventory: Farming supplies	–	–	–	–	–	–	2 429	2 548	2 666	–	0.2%
Inventory: Food and food supplies	43 984	40 635	69 371	57 509	9.3%	8.8%	66 038	69 322	73 592	8.6%	7.4%
Inventory: Fuel, oil and gas	9 506	16 352	21 754	26 540	40.8%	3.1%	26 418	27 617	28 886	2.9%	3.0%
Inventory: Materials and supplies	78 304	12 885	12 932	2 698	-67.5%	4.4%	822	713	786	-33.7%	0.1%
Inventory: Medical supplies	2	–	288	–	-100.0%	–	–	–	–	–	–
Inventory: Medicine	–	9 724	–	–	–	0.4%	–	–	–	–	–
Inventory: Other supplies	1 059	1 568	–	3 430	48.0%	0.3%	–	–	–	-100.0%	0.1%
Consumable supplies	–	–	3 470	–	–	0.1%	6 899	6 845	7 234	–	0.6%
Consumable: Stationery, printing and office supplies	792	586	1 101	813	0.9%	0.1%	539	577	610	-9.1%	0.1%
Operating leases	392	80	329	236	-15.6%	–	240	199	209	-4.0%	–
Property payments	249	52	4 717	5 594	182.2%	0.4%	3 729	3 016	3 190	-17.1%	0.4%
Travel and subsistence	27 092	2 887	8 651	26 830	-0.3%	2.7%	13 413	14 092	14 758	-18.1%	1.9%
Training and development	81	56	32	305	55.6%	–	388	407	426	11.8%	–
Operating payments	5	–	18	18	53.3%	–	24	–	–	-100.0%	–
Venues and facilities	–	67	74	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	198	206	215	–	–
Departmental agencies and accounts	–	–	–	–	–	–	198	206	215	–	–

Table 22.9 Support to the People

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Payments for capital assets	47 245	59 856	147 060	81 246	19.8%	13.9%	97 691	15 073	15 754	-42.1%	5.8%
Buildings and other fixed structures	47	109	39 773	-	-100.0%	1.7%	-	-	-	-	-
Machinery and equipment	47 198	59 747	107 287	81 246	19.8%	12.3%	97 691	15 073	15 754	-42.1%	5.8%
Payments for financial assets	8	-	-	-	-100.0%	-	-	-	-	-	-
Total	502 392	399 172	652 817	855 057	19.4%	100.0%	934 097	892 870	940 537	3.2%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	22.2%	16.9%	23.5%	24.0%			27.2%	24.4%	24.4%		

Personnel information

Table 22.10 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014	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 (%)	Salary level/total: Average (%)			
			2012/13	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17										
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Support to the People																			
Salary level	-	-	66	305.7	4.6	66	422.4	6.4	66	474.0	7.2	66	500.3	7.6	66	530.7	8.0	-	100.0%
1 - 6	-	-	-	-	-	-	-	-	66	474.0	7.2	66	500.3	7.6	66	530.7	8.0	-	75.0%
Other	-	-	66	305.7	4.6	66	422.4	6.4	-	-	-	-	-	-	-	-	-	-100.0%	25.0%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on border safeguarding and providing assistance during emergencies and national disasters. While the South African National Defence Force members deployed in support of internal and border safeguarding operations are funded by all the programmes, the spending on compensation of reserve force members and on those members stationed at border bases falls within the ambit of this subprogramme. Between 2012/13 and 2016/17, expenditure on compensation of employees and related goods and services for equipment, spares and transport increases significantly due to safeguarding operations on South African borders. The projected increase in expenditure on contractors between 2013/14 and 2016/17 is for the installation of communication platforms and systems at border bases and vehicle maintenance.

Programme 3: Landward Defence

Objectives

- Defend and protect South Africa and its territory over the medium term by:
 - providing 1 infantry capability, including Chief of the South African National Defence 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 a sustained composite engineer capability for external deployment, as well as 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. Funding is based on the costs of operating the South African Army headquarters and managing centralised funds for scarce commodities and specialist services. In 2012/13, the South African Army prepared forces for combat by conducting 708 learning programmes and managing 192 units. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 750 in 2013/14.
- *Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 41 battalions were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 16 202 in 2013/14.
- *Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 9 regiments were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 1 375 in 2013/14.
- *Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 7 regiments were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 1 447 in 2013/14.
- *Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 5 regiments were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 1 035 in 2013/14.
- *Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments. This entails training, preparing, exercising and supporting field and construction engineer units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 9 battalions were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 2 395 in 2013/14.
- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable successful planning and execution of operations. This entails training, preparing, exercising and supporting intelligence units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 2 units were under command and provided intelligence members for deployment as part of border safeguarding operations. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 676 in 2013/14.
- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 2 brigades were used to support exercises during formal and force training; and operational planning support was provided to the joint operations division. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 480 in 2013/14.
- *Support Capability* provides first, second and fourth 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. Funding is distributed according to the number and size of units, systems

and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, external operations were mainly supported through second line units that consist of 2 maintenance units and 2 workshops. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 9 242 in 2013/14.

- *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. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. 4 216 members were trained in 2012/13 and 996 had been trained by the end of September 2013/14. This subprogramme had a staff complement of 1 652 in 2013/14.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments. This entails training, preparing, exercising and supporting signal units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 24 signal units were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 3 983 in 2013/14.

Expenditure estimates

Table 22.11 Landward Defence

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17		
R thousand											
Strategic Direction	526 080	351 438	372 015	390 507	-9.5%	3.5%	392 213	409 296	556 992	12.6%	3.0%
Infantry Capability	3 392 332	3 360 822	3 826 318	4 573 854	10.5%	32.8%	5 163 088	5 801 766	6 250 189	11.0%	37.6%
Armour Capability	296 843	305 796	346 761	368 681	7.5%	2.9%	378 744	411 912	448 711	6.8%	2.8%
Artillery Capability	317 602	374 894	481 461	388 640	7.0%	3.4%	431 642	474 025	504 395	9.1%	3.1%
Air Defence Artillery Capability	212 109	378 009	590 902	425 385	26.1%	3.5%	482 099	475 902	436 340	0.9%	3.1%
Engineering Capability	489 400	508 954	564 048	592 020	6.6%	4.7%	611 982	655 489	705 550	6.0%	4.4%
Operational Intelligence	229 590	178 654	233 936	182 418	-7.4%	1.8%	187 052	201 500	223 074	6.9%	1.4%
Command and Control Capability	130 813	140 961	158 706	168 443	8.8%	1.3%	174 678	186 349	197 886	5.5%	1.3%
Support Capability	2 532 941	4 176 709	4 415 483	5 067 515	26.0%	35.0%	4 557 814	4 668 396	4 645 362	-2.9%	32.7%
General Training Capability	355 204	323 255	347 644	426 579	6.3%	3.1%	393 786	417 901	438 831	0.9%	2.9%
Signal Capability	812 660	862 701	1 030 649	1 020 811	7.9%	8.1%	1 081 768	1 150 101	1 232 844	6.5%	7.7%
Total	9 295 574	10 962 193	12 367 923	13 604 853	13.5%	100.0%	13 854 866	14 852 637	15 640 174	4.8%	100.0%
Change to 2013 Budget estimate				(248 987)			(137 950)	(292 930)	(508 649)		

Economic classification

Current payments	8 568 063	8 867 194	9 762 480	10 918 782	8.4%	82.4%	11 550 258	12 335 602	13 268 393	6.7%	83.0%
Compensation of employees	7 291 041	7 538 030	8 387 318	9 151 411	7.9%	70.0%	9 505 638	10 274 203	11 170 053	6.9%	69.2%
Goods and services	1 277 022	1 329 164	1 375 162	1 767 371	11.4%	12.4%	2 044 620	2 061 399	2 098 340	5.9%	13.8%
of which:											
Administration fees	14	6	4	-	-100.0%	-	-	-	-	-	-
Advertising	697	922	1 292	1 337	24.3%	-	1 629	1 571	1 616	6.5%	-
Assets less than the capitalisation threshold	36 018	47 403	68 627	126 241	51.9%	0.6%	85 593	73 078	71 990	-17.1%	0.6%
Catering: Departmental activities	348	-	2 305	11 461	220.5%	-	5 733	5 665	5 718	-20.7%	-
Communication	37 677	35 246	34 604	43 935	5.3%	0.3%	42 420	42 783	43 067	-0.7%	0.3%
Computer services	94 277	76 257	71 978	89 043	-1.9%	0.7%	81 189	81 491	83 755	-2.0%	0.6%
Consultants and professional services: Business and advisory services	5 960	6 887	9 529	9 858	18.3%	0.1%	8 712	8 763	9 020	-2.9%	0.1%
Consultants and professional services: Infrastructure and planning	995	5	187	8 309	102.9%	-	32 804	90 958	84 274	116.5%	0.4%
Contractors	193 405	213 796	174 391	224 342	5.1%	1.7%	437 088	389 690	394 628	20.7%	2.5%
Agency and support / outsourced services	17 475	15 894	10 440	14 397	-6.3%	0.1%	14 649	14 912	15 172	1.8%	0.1%
Entertainment	2 463	3 589	7 491	4 312	20.5%	-	150	148	72	-74.4%	-
Fleet services (including government motor transport)	-	-	7 354	2 148	-	-	89 526	75 640	66 266	213.6%	0.4%

Table 22.11 Landward Defence

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16			2016/17
R thousand												
<i>Inventory: Clothing material and accessories</i>	–	–	–	–	–	–	141 614	122 659	88 426	–	–	0.6%
<i>Inventory: Farming supplies</i>	–	–	–	–	–	–	3 807	3 804	3 807	–	–	–
<i>Inventory: Food and food supplies</i>	380 930	382 993	385 012	494 115	9.1%	3.6%	425 999	440 062	471 340	-1.6%	3.2%	–
<i>Inventory: Fuel, oil and gas</i>	94 311	118 126	138 995	226 144	33.8%	1.2%	195 962	229 953	241 491	2.2%	1.5%	–
<i>Inventory: Materials and supplies</i>	42 160	73 072	56 186	70 198	18.5%	0.5%	40 403	31 227	27 097	-27.2%	0.3%	–
<i>Inventory: Medical supplies</i>	339	275	189	1 195	52.2%	–	49	51	47	-66.0%	–	–
<i>Inventory: Medicine</i>	8	11	10	23	42.2%	–	16	16	17	-9.6%	–	–
<i>Inventory: Other supplies</i>	66 213	81 836	19	58 353	-4.1%	0.4%	31 524	38 137	66 627	4.5%	0.3%	–
<i>Consumable supplies</i>	–	–	80 366	–	–	0.2%	41 339	42 264	43 442	–	0.2%	–
<i>Consumable: Stationery, printing and office supplies</i>	23 216	27 970	27 017	30 895	10.0%	0.2%	25 892	27 170	27 822	-3.4%	0.2%	–
<i>Operating leases</i>	10 937	12 850	15 322	20 066	22.4%	0.1%	18 638	18 772	19 806	-0.4%	0.1%	–
<i>Property payments</i>	4 106	4 475	67 544	64 867	150.9%	0.3%	65 319	66 796	75 236	5.1%	0.5%	–
<i>Travel and subsistence</i>	211 572	178 815	193 581	168 567	-7.3%	1.6%	178 816	179 538	180 727	2.3%	1.2%	–
<i>Training and development</i>	29 596	30 080	(1 265)	55 040	23.0%	0.2%	47 598	47 727	48 601	-4.1%	0.3%	–
<i>Operating payments</i>	22 015	17 396	21 268	42 521	24.5%	0.2%	24 757	25 092	24 799	-16.5%	0.2%	–
<i>Venues and facilities</i>	2 290	1 260	2 696	–	-100.0%	–	3 367	3 392	3 436	–	–	–
<i>Rental and hiring</i>	–	–	20	4	–	–	27	40	41	117.2%	–	–
Transfers and subsidies	496 614	1 795 945	2 045 482	2 482 653	71.0%	14.8%	2 216 998	2 390 496	2 284 480	-2.7%	16.2%	–
Provinces and municipalities	–	–	–	–	–	–	5	5	5	–	–	–
Departmental agencies and accounts	414 363	1 710 672	1 955 279	2 391 470	79.4%	14.0%	2 142 683	2 364 828	2 259 860	-1.9%	15.8%	–
Public corporations and private enterprises	39 000	51 296	53 617	54 447	11.8%	0.4%	49 728	–	–	-100.0%	0.2%	–
Households	43 251	33 977	36 586	36 736	-5.3%	0.3%	24 582	25 663	24 615	-12.5%	0.2%	–
Payments for capital assets	226 582	295 063	557 090	203 418	-3.5%	2.8%	87 610	126 539	87 301	-24.6%	0.9%	–
Buildings and other fixed structures	157	1 831	967	–	-100.0%	–	–	–	32	–	–	–
Machinery and equipment	225 630	292 652	531 462	198 427	-4.2%	2.7%	67 610	96 839	54 599	-35.0%	0.7%	–
Specialised military assets	795	–	20 574	4 800	82.1%	0.1%	20 000	29 700	32 670	89.5%	0.2%	–
Biological assets	–	580	4 039	163	–	–	–	–	–	-100.0%	–	–
Software and other intangible assets	–	–	48	28	–	–	–	–	–	-100.0%	–	–
Payments for financial assets	4 315	3 991	2 871	–	-100.0%	–	–	–	–	–	–	–
Total	9 295 574	10 962 193	12 367 923	13 604 853	13.5%	100.0%	13 854 866	14 852 637	15 640 174	4.8%	100.0%	–
Proportion of total programme expenditure to vote expenditure	30.5%	31.9%	32.8%	33.5%			32.3%	32.8%	32.5%			–

Details of transfers and subsidies

Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	–	–	–	–	–	–	5	5	5	–	–	–
Vehicle licences	–	–	–	–	–	–	5	5	5	–	–	–
Households												
Social benefits												
Current	43 251	33 977	36 586	36 736	-5.3%	0.3%	24 582	25 663	24 615	-12.5%	0.2%	–
Employee social benefits	43 251	33 977	36 586	36 736	-5.3%	0.3%	24 582	25 663	24 615	-12.5%	0.2%	–
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	414 363	1 710 672	1 955 279	2 391 470	79.4%	14.0%	2 142 683	2 364 828	2 259 860	-1.9%	15.8%	–
Communication	–	–	–	41 873	–	0.1%	236	241	211	-82.9%	0.1%	–
Special defence account	414 363	1 710 672	1 955 279	2 349 597	78.3%	13.9%	2 142 447	2 364 587	2 259 649	-1.3%	15.7%	–
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	39 000	51 296	53 617	54 447	11.8%	0.4%	49 728	–	–	-100.0%	0.2%	–
Armaments Corporation of South Africa	39 000	51 296	53 617	54 447	11.8%	0.4%	49 728	–	–	-100.0%	0.2%	–

Personnel information

Table 22.12 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		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 2012/13			Revised estimate 2013/14			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15		2015/16		2016/17							
Landward Defence		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14 - 2016/17		
Salary level	39 331	-	39 642	8 387.3	0.2	39 237	9 151.4	0.2	39 332	9 505.6	0.2	40 100	10 274.2	0.3	41 158	11 170.1	0.3	1.6%	100.0%
1 - 6	30 891	-	31 347	5 536.3	0.2	30 695	5 995.5	0.2	30 892	6 296.9	0.2	31 541	7 295.3	0.2	32 823	8 193.5	0.2	2.3%	78.8%
7 - 10	8 257	-	8 094	2 698.5	0.3	8 335	2 997.4	0.4	8 257	3 063.2	0.4	8 376	2 845.4	0.3	8 138	2 828.1	0.3	-0.8%	20.7%
11 - 12	151	-	165	117.5	0.7	172	122.3	0.7	151	110.8	0.7	151	101.7	0.7	162	113.5	0.7	-2.0%	0.4%
13 - 16	32	-	36	35.0	1.0	35	36.3	1.0	32	34.7	1.1	32	31.8	1.0	35	35.0	1.0	-	0.1%

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

² Rand million.

Expenditure trends

The spending focus over the medium term will be on preparing and providing forces for increased internal and external deployments, according to government requirements, and border safeguarding operations. In this regard, the South African Army will continue to train and prepare its forces to comply with strategic military objectives. The *Infantry Capability* and *Support Capability* subprogrammes are responsible for providing prepared forces and support services for deployments and are therefore the largest spending subprogrammes over the medium term. Due to the labour intensive nature of the programme, 68.6 per cent of the budget in 2014/15 is allocated to spending on compensation of employees. Personnel numbers are expected to increase from 39 237 in 2013/14 to 41 158 in 2016/17 to rejuvenate the landward forces and to provide mission ready forces for operational deployment. Landward defence assets and equipment will be maintained and managed to support deployments, and conventional landward defence capabilities will also be maintained. The programme had 94 vacancies at the end of November 2013.

Over the medium term, the budget allocated to this programme also provides for increased maintenance requirements of the South African Army's ageing operational vehicle fleet, the modernisation of landward defence equipment and the procurement of critical ammunition. Expenditure on goods and services will therefore increase between 2013/14 and 2016/17 to provide for spares and the maintenance of vehicles, equipment, and the development of systems. This is also the reason for the projected increase in spending on contractors. R6.8 billion is allocated to transfers to departmental agencies and accounts over the medium term for the acquisition of new infantry vehicles, military support systems and equipment.

Programme 4: Air Defence

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, which will include 1 VIP squadron, 1 maritime and transport squadron, 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. Funding is based on the cost of operating the air defence headquarters. The air force provides support by executing flights during border safeguarding tasks, authorised safety and security support commitments, disaster aid and disaster relief ordered commitments,

and authorised search and rescue commitments. In 2012/13, 20 policies were formulated. In 2013/14, 7 policies were formulated and the capability was maintained as required. This subprogramme had a staff complement of 38 in 2013/14.

- *Operational Direction* provides operational direction to the programme by means of an air command. Funding is based on the cost of operating the air command. The air force ensures that the daily availability targets for aircraft are met and that planned flying hours are flown. In 2012/13, the objectives in respect of the number of flying hours and aircraft available were issued to all units. 12 reports were received from each unit on their achievement of the objectives. In 2013/14, the capability was maintained as required.
- *Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 5 squadrons were maintained. The capability was maintained as required in 2013/14. This subprogramme had a staff complement of 519 in 2013/14.
- *Transport and Maritime Capability* provides and sustains operationally ready transport and maritime aircraft crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 15 squadrons were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 403 in 2013/14.
- *Air Combat Capability* provides and sustains operationally ready fighter aircraft crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 1 combat squadron was maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 181 in 2013/14.
- *Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counter intelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training unique to the air force. Funding is distributed according to the number and size of squadrons, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses.
- *Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. The air force and the Air Traffic and Navigation Services Company deploy and integrate a network of radar, observation posts and electronic warfare sensors across the country to detect and monitor compliance with published restrictions, and to monitor and control the South African National Defence Force's air traffic. In 2012/13, the availability of 2 control centres, air defence radars, and 7 mission ready air traffic service units was an average of 98 per cent. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 511 in 2013/14.
- *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. Funding is distributed according to the number and size of air force bases and units, systems and operating equipment requirements, maintenance requirements, and the number of training courses. In 2012/13, 8 air bases and 1 air station was maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 5 442 in 2013/14.
- *Command Post* renders command and control over all missions flown. Funding is distributed according to the number and size of command posts and deployments, and readiness and aircraft chartering requirements. In 2012/13, all air missions were tasked as per operational requirements, along with 86 chartering requirements. In 2012/13, 71 chartering requirements were fulfilled. 1 chartering requirement was fulfilled in 2013/14. This subprogramme had a staff complement of 108 in 2013/14.
- *Training Capability* provides for the general education, training and development of air force personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. 1 966 South African National Defence Force members were trained in 2012/13, and a

further 507 had been trained by the end of September 2013. This subprogramme had a staff complement of 382 in 2013/14.

- *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. Funding is distributed according to the number and size of units, systems and equipment operating requirements, maintenance requirements, and contracted human resources and product system requirements. In 2012/13 and 2013/14, the technical support services unit expanded the inhouse maintenance capability of the air servicing units through increased training of technical personnel, skills transfers and the upgrade and proper maintenance of workshop equipment. This subprogramme had a staff complement of 2 231 in 2013/14.

Expenditure estimates

Table 22.13 Air Defence

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Strategic Direction	17 637	14 247	19 619	19 543	3.5%	0.3%	16 660	17 326	18 520	-1.8%	0.3%
Operational Direction	131 500	209 723	236 742	156 870	6.1%	3.0%	137 270	154 495	152 073	-1.0%	2.2%
Helicopter Capability	780 383	895 739	872 420	856 968	3.2%	13.7%	736 982	806 325	915 539	2.2%	12.0%
Transport and Maritime Capability	624 124	555 290	551 867	578 458	-2.5%	9.3%	1 861 098	1 327 231	822 340	12.4%	16.7%
Air Combat Capability	763 177	1 352 220	1 594 135	845 201	3.5%	18.4%	1 148 612	1 341 495	1 144 910	10.6%	16.3%
Operational Support and Intelligence Capability	258 389	320 446	463 435	307 431	6.0%	5.4%	265 395	265 097	287 546	-2.2%	4.1%
Command and Control Capability	305 687	375 870	470 164	268 559	-4.2%	5.7%	442 535	884 511	1 097 513	59.9%	9.8%
Base Support Capability	1 369 965	1 494 872	1 664 516	1 604 976	5.4%	24.7%	1 785 348	1 838 141	1 940 085	6.5%	26.0%
Command Post	50 062	16 411	51 105	48 869	-0.8%	0.7%	50 625	52 604	58 429	6.1%	0.8%
Training Capability	583 457	450 660	213 249	182 672	-32.1%	5.8%	206 837	218 447	209 582	4.7%	3.0%
Technical Support Services	604 721	842 264	937 693	844 886	11.8%	13.0%	515 534	523 101	563 114	-12.6%	8.9%
Total	5 489 102	6 527 742	7 074 945	5 714 433	1.4%	100.0%	7 166 896	7 428 773	7 209 651	8.1%	100.0%
Change to 2013 Budget estimate				(535 780)			(43 379)	(54 911)	(731 781)		

Economic classification

	4 040 973	4 599 266	5 127 652	4 876 483	6.5%	75.2%	5 033 974	5 270 213	5 787 414	5.9%	76.2%
Current payments											
Compensation of employees	2 350 100	2 497 146	2 790 981	2 912 225	7.4%	42.5%	2 983 184	3 034 989	3 240 616	3.6%	44.2%
Goods and services	1 690 873	2 102 120	2 336 671	1 964 258	5.1%	32.6%	2 050 790	2 235 224	2 546 798	9.0%	32.0%
of which:											
Administration fees	–	4	4	–	–	–	–	–	–	–	–
Advertising	382	455	698	1 044	39.8%	–	368	201	42	-65.7%	–
Assets less than the capitalisation threshold	19 519	15 384	7 091	12 258	-14.4%	0.2%	6 866	7 037	7 639	-14.6%	0.1%
Catering: Departmental activities	317	–	1 184	63	-41.6%	–	244	106	295	67.3%	–
Communication	7 114	8 057	8 833	6 538	-2.8%	0.1%	2 815	5 089	5 296	-6.8%	0.1%
Computer services	22 399	39 715	32 410	30 563	10.9%	0.5%	61 572	59 899	90 445	43.6%	0.9%
Consultants and professional services:	7 472	5 471	2 170	4 772	-13.9%	0.1%	1 267	622	622	-49.3%	–
Business and advisory services											
Consultants and professional services: Infrastructure and planning	80	44	1 919	4 644	287.2%	–	3 043	3 309	3 215	-11.5%	0.1%
Consultants and professional services: Laboratory services	28	2	–	30	2.3%	–	–	–	–	-100.0%	–
Contractors	854 740	1 130 442	1 301 808	768 112	-3.5%	16.3%	1 215 928	1 372 265	1 598 866	27.7%	18.0%
Agency and support / outsourced services	284 320	278 874	297 554	276 300	-0.9%	4.6%	8 787	8 606	9 822	-67.1%	1.1%
Entertainment	1 548	860	1 887	1 077	-11.4%	–	147	154	162	-46.8%	–
Fleet services (including government motor transport)	–	–	3 250	2 096	–	–	5 439	5 964	6 773	47.8%	0.1%
Inventory: Clothing material and accessories	–	–	–	–	–	–	19 364	21 379	23 472	–	0.2%
Inventory: Farming supplies	–	–	–	–	–	–	204	229	255	–	–
Inventory: Food and food supplies	84 444	75 482	74 028	3 207	-66.4%	1.0%	74 727	72 316	67 563	176.2%	0.8%
Inventory: Fuel, oil and gas	174 042	193 335	221 632	277 155	16.8%	3.5%	211 251	327 533	367 883	9.9%	4.3%
Inventory: Learner and teacher support material	(5 487)	–	–	–	-100.0%	–	105 939	–	–	–	0.4%
Inventory: Materials and supplies	(100 052)	(94 408)	(118 338)	62 962	-185.7%	-1.0%	11 402	12 230	12 600	-41.5%	0.4%
Inventory: Medical supplies	54	24	30	13	-37.8%	–	3	3	4	-32.5%	–
Inventory: Medicine	4	5	3	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	65 102	66 932	185 761	217 308	49.4%	2.2%	42 502	36 740	39 325	-43.4%	1.2%
Consumable supplies	–	–	41 149	–	–	0.2%	13 532	25 308	22 058	–	0.2%
Consumable: Stationery, printing and office supplies	9 867	11 543	12 923	10 695	2.7%	0.2%	23 527	21 418	20 362	23.9%	0.3%

Table 22.13 Air Defence

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Operating leases	4 523	4 378	5 300	7 372	17.7%	0.1%	5 518	5 655	5 855	-7.4%	0.1%
Property payments	2 799	3 092	32 994	11 261	59.0%	0.2%	11 965	13 686	13 898	7.3%	0.2%
Travel and subsistence	129 579	134 426	80 028	73 905	-17.1%	1.7%	24 302	29 564	30 437	-25.6%	0.6%
Training and development	31 771	43 674	35 960	34 121	2.4%	0.6%	19 204	20 584	22 385	-13.1%	0.3%
Operating payments	94 178	183 547	106 344	158 758	19.0%	2.2%	180 874	185 327	197 524	7.6%	2.6%
Venues and facilities	2 130	782	49	4	-87.7%	-	-	-	-	-100.0%	-
Transfers and subsidies	1 400 475	1 869 638	1 780 995	823 416	-16.2%	23.7%	2 129 109	2 154 533	1 418 258	19.9%	23.7%
Departmental agencies and accounts	1 384 004	1 852 556	1 765 517	806 142	-16.5%	23.4%	2 111 470	2 136 854	1 400 386	20.2%	23.5%
Public corporations and private enterprises	2 090	2 929	2 260	-	-100.0%	-	-	-	-	-	-
Households	14 381	14 153	13 218	17 274	6.3%	0.2%	17 639	17 679	17 872	1.1%	0.3%
Payments for capital assets	42 232	58 414	165 382	14 534	-29.9%	1.1%	3 813	4 027	3 979	-35.1%	0.1%
Buildings and other fixed structures	37	145	52	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	39 316	58 269	164 061	6 441	-45.3%	1.1%	3 813	4 027	3 979	-14.8%	0.1%
Specialised military assets	2 780	-	1 269	8 093	42.8%	-	-	-	-	-100.0%	-
Software and other intangible assets	99	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	5 422	424	916	-	-100.0%	-	-	-	-	-	-
Total	5 489 102	6 527 742	7 074 945	5 714 433	1.4%	100.0%	7 166 896	7 428 773	7 209 651	8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	18.0%	19.0%	18.8%	14.1%			16.7%	16.4%	15.0%		
Details of transfers and subsidies											
Households											
Social benefits											
Current	14 381	14 153	13 218	17 274	6.3%	0.2%	17 639	17 679	17 872	1.1%	0.3%
Employee social benefits	14 381	14 153	13 218	17 274	6.3%	0.2%	17 639	17 679	17 872	1.1%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 384 004	1 852 556	1 765 517	806 142	-16.5%	23.4%	2 111 470	2 136 854	1 400 386	20.2%	23.5%
Communication	-	-	-	-	-	-	37	40	43	-	-
Special defence account	1 384 004	1 852 556	1 765 517	806 142	-16.5%	23.4%	2 111 433	2 136 814	1 400 343	20.2%	23.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	2 090	2 929	2 260	-	-100.0%	-	-	-	-	-	-
Armaments Corporation of South Africa	2 090	2 929	2 260	-	-100.0%	-	-	-	-	-	-

Personnel information

Table 22.14 Details of approved establishment and personnel numbers according to salary level¹

Air Defence	Number of posts estimated for 31 March 2014	Number of funded posts	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 (%)	Salary level/total: Average (%)			
				2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	9 831	-	-	11 269	2 791.0	0.2	10 924	2 912.2	0.3	10 898	2 983.2	0.3	10 288	3 035.0	0.3	9 989	3 240.6	0.3	-2.9%	100.0%
1-6	6 062	-	-	7 247	1 285.0	0.2	6 876	1 271.3	0.2	7 006	1 299.8	0.2	6 663	1 135.7	0.2	6 364	1 121.0	0.2	-2.5%	63.9%
7-10	3 601	-	-	3 884	1 384.2	0.4	3 881	1 470.6	0.4	3 724	1 544.2	0.4	3 465	1 776.5	0.5	3 465	1 994.4	0.6	-3.7%	34.5%
11-12	141	-	-	110	90.7	0.8	141	135.4	1.0	141	107.2	0.8	134	94.2	0.7	134	96.1	0.7	-1.7%	1.3%
13-16	27	-	-	28	31.0	1.1	26	35.0	1.3	27	32.0	1.2	26	28.6	1.1	26	29.1	1.1	-	0.2%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on creating capacity to supply and support prepared forces, integrate new air defence equipment and systems, and prepare deployable air systems. Because of an increase in deployments and presidential commitments, R341.9 million was reprioritised from the special defence account over the medium term to improve the South African Air Force's operational capability. This has resulted in an

increase in spending over the MTEF period in the *Helicopter Capability and Transport* and *Maritime Capability* subprogrammes.

The projected decrease in expenditure in the *Transport and Maritime Capability* subprogramme in 2016/17 is due to the expected finalisation of the acquisition of a maritime surveillance aircraft in 2015/16. This is also the reason for the projected decrease in transfer payments over the medium term. Personnel numbers are expected to decrease to 9 989 in 2016/17 in an effort to curtail personnel expenditure. As a result, spending on compensation of employees is expected to grow at an average annual rate of 3.6 per cent over this period. There were no vacancies in this programme at the end of November 2013.

Expenditure on goods and services is projected to increase at an average annual rate of 9 per cent over the medium term due to an increase in operational activities, particularly aircraft maintenance. This is a specialised function that is performed by contractors, which also explains the projected 27.7 per cent increase in spending on this item over the medium term.

Between 2011/12 and 2013/14, expenditure on transfers and subsidies decreased, mainly due to the expected finalisation of the strategic defence procurement programme in 2014/15. This is also the reason for the decrease in expenditure in the *Air Combat Capability* subprogramme in 2013/14. The allocation to transfers to departmental agencies and accounts over the medium term provides for the development of missiles, an aircraft rescue and fire fighting vehicle and the upgrading of helicopters.

Programme 5: Maritime Defence

Objectives

- Defend and protect South Africa and its maritime zones over the medium term by providing:
 - a surface combat 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 African 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 for the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities. Funding is distributed based on the cost of operating the naval headquarters. In 2012/13, 5 policies were distributed, 6 naval orders were promulgated and 8 were registered. In 2013/14, 2 policies were distributed, 7 naval orders were promulgated and 5 naval orders were registered. This subprogramme had a staff complement of 1 313 in 2013/14.
- *Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the department. Funding is distributed according to the number and size of units, the number of maritime combat force preparation exercises carried out and the number of force employment operations executed. In 2012/13, 15 vessels were maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 1 627 in 2013/14.
- *Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments. Funding is distributed according to the number and size of units, the use and maintenance of support systems and equipment, and the provision of product systems. In 2012/13, the navy provided direction in the compilation of lower level logistics plans, whereby compliance to policy and strategic intent were ensured, and fully supported mission ready products and systems were available for operations. In 2013/14, the capability was maintained as

required. In addition, a procurement centre in the fleet command was nearing completion. This subprogramme had a staff complement of 602 in 2013/14.

- *Maritime Human Resources and Training Capability* ensures that the maritime combat and support capability requirements are met in terms of qualified personnel. Funding is distributed according to the number and size of units, the use and maintenance of training equipment, and the number of courses presented. 2 548 members were trained in 2012/13 and 1 053 had been trained by the end of September 2013. This subprogramme had a staff complement of 1 751 in 2013/14.
- *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. Funding is distributed according to the size of the naval base, the use and maintenance of the harbour, the maintenance of naval infrastructure, and the utilisation of naval base support systems and equipment. In 2012/13, 1 naval base and 2 naval stations were manned and maintained. In 2013/14, the capability was maintained as required. The expansion of the capability in Durban to support the maritime security strategy has begun. This subprogramme had a staff complement of 2 313 in 2013/14.

Expenditure estimates

Table 22.15 Maritime Defence

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Maritime Direction	391 303	445 452	467 248	518 279	9.8%	16.7%	520 823	525 633	560 395	2.6%	13.7%
Maritime Combat Capability	533 573	559 842	558 293	630 108	5.7%	20.9%	1 200 932	1 209 587	2 215 015	52.1%	34.0%
Maritime Logistic Support Capability	585 695	762 136	988 958	994 886	19.3%	30.5%	989 254	989 004	1 054 554	2.0%	26.0%
Maritime Human Resources and Training Capability	312 817	304 112	316 290	357 386	4.5%	11.8%	383 633	435 126	462 718	9.0%	10.6%
Base Support Capability	526 528	503 171	564 156	606 682	4.8%	20.1%	583 863	595 430	634 797	1.5%	15.7%
Total	2 349 916	2 574 713	2 894 945	3 107 341	9.8%	100.0%	3 678 505	3 754 780	4 927 479	16.6%	100.0%
Change to 2013 Budget estimate				(63 725)			27 012	35 466	973 031		
Economic classification											
Current payments	1 912 053	2 095 632	2 413 440	2 703 850	12.2%	83.5%	2 784 005	2 857 553	3 041 365	4.0%	73.6%
Compensation of employees	1 378 275	1 517 297	1 672 529	1 775 483	8.8%	58.1%	1 803 144	1 906 014	2 045 227	4.8%	48.7%
Goods and services	533 778	578 335	740 911	928 367	20.3%	25.5%	980 861	951 539	996 138	2.4%	24.9%
of which:											
Administration fees	(28)	–	–	15	-181.2%	–	–	–	–	-100.0%	–
Advertising	252	392	435	488	24.6%	–	566	690	696	12.6%	–
Assets less than the capitalisation threshold	11 998	13 665	6 730	10 190	-5.3%	0.4%	9 741	19 227	17 291	19.3%	0.4%
Catering: Departmental activities	600	–	887	704	5.5%	–	712	706	712	0.4%	–
Communication	8 792	9 898	9 130	9 366	2.1%	0.3%	9 433	10 075	10 558	4.1%	0.3%
Computer services	37 511	31 078	30 933	26 172	-11.3%	1.2%	27 326	43 796	40 052	15.2%	0.9%
Consultants and professional services: Business and advisory services	288	693	630	750	37.6%	–	750	799	855	4.5%	–
Consultants and professional services: Infrastructure and planning	694	1 955	624	2 508	53.5%	0.1%	3 932	1 948	2 047	-6.5%	0.1%
Contractors	175 121	207 779	308 004	535 587	45.2%	11.2%	363 492	346 629	259 841	-21.4%	9.7%
Agency and support / outsourced services	23 748	22 065	14 823	3 417	-47.6%	0.6%	4 428	2 431	2 434	-10.7%	0.1%
Entertainment	107	145	194	104	-0.9%	–	104	107	107	1.0%	–
Fleet services (including government motor transport)	–	–	8	133	–	–	1 234	1 306	1 388	118.5%	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	18 355	21 427	23 274	–	0.4%
Inventory: Food and food supplies	62 723	54 805	66 560	61 752	-0.5%	2.2%	81 309	86 590	92 587	14.5%	2.1%
Inventory: Fuel, oil and gas	84 392	74 532	82 687	75 878	-3.5%	2.9%	59 934	82 507	94 386	7.5%	2.0%
Inventory: Materials and supplies	10 108	(38 333)	16 701	20 514	26.6%	0.1%	33 778	18 421	9 245	-23.3%	0.5%
Inventory: Medical supplies	1	5	17	8	100.0%	–	24	25	26	48.1%	–
Inventory: Medicine	–	–	–	10	–	–	–	–	–	-100.0%	–
Inventory: Other supplies	33 553	81 318	75 018	46 975	11.9%	2.2%	145 721	99 491	226 336	68.9%	3.4%
Consumable supplies	–	–	36 192	–	–	0.3%	9 624	5 113	5 469	–	0.1%
Consumable: Stationery, printing and office supplies	5 429	6 781	5 980	8 800	17.5%	0.2%	5 419	5 921	3 722	-24.9%	0.2%
Operating leases	4 068	2 191	2 966	8 207	26.4%	0.2%	7 035	5 421	5 834	-10.8%	0.2%
Property payments	7 450	8 432	17 407	59 790	100.2%	0.9%	36 445	36 381	36 428	-15.2%	1.1%
Travel and subsistence	38 300	44 236	49 523	39 582	1.1%	1.6%	49 612	51 814	51 921	9.5%	1.2%
Training and development	7 313	(9 580)	(6 328)	11 077	14.8%	–	13 758	12 120	12 114	3.0%	0.3%

Table 22.15 Maritime Defence

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17			2013/14 - 2016/17
	R thousand												
<i>Operating payments</i>	19 342	56 966	21 227	6 340	-31.1%	1.0%	97 617	97 952	98 120	149.2%	1.9%		
<i>Venues and facilities</i>	2 016	9 312	558	-	-100.0%	0.1%	512	642	695	-	-		
<i>Rental and hiring</i>	-	-	5	-	-	-	-	-	-	-	-		
Transfers and subsidies	378 061	443 589	417 219	383 452	0.5%	14.8%	873 692	878 524	1 869 123	69.6%	25.9%		
Departmental agencies and accounts	222 835	231 153	104 117	167 743	-9.0%	6.6%	648 886	638 927	1 617 673	112.9%	19.9%		
Public corporations and private enterprises	148 376	194 047	294 113	197 931	10.1%	7.6%	208 619	219 884	231 758	5.4%	5.5%		
Households	6 850	18 389	18 989	17 778	37.4%	0.6%	16 187	19 713	19 692	3.5%	0.5%		
Payments for capital assets	58 957	35 240	63 864	20 039	-30.2%	1.6%	20 808	18 703	16 991	-5.4%	0.5%		
Buildings and other fixed structures	15 462	8 865	13 873	10 526	-12.0%	0.4%	12 985	13 126	11 565	3.2%	0.3%		
Machinery and equipment	43 032	26 355	49 642	8 860	-41.0%	1.2%	7 200	5 252	5 098	-16.8%	0.2%		
Specialised military assets	463	-	-	250	-18.6%	-	300	-	-	-100.0%	-		
Software and other intangible assets	-	20	349	403	-	-	323	325	328	-6.6%	-		
Payments for financial assets	845	252	422	-	-100.0%	-	-	-	-	-	-		
Total	2 349 916	2 574 713	2 894 945	3 107 341	9.8%	100.0%	3 678 505	3 754 780	4 927 479	16.6%	100.0%		
Proportion of total programme expenditure to vote expenditure	7.7%	7.5%	7.7%	7.6%			8.6%	8.3%	10.2%				

Details of transfers and subsidies

Households											
Social benefits											
Current	6 850	18 389	18 989	17 778	37.4%	0.6%	16 187	19 713	19 692	3.5%	0.5%
Employee social benefits	6 850	18 389	18 989	17 778	37.4%	0.6%	16 187	19 713	19 692	3.5%	0.5%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	222 835	231 153	104 117	167 743	-9.0%	6.6%	648 886	638 927	1 617 673	112.9%	19.9%
Communication	-	-	-	-	-	-	12	12	13	-	-
Special defence account	222 835	231 153	104 117	167 743	-9.0%	6.6%	648 874	638 915	1 617 660	112.9%	19.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	148 376	194 047	294 113	197 931	10.1%	7.6%	208 619	219 884	231 758	5.4%	5.5%
Armaments Corporation of South Africa	148 376	194 047	294 113	197 931	10.1%	7.6%	208 619	219 884	231 758	5.4%	5.5%

Personnel information

Table 22.16 Details of approved establishment and personnel numbers according to salary level¹

Salary level	Number of posts estimated for 31 March 2014	Number of funded posts	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 (%)	Salary level/total: Average (%)		
				2012/13		Unit Cost	2013/14		Unit Cost	2014/15		2015/16		2016/17					
				Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost		
	7 149	-	7 431	1 672.5	0.2	7 606	1 775.5	0.2	7 149	1 803.1	0.3	7 414	1 906.0	0.3	7 414	2 045.2	0.3	-0.8%	100.0%
1-6	5 059	-	5 360	958.0	0.2	5 370	994.9	0.2	5 059	721.0	0.1	5 462	984.6	0.2	5 462	1 110.4	0.2	0.6%	72.2%
7-10	1 974	-	1 951	629.1	0.3	2 126	702.0	0.3	1 974	903.2	0.5	1 842	769.3	0.4	1 842	780.6	0.4	-4.7%	26.3%
11-12	92	-	97	64.2	0.7	88	57.8	0.7	92	107.1	1.2	86	89.2	1.0	86	90.5	1.1	-0.8%	1.2%
13-16	24	-	23	21.2	0.9	22	20.8	0.9	24	71.9	3.0	24	62.8	2.6	24	63.7	2.7	2.9%	0.3%

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

². Rand million.

Expenditure trends

The spending focus over the medium term will be on preparing and maintaining vessels and associated supporting systems, including human resources, at the required readiness levels to meet the country's maritime defence commitments in a sustained manner. These activities are labour intensive, therefore personnel numbers are projected to increase from 7 149 in 2014/15 to 7 414 in 2016/17 to rejuvenate the maritime forces. There were no vacancies in this programme at the end of November 2013.

Spending in the *Maritime Combat Capability* subprogramme is projected to increase significantly over the medium term due to the replacement of offshore patrol vessels and the procurement of a harbour tug for the

naval base in Simon's Town. This also explains the significant increase expected in spending on transfers to departmental agencies and accounts. The projected increase in spending on other inventory supplies and operating payments over the medium term is due to the replenishment of critical stock and to sustain naval vessels for operational deployment in the Mozambique Channel.

Programme 6: Military Health Support

Objectives

- Provide prepared and supported health capabilities and services by providing:
 - a health support capability of 5 medical battalion groups, including accompanying field hospitals 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. In 2012/13, continuous management intervention and rectification were undertaken to improve healthcare service delivery during force health protection and force health sustainment. In 2013/14, the advice and plans were provided as required. This subprogramme had a staff complement of 276 in 2013/14.
- *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. Funding is distributed according to the number and size of units, systems and equipment operating requirements, maintenance requirements, and the number of force preparation activities. In 2012/13, 2 battalion groups and 3 reserve medical battalion groups were provided. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 246 in 2013/14.
- *Area Military Health Service* provides a comprehensive, self-supporting, multidisciplinary geographic military health service through a formation headquarters, 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. Funding is distributed according to the number and size of units and health care facilities, systems and equipment operating requirements, maintenance requirements, the number and type of patient health services provided, and force preparation activities. In 2012/13, 1 393 612 health care activities were carried out. By the end of December 2013, 1 021 692 health care activities had been carried out. This subprogramme had a staff complement of 2 865 in 2013/14.
- *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. Funding is distributed according to the number and size of military hospitals and specialist units, systems and equipment operating requirements, maintenance requirements, the number and type of patient health services rendered, and force preparation activities. In 2012/13, 837 465 health care activities were carried out in military hospitals. In 2013/14, an estimated 784 000 health care activities will be carried out. This subprogramme had a staff complement of 2 467 in 2013/14.
- *Military Health Product Support Capability* provides for warehousing pharmaceuticals, sundries, military health mobilisation equipment and unique stock; procuring unique military health products, materials and services; and an asset management service, military health product systems and cooperative common military health logistics. Funding is distributed according to the number and size of units; the use of military health products, equipment and consumables; and the requirements for maintaining strategic military health reserves. In 2012/13, a 64 per cent availability of stock at all times was achieved. In 2013/14, a 50 per cent availability of stock is projected. This subprogramme had a staff complement of 137 in 2013/14.
- *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. Funding is distributed according to the number and size of units, systems and equipment operating requirements, and maintenance

requirements. In 2012/13, 65 per cent of the vehicle fleet under this subprogramme was repaired and maintained. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 749 in 2013/14.

- *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. Funding is distributed according to the training inputs of the sub-units, equipment operating requirements, maintenance requirements, and the number of training courses presented to SADC countries. 4 763 members were trained in 2012/13 and a further 1 000 had been trained by the end of September 2013. This subprogramme had a staff complement of 1 634 in 2013/14.

Expenditure estimates

Table 22.17 Military Health Support

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Strategic Direction	196 630	225 687	203 239	246 575	7.8%	6.3%	178 327	184 483	184 963	-9.1%	5.0%
Mobile Military Health Support	112 777	97 547	105 262	113 196	0.1%	3.1%	118 929	192 382	199 909	20.9%	3.9%
Area Military Health Service	964 857	1 039 653	1 143 874	1 158 931	6.3%	31.3%	1 258 137	1 336 475	1 446 439	7.7%	32.5%
Specialist/Tertiary Health Service	1 038 226	1 134 715	1 215 105	1 235 585	6.0%	33.6%	1 410 177	1 423 354	1 513 083	7.0%	34.9%
Military Health Product Support Capability	167 874	256 103	198 122	381 235	31.4%	7.3%	247 729	256 898	274 092	-10.4%	7.3%
Military Health Maintenance Capability	221 967	269 697	261 524	228 752	1.0%	7.1%	248 444	253 783	268 772	5.5%	6.3%
Military Health Training Capability	447 783	376 694	332 790	397 777	-3.9%	11.3%	387 320	411 988	437 873	3.3%	10.2%
Total	3 150 114	3 400 096	3 459 916	3 762 051	6.1%	100.0%	3 849 063	4 059 363	4 325 131	4.8%	100.0%
Change to 2013 Budget estimate				119 553			57 721	154 824	159 282		

Economic classification

Current payments	3 026 411	3 292 936	3 360 605	3 647 710	6.4%	96.8%	3 791 483	3 936 540	4 204 245	4.8%	97.4%
Compensation of employees	2 079 625	2 324 772	2 546 606	2 584 907	7.5%	69.2%	2 670 763	2 756 827	2 965 969	4.7%	68.6%
Goods and services	946 786	968 164	813 999	1 062 803	3.9%	27.5%	1 120 720	1 179 713	1 238 276	5.2%	28.8%
of which:											
Advertising	115	183	81	115	-	-	265	314	330	42.1%	-
Assets less than the capitalisation threshold	8 778	8 909	5 549	27 162	45.7%	0.4%	117 140	120 686	121 390	64.7%	2.4%
Catering: Departmental activities	8 597	-	1 258	254	-69.1%	0.1%	1 097	1 528	1 598	84.6%	-
Communication	7 914	6 927	6 584	9 724	7.1%	0.2%	9 046	10 760	11 358	5.3%	0.3%
Computer services	56 775	32 054	40 871	65 169	4.7%	1.4%	51 236	51 373	52 697	-6.8%	1.4%
Consultants and professional services: Business and advisory services	15 092	10 816	11 811	9 885	-13.2%	0.3%	9 874	10 442	10 970	3.5%	0.3%
Consultants and professional services: Infrastructure and planning	333	414	3 887	-	-100.0%	-	604	2 317	2 352	-	-
Consultants and professional services: Laboratory services	20 406	21 695	18 531	12 259	-15.6%	0.5%	20 820	21 574	22 254	22.0%	0.5%
Contractors	375 534	439 470	50 679	159 748	-24.8%	7.4%	147 151	154 022	164 547	1.0%	3.9%
Agency and support / outsourced services	21 424	29 438	221 008	269 999	132.7%	3.9%	274 166	280 309	283 770	1.7%	6.9%
Entertainment	123	134	114	60	-21.3%	-	113	140	140	32.6%	-
Fleet services (including government motor transport)	-	-	1 766	1 120	-	-	4 099	5 173	5 402	69.0%	0.1%
Inventory: Clothing material and accessories	-	-	-	-	-	-	18 403	19 688	21 090	-	0.4%
Inventory: Farming supplies	-	-	-	-	-	-	800	880	968	-	-
Inventory: Food and food supplies	58 305	58 215	53 234	46 011	-7.6%	1.6%	63 534	63 866	64 626	12.0%	1.5%
Inventory: Fuel, oil and gas	11 425	17 648	16 238	14 957	9.4%	0.4%	14 492	15 777	16 684	3.7%	0.4%
Inventory: Materials and supplies	(2 286)	2 484	2 120	2 006	-195.7%	-	2 837	3 725	3 908	24.9%	0.1%
Inventory: Medical supplies	98 619	78 187	76 084	81 827	-6.0%	2.4%	94 973	108 802	144 602	20.9%	2.7%
Inventory: Medicine	149 787	142 380	189 773	190 931	8.4%	4.9%	163 293	164 196	166 988	-4.4%	4.3%
Inventory: Other supplies	29 461	31 781	3	27 722	-2.0%	0.6%	586	706	733	-70.2%	0.2%
Consumable supplies	-	-	30 345	-	-	0.2%	16 617	19 492	19 953	-	0.4%
Consumable: Stationery, printing and office supplies	6 320	6 949	5 851	10 276	17.6%	0.2%	12 733	14 278	14 789	12.9%	0.3%
Operating leases	4 936	4 806	5 884	8 656	20.6%	0.2%	7 479	8 835	9 274	2.3%	0.2%
Property payments	14 148	12 212	17 189	86 541	82.9%	0.9%	17 874	18 575	19 401	-39.3%	0.9%
Travel and subsistence	41 433	43 437	43 125	25 634	-14.8%	1.1%	46 884	53 514	57 137	30.6%	1.1%
Training and development	9 950	11 947	4 342	4 221	-24.9%	0.2%	13 862	16 586	8 494	26.3%	0.3%
Operating payments	9 368	7 758	6 101	8 526	-3.1%	0.2%	8 903	10 251	10 812	8.2%	0.2%
Venues and facilities	229	320	1 569	-	-100.0%	-	1 839	1 904	2 009	-	-
Rental and hiring	-	-	2	-	-	-	-	-	-	-	-

Table 22.17 Military Health Support

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand	38 332	16 326	14 677	23 775	-14.7%	0.7%	29 543	95 129	91 798	56.9%	1.5%
Transfers and subsidies											
Provinces and municipalities	-	-	-	-	-	-	1	1	1	-	-
Departmental agencies and accounts	24 700	7 135	4 411	2 934	-50.8%	0.3%	15 456	82 252	78 871	199.6%	1.1%
Non-profit institutions	360	400	752	400	3.6%	-	800	850	900	31.0%	-
Households	13 272	8 791	9 514	20 441	15.5%	0.4%	13 286	12 026	12 026	-16.2%	0.4%
Payments for capital assets	82 676	89 278	83 201	90 566	3.1%	2.5%	28 037	27 694	29 088	-31.5%	1.1%
Buildings and other fixed structures	927	-	44	20	-72.2%	-	535	500	500	192.4%	-
Machinery and equipment	81 678	89 236	80 131	77 648	-1.7%	2.4%	23 402	26 278	27 617	-29.1%	1.0%
Specialised military assets	-	-	747	5	-	-	877	916	971	479.1%	-
Biological assets	71	42	11	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	-	2 268	12 893	-	0.1%	3 223	-	-	-100.0%	0.1%
Payments for financial assets	2 695	1 556	1 433	-	-100.0%	-	-	-	-	-	-
Total	3 150 114	3 400 096	3 459 916	3 762 051	6.1%	100.0%	3 849 063	4 059 363	4 325 131	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	10.3%	9.9%	9.2%	9.3%			9.0%	9.0%	9.0%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	-	-	-	-	1	1	1	-	-
Vehicle licences	-	-	-	-	-	-	1	1	1	-	-
Households											
Social benefits											
Current	13 272	8 791	9 514	20 441	15.5%	0.4%	13 286	12 026	12 026	-16.2%	0.4%
Employee social benefits	13 272	8 791	9 514	20 441	15.5%	0.4%	13 286	12 026	12 026	-16.2%	0.4%
Non-profit institutions											
Current	360	400	752	400	3.6%	-	800	850	900	31.0%	-
St Johns Ambulance Brigade	360	400	752	400	3.6%	-	800	850	900	31.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	24 700	7 135	4 411	2 934	-50.8%	0.3%	15 456	82 252	78 871	199.6%	1.1%
Communication	-	-	-	-	-	-	99	113	121	-	-
Special defence account	24 700	7 135	4 411	2 934	-50.8%	0.3%	15 357	82 139	78 750	199.4%	1.1%

Personnel information

Table 22.18 Details of approved establishment and personnel numbers according to salary level¹

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)			
			2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
Military Health Support			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	7 931	-	8 521	2 546.6	0.3	8 374	2 584.9	0.3	7 931	2 670.8	0.3	7 543	2 756.8	0.4	7 545	2 966.0	0.4	-3.4%	100.0%
1 - 6	3 974	-	4 301	859.3	0.2	4 053	691.9	0.2	3 974	774.5	0.2	3 796	685.5	0.2	3 796	696.0	0.2	-2.2%	49.8%
7 - 10	3 614	-	3 888	1 527.7	0.4	3 958	1 522.1	0.4	3 614	1 579.4	0.4	3 418	1 789.0	0.5	3 418	1 981.1	0.6	-4.8%	45.9%
11 - 12	234	-	307	129.4	0.4	261	251.5	1.0	234	192.4	0.8	225	171.8	0.8	225	174.5	0.8	-4.8%	3.0%
13 - 16	109	-	25	30.3	1.2	102	119.3	1.2	109	124.5	1.1	104	110.5	1.1	106	114.3	1.1	1.3%	1.3%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing a comprehensive military health service, maintaining and improving tertiary and specialist health support, and maintaining the military health facilities. These activities are labour intensive; therefore spending on compensation of employees is expected to account for 68.6 per cent of the programme's overall allocation over the medium term. However, in an effort to maintain spending on compensation of employees at sustainable levels without compromising performance levels, the

department expects to reduce the programme's personnel numbers from 8 374 in 2013/14 to 7 545 in 2016/17. There were no vacancies in this programme at the end of November 2013.

The significant increase expected in spending on agency, support and outsourced services in 2014/15 is due to the Cabinet approved additional allocation of R100 million to improve operations of the programme and to allow patients to receive specialised treatment from private sector service providers. This is also the reason for the projected increase in spending in the *Specialist/Tertiary Health Services* subprogramme in that year.

The expenditure in the *Mobile Military Health Support* subprogramme is expected to increase over the medium term, due to the acquisition of ICT equipment to deliver health related services and information, and the development of defence against chemical and biological warfare. This is also the reason for the projected increase in spending in departmental agencies and accounts over the same period. The significant increase projected in expenditure on assets less than the capitalisation threshold over the medium term is mainly due to the planned renewal of medical equipment and to equip capabilities for medical support in both internal and external deployment areas.

Programme 7: Defence Intelligence

Objectives

- The detail of the output of *Defence Intelligence* programme is classified.

Subprogrammes

- Strategic Direction* provides defence intelligence policy, doctrine and intelligence advice in support of the department's decision making and policy formulation processes. Funding is based on the cost of operating the defence intelligence headquarters. In support of government's peace initiatives, the division remains involved in peace processes in Africa by providing intelligence on the current security situation.
- Operations* provides timely defence prediction, intelligence, and counterintelligence capabilities and services. Defence related national strategic intelligence is provided to the highest level of decision makers through briefings to the president, the council on defence and the interministerial security committee. Funding is distributed based on the number and size of intelligence offices, systems and equipment operating requirements, maintenance requirements, and the requirements for producing intelligence.
- Defence Intelligence Support Services* provides human resources, logistics, planning, security, labour relations, and training and information support services to the defence intelligence community. Funding is distributed according to the number and size of units and offices, equipment and operating requirements, maintenance requirements, and the number of force preparation exercises and training courses.

Expenditure estimates

Table 22.19 Defence Intelligence

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Strategic Direction	157	110	-	113	-10.4%	-	75	77	80	-10.9%	-
Operations	397 561	407 417	420 886	458 592	4.9%	61.0%	473 555	498 543	523 185	4.5%	59.9%
Defence Intelligence Support Services	236 135	245 586	284 164	309 235	9.4%	39.0%	318 482	330 167	351 524	4.4%	40.1%
Total	633 853	653 113	705 050	767 940	6.6%	100.0%	792 112	828 787	874 789	4.4%	100.0%
Change to 2013 Budget estimate				5 535			2 254	2 965	(943)		

Table 22.19 Defence Intelligence

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Current payments	222 359	239 947	275 575	318 761	12.8%	38.3%	328 568	340 271	362 119	4.3%	41.4%
Compensation of employees	205 303	224 723	261 992	287 995	11.9%	35.5%	296 867	307 773	328 510	4.5%	37.4%
Goods and services	17 056	15 224	13 583	30 766	21.7%	2.8%	31 701	32 498	33 609	3.0%	3.9%
of which:											
Advertising	6	13	–	90	146.6%	–	90	93	96	2.2%	–
Assets less than the capitalisation threshold	418	439	438	993	33.4%	0.1%	1 200	1 230	1 272	8.6%	0.1%
Catering: Departmental activities	125	–	89	78	-14.5%	–	107	109	111	12.5%	–
Communication	1 188	1 284	1 217	1 211	0.6%	0.2%	1 420	1 447	1 484	7.0%	0.2%
Computer services	148	–	–	–	-100.0%	–	234	233	235	–	–
Consultants and professional services: Business and advisory services	2 615	1	–	–	-100.0%	0.1%	–	–	–	–	–
Contractors	1 825	1 610	700	2 384	9.3%	0.2%	792	812	843	-29.3%	0.1%
Agency and support / outsourced services	217	164	59	60	-34.9%	–	66	68	70	5.3%	–
Entertainment	62	58	54	93	14.5%	–	133	133	133	12.7%	–
Fleet services (including government motor transport)	–	–	15	24	–	–	184	187	195	101.0%	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	95	97	100	–	–
Inventory: Food and food supplies	1 430	1 883	1 790	2 154	14.6%	0.3%	7 992	8 060	8 437	57.6%	0.8%
Inventory: Fuel, oil and gas	1 176	1 602	1 614	1 742	14.0%	0.2%	1 877	1 924	1 983	4.4%	0.2%
Inventory: Materials and supplies	328	200	192	255	-8.0%	–	188	193	200	-7.8%	–
Inventory: Other supplies	622	904	–	723	5.1%	0.1%	–	–	–	-100.0%	–
Consumable supplies	–	–	625	–	–	–	978	1 000	1 029	–	0.1%
Consumable: Stationery, printing and office supplies	706	857	994	14 437	173.5%	0.6%	1 375	1 411	1 458	-53.4%	0.6%
Operating leases	453	489	441	490	2.7%	0.1%	7 145	7 159	7 377	146.9%	0.7%
Property payments	17	17	853	540	216.7%	0.1%	601	616	636	5.6%	0.1%
Travel and subsistence	2 744	2 604	2 639	2 246	-6.5%	0.4%	3 999	4 419	4 549	26.5%	0.5%
Training and development	2 531	2 664	1 467	2 221	-4.3%	0.3%	2 364	2 428	2 497	4.0%	0.3%
Operating payments	361	192	250	1 025	41.6%	0.1%	687	699	716	-11.3%	0.1%
Venues and facilities	84	243	146	–	-100.0%	–	174	180	188	–	–
Transfers and subsidies	404 628	409 345	424 599	445 637	3.3%	61.0%	458 734	483 619	507 655	4.4%	58.1%
Provinces and municipalities	–	–	–	–	–	–	5	5	5	–	–
Departmental agencies and accounts	396 779	406 696	420 565	441 890	3.7%	60.4%	455 704	480 589	504 625	4.5%	57.7%
Households	7 849	2 649	4 034	3 747	-21.8%	0.7%	3 025	3 025	3 025	-6.9%	0.4%
Payments for capital assets	6 861	3 719	4 789	3 542	-19.8%	0.7%	4 810	4 897	5 015	12.3%	0.6%
Machinery and equipment	6 861	3 719	4 789	3 542	-19.8%	0.7%	4 810	4 897	5 015	12.3%	0.6%
Payments for financial assets	5	102	87	–	-100.0%	–	–	–	–	–	–
Total	633 853	653 113	705 050	767 940	6.6%	100.0%	792 112	828 787	874 789	4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	2.1%	1.9%	1.9%	1.9%			1.8%	1.8%	1.8%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	–	–	–	–	–	5	5	5	–	–
Vehicle licences	–	–	–	–	–	–	5	5	5	–	–
Households											
Social benefits											
Current	7 849	2 649	4 034	3 747	-21.8%	0.7%	3 025	3 025	3 025	-6.9%	0.4%
Employee social benefits	7 849	2 649	4 034	3 747	-21.8%	0.7%	3 025	3 025	3 025	-6.9%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	396 779	406 696	420 565	441 890	3.7%	60.4%	455 704	480 589	504 625	4.5%	57.7%
Communication	–	–	–	–	–	–	202	202	202	–	–
Special defence account	396 779	406 696	420 565	441 890	3.7%	60.4%	455 502	480 387	504 423	4.5%	57.7%

Expenditure trends

The spending focus over the medium term will be on collecting, analysing and disseminating strategic defence intelligence in support of the department's outputs. Expenditure on inventory, stationery and printing is expected to increase over the medium term due to the provision of training and related materials to the forces of

the Democratic Republic of the Congo. Expenditure on contractors increased from 2012/13 to 2013/14 due to the demands of the maintenance programme at the Defence Intelligence headquarters and the Defence Intelligence College. The projected decrease in spending on this item over the medium term is due to the finalisation of the maintenance programme.

Programme 8: General Support

Objectives

- Provide ongoing general support capabilities and services by providing appropriate, ready and sustained matériel, facilities, movement and logistic services focusing on supply chain and life cycle management to enable the defence mandate by:
 - providing new and replacing infrastructure assets through 16 projects
 - carrying out maintenance and repairs through 36 projects
 - operationalising and capacitating the works capability that will enable the Department of Defence to assume selected custodian responsibilities from the Department of Public Works.
- Provide the department with key information and communication systems over the medium term by:
 - ensuring that the defence information and communications infrastructure is available 98 per cent of the time
 - providing information and communication system solutions, in accordance with the portfolios of the defence enterprise information systems master plan.
- Provide a military policing capability to the department over the medium term by:
 - conducting 248 deliberate crime prevention operations per year
 - investigating 80 corruption and fraud cases per year
 - sustaining a provost company for operational deployment on an ongoing basis
 - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and investigation of criminal cases
 - sustaining 2 military correctional facilities for detention and rehabilitation.

Subprogrammes

- *Joint Logistic Services* provides logistics services to the department in terms of warehousing for ammunition, and main equipment and stores; and for the defence works capability, the capital works programme and the defence facility refurbishment programme. Funding is distributed according to the number and size of units, use and warehousing requirements for ammunition main equipment and stores, the defence facility refurbishment programme, and the number of training courses. In 2012/13, 1 012 tons of ammunition was disposed of. In 2013/14, 250 of the planned 600 tons were disposed of. This subprogramme had a staff complement of 3 048 in 2013/14.
- *Command and Management Information Systems* provides command and management information systems and related services to the department. This entails providing information systems and communications infrastructure in relation to solutions, operating systems, continuous maintenance and upgrading requirements for the department. Funding is distributed according to the number and size of mainframe systems, the communications infrastructure operated by the department, and maintenance and upgrading requirements. In 2012/13, the availability of the defence information and communications infrastructure system was 98 per cent. In 2013/14, the capability was maintained as required. This subprogramme had a staff complement of 150 in 2013/14.
- *Military Police* provides a military policing capability for the department. Military police members support external operations, conduct crime prevention operations across the country and provide functional training at the military police school. In 2012/13, 2 288 cases were finalised and 379 crime prevention operations were conducted jointly with the South African Police Service throughout the country. In 2013/14, 456 criminal cases were finalised and 41 of the 248 planned deliberate crime prevention operations were conducted. This subprogramme had a staff complement of 1 640 in 2013/14.

- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry. In 2013/14, R348 million was used for capital acquisition.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits and bank charges. In 2012/13, R666 million was transferred to the Armaments Corporation of South Africa to fulfil acquisition responsibilities. The transfer increased to R767 million in 2013/14.

Expenditure estimates

Table 22.20 General Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Joint Logistic Services	1 478 199	1 576 959	2 096 158	2 276 470	15.5%	40.8%	2 481 754	2 767 938	2 908 583	8.5%	46.9%
Command and Management Information Systems	782 664	835 624	849 806	1 190 688	15.0%	20.1%	866 987	984 184	1 024 562	-4.9%	18.3%
Military Police	412 010	442 387	502 576	487 522	5.8%	10.1%	493 415	512 478	545 193	3.8%	9.2%
Technology Development	357 753	339 865	326 672	348 628	-0.9%	7.5%	442 587	302 921	360 855	1.2%	6.5%
Departmental Support	774 809	913 110	861 690	1 333 517	19.8%	21.4%	901 564	965 158	1 030 496	-8.2%	19.0%
Total	3 805 435	4 107 945	4 636 902	5 636 825	14.0%	100.0%	5 186 307	5 532 679	5 869 689	1.4%	100.0%
Change to 2013 Budget estimate				791 981			128 181	233 855	255 179		

Economic classification

Current payments	2 393 961	2 452 366	2 666 647	3 864 258	17.3%	62.6%	3 736 325	4 090 269	4 315 987	3.8%	72.0%
Compensation of employees	973 799	1 104 049	1 271 468	1 664 577	19.6%	27.6%	1 511 268	1 754 581	1 859 426	3.8%	30.5%
Goods and services	1 420 162	1 348 317	1 395 179	2 199 681	15.7%	35.0%	2 225 057	2 335 688	2 456 561	3.8%	41.5%
of which:											
Administration fees	1 632	1 677	3 057	2 132	9.3%	-	2 145	2 252	2 366	3.5%	-
Advertising	92	103	234	54	-16.3%	-	308	340	349	86.3%	-
Assets less than the capitalisation threshold	8 289	12 649	14 293	16 456	25.7%	0.3%	24 071	19 755	18 451	3.9%	0.4%
Audit cost: External	49 972	56 429	56 993	62 144	7.5%	1.2%	66 500	69 821	73 312	5.7%	1.2%
Catering: Departmental activities	14 692	-	1 172	10 128	-11.7%	0.1%	6 058	6 343	6 674	-13.0%	0.1%
Communication	4 939	8 448	8 955	12 076	34.7%	0.2%	11 596	12 832	13 618	4.1%	0.2%
Computer services	579 942	585 915	637 748	808 310	11.7%	14.4%	746 377	793 201	843 393	1.4%	14.4%
Consultants and professional services: Business and advisory services	225 077	168 264	96 663	99 394	-23.8%	3.2%	132 601	136 696	140 955	12.4%	2.3%
Consultants and professional services: Infrastructure and planning	132	4 376	1 225	29 884	509.5%	0.2%	30 314	30 624	30 944	1.2%	0.5%
Consultants and professional services: Legal costs	1 568	1 029	-	9 290	80.9%	0.1%	9 753	10 235	10 742	5.0%	0.2%
Contractors	413 787	341 609	56 900	119 784	-33.8%	5.1%	151 669	160 048	166 346	11.6%	2.7%
Agency and support / outsourced services	3 400	19 783	16 497	29 438	105.3%	0.4%	26 737	27 704	28 799	-0.7%	0.5%
Entertainment	97	68	92	755	98.2%	-	921	952	995	9.6%	-
Fleet services (including government motor transport)	-	-	118	144	-	-	2 757	2 733	2 815	169.4%	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	2 623	2 782	2 909	-	-
Inventory: Farming supplies	-	-	-	-	-	-	129	115	120	-	-
Inventory: Food and food supplies	30 019	34 127	34 930	44 359	13.9%	0.8%	42 602	46 451	48 920	3.3%	0.8%
Inventory: Fuel, oil and gas	12 685	16 433	23 050	24 443	24.4%	0.4%	21 663	24 541	26 157	2.3%	0.4%
Inventory: Materials and supplies	6 874	8 355	10 152	7 696	3.8%	0.2%	4 798	4 498	4 920	-13.9%	0.1%
Inventory: Medical supplies	2	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	8 607	5 680	2	39 458	66.1%	0.3%	1 596	1 670	1 759	-64.5%	0.2%
Consumable supplies	-	-	7 830	-	-	-	11 036	10 922	11 525	-	0.2%
Consumable: Stationery, printing and office supplies	4 705	4 995	7 431	6 361	10.6%	0.1%	5 980	6 098	6 571	1.1%	0.1%
Operating leases	2 390	2 551	2 884	3 825	17.0%	0.1%	6 160	6 708	7 097	22.9%	0.1%
Property payments	394	1 160	321 268	780 993	1156.2%	6.1%	797 385	833 648	879 777	4.0%	14.8%
Travel and subsistence	26 561	39 515	47 595	35 323	10.0%	0.8%	61 021	60 665	63 329	21.5%	1.0%
Training and development	21 021	31 692	40 986	47 465	31.2%	0.8%	41 878	48 466	47 723	0.2%	0.8%
Operating payments	2 997	2 950	3 402	9 769	48.3%	0.1%	13 215	12 221	12 472	8.5%	0.2%
Venues and facilities	288	509	1 702	-	-100.0%	-	3 164	3 367	3 523	-	-
Transfers and subsidies	997 585	1 107 369	1 119 542	1 451 235	13.3%	25.7%	1 290 082	1 270 986	1 379 954	-1.7%	24.3%
Provinces and municipalities	-	-	-	-	-	-	39	42	45	-	-
Departmental agencies and accounts	438 285	467 576	445 903	365 991	-5.8%	9.4%	445 738	369 682	416 227	4.4%	7.2%
Foreign governments and international organisations	-	-	-	299 107	-	1.6%	-	-	-	-100.0%	1.3%
Public corporations and private enterprises	544 069	630 804	666 124	766 714	12.1%	14.3%	829 904	889 923	951 497	7.5%	15.5%
Households	15 231	8 989	7 515	19 423	8.4%	0.3%	14 401	11 339	12 185	-14.4%	0.3%

Table 22.20 General Support

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Payments for capital assets	279 280	343 273	755 270	167 720	-15.6%	8.5%	159 900	171 424	173 748	1.2%	3.0%
Buildings and other fixed structures	229 025	265 666	630 523	104 216	-23.1%	6.8%	109 427	114 899	120 643	5.0%	2.0%
Machinery and equipment	50 223	77 551	124 425	37 445	-9.3%	1.6%	25 106	31 906	26 026	-11.4%	0.5%
Specialised military assets	19	-	-	25 999	1010.2%	0.1%	23 050	24 207	26 634	0.8%	0.4%
Software and other intangible assets	13	56	322	60	66.5%	-	2 317	412	445	95.0%	-
Payments for financial assets	134 609	204 937	95 443	153 612	4.5%	3.2%	-	-	-	-100.0%	0.7%
Total	3 805 435	4 107 945	4 636 902	5 636 825	14.0%	100.0%	5 186 307	5 532 679	5 869 689	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	12.5%	12.0%	12.3%	13.9%			12.1%	12.2%	12.2%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	-	-	-	-	39	42	45	-	-
Vehicle licences	-	-	-	-	-	-	39	42	45	-	-
Foreign governments and international organisations											
Current	-	-	-	299 107	-	1.6%	-	-	-	-100.0%	1.3%
Claims against the State	-	-	-	299 107	-	1.6%	-	-	-	-100.0%	1.3%
Households											
Social benefits											
Current	15 231	8 989	7 515	19 423	8.4%	0.3%	14 401	11 339	12 185	-14.4%	0.3%
Employee social benefits	15 231	8 989	7 515	19 423	8.4%	0.3%	14 401	11 339	12 185	-14.4%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	438 285	467 576	445 903	365 991	-5.8%	9.4%	445 738	369 682	416 227	4.4%	7.2%
Communication	-	-	-	-	-	-	55	59	63	-	-
Special defence account	438 285	467 576	445 903	365 991	-5.8%	9.4%	445 683	369 623	416 164	4.4%	7.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	544 069	630 804	666 124	766 714	12.1%	14.3%	829 904	889 923	951 497	7.5%	15.5%
Armaments Corporation of South Africa	544 069	630 804	666 124	766 714	12.1%	14.3%	829 904	889 923	951 497	7.5%	15.5%

Personnel information

Table 22.21 Details of approved establishment and personnel numbers according to salary level¹

General Support	Number of posts estimated for 31 March 2014	Number of funded posts	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 (%)	Salary level/total: Average (%)		
				2012/13		Unit Cost	2013/14		Unit Cost	2014/15		2015/16		2016/17				2013/14 - 2016/17	
				Number	Cost		Number	Cost		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost
Salary level	5 473	-	4 939	1 271.5	0.3	4 838	1 664.6	0.3	5 473	1 511.3	0.3	5 887	1 754.6	0.3	5 886	1 859.4	0.3	6.8%	100.0%
1 - 6	3 210	-	3 211	603.3	0.2	2 901	731.3	0.3	3 210	666.2	0.2	3 476	895.1	0.3	3 484	991.4	0.3	6.3%	59.2%
7 - 10	2 136	-	1 594	572.0	0.4	1 802	810.2	0.4	2 136	750.7	0.4	2 284	769.2	0.3	2 275	776.8	0.3	8.1%	38.5%
11 - 12	103	-	109	73.4	0.7	110	92.7	0.8	103	70.9	0.7	103	67.8	0.7	104	69.3	0.7	-1.9%	1.9%
13 - 16	24	-	25	22.9	0.9	25	30.3	1.2	24	23.5	1.0	24	22.5	0.9	23	21.9	1.0	-2.7%	0.4%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing continuous general support capabilities, consolidating and sustaining the defence works capability, providing key information and communication systems, providing a military policing capability, and maintaining defence facilities.

Personnel numbers are expected to increase to 5 886 in 2016/17 to provide for additional staff for the Defence Works Formation, which is also the reason for the projected increase in spending on compensation of employees over the medium term. This also explains the projected increases in spending in the *Joint Logistic Services*

subprogramme between 2012/13, when the Defence Works Formation was established, and 2016/17. There were no vacancies in this programme at the end of November 2013.

Expenditure in the *Command and Management Information Systems* subprogramme is expected to decrease between 2013/14 and 2016/17 is due to savings in the payments for computer services and the delivery and completion of a static and mobile defence communication network in 2015/16.

The *Departmental Support* subprogramme provides for the payment of corporate departmental obligations such as legal fees, external audits and bank charges and transfers to the Armaments Corporation of South Africa for acquisitions. This transfer payment increases by R63.2 million between 2013/14 and 2014/15 due to the need for the accounting, storage and safeguarding of military assets transferred to the Armaments Corporation of South Africa for disposal. The additional funds will also go towards the implementation of the department's logistics accounting systems and aligning them with those of the corporation.

The allocations for spending on consultants and professional services provide for services for the Council for Scientific and Industrial Research and the Armaments Corporation of South Africa, asset verification service, research and development, telecommunication services, codification and cataloguing, and legal fees payable to the state attorney. The decrease in spending on consultants and professional services between 2010/11 and 2013/14 was due to contracts for asset verification and Council for Scientific and Industrial Research services reaching their conclusion. Spending on consultants and professional services is projected to increase to R182.6 million over the medium term to provide for cryptology services, data communication and satellite bandwidth.

Other departments within the vote

Military Veterans

Table 22.22 Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	178.2	170.3	–	7.9	169.2	166.5
Socio Economic Support	168.1	168.1	–	–	267.5	295.4
Empowerment and Stakeholder Management	157.9	157.9	–	–	170.2	179.2
Total expenditure estimates	504.2	496.2	–	7.9	606.8	641.1

Executive authority Minister of Defence and Military Veterans

Accounting officer Director General of Military Veterans

Website address www.militaryveterans.co.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, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

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 (18 of 2011), which requires it to provide national policy and standards on socioeconomic support to military veterans and to their dependants, including benefits and entitlements to help realise a dignified, unified, empowered and self sufficient military veterans' community.

Strategic goals

The department's strategic goals over the medium term are to:

- coordinate and facilitate the provision of socioeconomic support services to military veterans
- manage and coordinate military veterans' empowerment and stakeholder relations services
- ensure that the needs of military veterans and their dependants are addressed.

Programme purposes

Programme 1: Administration

Purpose: Provide management and strategic administrative support to the ministry, and overall management of the department.

Programme 2: Socio Economic Support

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

Programme 3: Empowerment and Stakeholder Relations

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

Selected performance indicators

Table 22.23 Military Veterans

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of deserving military veterans with access to health care services	Socio Economic Support	Outcome 2: A long and healthy life for all South Africans	- ¹	- ¹	200	10 000	7 000	10 000	12 000
Number of deserving military veterans with decent housing per year	Socio Economic Support	Outcome 8: Sustainable human settlements and improved quality of household life	- ¹	- ¹	2	15 000	1 000	2 000	3 000
Number of military veterans' memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	- ¹	- ¹	0 ²	1	2	4	2
Number of deserving military veterans with access to training and skills development per year	Empowerment and Stakeholder Management	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	- ¹	0 ²	2 000	2 500	3 000	3 500
Number of private sector companies and organs of state in partnership with the department per year	Empowerment and Stakeholder Management	Outcome 4: Decent employment through inclusive economic growth	- ¹	- ¹	0 ²	10	10	10	10

1. This indicator was introduced in 2012/13.

2. No memorial sites were erected in 2012/13 due to delays in the finalisation of military veterans' benefits regulations.

The national development plan

The national development plan calls for the reduction in unemployment and expansion in enrolments in further education and training. The Department of Military Veterans will therefore provide socioeconomic services to facilitate employment opportunities for military veterans with the support of line function departments, private companies and state agencies. To date, approximately 1 176 job opportunities have been created for military veterans. It is envisaged that by the end of 2014/15, a further 1 000 job opportunities will have been created. In 2013/14, 100 dependants of military veterans were provided with bursaries and 1 800 bursaries will have been provided to dependants of military veterans through the National Student Financial Aid Scheme by 2016/17.

Expenditure estimates

Table 22.24 Military Veterans

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R million												
Administration	20.0	45.4	97.0	152.8	152.8	96.9%	61.3%	178.2	169.2	166.5	2.9%	31.7%
Socio Economic Support	-	-	-	122.2	122.2	-	23.8%	168.1	267.5	295.4	34.2%	40.6%
Empowerment and Stakeholder Management	-	-	-	76.5	76.5	-	14.9%	157.9	170.2	179.2	32.8%	27.8%
Total	20.0	45.4	97.0	351.4	351.4	160.0%	100.0%	504.2	606.8	641.1	22.2%	100.0%
Change to 2013 Budget estimate				-	-			-	-	-		

Economic classification

	2010/11	2011/12	2012/13	2013/14	2014	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
Current payments	19.3	45.4	95.7	341.4	341.4	160.6%	97.7%	496.2	603.8	638.9	23.2%	98.9%
Compensation of employees	6.0	18.0	27.0	80.6	80.6	137.7%	25.6%	92.2	97.5	102.7	8.4%	17.7%
Goods and services	13.3	27.4	68.6	260.8	260.8	169.7%	72.0%	404.1	506.4	536.2	27.2%	81.2%
of which:												
Administration fees	-	-	-	0.1	0.1	-	0.0%	0.1	0.2	0.2	28.1%	0.0%
Advertising	-	-	0.3	1.6	1.6	-	0.4%	1.2	1.3	1.4	-3.4%	0.3%
Assets less than the capitalisation threshold	-	0.3	0.3	5.3	5.3	-	1.2%	5.5	5.6	5.8	2.8%	1.1%
Audit costs: External	-	-	0.0	2.0	2.0	-	0.4%	3.9	4.5	5.2	38.2%	0.7%
Bursaries: Employees	-	-	-	0.4	0.4	-	0.1%	0.4	0.5	0.6	17.0%	0.1%
Catering: Departmental activities	-	-	6.2	3.4	3.4	-	1.9%	4.5	4.8	5.5	16.7%	0.9%
Communication	-	0.4	2.1	4.5	4.5	-	1.4%	8.8	16.0	17.6	57.6%	2.2%
Computer services	0.3	-	1.2	0.7	0.7	30.3%	0.4%	1.7	1.8	1.9	40.7%	0.3%
Consultants and professional services: Business and advisory services	-	0.0	0.0	19.8	19.8	-	3.9%	13.5	13.2	15.5	-7.9%	3.0%
Consultants and professional services: Infrastructure and planning	-	-	-	58.9	58.9	-	11.5%	62.0	41.3	23.5	-26.4%	8.8%
Consultants and professional services: Laboratory services	-	-	-	19.9	19.9	-	3.9%	30.0	31.3	33.0	18.5%	5.4%
Consultants and professional services: Legal costs	-	-	-	0.4	0.4	-	0.1%	3.5	3.6	4.0	114.5%	0.5%
Contractors	-	6.1	0.8	-	-	-	1.3%	4.1	6.1	8.2	-	0.9%
Agency and support / outsourced services	-	0.9	1.8	2.0	2.0	-	0.9%	3.5	6.4	6.5	47.9%	0.9%
Entertainment	-	0.1	0.2	0.5	0.5	-	0.1%	0.7	0.8	0.9	22.0%	0.1%
Fleet services (including government motor transport)	-	-	-	-	-	-	-	1.2	1.3	1.6	-	0.2%
Housing	-	-	-	60.0	60.0	-	11.7%	103.0	201.1	227.4	55.9%	28.1%
Inventory: Food and food supplies	0.3	0.0	0.0	0.3	0.3	-4.3%	0.1%	0.3	0.4	0.4	18.8%	0.1%
Inventory: Fuel, oil and gas	-	0.0	0.3	2.0	2.0	-	0.4%	1.9	2.2	2.4	5.9%	0.4%
Inventory: Materials and supplies	-	0.0	0.4	0.3	0.3	-	0.1%	0.4	0.4	0.4	6.5%	0.1%
Inventory: Other supplies	-	3.2	32.9	16.1	16.1	-	10.2%	0.9	0.9	0.9	-61.1%	0.9%
Consumable supplies	-	-	1.9	2.1	2.1	-	0.8%	2.1	2.3	2.4	4.1%	0.4%
Consumable: Stationery, printing and office supplies	11.6	0.3	-	2.9	2.9	-37.3%	2.9%	2.9	3.0	3.2	3.6%	0.6%
Operating leases	0.8	0.1	0.1	0.8	0.8	1.0%	0.3%	1.0	1.1	1.1	10.1%	0.2%
Property payments	-	-	-	2.2	2.2	-	0.4%	2.4	2.5	6.2	40.5%	0.6%
Travel and subsistence	-	11.8	10.9	21.9	21.9	-	8.7%	52.2	57.2	57.7	38.2%	9.0%
Training and development	-	0.3	6.8	23.6	23.6	-	6.0%	79.0	83.6	88.9	55.7%	13.1%
Operating payments	-	0.2	2.5	-	-	-	0.5%	-	-	-	-	-
Venues and facilities	-	3.6	-	8.3	8.3	-	2.3%	12.3	11.9	12.8	15.7%	2.2%
Rental and hiring	0.3	-	-	1.1	1.1	53.0%	0.3%	1.2	1.2	1.3	5.2%	0.2%
Payments for capital assets	0.7	-	1.3	10.0	10.0	142.6%	2.3%	7.9	3.0	2.2	-40.0%	1.1%
Machinery and equipment	0.7	-	1.3	10.0	10.0	142.6%	2.3%	7.9	3.0	2.2	-40.0%	1.1%
Total	20.0	45.4	97.0	351.4	351.4	160.0%	100.0%	504.2	606.8	641.1	22.2%	100.0%

Personnel information

Table 22.25 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)				
		2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		2013/14 - 2016/17	
		Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost		
Military Veterans																			
Salary level	169	33	31	27.0	0.9	135	80.6	0.6	169	92.2	0.5	169	97.5	0.6	169	102.7	0.6	7.8%	100.0%
1 – 6	37	27	6	3.5	0.6	19	8.4	0.4	37	11.9	0.3	37	11.3	0.3	37	11.9	0.3	24.9%	20.2%
7 – 10	54	5	4	1.0	0.3	42	17.6	0.4	54	20.2	0.4	54	20.2	0.4	54	21.2	0.4	8.7%	31.8%
11 – 12	47	1	7	4.3	0.6	45	25.4	0.6	47	28.5	0.6	47	29.2	0.6	47	30.8	0.7	1.5%	29.0%
13 – 16	31	–	14	18.2	1.3	29	29.2	1.0	31	31.6	1.0	31	32.1	1.0	31	33.9	1.1	2.2%	19.0%
Other	–	–	–	–	–	–	–	–	–	–	–	–	4.7	–	–	4.9	–	–	–

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on building sufficient capacity to support the delivery of benefits to military veterans. The bulk of the department's budget over this period will therefore go towards spending in the *Socio Economic Support* and *Empowerment and Stakeholder Management* programmes. The projected increase in expenditure in the *Socio Economic Support* programme over the medium term is expected to deliver houses, bursaries and health care services to military veterans and their dependents. The projected increase in expenditure in the *Empowerment and Stakeholder Management* programme is expected to deliver access to training and skills development and to form partnerships with private sector companies and other organs of state to ensure that jobs are provided for the military veterans.

The department had 63 filled posts and 72 vacancies at the end of November 2013. These vacancies could not be filled as the department did not have adequate office space. The department moved to a more appropriate building in 2013/14 and is in the process of recruiting additional personnel. As a result, personnel numbers are projected to grow from 135 in 2013/14 to 169 in 2016/17. The departmental allocation increased to R351.4 million in 2013/14 to provide for military veterans' benefits.

Spending on consultants is expected to increase between 2013/14 and 2014/15 to provide for the development and implementation of the department's ICT systems, and additional professional services such as internal and external audits, legal assistance, research and policy development and health assessments and care.

Programme 1: Administration

Expenditure estimates

Table 22.26 Administration

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Strategic Planning, Policy Development and Monitoring and Evaluation	–	–	–	19 951	–	6.3%	21 049	22 185	23 382	5.4%	13.0%	
Management	20 000	45 370	96 976	7 296	-28.5%	53.8%	7 697	8 112	8 550	5.4%	4.7%	
Corporate Services	–	–	–	34 088	–	10.8%	51 846	64 133	72 839	28.8%	33.4%	
Financial Administration	–	–	–	14 524	–	4.6%	16 803	17 710	18 666	8.7%	10.2%	
Internal Audit	–	–	–	4 997	–	1.6%	8 485	9 353	10 250	27.1%	5.0%	
Office Accommodation	–	–	–	71 916	–	22.8%	72 298	47 677	32 783	-23.0%	33.7%	
Total	20 000	45 370	96 976	152 772	96.9%	100.0%	178 178	169 170	166 470	2.9%	100.0%	
Change to 2013 Budget estimate				152 772			178 178	169 170	166 470			

Table 22.26 Administration

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand	19 300	45 370	95 673	142 772	94.8%	96.2%	170 262	166 170	164 311	4.8%	96.5%
Current payments	19 300	45 370	95 673	142 772	94.8%	96.2%	170 262	166 170	164 311	4.8%	96.5%
Compensation of employees	6 000	18 000	27 040	45 367	96.3%	30.6%	52 445	56 536	59 585	9.5%	32.1%
Goods and services	13 300	27 370	68 633	97 405	94.2%	65.6%	117 817	109 634	104 726	2.4%	64.4%
of which:											
Administration fees	-	-	-	100	-	-	120	200	210	28.1%	0.1%
Advertising	-	-	283	1 573	-	0.6%	1 223	1 310	1 420	-3.4%	0.8%
Assets less than the capitalisation threshold	-	342	341	1 188	-	0.6%	1 303	1 352	1 431	6.4%	0.8%
Audit costs: External	-	-	47	1 957	-	0.6%	3 868	4 506	5 170	38.2%	2.3%
Bursaries: Employees	-	-	-	350	-	0.1%	410	450	560	17.0%	0.3%
Catering: Departmental activities	-	-	6 176	275	-	2.0%	389	482	477	20.2%	0.2%
Communication	-	439	2 140	4 481	-	2.2%	8 780	16 046	17 550	57.6%	7.0%
Computer services	300	-	1 177	664	30.3%	0.7%	1 665	1 750	1 850	40.7%	0.9%
Consultants and professional services: Business and advisory services	-	43	14	5 433	-	1.7%	7 694	8 274	10 451	24.4%	4.8%
Consultants and professional services: Infrastructure and planning	-	-	-	58 877	-	18.7%	62 032	41 302	23 500	-26.4%	27.9%
Consultants and professional services: Legal costs	-	-	-	400	-	0.1%	3 547	3 634	3 950	114.5%	1.7%
Contractors	-	6 059	818	-	-	2.2%	4 086	6 140	8 200	-	2.8%
Agency and support / outsourced services	-	920	1 761	-	-	0.9%	-	-	-	-	-
Entertainment	-	88	170	171	-	0.1%	315	356	387	31.3%	0.2%
Inventory: Food and food supplies	300	21	18	76	-36.7%	0.1%	140	156	171	31.0%	0.1%
Inventory: Fuel, oil and gas	-	10	250	829	-	0.3%	598	625	696	-5.7%	0.4%
Inventory: Materials and supplies	-	9	397	-	-	0.1%	-	-	-	-	-
Inventory: Other supplies	-	3 182	32 868	352	-	11.6%	355	360	370	1.7%	0.2%
Consumable supplies	-	-	1 901	2 096	-	1.3%	2 090	2 255	2 362	4.1%	1.3%
Consumable: Stationery, printing and office supplies	11 600	286	-	1 446	-50.0%	4.2%	1 541	1 562	1 629	4.1%	0.9%
Operating leases	800	72	94	825	1.0%	0.6%	950	1 050	1 100	10.1%	0.6%
Property payments	-	-	-	2 228	-	0.7%	2 350	2 476	6 178	40.5%	2.0%
Travel and subsistence	-	11 782	10 883	5 414	-	8.9%	7 161	7 735	8 926	18.1%	4.4%
Training and development	-	295	6 761	5 577	-	4.0%	3 880	4 316	4 516	-6.8%	2.7%
Operating payments	-	233	2 534	-	-	0.9%	-	-	-	-	-
Venues and facilities	-	3 589	-	2 019	-	1.8%	2 140	2 094	2 370	5.5%	1.3%
Rental and hiring	300	-	-	1 074	53.0%	0.4%	1 180	1 203	1 252	5.2%	0.7%
Payments for capital assets	700	-	1 303	10 000	142.6%	3.8%	7 916	3 000	2 159	-40.0%	3.5%
Machinery and equipment	700	-	1 303	10 000	142.6%	3.8%	7 916	3 000	2 159	-40.0%	3.5%
Total	20 000	45 370	96 976	152 772	96.9%	100.0%	178 178	169 170	166 470	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	100.0%	100.0%	100.0%	43.5%			35.3%	27.9%	26.0%		

Personnel information

Table 22.27 Details of approved establishment and personnel numbers according to salary level¹

Salary level	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Administration	97	20	21	27.0	1.3	72	45.4	0.6	97	52.4	0.5	97	56.5	0.6	97	59.6	0.6	10.4%	100.0%
1 - 6	33	18	5	3.5	0.7	15	7.5	0.5	33	10.9	0.3	33	10.3	0.3	33	10.9	0.3	30.1%	31.4%
7 - 10	28	1	3	1.0	0.3	21	8.9	0.4	28	10.9	0.4	28	10.6	0.4	28	11.2	0.4	10.1%	28.9%
11 - 12	23	1	5	4.3	0.9	22	13.8	0.6	23	15.2	0.7	23	15.5	0.7	23	16.4	0.7	1.5%	25.1%
13 - 16	13	-	8	18.2	2.3	14	15.2	1.1	13	15.4	1.2	13	15.4	1.2	13	16.2	1.2	-2.4%	14.6%
Other	-	-	-	-	-	-	-	-	-	-	-	-	4.7	-	-	4.9	-	-	-

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on establishing the management and administrative capacity required by the department to support the delivery of benefits to military veterans. Therefore, spending in the *Corporate Services* subprogramme is expected to increase over the medium term due to the development and implementation of ICT systems; administrative policies and procedures; provision of legal, cleaning and security services; and the communication and marketing of military veterans' assistance programmes. Spending in the *Office Accommodation* subprogramme is projected to decrease over this period due to the departmental head office building being acquired in 2013/14.

Expenditure in the *Management* subprogramme increased significantly between 2010/11 and 2012/13 due to the filling of critical posts and the operational requirements of the newly established department. The projected decrease in expenditure in this subprogramme between 2012/13 and 2013/14 was due to the restructuring emanating from the implementation of the newly revised approved budget programme structure. The expenditure on consultants over the medium term is mainly on service providers for the development and implementation of ICT systems, legal services, and external and internal audits. The use of consultants is necessary due to professional services required. The programme has a funded establishment of 97 posts and 20 posts were filled additional to the establishment. At the end of November 2013, the department had 51 filled permanent posts and 21 vacancies.

Programme 2: Socio-Economic Support

Objectives

- Provide socioeconomic support services to military veterans over the medium term by:
 - establishing and maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and updating 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 2016/17.
- Developing strategic partnerships with other organs of the state and in broader society to advance delivery on social services to military veterans and their dependants, where this is applicable, to ensure that:
 - 6 000 military veterans have decent housing over the medium term
 - 29 000 military veterans have access to health care services by 2016/17
 - 1 800 eligible military veterans and dependents across the country are provided with ongoing education support by 2016/17
 - targets agreed with service delivery agencies are achieved and the benefits accessed by military veterans as espoused in section 5 of the Military Veterans Act (2011), are reported on comprehensively by 2016/17.
- Provide strategic leadership to the socioeconomic sector by conducting ongoing research on pertinent issues affecting military veterans and by developing requisite policies; implementation norms and standards, strategies, guidelines and frameworks by 2016/17.

Subprogrammes

- *Database and Benefits Management* establishes systems for the seamless transition of servicemen and women from active service to civilian life. The 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 this unit for delivery on the relevant provisions of the Military Veterans Act (2011). In 2012/13, the focus was on verifying the status of military veterans conducting electronic clean-up activities and capturing their personal files. 342 interviews were conducted and 14 487 personal files were updated. By the end of September 2013, 56 662 names of veterans had been captured on the database. This subprogramme had a staff complement of 2 in 2013/14.
- *Healthcare and Wellbeing Support* facilitates the provision of healthcare services and wellbeing support to military veterans, including disease prevention initiatives. In 2012/13, 4 293 military veterans were

registered on the South African Military Health Service database to receive health services and 954 healthcare cards were issued to qualifying veterans. In 2013/14, military veterans were given access to counselling services through the Military Veterans Healthcare Practitioner Association and the military health support service. In addition, 4 851 veterans gained access to health care services. This subprogramme had a permanent staff complement of 2, augmented by 9 contract workers, in 2013/14.

- *Socio Economic 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; establishes strategic partnerships to advance service delivery; tracks delivery by service providers on agreed targets; ensures continuous improvement; and reports on service delivery. This entails ensuring that legal instruments for the provision of socioeconomic support services to military veterans, such as housing, pensions and transport, are put in place. In 2012/13, a memorandum of understanding was signed by the department and the Department of Human Settlements for the provision of houses to military veterans. By the end of September 2013, 100 bursaries had been given to military veterans and their dependants and houses had been provided for 2 World War II veterans. This subprogramme had a staff complement of 2 in 2013/14.

Expenditure estimates

Table 22.28 Socio Economic Support

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Database and Benefits Management	-	-	-	22 523	-	18.4%	13 731	12 844	11 724	-19.6%	7.1%
Healthcare and Wellbeing Support	-	-	-	26 992	-	22.1%	37 130	38 835	40 893	14.9%	16.9%
Socio Economic Support Management	-	-	-	72 686	-	59.5%	117 212	215 813	242 787	49.5%	76.0%
Total	-	-	-	122 201	-	100.0%	168 073	267 492	295 404	34.2%	100.0%
Change to 2013 Budget estimate				122 201			168 073	267 492	295 404		
Economic classification											
Current payments	-	-	-	122 201	-	100.0%	168 073	267 492	295 404	34.2%	100.0%
Compensation of employees	-	-	-	12 607	-	10.3%	14 577	15 364	16 194	8.7%	6.9%
Goods and services	-	-	-	109 594	-	89.7%	153 496	252 128	279 210	36.6%	93.1%
<i>of which:</i>											
<i>Assets less than the capitalisation threshold</i>	-	-	-	525	-	0.4%	483	510	550	1.6%	0.2%
<i>Catering: Departmental activities</i>	-	-	-	773	-	0.6%	797	870	951	7.2%	0.4%
<i>Consultants and professional services: Business and advisory services</i>	-	-	-	14 400	-	11.8%	5 842	4 930	5 039	-29.5%	3.5%
<i>Consultants and professional services: Laboratory services</i>	-	-	-	19 860	-	16.3%	30 019	31 340	33 026	18.5%	13.4%
<i>Entertainment</i>	-	-	-	69	-	0.1%	80	92	104	14.7%	-
<i>Housing</i>	-	-	-	60 000	-	49.1%	103 000	201 092	227 411	55.9%	69.3%
<i>Inventory: Food and food supplies</i>	-	-	-	120	-	0.1%	125	130	159	9.8%	0.1%
<i>Inventory: Fuel, oil and gas</i>	-	-	-	153	-	0.1%	160	177	205	10.2%	0.1%
<i>Inventory: Other supplies</i>	-	-	-	300	-	0.2%	326	340	379	8.1%	0.2%
<i>Consumable: Stationery, printing and office supplies</i>	-	-	-	630	-	0.5%	431	483	508	-6.9%	0.2%
<i>Travel and subsistence</i>	-	-	-	4 744	-	3.9%	4 971	5 643	4 034	-5.3%	2.3%
<i>Training and development</i>	-	-	-	4 643	-	3.8%	3 680	3 885	4 100	-4.1%	1.9%
<i>Venues and facilities</i>	-	-	-	3 377	-	2.8%	3 582	2 636	2 744	-6.7%	1.4%
Total	-	-	-	122 201	-	100.0%	168 073	267 492	295 404	34.2%	100.0%
Proportion of total programme expenditure to vote expenditure				34.8%			33.3%	44.1%	46.1%		

Personnel information

Table 22.29 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Socio Economic Support																			
Salary level	28	9	6	-	-	23	12.6	0.5	28	14.6	0.5	28	15.4	0.5	28	16.2	0.6	6.8%	100.0%
1-6	1	9	-	-	-	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	-	3.7%
7-10	6	-	1	-	-	4	1.7	0.4	6	1.9	0.3	6	2.0	0.3	6	2.0	0.3	14.5%	20.6%
11-12	11	-	2	-	-	10	4.2	0.4	11	5.3	0.5	11	5.5	0.5	11	5.8	0.5	3.2%	40.2%
13-16	10	-	3	-	-	8	6.5	0.8	10	7.1	0.7	10	7.6	0.8	10	8.1	0.8	7.7%	35.5%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on filling the remaining critical posts and building sufficient capacity to ensure that military veterans receive socioeconomic support and benefits. Expenditure in the *Socio Economic Support Management* subprogramme is therefore expected to increase over the medium term, mainly to fund the provision of 6 000 houses to deserving military veterans and award bursaries to deserving military veterans and their dependents. The projected expenditure increase over the medium term under the *Healthcare and Wellbeing Support* subprogramme is focused on funding health care services for military veterans. The bulk of the increased spending is reflected in expenditure on consultants, where R94 million will be spent over the medium term for health care.

The projected expenditure increase in 2013/14 in the *Database and Benefits Management* subprogramme was to fund the collection, verification and refinement of collected veterans' data to ensure the accuracy and reliability of the information. The projected decrease in expenditure in this subprogramme over the medium term is due to the collected data requiring ongoing verification and refinement. The programme has a funded establishment of 28 posts and 9 posts additional to the establishment were filled. At the end of November 2013, the department had 7 filled permanent posts and 16 vacancies. The use of consultants is necessary due to professional services required.

Programme 3: Empowerment and Stakeholder Management

Objectives

- Ensure the empowerment of deserving military veterans by:
 - establishing a fully functional special purpose vehicle that will facilitate business opportunities for development by 2014/15
 - forming partnerships with 30 private sector companies 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 on an annual basis
 - 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
 - ensuring that 10 strategic initiatives are established at national, continental and international levels by 2014/15
 - providing 9 000 deserving military veterans with access to relevant training and skills development over the medium term

- 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 both public and private institutions willing to contribute towards the wellbeing of military veterans. In 2012/13, 4 partnerships were formed with other government departments, including the Department of Rural Development and Land Reform. In 2013/14, the focus was on establishing and capacitating provincial offices by completing the staff employment processes and negotiating adequate office space in provinces with the relevant authorities. In addition, the South African National Military Veterans Association was supported in enhancing the strengthening of relations with key stakeholders. The association will be assisted in developing its programme of action and financial management systems and the provision of funds for effective governance will be facilitated. The department will ensure that all requisite institutions assist in putting in place structures regulating the treatment of military veterans, including the appeals board and the advisory council, as per the Military Veterans Act (2011). This subprogramme had a permanent staff complement of 1, augmented by 1 contract worker, in 2013/14.
- *Empowerment and Skills Development* provides reskilling programmes and related activities to ensure that military veterans contribute positively to mainstream economic activities. In 2012/13, memorandums of agreements were reached with the Departments of Water Affairs and Environmental Affairs for the provision of jobs for military veterans in selected work areas. In 2013/14, 1 176 military veterans were employed or provided with work opportunities through other government departments and the private sector. This subprogramme had a permanent staff complement of 1, augmented by 3 contract workers, in 2013/14.
- *Heritage, Memorials, Burials and Honours* provides services to honour the contributions made by military veterans; and ensures that their memorials are adequately secured, articulated in a dignified manner and captured in historical texts. In 2012/13, 3 events took place to acknowledge the contribution that military veterans made in the struggle for democracy. In 2013/14, the focus was on preparatory work on the establishment of a Tomb of the Unknown Soldier; memorial sites and military veterans' graves. 65 military veterans were provided with burial support. There are plans to erect 8 memorial sites to facilitate the establishment of heroes' acres and monuments in every province, and to host 1 honouring function for military veterans in 2014/15. This subprogramme had a permanent staff complement of 1, augmented by 1 intern and 1 staff member seconded from the Department of Defence, in 2013/14.

Expenditure estimates

Table 22.30 Empowerment and Stakeholder Management

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Provincial Offices and Stakeholder Relations	-	-	-	11 076	-	14.5%	43 334	47 572	50 093	65.4%	26.1%
Empowerment and Skills Development	-	-	-	33 763	-	44.2%	100 249	104 773	110 325	48.4%	59.8%
Heritage, Memorials, Burials and Honours	-	-	-	31 619	-	41.4%	14 326	17 834	18 779	-15.9%	14.1%
Total	-	-	-	76 458	-	100.0%	157 909	170 179	179 197	32.8%	100.0%
Change to 2013 Budget estimate				76 458			157 909	170 179	179 197		

Economic classification

Current payments	-	-	-	76 458	-	100.0%	157 909	170 179	179 197	32.8%	100.0%
Compensation of employees	-	-	-	22 629	-	29.6%	25 143	25 585	26 960	6.0%	17.2%
Goods and services	-	-	-	53 829	-	70.4%	132 766	144 594	152 237	41.4%	82.8%
of which:											
Assets less than the capitalisation threshold	-	-	-	3 591	-	4.7%	3 675	3 715	3 780	1.7%	2.5%
Catering: Departmental activities	-	-	-	2 393	-	3.1%	3 359	3 490	4 038	19.1%	2.3%
Agency and support / outsourced services	-	-	-	2 000	-	2.6%	3 478	6 391	6 475	47.9%	3.1%
Entertainment	-	-	-	238	-	0.3%	294	317	378	16.7%	0.2%
Fleet services (including government motor transport)	-	-	-	-	-	-	1 200	1 300	1 550	-	0.7%
Inventory: Food and food supplies	-	-	-	67	-	0.1%	78	95	111	18.3%	0.1%
Inventory: Fuel, oil and gas	-	-	-	1 035	-	1.4%	1 190	1 375	1 495	13.0%	0.9%
Inventory: Materials and supplies	-	-	-	344	-	0.4%	355	390	415	6.5%	0.3%
Inventory: Other supplies	-	-	-	15 460	-	20.2%	185	190	200	-76.5%	2.7%

Table 22.30 Empowerment and Stakeholder Management

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Consumable: Stationery, printing and office supplies	-	-	-	784	-	1.0%	895	1 000	1 044	10.0%	0.6%
Travel and subsistence	-	-	-	11 706	-	15.3%	40 042	43 808	44 785	56.4%	24.0%
Training and development	-	-	-	13 355	-	17.5%	71 399	75 350	80 289	81.8%	41.2%
Venues and facilities	-	-	-	2 856	-	3.7%	6 616	7 173	7 677	39.0%	4.2%
Total	-	-	-	76 458	-	100.0%	157 909	170 179	179 197	32.8%	100.0%
Proportion of total programme expenditure to vote expenditure				21.8%			31.3%	28.0%	28.0%		

Personnel information

Table 22.31 Details of approved establishment and personnel numbers according to salary level¹

Empowerment and Stakeholder Management	Number of posts estimated for 31 March 2014		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 (%) 2013/14 - 2016/17	Salary level/total: Average (%)					
			2012/13		2013/14		2014/15		2015/16		2016/17										
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Salary level	44	4	4	-	-	40	22.6	0.6	44	25.1	0.6	44	25.6	0.6	44	27.0	0.6			3.2%	100.0%
1-6	3	-	1	-	-	3	0.6	0.2	3	0.7	0.2	3	0.7	0.2	3	0.8	0.3			-	7.0%
7-10	20	4	-	-	-	17	6.9	0.4	20	7.4	0.4	20	7.6	0.4	20	8.0	0.4			5.6%	44.8%
11-12	13	-	-	-	-	13	7.4	0.6	13	8.0	0.6	13	8.1	0.6	13	8.6	0.7			-	30.2%
13-16	8	-	3	-	-	7	7.6	1.1	8	9.0	1.1	8	9.1	1.1	8	9.6	1.2			4.6%	18.0%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on filling the remaining critical posts and building sufficient capacity to ensure that skills development services are provided to military veterans. Thus, the bulk of expenditure over the medium term is in the *Empowerment and Skills Development* subprogramme, which is expected to provide skills and empowerment programmes to 9 000 military veterans over the period.

Expenditure in the *Provincial Offices and Stakeholder Relations* subprogramme is expected to increase over the medium term in order to fund the provision of capacity and equipment in the provincial offices to allow the department to function effectively, and to fund the establishment of the South African National Military Veterans Association and two military veterans' governance structures.

Expenditure in the *Heritage, Memorials, Burials and Honour* subprogramme is expected to decrease in 2014/15, mainly due to the fact that the department will no longer prioritise medal parades. The gradual increase in expenditure over the medium term in this subprogramme is focused on funding the memorialisation of fallen military veterans and providing burial support. The increased expenditure will also see investments in military veterans' heritage projects; such as developing biographies and facilitating the erection of 8 military veterans' memorial sites, heroes' acres and monuments in every province.

The programme has a funded establishment of 44 posts and 4 posts were filled additional to the establishment. At the end of November 2013, the department had 5 filled permanent posts and 35 vacancies.

Public entities and other agencies

Armaments Corporation of South Africa

Mandate and strategic goals

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.

The corporation also manages the Simon's Town Naval Dockyard. The dockyard carries out planned preventative maintenance, corrective maintenance, reconstruction and repairs, and upgrades of all the South African Navy ships and submarines. The corporation, through its research and development facilities, provides operational research and comprehensive testing and evaluation services of defence systems and capabilities in both the military and civilian environments.

The corporation's strategic goals over the medium term are:

- continued focus and commitment on delivering on its role of acquiring equipment economically and efficiently
- ensure the growth and sustainability of the corporation
- transformation of the corporation to grow human capabilities to support growth opportunities
- organisational effectiveness and efficiencies through infrastructure renewal
- review and maintain stakeholder relationships to optimise the corporation's brand positioning and marketing.

Selected performance indicators

Table 22.32 Armaments Corporation of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Management of defence matériel	Entity mandate	96.1% (R428m)	89.1% (R311m)	99.9% (R512m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Management of defence matériel		101.9% (R2.2bn)	86.2% (R1.8bn)	108.5% (R1.6bn)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Management of defence matériel		99.9% (R33m)	100% (R77.4m)	100% (R57.7m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Management of defence matériel		100.8% (R1.1bn)	94.4% (R997m)	115.3% (R618m)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Logistics support		97.9% (R1bn)	98.8% (R1.1bn)	88.8% (R1.1bn)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Logistics support		99.9% (R2.7bn)	100.1% (R3.6bn)	112.3% (R3.6bn)	90%	90%	90%	90%
Defence industrial participation credits awarded in terms of contractually agreed milestones	Administration		R1.58bn	R1.45bn	R75m	R136m	R440m	R358m	R18m
Execution of defence technology, research, test and evaluation activities as a percentage of planned activities	Management of strategic facilities: Research and development		96% (R83.0m)	95.5% (R186.2m)	94.5% (R183.8m)	90%	90%	90%	90%

Programmes/activities/objectives

Table 22.33 Armaments Corporation of South Africa

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
Administration	322 656	299 569	268 287	376 832	5.3%	22.4%	361 158	358 598	382 252	0.5%	18.2%
Quality assurance	67 225	68 667	66 767	86 399	8.7%	5.2%	90 275	94 731	101 584	5.5%	4.6%
Management of defence matériel acquisition	247 454	222 599	219 318	302 256	6.9%	17.5%	317 617	334 401	358 137	5.8%	16.1%
Logistics support	638 351	80 408	105 892	505 176	-7.5%	19.4%	531 963	560 405	590 647	5.3%	26.8%
Management of strategic facilities - Armscor dockyard	194 120	165 345	162 080	231 150	6.0%	13.2%	241 438	253 282	270 993	5.4%	12.2%
Management of strategic facilities - research and development	401 364	244 015	242 176	422 428	1.7%	22.2%	439 078	459 201	489 233	5.0%	22.2%
Total expense	1 871 169	1 080 603	1 064 520	1 924 241	0.9%	100.0%	1 981 529	2 060 619	2 192 846	4.5%	100.0%

Expenditure estimates

Table 22.34 Armaments Corporation of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
Revenue											
Non-tax revenue	1 293 400	401 621	2 073 329	957 549	-9.5%	56.3%	880 893	924 936	971 184	0.5%	45.7%
Sale of goods and services other than capital assets	1 202 200	305 188	308 136	838 913	-11.3%	35.9%	760 131	798 136	838 044	-0.0%	39.6%
<i>of which:</i>											
<i>Sales by market establishment</i>	1 202 200	305 188	308 136	838 913	-11.3%	35.9%	760 131	798 136	838 044	-0.0%	39.6%
Other non-tax revenue	91 200	96 433	1 765 193	118 636	9.2%	20.4%	120 762	126 800	133 140	3.9%	6.1%
Transfers received	594 800	752 271	747 039	1 018 929	19.7%	43.7%	1 101 475	1 123 955	1 198 329	5.6%	54.3%
Total revenue	1 888 200	1 153 892	2 820 368	1 976 478	1.5%	100.0%	1 982 368	2 048 891	2 169 513	3.2%	100.0%
Expenses											
Current expenses	1 871 169	1 080 603	1 064 520	1 924 241	0.9%	100.0%	1 981 529	2 060 619	2 192 846	4.5%	100.0%
Compensation of employees	639 556	681 958	696 185	858 634	10.3%	51.8%	935 468	1 005 628	1 081 050	8.0%	47.5%
Goods and services	1 205 833	372 245	337 638	1 028 197	-5.2%	46.0%	1 006 587	1 013 543	1 068 276	1.3%	50.5%
Depreciation	22 680	26 400	30 697	37 410	18.2%	2.1%	39 474	41 448	43 520	5.2%	2.0%
Interest, dividends and rent on land	3 100	-	-	-	-100.0%	0.0%	-	-	-	-	-
Total expenses	1 871 169	1 080 603	1 064 520	1 924 241	0.9%	100.0%	1 981 529	2 060 619	2 192 846	4.5%	100.0%
Surplus/(Deficit)	17 031	73 289	1 755 848	52 237	45.3%		839	(11 727)	(23 332)	-176.4%	
Statement of financial position											
Carrying value of assets	236 300	242 200	1 899 103	1 351 910	78.9%	43.6%	1 347 036	1 341 888	1 336 468	-0.4%	58.4%
<i>of which:</i>											
<i>Acquisition of assets</i>	-	-	45 510	67 459	-	1.1%	35 700	37 450	39 300	-16.5%	2.0%
Inventory	6 500	7 600	11 688	10 688	18.0%	0.6%	12 188	13 188	13 549	8.2%	0.5%
Receivables and prepayments	178 900	182 300	134 178	132 916	-9.4%	12.0%	136 916	141 416	151 338	4.4%	6.1%
Cash and cash equivalents	374 800	440 600	685 711	684 932	22.3%	34.5%	695 585	695 716	685 558	0.0%	30.0%
Defined benefit plan assets	124 100	137 700	134 000	126 300	0.6%	9.3%	118 300	110 300	100 300	-7.4%	4.9%
Total assets	920 600	1 010 400	2 864 680	2 306 746	35.8%	100.0%	2 310 025	2 302 508	2 287 213	-0.3%	100.0%
Accumulated surplus/(deficit)	75 000	75 000	1 756 207	612 923	101.4%	25.9%	613 762	602 034	578 701	-1.9%	26.1%
Capital and reserves	478 800	552 100	627 092	1 231 624	37.0%	45.5%	1 231 624	1 231 624	1 231 624	-	53.5%
Deferred income	24 700	69 100	136 491	97 340	58.0%	4.6%	80 986	65 299	54 453	-17.6%	3.2%
Trade and other payables	236 500	203 100	231 970	243 422	1.0%	16.1%	254 086	265 284	277 041	4.4%	11.3%
Provisions	105 600	111 100	112 920	121 437	4.8%	7.9%	129 567	138 267	145 394	6.2%	5.8%
Total equity and liabilities	920 600	1 010 400	2 864 680	2 306 746	35.8%	100.0%	2 310 025	2 302 508	2 287 213	-0.3%	100.0%

Personnel information

Table 22.35 Armaments Corporation of South Africa

Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost		
		Salary level	1 567	1 567	1 454	696.2	0.5	1 567	858.6	0.5	1 739	935.5	0.5	1 739	953.7	0.6	1 739	1 025.3	0.7
1 – 6	137	137	122	14.1	0.1	137	22.8	0.2	203	17.7	0.1	203	19.0	0.1	203	20.4	0.1	-3.6%	9.8%
7 – 10	552	552	539	133.5	0.2	552	174.5	0.3	606	143.9	0.2	606	154.7	0.3	606	166.3	0.3	-1.6%	33.1%
11 – 12	418	418	386	177.1	0.5	418	201.6	0.5	431	191.5	0.4	431	205.9	0.5	431	221.3	0.5	3.2%	26.7%
13 – 16	451	451	405	368.0	0.9	451	421.4	0.9	491	497.6	1.0	491	534.9	1.1	491	575.0	1.2	10.9%	30.0%
17 – 22	9	9	2	3.5	1.8	9	38.3	4.3	8	84.8	10.6	8	91.1	11.4	8	98.0	12.2	36.7%	0.5%

1. Rand million.

Expenditure trends

The main source of revenue for the Armaments Corporation of South Africa is transfer payments received from the Department of Defence and sales of goods and services such as redundant equipment. These payments increase at an average annual rate of 6 per cent and do not usually cover the corporation's total operational costs. Interest earned on its revenue is also used to finance operating expenditure.

The cost of sales line item, under goods and services, as well as sales figures, decreased between 2011/12 and 2012/13 due to an international accounting standard, which states that sales and cost of sales made on behalf of a principal must not be included in the financial statements of the agent. For budget purposes however, sales and cost of sales of the principal are included, hence an increase in these figures over the medium term.

The spending focus over the medium term is to meet the defence matériel requirements of the Department of Defence effectively, efficiently and economically.

Personnel costs remain the main contributor to the organisation's expenditure between 2010/11 and 2013/14, accounting for a little over 50 per cent of the total expenditure. The number of personnel is expected to increase from 1 567 in 2013/14 to 1 739 in 2016/17. This is mainly due to the filling of critical vacancies, including the chief executive officer and general manager. This is also due to the establishment of capabilities to fully support the South African Navy at the Simon's Town Naval Dockyard.

Consultants used are predominantly for legal services and mostly in litigation matters. It is expected that around R14.6 million will be spent on legal services over the medium term, which includes costs related to the Arms Procurement Commission. The entity has a funded establishment of 1 567 posts. There were 172 vacant posts at the end of November 2013 due to retirements and resignations. Most vacancies have been advertised and are in the process of being filled. Personnel numbers are expected to stabilise at 1 739 over the medium term.

Castle Control Board

Mandate and strategic goals

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 to maximise public access to the parts of the castle that are not used by the Department of Defence. The Defence Endowment Property and Account Act (1922) and the National Heritage Resources Act (1999) also cover aspects of its mandate.

The board's strategic goals are to:

- establish a human resources development plan for the castle
- prepare and implement displays on World War I
- combine the maintenance activities of the Department of Public Works and the Castle Control Board, which includes appointing a maintenance team to carry out minor preventative maintenance.

Selected performance indicators

Table 22.36 Castle Control Board

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Income from events and hosting film and fashion shoots per year	Increased public profile and positive perception across all sectors of the community	Outcome 12: An empowered, fair and inclusive citizenship	R207 000	R532 000	R263 000	R276 000	R298 000	R310 000	R390 000
Number of visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		130 000	138 000	140 000	145 000	150 000	156 000	160 000
Income from visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		R1 484	R1 745	R1 900	R2 000	R2 110	R2 260	R2 300
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		-1	-1	-1	-1	20	25	30

1. There is no historical data because this is a new indicator.

Programmes/activities/objectives

Table 22.37 Castle Control Board

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	1 174	1 766	1 711	2 526	29.1%	65.5%	3 573	5 226	5 525	29.8%	64.9%
Ensure the preservation, interpretation and showcasing the history of the Castle	633	498	658	1 463	32.2%	28.5%	1 863	1 950	2 020	11.4%	29.5%
Maximising the tourist potential of the Castle of Good Hope	62	37	58	67	2.6%	2.1%	75	130	150	30.8%	1.6%
Increased public profile and positive perception across all sectors of the community	116	68	107	104	-3.6%	3.9%	260	330	360	51.3%	3.9%
Total expense	1 985	2 369	2 534	4 160	28.0%	100.0%	5 771	7 636	8 055	24.6%	100.0%

Expenditure estimates

Table 22.38 Castle Control Board

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	2 878	3 182	3 417	4 160	13.1%	100.0%	5 771	7 636	8 055	24.6%	100.0%
Sale of goods and services other than capital assets	2 039	2 491	2 508	3 560	20.4%	77.0%	5 171	7 036	7 455	27.9%	90.0%
<i>of which:</i>											
<i>Sales by market establishment</i>	2 039	2 491	2 508	3 560	20.4%	77.0%	5 171	7 036	7 455	27.9%	90.0%
Other non-tax revenue	839	691	909	600	-10.6%	23.0%	600	600	600	-	10.0%
Total revenue	2 878	3 182	3 417	4 160	13.1%	100.0%	5 771	7 636	8 055	24.6%	100.0%
Expenses											
Current expenses	1 985	2 369	2 534	4 160	28.0%	100.0%	5 771	7 636	8 055	24.6%	100.0%
Compensation of employees	557	796	864	1 505	39.3%	33.0%	2 472	3 980	4 225	41.1%	45.9%
Goods and services	1 366	1 510	1 615	2 430	21.2%	63.7%	3 224	3 586	3 765	15.7%	52.0%
Depreciation	62	63	55	225	53.7%	3.3%	75	70	65	-33.9%	2.1%
Total expenses	1 985	2 369	2 534	4 160	28.0%	100.0%	5 771	7 636	8 055	24.6%	100.0%
Surplus/(Deficit)	893	813	883	-	-100.0%	-	-	-	-	-	-

Table 22.38 Castle Control Board

Statement of financial position	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Carrying value of assets	1 260	1 271	1 391	1 491	5.8%	10.0%	1 591	1 741	2 216	14.1%	12.4%
of which:											
Acquisition of assets	66	74	175	100	14.9%	0.8%	125	150	150	14.5%	0.9%
Inventory	126	83	66	58	-22.8%	0.6%	70	75	100	19.9%	0.5%
Receivables and prepayments	66	103	213	49	-9.5%	0.8%	75	75	75	15.2%	0.5%
Cash and cash equivalents	11 078	11 978	12 546	12 546	4.2%	88.6%	12 500	12 400	11 900	-1.7%	86.6%
Total assets	12 530	13 435	14 216	14 144	4.1%	100.0%	14 236	14 291	14 291	0.3%	100.0%
Accumulated surplus/(deficit)	12 459	13 272	14 155	14 216	4.5%	99.3%	14 216	14 216	14 216	-	99.8%
Trade and other payables	71	163	61	68	-1.4%	0.7%	75	75	75	3.3%	0.5%
Total equity and liabilities	12 530	13 435	14 216	14 284	4.5%	100.0%	14 291	14 291	14 291	0.0%	100.3%

Personnel information

Table 22.39 Castle Control Board: Detail of Approved Establishment and Personnel Numbers According to Salary Level

Salary level	Number of posts estimated for 31 March 2014		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 (%) 2013/14 - 2016/17	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	14	14	11	0.9	0.1	13	1.5	0.1	14	2.5	0.2	14	3.2	0.2	11	3.4	0.3	31.1%	100.0%
1 – 6	9	9	9	0.5	0.1	9	0.5	0.1	9	0.5	0.1	9	0.9	0.1	9	1.0	0.1	29.5%	69.9%
7 – 10	3	3	1	0.1	0.1	2	0.2	0.1	3	0.6	0.2	3	-	-	-	-	-	-100.0%	14.6%
11 – 12	1	1	-	-	-	1	0.1	0.1	1	0.6	0.6	1	1.0	1.0	1	1.0	1.0	132.1%	7.8%
13 – 16	1	1	1	0.2	0.2	1	0.8	0.8	1	0.9	0.9	1	1.3	1.3	1	1.4	1.4	21.5%	7.8%

1. Rand million.

Expenditure trends

Revenue for the Castle Control Board is primarily generated from ticket sales to visitors to the Castle of Good Hope, the renting out of venues in the castle, and fees from hosting special events, with no direct funding from the department. This revenue increased between 2010/11 and 2013/14 and is expected to increase at an average annual rate of 7 per cent over the medium term.

The board's spending focus over the medium term is to optimise the tourism potential of the castle and the accessibility of the castle to the public. The board plans to deliver a series of innovative public events over the medium term intended to promote understanding of the castle as a global heritage icon in an effort to maximise its public profile and positive perception across all sectors of the community. It will also continue to deliver a comprehensive range of visitor services and experiences in order to attract more tourists and local visitors. The board aims to remain focused on the delivery of excellent corporate governance through tight internal controls and world class administration, and on the preservation, interpretation and showcasing of the castle's rich and storied history.

The projected increase in compensation of employees over the medium term is to provide for the appointment of an executive director, chief financial officer, and tourism and events coordinator in 2013/14. There are 14 people employed by the board, with an additional 8 staff members remunerated by the department. The appointment of critical staff members is expected to diminish the need for consultants over the medium term. Nevertheless, there are some specialised skills which are required occasionally that have not been accommodated within the entity's short and medium term staffing plans, such as legal and human resources specialists.

Expenses for maintaining and preserving the castle are expected to increase over the medium term due to its age, and because identified preservation challenges are now being addressed. The projected increases in

expenditure on goods and services over the medium term can mainly be attributed to the maintenance of the castle, audits, and consultants.

Additional tables

Table 22.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Main	Appropriation		Revised estimate
	Main	Adjusted			Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14		2013/14	
Administration	3 730 776	3 820 654	3 781 561	4 434 602	74 397	4 508 999	4 508 999
Force Employment	2 670 902	2 748 195	2 780 976	3 283 875	271 867	3 555 742	3 555 742
Landward Defence	12 686 731	12 313 743	12 367 923	13 853 840	(248 987)	13 604 853	13 604 853
Air Defence	6 749 665	7 118 720	7 074 945	6 250 213	(535 780)	5 714 433	5 714 433
Maritime Defence	2 551 307	2 862 252	2 894 945	3 171 066	(63 725)	3 107 341	3 107 341
Military Health Support	3 316 507	3 496 454	3 459 916	3 642 498	119 553	3 762 051	3 762 051
Defence Intelligence	709 663	712 147	705 050	762 405	5 535	767 940	767 940
General Support	5 077 403	4 816 377	4 636 902	4 844 844	791 981	5 636 825	5 636 825
Total	37 492 954	37 888 542	37 702 218	40 243 343	414 841	40 658 184	40 658 184
Economic classification							
Current payments	30 156 953	31 031 197	29 584 619	32 207 868	1 380 264	33 588 132	33 588 132
Compensation of employees	18 967 786	19 346 063	19 688 398	20 863 845	509 200	21 373 045	21 373 045
Goods and services	11 189 167	11 685 134	9 896 221	11 344 023	871 064	12 215 087	12 215 087
Transfers and subsidies	6 376 133	6 078 898	6 103 412	7 355 004	(1 183 833)	6 171 171	6 171 171
Departmental agencies and accounts	5 327 877	4 966 133	4 960 514	6 192 554	(1 497 318)	4 695 236	4 695 236
Foreign governments and international organisations	–	–	–	–	299 107	299 107	299 107
Public corporations and private enterprises	914 753	974 932	1 028 701	1 021 264	11 078	1 032 342	1 032 342
Non-profit institutions	6 213	6 213	6 965	6 923	–	6 923	6 923
Households	127 290	131 620	107 232	134 263	3 300	137 563	137 563
Payments for capital assets	622 164	630 349	1 877 739	680 471	64 798	745 269	745 269
Buildings and other fixed structures	111 110	111 110	685 274	115 562	–	115 562	115 562
Machinery and equipment	460 459	468 644	1 162 786	510 869	64 798	575 667	575 667
Specialised military assets	49 546	49 546	22 642	40 478	–	40 478	40 478
Biological assets	–	–	4 050	163	–	163	163
Software and other intangible assets	1 049	1 049	2 987	13 399	–	13 399	13 399
Payments for financial assets	337 704	148 098	136 448	–	153 612	153 612	153 612
Total	37 492 954	37 888 542	37 702 218	40 243 343	414 841	40 658 184	40 658 184

Table 22.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	16 597 098	17 568 980	19 688 398	21 373 045	21 980 247	23 354 696	25 138 502
Training expenditure (R thousand)	118 977	154 763	107 536	194 231	175 391	185 842	181 036
Training spend as percentage of compensation	0.7%	0.9%	0.5%	0.9%	0.8%	0.8%	0.7%

Table 22.C Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand													
Foreign In kind													
United States of America	Aircrew simulator training and C130 aircraft spares	Air Defence	One year	4 029	Goods and services	Training for 59 members	-	-	-	4 029	-	-	-
United States of America	Aviation safety training	Air Defence	One year	144	Goods and services	Training course for 1 member	-	-	144	-	-	-	-
United States of America	Combating terrorism, United States Air Force squadron officer, United States Air War College, United States Air Command and Staff College	Administration	One year	4 050	Goods and services	Training in each course for 1 member	-	-	4 050	-	-	-	-
Germany	Senior staff course preceded by German language course and detachment to training ship Gorsh Fock	Maritime Defence	August 2008 - July 2010	93	Goods and services	Training course and deployment for 1 member	-	-	-	45	-	-	-
Total				8 316			-	-	4 194	4 074	-	-	-

Table 22.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate				
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16	2016/17	
R thousand												
Departmental infrastructure												
Rebuilding of the runway at Air Force Base Waterkloof	Upgrading of runway	Hand over	1 113 576	134 083	172 642	130 000	-	-	-	-	-	
Construction of mess and living-in complex	Construction of mess and living-in complex at the Military Health Training Formation in Thaba Tshwane to accommodate 1200 members	Construction	371 196	-	-	191 095	109 900	29 308	20 860	10 033		
Relocation of air force base	Relocation of Air Force Base Durban to King Shaka Airport	Pre-feasibility	115 719	-	-	-	-	4 719	2 000	5 000		
Prefabricated structures	Procurement of prefabricated classroom and office accommodation	Various	22 181	-	-	-	-	1 260	683	1 000		
Demolishing of infrastructure	Demolition	Various	391 500	-	-	5 000	-	-	-	22 500		
Construction of new fire station and control tower	Construction of fire station and control tower	Construction	2 554	-	-	54	2 500	-	-	-		
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and ground works	Various	577 938	187 377	78 224	66 250	83 419	55 918	17 500	82 500		
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	304 129	42 500	38 012	30 366	58 028	12 000	22 000	692		
Upgrading of kitchens	Construction and upgrading of kitchens at military bases	Identification	38 195	-	299	920	59	4 039	6 878	-		
Construction of living-in accommodation	Construction of single and married housing units in the form of houses and flats to accommodate military personnel	Various	550 050	46 962	75	15 960	21 839	10 227	15 713	36 143		

Table 22.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and ground works	Various	6 725 584	261 366	185 442	829 768	750 640	798 526	846 454	1 891 309
Refurbishment of messes	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and ground works	Various	178 104	–	1 428	62 500	64 853	22 604	7 966	10 000
Construction of office accommodation	Construction of offices to accommodate military personnel	Various	58 895	–	1 358	3 500	33 331	3 600	7 000	6 106
Upgrading of infrastructure for disabled members	Upgrading of buildings and pathways by means of the construction of ramps, installations of water closets, hand wash basins for members with disabilities	Various	16 011	200	1 360	1 398	1 541	5 512	6 000	–
Resurface of access roads	Resurface and tarring of access roads to military facilities	Various	1 876	–	–	–	–	1 689	187	–
Refurbishment of South African Defence Intelligence Centre	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and ground works	Various	56 466	–	–	–	305	1 063	2 548	50 050
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitor systems	Various	213 612	20 716	894	10 971	19 377	11 881	10 250	(250)
Refurbishment of Air Force Base Waterkloof single quarters	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and ground works	Various	28 000	–	–	–	–	3 000	8 000	10 000
Specialised shipping containers	Construction of buildings in order to comply with legislation in the storage of ordinance	Various	6 848	5 401	–	1 447	–	–	–	–
Training facilities	Construction and upgrading of training facilities	Various	223 986	–	598	17 297	24 686	18 072	22 133	21 200
Water and electricity systems	Upgrading of water and electricity supply as well as sewerage reticulation	Various	45 925	–	–	2 787	16 358	9 400	7 700	9 680
Workshops and stores	Construction of workshops and stores	Various	109 000	–	50 382	13 842	10 372	12 000	7 304	2 000
Refurbishment of family quarters	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and ground works	Various	115 451	–	–	–	–	25 451	17 000	14 000
Recoverable projects	Upgrading of buildings in military bases	Various	130 692	1 341	–	(1 447)	10 526	12 985	13 126	11 565
Total			11 397 488	699 946	530 714	1 381 708	1 207 734	1 043 254	1 041 302	2 183 528



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA