

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

DEFENCE AND
MILITARY VETERANS

VOTE 19



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2016

National Treasury

Republic of South Africa

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The 2016 Estimates of National Expenditure 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 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Defence and Military Veterans

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Vote purpose.....	1
Mandate	1
Selected performance indicators	1
Expenditure analysis.....	2
Expenditure trends	4
Expenditure estimates	5
Personnel information	7
Departmental receipts	7
Programme 1: Administration	8
Programme 2: Force Employment.....	10
Programme 3: Landward Defence	13
Programme 4: Air Defence	16
Programme 5: Maritime Defence.....	18
Programme 6: Military Health Support	21
Programme 7: Defence Intelligence.....	24
Programme 8: General Support	26
Entities.....	40
Additional tables.....	47

Vote 19

Defence and Military Veterans

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	5 151.1	4 497.6	644.7	8.8	5 348.4	5 560.4
Force Employment	3 899.6	3 550.9	254.5	94.2	3 945.6	4 039.6
Landward Defence	15 651.4	13 167.6	2 457.9	25.9	16 838.7	17 714.5
Air Defence	6 883.5	5 601.6	1 275.1	6.8	6 596.1	7 240.3
Maritime Defence	4 355.9	2 982.2	1 367.0	6.6	4 557.3	4 427.5
Military Health Support	4 416.8	4 407.4	6.5	2.9	4 400.4	4 578.4
Defence Intelligence	900.2	443.0	456.7	0.6	917.2	944.3
General Support	5 911.1	4 450.8	1 318.4	141.9	6 140.9	6 220.6
Total expenditure estimates	47 169.7	39 101.1	7 780.8	287.8	48 744.6	50 725.7
Executive authority	Minister of Defence					
Accounting officer	Secretary for Defence					
Website address	www.dod.mil.za					

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

Vote purpose

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

Mandate

The Department of Defence derives its mandate from section 200 of the Constitution, the Defence Act (2002), as amended by the Defence Amendment Act (2010), as well as the 1996 White Paper on Defence, the 1998 Defence Review and the 2015 South African Defence Review. The department is required to provide, manage, prepare and employ defence capabilities that are commensurate with the needs of South Africa.

Selected performance indicators

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	40	43	43	45	46	46	46
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	8 955	7 005	3 889	3 863	4 001	3 997	3 949
Number of reserve force person days ¹	Administration	Outcome 3: All people in South Africa are and feel safe	- ¹	- ¹	2 695 742	2 442 792	2 701 681	2 707 164	2 707 349
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	100%	79%	79%	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment Landward Defence Defence Intelligence	Outcome 11: Create a better South Africa, a better Africa and a better world	125% (5)	83% (5)	140% (7)	100% ²	100% ²	100% ²	100% ²
Percentage compliance with number of ordered commitments (internal operations) ³	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4)	100% (4)	100% (4)	100% ²	100% ²	100% ²	100% ²

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	5	5	5	5	4	3	3
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	11	13	13	13	15	15	15
Number of force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	11 697	4 471	5 026	6 500	5 000	5 000	5 000
Number of hours at sea per year	Maritime Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	7 339	11 081	8 951	12 000	12 000	12 000	12 000

1. This indicator was changed from 2014/15 onwards. It previously measured the number of reserves used per year.

2. Only executed operations are reported on. The number of ordered commitments cannot be predicted, thus no absolute values can be provided.

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

Expenditure analysis

Over the medium term, the Department of Defence will prioritise maintaining South Africa's defence capabilities, safeguarding South Africa's borders and territorial integrity, participating in peace support operations, and developing cyber security policy, among other ongoing contributions to the national development plan. The department also contributes on an ongoing basis to outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium term strategic framework.

Compensation of employees continues to be the department's largest expenditure item over the medium term at R26.9 billion in 2016/17, and increasing to R27.1 billion in 2018/19. Compensation of employees constitutes 57 per cent of the department's total expenditure in 2016/17, and provides for an average of 80 234 personnel per year. As part of Cabinet's decision to lower the national aggregate expenditure ceiling, the department's compensation of employees budget has been reduced by R1.9 billion in 2017/18 and R2.9 billion in 2018/19, decreasing its share of the department's total expenditure to 53.5 per cent by 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

The department's goods and services budget has similarly been reduced, by R193.9 million for 2016/17, R94.3 million for 2017/18 and R82.4 million for 2018/19. Contractors and property payments remain the department's largest spending items under goods and services over the medium term, driven by the significant costs of maintaining equipment such as weapons, aircraft and ships. Other significant goods and services spending anticipated in 2016/17 includes R1.9 billion on property payments, R1.3 billion on operating leases, R1.2 billion on computer services, R896.3 million on food and food supplies, R810.3 million on subsistence and travel, R618.7 million on fuel, oil and gas, and R559.7 million for operating payments.

Maintaining South Africa's defence capabilities

The recent defence review provides the long term policy for South Africa's defence trajectory over the next 20 to 30 years. The focus of the review is maintaining a balanced, flexible and modern force that uses advanced technology in response to emerging threats and the changing nature of defence functions globally. The review proposes 5 critical implementation milestones. Arresting the decline in critical capabilities through immediate and directed interventions is the first milestone, and is a focus for the medium term.

The department will be replacing the infantry combat vehicle, developing a mobile water provisioning system, developing a mass field feeding system, developing new generation personal equipment for soldiers, and establishing a new command centre for anti-aircraft capability. This is reflected in the 14.9 per cent increase in 2017/18, and the large increase over the medium term in spending in the *Infantry Capability* subprogramme in the *Landward Defence* programme, as well as the average annual increase of 19.7 per cent in the *Air Defence Artillery Capability* subprogramme over the medium term. The *Landward Defence* programme is the largest programme in the Department of Defence, with average annual spending of 34.1 per cent of the department's total medium term budget.

Replacing medium distance 3D radar and precision guided air force ammunition accounts for the increase in the *Air Defence* programme in 2018/19. In the *Maritime Defence* programme, provision is made in 2016/17 for replacing the hydrographic vessel by 2019/20 and the heavyweight torpedo capability by 2022/23, for the acquisition of offshore patrol vessels by 2024/25, and for updating static communication in the South African

Navy by 2017/18. This is also the main reason for the large increase in expenditure in the *Maritime Combat Capability* subprogramme over the medium term.

Expanding and maintaining infrastructure

Over the medium term, the department's infrastructure programme will cover the construction of medical health facilities, the upgrading of facilities for disabled people, the construction and upgrading of training facilities, improvements to accommodation, and improvements to kitchen and security facilities. Large projects include the construction of a base hospital in Port Elizabeth, and the refurbishment of 6 SA Infantry Battalion in Grahamstown, the air force base in Bloemspruit, the army and air force headquarters in Pretoria, and the non-commissioned officers' mess in Thaba Tshwane. Priority small projects include the refurbishment of the Overberg air force base in Bredasdorp, 1 Tactical Intelligence Regiment in Potchefstroom, Salisbury Island naval base in Durban, and the military academy in Saldanha. Fixed equipment in military kitchens will be replaced at 33 military bases. Unserviceable infrastructure will be demolished in Thaba Tshwane and on Malgaskop at the military academy in Saldanha. The total budget for this work is R3.3 billion over the medium term.

Safeguarding South Africa's borders and territorial integrity

Over the medium term, approximately 6 000 regular and reserve force members will be trained per year for deployment to border safeguarding. This training is budgeted for in the *Landward Defence* programme. In addition, the department will increase the number of landward sub-units from 13 in 2015/16 to 15 in 2016/17. R3.6 billion over the medium term is budgeted for border safeguarding in the *Force Employment* programme. As part of the maritime security strategy, the South African Navy is re-establishing the Durban naval base. R35 million over the medium term is budgeted in the *Maritime Defence* programme to install ICT systems, refurbish security fences, and create warehouse and maintenance capacity.

Participating in peace support operations

The department will continue to provide defence force support in operations to bring economic and political stability to the continent through its participation in 5 external operations: 2 United Nations (UN)/African Union (AU) mandated peace support operations in the Democratic Republic of the Congo and the Sudan; 2 general military assistance operations, which will include advising and assisting the armed forces of the Democratic Republic of the Congo with writing and printing military strategy handbooks and training its defence forces; and support to the Mozambican government with counter piracy operations. R4.6 billion over the medium term is provided for these peace support operations.

Establishing cyber security institutional capacity

Outcome 3 (all people in South Africa are and feel safe) of government's 2014/2019 medium term strategic framework includes securing cyberspace. The department's cyber warfare strategy is expected to be ready for implementation by 2016/17. In 2015/16, 10 departmental personnel were transferred to the command centre, which has improved the department's cyber monitoring capacity. The centre will be fully established by 2018/19 and R340 million has been budgeted for this in the *Defence Intelligence* programme over the medium term.

Expenditure trends

Table 19.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Force Employment																																	
3. Landward Defence																																	
4. Air Defence																																	
5. Maritime Defence																																	
6. Military Health Support																																	
7. Defence Intelligence																																	
8. General Support																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)				
R million	2012/13			2013/14			2014/15			2015/16			2012/13			2014/15			2015/16			2012/13			2014/15			2015/16			2012/13	2014/15	2015/16
Programme 1	3 730.8	3 820.7	3 781.6	4 434.6	4 509.0	4 511.0	4 866.5	4 499.7	4 659.0	4 827.2	4 862.4	4 862.4	99.7%			100.7%																	
Programme 2	2 670.9	2 748.2	2 781.0	3 283.9	3 555.7	3 346.7	3 437.0	3 487.0	3 631.4	3 603.2	3 813.3	3 813.3	104.4%			99.8%																	
Programme 3	12 686.7	12 313.7	12 367.9	13 853.8	13 604.9	13 599.1	13 854.9	14 241.9	14 049.1	14 805.3	15 202.4	15 202.4	100.0%			99.7%																	
Programme 4	6 749.7	7 118.7	7 074.9	6 250.2	5 714.4	6 031.5	7 166.9	7 176.6	6 913.5	7 049.2	7 167.6	7 167.6	99.9%			100.0%																	
Programme 5	2 551.3	2 862.3	2 894.9	3 171.1	3 107.3	3 226.4	3 678.5	3 678.5	3 802.4	3 717.2	3 769.1	3 769.1	104.4%			102.1%																	
Programme 6	3 316.5	3 496.5	3 459.9	3 642.5	3 762.1	3 733.6	3 849.1	3 849.1	4 053.1	3 932.9	4 069.3	4 069.3	103.9%			100.9%																	
Programme 7	709.7	712.1	705.1	762.4	767.9	774.7	792.1	813.7	819.8	827.5	831.5	831.5	101.3%			100.2%																	
Programme 8	5 077.4	4 816.4	4 636.9	4 844.8	5 636.8	5 224.6	5 186.3	5 110.5	4 914.1	5 817.0	5 372.6	5 372.6	96.3%			96.2%																	
Total	37 493.0	37 888.5	37 702.2	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 088.2	100.6%			99.8%																	
Change to 2015											508.8																						
Budget estimate																																	
Economic classification																																	
Current payments	30 157.0	31 031.2	29 584.6	32 207.9	33 588.1	32 747.9	34 471.1	34 471.1	34 343.5	36 162.0	36 607.6	36 607.6	100.2%			98.2%																	
Compensation of employees	18 967.8	19 346.1	19 688.4	20 863.8	21 373.0	21 332.7	21 980.2	22 476.2	23 005.8	24 595.0	24 890.4	24 890.4	102.9%			100.9%																	
Goods and services	11 189.2	11 685.1	9 896.2	11 344.0	12 215.1	11 415.2	12 490.9	11 994.9	11 337.7	11 567.0	11 717.2	11 717.2	95.2%			93.2%																	
of which:																																	
Administrative fees	9.9	9.9	9.1	6.9	6.9	9.6	6.3	6.3	12.3	6.0	6.0	6.0	127.4%			127.4%																	
Advertising	8.3	8.3	12.0	7.9	7.9	32.1	9.4	9.4	12.5	7.2	7.2	7.2	194.4%			194.4%																	
Minor assets	193.9	199.7	132.7	243.2	244.0	137.4	280.4	280.4	127.7	150.9	150.9	150.9	63.2%			62.7%																	
Audit costs: External	61.1	61.1	57.0	62.1	62.1	70.9	66.5	66.5	73.2	69.8	69.8	69.8	104.4%			104.4%																	
Catering: Departmental activities	40.8	40.9	17.6	19.4	30.5	24.1	21.1	21.1	20.9	17.8	17.8	17.8	81.1%			72.8%																	
Communication	116.2	117.1	92.9	118.0	118.0	91.2	124.0	124.0	91.5	107.8	107.8	107.8	82.3%			82.1%																	
Computer services	1 132.9	1 036.1	896.6	888.8	1 129.1	1 019.4	1 073.0	1 050.7	988.4	1 002.8	997.0	997.0	95.2%			92.6%																	
Consultants: Business and advisory services	163.7	168.5	133.3	132.7	160.9	203.5	160.3	169.5	274.4	170.5	170.5	170.5	124.6%			116.8%																	
Infrastructure and planning services	24.6	24.6	7.9	46.1	46.1	3.4	71.7	71.7	19.2	66.0	66.0	66.0	46.3%			46.3%																	
Laboratory services	10.7	10.7	18.5	12.3	12.3	29.8	20.8	20.8	26.9	26.5	26.5	26.5	144.7%			144.7%																	
Legal services	-	-	-	-	-	41.4	-	-	30.0	10.2	10.2	10.2	801.0%			801.0%																	
Science and technological services	8.8	8.8	-	9.3	9.3	40.9	9.8	9.8	56.2	-	-	-	348.4%			348.4%																	
Contractors	4 195.7	4 380.1	2 041.6	2 230.3	2 337.0	2 538.8	2 789.1	2 789.1	2 735.5	2 705.8	2 705.8	2 705.8	84.1%			82.1%																	
Agency and support/outsourced services	350.5	426.6	572.3	617.8	609.6	458.2	340.5	331.3	490.4	380.3	380.3	380.3	112.6%			108.8%																	
Entertainment	9.8	9.8	14.8	12.0	12.0	9.5	6.4	6.4	2.9	3.7	3.7	3.7	96.9%			96.8%																	
Fleet services (including government motor transport)	-	-	32.7	39.8	39.8	41.4	128.3	128.3	96.8	122.7	122.7	122.7	100.9%			100.9%																	
Inventory: Clothing material and accessories	-	-	-	-	-	-	215.1	215.1	208.1	189.7	189.7	189.7	98.3%			98.3%																	
Inventory: Farming supplies	-	-	-	-	-	-	7.5	7.5	5.7	7.2	7.2	7.2	88.1%			88.1%																	
Inventory: Food and food supplies	1 015.6	1 006.1	725.2	543.7	743.7	833.6	806.6	804.3	872.4	732.8	732.8	732.8	102.1%			96.3%																	
Inventory: Fuel, oil and gas	630.4	652.4	534.4	649.6	674.1	652.7	623.5	623.5	455.7	561.1	561.1	561.1	89.4%			87.8%																	
Inventory: Learner and teacher support material	-	-	-	-	-	-	106.0	106.0	-	-	-	-	-			-																	
Inventory: Materials and supplies	210.6	210.8	152.2	156.9	194.2	144.5	112.3	112.3	138.4	106.7	262.6	262.6	119.0%			89.5%																	

Table 19.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget/Average (%)	Outcome/Adjusted appropriation/Average (%)
R million														
Inventory: Medical supplies	253.0	253.0	76.8	84.2	84.8	86.1	96.8	96.8	75.4	74.1	74.1	74.1	61.5%	61.4%
Inventory: Medicine	0.2	95.6	195.6	197.9	197.9	189.3	171.3	171.3	167.9	136.2	136.2	136.2	136.3%	114.7%
Inventory: Other supplies	128.5	128.5	261.9	390.5	420.5	133.5	222.4	218.4	111.0	91.3	91.3	91.3	71.8%	69.6%
Consumable supplies	174.1	174.1	221.0	–	0.1	201.9	125.3	125.3	122.8	122.9	122.9	122.9	158.4%	158.3%
Consumables: Stationery, printing and office supplies	85.8	85.9	79.3	103.8	104.2	86.8	92.8	92.8	57.8	72.5	72.5	72.5	83.5%	83.4%
Operating leases	307.4	343.3	311.4	329.3	333.1	343.5	359.6	359.6	415.4	410.4	407.7	407.7	105.1%	102.4%
Rental and hiring	–	–	0.1	0.0	0.0	0.0	0.1	0.1	0.3	0.1	0.1	0.1	332.7%	332.7%
Property payments	757.1	758.3	2 130.0	2 960.1	2 914.9	2 506.6	2 970.0	2 493.2	2 151.4	2 755.9	2 755.9	2 755.9	101.1%	107.0%
Travel and subsistence	561.7	557.8	774.5	642.6	663.4	873.6	729.0	740.6	883.8	696.7	699.5	699.5	122.9%	121.4%
Training and development	221.1	221.0	109.9	194.2	194.2	159.3	175.4	175.4	256.8	194.6	194.6	194.6	91.8%	91.8%
Operating payments	500.1	679.3	271.5	644.7	864.6	436.9	551.9	549.9	342.0	551.5	551.5	551.5	71.3%	60.6%
Venues and facilities	16.7	16.7	13.2	0.0	0.0	15.1	17.8	17.8	14.0	15.4	15.4	15.4	115.8%	115.7%
Transfers and subsidies	6 376.1	6 078.9	6 103.4	7 355.0	6 171.2	6 422.1	7 838.2	7 863.8	7 400.2	7 830.5	7 893.7	7 893.7	94.6%	99.3%
Provinces and municipalities	–	–	–	–	–	–	0.1	0.1	0.1	0.0	0.0	0.0	68.5%	68.5%
Departmental agencies and accounts	5 327.9	4 966.1	4 960.5	6 192.6	4 695.2	4 697.8	6 624.6	6 650.2	6 144.3	6 687.8	6 745.2	6 745.2	90.8%	97.8%
Foreign governments and international organisations	–	–	–	–	299.1	303.3	–	–	–	–	5.8	5.8	–	101.4%
Public corporations and private enterprises	914.8	974.9	1 028.7	1 021.3	1 032.3	1 337.0	1 096.3	1 096.3	1 114.1	1 025.9	1 025.9	1 025.9	111.0%	109.1%
Non-profit institutions	6.2	6.2	7.0	6.9	6.9	7.7	7.7	7.7	7.9	8.0	8.0	8.0	106.2%	106.2%
Households	127.3	131.6	107.2	134.3	137.6	76.3	109.6	109.6	133.8	108.8	108.8	108.8	88.8%	87.4%
Payments for capital assets	622.2	630.3	1 877.7	680.5	745.3	1 265.5	521.9	521.9	1 081.2	586.9	586.9	586.9	199.5%	193.7%
Buildings and other fixed structures	111.1	111.1	685.3	115.6	115.6	217.0	123.7	123.7	64.9	122.6	122.6	122.6	230.4%	230.4%
Machinery and equipment	460.5	468.6	1 162.8	510.9	575.7	1 045.6	347.1	347.1	1 010.5	451.2	451.2	451.2	207.4%	199.2%
Specialised military assets	49.5	49.5	22.6	40.5	40.5	0.2	45.3	45.3	4.4	12.1	12.1	12.1	26.7%	26.7%
Biological assets	–	–	4.1	0.2	0.2	1.2	–	–	–	–	–	–	3 248.5%	3 248.5%
Software and other intangible assets	1.0	1.0	3.0	13.4	13.4	1.5	5.9	5.9	1.4	1.0	1.0	1.0	32.3%	32.3%
Payments for financial assets	337.7	148.1	136.4	–	153.6	12.0	–	–	17.5	–	–	–	49.1%	55.0%
Total	37 493.0	37 888.5	37 702.2	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 088.2	100.6%	99.8%

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Force Employment								
3. Landward Defence								
4. Air Defence								
5. Maritime Defence								
6. Military Health Support								
7. Defence Intelligence								
8. General Support								
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	4 862.4	8.4%	10.7%	5 151.1	5 348.4	5 560.4	4.6%	10.9%
Programme 2	3 813.3	11.5%	8.2%	3 899.6	3 945.6	4 039.6	1.9%	8.2%
Programme 3	15 202.4	7.3%	33.2%	15 651.4	16 838.7	17 714.5	5.2%	34.1%
Programme 4	7 167.6	0.2%	16.4%	6 883.5	6 596.1	7 240.3	0.3%	14.5%
Programme 5	3 769.1	9.6%	8.2%	4 355.9	4 557.3	4 427.5	5.5%	8.9%
Programme 6	4 069.3	5.2%	9.2%	4 416.8	4 400.4	4 578.4	4.0%	9.1%
Programme 7	831.5	5.3%	1.9%	900.2	917.2	944.3	4.3%	1.9%
Programme 8	5 372.6	3.7%	12.1%	5 911.1	6 140.9	6 220.6	5.0%	12.3%
Total	45 088.2	6.0%	100.0%	47 169.7	48 744.6	50 725.7	4.0%	100.0%
Change to 2015 Budget estimate				51.0	(1 368.9)	(2 294.4)		

Table 19.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	36 607.6	5.7%	80.3%	39 101.1	39 477.4	40 752.3	3.6%	81.3%
Compensation of employees	24 890.4	8.8%	53.5%	26 884.6	26 448.0	27 116.7	2.9%	54.9%
Goods and services	11 717.2	0.1%	26.7%	12 216.5	13 029.4	13 635.6	5.2%	26.4%
of which:								
Administrative fees	6.0	-15.2%	0.0%	18.4	21.2	21.6	53.0%	0.0%
Advertising	7.2	-4.9%	0.0%	6.6	6.9	7.2	0.2%	0.0%
Minor assets	150.9	-8.9%	0.3%	219.9	229.9	187.6	7.5%	0.4%
Audit costs: External	69.8	4.6%	0.2%	73.3	78.0	81.6	5.3%	0.2%
Catering: Departmental activities	17.8	-24.2%	0.0%	25.7	25.6	26.1	13.7%	0.0%
Communication	107.8	-2.7%	0.2%	99.2	103.8	109.3	0.4%	0.2%
Computer services	997.0	-1.3%	2.3%	1 190.4	1 281.0	1 303.1	9.3%	2.5%
Consultants: Business and advisory services	170.5	0.4%	0.5%	146.2	141.7	152.2	-3.7%	0.3%
Infrastructure and planning services	66.0	38.9%	0.1%	46.4	45.8	44.8	-12.1%	0.1%
Laboratory services	26.5	35.5%	0.1%	23.4	19.3	20.4	-8.3%	0.0%
Legal services	10.2	-	0.0%	30.7	31.3	31.8	46.2%	0.1%
Science and technological services	-	-100.0%	0.1%	74.1	82.4	89.3	-	0.1%
Contractors	2 705.8	-14.8%	6.0%	2 374.2	2 514.6	2 590.6	-1.4%	5.3%
Agency and support/outourced services	380.3	-3.8%	1.1%	415.8	419.9	398.0	1.5%	0.8%
Entertainment	3.7	-28.1%	0.0%	4.8	4.5	4.7	8.6%	0.0%
Fleet services (including government motor transport)	122.7	-	0.2%	92.4	98.6	82.5	-12.4%	0.2%
Inventory: Clothing material and accessories	189.7	-	0.2%	154.7	201.2	168.7	-3.8%	0.4%
Inventory: Farming supplies	7.2	-	0.0%	3.2	2.4	2.5	-29.7%	0.0%
Inventory: Food and food supplies	732.8	-10.0%	1.9%	896.3	918.2	957.3	9.3%	1.8%
Inventory: Fuel, oil and gas	561.1	-4.9%	1.3%	618.7	751.3	851.4	14.9%	1.5%
Inventory: Materials and supplies	262.6	7.6%	0.4%	89.5	109.3	99.3	-27.7%	0.3%
Inventory: Medical supplies	74.1	-33.6%	0.2%	111.9	106.7	135.4	22.3%	0.2%
Inventory: Medicine	136.2	12.5%	0.4%	243.4	239.7	312.5	31.9%	0.5%
Inventory: Other supplies	91.3	-10.7%	0.4%	165.1	229.2	251.8	40.2%	0.4%
Consumable supplies	122.9	-11.0%	0.4%	121.1	125.6	129.8	1.9%	0.3%
Consumables: Stationery, printing and office supplies	72.5	-5.5%	0.2%	62.8	61.5	61.3	-5.4%	0.1%
Operating leases	407.7	5.9%	0.9%	1 324.0	1 383.5	1 461.9	53.1%	2.4%
Rental and hiring	0.1	-	0.0%	0.1	0.1	0.1	-7.9%	0.0%
Property payments	2 755.9	53.8%	5.7%	1 919.3	2 041.5	2 216.5	-7.0%	4.7%
Travel and subsistence	699.5	7.8%	1.9%	810.3	885.5	907.6	9.1%	1.7%
Training and development	194.6	-4.2%	0.4%	277.2	273.1	301.9	15.8%	0.5%
Operating payments	551.5	-6.7%	1.0%	559.7	579.3	609.0	3.4%	1.2%
Venues and facilities	15.4	-2.7%	0.0%	17.6	16.6	17.8	5.0%	0.0%
Transfers and subsidies	7 893.7	9.1%	16.8%	7 780.8	8 833.1	9 493.9	6.3%	17.7%
Provinces and municipalities	0.0	-	0.0%	0.1	0.1	0.1	48.0%	0.0%
Departmental agencies and accounts	6 745.2	10.7%	13.6%	6 622.7	7 442.7	8 035.6	6.0%	15.0%
Foreign governments and international organisations	5.8	-	0.2%	-	-	-	-100.0%	0.0%
Public corporations and private enterprises	1 025.9	1.7%	2.7%	1 025.4	1 260.9	1 326.8	9.0%	2.4%
Non-profit institutions	8.0	8.8%	0.0%	9.5	9.3	9.8	6.9%	0.0%
Households	108.8	-6.2%	0.3%	123.2	120.1	121.6	3.8%	0.2%
Payments for capital assets	586.9	-2.4%	2.9%	287.8	434.2	479.5	-6.5%	0.9%
Buildings and other fixed structures	122.6	3.3%	0.7%	121.9	127.2	133.6	2.9%	0.3%
Machinery and equipment	451.2	-1.3%	2.2%	164.5	305.6	344.5	-8.6%	0.7%
Specialised military assets	12.1	-37.4%	0.0%	1.0	1.0	1.0	-56.6%	0.0%
Software and other intangible assets	1.0	-1.8%	0.0%	0.3	0.4	0.4	-23.3%	0.0%
Total	45 088.2	6.0%	100.0%	47 169.7	48 744.6	50 725.7	4.0%	100.0%

Personnel information

Table 19.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)			
				2014/15		2015/16			2016/17		2017/18		2018/19		2015/16 - 2018/19					
				Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Defence and Military Veterans																				
Salary level	79 446	–	–	78 011	23 005.8	0.3	79 446	24 890.4	0.3	79 777	26 884.6	0.3	80 179	28 345.4	0.4	80 746	30 028.5	0.4	0.5%	100.0%
1 – 6	53 908	–	–	52 804	10 317.7	0.2	53 908	11 395.3	0.2	54 434	12 280.1	0.2	55 173	13 224.7	0.2	55 923	14 301.7	0.3	1.2%	68.5%
7 – 10	23 771	–	–	23 427	8 869.7	0.4	23 771	9 673.7	0.4	23 677	10 333.0	0.4	23 351	10 792.9	0.5	23 187	11 354.0	0.5	-0.8%	29.4%
11 – 12	1 393	–	–	1 383	969.8	0.7	1 393	1 052.8	0.8	1 308	1 123.2	0.9	1 298	1 182.1	0.9	1 283	1 244.7	1.0	-2.7%	1.6%
13 – 16	371	–	–	392	386.8	1.0	371	375.1	1.0	354	391.3	1.1	353	412.9	1.2	349	432.4	1.2	-2.0%	0.4%
Other	4	–	–	5	2 461.7	492.3	4	2 393.4	598.4	4	2 756.9	689.2	4	2 732.8	683.2	4	2 695.6	673.9	–	0.0%
Programme	79 446	–	–	78 011	23 005.8	0.3	79 446	24 890.4	0.3	79 777	26 884.6	0.3	80 179	28 345.4	0.4	80 746	30 028.5	0.4	0.5%	100.0%
Programme 1	4 234	–	–	3 940	1 535.0	0.4	4 234	1 741.9	0.4	3 906	1 860.5	0.5	3 888	1 961.4	0.5	3 984	2 074.0	0.5	-2.0%	5.0%
Programme 2	2 063	–	–	1 966	1 854.5	0.9	2 063	1 864.2	0.9	2 100	2 170.3	1.0	2 117	2 264.9	1.1	2 119	2 368.0	1.1	0.9%	2.6%
Programme 3	40 599	–	–	40 215	9 795.6	0.2	40 599	10 648.2	0.3	41 046	11 295.2	0.3	41 521	12 126.9	0.3	41 979	13 030.1	0.3	1.1%	51.6%
Programme 4	10 414	–	–	10 443	3 148.9	0.3	10 414	3 321.1	0.3	10 197	3 499.6	0.3	9 785	3 565.7	0.4	9 472	3 716.8	0.4	-3.1%	12.5%
Programme 5	7 651	–	–	7 575	1 968.7	0.3	7 651	2 109.7	0.3	7 601	2 263.0	0.3	7 728	2 375.9	0.3	7 927	2 530.2	0.3	1.2%	9.7%
Programme 6	8 202	–	–	8 145	2 865.5	0.4	8 202	3 114.7	0.4	8 289	3 362.5	0.4	8 389	3 519.9	0.4	8 504	3 698.2	0.4	1.2%	10.4%
Programme 7	897	–	–	884	327.8	0.4	897	349.5	0.4	956	404.9	0.4	1 021	443.7	0.4	1 016	462.2	0.5	4.2%	1.2%
Programme 8	5 385	–	–	4 843	1 509.8	0.3	5 385	1 741.2	0.3	5 682	2 028.6	0.4	5 730	2 086.9	0.4	5 745	2 149.0	0.4	2.2%	7.0%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	79 446	–	–	78 011	23 005.8	0.3	79 446	24 890.4	0.3	79 777	26 884.6	0.3	80 179	28 345.4	0.4	80 746	30 028.5	0.4	0.5%	100.0%

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

2. The department's compensation of employees budget has been reduced by R4.8 billion for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 19.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Departmental receipts	1 044 487	853 475	923 792	818 166	818 166	-7.8%	100.0%	842 710	867 990	894 030	3.0%	100.0%
Sales of goods and services produced by department	304 877	351 023	285 956	358 771	358 771	5.6%	35.7%	271 760	282 524	294 990	-6.3%	35.3%
Administrative fees	17	19	28	25	25	13.7%	–	1	1	1	-65.8%	–
of which:												
Request for information: Receipt	17	19	28	25	25	13.7%	–	1	1	1	-65.8%	–
Other sales	304 860	351 004	285 928	358 746	358 746	5.6%	35.7%	271 759	282 523	294 989	-6.3%	35.3%
of which:												
Rental capital assets	77 662	76 493	79 775	81 921	81 921	1.8%	8.7%	70 600	73 895	77 317	-1.9%	8.9%
Sale of goods	3 935	8 720	12 497	5 896	5 896	14.4%	0.9%	16 257	16 594	17 220	42.9%	1.6%
Services rendered	223 263	265 791	193 656	270 929	270 929	6.7%	26.2%	184 902	192 034	200 452	-9.6%	24.8%

Table 19.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Sales of scrap, waste, arms and other used current goods	2 295	1 658	3 676	20 186	20 186	106.4%	0.8%	682	712	747	-66.7%	0.7%
<i>of which:</i>												
<i>Sales: scrap and waste</i>	2 287	1 658	3 676	20 132	20 132	106.5%	0.8%	682	712	747	-66.6%	0.7%
<i>Selling arms and arms support systems</i>	8	–	–	54	54	89.0%	–	–	–	–	-100.0%	–
Transfers received	570 322	418 008	542 149	185 153	185 153	-31.3%	47.1%	508 595	516 982	522 151	41.3%	50.6%
Fines, penalties and forfeits	1 297	1 225	1 733	4 086	4 086	46.6%	0.2%	1 122	1 149	1 203	-33.5%	0.2%
Interest, dividends and rent on land	36 776	2 877	3 558	2 796	2 796	-57.6%	1.3%	2 758	2 795	2 926	1.5%	0.3%
<i>Interest</i>	36 776	2 877	3 558	2 796	2 796	-57.6%	1.3%	2 758	2 795	2 926	1.5%	0.3%
Sales of capital assets	64 220	24 904	42 507	59 549	59 549	-2.5%	5.3%	45 182	50 431	57 569	-1.1%	6.2%
Transactions in financial assets and liabilities	64 700	53 780	44 213	187 625	187 625	42.6%	9.6%	12 611	13 397	14 444	-57.5%	6.7%
Total	1 044 487	853 475	923 792	818 166	818 166	-7.8%	100.0%	842 710	867 990	894 030	3.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 19.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Ministry	93 310	86 867	81 987	75 875	-6.7%	1.9%	72 898	73 722	75 391	-0.2%	1.4%
Departmental Direction	49 493	50 035	43 673	53 596	2.7%	1.1%	50 565	58 689	60 276	4.0%	1.1%
Policy and Planning	94 794	84 289	93 673	110 514	5.2%	2.2%	118 967	118 785	121 533	3.2%	2.2%
Financial Services	276 604	285 028	325 176	322 998	5.3%	6.8%	361 392	375 082	383 180	5.9%	6.9%
Human Resources Support Services	608 575	652 202	714 358	741 812	6.8%	15.3%	753 112	774 685	788 393	2.1%	14.6%
Legal Services	208 390	242 626	266 262	287 291	11.3%	5.6%	308 363	299 770	303 546	1.9%	5.7%
Inspection and Audit Services	74 742	82 887	106 914	139 834	23.2%	2.3%	145 890	143 049	144 340	1.1%	2.7%
Acquisition Services	54 275	46 544	58 828	64 137	5.7%	1.3%	112 742	132 362	132 778	27.4%	2.1%
Communication Services	32 646	49 785	48 486	40 975	7.9%	1.0%	45 211	45 486	46 368	4.2%	0.9%
South African National Defence Force Command and Control	152 911	136 607	143 742	145 064	-1.7%	3.2%	156 358	155 243	157 766	2.8%	2.9%
Religious Services	11 337	11 405	12 736	13 175	5.1%	0.3%	13 700	13 859	14 282	2.7%	0.3%
Defence Reserve Direction	17 509	23 240	24 575	26 204	14.4%	0.5%	28 850	28 407	29 035	3.5%	0.5%
Defence Foreign Relations	150 437	227 309	255 538	216 489	12.9%	4.8%	224 186	225 846	229 829	2.0%	4.3%
Office Accommodation	1 859 562	2 180 730	1 978 877	2 042 236	3.2%	45.3%	2 161 267	2 268 693	2 400 277	5.5%	42.4%
Military Veterans Management	96 976	351 431	504 160	582 201	81.7%	8.6%	597 607	634 720	673 360	5.0%	11.9%
Total	3 781 561	4 510 985	4 658 985	4 862 401	8.7%	100.0%	5 151 108	5 348 398	5 560 354	4.6%	100.0%
Change to 2015 Budget estimate				35 228			70 051	18 743	(78 422)		

Table 19.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Current payments	3 573 281	4 074 548	4 029 089	4 222 646	5.7%	89.3%	4 497 608	4 641 141	4 815 735	4.5%	86.9%
Compensation of employees	1 274 516	1 397 821	1 535 000	1 741 921	11.0%	33.4%	1 860 533	1 826 081	1 862 487	2.3%	34.8%
Goods and services	2 298 765	2 676 727	2 494 089	2 480 725	2.6%	55.9%	2 637 075	2 815 060	2 953 248	6.0%	52.0%
of which:											
Administrative fees	5 969	6 287	8 947	4 313	-10.3%	0.1%	5 382	8 234	8 487	25.3%	0.1%
Advertising	9 035	28 974	9 942	4 471	-20.9%	0.3%	3 250	3 316	3 488	-7.9%	0.1%
Minor assets	5 511	7 583	8 325	9 196	18.6%	0.2%	7 898	6 768	6 418	-11.3%	0.1%
Audit costs: External	-	3 665	11 380	-	-	0.1%	-	1 004	806	-	-
Catering: Departmental activities	6 835	6 745	5 760	4 344	-14.0%	0.1%	5 956	5 376	5 402	7.5%	0.1%
Communication	9 550	11 843	13 532	12 916	10.6%	0.3%	13 108	13 471	13 906	2.5%	0.3%
Computer services	74 055	76 441	76 217	93 565	8.1%	1.8%	117 363	125 265	126 321	10.5%	2.2%
Consultants: Business and advisory services	9 685	3 464	3 579	8 341	-4.9%	0.1%	49 852	69 081	69 187	102.4%	0.9%
Infrastructure and planning services	2	-	62	-	-100.0%	-	-	-	-	-	-
Legal services	-	20 786	7 346	-	-	0.2%	-	-	-	-	-
Science and technological services	-	3 155	131	-	-	-	422	417	1 416	-	-
Contractors	9 507	10 085	12 272	21 478	31.2%	0.3%	10 664	11 009	11 396	-19.0%	0.3%
Agency and support/outsourced services	7 845	24 321	10 380	8 844	4.1%	0.3%	13 007	21 296	22 273	36.1%	0.3%
Entertainment	4 379	5 556	2 563	2 529	-16.7%	0.1%	3 406	3 517	3 621	12.7%	0.1%
Fleet services (including government motor transport)	28	476	1 967	2 418	342.0%	-	2 609	2 629	2 724	4.1%	-
Housing	-	-	-	1	-	-	-	-	-	-100.0%	-
Inventory: Clothing material and accessories	-	-	5 682	4 430	-	0.1%	3 336	3 255	2 829	-13.9%	0.1%
Inventory: Food and food supplies	7 212	12 998	8 807	9 032	7.8%	0.2%	9 452	9 681	9 903	3.1%	0.2%
Inventory: Fuel, oil and gas	9 444	9 984	16 522	14 893	16.4%	0.3%	12 047	12 713	13 609	-3.0%	0.3%
Inventory: Materials and supplies	1 340	1 971	1 452	1 047	-7.9%	-	1 117	1 027	1 063	0.5%	-
Inventory: Medical supplies	2	20	47	18	108.0%	-	13	13	14	-8.0%	-
Inventory: Other supplies	-	-	3	-	-	-	-	-	1	-	-
Consumable supplies	8 870	10 424	12 994	10 916	7.2%	0.2%	11 917	11 918	11 430	1.5%	0.2%
Consumables: Stationery, printing and office supplies	11 368	12 859	9 033	9 497	-5.8%	0.2%	9 880	10 284	10 225	2.5%	0.2%
Operating leases	270 478	310 955	376 018	298 526	3.3%	7.1%	1 273 503	1 334 836	1 411 884	67.9%	20.6%
Rental and hiring	29	16	141	24	-6.1%	-	25	25	27	4.0%	-
Property payments	1 658 032	1 924 505	1 678 162	1 791 757	2.6%	39.6%	918 167	991 460	1 046 352	-16.4%	22.7%
Travel and subsistence	119 100	119 648	133 082	100 060	-5.6%	2.6%	102 767	106 693	107 777	2.5%	2.0%
Training and development	32 027	27 889	38 537	38 709	6.5%	0.8%	31 054	31 589	31 936	-6.2%	0.6%
Operating payments	33 035	31 570	35 991	24 860	-9.0%	0.7%	23 650	25 404	25 663	1.1%	0.5%
Venues and facilities	5 427	4 507	5 215	4 540	-5.8%	0.1%	7 230	4 779	5 090	3.9%	0.1%
Transfers and subsidies	134 795	387 292	557 075	623 837	66.6%	9.6%	644 677	686 436	726 089	5.2%	12.8%
Provinces and municipalities	-	-	17	26	-	-	30	30	32	7.2%	-
Departmental agencies and accounts	114 140	370 367	525 174	604 360	74.3%	9.1%	618 289	655 798	695 334	4.8%	12.3%
Public corporations and private enterprises	-	451	188	-	-	-	-	-	-	-	-
Non-profit institutions	6 213	6 869	7 140	7 192	5.0%	0.2%	8 620	8 445	8 841	7.1%	0.2%
Households	14 442	9 605	24 556	12 259	-5.3%	0.3%	17 738	22 163	21 882	21.3%	0.4%
Payments for capital assets	38 333	43 116	59 659	15 918	-25.4%	0.9%	8 823	20 821	18 530	5.2%	0.3%
Buildings and other fixed structures	42	38	28	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	38 291	43 078	58 780	15 918	-25.4%	0.9%	8 823	20 777	18 482	5.1%	0.3%
Software and other intangible assets	-	-	851	-	-	-	-	44	48	-	-
Payments for financial assets	35 152	6 029	13 162	-	-100.0%	0.3%	-	-	-	-	-
Total	3 781 561	4 510 985	4 658 985	4 862 401	8.7%	100.0%	5 151 108	5 348 398	5 560 354	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.0%	11.2%	10.9%	10.8%	-	-	10.9%	11.0%	11.0%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	499	10 041	-	-	0.1%	-	-	-	-	-
Claims against the state	-	499	10 041	-	-	0.1%	-	-	-	-	-

Table 19.6 Administration expenditure trends and estimates by subprogramme and economic classification

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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	114 140	370 367	525 174	604 360	74.3%	9.1%	618 289	655 798	695 334	4.8%	12.3%
Communication	–	–	–	80	–	–	1	1	1	-76.8%	–
Safety and Security Sector Education and Training Authority	17 164	18 936	21 014	22 079	8.8%	0.4%	20 681	21 077	21 973	-0.2%	0.4%
Department of Military Veterans	96 976	351 431	504 160	582 201	81.7%	8.6%	597 607	634 720	673 360	5.0%	11.9%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	–	17	26	–	–	30	30	32	7.2%	–
Vehicle licences	–	–	17	26	–	–	30	30	32	7.2%	–
Households											
Social benefits											
Current	14 442	9 106	14 515	12 259	-5.3%	0.3%	17 738	22 163	21 882	21.3%	0.4%
Employee social benefits	14 442	9 106	14 515	12 259	-5.3%	0.3%	17 738	22 163	21 882	21.3%	0.4%
Non-profit institutions											
Current	6 213	6 869	7 140	7 192	5.0%	0.2%	8 620	8 445	8 841	7.1%	0.2%
Reserve Force Council	6 213	6 523	7 140	7 192	5.0%	0.2%	8 620	8 445	8 841	7.1%	0.2%
Claims against the state	–	346	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	–	451	184	–	–	–	–	–	–	–	–
Claims against the state	–	451	184	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	4	–	–	–	–	–	–	–	–
Claims against the state	–	–	4	–	–	–	–	–	–	–	–

Personnel information

Table 19.7 Administration personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
Administration			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	4 234	–	3 940	1 535.0	0.4	4 234	1 741.9	0.4	3 906	1 860.5	0.5	3 888	1 961.4	0.5	3 984	2 074.0	0.5	–2.0%	100.0%
1 – 6	1 595	–	1 469	309.0	0.2	1 595	367.6	0.2	1 457	383.5	0.3	1 445	404.4	0.3	1 429	423.0	0.3	-3.6%	37.0%
7 – 10	1 957	–	1 830	669.6	0.4	1 957	759.3	0.4	1 861	829.8	0.4	1 852	870.0	0.5	1 961	921.8	0.5	0.1%	47.7%
11 – 12	527	–	500	346.2	0.7	527	381.4	0.7	447	412.7	0.9	447	439.6	1.0	450	471.9	1.0	-5.1%	11.7%
13 – 16	150	–	136	134.9	1.0	150	149.6	1.0	138	156.1	1.1	140	168.3	1.2	140	177.8	1.3	-2.2%	3.5%
Other	4	–	5	75.3	15.1	4	84.0	21.0	4	78.5	19.6	4	79.1	19.8	4	79.6	19.9	–	0.1%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(135.3)	–	–	(211.6)	–	–	–
Total	4 234	–	3 940	1 535.0	0.4	4 234	1 741.9	0.4	3 906	1 860.5	0.5	–	1 826.1	–	–	1 862.5	–	–	–

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

2. This programme's compensation of employees budget has been reduced by R346.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 2: Force Employment

Programme purpose

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

Objectives

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements over the medium term
 - ensuring full participation in the number of peace missions, as instructed by the president, over the medium term
 - conducting a total of 12 joint, interdepartmental, interagency and multinational military force preparation exercises, excluding special forces exercises, from 2016/17 to 2018/19
 - 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 to promote peace, stability and security in the region and on the continent.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters.
- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force.
- *Regional Security* provides for the external deployment of forces in support of South Africa's commitment to regional, continental and global security.
- *Support to the People* provides for the internal deployment of forces in support of the South African Police Service and other government departments. This includes border safeguarding, assistance during disaster situations and conducting search and rescue missions.

Expenditure trends and estimates

Table 19.8 Force Employment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Strategic Direction	117 598	119 771	125 918	170 760	13.2%	3.9%	186 949	163 700	193 042	4.2%	4.6%
Operational Direction	258 115	253 043	257 001	299 887	5.1%	7.9%	307 758	319 158	335 044	3.8%	8.0%
Special Operations	604 969	666 472	708 723	754 388	7.6%	20.1%	813 440	815 050	793 393	1.7%	20.2%
Regional Security	1 147 477	1 608 559	1 638 636	1 599 262	11.7%	44.2%	1 484 658	1 495 361	1 517 330	-1.7%	38.8%
Support to the People	652 817	698 810	901 163	989 012	14.9%	23.9%	1 106 830	1 152 281	1 200 823	6.7%	28.3%
Total	2 780 976	3 346 655	3 631 441	3 813 309	11.1%	100.0%	3 899 635	3 945 550	4 039 632	1.9%	100.0%
Change to 2015				210 156			138 386	16 986	(116 789)		
Budget estimate											
Economic classification	2 404 939	2 938 725	3 053 107	3 267 506	10.8%	85.9%	3 550 880	3 519 463	3 604 684	3.3%	88.8%
Current payments											
Compensation of employees	1 482 988	1 590 158	1 854 548	1 864 170	7.9%	50.0%	2 170 263	2 107 120	2 121 672	4.4%	52.6%
Goods and services	921 951	1 348 567	1 198 559	1 403 336	15.0%	35.9%	1 380 617	1 412 343	1 483 012	1.9%	36.2%
of which:											
Administrative fees	94	165	84	133	12.3%	–	159	165	171	8.7%	–
Advertising	211	354	339	385	22.2%	–	502	550	581	14.7%	–
Minor assets	24 457	15 383	18 087	24 686	0.3%	0.6%	70 366	84 705	63 825	37.3%	1.6%
Catering: Departmental activities	3 901	2 822	3 802	2 322	-15.9%	0.1%	3 336	3 664	3 369	13.2%	0.1%
Communication	14 065	16 068	16 611	22 388	16.8%	0.5%	16 449	18 504	21 098	-2.0%	0.5%
Computer services	8 613	14 135	17 091	7 184	-5.9%	0.3%	14 167	15 227	16 392	31.7%	0.3%
Consultants: Business and advisory services	2 814	665	415	4 383	15.9%	0.1%	–	–	–	-100.0%	–
Infrastructure and planning services	59	60	1 018	1 161	170.0%	–	1 232	1 309	1 374	5.8%	–
Laboratory services	3	–	–	–	-100.0%	–	–	–	–	–	–
Science and technological services	–	8 271	13 448	–	–	0.2%	7 221	7 512	7 828	–	0.1%

Table 19.8 Force Employment expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Contractors	139 638	138 834	427 309	369 295	38.3%	7.9%	411 315	377 940	393 234	2.1%	9.9%
<i>Agency and support/outsourced services</i>	4 064	5 782	5 840	5 630	11.5%	0.2%	3 813	3 701	4 256	-8.9%	0.1%
<i>Entertainment</i>	594	95	38	179	-33.0%	-	118	124	130	-10.1%	-
<i>Fleet services (including government motor transport)</i>	20 165	33 560	34 413	38 094	23.6%	0.9%	33 321	34 005	35 430	-2.4%	0.9%
<i>Inventory: Clothing material and accessories</i>	-	-	4 599	10 417	-	0.1%	7 794	10 476	10 952	1.7%	0.3%
<i>Inventory: Farming supplies</i>	-	-	171	2 517	-	-	1 043	1 098	1 141	-23.2%	-
<i>Inventory: Food and food supplies</i>	102 441	118 475	108 473	120 175	5.5%	3.3%	143 233	151 898	159 964	10.0%	3.7%
<i>Inventory: Fuel, oil and gas</i>	40 788	66 322	50 229	50 995	7.7%	1.5%	69 601	75 629	82 255	17.3%	1.8%
<i>Inventory: Materials and supplies</i>	183 894	390 401	84 749	178 426	-1.0%	6.2%	12 718	13 101	12 974	-58.3%	1.4%
<i>Inventory: Medical supplies</i>	433	265	97	2 155	70.7%	-	1 280	1 221	1 366	-14.1%	-
<i>Inventory: Medicine</i>	5 791	2 772	1 607	10 025	20.1%	0.1%	8 310	9 133	10 289	0.9%	0.2%
<i>Inventory: Other supplies</i>	1 105	670	655	408	-28.3%	-	381	353	355	-4.5%	-
<i>Consumable supplies</i>	15 660	19 252	18 239	30 885	25.4%	0.6%	18 775	19 822	21 613	-11.2%	0.6%
<i>Consumables: Stationery, printing and office supplies</i>	7 729	8 782	4 218	6 103	-7.6%	0.2%	6 019	6 435	7 053	4.9%	0.2%
<i>Operating leases</i>	8 165	21 081	26 355	25 822	46.8%	0.6%	1 181	1 369	1 680	-59.8%	0.2%
<i>Rental and hiring</i>	-	3	-	-	-	-	-	-	-	-	-
<i>Property payments</i>	14 724	18 457	21 246	22 663	15.5%	0.6%	20 919	27 193	57 581	36.5%	0.8%
<i>Travel and subsistence</i>	238 890	200 218	221 351	207 492	-4.6%	6.4%	232 782	238 524	245 600	5.8%	5.9%
<i>Training and development</i>	2 711	2 405	2 295	4 651	19.7%	0.1%	8 074	8 997	9 926	28.7%	0.2%
<i>Operating payments</i>	79 855	262 079	114 102	252 266	46.7%	5.2%	283 949	296 732	309 127	7.0%	7.3%
<i>Venues and facilities</i>	1 087	1 191	1 678	2 496	31.9%	-	2 559	2 956	3 448	11.4%	0.1%
Transfers and subsidies	166 103	163 638	288 037	277 854	18.7%	6.6%	254 543	257 141	225 982	-6.7%	6.5%
Departmental agencies and accounts	150 582	149 131	276 855	256 402	19.4%	6.1%	241 405	242 898	212 062	-6.1%	6.1%
Foreign governments and international organisations	-	-	-	5 805	-	-	-	-	-	-100.0%	-
Public corporations and private enterprises	12 587	9 037	8 086	11 994	-1.6%	0.3%	8 424	8 870	9 296	-8.1%	0.2%
Households	2 934	5 470	3 096	3 653	7.6%	0.1%	4 714	5 373	4 624	8.2%	0.1%
Payments for capital assets	209 810	244 214	290 252	267 949	8.5%	7.5%	94 212	168 946	208 966	-8.0%	4.7%
Buildings and other fixed structures	39 773	11 721	491	4 900	-50.2%	0.4%	1 160	410	410	-56.3%	-
Machinery and equipment	169 985	232 449	289 761	262 056	15.5%	7.0%	92 059	167 543	207 563	-7.5%	4.6%
Specialised military assets	52	-	-	993	167.3%	-	993	993	993	-	-
Software and other intangible assets	-	44	-	-	-	-	-	-	-	-	-
Payments for financial assets	124	78	45	-	-100.0%	-	-	-	-	-	-
Total	2 780 976	3 346 655	3 631 441	3 813 309	11.1%	100.0%	3 899 635	3 945 550	4 039 632	1.9%	100.0%
Proportion of total programme expenditure to vote expenditure	7.4%	8.3%	8.5%	8.5%	-	-	8.3%	8.1%	8.0%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	-	13	-	-	-	-	-	-	-	-
Claims against the state	-	-	13	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	150 582	149 131	276 855	256 402	19.4%	6.1%	241 405	242 898	212 062	-6.1%	6.1%
Communication	-	-	3	13	-	-	103	110	129	114.9%	-
Special defence account	150 582	149 131	276 852	256 389	19.4%	6.1%	241 302	242 788	211 933	-6.2%	6.1%
Households											
Social benefits											
Current	2 934	5 470	3 083	3 653	7.6%	0.1%	4 714	5 373	4 624	8.2%	0.1%
Employee social benefits	2 934	5 470	3 083	3 653	7.6%	0.1%	4 714	5 373	4 624	8.2%	0.1%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	86	-	-	-	-	-	-	-	-
Claims against the state	-	-	86	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	12 587	9 037	8 000	11 994	-1.6%	0.3%	8 424	8 870	9 296	-8.1%	0.2%
Armaments Corporation of South Africa	12 587	9 037	8 000	11 994	-1.6%	0.3%	8 424	8 870	9 296	-8.1%	0.2%
Foreign governments and international organisations											
Current	-	-	-	5 805	-	-	-	-	-	-100.0%	-
Southern African Development Community	-	-	-	5 805	-	-	-	-	-	-100.0%	-

Personnel information

Table 19.9 Force Employment personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19							
Force Employment		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	2 063	-	1 966	1 854.5	0.9	2 063	1 864.2	0.9	2 100	2 170.3	1.0	2 117	2 264.9	1.1	2 119	2 368.0	1.1	0.9%	100.0%
1 – 6	1 064	-	986	204.3	0.2	1 064	281.2	0.3	1 089	301.9	0.3	1 103	334.3	0.3	1 106	369.6	0.3	1.3%	51.9%
7 – 10	909	-	887	363.0	0.4	909	434.2	0.5	921	465.8	0.5	924	511.9	0.6	924	563.0	0.6	0.5%	43.8%
11 – 12	72	-	75	54.8	0.7	72	62.0	0.9	71	65.4	0.9	71	71.4	1.0	70	77.5	1.1	-0.7%	3.4%
13 – 16	19	-	18	18.9	1.1	19	22.0	1.2	19	23.4	1.2	19	25.6	1.3	19	28.2	1.5	-	0.9%
Other	-	-	-	1 213.6	-	-	1 064.7	-	-	1 313.8	-	-	1 321.8	-	-	1 329.8	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(157.8)	-	-	(246.3)	-	-	-
Total	2 063	-	1 966	1 854.5	0.9	2 063	1 864.2	0.9	2 100	2 170.3	1.0	2 117	2 264.9	1.1	2 119	2 368.0	1.1	-	-

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

2. This programme's compensation of employees budget has been reduced by R404.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 3: Landward Defence

Programme purpose

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

Objectives

- Defend and protect South Africa and its territory over the medium term by:
 - providing 1 infantry capability, including the Chief of the South African National Defence Reaction Force, for external deployment and for internal safety and security, including border safeguarding
 - exercising 1 tank and armoured car capability and providing 1 squadron for internal deployment per year
 - exercising 1 composite artillery capability and providing 1 battery for internal deployment per year
 - exercising 1 air defence artillery capability and providing 1 battery for internal deployment per year
 - providing 1 sustained composite engineer capability for external deployment, 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.
- Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units.
- Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units.
- Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units.
- Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units.
- Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments through training, preparing, exercising and supporting field and construction engineer units.

- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable successful planning and execution of operations through training, preparing, exercising and supporting intelligence units.
- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment.
- *Support Capability* provides first, second and 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.
- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training, and command and management training at the training depot and decentralised units, the South African Army Gymnasium, the combat training centre and the South African Army College.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments through training, preparing, exercising and supporting signal units.

Expenditure trends and estimates

Table 19.10 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Strategic Direction	372 015	420 388	418 972	361 408	-1.0%	2.8%	510 163	462 119	436 043	6.5%	2.7%
Infantry Capability	3 826 318	4 759 699	5 403 955	6 118 704	16.9%	36.4%	6 208 726	7 292 650	7 906 796	8.9%	42.1%
Armour Capability	346 761	356 755	374 685	398 611	4.8%	2.7%	444 191	449 396	467 383	5.4%	2.7%
Artillery Capability	481 461	383 202	425 602	527 491	3.1%	3.3%	463 044	500 883	564 060	2.3%	3.1%
Air Defence Artillery Capability	590 902	425 105	478 055	580 453	-0.6%	3.8%	588 879	846 774	996 312	19.7%	4.6%
Engineering Capability	564 048	587 191	623 073	742 997	9.6%	4.6%	708 687	716 180	748 268	0.2%	4.5%
Operational Intelligence	233 936	176 843	188 262	218 656	-2.2%	1.5%	252 520	266 488	289 581	9.8%	1.6%
Command and Control Capability	158 706	168 679	177 810	198 063	7.7%	1.3%	202 683	195 788	196 222	-0.3%	1.2%
Support Capability	4 415 483	4 858 211	4 428 168	4 414 588	-	32.8%	4 424 147	4 283 292	4 261 112	-1.2%	26.6%
General Training Capability	347 644	390 971	411 522	504 674	13.2%	3.0%	585 823	576 510	578 909	4.7%	3.4%
Signal Capability	1 030 649	1 072 079	1 119 012	1 136 731	3.3%	7.9%	1 262 575	1 248 657	1 269 852	3.8%	7.5%
Total	12 367 923	13 599 123	14 049 116	15 202 376	7.1%	100.0%	15 651 438	16 838 737	17 174 538	5.2%	100.0%
Change to 2015				397 073			38 610	813 960	760 324		
Budget estimate											
Economic classification											
Current payments	9 762 480	10 809 538	11 652 112	12 614 857	8.9%	81.2%	13 167 574	13 306 291	13 783 720	3.0%	80.8%
Compensation of employees	8 387 318	9 164 762	9 795 641	10 648 208	8.3%	68.8%	11 295 190	11 340 926	11 846 685	3.6%	69.0%
Goods and services	1 375 162	1 644 776	1 856 471	1 966 649	12.7%	12.4%	1 872 384	1 965 365	1 937 035	-0.5%	11.8%
of which:											
Administrative fees	4	10	3	-	-100.0%	-	3	3	3	-	-
Advertising	1 292	1 441	1 121	1 129	-4.4%	-	1 203	1 230	1 195	1.9%	-
Minor assets	68 627	64 157	59 467	65 191	-1.7%	0.5%	41 388	53 650	31 612	-21.4%	0.3%
Catering: Departmental activities	2 305	5 375	2 802	2 961	8.7%	-	2 635	2 426	2 448	-6.1%	-
Communication	34 604	33 027	22 905	34 514	-0.1%	0.2%	27 978	28 185	28 291	-6.4%	0.2%
Computer services	71 978	71 074	81 649	77 595	2.5%	0.5%	77 629	77 400	77 431	-0.1%	0.5%
Consultants: Business and advisory services	9 529	6 914	6 699	5 406	-17.2%	0.1%	3 000	3 000	3 000	-17.8%	-
Infrastructure and planning services	187	186	11 346	25 944	417.7%	0.1%	14 948	12 783	10 616	-25.8%	0.1%
Legal services	-	57	-	-	-	-	-	-	-	-	-
Science and technological services	-	1 681	800	-	-	-	798	521	756	-	-
Contractors	174 391	232 914	352 503	542 554	46.0%	2.4%	335 467	282 415	311 508	-16.9%	2.3%
Agency and support/outsourced services	10 440	11 001	8 740	11 906	4.5%	0.1%	71 127	36 043	11 047	-2.5%	0.2%
Entertainment	7 491	3 216	109	286	-66.3%	-	255	255	256	-3.6%	-
Fleet services (including government motor transport)	7 354	1 836	48 491	66 646	108.5%	0.2%	43 312	47 328	28 537	-24.6%	0.3%
Inventory: Clothing material and accessories	-	-	148 071	116 310	-	0.5%	72 002	124 107	85 344	-9.8%	0.6%
Inventory: Farming supplies	-	-	4 411	3 643	-	-	1 010	153	155	-65.1%	-
Inventory: Food and food supplies	385 012	481 412	473 441	402 386	1.5%	3.2%	472 882	473 865	480 861	6.1%	2.8%
Inventory: Fuel, oil and gas	138 995	193 558	152 000	198 556	12.6%	1.2%	231 009	252 922	278 466	11.9%	1.5%
Inventory: Materials and supplies	56 186	61 166	50 977	32 992	-16.3%	0.4%	26 540	14 881	12 810	-27.0%	0.1%
Inventory: Medical supplies	189	68	17	26	-48.4%	-	216	227	250	112.6%	-
Inventory: Medicine	10	10	2	5	-20.6%	-	10	10	5	-	-

Table 19.10 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
<i>Inventory: Other supplies</i>	19	47	5 638	2 928	436.1%	-	40	40 993	63 387	178.7%	0.2%
<i>Consumable supplies</i>	80 366	51 876	39 734	35 910	-23.5%	0.4%	35 861	36 549	36 125	0.2%	0.2%
<i>Consumables: Stationery, printing and office supplies</i>	27 017	29 145	16 026	22 903	-5.4%	0.2%	19 918	19 089	17 431	-8.7%	0.1%
<i>Operating leases</i>	15 322	2 265	3 511	19 609	8.6%	0.1%	18 101	16 779	16 392	-5.8%	0.1%
<i>Rental and hiring</i>	20	16	60	19	-1.7%	-	10	10	10	-19.3%	-
<i>Property payments</i>	67 544	85 979	62 636	57 794	-5.1%	0.5%	63 778	63 885	63 194	3.0%	0.4%
<i>Travel and subsistence</i>	193 581	278 665	251 414	177 604	-2.8%	1.6%	206 994	270 260	270 328	15.0%	1.4%
<i>Training and development</i>	(1 265)	39 156	49 130	37 513	-409.5%	0.2%	80 029	81 409	83 306	30.5%	0.4%
<i>Operating payments</i>	21 268	(16 957)	(1 863)	20 037	-2.0%	-	20 248	21 019	18 228	-3.1%	0.1%
<i>Venues and facilities</i>	2 696	5 481	4 631	4 282	16.7%	-	3 993	3 968	4 043	-1.9%	-
Transfers and subsidies	2 045 482	2 473 968	2 251 766	2 549 032	7.6%	16.9%	2 457 933	3 512 536	3 915 403	15.4%	19.0%
Provinces and municipalities	-	-	2	5	-	-	3	3	3	-15.7%	-
Departmental agencies and accounts	1 955 279	2 391 470	2 158 389	2 481 195	8.3%	16.3%	2 379 140	3 446 963	3 858 440	15.9%	18.6%
Public corporations and private enterprises	53 617	54 509	50 185	33 117	-14.8%	0.3%	38 400	26 000	11 000	-30.7%	0.2%
Households	36 586	27 989	43 190	34 715	-1.7%	0.3%	40 390	39 570	45 960	9.8%	0.2%
Payments for capital assets	557 090	312 092	144 478	38 487	-59.0%	1.9%	25 931	19 910	15 415	-26.3%	0.2%
Buildings and other fixed structures	967	334	925	100	-53.1%	-	132	100	100	-	-
Machinery and equipment	531 462	310 513	143 547	34 621	-59.8%	1.8%	25 779	19 810	15 315	-23.8%	0.1%
Specialised military assets	20 574	-	-	3 766	-43.2%	-	-	-	-	-100.0%	-
Biological assets	4 039	1 245	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	48	-	6	-	-100.0%	-	20	-	-	-	-
Payments for financial assets	2 871	3 525	760	-	-100.0%	-	-	-	-	-	-
Total	12 367 923	13 599 123	14 049 116	15 202 376	7.1%	100.0%	15 651 438	16 838 737	7 714 538	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	32.8%	33.6%	32.8%	33.7%	-	-	33.2%	34.5%	34.9%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	3 707	13 681	-	-	-	-	-	-	-	-
Claims against the state	-	3 707	13 681	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 955 279	2 391 470	2 158 389	2 481 195	8.3%	16.3%	2 379 140	3 446 963	3 858 440	15.9%	18.6%
Communication	-	-	8	86	-	-	94	98	94	3.0%	-
Vehicle licences	-	-	-	4	-	-	-	-	-	-100.0%	-
Special defence account	1 955 279	2 391 470	2 158 381	2 481 105	8.3%	16.3%	2 379 046	3 446 865	3 858 346	15.9%	18.6%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	2	5	-	-	3	3	3	-15.7%	-
Vehicle licences	-	-	2	5	-	-	3	3	3	-15.7%	-
Households											
Social benefits											
Current	36 586	24 282	29 509	34 715	-1.7%	0.2%	40 390	39 570	45 960	9.8%	0.2%
Employee social benefits	36 586	24 282	29 509	34 715	-1.7%	0.2%	40 390	39 570	45 960	9.8%	0.2%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	63	457	-	-	-	-	-	-	-	-
Claims against the state	-	63	457	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	53 617	54 446	49 728	33 117	-14.8%	0.3%	38 400	26 000	11 000	-30.7%	0.2%
Armaments Corporation of South Africa	53 617	54 446	49 728	33 117	-14.8%	0.3%	38 400	26 000	11 000	-30.7%	0.2%

Personnel information

Table 19.11 Landward Defence personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)				
		2014/15		2015/16			2016/17		2017/18		2018/19		2015/16 - 2018/19						
Landward Defence		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	40 599	-	40 215	9 795.6	0.2	40 599	10 648.2	0.3	41 046	11 295.2	0.3	41 521	12 126.9	0.3	41 979	13 030.1	0.3	1.1%	100.0%
1 – 6	31 936	-	31 811	6 092.4	0.2	31 936	6 586.5	0.2	32 455	7 118.4	0.2	33 019	7 750.5	0.2	33 549	8 435.7	0.3	1.7%	79.3%
7 – 10	8 460	-	8 198	2 799.5	0.3	8 460	3 066.4	0.4	8 392	3 235.9	0.4	8 312	3 428.9	0.4	8 249	3 641.9	0.4	-0.8%	20.2%
11 – 12	172	-	168	107.9	0.6	172	117.8	0.7	169	123.4	0.7	162	126.6	0.8	154	128.8	0.8	-3.6%	0.4%
13 – 16	31	-	38	34.7	0.9	31	28.6	0.9	30	29.2	1.0	28	29.4	1.1	27	30.4	1.1	-4.5%	0.1%
Other	-	-	-	761.1	-	-	848.9	-	-	788.3	-	-	791.4	-	-	793.1	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(786.0)	-	-	(1 183.4)	-	-	-
Total	40 599	-	40 215	9 795.6	0.2	40 599	10 648.2	0.3	41 046	11 295.2	0.3	-	11 340.9	-	-	11 846.7	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R2 billion for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 4: Air Defence

Programme purpose

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

Objectives

- Defend and protect South Africa and its airspace by providing:
 - 4 helicopter squadrons and 1 combat support helicopter squadron per year over the medium term
 - 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 over the medium term
 - 1 air combat squadron per year over the medium term
 - 24-hour air command and control capability over the medium term.

Subprogrammes

- Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- Operational Direction* provides operational direction to the programme by means of an air command.
- Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel.
- Transport and Maritime Capability* provides and sustains operationally ready transport and maritime aircraft crewed by appropriately qualified personnel.
- Air Combat Capability* provides and sustains operationally ready fighter aircraft crewed by appropriately qualified personnel.
- Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counterintelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training unique to the air force.
- Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations.
- Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including the maintenance of all relevant systems and personnel, to support flying operations.

- *Command Post* renders command and control over all missions flown.
- *Training Capability* provides for the general education, training and development of air force personnel.
- *Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistic support capabilities to provide support to system groups and manage air service units.

Expenditure trends and estimates

Table 19.12 Air Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average	2016/17	2017/18	2018/19	2015/16 - 2018/19
R thousand											
Strategic Direction	19 619	16 830	18 298	16 783	-5.1%	0.3%	35 219	36 776	37 429	30.7%	0.5%
Operational Direction	236 742	247 937	183 763	177 686	-9.1%	3.1%	208 681	230 274	273 634	15.5%	3.2%
Helicopter Capability	872 420	996 286	817 145	801 494	-2.8%	12.8%	763 242	825 318	918 324	4.6%	11.9%
Transport and Maritime Capability	551 867	485 389	1 138 780	794 867	12.9%	10.9%	672 528	740 333	817 603	0.9%	10.8%
Air Combat Capability	1 594 135	909 905	1 108 324	1 437 203	-3.4%	18.6%	1 371 247	1 190 719	1 321 415	-2.8%	19.1%
Operational Support and Intelligence Capability	463 435	312 633	270 938	286 425	-14.8%	4.9%	314 168	299 610	304 283	2.0%	4.3%
Command and Control Capability	470 164	343 112	508 715	901 454	24.2%	8.2%	606 031	437 116	685 644	-8.7%	9.4%
Base Support Capability	1 664 516	1 723 986	1 848 057	1 818 545	3.0%	25.9%	1 819 552	1 782 705	1 837 289	0.3%	26.0%
Command Post	51 105	30 871	57 395	54 827	2.4%	0.7%	61 232	60 004	60 496	3.3%	0.8%
Training Capability	213 249	206 393	200 584	184 394	-4.7%	3.0%	569 991	545 973	530 579	42.2%	6.6%
Technical Support Services	937 693	758 181	761 524	693 916	-9.5%	11.6%	461 366	447 304	453 607	-13.2%	7.4%
Total	7 074 945	6 031 523	6 913 523	7 167 594	0.4%	100.0%	6 883 527	6 596 132	7 240 303	0.3%	100.0%
Change to 2015 Budget estimate				118 439			79 361	(1 627 748)	(1 460 561)		
Economic classification											
Current payments	5 127 652	5 116 005	5 162 868	5 262 942	0.9%	76.0%	5 601 628	5 719 545	5 920 016	4.0%	80.7%
Compensation of employees	2 790 981	2 955 320	3 148 889	3 321 093	6.0%	44.9%	3 499 610	3 326 786	3 341 452	0.2%	48.4%
Goods and services	2 336 671	2 160 685	2 013 979	1 941 849	-6.0%	31.1%	2 102 018	2 392 759	2 578 564	9.9%	32.3%
of which:											
Administrative fees	4	-	11	-	-100.0%	-	-	-	-	-	-
Advertising	698	72	318	9	-76.6%	-	755	788	853	355.9%	-
Minor assets	7 091	6 739	6 996	4 851	-11.9%	0.1%	7 918	9 090	9 374	24.6%	0.1%
Catering: Departmental activities	1 184	2 136	2 797	1 196	0.3%	-	3 333	3 838	4 273	52.9%	-
Communication	8 833	8 872	9 961	5 866	-12.8%	0.1%	10 672	12 639	13 432	31.8%	0.2%
Computer services	32 410	31 282	28 000	47 204	13.4%	0.5%	37 667	40 918	43 596	-2.6%	0.6%
Consultants: Business and advisory services	2 170	1 404	482	1 589	-9.9%	-	961	1 072	1 203	-8.9%	-
Infrastructure and planning services	1 919	1 423	2 436	4 013	27.9%	-	3 609	3 639	4 166	1.3%	0.1%
Laboratory services	-	-	-	30	-	-	31	32	34	4.3%	-
Science and technological services	-	836	1 152	-	-	-	10 600	12 750	13 914	-	0.1%
Contractors	1 301 808	1 532 339	1 329 425	1 302 957	-	20.1%	1 206 132	1 395 960	1 436 984	3.3%	19.2%
Agency and support/outsourced services	297 554	102 505	75 886	8 697	-69.2%	1.8%	9 496	9 413	9 838	4.2%	0.1%
Entertainment	1 887	335	65	-	-100.0%	-	166	171	176	-	-
Fleet services (including government motor transport)	3 250	2 296	5 991	6 138	23.6%	0.1%	6 804	7 768	8 456	11.3%	0.1%
Inventory: Clothing material and accessories	-	-	21 526	20 902	-	0.2%	26 475	29 697	34 059	17.7%	0.4%
Inventory: Farming supplies	-	-	374	201	-	-	462	432	443	30.1%	-
Inventory: Food and food supplies	74 028	71 217	78 481	1 455	-73.0%	0.8%	82 697	77 776	76 044	273.9%	0.9%
Inventory: Fuel, oil and gas	221 632	240 919	154 052	166 063	-9.2%	2.9%	238 489	294 493	336 280	26.5%	3.7%
Inventory: Materials and supplies	(118 338)	(262 739)	(61 067)	16 656	-152.0%	-1.6%	23 671	26 949	18 695	3.9%	0.3%
Inventory: Medical supplies	30	81	53	96	47.4%	-	113	122	127	9.8%	-
Inventory: Medicine	3	4	3	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	185 761	83 457	49 732	27 515	-47.1%	1.3%	68 184	71 510	77 105	41.0%	0.9%
Consumable supplies	41 149	51 281	16 220	11 907	-33.9%	0.4%	19 067	20 831	22 255	23.2%	0.3%
Consumables: Stationery, printing and office supplies	12 923	12 016	5 948	9 462	-9.9%	0.1%	7 294	8 083	8 626	-3.0%	0.1%
Operating leases	5 300	966	996	7 640	13.0%	0.1%	10 991	11 395	12 377	17.4%	0.2%
Rental and hiring	-	-	78	-	-	-	-	-	-	-	-
Property payments	32 994	18 296	16 995	17 026	-19.8%	0.3%	24 653	34 828	78 688	66.6%	0.6%
Travel and subsistence	80 028	88 154	86 605	55 767	-11.3%	1.1%	75 089	83 995	89 393	17.0%	1.1%
Training and development	35 960	29 607	45 055	51 368	12.6%	0.6%	86 080	87 498	110 504	29.1%	1.2%
Operating payments	106 344	136 908	135 377	173 156	17.6%	2.0%	140 512	146 972	167 566	-1.1%	2.3%
Venues and facilities	49	279	31	85	20.2%	-	97	100	103	6.6%	-
Transfers and subsidies	1 780 995	815 669	1 630 860	1 855 054	1.4%	22.4%	1 275 050	858 005	1 297 731	-11.2%	19.0%
Provinces and municipalities	-	-	2	2	-	-	3	3	3	14.5%	-
Departmental agencies and accounts	1 765 517	806 142	1 618 149	1 837 617	1.3%	22.2%	1 256 583	836 974	1 277 163	-11.4%	18.7%
Public corporations and private enterprises	2 260	40	100	-	-100.0%	-	-	-	-	-	-
Households	13 218	9 487	12 609	17 435	9.7%	0.2%	18 464	21 028	20 565	5.7%	0.3%
Payments for capital assets	165 382	99 118	119 219	49 598	-33.1%	1.6%	6 849	18 582	22 556	-23.1%	0.3%
Buildings and other fixed structures	52	545	90	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	164 061	98 329	118 972	42 986	-36.0%	1.6%	6 849	18 582	22 556	-19.3%	0.3%
Specialised military assets	1 269	244	157	6 612	73.4%	-	-	-	-	-100.0%	-
Payments for financial assets	916	731	576	-	-100.0%	-	-	-	-	-	-
Total	7 074 945	6 031 523	6 913 523	7 167 594	0.4%	100.0%	6 883 527	6 596 132	7 240 303	0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	18.8%	14.9%	16.1%	15.9%	-	-	14.6%	13.5%	14.3%	-	-

Table 19.12 Air Defence expenditure trends and estimates by subprogramme and economic classification

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 (%)	
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18			2018/19
	2015/16	2016/17	2017/18				2018/19	2015/16 - 2018/19				
R thousand												
Households												
Other transfers to households												
Current												
Claims against the state	-	-	524	-	-	-	-	-	-	-	-	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	1 765 517	806 142	1 618 149	1 837 617	1.3%	22.2%	1 256 583	836 974	1 277 163	-11.4%	18.7%	
Special defence account	1 765 517	806 142	1 618 149	1 837 617	1.3%	22.2%	1 256 583	836 974	1 277 163	-11.4%	18.7%	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	-	-	2	2	-	-	3	3	3	14.5%	-	
Vehicle licences	-	-	2	2	-	-	3	3	3	14.5%	-	
Households												
Social benefits												
Current	13 218	9 487	12 085	17 435	9.7%	0.2%	18 464	21 028	20 565	5.7%	0.3%	
Employee social benefits	13 218	9 487	12 085	17 435	9.7%	0.2%	18 464	21 028	20 565	5.7%	0.3%	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current	-	40	100	-	-	-	-	-	-	-	-	
Claims against the state	-	40	100	-	-	-	-	-	-	-	-	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	2 260	-	-	-	-100.0%	-	-	-	-	-	-	
Armaments Corporation of South Africa	2 260	-	-	-	-100.0%	-	-	-	-	-	-	

Personnel information

Table 19.13 Air Defence personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)			
			2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Air Defence																			
Salary level	10 414	-	10 443	3 148.9	0.3	10 414	3 321.1	0.3	10 197	3 499.6	0.3	9 785	3 565.7	0.4	9 472	3 716.8	0.4	-3.1%	100.0%
1 - 6	6 418	-	6 351	1 329.6	0.2	6 418	1 417.8	0.2	6 344	1 501.8	0.2	6 126	1 545.8	0.3	5 975	1 635.8	0.3	-2.4%	62.4%
7 - 10	3 835	-	3 930	1 595.5	0.4	3 835	1 670.3	0.4	3 697	1 734.5	0.5	3 508	1 753.6	0.5	3 353	1 811.9	0.5	-4.4%	36.1%
11 - 12	136	-	137	104.7	0.8	136	111.8	0.8	131	115.9	0.9	128	120.4	0.9	122	123.8	1.0	-3.6%	1.3%
13 - 16	25	-	25	27.4	1.1	25	28.5	1.1	24	29.4	1.2	23	29.9	1.3	22	30.7	1.4	-4.7%	0.2%
Other	-	-	-	91.7	-	-	92.7	-	-	118.0	-	-	116.1	-	-	114.7	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(238.9)	-	-	(375.4)	-	-	-
Total	10 414	-	10 443	3 148.9	0.3	10 414	3 321.1	0.3	10 197	3 499.6	0.3	-	3 326.8	-	-	3 341.5	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R614.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 5: Maritime Defence

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 19.14 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Maritime Direction	467 248	488 771	524 851	545 183	5.3%	14.8%	581 621	559 704	558 723	0.8%	13.1%
Maritime Combat Capability	558 293	585 054	1 129 323	1 252 500	30.9%	25.7%	1 707 984	1 857 014	1 651 120	9.6%	37.8%
Maritime Logistic Support Capability	988 958	1 136 996	1 103 963	859 709	-4.6%	29.9%	930 730	1 027 905	1 073 944	7.7%	22.7%
Maritime Human Resources and Training Capability	316 290	397 131	445 218	467 086	13.9%	11.9%	505 914	502 985	513 700	3.2%	11.6%
Base Support Capability	564 156	618 426	599 014	644 669	4.5%	17.7%	629 631	609 725	630 036	-0.8%	14.7%
Total	2 894 945	3 226 378	3 802 369	3 769 147	9.2%	100.0%	4 355 880	4 557 333	4 427 523	5.5%	100.0%
Change to 2015 Budget estimate				51 898			(405 207)	(243 379)	(651 630)		
Economic classification											
Current payments	2 413 440	2 663 894	2 886 473	2 868 541	5.9%	79.1%	2 982 248	3 021 292	3 113 643	2.8%	70.1%
Compensation of employees	1 672 529	1 827 073	1 968 660	2 109 674	8.0%	55.3%	2 263 018	2 213 552	2 277 163	2.6%	51.8%
Goods and services	740 911	836 821	917 813	758 867	0.8%	23.8%	719 230	807 740	836 480	3.3%	18.2%
of which:											
Administrative fees	-	17	-	-	-	-	-	-	-	-	-
Advertising	435	476	348	524	6.4%	-	350	355	359	-11.8%	-
Minor assets	6 730	10 076	7 706	11 696	20.2%	0.3%	18 275	14 355	12 909	3.3%	0.3%
Catering: Departmental activities	887	1 972	1 467	641	-10.3%	-	761	785	805	7.9%	-
Communication	9 130	9 976	11 207	11 674	8.5%	0.3%	9 027	9 403	9 833	-5.6%	0.2%
Computer services	30 933	23 440	20 663	21 231	-11.8%	0.7%	25 853	27 669	29 958	12.2%	0.6%
Consultants: Business and advisory services	630	494	201	710	4.1%	-	479	480	481	-12.2%	-
Infrastructure and planning services	624	947	3 557	2 372	56.1%	0.1%	2 759	3 322	3 490	13.7%	0.1%
Laboratory services	-	-	-	131	-	-	-	-	-	-100.0%	-
Legal services	-	750	-	-	-	-	-	-	-	-	-
Contractors	308 004	496 992	473 360	262 659	-5.2%	11.3%	226 105	223 719	221 486	-5.5%	5.5%
Agency and support/outsourced services	14 823	15 500	15 035	5 411	-28.5%	0.4%	1 432	5 717	3 651	-12.3%	0.1%
Entertainment	194	62	28	61	-32.0%	-	68	68	68	3.7%	-
Fleet services (including government motor transport)	8	510	1 360	1 096	415.5%	-	699	754	808	-9.7%	-

Table 19.14 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
<i>Inventory: Clothing material and accessories</i>	–	–	1 549	15 919	–	0.1%	24 256	23 279	23 284	13.5%	0.5%
<i>Inventory: Food and food supplies</i>	66 560	49 266	114 873	91 438	11.2%	2.4%	92 143	102 897	120 568	9.7%	2.4%
<i>Inventory: Fuel, oil and gas</i>	82 687	92 507	29 938	81 396	-0.5%	2.1%	19 127	67 373	90 350	3.5%	1.5%
<i>Inventory: Materials and supplies</i>	16 701	(61 962)	45 114	25 303	14.9%	0.2%	16 594	46 025	45 976	22.0%	0.8%
<i>Inventory: Medical supplies</i>	17	18	17	55	47.9%	–	26	24	29	-19.2%	–
<i>Inventory: Other supplies</i>	75 018	49 321	54 903	59 182	-7.6%	1.7%	95 741	115 544	110 105	23.0%	2.2%
<i>Consumable supplies</i>	36 192	30 417	5 201	6 502	-43.6%	0.6%	11 888	12 033	12 543	24.5%	0.3%
<i>Consumables: Stationery, printing and office supplies</i>	5 980	6 880	6 685	6 685	3.8%	0.2%	9 832	6 626	6 404	-1.4%	0.2%
<i>Operating leases</i>	2 966	148	122	2 616	-4.1%	–	1 861	765	424	-45.5%	–
<i>Rental and hiring</i>	5	7	51	19	56.0%	–	20	20	20	1.7%	–
<i>Property payments</i>	17 407	14 709	11 486	37 452	29.1%	0.6%	26 273	17 090	12 600	-30.4%	0.5%
<i>Travel and subsistence</i>	49 523	63 514	57 325	46 086	-2.4%	1.6%	49 409	53 008	55 735	6.5%	1.2%
<i>Training and development</i>	(6 328)	12 113	11 052	7 172	-204.3%	0.2%	16 117	8 345	8 335	5.1%	0.2%
<i>Operating payments</i>	21 227	17 985	43 948	60 390	41.7%	1.0%	69 796	66 878	65 042	2.5%	1.5%
<i>Venues and facilities</i>	558	686	617	446	-7.2%	–	339	1 206	1 217	39.7%	–
Transfers and subsidies	417 219	475 245	867 619	878 072	28.2%	19.3%	1 366 999	1 526 451	1 304 393	14.1%	29.7%
Departmental agencies and accounts	104 117	167 743	648 874	633 542	82.6%	11.4%	1 123 038	1 268 232	1 041 772	18.0%	23.8%
Public corporations and private enterprises	294 113	301 388	208 897	219 884	-9.2%	7.5%	226 287	243 182	254 994	5.1%	5.5%
Households	18 989	6 114	9 848	24 646	9.1%	0.4%	17 674	15 037	7 627	-32.4%	0.4%
Payments for capital assets	63 864	86 899	48 036	22 534	-29.3%	1.6%	6 633	9 590	9 487	-25.1%	0.3%
Buildings and other fixed structures	13 873	3 509	592	2 000	-47.6%	0.1%	–	–	–	-100.0%	–
Machinery and equipment	49 642	83 352	47 444	20 384	-25.7%	1.5%	6 633	9 590	9 487	-22.5%	0.3%
Software and other intangible assets	349	38	–	150	-24.5%	–	–	–	–	-100.0%	–
Payments for financial assets	422	340	241	–	-100.0%	–	–	–	–	–	–
Total	2 894 945	3 226 378	3 802 369	3 769 147	9.2%	100.0%	4 355 880	4 557 333	4 427 523	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	7.7%	8.0%	8.9%	8.4%	–	–	9.2%	9.3%	8.7%	–	–
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	–	10	295	–	–	–	–	–	–	–	–
Claims against the state	–	10	295	–	–	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	104 117	167 743	648 874	633 542	82.6%	11.4%	1 123 038	1 268 232	1 041 772	18.0%	23.8%
Special defence account	104 117	167 743	648 874	633 542	82.6%	11.4%	1 123 038	1 268 232	1 041 772	18.0%	23.8%
Households											
Social benefits											
Current	18 989	6 104	9 553	24 646	9.1%	0.4%	17 674	15 037	7 627	-32.4%	0.4%
Employee social benefits	18 989	6 104	9 553	24 646	9.1%	0.4%	17 674	15 037	7 627	-32.4%	0.4%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	–	–	23	–	–	–	–	–	–	–	–
Claims against the state	–	–	23	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	255	–	–	–	–	–	–	–	–
Claims against the state	–	–	255	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	294 113	301 388	208 619	219 884	-9.2%	7.5%	226 287	243 182	254 994	5.1%	5.5%
Armaments Corporation of South Africa	294 113	301 388	208 619	219 884	-9.2%	7.5%	226 287	243 182	254 994	5.1%	5.5%

Personnel information

Table 19.15 Maritime Defence personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	2015/16 - 2018/19
Maritime Defence		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	7 651	-	7 575	1 968.7	0.3	7 651	2 109.7	0.3	7 601	2 263.0	0.3	7 728	2 375.9	0.3	7 927	2 530.2	0.3	1.2%	100.0%
1 – 6	5 372	-	5 293	1 028.5	0.2	5 372	1 124.6	0.2	5 418	1 226.1	0.2	5 634	1 335.9	0.2	5 865	1 462.2	0.2	3.0%	72.1%
7 – 10	2 171	-	2 169	781.0	0.4	2 171	816.3	0.4	2 082	848.6	0.4	1 998	851.5	0.4	1 973	881.2	0.4	-3.1%	26.6%
11 – 12	91	-	90	59.2	0.7	91	64.4	0.7	84	64.8	0.8	79	63.9	0.8	74	62.9	0.9	-6.5%	1.1%
13 – 16	19	-	23	21.0	0.9	19	17.7	0.9	17	17.8	1.0	17	18.3	1.1	15	16.9	1.1	-7.3%	0.2%
Other	-	-	-	78.9	-	-	86.8	-	-	105.7	-	-	106.3	-	-	106.9	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	(162.3)	-	-	(253.0)	-	-	-	-
Total	7 651	-	7 575	1 968.7	0.3	7 651	2 109.7	0.3	7 601	2 263.0	0.3	-	2 213.6	-	-	2 277.2	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R415.4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 6: Military Health Support

Programme purpose

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

Objectives

- Ensure prepared and supported health capabilities and services by providing:
 - 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
 - providing a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members per year.

Subprogrammes

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

- *Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies.

Expenditure trends and estimates

Table 19.16 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
Strategic Direction	203 239	207 513	218 271	172 553	-5.3%	5.2%	203 249	188 399	191 016	3.4%	4.3%
Mobile Military Health Support	105 262	109 408	120 810	118 930	4.2%	3.0%	121 678	153 786	177 059	14.2%	3.3%
Area Military Health Service	1 143 874	1 262 346	1 455 454	1 412 913	7.3%	34.4%	1 548 512	1 553 570	1 641 564	5.1%	35.3%
Specialist/Tertiary Health Service	1 215 105	1 273 469	1 433 329	1 490 018	7.0%	35.3%	1 574 186	1 524 620	1 571 166	1.8%	35.3%
Military Health Product Support Capability	198 122	236 322	212 914	186 668	-2.0%	5.4%	208 883	231 969	228 401	7.0%	4.9%
Military Health Maintenance Capability	261 524	280 847	256 414	271 205	1.2%	7.0%	302 657	276 707	268 208	-0.4%	6.4%
Military Health Training Capability	332 790	363 698	355 921	416 974	7.8%	9.6%	457 651	471 333	501 029	6.3%	10.6%
Total	3 459 916	3 733 603	4 053 113	4 069 261	5.6%	100.0%	4 416 816	4 400 384	4 578 443	4.0%	100.0%
Change to 2015				136 347			237 733	(135 288)	(220 298)		
Budget estimate											
Economic classification											
Current payments	3 360 605	3 615 868	3 886 430	4 035 436	6.3%	97.3%	4 407 393	4 341 666	4 492 004	3.6%	98.9%
Compensation of employees	2 546 606	2 700 762	2 865 474	3 114 661	6.9%	73.3%	3 362 501	3 277 455	3 322 375	2.2%	74.9%
Goods and services	813 999	915 106	1 020 956	920 775	4.2%	24.0%	1 044 892	1 064 211	1 169 629	8.3%	24.0%
of which:											
Advertising	81	212	300	289	52.8%	-	30	31	33	-51.5%	-
Minor assets	5 549	12 789	15 279	13 587	34.8%	0.3%	54 648	40 281	41 958	45.6%	0.9%
Catering: Departmental activities	1 258	1 298	1 333	987	-7.8%	-	1 323	2 026	2 262	31.8%	-
Communication	6 584	6 836	6 347	7 899	6.3%	0.2%	8 158	7 026	7 404	-2.1%	0.2%
Computer services	40 871	34 814	36 726	49 404	6.5%	1.1%	60 015	63 501	66 696	10.5%	1.4%
Consultants: Business and advisory services	11 811	594	652	8 155	-11.6%	0.1%	-	273	290	-67.1%	-
Infrastructure and planning services	3 887	546	140	753	-42.1%	-	823	2 365	2 515	49.5%	-
Laboratory services	18 531	29 847	26 855	26 380	12.5%	0.7%	23 322	19 263	20 414	-8.2%	0.5%
Science and technological services	-	9 547	15 350	-	-	0.2%	2 333	5 962	7 256	-	0.1%
Contractors	50 679	55 097	56 188	87 661	20.0%	1.6%	59 411	92 581	77 997	-3.8%	1.8%
Agency and support/outourced services	221 008	286 585	362 199	311 426	12.1%	7.7%	283 557	309 481	311 768	-	7.0%
Entertainment	114	77	50	14	-50.3%	-	50	57	60	62.4%	-
Fleet services (including government motor transport)	1 766	2 540	3 122	5 255	43.8%	0.1%	2 675	2 933	3 091	-16.2%	0.1%
Inventory: Clothing material and accessories	-	-	23 703	17 806	-	0.3%	11 701	1 558	1 651	-54.7%	0.2%
Inventory: Farming supplies	-	-	717	737	-	-	605	666	696	-1.9%	-
Inventory: Food and food supplies	53 234	61 953	53 467	49 854	-2.2%	1.4%	50 100	52 219	55 355	3.6%	1.2%
Inventory: Fuel, oil and gas	16 238	22 706	21 870	21 634	10.0%	0.5%	20 361	20 774	21 923	0.4%	0.5%
Inventory: Materials and supplies	2 120	3 287	1 143	2 059	-1.0%	0.1%	140	145	155	-57.8%	-
Inventory: Medical supplies	76 084	85 678	75 141	71 718	-2.0%	2.0%	110 201	105 027	133 534	23.0%	2.4%
Inventory: Medicine	189 773	186 515	166 320	126 152	-12.7%	4.4%	235 083	230 541	302 208	33.8%	5.1%
Inventory: Other supplies	3	-	29	621	491.5%	-	-	-	-	-100.0%	-
Consumable supplies	30 345	30 188	16 327	15 853	-19.5%	0.6%	11 946	12 975	13 705	-4.7%	0.3%
Consumables: Stationery, printing and office supplies	5 851	7 636	9 672	11 487	25.2%	0.2%	3 129	3 424	3 684	-31.6%	0.1%
Operating leases	5 884	1 341	668	8 727	14.0%	0.1%	3 615	2 632	2 792	-31.6%	0.1%
Rental and hiring	2	3	5	11	76.5%	-	-	-	-	-100.0%	-
Property payments	17 189	14 247	15 224	15 652	-3.1%	0.4%	20 587	22 218	23 008	13.7%	0.5%
Travel and subsistence	43 125	53 693	62 860	47 663	3.4%	1.4%	61 072	48 533	50 872	2.2%	1.2%
Training and development	4 342	8 103	41 076	10 598	34.6%	0.4%	10 470	7 975	8 099	-8.6%	0.2%
Operating payments	6 101	(1 664)	7 543	7 920	9.1%	0.1%	8 394	8 411	8 787	3.5%	0.2%
Venues and facilities	1 569	638	650	473	-32.9%	-	1 143	1 333	1 416	44.1%	-
Transfers and subsidies	14 677	11 497	46 096	7 709	-19.3%	0.5%	6 510	31 320	58 377	96.4%	0.6%
Departmental agencies and accounts	4 411	2 934	15 357	6 666	14.8%	0.2%	58	27 111	51 449	97.6%	0.5%
Public corporations and private enterprises	-	-	107	-	-	-	-	-	-	-	-
Non-profit institutions	752	832	769	800	2.1%	-	840	882	926	5.0%	-
Households	9 514	7 731	29 863	243	-70.6%	0.3%	5 612	3 327	6 002	191.2%	0.1%

Table 19.16 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
Payments for capital assets	83 201	105 476	120 225	26 116	-32.0%	2.2%	2 913	27 398	28 062	2.4%	0.5%
Buildings and other fixed structures	44	23	180	600	138.9%	-	-	-	47	-57.2%	-
Machinery and equipment	80 131	105 428	119 195	24 728	-32.4%	2.2%	2 913	27 398	28 015	4.2%	0.5%
Specialised military assets	747	-	850	750	0.1%	-	-	-	-	-100.0%	-
Biological assets	11	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	2 268	25	-	38	-74.4%	-	-	-	-	-100.0%	-
Payments for financial assets	1 433	762	362	-	-100.0%	-	-	-	-	-	-
Total	3 459 916	3 733 603	4 053 113	4 069 261	5.6%	100.0%	4 416 816	4 400 384	4 578 443	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	9.2%	9.5%	9.0%	-	-	9.4%	9.0%	9.0%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	625	20 310	-	-	0.1%	-	-	-	-	-
Claims against the state	-	625	20 310	-	-	0.1%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 411	2 934	15 357	6 666	14.8%	0.2%	58	27 111	51 449	97.6%	0.5%
Communication	-	1 760	-	-	-	-	58	61	64	-	-
Special defence account	4 411	1 174	15 357	6 666	14.8%	0.2%	-	27 050	51 385	97.5%	0.5%
Provinces and municipalities											
Households											
Social benefits											
Current	9 514	7 106	9 553	243	-70.6%	0.2%	5 612	3 327	6 002	191.2%	0.1%
Employee social benefits	9 514	7 106	9 553	243	-70.6%	0.2%	5 612	3 327	6 002	191.2%	0.1%
Non-profit institutions											
Current	752	832	769	800	2.1%	-	840	882	926	5.0%	-
St. Johns Ambulance Brigade	752	832	769	800	2.1%	-	840	882	926	5.0%	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	107	-	-	-	-	-	-	-	-
Claims against the state	-	-	107	-	-	-	-	-	-	-	-

Personnel information

Table 19.17 Military Health Support personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Military Health Support	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%) 2015/16 - 2018/19	Salary level/total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	8 202	-	8 145	2 865.5	0.4	8 202	3 114.7	0.4	8 289	3 362.5	0.4	8 389	3 519.9	0.4	8 504	3 698.2	0.4	1.2%	100.0%
1 - 6	3 979	-	3 798	693.2	0.2	3 979	812.7	0.2	4 020	870.4	0.2	4 133	937.4	0.2	4 274	1 019.4	0.2	2.4%	49.1%
7 - 10	3 912	-	3 986	1 750.2	0.4	3 912	1 912.4	0.5	3 956	2 048.1	0.5	3 941	2 149.3	0.5	3 915	2 255.6	0.6	0.0%	47.1%
11 - 12	228	-	251	190.7	0.8	228	192.1	0.8	231	205.3	0.9	232	217.0	0.9	233	229.6	1.0	0.8%	2.8%
13 - 16	83	-	110	111.3	1.0	83	90.2	1.1	83	95.1	1.1	83	99.9	1.2	82	104.0	1.3	-0.4%	1.0%
Other	-	-	-	120.1	-	-	107.3	-	-	143.7	-	-	116.3	-	-	89.7	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(242.4)	-	-	(375.8)	-	-	-
Total	8 202	-	8 145	2 865.5	0.4	8 202	3 114.7	0.4	8 289	3 362.5	0.4	-	3 277.5	-	-	3 322.4	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R618.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capability.

Objectives

- Ensure prepared and supported intelligence services on an annual basis by providing:
 - an intelligence capability
 - a counterintelligence capability
 - a defence foreign relations capability.

Subprogrammes

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

Expenditure trends and estimates

Table 19.18 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 -	2015/16	2016/17	2017/18	2018/19	2015/16 -	2018/19
Strategic Direction	–	11	–	71	–	–	71	72	74	1.4%	–
Operations	420 886	457 793	472 579	459 692	3.0%	57.8%	472 482	477 728	501 902	3.0%	53.2%
Defence Intelligence Support Services	284 164	316 879	347 196	371 696	9.4%	42.2%	427 695	439 418	442 314	6.0%	46.8%
Total	705 050	774 683	819 775	831 459	5.7%	100.0%	900 248	917 218	944 290	4.3%	100.0%
Change to 2015				4 008			27 368	2 144	(23 858)		
Budget estimate											
Economic classification											
Current payments	275 575	324 191	358 722	381 268	11.4%	42.8%	442 950	453 499	457 440	6.3%	48.3%
Compensation of employees	261 992	295 835	327 807	349 496	10.1%	39.4%	404 891	413 116	415 048	5.9%	44.0%
Goods and services	13 583	28 356	30 915	31 772	32.7%	3.3%	38 059	40 383	42 392	10.1%	4.2%
of which:											
Administrative fees	–	198	189	–	–	–	–	–	–	–	–
Advertising	–	2	–	82	–	–	87	94	102	7.5%	–
Minor assets	438	511	258	1 328	44.7%	0.1%	1 191	1 227	1 273	-1.4%	0.1%
Catering: Departmental activities	89	113	89	31	-29.6%	–	99	104	108	51.6%	–
Communication	1 217	1 807	1 514	1 902	16.0%	0.2%	2 119	2 239	2 348	7.3%	0.2%
Computer services	–	207	153	229	–	–	269	282	297	9.1%	–
Consultants: Business and advisory services	–	1	–	–	–	–	–	–	–	–	–
Contractors	700	829	663	933	10.1%	0.1%	1 718	1 768	1 833	25.2%	0.2%
Agency and support/outourced services	59	53	107	69	5.4%	–	228	239	250	53.6%	–
Entertainment	54	57	45	95	20.7%	–	183	196	209	30.1%	–
Fleet services (including government motor transport)	15	12	135	226	147.0%	–	261	271	282	7.7%	–
Inventory: Clothing material and accessories	–	–	56	92	–	–	53	54	56	-15.3%	–
Inventory: Food and food supplies	1 790	8 084	10 225	8 581	68.6%	0.9%	10 744	11 839	12 384	13.0%	1.2%
Inventory: Fuel, oil and gas	1 614	2 443	1 917	1 820	4.1%	0.2%	2 083	2 166	2 246	7.3%	0.2%
Inventory: Materials and supplies	192	408	228	174	-3.2%	–	201	210	222	8.5%	–
Consumable supplies	625	711	740	822	9.6%	0.1%	932	973	1 027	7.7%	0.1%
Consumables: Stationery, printing and office supplies	994	685	1 082	1 290	9.1%	0.1%	1 512	1 558	1 607	7.6%	0.2%
Operating leases	441	5 405	6 438	6 859	149.6%	0.6%	6 405	6 717	7 047	0.9%	0.8%
Property payments	853	823	691	381	-23.6%	0.1%	952	983	1 020	38.9%	0.1%

Table 19.18 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R thousand											
Travel and subsistence	2 639	3 699	3 926	3 730	12.2%	0.4%	5 365	5 579	5 897	16.5%	0.6%
Training and development	1 467	1 063	1 620	2 258	15.5%	0.2%	2 518	2 684	2 861	8.2%	0.3%
Operating payments	250	1 201	772	679	39.5%	0.1%	943	975	1 018	14.5%	0.1%
Venues and facilities	146	44	67	191	9.4%	-	196	225	305	16.9%	-
Transfers and subsidies	424 599	445 653	456 493	445 799	1.6%	56.6%	456 729	459 791	482 730	2.7%	51.3%
Provinces and municipalities	-	-	4	-	-	-	-	-	-	-	-
Departmental agencies and accounts	420 565	441 890	455 783	442 226	1.7%	56.2%	452 451	455 833	478 993	2.7%	50.9%
Public corporations and private enterprises	-	-	2	-	-	-	-	-	-	-	-
Households	4 034	3 763	704	3 573	-4.0%	0.4%	4 278	3 958	3 737	1.5%	0.4%
Payments for capital assets	4 789	4 828	4 525	4 392	-2.8%	0.6%	569	3 928	4 120	-2.1%	0.4%
Machinery and equipment	4 789	4 828	4 525	4 392	-2.8%	0.6%	569	3 928	4 120	-2.1%	0.4%
Payments for financial assets	87	11	35	-	-100.0%	-	-	-	-	-	-
Total	705 050	774 683	819 775	831 459	5.7%	100.0%	900 248	917 218	944 290	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.9%	1.9%	1.8%	-	-	1.9%	1.9%	1.9%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	420 565	441 890	455 783	442 226	1.7%	56.2%	452 451	455 833	478 993	2.7%	50.9%
Communication	-	-	-	202	-	-	319	335	351	20.2%	-
Special defence account	420 565	441 890	455 783	442 024	1.7%	56.2%	452 132	455 498	478 642	2.7%	50.9%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	4	-	-	-	-	-	-	-	-
Vehicle licences	-	-	4	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	4 034	3 763	704	3 573	-4.0%	0.4%	4 278	3 958	3 737	1.5%	0.4%
Employee social benefits	4 034	3 763	704	3 573	-4.0%	0.4%	4 278	3 958	3 737	1.5%	0.4%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	2	-	-	-	-	-	-	-	-
Claims against the state	-	-	2	-	-	-	-	-	-	-	-

Personnel information

Table 19.19 Defence Intelligence personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Defence Intelligence	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)			
			2014/15	Unit Cost	2015/16	Unit Cost	2016/17		2017/18		2018/19		2015/16 - 2018/19						
Total	897	-	884	327.8	0.4	897	349.5	0.4	956	404.9	0.4	1 021	443.7	0.4	1 016	462.2	0.5	4.2%	100.0%
Salary level	897	-	884	327.8	0.4	897	349.5	0.4	956	404.9	0.4	1 021	443.7	0.4	1 016	462.2	0.5	4.2%	100.0%
1 – 6	253	-	254	49.6	0.2	253	51.1	0.2	279	61.0	0.2	306	69.5	0.2	305	72.8	0.2	6.4%	29.4%
7 – 10	573	-	559	212.3	0.4	573	230.8	0.4	606	264.0	0.4	643	291.1	0.5	639	303.4	0.5	3.7%	63.3%
11 – 12	54	-	54	33.9	0.6	54	36.4	0.7	54	39.7	0.7	55	41.9	0.8	55	44.0	0.8	0.6%	5.6%
13 – 16	17	-	17	15.5	0.9	17	15.5	0.9	17	16.9	1.0	17	17.6	1.0	17	18.4	1.1	-	1.8%
Other	-	-	-	16.5	-	-	15.7	-	-	23.2	-	-	23.6	-	-	23.5	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	(30.6)	-	-	(47.1)	-	-	-	-
Total	897	-	884	327.8	0.4	897	349.5	0.4	956	404.9	0.4	-	413.1	-	-	415.0	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R77.8 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services through effective and efficient centralised common logistical support in respect of ordered commitments in accordance with the defence policy and strategy by providing:
 - appropriate, ready and sustained centralised common matériel management to the department
 - appropriate, ready and sustained centralised facilities management to the department
 - appropriate, ready and sustained centralised common logistic services and movement management to the department
 - sound logistic strategic direction to the department.
- Provide ICT prime systems integration and strategic direction to the department over the medium term by providing:
 - strategic direction and staff support services to the division
 - integrated ICT solutions and enablers for the department
 - an information warfare strategic direction capability to the department
 - maintenance and support for information systems in the department.
- Provide a military policing capability to the department by:
 - conducting 124 deliberate crime prevention operations per year over the medium term
 - investigating 100 per cent of corruption and fraud cases reported per year over the medium term
 - 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 over the medium term
 - sustaining 2 military correctional facilities for detention and rehabilitation over the medium term.

Subprogrammes

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

Expenditure trends and estimates

Table 19.20 General Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Joint Logistic Services	2 096 158	2 055 116	2 125 739	2 618 464	7.7%	44.2%	2 916 867	2 952 058	3 012 529	4.8%	48.6%
Command and Management Information Systems	849 806	955 593	865 697	954 813	4.0%	18.0%	1 011 199	1 043 185	1 081 992	4.3%	17.3%
Military Police	502 576	498 723	539 571	530 058	1.8%	10.3%	565 427	554 999	564 059	2.1%	9.4%
Technology Development	326 672	347 963	442 306	424 345	9.1%	7.6%	516 244	484 884	383 049	-3.4%	7.6%
Departmental Support	861 690	1 367 176	940 746	844 934	-0.7%	19.9%	901 356	1 105 737	1 178 973	11.7%	17.0%
Total	4 636 902	5 224 571	4 914 059	5 372 614	5.0%	100.0%	5 911 093	6 140 863	6 220 602	5.0%	100.0%
Change to 2015 Budget estimate				(444 378)			(135 255)	(214 325)	(503 187)		
Economic classification											
Current payments	2 666 647	3 205 161	3 314 672	3 954 366	14.0%	65.2%	4 450 817	4 474 460	4 565 089	4.9%	73.8%
Compensation of employees	1 271 468	1 400 970	1 509 790	1 741 166	11.0%	29.4%	2 028 553	1 942 935	1 929 814	3.5%	32.3%
Goods and services	1 395 179	1 804 191	1 804 882	2 213 200	16.6%	35.8%	2 422 264	2 531 525	2 635 275	6.0%	41.5%
of which:											
Administrative fees	3 057	2 907	3 020	1 584	-19.7%	0.1%	12 904	12 845	12 952	101.5%	0.2%
Advertising	234	579	95	282	6.4%	-	451	585	610	29.3%	-
Minor assets	14 293	20 179	11 613	20 346	12.5%	0.3%	18 178	19 828	20 229	-0.2%	0.3%
Audit costs: External	56 993	67 213	61 799	69 821	7.0%	1.3%	73 312	76 977	80 826	5.0%	1.3%
Catering: Departmental activities	1 172	3 628	2 824	5 302	65.4%	0.1%	8 250	7 426	7 470	12.1%	0.1%
Communication	8 955	2 801	9 403	10 688	6.1%	0.2%	11 683	12 340	12 963	6.6%	0.2%
Computer services	637 748	768 052	727 934	700 584	3.2%	14.1%	857 455	930 699	942 433	10.4%	14.5%
Consultants: Business and advisory services	96 663	189 960	262 324	141 944	13.7%	3.4%	91 927	67 768	78 084	-18.1%	1.6%
Infrastructure and planning services	1 225	202	661	31 783	196.0%	0.2%	23 053	22 368	22 606	-10.7%	0.4%
Legal services	-	19 825	22 670	10 191	-	0.3%	30 742	31 279	31 843	46.2%	0.4%
Science and technological services	-	17 447	25 340	-	-	0.2%	52 730	55 243	58 096	-	0.7%
Contractors	56 900	71 721	83 809	118 290	27.6%	1.6%	123 426	129 228	136 154	4.8%	2.1%
Agency and support/outsourced services	16 497	12 482	12 167	28 309	19.7%	0.3%	33 145	34 002	34 939	7.3%	0.6%
Entertainment	92	73	19	493	75.0%	-	527	156	164	-30.7%	-
Fleet services (including government motor transport)	118	180	1 286	2 777	186.6%	-	2 753	2 924	3 125	4.0%	-
Inventory: Clothing material and accessories	-	-	2 901	3 774	-	-	9 071	8 759	10 493	40.6%	0.1%
Inventory: Farming supplies	-	-	36	102	-	-	53	61	66	-13.5%	-
Inventory: Food and food supplies	34 930	30 181	24 613	49 875	12.6%	0.7%	35 058	38 065	42 207	-5.4%	0.7%
Inventory: Fuel, oil and gas	23 050	24 276	29 132	25 754	3.8%	0.5%	25 999	25 195	26 237	0.6%	0.4%
Inventory: Materials and supplies	10 152	11 977	15 852	5 953	-16.3%	0.2%	8 536	6 951	7 383	7.4%	0.1%
Inventory: Medical supplies	-	14	24	-	-	-	41	62	76	-	-
Inventory: Other supplies	2	9	14	677	596.9%	-	708	789	850	7.9%	-
Consumable supplies	7 830	7 765	13 314	10 069	8.7%	0.2%	10 689	10 541	11 138	3.4%	0.2%
Consumables: Stationery, printing and office supplies	7 431	8 803	5 140	5 056	-12.0%	0.1%	5 260	5 989	6 264	7.4%	0.1%
Operating leases	2 884	1 362	1 335	37 858	135.9%	0.2%	8 375	9 027	9 302	-37.4%	0.3%
Property payments	321 268	429 539	344 990	813 186	36.3%	9.5%	843 996	883 876	934 028	4.7%	14.7%
Travel and subsistence	47 595	66 010	67 235	61 054	8.7%	1.2%	76 857	78 876	81 989	10.3%	1.3%
Training and development	40 986	38 979	68 039	42 349	1.1%	0.9%	42 875	44 649	46 955	3.5%	0.7%
Operating payments	3 402	5 742	6 164	12 234	53.2%	0.1%	12 202	12 938	13 603	3.6%	0.2%
Venues and facilities	1 702	2 285	1 129	2 865	19.0%	-	2 008	2 079	2 190	-8.6%	-
Transfers and subsidies	1 119 542	1 649 108	1 302 234	1 256 341	3.9%	26.4%	1 318 394	1 501 385	1 483 150	5.7%	23.5%
Provinces and municipalities	-	-	29	-	-	-	51	59	69	-	-
Departmental agencies and accounts	445 903	368 091	445 685	483 217	2.7%	8.7%	551 691	508 845	420 361	-4.5%	8.3%
Foreign governments and international organisations	-	303 347	-	-	-	1.5%	-	-	-	-	-
Public corporations and private enterprises	666 124	971 571	846 580	760 898	4.5%	16.1%	752 276	982 854	1 051 497	11.4%	15.0%
Households	7 515	6 099	9 940	12 226	17.6%	0.2%	14 376	9 627	11 223	-2.8%	0.2%

Table 19.20 General Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16					2015/16 - 2018/19	
Payments for capital assets	755 270	369 767	294 831	161 907	-40.2%	7.9%	141 882	165 018	172 363	2.1%	2.7%
Buildings and other fixed structures	630 523	200 805	62 571	114 999	-43.3%	5.0%	120 643	126 676	133 010	5.0%	2.1%
Machinery and equipment	124 425	167 614	228 293	46 082	-28.2%	2.8%	20 913	37 987	38 953	-5.4%	0.6%
Specialised military assets	-	-	3 379	22	-	-	-	-	-	-100.0%	-
Software and other intangible assets	322	1 348	588	804	35.7%	-	326	355	400	-20.8%	-
Payments for financial assets	95 443	535	2 322	-	-100.0%	0.5%	-	-	-	-	-
Total	4 636 902	5 224 571	4 914 059	5 372 614	5.0%	100.0%	5 911 093	6 140 863	6 220 602	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	12.3%	12.9%	11.5%	11.9%	-	-	12.5%	12.6%	12.3%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	-	1 410	-	-	-	-	-	-	-	-
Claims against the state	-	-	1 410	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	445 903	368 091	445 685	483 217	2.7%	8.7%	551 691	508 845	420 361	-4.5%	8.3%
Communication	-	-	2	3	-	-	70	74	78	196.2%	-
Claims against the state	30 596	2 100	-	-	-100.0%	0.2%	-	-	-	-	-
Special defence account	415 307	365 991	445 683	483 214	5.2%	8.5%	551 621	508 771	420 283	-4.5%	8.3%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	29	-	-	-	51	59	69	-	-
Vehicle licences	-	-	29	-	-	-	51	59	69	-	-
Households											
Social benefits											
Current	7 515	6 099	8 530	12 226	17.6%	0.2%	14 376	9 627	11 223	-2.8%	0.2%
Employee social benefits	7 515	6 099	8 530	12 226	17.6%	0.2%	14 376	9 627	11 223	-2.8%	0.2%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	65	-	-	0.3%	-	-	-	-	-
Claims against the state	-	-	65	-	-	0.3%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	16 610	-	-	0.8%	-	-	-	-	-
Claims against the state	-	-	16 610	-	-	0.8%	-	-	-	-	-
Armaments Corporation of South Africa	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	-	-	829 905	760 898	4.5%	15.0%	752 276	982 854	1 051 497	11.4%	15.0%
Armaments Corporation of South Africa	-	-	829 905	760 898	4.5%	15.0%	752 276	982 854	1 051 497	11.4%	15.0%
Foreign governments and international organisations											
Current	-	303 347	-	-	-	1.5%	-	-	-	-	-
Claims against the state	-	303 347	-	-	-	1.5%	-	-	-	-	-

Personnel information

Table 19.21 General Support personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
General Support		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	5 385	-	4 843	1 509.8	0.3	5 385	1 741.2	0.3	5 682	2 028.6	0.4	5 730	2 086.9	0.4	5 745	2 149.0	0.4	2.2%	100.0%
Salary level																			
1 – 6	3 291	-	2 842	611.2	0.2	3 291	753.9	0.2	3 373	817.0	0.2	3 407	846.8	0.2	3 420	883.3	0.3	1.3%	59.8%
7 – 10	1 954	-	1 868	698.6	0.4	1 954	784.1	0.4	2 163	906.4	0.4	2 173	936.5	0.4	2 173	975.3	0.4	3.6%	37.5%
11 – 12	114	-	108	72.4	0.7	114	87.0	0.8	121	96.0	0.8	124	101.2	0.8	125	106.3	0.9	3.1%	2.1%
13 – 16	27	-	25	23.0	0.9	27	23.0	0.9	26	23.4	0.9	26	24.1	0.9	27	25.9	1.0	0.2%	0.5%
Other	-	-	-	104.5	-	-	93.2	-	-	185.8	-	-	178.3	-	-	158.3	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(144.0)	-	-	(219.2)	-	-	-
Total	5 385	-	4 843	1 509.8	0.3	5 385	1 741.2	0.3	5 682	2 028.6	0.4	-	1 942.9	-	-	1 929.8	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R363.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Other departments within the vote

Military Veterans

Table 19.22 Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	143.7	140.9	–	2.8	155.6	166.4
Socio Economic Support	294.1	50.4	240.1	3.5	307.6	325.5
Empowerment and Stakeholder Management	159.8	156.2	3.5	0.1	171.5	181.5
Total expenditure estimates	597.6	347.5	243.6	6.5	634.7	673.4
Executive authority	Minister of Defence and Military Veterans					
Accounting officer	Director General of Military Veterans					
Website address	www.dmv.gov.za					

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

Department purpose

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

Mandate

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

Selected performance indicators

Table 19.23 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past ¹			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	200	4 719	6 795	13 923	14 500	15 000	16 000
Number of deserving military veterans with decent housing per year	Socio Economic Support	Outcome 8: Sustainable human settlements and improved quality of household life	0	2	0	1 000	1 000	1 000	1 000
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	0	1	2	4	2	2	3
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	0	1 270	2 450	3 000	3 500	4 000	5 000
Number of private sector companies and organs of state in partnership with the Department of Military Veterans per year	Empowerment and Stakeholder Management	Outcome 4: Decent employment through inclusive economic growth	0	13	15	25	60	60	60

1. Increases are mainly due to the approval of the military veterans' benefits regulations and the recruitment of additional personnel.

Expenditure analysis

Recognising the role that military veterans played in the democratisation of South Africa links to the national development plan's aspirations to realise a developmental, capable and ethical state that treats citizens with dignity. Acknowledging military veterans' contribution to South Africa can deepen social cohesion and national unity while redressing the inequities of the past. Over the medium term, the Department of Military Veterans will focus on delivering benefits to veterans and their dependants, including access to health care, housing, and education opportunities. The bulk of the department's budget over this period therefore goes to the Socio Economic Support and Empowerment and Stakeholder Management programmes. The aim of the benefits is to empower veterans in a range of ways.

The department expects to deliver 3 000 houses and 5 000 bursaries to military veterans and their dependants over the medium term. R436.7 million is allocated for houses and R83.6 million for bursaries over the period in the Socio Economic Support programme. A memorandum of understanding with the National Student Financial Aid Scheme and the Department of Basic Education will assist the department to provide access to education opportunities, such as the schooling of children up to grade 12, and tertiary education.

The department will also provide ongoing health care support to 16 000 veterans and their dependants by referring them to the appropriate health institutions, reflected in the 28.3 per cent increase in spending in the Health and Wellbeing Support subprogramme over the medium term. The subprogramme has a budget of R218.2 million over the medium term.

Training and skills development, such as driver training programmes, will be delivered to 12 500 veterans and their dependants over the medium term, and the department will form partnerships with 180 private sector companies and organs of state to facilitate employment for veterans. R317.3 million has been budgeted for training and skills development in the Empowerment and Stakeholder Management programme. Training and skills development focus on short courses and hard skills offered through accredited service providers.

Expenditure trends

Table 19.24 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Socio Economic Support														
3. Empowerment and Stakeholder Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	97.0	97.0	97.0	152.8	152.8	139.5	178.2	178.2	158.6	157.5	157.5	157.5	94.4%	94.4%
Programme 2	-	-	-	122.2	122.2	135.5	168.1	168.1	265.6	266.3	266.3	266.3	119.9%	119.9%
Programme 3	-	-	-	76.5	76.5	76.5	157.9	157.9	80.0	158.4	158.4	158.4	80.2%	80.2%
Total	97.0	97.0	97.0	351.4	351.4	351.4	504.2	504.2	504.2	582.2	582.2	582.2	100.0%	100.0%
Change to 2015 Budget estimate												-		
Economic classification														
Current payments	95.7	95.7	95.7	341.4	341.4	341.4	496.2	496.2	389.6	360.7	360.7	360.7	91.8%	91.8%
Compensation of employees	27.0	27.0	27.0	80.6	80.6	80.6	92.2	92.2	90.6	97.5	97.5	97.5	99.5%	99.5%
Goods and services	68.6	68.6	68.6	260.8	260.8	260.8	404.1	404.1	298.9	263.2	263.2	263.2	89.5%	89.5%
of which:														
Administrative fees	-	-	-	0.1	0.1	0.1	0.1	0.1	3.7	0.1	0.1	0.1	1 163.5%	1 163.5%
Advertising	0.3	0.3	0.3	1.6	1.6	1.6	1.2	1.2	8.5	1.2	1.2	1.2	268.2%	268.2%
Minor assets	0.3	0.3	0.3	5.3	5.3	5.3	5.5	5.5	3.3	5.5	5.5	5.5	87.1%	87.1%
Audit costs: External	0.0	0.0	0.0	2.0	2.0	2.0	3.9	3.9	2.3	4.1	4.1	4.1	83.9%	83.9%
Bursaries: Employees	-	-	-	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	97.2%	97.2%
Catering: Departmental activities	6.2	6.2	6.2	3.4	3.4	3.4	4.5	4.5	5.0	4.5	4.5	4.5	102.2%	102.2%
Communication	2.1	2.1	2.1	4.5	4.5	4.5	8.8	8.8	2.1	9.3	9.3	9.3	73.1%	73.1%
Computer services	1.2	1.2	1.2	0.7	0.7	0.7	1.7	1.7	3.9	1.8	1.8	1.8	142.8%	142.8%
Consultants: Business and advisory services	0.0	0.0	0.0	19.8	19.8	19.8	13.5	13.5	11.5	12.6	12.6	12.6	95.5%	95.5%
Infrastructure and planning services	-	-	-	58.9	58.9	58.9	62.0	62.0	42.5	41.3	41.3	41.3	88.0%	88.0%
Laboratory services	-	-	-	19.9	19.9	19.9	30.0	30.0	0.2	-	-	-	40.2%	40.2%
Legal services	-	-	-	0.4	0.4	0.4	3.5	3.5	0.1	3.6	3.6	3.6	55.1%	55.1%
Contractors	0.8	0.8	0.8	-	-	-	4.1	4.1	25.0	21.6	21.6	21.6	178.9%	178.9%
Agency and support/outsourced services	1.8	1.8	1.8	2.0	2.0	2.0	3.5	3.5	-	0.3	0.3	0.3	53.8%	53.8%
Entertainment	0.2	0.2	0.2	0.5	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.7	99.0%	99.0%
Fleet services (including government motor transport)	-	-	-	-	-	-	1.2	1.2	-	1.2	1.2	1.2	50.0%	50.0%

Table 19.24 Departmental expenditure trends by programme and economic classification

Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Housing	-	-	-	60.0	60.0	60.0	103.0	103.0	99.9	-	-	-	98.1%	98.1%
Inventory: Food and food supplies	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.6	0.3	0.3	0.3	127.3%	127.3%
Inventory: Fuel, oil and gas	0.3	0.3	0.3	2.0	2.0	2.0	1.9	1.9	2.7	1.9	1.9	1.9	111.6%	111.6%
Inventory: Materials and supplies	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.7	0.4	0.4	0.4	122.8%	122.8%
Inventory: Other supplies	-	-	-	16.1	16.1	16.1	0.9	0.9	2.2	0.9	0.9	0.9	107.4%	107.4%
Consumable supplies	32.9	32.9	32.9	2.1	2.1	2.1	2.1	2.1	0.9	2.1	2.1	2.1	97.1%	97.1%
Consumables: Stationery, printing and office supplies	1.9	1.9	1.9	2.9	2.9	2.9	2.9	2.9	4.4	2.8	2.8	2.8	115.0%	115.0%
Operating leases	-	-	-	0.8	0.8	0.8	1.0	1.0	2.1	1.0	1.0	1.0	141.0%	141.0%
Rental and hiring	0.1	0.1	0.1	1.1	1.1	1.1	1.2	1.2	2.0	1.2	1.2	1.2	122.4%	122.4%
Property payments	-	-	-	2.2	2.2	2.2	2.4	2.4	-	2.5	2.5	2.5	66.7%	66.7%
Travel and subsistence	10.9	10.9	10.9	21.9	21.9	21.9	52.2	52.2	47.5	52.0	52.0	52.0	96.6%	96.6%
Training and development	6.8	6.8	6.8	23.6	23.6	23.6	79.0	79.0	10.8	78.8	78.8	78.8	63.8%	63.8%
Operating payments	2.5	2.5	2.5	-	-	-	-	-	1.5	-	-	-	157.9%	157.9%
Venues and facilities	-	-	-	8.3	8.3	8.3	12.3	12.3	14.4	11.2	11.2	11.2	106.5%	106.5%
Interest and rent on land	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	103.2	218.5	218.5	218.5	147.2%	147.2%
Departmental agencies and accounts	-	-	-	-	-	-	-	-	97.5	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	5.7	218.5	218.5	218.5	102.6%	102.6%
Payments for capital assets	1.3	1.3	1.3	10.0	10.0	10.0	7.9	7.9	11.4	3.0	3.0	3.0	115.5%	115.5%
Machinery and equipment	1.3	1.3	1.3	10.0	10.0	10.0	7.9	7.9	11.2	3.0	3.0	3.0	115.0%	115.0%
Heritage assets	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Total	97.0	97.0	97.0	351.4	351.4	351.4	504.2	504.2	504.2	582.2	582.2	582.2	100.0%	100.0%

Expenditure estimates**Table 19.25 Departmental expenditure estimates by programme and economic classification**

Programmes									
1. Administration									
2. Socio Economic Support									
3. Empowerment and Stakeholder Management									
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	157.5	17.5%	36.0%	143.7	155.6	166.4	1.9%	25.0%	
Programme 2	266.3	-	43.5%	294.1	307.6	325.5	6.9%	48.0%	
Programme 3	158.4	-	20.5%	159.8	171.5	181.5	4.6%	27.0%	
Total	582.2	81.7%	100.0%	597.6	634.7	673.4	5.0%	100.0%	
Change to 2015 Budget estimate				-	3.0	5.0			
Economic classification									
Current payments	360.7	55.6%	77.4%	347.5	396.6	432.3	6.2%	61.8%	
Compensation of employees	97.5	53.3%	19.3%	102.7	113.8	122.3	7.8%	17.5%	
Goods and services	263.2	56.5%	58.1%	244.8	282.8	310.1	5.6%	44.2%	
of which:									
Administrative fees	0.1	-	0.3%	0.8	0.1	0.2	7.7%	0.0%	
Advertising	1.2	62.9%	0.8%	2.1	1.3	1.4	4.4%	0.2%	
Minor assets	5.5	152.1%	0.9%	4.7	7.2	7.6	11.7%	1.0%	
Audit costs: External	4.1	343.0%	0.5%	5.1	4.5	4.7	5.1%	0.7%	
Bursaries: Employees	0.4	-	0.1%	1.5	0.6	0.7	14.6%	0.1%	
Catering: Departmental activities	4.5	-9.7%	1.2%	4.3	4.7	5.0	3.1%	0.7%	
Communication	9.3	63.0%	1.2%	5.4	10.0	10.5	4.4%	1.4%	
Computer services	1.8	14.1%	0.5%	3.1	2.0	2.1	6.2%	0.4%	
Consultants: Business and advisory services	12.6	865.6%	2.9%	13.4	13.2	13.9	3.4%	2.1%	

Table 19.25 Departmental expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2016/17	2017/18		
R million								
Infrastructure and planning services	41.3	–	9.3%	7.5	24.7	26.1	-14.2%	4.0%
Legal services	3.6	–	0.3%	4.0	4.1	4.4	6.5%	0.6%
Contractors	21.6	197.9%	3.1%	30.9	50.2	63.5	43.2%	6.7%
Agency and support/outourced services	0.3	-45.7%	0.3%	0.5	0.7	0.5	18.5%	0.1%
Entertainment	0.7	59.4%	0.1%	0.1	0.1	0.1	-46.6%	0.0%
Fleet services (including government motor transport)	1.2	–	0.1%	1.3	1.3	1.4	4.4%	0.2%
Inventory: Food and food supplies	0.3	167.1%	0.1%	–	–	–	-100.0%	0.0%
Inventory: Fuel, oil and gas	1.9	96.5%	0.4%	–	–	–	-100.0%	0.1%
Inventory: Materials and supplies	0.4	-3.7%	0.1%	–	–	–	-100.0%	0.0%
Inventory: Other supplies	0.9	–	1.2%	–	–	(0.0)	-117.9%	0.0%
Consumable supplies	2.1	-60.1%	2.5%	3.5	5.3	5.9	41.2%	0.7%
Consumables: Stationery, printing and office supplies	2.8	13.4%	0.8%	3.6	4.5	4.9	21.3%	0.6%
Operating leases	1.0	–	0.3%	13.8	1.6	1.7	20.2%	0.7%
Rental and hiring	1.2	132.4%	0.3%	0.2	1.2	1.3	3.5%	0.2%
Property payments	2.5	–	0.3%	2.6	2.6	2.7	3.0%	0.4%
Travel and subsistence	52.0	68.4%	8.6%	47.5	52.7	55.8	2.4%	8.4%
Training and development	78.8	126.7%	7.8%	74.5	79.3	83.9	2.1%	12.7%
Operating payments	–	-100.0%	0.3%	4.1	0.1	0.1	–	0.2%
Venues and facilities	11.2	–	2.2%	10.3	10.8	11.7	1.4%	1.8%
Transfers and subsidies	218.5	–	21.0%	243.6	231.6	234.2	2.3%	37.3%
Households	218.5	–	14.6%	243.6	231.6	234.2	2.3%	37.3%
Payments for capital assets	3.0	32.0%	1.7%	6.5	6.5	6.9	31.9%	0.9%
Buildings and other fixed structures	–	–	–	0.4	–	–	–	0.0%
Machinery and equipment	3.0	32.0%	1.7%	4.8	4.1	4.4	13.5%	0.7%
Software and other intangible assets	–	–	–	1.3	2.4	2.5	–	0.2%
Total	582.2	81.7%	100.0%	597.6	634.7	673.4	5.0%	100.0%

Personnel information

Table 19.26 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Military Veterans																			
Salary level	169	60	131	94.7	0.7	169	97.5	0.6	169	102.7	0.6	169	113.8	0.7	169	122.3	0.7	–	100.0%
1 – 6	29	51	17	5.3	0.3	29	5.8	0.2	29	5.8	0.2	29	6.0	0.2	29	6.5	0.2	–	17.2%
7 – 10	62	5	46	22.9	0.5	62	23.2	0.4	62	24.4	0.4	62	28.2	0.5	62	30.3	0.5	–	36.7%
11 – 12	48	3	44	33.1	0.8	48	34.8	0.7	48	36.8	0.8	48	41.7	0.9	48	46.3	1.0	–	28.4%
13 – 16	30	1	24	33.5	1.4	30	33.6	1.1	30	35.7	1.2	30	37.9	1.3	30	39.2	1.3	–	17.8%
Programme	169	60	131	94.7	0.7	169	97.5	0.6	169	102.7	0.6	169	113.8	0.7	169	122.3	0.7	–	100.0%
Programme 1	102	39	80	51.3	0.6	102	56.5	0.6	102	59.6	0.6	102	65.6	0.6	102	71.2	0.7	–	60.4%
Programme 2	21	18	20	18.3	0.9	21	15.4	0.7	21	16.2	0.8	21	17.0	0.8	21	18.0	0.9	–	12.4%
Programme 3	46	3	31	25.1	0.8	46	25.6	0.6	46	27.0	0.6	46	31.3	0.7	46	33.1	0.7	–	27.2%
Total	169	60	131	94.7	0.7	169	97.5	0.6	169	102.7	0.6	–	113.8	–	–	122.3	–	–	–

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

2. Rand million.

Departmental receipts

Table 19.27 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Departmental receipts	-	-	-	22	22	-	100.0%	24	28	30	10.9%	100.0%
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	-	-	-	22	22	-	100.0%	24	28	30	10.9%	100.0%
Total	-	-	-	22	22	-	100.0%	24	28	30	10.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 19.28 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Management	96 976	7 296	11 520	8 075	-56.3%	21.3%	8 362	8 768	9 277	4.7%	5.5%
Corporate Services	-	34 088	51 846	56 932	-	24.6%	51 688	62 174	67 608	5.9%	38.3%
Financial Administration	-	14 524	11 727	17 435	-	7.5%	18 173	20 808	22 015	8.1%	12.6%
Internal Audit	-	4 997	8 485	14 741	-	4.9%	16 140	10 786	11 412	-8.2%	8.5%
Strategic Planning, Policy Development and Monitoring and Evaluation	-	19 951	21 049	21 630	-	10.8%	21 100	23 405	24 762	4.6%	14.6%
Office Accommodation	-	71 916	68 475	38 677	-	30.9%	28 269	29 613	31 329	-6.8%	20.5%
Total	96 976	152 772	173 102	157 490	17.5%	100.0%	143 732	155 554	166 403	1.9%	100.0%
Change to 2015					-						
Budget estimate											
Economic classification											
Current payments	95 673	142 772	163 497	151 744	16.6%	95.4%	140 901	152 292	162 874	2.4%	97.5%
Compensation of employees	27 040	45 367	51 287	56 536	27.9%	31.1%	59 585	65 574	71 204	8.0%	40.6%
Goods and services	68 633	97 405	112 210	95 208	11.5%	64.4%	81 316	86 718	91 670	-1.3%	57.0%
of which:											
Administrative fees	-	100	47	448	-	0.1%	774	127	135	-33.0%	0.2%
Advertising	283	1 573	1 223	6 522	184.6%	1.7%	1 775	1 273	1 347	-40.9%	1.8%
Minor assets	341	1 188	1 166	987	42.5%	0.6%	925	3 060	3 251	48.8%	1.3%
Audit costs: External	47	1 957	3 868	4 656	362.7%	1.8%	5 106	4 476	4 736	0.6%	3.0%
Bursaries: Employees	-	350	410	433	-	0.2%	1 147	548	581	10.3%	0.4%
Catering: Departmental activities	6 176	275	361	547	-55.4%	1.3%	622	386	409	-9.2%	0.3%
Communication	2 140	4 481	8 780	12 572	80.4%	4.8%	5 201	9 861	10 433	-6.0%	6.1%
Computer services	1 177	664	1 665	4 750	59.2%	1.4%	3 085	1 936	2 048	-24.5%	1.9%
Consultants: Business and advisory services	14	5 433	7 694	10 281	802.2%	4.0%	10 943	7 989	8 452	-6.3%	6.0%
Infrastructure and planning services	-	58 877	58 209	20 302	-	23.7%	7 500	24 675	26 106	8.7%	12.6%
Legal services	-	400	3 547	634	-	0.8%	3 950	4 147	4 388	90.6%	2.1%
Contractors	818	-	4 086	1 478	21.8%	1.1%	6 394	4 554	4 818	48.3%	2.8%
Agency and support/outourced services	1 761	-	-	300	-44.6%	0.4%	78	612	329	3.1%	0.2%
Entertainment	170	171	315	115	-12.2%	0.1%	50	93	105	-3.0%	0.1%
Fleet services (including government motor transport)	-	-	-	-	-	-	48	-	-	-	-
Inventory: Food and food supplies	18	76	125	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	250	829	583	-	-100.0%	0.3%	-	-	-	-	-
Inventory: Materials and supplies	397	-	-	-	-100.0%	0.1%	-	-	-	-	-

Table 19.28 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19		
	R thousand				2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19		
<i>Inventory: Other supplies</i>	32 868	352	237	–	-100.0%	5.8%	–	–	(5)	–	–	
<i>Consumable supplies</i>	1 901	2 096	2 090	2 371	7.6%	1.5%	1 525	3 396	3 819	17.2%	1.8%	
<i>Consumables: Stationery, printing and office supplies</i>	–	1 446	1 487	3 494	–	1.1%	2 333	1 565	1 598	-23.0%	1.4%	
<i>Operating leases</i>	94	825	950	11 258	392.9%	2.3%	13 633	1 438	1 544	-48.4%	4.5%	
<i>Rental and hiring</i>	–	1 074	820	–	–	0.3%	190	1 236	1 308	–	0.4%	
<i>Property payments</i>	–	2 228	2 350	4 886	–	1.6%	2 610	2 557	2 705	-17.9%	2.0%	
<i>Travel and subsistence</i>	10 883	5 414	6 411	6 768	-14.6%	5.1%	4 851	6 891	7 322	2.7%	4.1%	
<i>Training and development</i>	6 761	5 577	3 646	1 671	-37.2%	3.0%	2 748	3 532	3 737	30.8%	1.9%	
<i>Operating payments</i>	2 534	–	–	233	-54.9%	0.5%	4 006	–	–	-100.0%	0.7%	
<i>Venues and facilities</i>	–	2 019	2 140	502	–	0.8%	1 822	2 366	2 504	70.9%	1.2%	
Payments for capital assets	1 303	10 000	9 605	5 746	64.0%	4.6%	2 831	3 262	3 529	-15.0%	2.5%	
Buildings and other fixed structures	–	–	–	–	–	–	372	–	–	–	0.1%	
Machinery and equipment	1 303	10 000	9 605	5 746	64.0%	4.6%	2 459	3 262	3 529	-15.0%	2.4%	
Total	96 976	152 772	173 102	157 490	17.5%	100.0%	143 732	155 554	166 403	1.9%	100.0%	
Proportion of total programme expenditure to vote expenditure	100.0%	43.5%	34.3%	27.1%	–	–	24.1%	24.5%	24.7%	–	–	

Personnel information

Table 19.29 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2016		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 (%)			
			2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Total	102	39	80	51.3	0.6	102	56.5	0.6	102	59.6	0.6	102	65.6	–	71.2	–	–		
Salary level	102	39	80	51.3	0.6	102	56.5	0.6	102	59.6	0.6	102	65.6	0.6	102	71.2	0.7	–	100.0%
1 – 6	25	33	14	4.4	0.3	25	5.0	0.2	25	4.9	0.2	25	5.0	0.2	25	5.3	0.2	–	24.5%
7 – 10	35	2	31	13.1	0.4	35	13.8	0.4	35	14.5	0.4	35	15.8	0.5	35	16.9	0.5	–	34.3%
11 – 12	26	3	22	16.8	0.8	26	20.0	0.8	26	21.3	0.8	26	24.8	1.0	26	28.3	1.1	–	25.5%
13 – 16	16	1	13	17.1	1.3	16	17.8	1.1	16	19.0	1.2	16	20.0	1.2	16	20.6	1.3	–	15.7%

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

2. Rand million.

Programme 2: Socio Economic Support

Programme purpose

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

Objectives

- Establish an enabling environment to provide socioeconomic support services to military veterans by:
 - maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and 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 2018/19.
- Advance the delivery of social services to military veterans and their dependants by developing strategic partnerships with other organs of the state and in broader society, where applicable, to ensure that:
 - 3 000 military veterans have decent housing over the medium term
 - 16 000 military veterans have access to health care services by 2018/19

- 5 000 eligible military veterans and their dependants across the country are provided with ongoing education support by 2018/19.
- Provide strategic leadership to the socioeconomic sector by conducting ongoing research on pertinent issues affecting military veterans and developing requisite policies; and implementing norms and standards, strategies, guidelines, and frameworks by 2018/19.

Subprogrammes

- *Database and Benefits Management* establishes systems for the seamless transition of servicemen and servicewomen from active military service to civilian life. This subprogramme also consolidates and ensures the credibility and security of the national military veterans' database, and exercises oversight on governance obligations and resources allocated to the unit for delivery on the relevant provisions of the Military Veterans Act (2011).
- *Healthcare and Wellbeing Support* facilitates the provision of health care services and wellbeing support to military veterans, including disease prevention initiatives.
- *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.

Expenditure trends and estimates

Table 19.30 Socio Economic Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Database and Benefits Management	–	22 523	14 439	12 019	–	8.8%	11 220	12 007	13 132	3.0%	4.1%
Health Care and Wellbeing Support	–	26 992	37 130	38 696	–	18.5%	56 855	79 699	81 675	28.3%	21.5%
Socio Economic Support Management	–	72 686	116 001	215 590	–	72.7%	226 005	215 935	230 684	2.3%	74.4%
Total	–	122 201	167 570	266 305	–	100.0%	294 080	307 641	325 491	6.9%	100.0%
Change to 2015				–			–	–	–		
Budget estimate											
Economic classification											
Current payments	–	122 201	167 570	49 513	–	61.0%	50 434	76 591	92 003	22.9%	22.5%
Compensation of employees	–	12 607	18 279	15 364	–	8.3%	16 194	17 002	17 989	5.4%	5.6%
Goods and services	–	109 594	149 291	34 149	–	52.7%	34 240	59 589	74 014	29.4%	16.9%
of which:											
Administrative fees	–	–	–	450	–	0.1%	60	11	15	-67.8%	–
Advertising	–	–	–	–	–	–	300	–	–	–	–
Minor assets	–	525	52	243	–	0.1%	359	502	531	29.8%	0.1%
Bursaries: Employees	–	–	–	–	–	–	318	–	–	–	–
Catering: Departmental activities	–	773	(65)	497	–	0.2%	357	828	876	20.8%	0.2%
Communication	–	–	–	–	–	–	130	–	–	–	–
Consultants: Business and advisory services	–	14 400	4 662	3 420	–	4.0%	2 500	5 191	5 492	17.1%	1.4%
Laboratory services	–	19 860	30 019	–	–	9.0%	–	–	–	–	–
Contractors	–	–	(1 897)	17 340	–	2.8%	24 500	45 599	58 726	50.2%	12.2%
Entertainment	–	69	18	75	–	–	–	–	–	-100.0%	–
Housing	–	60 000	103 000	–	–	29.3%	–	–	–	–	–
Inventory: Food and food supplies	–	120	25	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	153	60	25	–	–	–	–	–	-100.0%	–
Inventory: Other supplies	–	300	76	–	–	0.1%	–	–	–	–	–
Consumable supplies	–	–	–	23	–	–	350	226	328	142.5%	0.1%

Table 19.30 Socio Economic Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Consumables: Stationery, printing and office supplies	–	630	328	1 972	–	0.5%	381	249	475	-37.8%	0.3%
Operating leases	–	–	–	82	–	–	85	67	71	-4.7%	–
Travel and subsistence	–	4 744	9 171	6 216	–	3.6%	2 568	3 995	4 226	-12.1%	1.4%
Training and development	–	4 643	2 380	2 070	–	1.6%	440	1 353	1 401	-12.2%	0.4%
Operating payments	–	–	–	–	–	–	30	–	–	–	–
Venues and facilities	–	3 377	1 462	1 736	–	1.2%	1 862	1 568	1 873	2.6%	0.6%
Transfers and subsidies	–	–	–	215 092	–	38.7%	240 127	227 841	230 148	2.3%	76.5%
Households	–	–	–	215 092	–	38.7%	240 127	227 841	230 148	2.3%	76.5%
Payments for capital assets	–	–	–	1 700	–	0.3%	3 519	3 209	3 340	25.2%	1.0%
Machinery and equipment	–	–	–	1 700	–	0.3%	2 295	805	840	-20.9%	0.5%
Software and other intangible assets	–	–	–	–	–	–	1 224	2 404	2 500	–	0.5%
Total	–	122 201	167 570	266 305	–	100.0%	294 080	307 641	325 491	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure		34.8%	33.2%	45.7%	–	–	49.2%	48.5%	48.3%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	–	–	–	201 092	–	36.2%	214 627	200 429	214 278	2.1%	69.6%
Household	–	–	–	201 092	–	36.2%	214 627	200 429	214 278	2.1%	69.6%
Households											
Other transfers to households											
Current	–	–	–	14 000	–	2.5%	25 500	27 412	15 870	4.3%	6.9%
Household	–	–	–	14 000	–	2.5%	25 500	27 412	15 870	4.3%	6.9%

Personnel information

Table 19.31 Socio Economic Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
Socio Economic Support		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	21	18	20	18.3	0.9	21	15.4	0.7	21	16.2	0.8	21	17.0	0.8	21	18.0	0.9	–	100.0%
1 – 6	1	18	1	0.3	0.3	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	–	4.8%
7 – 10	6	–	5	2.5	0.5	6	1.8	0.3	6	1.9	0.3	6	2.1	0.3	6	2.2	0.4	–	28.6%
11 – 12	8	–	8	7.6	0.9	8	6.7	0.8	8	7.0	0.9	8	7.1	0.9	8	7.6	1.0	–	38.1%
13 – 16	6	–	6	7.9	1.3	6	6.7	1.1	6	7.1	1.2	6	7.6	1.3	6	7.9	1.3	–	28.6%
Total	21	18	20	18.3	0.9	21	15.4	0.7	21	16.2	0.8	21	17.0	0.8	21	18.0	0.9	–	–

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

2. Rand million.

Programme 3: Empowerment and Stakeholder Management

Programme purpose

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

Objectives

- Ensure the empowerment of deserving military veterans by:
 - continuing to develop and implement a fully functional special purpose vehicle that will facilitate business opportunities by 2016/17
 - forming partnerships with 180 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
 - providing 12 500 deserving military veterans with access to relevant training and skills development, and concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
 - facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes
 - ensuring that 105 strategic initiatives are established at the national, continental and international levels by 2018/19
 - facilitating the integration of military veterans into the national workforce on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 19.32 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Provincial Offices and Stakeholder Relations	–	11 076	43 334	43 334	–	24.9%	44 239	49 092	51 939	6.2%	28.1%
Empowerment and Skills Development	–	33 763	100 249	100 520	–	59.7%	100 695	105 241	111 338	3.5%	62.2%
Heritage, Memorials, Burials and Honours	–	31 619	14 326	14 552	–	15.4%	14 861	17 192	18 189	7.7%	9.7%
Total	–	76 458	157 909	158 406	–	100.0%	159 795	171 525	181 466	4.6%	100.0%
Change to 2015 Budget estimate				–			–	–	–		
Economic classification											
Current payments	–	76 458	157 909	152 955	–	98.6%	156 195	167 712	177 433	5.1%	97.5%
Compensation of employees	–	22 629	25 143	25 585	–	18.7%	26 960	31 253	33 064	8.9%	17.4%
Goods and services	–	53 829	132 766	127 370	–	79.9%	129 235	136 459	144 369	4.3%	80.1%
of which:											
Administrative fees	–	–	–	1 500	–	0.4%	–	–	–	-100.0%	0.2%
Advertising	–	–	–	–	–	–	35	40	45	–	–
Minor assets	–	3 591	3 675	3 150	–	2.7%	3 375	3 603	3 826	6.7%	2.1%
Bursaries: Employees	–	–	–	–	–	–	50	65	70	–	–
Catering: Departmental activities	–	2 393	3 359	3 024	–	2.2%	3 359	3 490	3 693	6.9%	2.0%
Communication	–	–	–	–	–	–	100	105	110	–	–
Computer services	–	–	–	–	–	–	50	50	50	–	–

Table 19.32 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Contractors	-	-	-	840	-	0.2%	-	-	-	-100.0%	0.1%
Agency and support/outsourced services	-	2 000	3 478	757	-	1.6%	396	132	140	-43.0%	0.2%
Entertainment	-	238	294	74	-	0.2%	-	-	-	-100.0%	-
Fleet services (including government motor transport)	-	-	1 200	1 300	-	0.6%	1 250	1 297	1 364	1.6%	0.8%
Inventory: Food and food supplies	-	67	78	10	-	-	-	-	-	-100.0%	-
Inventory: Fuel, oil and gas	-	1 035	1 190	-	-	0.6%	-	-	-	-	-
Inventory: Materials and supplies	-	344	355	-	-	0.2%	-	-	-	-	-
Inventory: Other supplies	-	15 460	185	185	-	4.0%	-	-	-	-100.0%	-
Consumable supplies	-	-	-	55	-	-	1 585	1 646	1 742	216.4%	0.7%
Consumables: Stationery, printing and office supplies	-	784	895	2 108	-	1.0%	895	2 717	2 874	10.9%	1.3%
Operating leases	-	-	-	50	-	-	118	120	128	36.8%	0.1%
Rental and hiring	-	-	-	10	-	-	-	-	-	-100.0%	-
Travel and subsistence	-	11 706	40 042	40 729	-	23.5%	40 042	41 799	44 223	2.8%	24.9%
Training and development	-	13 355	71 399	69 330	-	39.2%	71 300	74 437	78 742	4.3%	43.8%
Operating payments	-	-	-	10	-	-	64	65	69	90.4%	-
Venues and facilities	-	2 856	6 616	4 238	-	3.5%	6 616	6 893	7 293	19.8%	3.7%
Transfers and subsidies	-	-	-	3 391	-	0.9%	3 475	3 798	4 018	5.8%	2.2%
Households	-	-	-	3 391	-	0.9%	3 475	3 798	4 018	5.8%	2.2%
Payments for capital assets	-	-	-	2 060	-	0.5%	125	15	15	-80.6%	0.3%
Machinery and equipment	-	-	-	2 060	-	0.5%	75	15	15	-80.6%	0.3%
Software and other intangible assets	-	-	-	-	-	-	50	-	-	-	-
Total	-	76 458	157 909	158 406	-	100.0%	159 795	171 525	181 466	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure		21.8%	31.3%	27.2%			26.7%	27.0%	26.9%		
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	-	-	3 391	-	0.9%	3 475	3 798	4 018	5.8%	2.2%
Household	-	-	-	3 391	-	0.9%	3 475	3 798	4 018	5.8%	2.2%

Personnel information**Table 19.33 Empowerment and Stakeholder Management personnel numbers and cost by salary level¹**

Empowerment and Stakeholder Management	Number of posts estimated for 31 March 2016		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 (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	46	3	31	25.1	0.8	46	25.6	0.6	46	27.0	0.6	46	31.3	0.7	46	33.1	0.7	-	100.0%
1 - 6	3	-	2	0.7	0.3	3	0.7	0.2	3	0.8	0.3	3	0.9	0.3	3	0.9	0.3	-	6.5%
7 - 10	21	3	10	7.3	0.7	21	7.6	0.4	21	8.0	0.4	21	10.3	0.5	21	11.1	0.5	-	45.7%
11 - 12	14	-	14	8.7	0.6	14	8.1	0.6	14	8.6	0.6	14	9.8	0.7	14	10.4	0.7	-	30.4%
13 - 16	8	-	5	8.4	1.7	8	9.1	1.1	8	9.6	1.2	8	10.3	1.3	8	10.6	1.3	-	17.4%
Total	46	3	31	25.1	0.8	46	25.6	0.6	46	27.0	0.6	46	31.3	0.7	46	33.1	0.7	-	-

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

2. Rand million.

Entities

Armaments Corporation of South Africa

Mandate

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

Selected performance indicators

Table 19.34 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Contracts placed as a percentage of confirmed commitments from the Department of Defence per year	Capital defence matériel acquisition	Outcome 3: All people in South Africa are and feel safe	99.9% (R512m)	99.9% (R1.8bn)	100% (R1bn)	95% ¹	95% ¹	95% ¹	95% ¹
Cash flow achieved as a percentage of planned cash flow per year	Capital defence matériel acquisition		108.5% (R1.6bn)	108.6% (R3.2bn)	108.8% (R3.2bn)	95% ¹	95% ¹	95% ¹	95% ¹
Contracts placed as a percentage of confirmed commitments from the Department of Defence per year	System support acquisition and procurement		88.8% (R1.1bn)	99% (R2.5bn)	99.6% (R3bn)	92% ¹	95% ¹	95% ¹	95% ¹
Cash flow achieved as a percentage of planned cash flow per year	System support acquisition and procurement		112.3% (R3.6bn)	100.3% (R4.4bn)	107.9% (R4.03bn)	92% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits awarded in terms of contractually agreed milestones per year	Management of defence industrial participation		R75m	R204m	R696m	R101.5m	R135m	R235.6m	R240.1m
Execution of defence technology, research, test and evaluation activities as a percentage of planned activities per year	Management of defence technology, research, test and evaluation requirements of the Department of Defence		94.5% (R183.8m)	99.8% (R229m)	99.7% (R247.3m)	92% ¹	95% ¹	95% ¹	95% ¹

1. The entity cannot predict actual Rand values.

Expenditure analysis

In line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium term strategic framework, the focus of the Armaments Corporation of South Africa over the medium term will be on meeting the defence matériel requirements of the Department of Defence effectively, efficiently and economically. The corporation continues to improve systems and processes to achieve this objective. Internal controls ensure adherence and compliance to procurement regulations that, among others things, result in the acquisition of capital assets that are economically favourable for the corporation's main client, the department. As a result, contracts placed as a percentage of confirmed commitments from the department will be maintained at 95 per cent over the medium term.

The organisation continues to provide integrated support to the South African defence industry over the medium term. This involves facilitating the industry's participation in the international defence exhibitions, promoting the industry, and managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes. It is expected that approximately R69.1 million will be spent on these activities over the medium term.

Through its research and development facilities, the corporation will provide services for operational research and comprehensive testing, and the evaluation of defence systems and capabilities in both the military and civilian environments. Acquiring the latest technologies will enable the corporation to fulfil its mandate

effectively and efficiently. Over the medium term, the execution of research, testing, evaluation and defence technology activities as a percentage of planned activities will be maintained at 95 per cent. As a result, spending on these activities is projected to increase to R1.2 billion over the medium term.

Technical skills are needed to execute projects and programmes so that the best defence equipment can be designed and acquired. The corporation will also seek to fill critical vacancies, including the chief executive officer and general manager and other positions, to assist and enable it to achieve its strategic goals. The number of personnel is expected to increase from 1 725 in 2015/16 to 1 758 in 2018/19, due to the appointment of more apprentices and engineers in training. Personnel costs are thus expected to remain the main driver of expenditure for the corporation over the medium term, accounting for more than R4.4 billion and reflecting 61.9 per cent of total spending. The increase in the number of personnel is also a result of the organisation establishing capabilities to support the South African Navy at the Simon's Town Naval Dockyard. The corporation manages the dockyard, which carries out planned and corrective maintenance, reconstruction, repairs and upgrades to all the navy's ships and submarines.

The organisation's main source of revenue is a transfer from the department. The transfer payments traditionally increase at an average annual rate of 6 per cent, and do not cover the corporation's total operational costs. However, the corporation also generates revenue through charging a commission for buying and selling equipment, and interest earned from financial institutions. These funds are used to finance its operational expenditure, administrative expenses, training, maintenance of buildings, and other goods and services.

Programmes/objectives/activities

Table 19.35 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	268 287	358 883	456 866	394 084	13.7%	26.5%	413 122	443 871	470 416	6.1%	24.2%
Quality assurance	66 767	81 577	87 815	98 796	14.0%	6.0%	101 893	109 168	116 446	5.6%	6.0%
Management of defence matériel acquisition	219 318	270 611	291 285	326 820	14.2%	20.0%	337 101	361 254	385 310	5.6%	19.8%
Logistics support	105 892	154 676	173 496	200 728	23.8%	11.3%	215 492	233 494	245 702	7.0%	12.6%
Management of strategic facilities: Armscor Dockyard	162 080	184 016	197 692	244 412	14.7%	14.2%	250 544	268 595	286 281	5.4%	14.8%
Management of strategic facilities: Research and development	242 176	294 537	312 746	371 207	15.3%	22.0%	386 207	414 663	441 013	5.9%	22.7%
Total	1 064 520	1 344 300	1 519 900	1 636 047	15.4%	100.0%	1 704 359	1 831 045	1 945 168	5.9%	100.0%

Statements of historical financial performance and position

Table 19.36 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%) 2012/13 - 2015/16
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16		
Revenue									
Non-tax revenue	828 018	2 073 329	960 841	576 900	880 893	690 800	383 387	383 387	122.0%
Sale of goods and services other than capital assets	746 463	308 136	838 443	345 500	760 131	400 500	291 289	291 289	51.0%
<i>of which:</i>									
Sales by market establishment	746 463	308 136	838 443	345 500	760 131	400 500	291 289	291 289	51.0%
Other non-tax revenue	81 555	1 765 193	122 398	231 400	120 762	290 300	92 098	92 098	570.8%
Total revenue	1 742 771	2 820 368	1 982 105	1 447 600	1 982 368	1 604 100	1 477 975	1 409 280	101.3%
Expenses									
Current expenses	1 782 075	1 064 520	1 960 594	1 323 700	1 981 529	1 502 300	1 636 047	1 636 047	75.1%
Compensation of employees	729 117	696 185	873 596	813 880	935 468	872 070	1 029 203	1 029 203	95.6%
Goods and services	1 018 748	337 638	1 047 135	453 090	1 006 587	565 888	535 533	535 533	52.4%
Depreciation	34 210	30 697	39 863	56 730	39 474	64 342	71 311	71 311	120.7%
Total expenses	1 782 075	1 064 520	1 960 594	1 344 300	1 981 529	1 519 900	1 636 047	1 636 047	75.6%
Surplus/(Deficit)	(39 304)	1 755 848	21 511	103 300	839	84 200	(158 072)	(226 767)	-

Table 19.36 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial position									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R thousand	Budget	2012/13	Budget	2013/14	Budget	2014/15	2015/16		2012/13 - 2015/16
Carrying value of assets	232 463	1 322 912	266 283	1 340 900	1 347 036	1 300 001	1 294 220	1 396 246	170.7%
<i>Acquisition of assets</i>	(45 510)	(45 510)	(67 459)	(75 009)	(35 700)	(23 847)	(56 569)	(54 895)	97.1%
Investments	–	900	–	–	–	1 300	–	–	–
Inventory	7 086	11 688	6 885	29 301	12 188	8 099	29 801	9 600	104.9%
Receivables and prepayments	197 304	111 900	189 000	120 700	136 916	100 700	129 596	106 800	67.4%
Cash and cash equivalents	326 119	689 300	376 035	699 000	695 585	877 500	554 579	760 500	155.0%
Non-current assets held for sale	–	200	–	200	–	100	–	–	–
Defined benefit plan assets	124 100	134 000	122 000	–	118 300	–	130 000	130 000	53.4%
Taxation	–	–	–	–	–	2 100	–	–	–
Derivatives financial instruments	–	473 500	–	712 500	–	747 700	–	–	–
Total assets	887 072	2 744 400	960 203	2 902 601	2 310 025	3 037 500	2 138 196	2 403 146	176.1%
Accumulated surplus/(deficit)	(57 024)	1 729 700	(21 511)	1 833 000	613 762	1 920 000	624 289	834 626	544.8%
Capital and reserves	553 803	75 000	633 097	75 000	1 231 624	75 000	1 083 691	1 083 691	37.4%
Deferred income	12 890	142 900	–	178 900	80 986	128 900	108 865	114 000	278.5%
Trade and other payables	247 750	217 400	223 951	158 500	254 086	214 500	179 081	179 081	85.0%
Taxation	–	25 600	–	39 300	–	17 800	–	–	–
Provisions	129 653	553 800	121 479	617 900	129 567	681 300	142 270	191 748	391.0%
Total equity and liabilities	887 072	2 744 400	960 203	2 902 600	2 310 025	3 037 500	2 138 196	2 403 146	176.1%

Statements of estimates of financial performance and position**Table 19.37 Armaments Corporation of South Africa statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	383 387	-43.0%	45.9%	453 594	476 273	500 087	9.3%	28.2%
Sale of goods and services other than capital assets	291 289	-1.9%	20.1%	353 003	370 653	389 186	10.1%	21.8%
<i>of which:</i>								
<i>Sales by market establishment</i>	291 289	-1.9%	20.1%	353 003	370 653	389 186	10.1%	21.8%
Other non-tax revenue	92 098	-62.6%	25.8%	100 591	105 620	110 901	6.4%	6.4%
Transfers received	1 025 893	11.2%	54.1%	1 025 387	1 260 906	1 326 787	9.0%	71.8%
Total revenue	1 409 280	-20.6%	100.0%	1 478 981	1 737 179	1 826 874	9.0%	100.0%
Expenses								
Current expenses	1 636 047	15.4%	99.3%	1 704 359	1 831 045	1 945 168	5.9%	109.7%
Compensation of employees	1 029 203	13.9%	61.6%	1 048 959	1 122 385	1 200 953	5.3%	61.9%
Goods and services	535 533	16.6%	33.8%	576 451	625 764	657 174	7.1%	33.6%
Depreciation	71 311	32.4%	3.9%	78 949	82 896	87 041	6.9%	4.5%
Total expenses	1 636 047	15.4%	100.0%	1 704 359	1 831 045	1 945 168	5.9%	100.0%
Surplus/(Deficit)	(226 767)	(2)	–	(225 378)	(93 866)	(118 294)	-19.5%	–
Statement of financial position								
Carrying value of assets	1 396 246	1.8%	48.8%	1 284 900	1 264 000	1 241 900	-3.8%	67.8%
<i>of which:</i>								
<i>Acquisition of assets</i>	(54 895)	6.4%	-1.8%	(82 700)	(60 600)	(63 400)	4.9%	-3.5%
Investments	–	-100.0%	0.0%	100	100	100	–	0.0%
Inventory	9 600	-6.3%	0.5%	10 600	11 000	11 500	6.2%	0.6%
Receivables and prepayments	106 800	-1.5%	4.0%	111 300	116 800	121 900	4.5%	6.0%
Cash and cash equivalents	760 500	3.3%	27.4%	477 800	389 600	272 300	-29.0%	23.7%
Defined benefit plan assets	130 000	-1.0%	2.6%	13 800	12 000	10 400	-56.9%	1.9%
Total assets	2 403 146	-4.3%	100.0%	1 898 500	1 793 500	1 658 100	-11.6%	100.0%
Accumulated surplus/(deficit)	834 626	-21.6%	56.0%	355 165	261 465	140 560	-44.8%	19.1%
Capital and reserves	1 083 691	143.6%	13.2%	1 083 691	1 083 691	1 083 691	–	57.0%
Deferred income	114 000	-7.3%	5.1%	85 400	75 800	61 200	-18.7%	4.3%
Trade and other payables	179 081	-6.3%	7.0%	224 507	212 007	200 382	3.8%	10.8%
Provisions	191 748	-29.8%	18.0%	149 737	160 537	172 267	-3.5%	8.8%
Total equity and liabilities	2 403 146	-4.3%	100.0%	1 898 500	1 793 500	1 658 100	-63.2%	100.0%

Personnel information

Table 19.38 Armaments Corporation of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)					
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost				
Armaments Corporation of South Africa		1 725	1 725	1 547	872.1	0.6	1 725	1 029.2	0.6	1 758	1 049.0	0.6	1 758	1 122.4	0.6	1 758	1 201.0	0.7	5.3%	100.0%
Salary level																				
1 – 6	224	224	176	22.1	0.1	224	29.4	0.1	239	31.6	0.1	239	33.8	0.1	239	36.2	0.2	7.2%	13.4%	
7 – 10	881	881	813	294.3	0.4	881	340.1	0.4	899	364.9	0.4	899	390.5	0.4	899	417.8	0.5	7.1%	51.1%	
11 – 12	312	312	243	179.4	0.7	312	255.7	0.8	312	259.2	0.8	312	277.4	0.9	312	296.8	1.0	5.1%	17.8%	
13 – 16	306	306	312	369.6	1.2	306	397.9	1.3	306	387.0	1.3	306	414.1	1.4	306	443.0	1.4	3.6%	17.5%	
17 – 22	2	2	3	6.6	2.2	2	6.2	3.1	2	6.2	3.1	2	6.7	3.3	2	7.1	3.6	5.0%	0.1%	

1. Rand million.

Castle Control Board

Mandate

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

Selected performance indicators

Table 19.39 Castle Control Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Annual income from events and hosting film and fashion shoots	Increased public profile and positive perception across all sectors of the community	Outcome 14: Nation building and social cohesion	R0.4m	R0.6m	R2.6m ¹	R3.2m	R3.3m	R3.4m	R3.6m
Number of visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		140 888	141 084	149 940	152 000	155 000	160 000	165 000
Income from visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		R1.9m	R1.9m	R3.2m	R3.7m	R4m	R4.3m	R4.6m
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		– ²	– ²	20	25	30	35	40

1. The increase in income from events and from visitors is due to an active marketing drive from 2014/15.

2. No historical data is available as this indicator was introduced in 2014/15.

Expenditure analysis

The work of the Castle Control Board is aligned with outcome 14 (nation building and social cohesion) of government's 2014-2019 medium term strategic framework, as well as the national development plan's vision of exposing learners to history, heritage and culture so as to understand the past, analyse the present and plan for the future. A key focus of the Castle Control Board over the medium term will be on strengthening its human resource capacity. This will support the board's key objectives of optimising the heritage tourism potential of the Castle of Good Hope and increasing the accessibility of the castle to the broader public.

The board currently employs 14 staff members, and compensation of employees is its biggest driver of expenditure at R16.9 million over the medium term. To meet its legislative mandate, the board is making provision for a full time heritage officer, precinct coordinator, a tourism and events coordinator, and maintenance personnel. These posts have been included in the estimates for 2016/17, reflecting a R1.5 million increase in expected expenditure on compensation of employees.

The board provides public goods and services through information, tours, publications, marketing programmes, events and related activities. These activities are provided for in the administration programme, which accounts for 68.2 per cent of the board's total estimated expenditure of R32.6 million over the medium term. The organisation will continue to deliver a comprehensive range of visitor services such as tourist literature, maps, guide books, an upgraded information centre and website, better and clearer signage, an improved security system, and a larger offering of tour options to attract more tourists and local visitors. The board expects to spend R850 000 on these activities over the medium term.

The organisation also plans to deliver a series of innovative public events over the medium term related to the commemoration of this heritage site's 350th anniversary. This includes a marketing drive to get more South African learners and citizens to visit the castle; heritage programmes and cultural workshops for the Khoi and San, and other previously marginalised communities; skills training workshops for military veterans; interactive heritage displays; the expansion of museum displays; and the development of the castle chapel as a place of worship for all religions. R920 000 has been budgeted these activities. As a result of the marketing drive, the board expects the number of visitors to the castle to increase from 152 000 in 2015/16 to 165 000 in 2018/19.

In a bid to maximise the castle's heritage tourism potential, the board is working on a bid to get it listed as a United Nations Educational, Scientific and Cultural Organisation world heritage site. These initiatives will promote an 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.

The board's revenue 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. Income from visitors is expected to grow from R3.7 million in 2015/16 to R4.6 million in 2018/19 at an average annual rate of 7.5 per cent, mainly due to the expected increase in visitors as a result of the marketing drive, the reallocation of surplus funds from previous financial years, the leasing of space and hosting of events, and film shoots.

Programmes/objectives/activities

Table 19.40 Castle Control Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	1 711	3 373	5 172	5 091	43.8%	73.6%	5 428	5 674	6 047	5.9%	68.2%
Ensure the preservation, interpretation and showcasing the history of the Castle of Good Hope	658	753	656	1 950	43.6%	19.9%	2 020	2 121	2 244	4.8%	25.6%
Maximising the tourist potential of the Castle of Good Hope	58	46	60	130	30.9%	1.5%	150	158	167	8.7%	1.9%
Increased public profile and positive perception across all sectors of the community	107	263	350	330	45.6%	5.0%	347	364	385	5.3%	4.4%
Total	2 534	4 435	6 238	7 501	43.6%	100.0%	7 945	8 317	8 843	5.6%	100.0%

Statements of historical financial performance and position

Table 19.41 Castle Control Board statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	3 670	3 417	4 160	4 477	5 771	4 697	7 501	7 501	95.2%
Sale of goods and services other than capital assets	2 950	2 508	3 560	3 605	5 171	3 700	6 901	6 901	89.9%
<i>of which:</i>									
<i>Sales by market establishment</i>	2 950	2 508	3 560	3 605	5 171	3 700	6 901	6 901	89.9%
Other non-tax revenue	720	909	600	872	600	997	600	600	134.0%
Total revenue	3 670	3 417	4 160	4 477	5 771	4 697	7 501	7 501	95.2%

Table 19.41 Castle Control Board statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	3 670	2 534	4 160	4 435	5 771	6 238	7 501	7 501	98.1%
Compensation of employees	1 368	864	1 505	1 775	2 472	3 092	3 845	3 845	104.2%
Goods and services	2 077	1 615	2 430	2 596	3 224	3 067	3 586	3 586	96.0%
Depreciation	225	55	225	64	75	79	70	70	45.0%
Total expenses	3 670	2 534	4 160	4 435	5 771	6 238	7 501	7 501	98.1%
Surplus/(Deficit)	-	883	-	42	-	(1 541)	-	-	-
Statement of financial position									
Carrying value of assets	2 618	1 391	1 501	1 551	1 591	1 610	1 791	1 791	84.6%
Acquisition of assets	(175)	(175)	(100)	(225)	(125)	(140)	(150)	(150)	125.5%
Inventory	69	66	58	64	70	18	75	75	82.0%
Receivables and prepayments	59	213	49	102	75	143	75	75	206.6%
Cash and cash equivalents	7 441	12 546	9 085	12 697	12 500	11 327	12 400	12 400	118.2%
Total assets	10 187	14 216	10 693	14 414	14 236	13 098	14 341	14 341	113.4%
Accumulated surplus/(deficit)	9 122	14 155	10 625	14 195	14 216	12 653	14 216	14 216	114.6%
Capital and reserves	1 000	-	-	-	-	-	-	-	-
Trade and other payables	65	43	68	173	75	73	75	75	128.6%
Provisions	-	18	-	46	-	372	50	50	972.0%
Total equity and liabilities	10 187	14 216	10 693	14 414	14 291	13 098	14 341	14 341	113.2%

Statements of estimates of financial performance and position

Table 19.42 Castle Control Board statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate	Expenditure/ Total: Average	Medium-term estimate			Average growth rate	Expenditure/ Total: Average	
	2015/16	2012/13 - 2015/16	(%)	2016/17	2017/18	2018/19	(%)	(%)	
Revenue									
Non-tax revenue	7 501	30.0%	100.0%	7 945	8 317	8 809	5.5%	100.0%	
Sale of goods and services other than capital assets	6 901	40.1%	81.2%	7 345	7 717	8 209	6.0%	92.6%	
<i>of which:</i>									
Sales by market establishment	6 901	40.1%	81.2%	7 345	7 717	8 209	6.0%	92.6%	
Other non-tax revenue	600	-12.9%	18.8%	600	600	600	-	7.4%	
Total revenue	7 501	30.0%	100.0%	7 945	8 317	8 809	5.5%	100.0%	
Expenses									
Current expenses	7 501	43.6%	100.0%	7 945	8 317	8 843	5.6%	167.3%	
Compensation of employees	3 845	64.5%	43.7%	4 128	4 309	4 602	6.2%	51.8%	
Goods and services	3 586	30.5%	54.8%	3 752	3 939	4 169	5.1%	47.4%	
Depreciation	70	8.4%	1.5%	65	68	72	0.9%	0.8%	
Total expenses	7 501	43.6%	100.0%	7 945	8 317	8 843	5.6%	100.0%	
Surplus/(Deficit)	-	(1)	-	-	-	(34)	-	-	
Statement of financial position									
Carrying value of assets	1 791	8.8%	11.3%	2 269	2 663	3 267	22.2%	17.4%	
<i>of which:</i>									
Acquisition of assets	(150)	-5.0%	-1.2%	(150)	(158)	(167)	3.6%	-1.1%	
Inventory	75	4.4%	0.4%	100	105	-	-100.0%	0.5%	
Receivables and prepayments	75	-29.4%	1.0%	75	79	84	3.8%	0.5%	
Cash and cash equivalents	12 400	-0.4%	87.3%	11 900	11 500	11 000	-3.9%	81.6%	
Total assets	14 341	0.3%	100.0%	14 344	14 347	14 351	0.0%	100.0%	
Accumulated surplus/(deficit)	14 216	0.1%	98.4%	14 216	14 216	14 216	-	99.1%	
Trade and other payables	75	20.4%	0.6%	75	75	75	-	0.5%	
Provisions	50	40.6%	0.9%	53	56	60	6.3%	0.4%	
Total equity and liabilities	14 341	0.3%	100.0%	14 344	14 347	14 351	6.3%	100.0%	

Personnel information

Table 19.43 Castle Control Board personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
Castle Control Board		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Salary level	16	15	15	3.1	0.2	14	3.8	0.3	15	4.1	0.3	15	4.3	0.3	15	4.6	0.3	6.2%	100.0%
1 – 6	10	10	10	1.1	0.1	9	1.3	0.1	9	1.4	0.2	9	1.4	0.2	9	1.5	0.2	4.7%	61.1%
7 – 10	4	3	3	0.6	0.2	3	1.1	0.4	4	1.1	0.3	4	1.2	0.3	4	1.3	0.3	6.9%	25.4%
11 – 12	1	1	1	0.6	0.6	1	0.6	0.6	1	0.7	0.7	1	0.7	0.7	1	0.8	0.8	6.9%	6.8%
13 – 16	1	1	1	0.8	0.8	1	0.8	0.8	1	0.9	0.9	1	0.9	0.9	1	1.0	1.0	6.9%	6.8%

1. Rand million.

Additional tables

Table 19.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Rebuilding of the runway at Air Force Base Waterkloof	Upgrading of runway	Handed over	1 113 576	130 000	10 499	9 192	-	-	-	-
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
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 1 200 members	Construction	297 833	191 096	52 430	-	5 000	-	-	-
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems and ground works	Construction	2 053 418	-	-	-	-	23 365	211 073	598 878
Refurbishment of messes	Refurbishment of existing brick and concrete buildings comprising all structures, replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Construction	436 518	-	-	-	-	32 815	116 058	194 923
Refurbishment of 2 Military Hospital	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems and ground works	Construction	303 394	-	-	105 774	-	166 822	136 572	-
Construction of medical facilities	Construction of Military Base Health Care Centres and support capabilities	Construction	-	-	-	-	-	10 082	29 476	75 166
Small projects (total project cost of less than R250 million over the project life cycle)										
Relocation of air force base	Relocation of Air Force Base Durban to King Shaka International Airport	Pre-feasibility	60 156	-	-	-	5 000	-	-	-
Demolishing of infrastructure	Demolition	Various	80 285	5 000	-	-	5 800	6 090	6 395	7 000
Construction of new fire station and control tower	Construction of fire station and control tower	Construction	87	54	33	-	-	-	-	-
Refurbishment of 1 Military Hospital	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems and ground works	Various	1 911 700	66 250	143 948	15 328	135 976	38 183	22 092	8 208
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	1 080 204	30 366	125 405	69	14 006	39 045	31 998	2 587
Upgrading of kitchens	Construction and upgrading of kitchens at military bases (capital projects)	Identification	73 007	920	41	4 647	16 655	64 615	29 092	2 300
Construction of living-in accommodation	Construction of single and married housing units in the form of houses and flats to accommodate military personnel	Various	152 795	15 960	-	-	31 174	-	-	-
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems and ground works	Various	6 399 839	829 768	242 768	102 651	406 625	438 199	381 561	340 773

Table 19.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate			
				2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	
R thousand												
Refurbishment of messes	Refurbishment of existing brick and concrete buildings comprising all structures, replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	853 227	62 500	4 769	1 696	229 875	49 956	29 254	1 174		
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24 196	3 500	231	-	12 568	-	-	-		
Upgrading of infrastructure for disabled members	Upgrading of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8 911	1 398	391	2 388	250	-	-	-		
Resurface of access roads	Resurface and tarring of access roads to military facilities	Various	146 086	-	-	213	66	29 205	28 072	-		
Fuel tank and pump	Repair of fuel spillage at Air Force Base Ysterplaat	Identification	1 501	-	-	-	-	-	-	-		
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	374 396	10 971	1 253	2 011	8 475	16 436	2 218	-		
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems and ground works	Various	293 564	-	738	-	32 827	4 773	1	-		
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordnance	Various	1 447	1 447	-	-	-	-	-	-		
Training facilities	Construction and upgrading of training facilities	Various	35 146	17 297	-	-	9 416	-	-	-		
Water and electricity systems	Upgrading of water and electricity supply as well as sewerage reticulation	Various	30 577	2 787	2 848	24 443	855	40 653	8 000	567		
Workshops and stores	Construction of workshops and stores	Various	99 654	13 842	7 004	-	11 500	-	-	-		
Fences and gates	Replacement or erection of fences	Various	144 603	-	488	155	1 321	24 856	3 736	834		
Recoverable projects	Upgrading of buildings in military bases	Various	129 351	(1 447)	10 526	153	13 126	11 565	12 143	12 750		
Total			16 105 471	1 381 708	603 372	268 720	940 515	996 660	1 047 741	1 245 160		

Table 19.B Summary of donor funding

Donor R thousand	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate 2015/16	Medium-term expenditure estimate	
							2012/13	2013/14		2016/17	2017/18
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 69 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 School; 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 the Gorch Fock Training Ship	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 19.C Largest defence force units

Unit	Audited outcome			Adjusted appropriation	Medium-term estimates		
	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
R thousand							
1 Military Hospital	586 470	637 162	688 060	774 579	791 289	756 475	774 071
Naval Base Simonstown	453 539	469 208	481 238	506 214	514 497	519 561	536 623
School of Infantry	341 057	468 980	558 697	602 009	651 306	669 088	692 205
15 SA Infantry Battalion	223 987	237 895	252 557	246 710	252 356	253 166	255 448
Air Force Base Waterkloof	306 994	310 047	313 937	299 796	334 841	324 829	321 713
2 Military Hospital	261 660	283 839	320 648	332 186	357 253	365 333	369 811
General Support Base Thaba Tshwane	260 850	280 755	256 318	271 178	302 654	282 857	271 185
Area Military Health Unit Gauteng	227 063	237 352	284 855	298 069	296 528	301 066	297 596
7 SA Infantry Battalion	215 314	218 774	224 540	218 988	246 447	244 688	249 642
Joint Support Base Garrison	214 973	257 444	253 883	240 839	258 928	259 964	257 202
1 SA Infantry Battalion	191 655	196 390	219 177	221 977	252 681	260 491	269 823
21 SA Infantry Battalion	212 756	228 815	239 008	235 367	269 091	272 773	278 637
14 SA Infantry Battalion	194 355	208 732	229 008	233 863	247 563	253 197	260 350
4 Artillery Regiment	177 973	191 470	209 894	220 305	241 281	249 164	257 804
8 SA Infantry Battalion	164 474	180 034	184 438	182 466	217 106	226 975	237 312
6 SA Infantry Battalion	191 666	192 159	192 711	209 397	229 289	236 033	243 529
121 SA Infantry Battalion	182 503	193 713	197 452	324 404	224 669	231 148	230 690
4 SA Infantry Battalion	181 691	200 299	209 069	203 997	230 760	231 593	238 337
5 SA Infantry Battalion	199 842	213 203	225 240	225 181	243 700	244 676	248 886
10 SA Infantry Battalion	204 145	211 668	222 988	241 270	252 596	259 861	269 922
9 SA Infantry Battalion	164 480	169 545	177 826	184 679	201 980	207 376	215 594
3 Military Hospital	164 328	183 881	203 092	204 988	210 540	216 107	214 505
Area Military Health Unit Western Cape	159 194	173 651	191 936	197 775	216 379	223 345	228 568
68 Air School	186 923	215 981	223 584	365 742	242 391	238 049	234 773
1 Parachute Battalion	138 788	138 158	149 439	155 590	168 980	176 463	186 185
10 Anti Aircraft Regiment	139 908	151 590	162 849	177 328	200 687	212 181	225 669
2 SA Infantry Battalion	176 179	195 587	206 933	212 545	234 920	241 319	250 736
2 Field Engineer Regiment	143 686	154 347	174 488	174 314	193 191	205 121	218 558
Army Support Base Bloemfontein	155 550	163 887	167 641	158 772	174 987	175 973	175 840
1 Construction Regiment	142 088	154 041	150 178	231 447	163 632	167 220	172 849
Joint Support Base Wonderboom	141 499	144 385	144 669	141 744	159 313	160 929	161 297
Air Force Base Hoedspruit	136 781	141 189	150 736	141 191	155 026	155 703	154 434
SAS Simonsberg	128 772	142 257	159 031	155 296	169 483	171 845	176 260
Army Support Base Limpopo	127 926	141 996	148 732	149 202	153 681	152 562	150 867
Army Support Base Potchefstroom	117 269	119 432	120 691	120 138	130 113	130 705	129 782
Defence Works Formation	208 968	178 533	74 253	90 028	183 353	174 236	164 231
Army Support Base KwaZulu-Natal	116 491	122 794	130 637	127 408	133 321	130 633	128 065
Area Military Health Unit Limpopo	114 538	122 429	135 137	137 021	149 469	150 523	152 321
Army Support Base Western Cape	115 609	122 129	127 734	123 353	133 136	132 587	131 997
Area Military Health Unit KwaZulu-Natal	107 826	131 841	163 006	136 910	151 644	156 817	160 693
1 Special Services Battalion	106 854	112 658	122 272	128 678	144 850	151 217	156 885
Defence Headquarters Unit	93 813	104 528	112 682	115 314	136 149	137 536	138 980
Air Force Base Makhado	114 047	134 910	125 030	113 019	131 021	128 723	127 779
1 SA Tank Regiment	96 221	103 932	114 018	124 750	140 702	147 608	154 207
Area Military Health Unit Eastern Cape	92 188	102 585	113 884	117 090	129 333	134 780	140 938
3 SA Infantry Battalion	114 075	146 214	161 397	151 302	174 214	176 510	178 482
SAS Saldanha	81 847	113 160	125 409	140 320	151 207	156 958	159 868
Army Support Base Eastern Cape	96 500	102 497	105 615	103 105	109 838	108 683	105 775
Area Military Health Unit Free State	84 299	91 755	100 487	104 474	118 927	118 849	120 545
1 Tactical Intelligence Regiment	82 885	95 522	103 088	116 607	138 713	156 245	175 465
5 Signal Regiment	93 233	106 314	123 559	122 000	137 573	139 956	143 620
Area Military Health Unit North West	92 389	98 374	110 635	108 477	123 921	122 097	125 872
SA Army Gymnasium	95 622	95 893	101 572	122 985	132 965	134 039	135 245
Air Force Base Ysterplaatt	95 669	101 323	107 738	103 834	116 096	113 588	111 779
Air Force Base Langebaanweg	97 560	100 981	106 437	102 687	112 140	108 761	106 367
School for Military Health Training	71 973	70 081	65 903	87 380	104 194	113 154	124 068
School of Engineers	93 470	91 800	95 748	110 981	123 648	127 209	131 510
SA Army Technical Training Centre	96 742	111 998	116 712	145 887	163 828	171 060	178 779
Army Support Base Johannesburg	93 244	88 656	92 522	91 700	98 979	98 027	97 912
National Ceremonial Guard	86 330	92 069	91 709	92 007	109 880	116 112	124 406
SA Army Combat Training Centre	85 428	84 957	81 337	120 815	125 288	126 717	128 602
43 SA Brigade	83 345	91 126	94 217	100 283	101 340	100 252	99 834
SAS Wingfield	72 471	93 418	121 500	129 524	135 366	139 500	145 574
Army Support Base Kimberley	84 177	90 769	92 755	94 079	98 351	98 669	98 508
Air Force Base Overberg	80 718	84 280	91 097	83 821	95 486	93 642	92 880
5 Air Supply Unit	95 421	98 212	101 524	99 801	113 574	110 760	109 734
Army Support Base Lohatla	75 655	81 156	81 312	77 935	85 462	86 112	86 766
Nursing College	72 142	84 427	95 794	122 182	144 992	162 460	182 572
Air Force Gymnasium	42 140	39 905	47 310	54 266	72 164	70 199	65 082
Army Support Base Mpumalanga	77 768	84 591	86 483	88 319	91 847	91 449	91 011
Area Military Health Unit Northern Cape	68 185	77 794	85 725	110 110	102 093	103 110	104 413
School of Armour	74 771	70 437	72 108	78 043	87 562	89 822	92 795
Army Support Base Dequar Road	69 481	73 794	67 876	109 525	-	-	-

Table 19.C Largest defence force units

Unit	Audited outcome			Adjusted appropriation 2015/16	Medium-term estimates		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand							
46 SA Brigade	68 196	71 884	78 218	91 489	94 439	92 952	93 258
Gauteng Signal Unit	79 050	72 604	76 899	77 901	86 748	88 172	88 869
Air Force Base Bloemspruit	68 661	72 304	77 250	72 214	80 185	79 485	79 533
7 Medical Battalion Group	45 383	46 525	50 931	51 044	54 948	55 329	55 137
93 Ammunition Depot	49 684	52 213	55 584	64 739	68 236	66 321	62 192
10 Air Depot	39 481	43 009	46 891	70 450	46 272	45 737	44 432
Air Force Base Durban	37 501	38 325	41 715	39 350	44 957	44 456	43 569
85 Combat Flying School	30 990	34 048	34 315	34 970	41 156	40 994	40 992
2 Squadron	24 019	26 680	29 255	29 926	42 316	41 776	41 895
60 Squadron	8 247	7 511	7 734	9 898	9 975	9 848	9 776
28 Squadron	38 383	39 336	43 820	44 214	50 359	48 816	49 331
22 Squadron	39 459	41 925	42 384	43 242	46 826	45 953	45 266
15 Squadron	35 107	37 209	39 675	39 380	44 617	43 334	43 180
87 Helicopter Flying School	34 609	35 518	34 115	34 728	39 507	38 853	38 408
17 Squadron	32 640	33 687	34 806	35 155	41 315	41 386	41 358
41 Squadron	31 065	33 041	39 777	38 553	44 602	44 074	43 676
35 Squadron	30 589	31 879	33 448	33 626	38 046	37 083	37 159
21 Squadron	28 264	41 748	48 289	61 332	72 284	75 209	78 911
School of Artillery	55 391	56 699	56 096	59 847	66 989	68 291	69 444
SA Army College	42 104	44 471	49 472	60 950	66 612	67 011	67 289
16 Maintenance Unit	37 017	33 460	31 483	34 386	42 319	45 391	48 405
SA National War College	31 080	35 304	38 690	39 442	43 266	44 203	44 618
SAS Protea	24 141	26 913	31 887	37 227	41 102	41 833	42 834
101 Workshop	24 268	25 941	28 916	29 181	34 373	34 665	34 861
Personnel Services School	23 915	22 489	22 918	22 919	26 741	27 252	27 438

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA