



VOTE 19

DEFENCE AND
MILITARY VETERANS



BUDGET 2017

ESTIMATES
OF NATIONAL
EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2017 is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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

Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide 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**



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Vote 19

Defence and Military Veterans

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	5 380.8	4 686.7	667.5	26.6	5 628.3	5 947.1
Force Employment	3 688.6	3 232.4	272.9	183.3	3 661.0	3 749.8
Landward Defence	16 550.2	12 811.4	3 687.9	51.0	17 134.3	18 160.8
Air Defence	6 628.0	5 751.5	859.0	17.5	7 145.8	8 572.2
Maritime Defence	4 790.0	3 009.2	1 769.4	11.3	4 893.4	4 482.4
Military Health Support	4 586.7	4 521.7	26.9	38.1	4 905.6	5 371.3
Defence Intelligence	917.3	462.6	451.0	3.6	947.9	1 002.2
General Support	6 077.2	3 546.4	1 445.4	1 085.4	6 294.1	6 680.6
Total expenditure estimates	48 618.8	38 022.0	9 180.1	1 416.7	50 610.3	53 966.4

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 site 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), the Defence Amendment Act (2010), the 1996 White Paper on Defence and the 2015 South African Defence Review. The department is required to provide, manage, prepare and employ defence capabilities that are commensurate with the needs of South Africa.

Selected performance indicators

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections ¹		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	43	43	44	46	44	44	44
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	7 005	3 889	3 944	4 001	3 651	3 532	3 545
Number of reserve force person days ²	Administration	Outcome 3: All people in South Africa are and feel safe	– ²	2 695 742	2 768 982	2 701 681	1 817 104	1 571 203	1 692 387
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	79% (34/43)	79% (34/43)	100% (32/32)	100%	100%	100%	100%
Percentage compliance with the number of ordered commitments (external operations)	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	83% (5/6)	140% (7/5) ³	100% (3/3)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Percentage compliance with the number of ordered commitments (internal operations) ⁵	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4/4)	100% (4/4)	100% (4/4)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year ⁶	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	5	5	6	4	3	2	3

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections ¹		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	13	13	15	15	15	15	15
Number of force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	4 471	5 026	4 785	5 000	5 000	5 000	5 000
Number of hours at sea per year	Maritime Defence		11 081	8 951	10 711	12 000	12 000	12 000	12 000

1. Over the medium term, most of the department's performance targets are maintained at the same level or declined in order to align targets with the available budget following Cabinet-approved budget reductions.

2. This indicator was changed from 2014/15 and has been re-worded. It previously measured the number of reserves used per year.

3. Two additional operations were conducted over and above the target of 5 external operations.

4. Only absolute numbers for executed operations are reported on. The number of ordered commitments cannot be predicted, thus no absolute values can be provided in 2016/17 and over the medium term.

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

6. The number of military exercises conducted per year fluctuates over the medium term in line with agreements with key stakeholders.

Expenditure analysis

Over the medium term, the Department of Defence will prioritise maintaining South Africa's defence capabilities, expanding and maintaining its infrastructure, safeguarding the country's borders and territorial integrity, participating in peace support operations, and institutionalising policy on cyber security. These activities supports the realisation of outcome 3 (all people in South Africa are and feel safe) and outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework.

Almost 80 per cent of the department's budget over the medium term is allocated to spending on compensation of employees and related goods and services as the department's core activities are labour intensive. The department's budget for compensation of employees was reduced by R1.9 billion in 2017/18 and R2.9 billion in 2018/19, following Cabinet's decision to lower the national aggregate expenditure ceiling. Despite the reduction, the department aims to maintain the number of landward sub-units deployed for border safeguarding at 15 per year over the medium term and the number of defence attachè offices at 44. However, the number of military skills development members in the system per year is expected to decrease from 4 001 in 2016/17 to 3 545 in 2019/20. The department's goods and services budget has also been reduced by R109.1 million in 2017/18, R98 million in 2018/19 and R125.5 million in 2019/20. These reductions will be effected mainly on property payments, specifically day-to-day maintenance, and non-core goods and services items such as consultants and catering.

Maintaining defence capabilities

The 2015 Defence Review sets out the long-term policy for meeting the country's defence needs over the next 20 to 30 years. The department has developed comprehensive plans, based on the review, to prevent the decline of critical defence capabilities by focusing on immediate and directed interventions, mostly in the *Landward Defence*, *Air Defence*, *Maritime Defence* and *Military Health Support* programmes. The final plan is awaiting departmental approval. The funding model for the implementation of the review, developed in partnership with the Treasury, is scheduled for completion in 2017/18.

Efforts to maintain and modernise defence capabilities are set to increase spending on departmental agencies and accounts by 12.8 per cent, or R2.7 billion, over the medium term. The department plans over the medium term to: replace its infantry combat vehicles; and develop a modern command-and-control capability, mobile water-provisioning system, and new geographic systems. This is reflected in the projected increase in expenditure of 9.5 per cent, or R1.9 billion in the *Infantry Capability* subprogramme and 15.1 per cent, or R248 million in the *Artillery Capability* subprogramme over the medium term, both in the *Landward Defence* programme. The acquisition of medium and light transport aircrafts in the *Transport and Maritime Capability* subprogramme, and precision-guided air force ammunition and new-generation mobile communication capability in the *Command and Control Capability* subprogramme are expected to increase spending in the *Air Defence* programme in 2019/20 by 20 per cent, or R1.4 billion. The department has deferred the planned acquisition of a hydrographic vessel to 2017/18 and the acquisition of offshore patrol vessels to 2018/19. This is expected to increase spending in the *Maritime Combat Capability* subprogramme in the *Maritime Defence* programme in those years.

Over the medium term, the department plans to maintain a health support capability of five medical battalion groups, including one specialist group for deployed and contingency forces; and a comprehensive,

multidisciplinary military health service to a projected patient population of 302 000 people per year. The department has reprioritised R951.6 million from spending on goods and services to provide for comprehensive health care to members of the South African National Defence Force, their dependants and retired military personnel. These funds are expected to cover the increasing costs of essential medicine and medical supplies in the *Military Health Support* programme over the medium term.

Expanding and maintaining infrastructure

Over the medium term, the department's infrastructure programme will focus on the construction and refurbishment of military health facilities; the refurbishment of military bases and units; and improvements to accommodation, kitchen and security facilities. The policy objective for the infrastructure programme is to improve facilities that contribute to the renewal and preservation of defence capabilities. Significant projects include the construction of a base hospital in Port Elizabeth; and the refurbishment of the army and air force headquarters in Pretoria, the 1 military hospital in Pretoria, the 2 military hospital in Cape Town, the 6 South African Infantry Battalion in Grahamstown, the air force bases in Bloemspruit and Overberg, and A-Mess military base in Thaba Tshwane. Fixed equipment will be replaced and kitchens will be upgraded at a projected 31 military bases over the medium term. Unserviceable infrastructure will be demolished at Tempe Military Base in Bloemfontein and the School of Engineers in Kroonstad. The budget for this work is an estimated R3.1 billion over the medium term and this is budgeted for mainly under the *General Support* programme.

The Defence Works Formation, which was established in 2012/13 to maintain and repair department's facilities, will perform facility maintenance functions throughout the country, with R2.3 billion budgeted for this over the medium term. A number of projects will be undertaken by the units over the medium term, including the upgrading of the Sandhurst Building in Thaba Tshwane, the construction of houses at the military academy in Saldanha, and the renovation of military quarters at Camden Military Base in Mpumalanga.

Safeguarding South Africa's borders and territorial integrity

Over the medium term, the department will deploy an expected 15 landward sub-units on South Africa's borders with Zimbabwe, Swaziland, Mozambique, Lesotho, Botswana and Namibia. Border safeguarding in the *Support to the People* subprogramme in the *Force Employment* programme is budgeted at R3 billion over the medium term. As part of the maritime security strategy, the South African Navy will continue to upgrade the naval station in Durban to a fully-fledged naval base. A further R1.4 billion over the medium term is budgeted for the implementation of the maritime security strategy.

Participating in peace support operations

The department will provide defence force support to bring economic and political stability to the continent in four external operations: one United Nations/African Union-mandated peace support operation in the Democratic Republic of the Congo; two general military assistance operations, which 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 one support operation to the Mozambican government to counter piracy. A total of R4.1 billion over the medium term is provided in the *Force Employment* programme for these activities.

Establishing cyber security institutional capacity

The department will focus on institutionalising a cybersecurity policy over the medium term, with plans to implement the cyberwarfare strategy in 2017/18 and establish a cyber-command centre by 2018/19. These activities are assigned to the *Defence Intelligence* programme, and are allocated R72 million 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	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	4 434.6	4 509.0	4 511.0	4 866.5	4 499.7	4 659.0	4 827.2	4 862.4	4 981.5	5 151.1	5 358.6	5 358.6	101.2%	101.5%
Programme 2	3 283.9	3 555.7	3 346.7	3 437.0	3 487.0	3 631.4	3 603.2	3 813.3	3 602.8	3 899.6	3 601.2	3 601.2	99.7%	98.1%
Programme 3	13 853.8	13 604.9	13 599.1	13 854.9	14 241.9	14 049.1	14 805.3	15 202.4	15 119.0	15 651.4	15 557.5	15 557.5	100.3%	99.5%
Programme 4	6 250.2	5 714.4	6 031.5	7 166.9	7 176.6	6 913.5	7 049.2	7 167.6	7 085.7	6 883.5	6 971.4	6 971.4	98.7%	99.9%
Programme 5	3 171.1	3 107.3	3 226.4	3 678.5	3 678.5	3 802.4	3 717.2	3 769.1	3 732.7	4 355.9	4 407.1	4 407.1	101.6%	101.4%
Programme 6	3 642.5	3 762.1	3 733.6	3 849.1	3 849.1	4 053.1	3 932.9	4 069.3	4 243.2	4 416.8	4 474.1	4 474.1	104.2%	102.2%
Programme 7	762.4	767.9	774.7	792.1	813.7	819.8	827.5	831.5	830.1	900.2	900.2	900.2	101.3%	100.3%
Programme 8	4 844.8	5 636.8	5 224.6	5 186.3	5 110.5	4 914.1	5 817.0	5 372.6	5 476.6	5 911.1	5 966.4	5 966.4	99.2%	97.7%
Total	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 236.5	100.4%	99.9%
Change to 2016 Budget estimate										66.7				
Economic classification														
Current payments	32 207.9	33 588.1	32 747.9	34 471.1	34 471.1	34 343.5	36 162.0	36 607.6	36 227.6	39 101.1	39 594.1	39 594.1	100.7%	99.1%
Compensation of employees	20 863.8	21 373.0	21 332.7	21 980.2	22 476.2	23 005.8	24 595.0	24 890.4	24 788.0	26 884.6	27 361.6	27 361.6	102.3%	100.4%
Goods and services	11 344.0	12 215.1	11 415.2	12 490.9	11 994.9	11 337.7	11 567.0	11 717.2	11 439.6	12 216.5	12 232.5	12 232.5	97.5%	96.4%
Transfers and subsidies	7 355.0	6 171.2	6 422.1	7 838.2	7 863.8	7 400.2	7 830.5	7 893.7	8 003.3	7 780.8	7 354.6	7 354.6	94.7%	99.6%
Provinces and municipalities	-	-	-	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	94.4%	94.4%
Departmental agencies and accounts	6 192.6	4 695.2	4 697.8	6 624.6	6 650.2	6 144.3	6 687.8	6 745.2	6 840.1	6 622.7	6 196.4	6 196.4	-	-
Foreign governments and international organisations	-	299.1	303.3	-	-	-	-	5.8	5.8	-	-	-	-	101.4%
Public corporations and private enterprises	1 021.3	1 032.3	1 337.0	1 096.3	1 096.3	1 114.1	1 025.9	1 025.9	1 022.4	1 025.4	1 025.4	1 025.4	107.9%	107.6%
Non-profit institutions	6.9	6.9	7.7	7.7	7.7	7.9	8.0	8.0	8.1	9.5	9.5	9.5	103.5%	103.5%
Households	134.3	137.6	76.3	109.6	109.6	133.8	108.8	108.8	126.8	123.2	123.2	123.2	96.7%	96.0%
Payments for capital assets	680.5	745.3	1 265.5	521.9	521.9	1 081.2	586.9	586.9	838.0	287.8	287.8	287.8	167.2%	162.1%
Buildings and other fixed structures	115.6	115.6	217.0	123.7	123.7	64.9	122.6	122.6	82.6	121.9	121.9	121.9	100.5%	100.5%
Machinery and equipment	510.9	575.7	1 045.6	347.1	347.1	1 010.5	451.2	451.2	696.7	164.5	164.5	164.5	198.0%	189.6%
Specialised military assets	40.5	40.5	0.2	45.3	45.3	4.4	12.1	12.1	58.1	1.0	1.0	1.0	64.4%	64.4%
Biological assets	0.2	0.2	1.2	-	-	-	-	-	-	-	-	-	763.8%	763.8%
Software and other intangible assets	13.4	13.4	1.5	5.9	5.9	1.4	1.0	1.0	0.6	0.3	0.3	0.3	18.9%	18.9%
Payments for financial assets	-	153.6	12.0	-	-	17.5	-	-	2.7	-	-	-	-	21.0%
Total	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 236.5	100.4%	99.9%

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes												
1. Administration 2. Force Employment 3. Landward Defence 4. Air Defence 5. Maritime Defence 6. Military Health Support 7. Defence Intelligence 8. General Support												
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)				
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20					
Programme 1	5 358.6	5.9%	11.1%	5 380.8	5 628.3	5 947.1	3.5%	11.1%				
Programme 2	3 601.2	0.4%	8.1%	3 688.6	3 661.0	3 749.8	1.4%	7.3%				
Programme 3	15 557.5	4.6%	33.2%	16 550.2	17 134.3	18 160.8	5.3%	33.6%				
Programme 4	6 971.4	6.9%	15.4%	6 628.0	7 145.8	8 572.2	7.1%	14.6%				
Programme 5	4 407.1	12.4%	8.6%	4 790.0	4 893.4	4 482.4	0.6%	9.3%				
Programme 6	4 474.1	5.9%	9.4%	4 586.7	4 905.6	5 371.3	6.3%	9.6%				
Programme 7	900.2	5.4%	1.9%	917.3	947.9	1 002.2	3.6%	1.9%				
Programme 8	5 966.4	1.9%	12.3%	6 077.2	6 294.1	6 680.6	3.8%	12.5%				
Total	47 236.5	5.1%	100.0%	48 618.8	50 610.3	53 966.4	4.5%	100.0%				
Change to 2016 Budget estimate				(125.8)	(115.4)	(144.7)						

Table 19.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Current payments	39 594.1	5.6%	81.4%	38 022.0	39 388.9	42 042.9	2.0%	79.4%
Compensation of employees	27 361.6	8.6%	54.9%	26 448.0	27 116.7	29 177.6	2.2%	54.9%
Goods and services	12 232.5	0.0%	26.4%	11 574.0	12 272.2	12 865.3	1.7%	24.4%
Transfers and subsidies	7 354.6	6.0%	16.6%	9 180.1	9 762.1	10 435.6	12.4%	18.3%
Provinces and municipalities	0.1	-	0.0%	0.1	0.1	0.1	4.8%	0.0%
Departmental agencies and accounts	6 196.4	9.7%	13.6%	7 747.1	8 251.4	8 894.2	12.8%	15.5%
Public corporations and private enterprises	1 025.4	-0.2%	2.6%	1 296.9	1 375.1	1 418.6	11.4%	2.6%
Non-profit institutions	9.5	11.0%	0.0%	8.9	9.3	9.7	1.0%	0.0%
Households	123.2	-3.6%	0.3%	127.1	126.1	112.9	-2.9%	0.2%
Payments for capital assets	287.8	-27.2%	2.0%	1 416.7	1 459.4	1 488.0	72.9%	2.3%
Buildings and other fixed structures	121.9	1.8%	0.3%	958.8	1 069.0	1 111.1	108.9%	1.6%
Machinery and equipment	164.5	-34.1%	1.7%	455.7	389.0	375.0	31.6%	0.7%
Specialised military assets	1.0	-70.9%	0.0%	1.7	1.0	1.5	14.5%	0.0%
Software and other intangible assets	0.3	-70.4%	0.0%	0.4	0.4	0.5	10.7%	0.0%
Total	47 236.5	5.1%	100.0%	48 618.8	50 610.3	53 966.4	4.5%	100.0%

Goods and services expenditure trends and estimates

Table 19.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administrative fees	9 584	12 254	11 381	18 448	24.4%	0.1%	13 603	13 438	13 957	-8.9%	0.1%
Advertising	32 110	12 463	8 431	6 628	-40.9%	0.1%	7 797	7 898	7 593	4.6%	0.1%
Minor assets	137 417	127 731	94 206	219 862	17.0%	1.2%	173 109	130 323	129 842	-16.1%	1.3%
Audit costs: External	70 878	73 179	60 979	73 312	1.1%	0.6%	64 981	69 632	74 198	0.4%	0.6%
Catering: Departmental activities	24 089	20 874	27 218	25 693	2.2%	0.2%	29 498	39 319	30 179	5.5%	0.3%
Communication	91 230	91 480	88 963	99 194	2.8%	0.8%	99 106	99 512	103 390	1.4%	0.8%
Computer services	1 019 445	988 433	1 055 993	1 190 418	5.3%	9.2%	1 132 729	1 195 341	1 266 857	2.1%	9.8%
Consultants: Business and advisory services	203 496	274 352	300 594	146 220	-10.4%	2.0%	75 254	82 495	29 883	-41.1%	0.7%
Infrastructure and planning services	3 364	19 220	32 933	46 424	139.9%	0.2%	29 945	31 843	30 328	-13.2%	0.3%
Laboratory services	29 847	26 855	32 069	23 353	-7.9%	0.2%	24 544	27 818	20 944	-3.6%	0.2%
Legal services	41 418	30 016	54 853	30 742	-9.5%	0.3%	31 389	31 957	38 367	7.7%	0.3%
Science and technological services	40 937	56 221	97 713	74 104	21.9%	0.6%	88 065	62 909	61 352	-6.1%	0.6%
Contractors	2 538 811	2 735 529	2 207 794	2 294 237	-3.3%	21.1%	2 378 323	2 403 480	2 504 531	3.0%	19.6%
Agency and support/outourced services	458 229	490 354	583 755	415 805	-3.2%	4.2%	548 563	568 594	641 347	15.5%	4.4%
Entertainment	9 471	2 917	4 785	4 773	-20.4%	-	4 727	5 461	5 580	5.3%	-
Fleet services (including government motor transport)	41 410	96 765	136 107	92 434	30.7%	0.8%	57 450	58 337	60 220	-13.3%	0.5%
Inventory: Clothing material and accessories	-	208 087	160 038	154 688	-	1.1%	176 198	237 832	210 533	10.8%	1.6%
Inventory: Farming supplies	-	5 709	7 387	3 173	-	-	8 186	8 584	8 646	39.7%	0.1%
Inventory: Food and food supplies	833 586	872 380	886 530	896 309	2.4%	7.5%	958 582	1 013 925	1 103 029	7.2%	8.1%
Inventory: Fuel, oil and gas	652 715	455 660	639 187	618 716	-1.8%	5.1%	661 975	757 496	754 739	6.8%	5.7%
Inventory: Materials and supplies	144 509	138 448	107 893	89 517	-14.8%	1.0%	115 032	93 681	109 869	7.1%	0.8%
Inventory: Medical supplies	86 144	75 396	98 713	111 890	9.1%	0.8%	104 035	157 379	172 117	15.4%	1.1%
Inventory: Medicine	189 301	167 932	154 091	243 403	8.7%	1.6%	156 134	183 991	331 428	10.8%	1.9%
Inventory: Other supplies	133 504	110 974	58 439	165 054	7.3%	1.0%	168 375	268 043	236 914	12.8%	1.7%
Consumable supplies	201 914	122 769	133 484	121 075	-15.7%	1.2%	132 617	137 338	143 590	5.8%	1.1%
Consumables: Stationery, printing and office supplies	86 806	57 804	58 300	62 844	-10.2%	0.6%	73 891	69 739	73 706	5.5%	0.6%
Operating leases	343 523	415 443	1 318 598	1 420 005	60.5%	7.5%	1 460 566	1 525 125	1 634 756	4.8%	12.3%
Rental and hiring	45	335	4 757	55	6.9%	-	361	383	66	6.3%	-
Property payments	2 506 555	2 151 430	1 465 752	1 919 325	-8.5%	17.3%	1 131 585	1 244 364	1 293 674	-12.3%	11.4%
Travel and subsistence	873 601	883 798	991 344	808 897	-2.5%	7.7%	906 139	935 265	962 555	6.0%	7.4%
Training and development	159 315	256 804	228 253	277 217	20.3%	2.0%	268 971	297 508	306 675	3.4%	2.4%
Operating payments	436 864	342 034	316 593	559 694	8.6%	3.6%	473 887	495 457	485 773	-4.6%	4.1%
Venues and facilities	15 111	14 018	12 440	19 003	7.9%	0.1%	18 413	17 693	18 673	-0.6%	0.2%
Total	11 415 229	11 337 664	11 439 573	12 232 512	2.3%	100.0%	11 574 030	12 272 160	12 865 311	1.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Provinces and municipalities												
Municipal bank accounts												
Current	–	54	28	87	–	–	88	93	97	3.7%	–	
Vehicle licences	–	54	28	87	–	–	88	93	97	3.7%	–	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	4 697 768	6 144 266	6 840 117	6 196 402	9.7%	81.8%	7 747 080	8 251 406	8 894 227	12.8%	84.6%	
Communication	1 760	13	257	645	-28.4%	–	524	563	537	-5.9%	–	
Safety and Security Sector Education and Training Authority	18 936	21 014	22 590	20 681	3.0%	0.3%	21 073	21 970	23 069	3.7%	0.2%	
Department of Military Veterans	351 431	504 160	582 201	597 607	19.4%	7.0%	622 111	660 092	699 502	5.4%	7.0%	
Claims against the state	2 100	–	–	–	-100.0%	–	–	–	–	–	–	
Special defence account	4 323 541	5 619 079	6 235 069	5 577 469	8.9%	74.6%	7 103 372	7 568 781	8 171 119	13.6%	77.4%	
Foreign governments and international organisations												
Current	303 347	–	5 804	–	-100.0%	1.1%	–	–	–	–	–	
Claims against the state	303 347	–	–	–	-100.0%	1.0%	–	–	–	–	–	
Southern African Development Community	–	–	5 804	–	–	–	–	–	–	–	–	
Public corporations and private enterprises												
Other transfers to public corporations												
Current	153 612	16 869	–	–	-100.0%	0.6%	–	–	–	–	–	
Claims against the state	153 612	16 869	–	–	-100.0%	0.6%	–	–	–	–	–	
Non-profit institutions												
Current	7 701	7 909	8 081	9 460	7.1%	0.1%	8 901	9 324	9 744	1.0%	0.1%	
Reserve Force Council	6 523	7 140	7 192	8 620	9.7%	0.1%	7 929	8 326	8 742	0.5%	0.1%	
Claims against the state	346	–	–	–	-100.0%	–	–	–	–	–	–	
St. Johns Ambulance Brigade	832	769	889	840	0.3%	–	972	998	1 002	6.1%	–	
Households												
Social benefits												
Current	71 417	87 532	115 981	123 246	19.9%	1.4%	127 093	126 136	112 924	-2.9%	1.3%	
Employee social benefits	71 417	87 532	115 981	123 246	19.9%	1.4%	127 093	126 136	112 924	-2.9%	1.3%	
Households												
Other transfers to households												
Current	4 841	46 274	10 840	–	-100.0%	0.2%	–	–	–	–	–	
Claims against the state	4 841	46 274	10 840	–	-100.0%	0.2%	–	–	–	–	–	
Public corporations and private enterprises												
Other transfers to private enterprises												
Current	51 800	1 024	480	–	-100.0%	0.2%	–	–	–	–	–	
Claims against the state	51 800	1 024	480	–	-100.0%	0.2%	–	–	–	–	–	
Public corporations and private enterprises												
Subsidies on products and production												
Current	1 131 584	1 096 252	1 021 899	1 025 387	-3.2%	14.7%	1 296 901	1 375 137	1 418 577	11.4%	13.9%	
Armaments Corporation of South Africa	1 131 584	1 096 252	1 021 899	1 025 387	-3.2%	14.7%	1 296 901	1 375 137	1 418 577	11.4%	13.9%	
Provinces and municipalities												
Municipal agencies and funds												
Current	–	–	33	–	–	–	–	–	–	–	–	
Vehicle licences	–	–	33	–	–	–	–	–	–	–	–	
Total	6 422 070	7 400 180	8 003 263	7 354 582	4.6%	100.0%	9 180 066	9 762 099	10 435 572	12.4%	100.0%	

Personnel information

Table 19.6 Vote personnel numbers and cost by salary level and programme¹

Programmes														Number					
1. Administration														Average growth rate (%)	Average Salary level/Total (%)				
2. Force Employment																			
3. Landward Defence																			
4. Air Defence																			
5. Maritime Defence																			
6. Military Health Support																			
7. Defence Intelligence																			
8. General Support																			
Salary level	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment											Number					
			Actual			Revised estimate			Medium-term expenditure estimate					2016/17 - 2019/20					
			2015/16	Unit cost	Cost	2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19	Unit cost			Cost	2019/20	Unit cost	Cost
Defence and Military Veterans	76 648	–	77 597	24 788.0	0.3	78 345	27 361.6	0.3	69 609	26 448.0	0.4	65 582	27 116.7	0.4	66 016	29 177.6	0.4	-5.5%	100.0%
1 – 6	51 331	–	52 243	11 165.7	0.2	53 027	12 398.9	0.2	45 733	11 721.9	0.3	42 857	11 937.8	0.3	43 771	13 136.6	0.3	-6.2%	66.3%
7 – 10	23 559	–	23 573	9 688.6	0.4	23 577	10 623.1	0.5	22 190	10 900.4	0.5	21 090	11 249.9	0.5	20 639	11 963.6	0.6	-4.3%	31.3%
11 – 12	1 339	–	1 358	1 043.3	0.8	1 325	1 109.9	0.8	1 264	1 155.2	0.9	1 228	1 220.6	1.0	1 206	1 300.9	1.1	-3.1%	1.8%
13 – 16	414	–	417	435.3	1.0	412	453.5	1.1	417	494.0	1.2	402	513.7	1.3	395	544.2	1.4	-1.4%	0.6%
Other	6	–	6	2 455.1	409.2	4	2 776.2	694.1	5	2 176.5	435.3	5	2 194.7	438.9	5	2 232.3	446.5	7.7%	0.0%

Table 19.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost		
Defence and Military Veterans																		
Programme	76 648																	
Programme 1	3 876	3 816	1 689.6	0.4	4 402	2 063.3	0.5	3 424	1 847.8	0.5	3 126	1 888.2	0.6	3 119	2 047.2	0.7	-10.8%	5.0%
Programme 2	1 942	1 907	1 898.3	1.0	1 756	1 951.8	1.1	1 850	2 138.8	1.2	1 781	2 172.5	1.2	1 888	2 289.8	1.2	2.4%	2.6%
Programme 3	39 170	40 246	10 584.0	0.3	40 004	11 562.2	0.3	35 910	10 953.8	0.3	34 050	11 394.2	0.3	34 339	12 375.3	0.4	-5.0%	51.6%
Programme 4	10 066	10 261	3 325.2	0.3	9 896	3 587.5	0.4	8 383	3 444.8	0.4	8 037	3 438.1	0.4	8 267	3 658.0	0.4	-5.8%	12.4%
Programme 5	7 044	7 480	2 102.8	0.3	7 429	2 314.2	0.3	6 620	2 248.0	0.3	6 187	2 275.1	0.4	6 129	2 447.5	0.4	-6.2%	9.4%
Programme 6	7 898	8 002	3 136.3	0.4	8 196	3 421.5	0.4	7 235	3 373.7	0.5	6 741	3 480.5	0.5	6 674	3 713.9	0.6	-6.6%	10.3%
Programme 7	881	880	347.9	0.4	946	404.9	0.4	846	403.6	0.5	756	400.0	0.5	798	441.3	0.6	-5.5%	1.2%
Programme 8	5 771	5 005	1 704.0	0.3	5 716	2 056.2	0.4	5 341	2 037.5	0.4	4 904	2 068.3	0.4	4 802	2 204.6	0.5	-5.6%	7.4%

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

2. Rand million.

Departmental receipts

Table 19.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)	
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19			2019/20
	2013/14 - 2016/17	2017/18 - 2018/19	2018/19 - 2019/20					2016/17 - 2019/20					
Departmental receipts	853 475	923 792	1 082 623	842 710	842 710	-0.4%	100.0%	1 051 761	1 109 575	1 170 568	11.6%	100.0%	
Sales of goods and services produced by department	351 023	285 956	439 041	442 198	442 198	8.0%	41.0%	412 760	435 430	459 345	1.3%	41.9%	
Administrative fees	19	28	19	13	13	-11.9%	-	23	24	26	26.0%	-	
of which:													
Request for information: Receipt	19	28	19	13	13	-11.9%	-	23	24	26	26.0%	-	
Other sales	351 004	285 928	439 022	442 185	442 185	8.0%	41.0%	412 737	435 406	459 319	1.3%	41.9%	
of which:													
Rental capital assets	76 493	79 775	86 229	70 600	70 600	-2.6%	8.5%	88 243	93 096	98 217	11.6%	8.4%	
Sale of goods	8 720	12 497	7 325	16 257	16 257	23.1%	1.2%	9 671	10 203	10 764	-12.8%	1.1%	
Services rendered	265 791	193 656	345 468	355 328	355 328	10.2%	31.3%	314 823	332 107	350 338	-0.5%	32.4%	
Sales of scrap, waste, arms and other used current goods	1 658	3 676	2 975	850	850	-20.0%	0.2%	1 345	1 419	1 497	20.8%	0.1%	
of which:													
Sales: Scrap and waste	1 658	3 676	2 975	850	850	-20.0%	0.2%	1 345	1 419	1 497	20.8%	0.1%	
Transfers received	418 008	542 149	524 130	231 652	231 652	-17.9%	46.3%	538 922	568 563	599 833	37.3%	46.4%	
Fines, penalties and forfeits	1 225	1 733	600	650	650	-19.0%	0.1%	1 150	1 213	1 280	25.3%	0.1%	
Interest, dividends and rent on land	2 877	3 558	3 890	2 758	2 758	-1.4%	0.4%	3 840	4 050	4 273	15.7%	0.4%	
Interest	2 877	3 558	3 890	2 758	2 758	-1.4%	0.4%	3 840	4 050	4 273	15.7%	0.4%	
Sales of capital assets	24 904	42 507	36 212	66 000	66 000	38.4%	4.6%	25 967	27 394	28 902	-24.1%	3.6%	
Transactions in financial assets and liabilities	53 780	44 213	75 775	98 602	98 602	22.4%	7.4%	67 777	71 506	75 438	-8.5%	7.5%	
Total	853 475	923 792	1 082 623	842 710	842 710	-0.4%	100.0%	1 051 761	1 109 575	1 170 568	11.6%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 19.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19			2019/20
	2013/14 - 2016/17	2017/18 - 2018/19	2018/19 - 2019/20				2016/17 - 2019/20					
Ministry	86 867	81 987	111 963	76 168	-4.3%	1.8%	74 051	77 377	81 975	2.5%	1.4%	
Departmental Direction	50 035	43 673	66 980	50 565	0.4%	1.1%	58 586	60 034	64 394	8.4%	1.0%	
Policy and Planning	84 289	93 673	94 433	119 285	12.3%	2.0%	119 058	122 452	130 612	3.1%	2.2%	
Financial Services	285 028	325 176	324 266	472 499	18.4%	7.2%	372 613	381 763	409 206	-4.7%	7.3%	
Human Resources Support Services	652 202	714 358	736 370	810 393	7.5%	14.9%	777 263	790 980	845 140	1.4%	14.4%	
Legal Services	242 626	266 262	278 596	308 363	8.3%	5.6%	300 110	305 662	326 959	2.0%	5.6%	
Inspection and Audit Services	82 887	106 914	115 948	145 890	20.7%	2.3%	143 025	145 261	154 164	1.9%	2.6%	
Acquisition Services	46 544	58 828	82 192	112 742	34.3%	1.5%	125 743	133 834	88 237	-7.8%	2.1%	
Communication Services	49 785	48 486	43 826	45 211	-3.2%	1.0%	46 397	47 716	50 493	3.8%	0.9%	
South African National Defence Force Command and Control	136 607	143 742	135 727	155 201	4.3%	2.9%	156 217	159 526	170 964	3.3%	2.9%	
Religious Services	11 405	12 736	18 257	15 844	11.6%	0.3%	14 008	14 532	15 605	-0.5%	0.3%	
Defence Reserve Direction	23 240	24 575	25 192	29 342	8.1%	0.5%	28 501	29 344	31 081	1.9%	0.5%	
Defence Foreign Relations	227 309	255 538	262 199	258 246	4.3%	5.1%	274 458	299 472	344 119	10.0%	5.3%	
Office Accommodation	2 180 730	1 978 877	2 103 343	2 161 267	-0.3%	43.2%	2 268 693	2 400 257	2 534 671	5.5%	42.0%	
Military Veterans Management	351 431	504 160	582 201	597 607	19.4%	10.4%	622 111	660 092	699 502	5.4%	11.6%	
Total	4 510 985	4 658 985	4 981 493	5 358 623	5.9%	100.0%	5 380 834	5 628 302	5 947 122	3.5%	100.0%	
Change to 2016 Budget estimate				207 515			32 436	67 948	38 138			

Table 19.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
Current payments	4 074 548	4 029 089	4 309 580	4 704 853	4.9%	87.7%	4 686 740	4 894 681	5 172 385	3.2%	87.2%
Compensation of employees	1 397 821	1 535 000	1 689 577	2 063 310	13.9%	34.3%	1 847 829	1 888 187	2 047 165	-0.3%	35.2%
Goods and services ¹	2 676 727	2 494 089	2 620 003	2 641 543	-0.4%	53.5%	2 838 911	3 006 494	3 125 220	5.8%	52.0%
of which:											
Computer services	76 441	76 217	78 731	117 363	15.4%	1.8%	109 572	118 387	123 991	1.8%	2.1%
Consultants: Business and advisory services	3 464	3 579	53 504	49 852	143.2%	0.6%	62 443	69 319	16 286	-31.1%	0.9%
Operating payments	31 570	35 991	44 493	23 650	-9.2%	0.7%	37 715	29 498	29 534	7.7%	0.5%
Operating leases	310 955	376 018	1 295 516	1 273 503	60.0%	16.7%	1 384 435	1 480 646	1 589 142	7.7%	25.7%
Property payments	1 924 505	1 678 162	846 773	918 167	-21.9%	27.5%	978 846	1 037 693	1 090 947	5.9%	18.0%
Travel and subsistence	119 648	133 082	140 993	99 797	-5.9%	2.5%	117 828	120 601	124 136	7.5%	2.1%
Transfers and subsidies¹	387 292	557 075	628 287	644 947	18.5%	11.4%	667 500	706 189	745 645	5.0%	12.4%
Provinces and municipalities	-	17	24	30	-	-	32	33	34	4.3%	-
Departmental agencies and accounts	370 367	525 174	604 791	618 289	18.6%	10.9%	643 185	682 063	722 572	5.3%	11.9%
Public corporations and private enterprises	451	188	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	6 869	7 140	7 192	8 620	7.9%	0.2%	7 929	8 326	8 742	0.5%	0.2%
Households	9 605	24 556	16 280	18 008	23.3%	0.4%	16 354	15 767	14 297	-7.4%	0.3%
Payments for capital assets	43 116	59 659	43 373	8 823	-41.1%	0.8%	26 594	27 432	29 092	48.8%	0.4%
Buildings and other fixed structures	38	28	17	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	43 078	58 780	42 784	8 823	-41.1%	0.8%	26 550	27 384	29 042	48.8%	0.4%
Software and other intangible assets	-	851	572	-	-	-	44	48	50	-	-
Payments for financial assets	6 029	13 162	253	-	-100.0%	0.1%	-	-	-	-	-
Total	4 510 985	4 658 985	4 981 493	5 358 623	5.9%	100.0%	5 380 834	5 628 302	5 947 122	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	10.9%	11.1%	11.3%	-	-	11.1%	11.1%	11.0%	-	-
Details of transfer and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	370 367	525 174	604 791	618 289	18.6%	10.9%	643 185	682 063	722 572	5.3%	11.9%
Communication	-	-	-	1	-	-	1	1	1	-	-
Safety and Security Sector Education and Training Authority	18 936	21 014	22 590	20 681	3.0%	0.4%	21 073	21 970	23 069	3.7%	0.4%
Department of Military Veterans	351 431	504 160	582 201	597 607	19.4%	10.4%	622 111	660 092	699 502	5.4%	11.6%
Non-profit institutions	6 869	7 140	7 192	8 620	7.9%	0.2%	7 929	8 326	8 742	0.5%	0.2%
Reserve Force Council	6 523	7 140	7 192	8 620	9.7%	0.2%	7 929	8 326	8 742	0.5%	0.2%
Claims against the state	346	-	-	-	-100.0%	-	-	-	-	-	-
Households	9 036	13 839	16 181	18 008	25.8%	0.3%	16 214	15 767	14 227	-7.6%	0.3%
Employee social benefits	9 036	13 839	16 181	18 008	25.8%	0.3%	16 214	15 767	14 227	-7.6%	0.3%
Households	499	10 041	885	-	-100.0%	0.1%	-	-	-	-	-
Other transfers to households	499	10 041	885	-	-100.0%	0.1%	-	-	-	-	-
Claims against the state	499	10 041	885	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises	-	4	-	-	-	-	-	-	-	-	-
Public corporations	-	4	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	4	-	-	-	-	-	-	-	-	-
Claims against the state	-	4	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	17	24	30	-	-	32	33	34	4.3%	-
Municipalities	-	17	24	30	-	-	32	33	34	4.3%	-
Municipal bank accounts	-	17	24	30	-	-	32	33	34	4.3%	-
Vehicle licences	-	17	24	30	-	-	32	33	34	4.3%	-
Public corporations and private enterprises	451	184	-	-	-100.0%	-	-	-	-	-	-
Private enterprises	451	184	-	-	-100.0%	-	-	-	-	-	-
Other transfers to private enterprises	451	184	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	451	184	-	-	-100.0%	-	-	-	-	-	-

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

Personnel information

Table 19.9 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment											Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)							
		2015/16			2016/17			2017/18			2018/19				2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost			Unit cost	2016/17 - 2019/20					
Administration		3 876		-	3 816	1 689.6	0.4	4 402	2 063.3	0.5	3 424	1 847.8	0.5	3 126	1 888.2	0.6	3 119	2 047.2	0.7	-10.8%	100.0%
Salary level		3 876		-	3 816	1 689.6	0.4	4 402	2 063.3	0.5	3 424	1 847.8	0.5	3 126	1 888.2	0.6	3 119	2 047.2	0.7	-10.8%	100.0%
1 – 6		1 392		-	1 352	325.1	0.2	1 679	438.8	0.3	1 237	354.5	0.3	1 082	337.8	0.3	1 090	369.3	0.3	-13.4%	36.2%
7 – 10		1 820		-	1 810	742.0	0.4	2 018	920.2	0.5	1 476	730.7	0.5	1 326	723.2	0.5	1 305	775.5	0.6	-13.5%	43.5%
11 – 12		504		-	495	378.0	0.8	515	431.5	0.8	514	467.8	0.9	524	519.6	1.0	528	569.2	1.1	0.8%	14.8%
13 – 16		154		-	153	165.5	1.1	186	212.4	1.1	192	234.4	1.2	189	248.3	1.3	191	269.9	1.4	0.9%	5.4%
Other		6		-	6	78.8	13.1	4	60.5	15.1	5	60.5	12.1	5	59.3	11.9	5	63.2	12.6	7.7%	0.1%

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

2. Rand million.

Programme 2: Force Employment

Programme purpose

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

Objective

- 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 eight joint, interdepartmental, interagency and multinational military force preparation exercises, excluding special forces exercises, from 2017/18 to 2019/20
 - conducting four 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 19.10 Force Employment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Strategic Direction	119 771	125 918	164 315	186 949	16.0%	4.2%	155 948	165 463	167 781	-3.5%	4.6%
Operational Direction	253 043	257 001	286 236	307 758	6.7%	7.8%	331 429	340 044	338 606	3.2%	9.0%
Special Operations	666 472	708 723	756 469	822 021	7.2%	20.8%	824 403	821 231	872 156	2.0%	22.7%
Regional Security	1 608 559	1 638 636	1 572 998	1 177 658	-9.9%	42.3%	1 410 813	1 340 029	1 339 418	4.4%	35.8%
Support to the People	698 810	901 163	822 783	1 106 830	16.6%	24.9%	965 971	994 204	1 031 871	-2.3%	27.9%
Total	3 346 655	3 631 441	3 602 801	3 601 216	2.5%	100.0%	3 688 564	3 660 971	3 749 832	1.4%	100.0%
Change to 2016				(298 419)			(256 986)	(378 661)	(558 453)		
Budget estimate											
Economic classification											
Current payments	2 938 725	3 053 107	3 038 310	3 252 461	3.4%	86.6%	3 232 385	3 305 015	3 370 808	1.2%	89.5%
Compensation of employees	1 590 158	1 854 548	1 898 261	1 951 844	7.1%	51.4%	2 138 787	2 172 466	2 289 801	5.5%	58.2%
Goods and services ¹	1 348 567	1 198 559	1 140 049	1 300 617	-1.2%	35.2%	1 093 598	1 132 549	1 081 007	-6.0%	31.3%
of which:											
Contractors	138 834	427 309	364 776	331 315	33.6%	8.9%	366 569	352 872	302 539	-3.0%	9.2%
Inventory: Food and food supplies	118 475	108 473	124 449	143 233	6.5%	3.5%	138 940	150 449	158 721	3.5%	4.0%
Inventory: Fuel, oil and gas	66 322	50 229	32 489	69 601	1.6%	1.5%	47 725	51 532	54 153	-8.0%	1.5%
Property payments	18 457	21 246	13 391	20 919	4.3%	0.5%	30 438	32 015	24 973	6.1%	0.7%
Travel and subsistence	200 218	221 351	248 164	232 782	5.2%	6.4%	172 934	182 752	192 128	-6.2%	5.3%
Operating payments	262 079	114 102	85 283	283 949	2.7%	5.3%	190 039	207 181	184 368	-13.4%	5.9%
Transfers and subsidies¹	163 638	288 037	431 552	254 543	15.9%	8.0%	272 883	243 541	259 212	0.6%	7.0%
Departmental agencies and accounts	149 131	276 855	412 349	241 405	17.4%	7.6%	256 677	226 901	241 859	0.1%	6.6%
Foreign governments and international organisations	-	-	5 804	-	-	-	-	-	-	-	-
Public corporations and private enterprises	9 037	8 086	8 000	8 424	-2.3%	0.2%	8 871	9 341	9 808	5.2%	0.2%
Households	5 470	3 096	5 399	4 714	-4.8%	0.1%	7 335	7 299	7 545	17.0%	0.2%
Payments for capital assets	244 214	290 252	132 926	94 212	-27.2%	5.4%	183 296	112 415	119 812	8.3%	3.5%
Buildings and other fixed structures	11 721	491	9 974	1 160	-53.7%	0.2%	400	400	420	-28.7%	-
Machinery and equipment	232 449	289 761	122 952	92 059	-26.6%	5.2%	181 903	111 022	118 349	8.7%	3.4%
Specialised military assets	-	-	-	993	-	-	993	993	1 043	1.7%	-
Software and other intangible assets	44	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	78	45	13	-	-100.0%	-	-	-	-	-	-
Total	3 346 655	3 631 441	3 602 801	3 601 216	2.5%	100.0%	3 688 564	3 660 971	3 749 832	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	8.5%	8.0%	7.6%	-	-	7.6%	7.2%	6.9%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	149 131	276 855	412 349	241 405	17.4%	7.6%	256 677	226 901	241 859	0.1%	6.6%
Communication	-	3	2	103	-	-	40	42	45	-24.1%	-
Special defence account	149 131	276 852	412 347	241 302	17.4%	7.6%	256 637	226 859	241 814	0.1%	6.6%
Foreign governments and international organisations											
Current	-	-	5 804	-	-	-	-	-	-	-	-
Southern African Development Community	-	-	5 804	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	5 470	3 083	5 368	4 714	-4.8%	0.1%	7 335	7 299	7 545	17.0%	0.2%
Employee social benefits	5 470	3 083	5 368	4 714	-4.8%	0.1%	7 335	7 299	7 545	17.0%	0.2%
Other transfers to households											
Current	-	13	31	-	-	-	-	-	-	-	-
Claims against the state	-	13	31	-	-	-	-	-	-	-	-
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	9 037	8 000	8 000	8 424	-2.3%	0.2%	8 871	9 341	9 808	5.2%	0.2%
Armaments Corporation of South Africa	9 037	8 000	8 000	8 424	-2.3%	0.2%	8 871	9 341	9 808	5.2%	0.2%

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

Personnel information

Table 19.11 Force Employment personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment															Number					
		Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)				
Number of funded posts	Number of posts additional to the establishment	2015/16			2016/17			2017/18			2018/19			2019/20			2016/17 - 2019/20					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Force Employment		1 942	–	–	1 907	1 898.3	1.0	1 756	1 951.8	1.1	1 850	2 138.8	1.2	1 781	2 172.5	1.2	1 888	2 289.8	1.2	2.4%	100.0%	
Salary level																						
1 – 6	980	–	–	940	240.8	0.3	829	226.2	0.3	898	266.6	0.3	836	269.8	0.3	906	317.7	0.4	3.0%	47.7%		
7 – 10	880	–	–	881	389.7	0.4	836	407.6	0.5	870	462.1	0.5	862	498.3	0.6	896	562.3	0.6	2.3%	47.6%		
11 – 12	65	–	–	69	56.3	0.8	74	65.4	0.9	65	62.8	1.0	65	68.4	1.1	68	76.9	1.1	-2.8%	3.7%		
13 – 16	17	–	–	17	19.1	1.1	17	20.3	1.2	17	21.9	1.3	18	24.9	1.4	18	26.8	1.5	1.9%	1.0%		
Other	–	–	–	–	1 192.3	–	–	1 232.4	–	–	1 325.3	–	–	1 311.0	–	–	1 306.0	–	–	–		

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

2. Rand million.

Programme 3: Landward Defence

Programme purpose

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

Objective

- Defend and protect South Africa and its territory over the medium term by:
 - providing one 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 one tank and armoured car capability, and providing one squadron for internal deployment per year
 - exercising one composite artillery capability and providing one battery for internal deployment per year
 - exercising one air defence artillery capability and providing one battery for internal deployment per year
 - providing one sustained composite engineer capability for external deployment, as well as for internal safety and security, and exercising one field engineer capability per year
 - providing one signal capability for external deployment and for internal signal support, and exercising one composite signal capability per year.

Subprogrammes

- Strategic Direction* directs, orchestrates and controls the South African Army 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 19.12 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
R thousand											
Strategic Direction	420 388	418 972	442 829	474 692	4.1%	3.0%	426 847	416 977	424 258	-3.7%	2.6%
Infantry Capability	4 759 699	5 403 955	6 102 469	6 059 291	8.4%	38.3%	6 889 647	7 364 030	7 950 558	9.5%	41.9%
Armour Capability	356 755	374 685	399 336	447 896	7.9%	2.7%	449 485	466 879	493 482	3.3%	2.8%
Artillery Capability	383 202	425 602	527 555	473 688	7.3%	3.1%	486 548	477 500	721 681	15.1%	3.2%
Air Defence Artillery Capability	425 105	478 055	561 608	588 879	11.5%	3.5%	681 730	619 550	539 713	-2.9%	3.6%
Engineering Capability	587 191	623 073	675 942	718 993	7.0%	4.5%	745 915	778 511	814 224	4.2%	4.5%
Operational Intelligence	176 843	188 262	202 548	252 520	12.6%	1.4%	236 675	247 389	259 110	0.9%	1.5%
Command and Control Capability	168 679	177 810	188 949	204 155	6.6%	1.3%	209 283	216 348	230 631	4.1%	1.3%
Support Capability	4 858 211	4 428 168	4 414 820	4 464 721	-2.8%	31.1%	4 680 408	4 747 615	4 819 744	2.6%	27.8%
General Training Capability	390 971	411 522	397 699	585 823	3.1%	14.4%	474 083	484 458	523 705	-3.7%	3.1%
Signal Capability	1 072 079	1 119 012	1 205 196	1 286 793	6.3%	8.0%	1 269 575	1 314 998	1 383 716	2.5%	7.8%
Total	13 599 123	14 049 116	15 118 951	15 557 451	4.6%	100.0%	16 550 196	17 134 255	18 160 822	5.3%	100.0%
Change to 2016 Budget estimate				(93 987)			(288 541)	(580 283)	(782 664)		
Economic classification											
Current payments	10 809 538	11 652 112	12 484 201	13 403 867	7.4%	82.9%	12 811 371	13 309 256	14 331 278	2.3%	79.9%
Compensation of employees	9 164 762	9 795 641	10 583 972	11 562 182	8.1%	70.5%	10 953 847	11 394 185	12 375 300	2.3%	68.7%
Goods and services	1 644 776	1 856 471	1 900 229	1 841 685	3.8%	12.4%	1 857 524	1 915 071	1 955 978	2.0%	11.2%
of which:											
Contractors	232 914	352 503	357 161	335 467	12.9%	2.2%	218 214	204 245	244 682	-10.0%	1.5%
Inventory: Clothing material and accessories	-	148 071	88 035	72 002	-	0.5%	103 682	156 103	124 617	20.1%	0.7%
Inventory: Food and food supplies	481 412	473 441	476 913	472 882	-0.6%	3.3%	519 418	534 641	579 748	7.0%	3.1%
Inventory: Fuel, oil and gas	193 558	152 000	211 240	231 009	6.1%	1.4%	198 614	223 993	206 732	-3.6%	1.3%
Computer services	71 074	81 649	72 016	77 629	3.0%	0.5%	80 617	80 575	80 670	1.3%	0.5%
Travel and subsistence	278 665	251 414	277 313	218 086	-7.8%	1.8%	327 879	328 887	333 114	15.2%	1.8%
Transfers and subsidies¹	2 473 968	2 251 766	2 528 555	2 127 653	-4.9%	16.1%	3 687 866	3 773 505	3 782 859	21.1%	19.8%
Provinces and municipalities	-	2	2	3	-	-	-	-	-	-100.0%	-
Departmental agencies and accounts	2 391 470	2 158 389	2 451 220	2 048 860	-5.0%	15.5%	3 619 704	3 707 730	3 745 280	22.3%	19.5%
Public corporations and private enterprises	54 509	50 185	33 571	38 400	-11.0%	0.3%	35 185	30 620	-	-100.0%	0.2%
Households	27 989	43 190	43 762	40 390	13.0%	0.3%	32 977	35 155	37 579	-2.4%	0.2%
Payments for capital assets	312 092	144 478	104 899	25 931	-56.4%	1.0%	50 959	51 494	46 685	21.7%	0.3%
Buildings and other fixed structures	334	925	67	132	-26.6%	-	5 097	5 354	5 253	241.4%	-
Machinery and equipment	310 513	143 547	104 832	25 779	-56.4%	1.0%	45 862	46 140	40 986	16.7%	0.2%
Specialised military assets	-	-	-	-	-	-	-	-	446	-	-
Biological assets	1 245	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	6	-	20	-	-	-	-	-	-100.0%	-
Payments for financial assets	3 525	760	1 296	-	-100.0%	-	-	-	-	-	-
Total	13 599 123	14 049 116	15 118 951	15 557 451	4.6%	100.0%	16 550 196	17 134 255	18 160 822	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	33.6%	32.8%	33.5%	32.9%	-	-	34.0%	33.9%	33.7%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 391 470	2 158 389	2 451 220	2 048 860	-5.0%	15.5%	3 619 699	3 707 730	3 745 280	22.3%	19.5%
Communication	-	8	5	94	-	-	71	71	75	-7.3%	-
Special defence account	2 391 470	2 158 381	2 451 215	2 048 766	-5.0%	15.5%	3 619 628	3 707 659	3 745 205	22.3%	19.5%
Households											
Social benefits											
Current	24 282	29 509	40 792	40 390	18.5%	0.2%	32 977	35 155	37 579	-2.4%	0.2%
Employee social benefits	24 282	29 509	40 792	40 390	18.5%	0.2%	32 977	35 155	37 579	-2.4%	0.2%
Households											
Other transfers to households											
Current	3 707	13 681	2 970	-	-100.0%	-	-	-	-	-	-
Claims against the state	3 707	13 681	2 970	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	2	2	3	-	-	-	-	-	-100.0%	-
Vehicle licences	-	2	2	3	-	-	-	-	-	-100.0%	-

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

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	63	457	454	-	-100.0%	-	-	-	-	-	-
Claims against the state	63	457	454	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	54 446	49 728	33 117	38 400	-11.0%	0.3%	35 185	30 620	-	-100.0%	0.2%
Armaments Corporation of South Africa	54 446	49 728	33 117	38 400	-11.0%	0.3%	35 185	30 620	-	-100.0%	0.2%

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

Personnel information

Table 19.13 Landward Defence personnel numbers and cost by salary level¹

Landward Defence	Salary level	Number of posts estimated for 31 March 2017	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
				2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost			
		39 170	-	40 246	10 584.0	0.3	40 004	11 562.2	0.3	35 910	10 953.8	0.3	34 050	11 394.2	0.3	34 339	12 375.3	0.4	-5.0%	100.0%
1 – 6		30 926	-	31 840	6 628.3	0.2	31 778	7 255.1	0.2	28 134	6 987.0	0.2	26 498	7 157.4	0.3	26 963	7 865.6	0.3	-5.3%	78.6%
7 – 10		8 055	-	8 206	3 021.4	0.4	8 032	3 239.2	0.4	7 624	3 344.7	0.4	7 410	3 543.0	0.5	7 237	3 766.5	0.5	-3.4%	21.0%
11 – 12		156	-	166	120.3	0.7	159	125.4	0.8	125	107.7	0.9	119	111.7	0.9	115	117.3	1.0	-10.2%	0.4%
13 – 16		33	-	34	34.2	1.0	35	37.1	1.1	27	31.0	1.1	23	28.7	1.2	24	32.2	1.3	-11.8%	0.1%
Other		-	-	-	779.8	-	-	905.4	-	-	483.3	-	-	553.4	-	-	593.6	-	-	-

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

2. Rand million.

Programme 4: Air Defence

Programme purpose

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

Objective

- Defend and protect South Africa and its airspace by providing:
 - four helicopter squadrons and one combat support helicopter squadron per year over the medium term
 - three medium transport squadrons including one VIP squadron, one maritime and transport squadron, one light transport squadron and nine reserve squadrons per year over the medium term
 - one 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 a maritime aircraft crewed by appropriately qualified personnel.
- Air Combat Capability* provides and sustains an 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 19.14 Air Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Strategic Direction	16 830	18 298	20 830	35 404	28.1%	0.3%	30 627	30 944	31 297	-4.0%	0.4%
Operational Direction	247 937	183 763	255 332	208 681	-5.6%	3.3%	170 185	184 224	165 530	-7.4%	2.5%
Helicopter Capability	996 286	817 145	619 683	769 253	-8.3%	11.9%	814 824	880 540	916 465	6.0%	11.5%
Transport and Maritime Capability	485 389	1 138 780	684 446	773 323	16.8%	11.4%	798 324	866 546	1 721 722	30.6%	14.2%
Air Combat Capability	909 905	1 108 324	1 368 811	1 277 210	12.0%	17.3%	1 043 221	1 034 632	1 015 660	-7.4%	14.9%
Operational Support and Intelligence Capability	312 633	270 938	297 730	321 486	0.9%	4.5%	286 307	281 715	299 389	-2.3%	4.1%
Command and Control Capability	343 112	508 715	884 586	610 765	21.2%	8.7%	560 423	912 666	1 250 724	27.0%	11.4%
Base Support Capability	1 723 986	1 848 057	1 823 734	1 859 454	2.6%	26.9%	1 773 537	1 756 229	1 911 707	0.9%	24.9%
Command Post	30 871	57 395	60 528	62 499	26.5%	0.8%	63 630	65 178	67 377	2.5%	0.9%
Training Capability	206 393	200 584	492 224	581 047	41.2%	5.5%	612 819	643 889	669 586	4.8%	8.6%
Technical Support Services	758 181	761 524	577 815	472 245	-14.6%	9.5%	474 110	489 264	522 783	3.4%	6.7%
Total	6 031 523	6 913 523	7 085 719	6 971 367	4.9%	100.0%	6 628 007	7 145 827	8 572 240	7.1%	100.0%
Change to 2016 Budget estimate				87 840			31 875	(94 476)	859 651		
Economic classification											
Current payments	5 116 005	5 162 868	5 146 482	5 785 441	4.2%	78.6%	5 751 509	5 918 277	6 337 595	3.1%	81.2%
Compensation of employees	2 955 320	3 148 889	3 325 169	3 587 450	6.7%	48.2%	3 444 829	3 438 052	3 658 037	0.7%	48.2%
Goods and services ¹	2 160 685	2 013 979	1 821 313	2 197 991	0.6%	30.3%	2 306 680	2 480 225	2 679 558	6.8%	33.0%
of which:											
Contractors	1 532 339	1 329 425	1 086 529	1 206 132	-7.7%	19.1%	1 314 655	1 378 244	1 491 328	7.3%	18.4%
Inventory: Food and food supplies	71 217	78 481	77 452	82 697	5.1%	1.1%	82 686	88 320	100 710	6.8%	1.2%
Inventory: Fuel, oil and gas	240 919	154 052	244 288	238 489	-0.3%	3.3%	276 046	302 326	322 236	10.6%	3.9%
Travel and subsistence	88 154	86 605	103 240	75 089	-5.2%	1.3%	83 473	88 736	93 050	7.4%	1.2%
Training and development	29 607	45 055	26 311	86 080	42.7%	0.7%	84 859	107 864	113 278	9.6%	1.3%
Operating payments	136 908	135 377	128 613	140 512	0.9%	2.0%	145 882	166 706	174 572	7.5%	2.1%
Transfers and subsidies¹	815 669	1 630 860	1 852 934	1 179 077	13.1%	20.3%	859 029	1 213 838	2 220 180	23.5%	18.7%
Provinces and municipalities	-	2	2	3	-	-	3	3	3	-	-
Departmental agencies and accounts	806 142	1 618 149	1 837 617	1 160 610	12.9%	20.1%	841 102	1 198 145	2 204 215	23.8%	18.4%
Public corporations and private enterprises	40	100	-	-	-100.0%	-	-	-	-	-	-
Households	9 487	12 609	15 315	18 464	24.9%	0.2%	17 924	15 690	15 962	-4.7%	0.2%
Payments for capital assets	99 118	119 219	86 128	6 849	-59.0%	1.2%	17 469	13 712	14 465	28.3%	0.2%
Buildings and other fixed structures	545	90	12 746	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	98 329	118 972	73 382	6 849	-58.9%	1.1%	17 469	13 712	14 465	28.3%	0.2%
Specialised military assets	244	157	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	731	576	175	-	-100.0%	-	-	-	-	-	-
Total	6 031 523	6 913 523	7 085 719	6 971 367	4.9%	100.0%	6 628 007	7 145 827	8 572 240	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	14.9%	16.1%	15.7%	14.8%	-	-	13.6%	14.1%	15.9%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	806 142	1 618 149	1 837 617	1 160 610	12.9%	20.1%	841 102	1 198 145	2 204 215	23.8%	18.4%
Special defence account	806 142	1 618 149	1 837 617	1 160 610	12.9%	20.1%	841 102	1 198 145	2 204 215	23.8%	18.4%
Households											
Social benefits											
Current	9 487	12 085	13 583	18 464	24.9%	0.2%	17 924	15 690	15 962	-4.7%	0.2%
Employee social benefits	9 487	12 085	13 583	18 464	24.9%	0.2%	17 924	15 690	15 962	-4.7%	0.2%
Households											
Other transfers to households											
Current	-	524	1 732	-	-	-	-	-	-	-	-
Claims against the state	-	524	1 732	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	2	2	3	-	-	3	3	3	-	-
Vehicle licences	-	2	2	3	-	-	3	3	3	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	40	100	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	40	100	-	-	-100.0%	-	-	-	-	-	-

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

Personnel information

Table 19.15 Air Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Air Defence																			
Salary level	10 066	-	10 261	3 325.2	0.3	9 896	3 587.5	0.4	8 383	3 444.8	0.4	8 037	3 438.1	0.4	8 267	3 658.0	0.4	-5.8%	100.0%
1 – 6	6 039	-	6 158	1 379.6	0.2	5 931	1 446.3	0.2	4 542	1 255.7	0.3	4 644	1 372.6	0.3	5 098	1 568.4	0.3	-4.9%	58.5%
7 – 10	3 877	-	3 948	1 741.7	0.4	3 824	1 846.9	0.5	3 712	1 949.2	0.5	3 287	1 848.2	0.6	3 078	1 876.9	0.6	-7.0%	40.2%
11 – 12	124	-	129	111.1	0.9	121	113.4	0.9	108	110.9	1.0	88	98.4	1.1	74	89.9	1.2	-15.1%	1.1%
13 – 16	26	-	26	30.2	1.2	20	24.2	1.2	21	27.4	1.3	18	25.5	1.4	17	26.1	1.5	-5.3%	0.2%
Other	-	-	-	62.6	-	-	156.7	-	-	101.7	-	-	93.3	-	-	96.7	-	-	-

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

2. Rand million.

Programme 5: Maritime Defence

Programme purpose

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

Objective

- Defend and protect South Africa and its maritime zones over the medium term by providing:
 - a surface combat and patrol capability of three frigates, one combat support vessel, two offshore patrol vessels and three inshore patrol vessels in each annual operational cycle
 - a sub-surface combat capability of two submarines in each annual operational cycle
 - a mine warfare capability of two 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 19.16 Maritime 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 (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
Maritime Direction	488 771	524 851	586 213	593 512	6.7%	14.5%	582 180	640 010	619 878	1.5%	13.1%
Maritime Combat Capability	585 054	1 129 323	1 238 808	1 719 678	43.2%	30.8%	2 073 088	2 038 749	1 471 937	-5.1%	39.3%
Maritime Logistic Support Capability	1 136 996	1 103 963	803 862	934 892	-6.3%	26.2%	980 721	1 086 839	1 166 657	7.7%	22.4%
Maritime Human Resources and Training Capability	397 131	445 218	497 655	516 629	9.2%	12.2%	538 634	518 781	566 620	3.1%	11.5%
Base Support Capability	618 426	599 014	606 210	642 339	1.3%	16.3%	615 380	608 980	657 277	0.8%	13.6%
Total	3 226 378	3 802 369	3 732 748	4 407 050	11.0%	100.0%	4 790 003	4 893 359	4 482 369	0.6%	100.0%
Change to 2016				51 170			232 670	465 836	(238 639)		
Budget estimate											
Economic classification											
Current payments	2 663 894	2 886 473	2 803 542	3 033 418	4.4%	75.1%	3 009 223	3 124 298	3 273 674	2.6%	67.0%
Compensation of employees	1 827 073	1 968 660	2 102 814	2 314 188	8.2%	54.1%	2 248 007	2 275 109	2 447 520	1.9%	50.0%
Goods and services ¹	836 821	917 813	700 728	719 230	-4.9%	20.9%	761 216	849 189	826 154	4.7%	17.0%
of which:											
Contractors	496 992	473 360	258 532	226 105	-23.1%	9.6%	224 506	219 668	215 788	-1.5%	4.8%
Inventory: Food and food supplies	49 266	114 873	77 249	92 143	23.2%	2.2%	102 902	120 582	131 856	12.7%	2.4%
Inventory: Fuel, oil and gas	92 507	29 938	92 577	19 127	-40.9%	1.5%	73 122	109 357	96 932	71.8%	1.6%
Inventory: Other supplies	49 321	54 903	25 146	95 741	24.7%	1.5%	75 568	129 211	95 232	-0.2%	2.1%
Travel and subsistence	63 514	57 325	71 007	49 409	-8.0%	1.6%	53 295	57 866	58 112	5.6%	1.2%
Operating payments	17 985	43 948	50 380	69 796	57.1%	1.2%	56 841	49 836	53 327	-8.6%	1.2%
Transfers and subsidies¹	475 245	867 619	836 662	1 366 999	42.2%	23.4%	1 769 439	1 757 983	1 198 277	-4.3%	32.8%
Departmental agencies and accounts	167 743	648 874	601 987	1 123 038	88.5%	16.8%	1 483 973	1 462 991	889 616	-7.5%	26.7%
Public corporations and private enterprises	301 388	208 897	219 884	226 287	-9.1%	6.3%	269 991	283 679	298 437	9.7%	5.8%
Households	6 114	9 848	14 791	17 674	42.5%	0.3%	15 475	11 313	10 224	-16.7%	0.3%
Payments for capital assets	86 899	48 036	92 289	6 633	-57.6%	1.5%	11 341	11 078	10 418	16.2%	0.2%
Buildings and other fixed structures	3 509	592	1 463	-	-100.0%	-	1 500	1 500	-	-	-
Machinery and equipment	83 352	47 444	32 728	6 633	-57.0%	1.1%	9 841	9 578	10 418	16.2%	0.2%
Specialised military assets	-	-	58 098	-	-	0.4%	-	-	-	-	-
Software and other intangible assets	38	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	340	241	255	-	-100.0%	-	-	-	-	-	-
Total	3 226 378	3 802 369	3 732 748	4 407 050	11.0%	100.0%	4 790 003	4 893 359	4 482 369	0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	8.9%	8.3%	9.3%	-	-	9.9%	9.7%	8.3%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	167 743	648 874	601 987	1 123 038	88.5%	16.8%	1 483 973	1 462 991	889 616	-7.5%	26.7%
Special defence account	167 743	648 874	601 987	1 123 038	88.5%	16.8%	1 483 973	1 462 991	889 616	-7.5%	26.7%
Households											
Social benefits											
Current	6 104	9 553	14 594	17 674	42.5%	0.3%	15 475	11 313	10 224	-16.7%	0.3%
Employee social benefits	6 104	9 553	14 594	17 674	42.5%	0.3%	15 475	11 313	10 224	-16.7%	0.3%
Households											
Other transfers to households											
Current	10	295	197	-	-100.0%	-	-	-	-	-	-
Claims against the state	10	295	197	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	255	-	-	-	-	-	-	-	-	-
Claims against the state	-	255	-	-	-	-	-	-	-	-	-
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											
Public corporations (subsidies on products and production)											
Current	301 388	208 619	219 884	226 287	-9.1%	6.3%	269 991	283 679	298 437	9.7%	5.8%
Armaments Corporation of South Africa	301 388	208 619	219 884	226 287	-9.1%	6.3%	269 991	283 679	298 437	9.7%	5.8%

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

Personnel information

Table 19.17 Maritime Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Maritime Defence																			
Salary level	7 044	–	7 480	2 102.8	0.3	7 429	2 314.2	0.3	6 620	2 248.0	0.3	6 187	2 275.1	0.4	6 129	2 447.5	0.4	-6.2%	100.0%
1 – 6	4 769	–	5 245	1 131.5	0.2	5 153	1 217.9	0.2	4 409	1 139.2	0.3	4 051	1 141.2	0.3	3 986	1 217.8	0.3	-8.2%	66.8%
7 – 10	2 162	–	2 121	816.5	0.4	2 168	907.9	0.4	2 097	960.8	0.5	2 026	1 008.9	0.5	2 037	1 101.2	0.5	-2.1%	31.6%
11 – 12	93	–	92	67.4	0.7	87	69.2	0.8	94	82.2	0.9	92	87.6	1.0	93	96.3	1.0	2.2%	1.4%
13 – 16	20	–	22	21.9	1.0	21	22.1	1.1	20	22.6	1.1	18	22.0	1.2	13	17.2	1.3	-14.8%	0.3%
Other	–	–	–	65.5	–	–	97.2	–	–	43.2	–	–	15.4	–	–	15.0	–	–	–

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

2. Rand million.

Programme 6: Military Health Support

Programme purpose

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

Objective

- Ensure prepared and supported health capabilities and services by providing:
 - a health support capability of five medical battalion groups and one specialist medical battalion group for deployed and contingency forces per year
 - 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, which commands and controls nine area military health units, to ensure a healthy military community. The military hospitals also attend to health care activities and provide medical support 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 19.18 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R thousand											
Strategic Direction	207 513	218 271	168 328	207 558	-	4.9%	176 144	177 168	172 585	-6.0%	3.8%
Mobile Military Health Support	109 408	120 810	120 655	124 412	4.4%	2.9%	134 118	160 244	197 313	16.6%	3.2%
Area Military Health Service	1 262 346	1 455 454	1 597 652	1 560 593	7.3%	35.6%	1 676 433	1 820 082	2 058 499	9.7%	36.8%
Specialist/Tertiary Health Service	1 273 469	1 433 329	1 553 413	1 597 034	7.8%	35.5%	1 754 579	1 857 708	2 012 718	8.0%	37.3%
Military Health Product Support Capability	236 322	212 914	134 540	210 955	-3.7%	4.8%	197 538	220 368	219 086	1.3%	4.4%
Military Health Maintenance Capability	280 847	256 414	319 614	307 157	3.0%	7.1%	271 021	271 540	278 923	-3.2%	5.8%
Military Health Training Capability	363 698	355 921	348 948	466 383	8.6%	9.3%	376 866	398 466	432 161	-2.5%	8.7%
Total	3 733 603	4 053 113	4 243 150	4 474 092	6.2%	100.0%	4 586 699	4 905 576	5 371 285	6.3%	100.0%
Change to 2016 Budget estimate				57 276			186 315	327 133	470 002		
Economic classification	3 615 868	3 886 430	4 170 043	4 464 939	7.3%	97.8%	4 521 745	4 801 329	5 262 792	5.6%	98.5%
Current payments											
Compensation of employees	2 700 762	2 865 474	3 136 307	3 421 485	8.2%	73.5%	3 373 665	3 480 453	3 713 879	2.8%	72.3%
Goods and services ¹	915 106	1 020 956	1 033 736	1 043 454	4.5%	24.3%	1 148 080	1 320 876	1 548 913	14.1%	26.2%
of which:											
Computer services	34 814	36 726	35 942	60 015	19.9%	1.0%	61 300	64 094	65 615	3.0%	1.3%
Contractors	55 097	56 188	40 006	59 411	2.5%	1.3%	81 645	82 292	77 607	9.3%	1.6%
Agency and support/outsourced services	286 585	362 199	406 119	283 557	-0.4%	8.1%	433 500	509 060	582 224	27.1%	9.4%
Inventory: Medical supplies	85 678	75 141	71 526	110 201	8.8%	2.1%	101 989	155 263	169 895	15.5%	2.8%
Inventory: Medicine	186 515	166 320	154 080	235 083	8.0%	4.5%	155 080	181 940	329 275	11.9%	4.7%
Travel and subsistence	53 693	62 860	79 433	59 634	3.6%	1.5%	69 600	74 699	76 194	8.5%	1.4%
Transfers and subsidies¹	11 497	46 096	26 194	6 240	-18.4%	0.5%	26 886	48 290	77 378	131.5%	0.8%
Provinces and municipalities	-	-	-	-	-	-	4	4	4	-	-
Departmental agencies and accounts	2 934	15 357	6 666	58	-73.0%	0.2%	11 119	30 084	62 723	926.4%	0.5%
Public corporations and private enterprises	-	107	26	-	-	-	-	-	-	-	-
Non-profit institutions	832	769	889	840	0.3%	-	972	998	1 002	6.1%	-
Households	7 731	29 863	18 613	5 342	-11.6%	0.4%	14 791	17 204	13 649	36.7%	0.3%
Payments for capital assets	105 476	120 225	46 300	2 913	-69.8%	1.7%	38 068	55 957	31 115	120.2%	0.7%
Buildings and other fixed structures	23	180	275	-	-100.0%	-	2 600	47	-	-	-
Machinery and equipment	105 428	119 195	46 025	2 913	-69.8%	1.7%	34 718	55 910	31 115	120.2%	0.6%
Specialised military assets	-	850	-	-	-	-	750	-	-	-	-
Software and other intangible assets	25	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	762	362	613	-	-100.0%	-	-	-	-	-	-
Total	3 733 603	4 053 113	4 243 150	4 474 092	6.2%	100.0%	4 586 699	4 905 576	5 371 285	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	9.5%	9.4%	9.5%	-	-	9.4%	9.7%	10.0%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 934	15 357	6 666	58	-73.0%	0.2%	11 112	30 065	62 703	926.3%	0.5%
Communication	1 760	-	-	58	-67.9%	-	61	64	2	-67.5%	-
Special defence account	1 174	15 357	6 666	-	-100.0%	0.1%	11 051	30 001	62 701	-	0.5%
Non-profit institutions											
Current	832	769	889	840	0.3%	-	972	998	1 002	6.1%	-
St. Johns Ambulance Brigade	832	769	889	840	0.3%	-	972	998	1 002	6.1%	-
Households											
Social benefits											
Current	7 106	9 553	14 670	5 342	-9.1%	0.2%	14 791	17 204	13 649	36.7%	0.3%
Employee social benefits	7 106	9 553	14 670	5 342	-9.1%	0.2%	14 791	17 204	13 649	36.7%	0.3%
Other transfers to households											
Current	625	20 310	3 943	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	625	20 310	3 943	-	-100.0%	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	107	26	-	-	-	-	-	-	-	-
Claims against the state	-	107	26	-	-	-	-	-	-	-	-

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

Personnel information

Table 19.19 Military Health Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment														Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Military Health Support																			
Salary level	7 898	–	8 002	3 136.3	0.4	8 196	3 421.5	0.4	7 235	3 373.7	0.5	6 741	3 480.5	0.5	6 674	3 713.9	0.6	-6.6%	100.0%
1 – 6	3 515	–	3 570	741.7	0.2	3 817	855.8	0.2	3 054	773.5	0.3	2 696	747.1	0.3	2 709	813.7	0.3	-10.8%	42.6%
7 – 10	4 023	–	4 065	1 964.6	0.5	4 079	2 157.2	0.5	3 887	2 247.8	0.6	3 764	2 370.8	0.6	3 692	2 525.8	0.7	-3.3%	53.5%
11 – 12	238	–	246	192.3	0.8	207	176.6	0.9	194	181.4	0.9	184	187.3	1.0	177	195.9	1.1	-5.1%	2.6%
13 – 16	122	–	121	121.2	1.0	93	96.4	1.0	100	112.1	1.1	97	117.4	1.2	96	125.1	1.3	1.1%	1.3%
Other	–	–	–	116.5	–	–	135.4	–	–	58.9	–	–	57.8	–	–	53.3	–	–	–

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

2. Rand million.

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capabilities.

Objective

- Ensure prepared and supported intelligence services on an annual basis by providing an intelligence capability, a counterintelligence capability and 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 19.20 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Strategic Direction	11	–	–	71	86.2%	–	–	–	–	-100.0%	–
Operations	457 793	472 579	459 762	472 482	1.1%	56.0%	465 389	513 423	528 428	3.8%	52.5%
Defence Intelligence Support Services	316 879	347 196	370 298	427 695	10.5%	44.0%	451 888	434 492	473 778	3.5%	47.5%
Total	774 683	819 775	830 060	900 248	5.1%	100.0%	917 277	947 915	1 002 206	3.6%	100.0%
Change to 2016 Budget estimate				–			59	3 625	(3 265)		
Economic classification											
Current payments	324 191	358 722	382 083	442 950	11.0%	45.4%	462 598	449 121	491 110	3.5%	49.0%
Compensation of employees	295 835	327 807	347 933	404 891	11.0%	41.4%	403 554	399 958	441 287	2.9%	43.8%
Goods and services	28 356	30 915	34 150	38 059	10.3%	4.0%	59 044	49 163	49 823	9.4%	5.2%
of which:											
Agency and support/outsourced services	53	107	313	228	62.6%	–	12 770	276	282	7.3%	0.4%
Inventory: Food and food supplies	8 084	10 225	10 442	10 744	9.9%	1.2%	12 007	14 291	14 691	11.0%	1.4%
Inventory: Fuel, oil and gas	2 443	1 917	1 862	2 083	-5.2%	0.2%	3 347	3 431	3 593	19.9%	0.3%
Operating leases	5 405	6 438	7 566	6 405	5.8%	0.8%	6 790	7 047	7 401	4.9%	0.7%
Travel and subsistence	3 699	3 926	6 314	5 365	13.2%	0.6%	8 890	9 104	9 514	21.0%	0.9%
Training and development	1 063	1 620	1 348	2 518	33.3%	0.2%	2 665	2 730	2 870	4.5%	0.3%

Table 19.20 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Transfers and subsidies¹	445 653	456 493	444 994	456 729	0.8%	54.3%	451 045	494 858	506 963	3.5%	50.7%
Provinces and municipalities	–	4	3	–	–	–	–	–	–	–	–
Departmental agencies and accounts	441 890	455 783	442 271	452 451	0.8%	53.9%	444 521	489 911	504 139	3.7%	50.2%
Public corporations and private enterprises	–	2	–	–	–	–	–	–	–	–	–
Households	3 763	704	2 720	4 278	4.4%	0.3%	6 524	4 947	2 824	-12.9%	0.5%
Payments for capital assets	4 828	4 525	2 978	569	-51.0%	0.4%	3 634	3 936	4 133	93.7%	0.3%
Machinery and equipment	4 828	4 525	2 978	569	-51.0%	0.4%	3 634	3 936	4 133	93.7%	0.3%
Payments for financial assets	11	35	5	–	-100.0%	–	–	–	–	–	–
Total	774 683	819 775	830 060	900 248	5.1%	100.0%	917 277	947 915	1 002 206	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.9%	1.8%	1.9%	–	–	1.9%	1.9%	1.9%	–	–

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	441 890	455 783	442 271	452 451	0.8%	53.9%	444 521	489 911	504 139	3.7%	50.2%
Communication	–	–	247	319	–	–	335	351	371	5.2%	–
Special defence account	441 890	455 783	442 024	452 132	0.8%	53.9%	444 186	489 560	503 768	3.7%	50.2%
Households											
Social benefits	3 763	704	2 720	4 278	4.4%	0.3%	6 524	4 947	2 824	-12.9%	0.5%
Employee social benefits	3 763	704	2 720	4 278	4.4%	0.3%	6 524	4 947	2 824	-12.9%	0.5%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	4	–	–	–	–	–	–	–	–	–
Vehicle licences	–	4	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	–	2	–	–	–	–	–	–	–	–	–
Claims against the state	–	2	–	–	–	–	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	–	–	3	–	–	–	–	–	–	–	–
Vehicle licences	–	–	3	–	–	–	–	–	–	–	–

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

Personnel information**Table 19.21 Defence Intelligence personnel numbers and cost by salary level¹**

	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number						
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
			2015/16		2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost				Unit cost		
Defence Intelligence			881	347.9	0.4	946	404.9	0.4	846	403.6	0.5	756	400.0	0.5	798	441.3	0.6	-5.5%	100.0%
Salary level																			
1 – 6	253	–	255	52.3	0.2	295	66.3	0.2	235	56.6	0.2	194	51.6	0.3	238	68.5	0.3	-6.9%	28.8%
7 – 10	561	–	554	228.9	0.4	577	259.0	0.4	539	266.0	0.5	499	269.6	0.5	501	293.4	0.6	-4.6%	63.2%
11 – 12	50	–	52	38.2	0.7	58	46.0	0.8	56	48.4	0.9	48	45.2	0.9	45	46.1	1.0	-8.1%	6.2%
13 – 16	17	–	19	18.6	1.0	16	16.3	1.0	16	17.8	1.1	15	17.9	1.2	14	18.0	1.3	-4.4%	1.8%
Other	–	–	–	9.9	–	–	17.3	–	–	14.7	–	–	15.7	–	–	15.3	–	–	–

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

2. Rand million.

Programme 8: General Support**Programme purpose**

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services through effective and efficient centralised common logistical support 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 services for 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 19.22 General Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R thousand											
Joint Logistic Services	2 055 116	2 125 739	2 546 667	2 934 449	12.6%	44.8%	2 941 836	3 042 931	3 192 007	2.8%	48.4%
Command and Management Information Systems	955 593	865 697	1 096 461	1 011 199	1.9%	18.2%	1 025 182	1 061 889	1 120 916	3.5%	16.9%
Military Police	498 723	539 571	529 249	603 170	6.5%	10.1%	576 123	584 411	627 596	1.3%	9.6%
Technology Development	347 963	442 306	424 021	516 244	14.1%	8.0%	441 333	437 885	502 552	-0.9%	7.6%
Departmental Support	1 367 176	940 746	880 214	901 356	-13.0%	18.9%	1 092 736	1 166 993	1 237 489	11.1%	17.6%
Total	5 224 571	4 914 059	5 476 612	5 966 418	4.5%	100.0%	6 077 210	6 294 109	6 680 560	3.8%	100.0%
Change to 2016				55 325			(63 653)	73 507	73 008		
Budget estimate											
Economic classification											
Current payments	3 205 161	3 314 672	3 893 356	4 506 142	12.0%	69.1%	3 546 430	3 586 879	3 803 234	-5.5%	61.7%
Compensation of employees	1 400 970	1 509 790	1 703 991	2 056 209	13.6%	30.9%	2 037 453	2 068 286	2 204 576	2.3%	33.4%
Goods and services ¹	1 804 191	1 804 882	2 189 365	2 449 933	10.7%	38.2%	1 508 977	1 518 593	1 598 658	-13.3%	28.3%
of which:											
Audit costs: External	67 213	61 799	60 038	73 312	2.9%	1.2%	63 977	68 826	73 352	–	1.1%
Computer services	768 052	727 934	804 118	857 455	3.7%	14.6%	803 436	841 248	880 092	0.9%	13.5%
Contractors	71 721	83 809	90 502	123 425	19.8%	1.7%	159 061	153 121	158 765	8.8%	2.4%
Inventory: Food and food supplies	30 181	24 613	25 601	35 058	5.1%	0.5%	41 699	42 354	52 812	14.6%	0.7%
Travel and subsistence	66 010	67 235	64 880	68 735	1.4%	1.2%	72 240	72 620	76 307	3.5%	1.2%
Training and development	38 979	68 039	117 572	42 875	3.2%	1.2%	80 465	82 674	85 738	26.0%	1.2%
Transfers and subsidies¹	1 649 108	1 302 234	1 254 085	1 318 394	-7.2%	25.6%	1 445 418	1 523 895	1 645 058	7.7%	23.7%
Provinces and municipalities	–	29	30	51	–	–	52	56	59	5.0%	–
Departmental agencies and accounts	368 091	445 685	483 216	551 691	14.4%	8.6%	446 799	453 581	523 823	-1.7%	7.9%
Foreign governments and international organisations	303 347	–	–	–	-100.0%	1.4%	–	–	–	–	–
Public corporations and private enterprises	971 571	846 580	760 898	752 276	-8.2%	15.4%	982 854	1 051 497	1 110 332	13.9%	15.6%
Households	6 099	9 940	9 941	14 376	33.1%	0.2%	15 713	18 761	10 844	-9.0%	0.2%

Table 19.22 General Support expenditure trends and estimates by subprogramme and economic classification

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Payments for capital assets	369 767	294 831	329 104	141 882	-27.3%	5.3%	1 085 362	1 183 335	1 232 268	105.6%	14.6%
Buildings and other fixed structures	200 805	62 571	58 055	120 643	-15.6%	2.0%	949 243	1 061 655	1 105 404	109.3%	12.9%
Machinery and equipment	167 614	228 293	270 974	20 913	-50.0%	3.2%	135 764	121 280	126 444	82.2%	1.6%
Specialised military assets	-	3 379	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 348	588	75	326	-37.7%	-	355	400	420	8.8%	-
Payments for financial assets	535	2 322	67	-	-100.0%	-	-	-	-	-	-
Total	5 224 571	4 914 059	5 476 612	5 966 418	4.5%	100.0%	6 077 210	6 294 109	6 680 560	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	12.9%	11.5%	12.2%	12.6%	-	-	12.5%	12.4%	12.4%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	368 091	445 685	483 216	551 691	14.4%	8.6%	446 799	453 581	523 823	-1.7%	7.9%
Communication	-	2	3	70	-	-	4	15	23	-31.0%	-
Claims against the state	2 100	-	-	-	-100.0%	-	-	-	-	-	-
Special defence account	365 991	445 683	483 213	551 621	14.7%	8.6%	446 795	453 566	523 800	-1.7%	7.9%
Foreign governments and international organisations											
Current	303 347	-	-	-	-100.0%	1.4%	-	-	-	-	-
Claims against the state	303 347	-	-	-	-100.0%	1.4%	-	-	-	-	-
Households											
Social benefits											
Current	6 099	8 530	8 859	14 376	33.1%	0.2%	15 713	18 761	10 844	-9.0%	0.2%
Employee social benefits	6 099	8 530	8 859	14 376	33.1%	0.2%	15 713	18 761	10 844	-9.0%	0.2%
Households											
Other transfers to households											
Current	-	1 410	1 082	-	-	-	-	-	-	-	-
Claims against the state	-	1 410	1 082	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	153 612	16 610	-	-	-100.0%	0.8%	-	-	-	-	-
Claims against the state	153 612	16 610	-	-	-100.0%	0.8%	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	29	-	51	-	-	52	56	59	5.0%	-
Vehicle licences	-	29	-	51	-	-	52	56	59	5.0%	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	51 246	65	-	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	51 246	65	-	-	-100.0%	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	766 713	829 905	760 898	752 276	-0.6%	14.4%	982 854	1 051 497	1 110 332	13.9%	15.6%
Armaments Corporation of South Africa	766 713	829 905	760 898	752 276	-0.6%	14.4%	982 854	1 051 497	1 110 332	13.9%	15.6%
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	-	-	30	-	-	-	-	-	-	-	-
Vehicle licences	-	-	30	-	-	-	-	-	-	-	-

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

Personnel information

Table 19.23 General Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)	
		2015/16			2016/17			2017/18			2018/19			2019/20					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2016/17 - 2019/20
General Support																			
Salary level	5 771	–	5 005	1 704.0	0.3	5 716	2 056.2	0.4	5 341	2 037.5	0.4	4 904	2 068.3	0.4	4 802	2 204.6	0.5	-5.6%	100.0%
1 – 6	3 456	–	2 883	666.5	0.2	3 545	892.5	0.3	3 224	888.8	0.3	2 856	860.3	0.3	2 781	915.5	0.3	-7.8%	59.8%
7 – 10	2 181	–	1 988	783.7	0.4	2 043	885.0	0.4	1 985	939.1	0.5	1 916	988.0	0.5	1 893	1 062.0	0.6	-2.5%	37.7%
11 – 12	109	–	109	79.5	0.7	104	82.6	0.8	108	93.9	0.9	108	102.3	0.9	106	109.2	1.0	0.6%	2.1%
13 – 16	25	–	25	24.5	1.0	24	24.8	1.0	24	26.8	1.1	24	28.9	1.2	22	28.7	1.3	-2.9%	0.5%
Other	–	–	–	149.8	–	–	171.3	–	–	88.8	–	–	88.8	–	–	89.2	–	–	–

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

2. Rand million.

Other departments within the vote

Military Veterans

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	149.8	146.1	–	3.8	162.4	173.1
Socioeconomic Support	307.4	76.3	227.8	3.2	324.4	342.8
Empowerment and Stakeholder Management	164.9	156.5	5.0	3.4	173.3	183.6
Total expenditure estimates	622.1	378.9	232.8	10.4	660.1	699.5

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 site 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 19.24 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of military veterans with access to health care services ¹	Socioeconomic Support	Outcome 2: A long and healthy life for all South Africans	4 719	6 795	8 264	14 500	15 000	16 000	17 000
Number of military veterans provided with newly built houses per year ^{2,3}	Socioeconomic Support	Outcome 8: Sustainable human settlements and improved quality of household life	2 ³	0 ³	130 ³	1 000	1 000	1 000	1 000
Number of bursaries provided to military veterans and their dependants per year ⁴	Socioeconomic Support	Outcome 1: Quality basic education	200	645	5 482	4 000	4 500	5 000	6 000
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: A diverse, socially cohesive society with a common national identity	1	2	2	2	2	3	3

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

2. This indicator has been slightly reworded to align with the department's annual performance plan.

3. Although the department significantly underperformed in the past, a memorandum of understanding signed between the Department of Human Settlements and the Department of Military Veterans, provides for the indicated targets over the medium term. There are ongoing engagements between the Department of Military Veterans and the Department of Human Settlements to expedite the delivery of housing to military veterans.

4. The target for 2015/16 was 600 but the increased prioritisation of education support resulted in an increase in bursary disbursements, leading to actual performance exceeding target. This prompted the upward revision of targets from 2016/17.

Expenditure analysis

In acknowledging the contribution military veterans made to the creation of a democratic South Africa, the department supports the realisation of the National Development Plan's goals of a developmental, capable and ethical state that treats citizens with dignity. This recognition 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, including access to health care, housing, and education opportunities, to veterans and their dependants. The department's programmes support the realisation of outcome 1 (quality basic education), outcome 2 (a long and healthy life for all South Africans), outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

Over the medium term, 75.5 per cent, or R1.5 billion of the department's budget goes to the *Socioeconomic Support* and *Empowerment and Stakeholder Management* programmes. Within these programmes the department expects to deliver 3 000 houses, at a projected cost of R298.5 million, and 15 500 bursaries to military veterans and their dependants, at a projected cost of R212.8 million, over the medium term. A memorandum of understanding with the National Student Financial Aid Scheme and the Department of Basic Education will assist the department in providing access to education. Training and skills development programmes such as driver training, short courses and hard skills offered through accredited service providers, will be granted to 14 500 veterans and their dependants over the medium term. The training is projected to cost R199 million in the *Empowerment and Stakeholder Management* programme.

The department plans to increase access to health care services for military veterans from 14 500 in 2016/17 to 17 000 in 2019/20. This is reflected by a projected 15 per cent increase in spending in the *Health Care and Wellbeing Support* subprogramme in the *Socioeconomic Support* programme over the medium term, which has a budget of R244.7 million.

Expenditure trends

Table 19.25 Departmental expenditure trends by programme and economic classification

Programmes																															
1. Administration																															
2. Socioeconomic Support																															
3. Empowerment and Stakeholder Management																															
Programme																															
	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17			2013/14 - 2016/17															
Programme 1	152.8	152.8	77.8	178.2	178.2	143.6	157.5	157.5	131.6	143.7	143.7	143.7	78.6%	78.6%																	
Programme 2	122.2	122.2	58.4	168.1	168.1	255.2	266.3	266.3	136.2	294.1	294.1	294.1	87.4%	87.4%																	
Programme 3	76.5	76.5	29.8	157.9	157.9	64.3	158.4	158.4	80.8	159.8	159.8	159.8	60.6%	60.6%																	
Total	351.4	351.4	165.9	504.2	504.2	463.1	582.2	582.2	348.6	597.6	597.6	597.6	77.4%	77.4%																	
Change to 2016 Budget estimate																															
Economic classification																															
Current payments	341.4	341.4	163.0	496.2	496.2	239.3	360.7	360.7	279.5	347.5	347.5	347.5	66.6%	66.6%																	
Compensation of employees	80.6	80.6	45.0	92.2	92.2	83.6	97.5	97.5	100.6	102.7	102.7	102.7	89.0%	89.0%																	
Goods and services	260.8	260.8	118.0	404.1	404.1	155.5	263.2	263.2	178.8	244.8	244.8	244.8	59.4%	59.4%																	
Interest and rent on land	-	-	-	-	-	0.1	-	-	0.0	-	-	-	-	-																	
Transfers and subsidies	-	-	-	-	-	218.8	218.5	218.5	57.6	243.6	243.6	243.6	112.5%	112.5%																	
Departmental agencies and accounts	-	-	-	-	-	175.6	-	-	-	-	-	-	-	-																	
Households	-	-	-	-	-	43.2	218.5	218.5	57.6	243.6	243.6	243.6	74.5%	74.5%																	
Payments for capital assets	10.0	10.0	2.9	7.9	7.9	5.1	3.0	3.0	11.6	6.5	6.5	6.5	94.9%	94.9%																	
Machinery and equipment	10.0	10.0	2.9	7.9	7.9	5.1	3.0	3.0	11.5	5.2	5.2	5.2	94.6%	94.6%																	
Software and other intangible assets	-	-	-	-	-	-	-	-	0.0	1.3	1.3	1.3	102.3%	102.3%																	
Total	351.4	351.4	165.9	504.2	504.2	463.1	582.2	582.2	348.6	597.6	597.6	597.6	77.4%	77.4%																	

Expenditure estimates

Table 19.26 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Socioeconomic Support									
3. Empowerment and Stakeholder Management									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million									
Programme 1	143.7	-2.0%	31.5%	149.8	162.4	173.1	6.4%	24.4%	
Programme 2	294.1	34.0%	47.2%	307.4	324.4	342.8	5.2%	49.2%	
Programme 3	159.8	27.9%	21.2%	164.9	173.3	183.6	4.7%	26.4%	
Total	597.6	19.4%	100.0%	622.1	660.1	699.5	5.4%	100.0%	
Change to 2016 Budget estimate				(12.6)	(13.3)	(14.0)			
Economic classification									
Current payments	347.5	0.6%	65.3%	378.9	419.0	445.0	8.6%	61.7%	
Compensation of employees	102.7	8.4%	21.1%	113.8	122.3	131.5	8.6%	18.2%	
Goods and services	244.8	-2.1%	44.3%	265.1	296.8	313.4	8.6%	43.4%	
Transfers and subsidies	243.6	-	33.0%	232.8	234.2	247.3	0.5%	37.1%	
Households	243.6	-	21.9%	232.8	234.2	247.3	0.5%	37.1%	
Payments for capital assets	6.5	-13.5%	1.7%	10.4	6.9	7.3	3.9%	1.2%	
Machinery and equipment	5.2	-19.6%	1.6%	4.6	4.4	4.6	-3.8%	0.7%	
Heritage assets	-	-	-	3.4	-	-	-	0.1%	
Software and other intangible assets	1.3	-	0.1%	2.4	2.5	2.6	27.5%	0.3%	
Total	597.6	19.4%	100.0%	622.1	660.1	699.5	5.4%	100.0%	

Goods and services expenditure trends and estimates

Table 19.27 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Administrative fees	2 300	5 431	3 666	834	-28.7%	1.8%	1 322	150	158	-42.6%	0.2%
Advertising	12 347	2 545	12 715	2 110	-44.5%	4.3%	4 563	1 392	1 471	-11.3%	0.9%
Minor assets	1 621	1 220	1 847	4 659	42.2%	1.3%	7 126	7 608	8 032	19.9%	2.4%
Audit costs: External	1 695	7 466	7 890	5 106	44.4%	3.2%	4 476	4 736	5 001	-0.7%	1.7%
Bursaries: Employees	620	374	526	1 515	34.7%	0.4%	648	651	688	-23.1%	0.3%
Catering: Departmental activities	2 185	4 050	1 933	4 338	25.7%	1.8%	4 762	4 973	5 251	6.6%	1.7%
Communication	3 738	11 064	1 290	5 431	13.3%	3.1%	4 861	10 543	11 133	27.0%	2.9%
Computer services	17 077	28 941	887	3 135	-43.2%	7.2%	16 109	2 098	2 216	-10.9%	2.1%
Consultants: Business and advisory services	16 772	3 267	1 645	13 443	-7.1%	5.0%	3 669	9 094	9 603	-10.6%	3.2%
Infrastructure and planning services	-	-	37	7 500	-	1.1%	561	22 779	24 051	47.5%	4.9%
Legal services	148	-	833	3 950	198.8%	0.7%	1 647	4 388	4 634	5.5%	1.3%
Contractors	1 157	4 389	56 949	30 894	198.9%	13.4%	35 290	63 544	67 103	29.5%	17.6%
Agency and support/outsourced services	12 020	934	380	474	-66.0%	2.0%	1 244	469	495	1.5%	0.2%
Entertainment	42	-	-	50	6.0%	-	43	105	111	30.5%	-
Fleet services (including government motor transport)	494	1 738	1 512	1 298	38.0%	0.7%	3 297	1 364	1 441	3.5%	0.7%
Housing	14 546	-	-	-	-100.0%	2.1%	-	-	-	-	-
Consumable supplies	981	1 916	1 037	3 460	52.2%	1.1%	3 606	5 889	6 219	21.6%	1.7%
Consumables: Stationery, printing and office supplies	1 339	2 917	5 162	3 609	39.2%	1.9%	7 061	4 947	5 225	13.1%	1.9%
Operating leases	271	21 481	15 383	13 836	271.0%	7.3%	18 625	1 743	1 841	-48.9%	3.2%
Rental and hiring	1 826	457	756	190	-53.0%	0.5%	1 736	1 308	1 381	93.7%	0.4%
Property payments	-	1 569	6 131	2 610	-	1.5%	5 557	2 705	2 856	3.0%	1.2%
Travel and subsistence	24 296	44 287	37 310	47 461	25.0%	22.0%	58 975	55 771	58 894	7.5%	19.7%
Training and development	866	3 497	16 535	74 488	341.4%	13.7%	70 944	80 250	84 242	4.2%	27.7%
Operating payments	710	1 818	609	4 100	79.4%	1.0%	85	69	73	-73.9%	0.4%
Venues and facilities	965	6 170	3 807	10 300	120.2%	3.0%	8 848	10 209	11 285	3.1%	3.6%
Total	118 016	155 531	178 840	244 791	27.5%	100.0%	265 055	296 785	313 404	8.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.28 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	175 550	-	-	-	33.8%	-	-	-	-	-
Household	-	175 550	-	-	-	33.8%	-	-	-	-	-
Households											
Other transfers to households											
Current	-	38 172	51 758	28 975	-	22.9%	32 412	19 888	21 002	-10.2%	10.7%
Household	-	38 172	51 758	28 975	-	22.9%	32 412	19 888	21 002	-10.2%	10.7%
Households											
Social benefits											
Current	-	5 032	5 813	214 627	-	43.4%	200 429	214 278	226 278	1.8%	89.3%
Household	-	5 032	5 813	214 627	-	43.4%	200 429	214 278	226 278	1.8%	89.3%
Total	-	218 754	57 571	243 602	-	100.0%	232 841	234 166	247 280	0.5%	100.0%

Personnel information

Table 19.29 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number					
1. Administration 2. Socioeconomic Support 3. Empowerment and Stakeholder Management		Number of posts estimated for 31 March 2017		Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate 2017/18			Medium-term expenditure estimate 2018/19			Medium-term expenditure estimate 2019/20			Average growth rate (%)	Average: Salary level/Total (%)		
Number of funded posts	Number of posts additional to the establishment	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
																				Average growth rate (%)	Average: Salary level/Total (%)	
Military Veterans		169	77	208	100.6	0.5	202	102.7	0.5	206	113.8	0.6	203	122.3	0.6	202	131.5	0.7			-	100.0%
Salary level		169	77	208	100.6	0.5	202	102.7	0.5	206	113.8	0.6	203	122.3	0.6	202	131.5	0.7			-	100.0%
1 – 6		38	62	82	17.5	0.2	80	17.7	0.2	80	17.8	0.2	84	20.3	0.2	84	22.0	0.3			1.6%	40.3%
7 – 10		67	9	56	25.0	0.4	55	26.2	0.5	58	30.3	0.5	50	29.8	0.6	49	31.9	0.7			-3.8%	26.1%
11 – 12		39	6	47	35.2	0.7	45	38.8	0.9	46	42.6	0.9	46	46.2	1.0	46	49.9	1.1			0.7%	22.5%
13 – 16		25	-	23	22.9	1.0	22	19.9	0.9	22	23.2	1.1	23	25.9	1.1	23	27.8	1.2			1.5%	11.1%
Programme		169	77	208	100.6	0.5	202	102.7	0.5	206	113.8	0.6	203	122.3	0.6	202	131.5	0.7			-	100.0%
Programme 1		103	51	131	56.8	0.4	125	59.6	0.5	129	63.0	0.5	135	70.5	0.5	135	76.1	0.6			2.6%	64.5%
Programme 2		20	21	38	19.6	0.5	35	16.2	0.5	35	22.8	0.7	31	23.2	0.7	30	24.7	0.8			-5.0%	16.1%
Programme 3		46	5	39	24.2	0.6	42	27.0	0.6	42	28.1	0.7	37	28.5	0.8	37	30.8	0.8			-4.1%	19.4%

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

2. Rand million.

Departmental receipts

Table 19.30 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	21	3 049	789	328	-	-100.0%	100.0%	62	62	62	-	100.0%
Sales of goods and services produced by department	-	-	-	32	-	-	-	32	32	32	-	51.6%
Other sales	-	-	-	32	-	-	-	32	32	32	-	51.6%
of which:												
Other	-	-	-	32	-	-	-	32	32	32	-	51.6%
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	21	3 049	789	296	-	-100.0%	100.0%	30	30	30	-	48.4%
Total	21	3 049	789	328	-	-100.0%	100.0%	62	62	62	-	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 19.31 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation 2016/17	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Management	49 287	12 390	8 370	8 362	-44.6%	15.8%	8 768	9 277	9 934	5.9%	5.8%	
Corporate Services	-	83 243	68 054	51 688	-	40.9%	66 374	67 608	72 041	11.7%	41.0%	
Financial Administration	23 411	11 234	16 374	18 173	-8.1%	13.9%	20 808	22 015	23 560	9.0%	13.4%	
Internal Audit	2 683	10 964	12 529	16 140	81.9%	8.5%	10 786	11 412	12 111	-9.1%	8.0%	
Strategic Planning, Policy Development and Monitoring and Evaluation	2 387	9 581	9 579	21 100	106.8%	8.6%	16 583	24 080	25 863	7.0%	13.9%	
Office Accommodation	-	16 162	16 735	28 269	-	12.3%	26 499	28 002	29 566	1.5%	17.9%	
Total	77 768	143 574	131 641	143 732	22.7%	100.0%	149 818	162 394	173 075	6.4%	100.0%	
Change to 2016 Budget estimate				-			(5 736)	(4 009)	(4 071)			

Table 19.31 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand	74 927	139 829	120 875	140 901	23.4%	95.9%	146 056	158 865	169 349	6.3%	97.8%
Current payments											
Compensation of employees	30 107	47 394	56 819	59 585	25.6%	39.0%	62 952	70 522	76 064	8.5%	42.8%
Goods and services ¹	44 820	92 298	64 056	81 316	22.0%	56.9%	83 104	88 343	93 285	4.7%	55.0%
of which:											
Communication	3 738	11 042	1 290	5 201	11.6%	4.3%	4 861	10 433	11 017	28.4%	5.0%
Computer services	17 077	28 941	887	3 085	-43.5%	10.1%	16 109	2 048	2 163	-11.2%	3.7%
Consultants: Business and advisory services	81	2 722	1 645	10 943	413.1%	3.1%	1 855	8 452	8 925	-6.6%	4.8%
Infrastructure and planning services	-	-	37	7 500	-	1.5%	561	22 779	24 051	47.5%	8.7%
Operating leases	170	21 481	15 329	13 633	331.2%	10.2%	18 438	1 544	1 631	-50.7%	5.6%
Travel and subsistence	2 511	4 357	6 216	4 851	24.5%	3.6%	6 291	7 322	7 732	16.8%	4.2%
Interest and rent on land	-	137	-	-	-	-	-	-	-	-	-
Transfers and subsidies¹	-	79	269	-	-	0.1%	-	-	-	-	-
Households	-	79	269	-	-	0.1%	-	-	-	-	-
Payments for capital assets	2 841	3 666	10 497	2 831	-0.1%	4.0%	3 762	3 529	3 726	9.6%	2.2%
Machinery and equipment	2 841	3 666	10 468	2 831	-0.1%	4.0%	3 762	3 529	3 726	9.6%	2.2%
Software and other intangible assets	-	-	29	-	-	-	-	-	-	-	-
Total	77 768	143 574	131 641	143 732	22.7%	100.0%	149 818	162 394	173 075	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	46.9%	31.0%	37.8%	24.1%	-	-	24.1%	24.6%	24.7%	-	-

Details of transfers and subsidies

Households											
Social benefits											
Current	-	79	269	-	-	0.1%	-	-	-	-	-
Household	-	79	269	-	-	0.1%	-	-	-	-	-

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

Personnel information**Table 19.32 Administration personnel numbers and cost by salary level¹**

Administration	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20											
Salary level	103	51	131	56.8	0.4	125	59.6	0.5	129	63.0	0.5	135	70.5	0.5	135	76.1	0.6	2.6%	100.0%
1 - 6	33	43	61	12.3	0.2	61	14.3	0.2	61	12.2	0.2	66	14.6	0.2	66	15.8	0.2	2.7%	48.5%
7 - 10	28	3	33	13.7	0.4	30	14.2	0.5	33	16.6	0.5	33	18.0	0.5	33	19.5	0.6	3.2%	24.6%
11 - 12	27	5	24	18.7	0.8	22	20.9	0.9	23	23.1	1.0	23	25.1	1.1	23	27.0	1.2	1.5%	17.4%
13 - 16	15	-	13	12.1	0.9	12	10.3	0.9	12	11.1	0.9	13	12.9	1.0	13	13.8	1.1	2.7%	9.5%

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

2. Rand million.

Programme 2: Socioeconomic Support**Programme purpose**

Develop and monitor the implementation of legislation, policy frameworks and service delivery cooperation agreements on compensation for injury in military service, counselling, education, health care, public transport, pension and housing benefits 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 the 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 2019/20.
- 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 are provided with newly built houses over the medium term
 - 17 000 military veterans have access to health care services by 2019/20
 - 15 500 eligible military veterans and their dependants across the country are provided with ongoing education support by 2019/20.

- 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 2019/20.

Subprogrammes

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

Expenditure trends and estimates

Table 19.33 Socioeconomic Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Database and Benefits Management	3 308	12 299	11 568	11 220	50.2%	5.2%	10 999	12 031	12 945	4.9%	3.7%
Health Care and Wellbeing Support	14 536	17 832	67 265	56 855	57.6%	21.0%	76 709	81 675	86 361	15.0%	23.8%
Socioeconomic Support Management	40 540	225 040	57 346	226 005	77.3%	73.8%	219 673	230 733	243 472	2.5%	72.5%
Total	58 384	255 171	136 179	294 080	71.4%	100.0%	307 381	324 439	342 778	5.2%	100.0%
Change to 2016 Budget estimate							(260)	(1 052)	(1 300)		
Economic classification	58 324	41 902	82 210	50 434	-4.7%	31.3%	76 331	90 951	96 214	24.0%	24.7%
Current payments											
Compensation of employees	9 458	17 476	19 584	16 194	19.6%	8.4%	22 809	23 248	24 713	15.1%	6.9%
Goods and services ¹	48 866	24 426	62 626	34 240	-11.2%	22.9%	53 522	67 703	71 501	27.8%	17.9%
of which:											
Catering: Departmental activities	401	527	239	357	-3.8%	0.2%	828	876	926	37.4%	0.2%
Consultants: Business and advisory services	16 268	276	-	2 500	-46.4%	2.6%	1 814	642	678	-35.3%	0.4%
Contractors	239	4 311	55 585	24 500	368.0%	11.4%	34 439	58 726	62 015	36.3%	14.2%
Consumables: Stationery, printing and office supplies	81	424	1 488	381	67.6%	0.3%	1 759	475	502	9.6%	0.2%
Travel and subsistence	5 092	13 204	4 789	2 568	-20.4%	3.4%	10 885	4 226	4 463	20.2%	1.7%
Training and development	-	-	3	440	0.1%	0.1%	1 453	1 401	979	30.5%	0.3%
Transfers and subsidies¹	-	212 988	53 411	240 127	-	68.1%	227 841	230 148	243 037	0.4%	74.2%
Departmental agencies and accounts	-	175 550	-	-	-	23.6%	-	-	-	-	-
Households	-	37 438	53 411	240 127	-	44.5%	227 841	230 148	243 037	0.4%	74.2%
Payments for capital assets	60	281	558	3 519	288.5%	0.6%	3 209	3 340	3 527	0.1%	1.1%
Machinery and equipment	60	281	558	2 295	236.9%	0.4%	805	840	887	-27.2%	0.4%
Software and other intangible assets	-	-	-	1 224	-	0.2%	2 404	2 500	2 640	29.2%	0.7%
Total	58 384	255 171	136 179	294 080	71.4%	100.0%	307 381	324 439	342 778	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	35.2%	55.1%	39.1%	49.2%	-	-	49.4%	49.2%	49.0%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	175 550	-	-	-	23.6%	-	-	-	-	-
Household	-	175 550	-	-	-	23.6%	-	-	-	-	-
Households											
Social benefits											
Current	-	-	1 809	214 627	-	29.1%	200 429	214 278	226 278	1.8%	67.4%
Household	-	-	1 809	214 627	-	29.1%	200 429	214 278	226 278	1.8%	67.4%
Households											
Other transfers to households											
Current	-	37 438	51 602	25 500	-	15.4%	27 412	15 870	16 759	-13.1%	6.7%
Household	-	37 438	51 602	25 500	-	15.4%	27 412	15 870	16 759	-13.1%	6.7%

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

Personnel information

Table 19.34 Socioeconomic Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017			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	Number of posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Socio Economic Support			38	19.6	0.5	35	16.2	0.5	35	22.8	0.7	31	23.2	0.7	30	24.7	0.8	-5.0%	100.0%
Salary level	20	21	38	19.6	0.5	35	16.2	0.5	35	22.8	0.7	31	23.2	0.7	30	24.7	0.8	-5.0%	100.0%
1 – 6	1	17	18	4.7	0.3	17	3.2	0.2	17	5.2	0.3	16	5.4	0.3	16	5.8	0.4	-2.0%	50.4%
7 – 10	5	3	8	3.1	0.4	6	2.0	0.3	6	4.0	0.7	3	3.2	1.1	2	3.1	1.5	-30.7%	13.0%
11 – 12	8	1	9	6.7	0.7	9	7.2	0.8	9	7.8	0.9	9	8.5	0.9	9	9.2	1.0	-	27.5%
13 – 16	6	-	3	5.1	1.7	3	3.7	1.2	3	5.7	1.9	3	6.2	2.1	3	6.6	2.2	-	9.2%

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.

Objective

- 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 2019/20
 - forming partnerships with 20 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 14 500 military veterans with access to relevant training and skills development, and concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
 - facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes by 2019/20
 - 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 19.35 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19			2019/20	2016/17 - 2019/20
	R thousand							2016/17 - 2019/20					
Provincial Offices and Stakeholder Relations	15 608	30 734	38 714	44 239	41.5%	38.6%	49 092	51 939	55 306	7.7%	29.4%		
Empowerment and Skills Development	11 746	22 657	30 029	100 695	104.7%	49.3%	94 026	103 130	109 057	2.7%	59.7%		
Heritage, Memorials, Burials and Honours	2 427	10 927	12 046	14 861	82.9%	12.0%	21 794	18 190	19 286	9.1%	10.9%		
Total	29 781	64 318	80 789	159 795	75.1%	100.0%	164 912	173 259	183 649	4.7%	100.0%		
Change to 2016 Budget estimate				-			(6 613)	(8 207)	(8 640)				

Table 19.35 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	29 765	57 525	76 397	156 195	73.8%	95.6%	156 497	169 226	179 390	4.7%	97.0%
Current payments											
Compensation of employees	5 435	18 718	24 235	26 960	70.5%	22.5%	28 068	28 487	30 772	4.5%	16.8%
Goods and services ¹	24 330	38 807	52 158	129 235	74.5%	73.1%	128 429	140 739	148 618	4.8%	80.3%
of which:											
Minor assets	7	52	349	3 375	684.1%	1.1%	3 603	3 826	4 039	6.2%	2.2%
Catering: Departmental activities	1 037	1 194	1 041	3 359	48.0%	2.0%	2 490	3 693	3 899	5.1%	2.0%
Consumables: Stationery, printing and office supplies	53	130	770	895	156.6%	0.6%	2 937	2 874	3 036	50.3%	1.4%
Travel and subsistence	16 693	26 726	26 305	40 042	33.9%	32.8%	41 799	44 223	46 699	5.3%	25.3%
Training and development	610	3 303	15 900	71 300	388.9%	27.2%	66 407	75 112	79 317	3.6%	42.9%
Venues and facilities	472	3 034	3 475	6 616	141.1%	4.1%	6 893	7 293	7 701	5.2%	4.2%
Interest and rent on land	-	-	4	-	-	-	-	-	-	-	-
Transfers and subsidies¹		5 687	3 891	3 475		3.9%	5 000	4 018	4 243	6.9%	2.5%
Households	-	5 687	3 891	3 475	-	3.9%	5 000	4 018	4 243	6.9%	2.5%
Payments for capital assets	16	1 106	501	125	98.4%	0.5%	3 415	15	16	-49.6%	0.5%
Machinery and equipment	16	1 106	501	75	67.4%	0.5%	15	15	16	-40.2%	-
Heritage assets	-	-	-	-	-	-	3 400	-	-	-	0.5%
Software and other intangible assets	-	-	-	50	-	-	-	-	-	-100.0%	-
Total	29 781	64 318	80 789	159 795	75.1%	100.0%	164 912	173 259	183 649	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	17.9%	13.9%	23.2%	26.7%	-	-	26.5%	26.2%	26.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	-	4 953	3 735	-	-	2.6%	-	-	-	-	-
Household	-	4 953	3 735	-	-	2.6%	-	-	-	-	-
Households											
Other transfers to households											
Current	-	734	156	3 475	-	1.3%	5 000	4 018	4 243	6.9%	2.5%
Household	-	734	156	3 475	-	1.3%	5 000	4 018	4 243	6.9%	2.5%

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

Personnel information

Table 19.36 Empowerment and Stakeholder Management personnel numbers and cost by salary level¹

Empowerment and Stakeholder Management	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20								
Salary level	46	5	39	24.2	0.6	42	27.0	0.6	42	28.1	0.7	37	28.5	0.8	37	30.8	0.8	-4.1%	100.0%
1-6	4	2	3	0.5	0.2	2	0.3	0.1	2	0.3	0.1	2	0.3	0.1	2	0.3	0.2	-	5.1%
7-10	34	3	15	8.2	0.5	19	10.0	0.5	19	9.7	0.5	14	8.7	0.6	14	9.4	0.7	-9.7%	41.8%
11-12	4	-	14	9.8	0.7	14	10.7	0.8	14	11.7	0.8	14	12.7	0.9	14	13.7	1.0	-	35.4%
13-16	4	-	7	5.7	0.8	7	6.0	0.9	7	6.4	0.9	7	6.9	1.0	7	7.4	1.1	-	17.7%

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

2. Rand million.

Entities¹

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.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 19.37 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of capital requirements from the Department of Defence converted into orders placed per year	Management of defence matériel acquisition	Outcome 3: All people in South Africa are and feel safe	99.9% (R1.800bn/ R1.802bn)	100% (R1bn)	98% (R1.800bn /R1.837bn)	95% ¹	95% ¹	95% ¹	95% ¹
Percentage of technology requirements executed per year	Management of strategic facilities: Research and development		98% (R196m/ R200m)	99.7% (R247.3m/ R248m)	99.6% (R223.2m/ R224.1m)	95% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits ² awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R204m	R696m	R103.8m	R135m	R235.6m	R25.1m ³	R86.2m ³

1. The entity cannot predict actual Rand values since it is dependent on capital requirements from the Department of Defence. Performance targets are maintained at the same level in order to align targets with the available budget following Cabinet-approved budget reductions on the Department of Defence.

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

3. Decline in targets for 2018/19 and 2019/20 is due to the tapering down of most current defence industrial participation agreements based on the contractually agreed milestones of applicable contracts.

Expenditure analysis

The work of the Armaments Corporation of South Africa is in line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. Over the medium term, the corporation plans meet the defence matériel requirements; and the requirements of the Department of Defence in defence technology, research, development, analysis, tests and evaluation. In addition, the corporation will also focus on providing support to the local defence industry and on improving revenue generation.

Personnel costs will remain the main driver of expenditure for the corporation over the medium term, accounting for more than R3.7 billion, or 62.5 per cent of total spending. This will support maintaining the percentage of capital requirements from the Department of Defence converted into orders at 95 per cent over the medium term. Technical skills are required to execute projects and programmes for the best defence equipment to be designed and acquired. However, the number of personnel is expected to decrease from 1 758 in 2016/17 to 1 732 in 2019/20, due to some contracts coming to an end, particularly at the Naval Dockyard.

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 will constitute 95 per cent of the total amount of planned activities. The total budget allocated for these activities is R1.4 billion over the medium term.

The corporation's support to the South African defence industry entails facilitating participation in international defence exhibitions and promoting the industry. It also entails managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes. Approximately R69.5 million will be spent on these activities over the medium term.

The corporation's main source of revenue is a transfer from the Department of Defence, which constitutes 70 per cent of the corporation's total revenue over the medium term. Transfer payments increase at an annual rate of 12.2 per cent, or R431.8 million, over the medium term. However, revenue from transfer payments does not cover the corporation's total operational costs. The corporation plans over the medium term to increase the income earned from the commercialisation of intellectual property, as a way to increase revenue. This will be done through ensuring that at least 10 per cent of royalties from intellectual property-related technologies are provisioned for the corporation in the finalised contracts. The corporation also generates revenue through the sale of goods and services and from interest earned from financial institutions. These funds are used to finance its operations, administrative expenses, training, maintenance of buildings, and other goods and services.

Programmes/objectives/activities

Table 19.38 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	358 883	456 866	391 999	413 122	4.8%	26.1%	447 253	474 030	502 456	6.7%	24.0%
Quality assurance	81 577	87 815	118 474	101 893	7.7%	6.2%	112 208	119 701	127 699	7.8%	6.0%
Management of defence matériel acquisition	270 611	291 285	328 302	337 101	7.6%	19.7%	371 288	396 047	422 478	7.8%	19.9%
Logistics support	154 676	173 496	217 669	215 492	11.7%	12.1%	234 591	246 873	259 807	6.4%	12.5%
Management of strategic facilities: Armscor	184 016	197 692	250 875	250 544	10.8%	14.1%	275 711	293 896	313 299	7.7%	14.8%
Dockyard											
Management of strategic facilities: Research and development	294 537	312 746	370 983	386 207	9.5%	21.8%	424 071	451 080	479 846	7.5%	22.7%
Total	1 344 300	1 519 900	1 678 300	1 704 359	8.2%	100.0%	1 865 122	1 981 627	2 105 585	7.3%	100.0%

Statements of historical financial performance and position

Table 19.39 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17				
Revenue									
Non-tax revenue	960 841	576 900	880 893	690 800	383 387	1 006 700	453 594	453 594	101.8%
Sale of goods and services other than capital assets	838 443	345 500	760 131	400 500	291 289	479 500	353 003	353 003	70.4%
of which:									
Sales by market establishment	838 443	345 500	760 131	400 500	291 289	479 500	353 003	353 003	70.4%
Other non-tax revenue	122 398	231 400	120 762	290 300	92 098	527 200	100 591	100 591	263.7%
Transfers received	1 021 264	870 700	1 101 475	913 300	1 025 893	858 700	1 025 387	1 042 144	88.3%
Total revenue	1 982 105	1 447 600	1 982 368	1 604 100	1 409 280	1 878 400	1 478 981	1 495 738	93.8%
Expenses									
Current expenses	1 960 594	1 323 700	1 981 529	1 502 300	1 636 047	1 678 300	1 704 359	1 704 359	85.3%
Compensation of employees	873 596	813 880	935 468	872 070	1 029 203	940 146	1 048 959	1 048 959	94.5%
Goods and services	1 047 135	453 090	1 006 587	565 888	535 533	673 212	576 451	576 451	71.7%
Depreciation	39 863	56 730	39 474	64 342	71 311	64 942	78 949	78 949	115.4%
Total expenses	1 960 594	1 344 300	1 981 529	1 519 900	1 636 047	1 678 300	1 704 359	1 704 359	85.8%
Surplus/(Deficit)	21 511	103 300	839	84 200	(226 767)	200 100	(225 378)	(208 621)	-
Statement of financial position									
Carrying value of assets	266 283	1 340 900	1 347 036	1 300 001	1 396 246	1 596 100	1 284 900	1 654 626	137.2%
of which:									
Acquisition of assets	(67 459)	(75 009)	(35 700)	(24 000)	(54 895)	(25 000)	(82 700)	(104 500)	94.9%
Investments	-	-	-	1 300	-	-	100	100	1 400.0%
Inventory	6 885	29 301	12 188	8 099	9 600	7 500	10 600	8 000	134.7%
Receivables and prepayments	189 000	120 700	136 916	100 700	106 800	199 900	111 300	211 800	116.4%
Cash and cash equivalents	376 035	699 000	695 585	877 500	760 500	865 800	477 800	615 499	132.4%
Non-current assets held for sale	-	200	-	100	-	500	-	-	-
Defined benefit plan assets	122 000	-	118 300	-	130 000	-	13 800	16	-
Taxation	-	-	-	2 100	-	25 900	-	-	-
Derivatives financial instruments	-	712 500	-	747 700	-	129 100	-	-	-
Total assets	960 203	2 902 601	2 310 025	3 037 500	2 403 146	2 824 800	1 898 500	2 490 041	148.6%
Accumulated surplus/(deficit)	(21 511)	1 833 000	613 762	1 920 000	834 626	608 500	355 165	(208 621)	233.0%
Capital and reserves	633 097	75 000	1 231 624	75 000	1 083 691	1 583 700	1 083 691	2 042 229	93.6%
Deferred income	-	178 900	80 986	128 900	114 000	101 200	85 400	101 212	182.0%
Trade and other payables	223 951	158 500	254 086	214 500	179 081	281 800	224 507	295 234	107.8%
Taxation	-	39 300	-	17 800	-	5 000	-	-	-
Provisions	121 479	617 900	129 567	681 300	191 748	244 600	149 737	259 987	304.4%
Derivatives financial instruments	3 187	-	-	-	-	-	-	-	-
Total equity and liabilities	960 203	2 902 600	2 310 025	3 037 500	2 403 146	2 824 800	1 898 500	2 490 041	148.6%

Statements of estimates of financial performance and position

Table 19.40 Armaments Corporation of South Africa statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)		Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
		2013/14 - 2016/17	2017/18		2018/19	2019/20			
Revenue									
Non-tax revenue	453 594	-7.7%	41.7%	554 287	601 961	635 907	11.9%	30.0%	
Sale of goods and services other than capital assets	353 003	0.7%	24.5%	370 861	389 404	408 874	5.0%	20.5%	
of which:									
Sales by market establishment	353 003	0.7%	24.5%	370 861	389 404	408 874	5.0%	20.5%	
Other non-tax revenue	100 591	-24.2%	17.2%	183 426	212 557	227 033	31.2%	9.5%	
Transfers received	1 042 144	6.2%	58.1%	1 325 406	1 398 792	1 473 937	12.2%	70.0%	
Total revenue	1 495 738	1.1%	100.0%	1 879 693	2 000 753	2 109 844	12.1%	100.0%	

Table 19.40 Armaments Corporation of South Africa statements of estimates of financial performance and position

R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2018/19	2019/20		
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Expenses								
Current expenses	1 704 359	8.8%	99.3%	1 865 122	1 981 627	2 105 585	7.3%	114.1%
Compensation of employees	1 048 959	8.8%	58.9%	1 162 474	1 243 848	1 330 916	8.3%	62.5%
Goods and services	576 451	8.4%	36.2%	620 759	651 796	684 386	5.9%	33.1%
Depreciation	78 949	11.6%	4.2%	81 889	85 983	90 283	4.6%	4.4%
Total expenses	1 704 359	8.2%	100.0%	1 865 122	1 981 627	2 105 585	7.3%	100.0%
Surplus/(Deficit)	(208 621)	(2)		14 571	19 126	4 259	127.3%	
Statement of financial position								
Carrying value of assets	1 654 626	7.3%	53.0%	1 758 696	1 867 970	1 982 707	6.2%	70.7%
of which:								
Acquisition of assets	(104 500)	11.7%	-2.1%	(143 800)	(151 000)	(158 500)	14.9%	-5.4%
Investments	100	-	0.0%	100	100	100	-	0.0%
Inventory	8 000	-35.1%	0.5%	8 386	8 806	9 246	4.9%	0.3%
Receivables and prepayments	211 800	20.6%	5.8%	222 401	233 521	245 197	5.0%	8.9%
Cash and cash equivalents	615 499	-4.2%	27.1%	533 476	464 268	437 498	-10.8%	20.1%
Defined benefit plan assets	16	-	0.0%	16	16	16	-	0.0%
Total assets	2 490 041	-5.0%	100.0%	2 523 075	2 574 681	2 674 764	2.4%	100.0%
Accumulated surplus/(deficit)	(208 621)	-148.5%	34.9%	14 571	19 126	4 259	-127.3%	-1.7%
Capital and reserves	2 042 229	200.8%	35.8%	1 833 606	1 848 177	1 867 302	-2.9%	74.1%
Deferred income	101 212	-17.3%	4.5%	88 512	88 012	87 512	-4.7%	3.6%
Trade and other payables	295 234	23.0%	8.6%	309 995	325 495	341 770	5.0%	12.4%
Provisions	259 987	-25.1%	15.7%	276 391	293 871	373 921	12.9%	11.7%
Total equity and liabilities	2 490 041	-5.0%	100.0%	2 523 075	2 574 681	2 674 764	2.4%	100.0%

Personnel information

Table 19.41 Armaments Corporation of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2015/16	Unit	2016/17	Unit	2017/18		2018/19		2019/20									
Armaments Corporation of South Africa		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	2016/17 - 2019/20					
Salary level	1 758	1 758	1 689	940.1	0.6	1 758	1049.0	0.6	1 732	1162.5	0.7	1 732	1243.8	0.7	1 732	1330.9	0.8	8.3%	100.0%
1 - 6	447	447	473	72.8	0.2	447	73.0	0.2	437	81.1	0.2	437	86.7	0.2	437	92.8	0.2	8.4%	25.3%
7 - 10	868	868	800	374.3	0.5	868	421.6	0.5	858	468.5	0.5	858	501.3	0.6	858	536.4	0.6	8.4%	49.5%
11 - 12	278	278	257	259.0	1.0	278	298.6	1.1	273	329.2	1.2	273	352.2	1.3	273	376.9	1.4	8.1%	15.8%
13 - 16	163	163	157	228.2	1.5	163	249.4	1.5	162	276.6	1.7	162	296.0	1.8	162	316.7	2.0	8.3%	9.3%
17 - 22	2	2	2	5.9	2.9	2	6.3	3.2	2	7.0	3.5	2	7.5	3.8	2	8.1	4.0	8.4%	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, in order to optimise its tourism potential and public accessibility. Aspects of the board's mandate are also derived from the Defence Endowment Property and Account Act (1922), and the National Heritage Resources Act (1999).

Selected performance indicators

Table 19.42 Castle Control Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past				Current	Projections		
			2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Annual income from events and hosting film and fashion shoots	Increased public profile and positive perception across all sectors of the community	Outcome 14: A diverse, socially cohesive society with a common national identity	R0.6m	R2.6m ¹	R3.2m	R3.3m	R3.4m	R3.6m	R3.8m	
Number of visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		141 084	168 514 ²	154 067	155 000	160 000	165 000	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	R3.2m	R4.2m	R4.0m	R4.3m	R4.6m	R4.8m	
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		- ³	20	26	30	35	40	40	

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

2. The significant increase in the number of visitors to the Castle of Good Hope in 2014/15 was due to an ongoing initiative to promote the castle to the wider community.

3. No historical data available.

Expenditure analysis

The work of the Castle Control Board is aligned with outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework; and the National Development Plan's objective 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 board over the medium term will be to optimise the heritage tourism potential of the Castle of Good Hope and to increase the accessibility of the castle to the broader public.

The board currently employs 19 staff members. Spending on compensation of employees is the board's biggest cost, accounting for 53.3 per cent, or R14.8 million, of total expenditure over the medium term. The board has appointed a heritage coordinator, a tourism and marketing coordinator, an events coordinator and three maintenance personnel to ensure that the year-long commemoration of the Castle of Good Hope's 350 years of existence contributes to the board's goal over the medium term of increasing the accessibility of the castle.

The information, tours, publications and access to events that the board provides to the public attracts visitors. The funding for this marketing work is provided for in the administration programme, which accounts for 71.4 per cent of the board's total estimated expenditure of R27.5 million over the medium term. To attract more tourists and local visitors, the board plans to improve the tourist literature, maps and guide books it provides, and upgrade its information centre and website. The board is also planning to offer a broader range of tour options. An amount of R900 000 is budgeted for these activities over the medium term. This is expected to increase the number of visitors to the castle from 155 000 in 2016/17 to 165 000 in 2019/20.

The castle is listed as a national heritage site. To maximise its heritage tourism profile, the board is working on a bid to get it listed as a United Nations Educational, Scientific and Cultural Organisation world heritage site. This is also expected to boost the castle's profile and potentially attract more visitors.

The board's revenue is primarily generated from ticket sales, the renting out of venues in the castle, and fees from hosting special events. The projected increase in the number of visitors over the medium term is expected to cause revenue to grow to R4.8 million in 2019/20, at an average annual rate of 7.5 per cent.

Programmes/objectives/activities

Table 19.43 Castle Control Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	3 373	5 172	5 412	6 637	25.3%	78.1%	5 895	6 432	6 788	0.8%	72.3%
Ensure the preservation, interpretation and showcasing the history of the castle	753	656	541	369	-21.2%	9.8%	2 121	2 244	2 370	85.9%	19.5%
Maximising the tourist potential of the Castle of Good Hope	46	60	131	41	-4.2%	1.1%	158	167	176	63.3%	1.5%
Increased public profile and positive perception across all sectors of the community	263	350	1 354	1 167	64.3%	11.0%	364	385	407	-29.6%	6.7%
Total	4 435	6 238	7 438	8 214	22.8%	100.0%	8 538	9 228	9 741	5.8%	100.0%

Statements of historical financial performance and position

Table 19.44 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	Average: Outcome/Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2013/14 - 2016/17	
Revenue									
Non-tax revenue	4 160	4 477	5 771	4 697	7 501	4 905	7 945	8 214	87.8%
Sale of goods and services other than capital assets	3 560	3 605	5 171	3 700	6 901	3 701	7 345	7 614	81.0%
of which:									
Sales by market establishment	3 560	3 605	5 171	3 700	6 901	3 701	7 345	7 614	81.0%
Other non-tax revenue	600	872	600	997	600	1 204	600	600	153.0%
Total revenue	4 160	4 477	5 771	4 697	7 501	4 905	7 945	8 214	87.8%
Expenses									
Current expenses	4 160	4 435	5 771	6 238	7 501	7 438	7 945	8 214	103.7%
Compensation of employees	1 505	1 775	2 472	3 092	3 845	3 362	4 128	4 278	104.7%
Goods and services	2 430	2 596	3 224	3 067	3 586	3 988	3 752	3 936	104.6%
Depreciation	225	64	75	79	70	88	65	-	53.1%
Total expenses	4 160	4 435	5 771	6 238	7 501	7 438	7 945	8 214	103.7%
Surplus/(Deficit)	-	42	-	(1 541)	-	(2 533)	-	-	

Table 19.44 Castle Control Board statements of historical financial performance and position

Statement of financial position	Budget		Audited outcome		Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	
R thousand													
Carrying value of assets of which:	1 501	1 551	1 591	1 610	1 791	1 691	2 269	2 269					99.6%
Acquisition of assets	(100)	(225)	(125)	(140)	(150)	(180)	(150)	(400)					180.0%
Inventory	58	64	70	18	75	-	100	100					60.1%
Receivables and prepayments	49	102	75	143	75	251	75	75					208.4%
Cash and cash equivalents	9 085	12 697	12 500	11 327	12 400	9 760	11 900	11 900					99.6%
Total assets	10 693	14 414	14 236	13 098	14 341	11 702	14 344	14 344					99.9%
Accumulated surplus/(deficit)	10 625	14 195	14 216	12 653	14 216	10 120	14 216	14 216					96.1%
Trade and other payables	68	173	75	73	75	1 114	75	75					489.8%
Provisions	-	46	-	372	50	468	53	53					911.7%
Total equity and liabilities	10 693	14 414	14 291	13 098	14 341	11 702	14 344	14 344					99.8%

Statements of estimates of financial performance and position**Table 19.45 Castle Control Board statements of estimates of financial performance and position**

Statement of financial performance	Revised estimate	Average growth rate (%)		Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
		2013/14 - 2016/17	2016/17		2017/18	2018/19	2019/20		
R thousand									
Revenue									
Non-tax revenue	8 214	22.4%	100.0%	8 538	9 228	9 741	5.8%	100.0%	
Sale of goods and services other than capital assets of which:	7 614	28.3%	81.9%	7 938	8 628	9 022	5.8%	92.9%	
Sales by market establishment	7 614	28.3%	81.9%	7 938	8 628	9 022	5.8%	92.9%	
Other non-tax revenue	600	-11.7%	18.1%	600	600	719	6.2%	7.1%	
Total revenue	8 214	22.4%	100.0%	8 538	9 228	9 741	5.8%	100.0%	
Expenses									
Current expenses	8 214	22.8%	100.0%	8 538	9 228	9 740	5.8%	147.1%	
Compensation of employees	4 278	34.1%	46.7%	4 530	4 987	5 262	7.1%	53.3%	
Goods and services	3 936	14.9%	52.3%	3 939	4 169	4 402	3.8%	46.1%	
Depreciation	-	-100.0%	1.0%	68	72	76	-	0.6%	
Total expenses	8 214	22.8%	100.0%	8 538	9 228	9 740	5.8%	100.0%	
Surplus/(Deficit)	-	(1)		-	-	-	-		
Statement of financial position									
Carrying value of assets of which:	2 269	13.5%	13.3%	2 663	3 267	3 430	14.8%	20.2%	
Acquisition of assets	(400)	21.1%	-1.7%	(158)	(167)	(400)	-	-2.0%	
Inventory	100	16.0%	0.3%	105	-	-	-100.0%	0.4%	
Receivables and prepayments	75	-9.7%	1.1%	79	84	88	5.5%	0.6%	
Cash and cash equivalents	11 900	-2.1%	85.2%	11 500	11 000	11 000	-2.6%	78.9%	
Total assets	14 344	-0.2%	100.0%	14 347	14 351	14 518	0.4%	100.0%	
Accumulated surplus/(deficit)	14 216	0.0%	95.2%	14 216	14 216	14 375	0.4%	99.1%	
Trade and other payables	75	-24.3%	3.0%	75	75	80	2.2%	0.5%	
Provisions	53	4.8%	1.9%	56	60	63	5.9%	0.4%	
Total equity and liabilities	14 344	-0.2%	100.0%	14 347	14 351	14 518	0.4%	100.0%	

Personnel information**Table 19.46 Castle Control Board personnel numbers and cost by salary level**

Salary level	Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Castle Control Board	19	18	27	3.4	0.1	19	4.3	0.2	18	4.5	0.3	18	5.0	0.3	18	5.3	0.3	7.1%	100.0%
1 - 6	12	11	22	1.1	0.1	12	1.0	0.1	11	1.0	0.1	11	1.0	0.1	11	1.1	0.1	3.8%	61.6%
7 - 10	5	5	3	0.5	0.2	5	1.5	0.3	5	1.7	0.3	5	1.8	0.4	5	1.9	0.4	9.1%	27.4%
11 - 12	2	2	2	1.8	0.9	2	1.8	0.9	2	1.9	0.9	2	2.1	1.1	2	2.2	1.1	7.3%	11.0%

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		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Departmental infrastructure										
R thousand										
Mega projects (total project cost of at least R1 billion over the project lifecycle)										
Rebuilding of the runway at Air Force Base Waterkloof	Upgrade of runway	Handed over	1 113 576	10 499	9 192	-	-	-	-	-
Refurbishment of SA Army Headquarters in Dequar Road	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	-	-	-	-	-	5 981	34 520	118 155
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 at the Military Health Training Formation in Thaba Tshwane	Construction of a mess and living-in complex at the Military Health Training Formation in Thaba Tshwane to accommodate 1 200 members	Construction	297 833	52 430	-	-	-	-	-	-
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	-	4 764	23 365	94 373	173 293	340 382	
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	-	5 386	32 815	1 932	49 971	170 447	
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	303 394	-	105 774	166 822	332 372	379 132	40 986	
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	-	-	10 129	10 082	39 733	44 732	112 577	
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	-	-	-	-	-	-	-
Demolishing of infrastructure	Demolition of infrastructure	Various	80 285	-	-	6 090	796	-	-	-
Construction of new fire station and control tower	Construction of a fire station and control tower	Construction	87	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	143 948	15 328	38 183	-	-	-	-
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	1 080 204	125 405	69	39 045	28 755	11 524	-	-
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Identification	73 007	41	4 647	64 615	125 140	48 286	12 515	
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	-	-	-	-	-	-	-
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	242 768	102 651	438 199	175 130	270 236	269 671	

Table 19.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R thousand										
Departmental infrastructure										
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	4 769	1 696	3 101	49 956	30 324	11 190	25 738
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24 196	231	–	5	–	–	–	–
Upgrading of infrastructure for disabled members	Upgrade of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8 911	391	2 388	109	–	–	–	–
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	146 086	–	213	220	29 205	17 391	2 529	2 045
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaai	Site identification	1 501	–	–	76	–	–	–	–
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	374 396	1 253	2 011	499	16 436	11 411	1 024	–
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	–	176	4 773	9 938	2 277	121
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordinance	Various	1 447	–	–	–	–	–	–	–
Training facilities	Construction and upgrades of training facilities	Various	35 146	–	–	–	–	2 643	13 447	4 962
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	30 577	2 848	24 443	20 675	40 653	54 574	3 299	400
Workshops and stores	Construction of workshops and stores	Various	99 654	7 004	–	–	–	460	–	–
Fences and gates	Replacement or erection of fences	Various	144 603	488	155	–	24 856	16 713	17 360	1 871
Recoverable projects	Upgrades of buildings in military bases	Various	129 351	10 526	153	–	11 565	11 174	6 136	11 207
Total			16 105 471	603 372	268 720	529 986	996 660	958 840	1 068 956	1 111 077

Table 19.B Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2016/17	Medium-term expenditure estimate		
							2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R thousand													
Foreign													
In kind													
United States of America	Aircrew simulator training and C130 aircraft spares	Air Defence	One year	4 029	Goods and services	Training for 59 members	4 029	–	–	–	–	–	–
United States of America	Aviation safety training	Air Defence	One year	144	Goods and services	Training course for 1 member	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–
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			4 074	–	–	–	–	–	–

Table 19.C Largest defence force units

Unit	Audited outcome			Adjusted appropriation	Medium-term estimates		
	2014/14	2015/16	2016/17		2017/18	2018/19	2019/20
R thousand							
1 Military Hospital	637 162	774 579	791 289	803 128	840 737	899 166	
Naval Base Simonstown	469 208	506 214	514 497	503 658	496 600	514 910	
School of Infantry	468 980	602 009	651 306	641 858	635 121	649 552	
15 SA Infantry Battalion	237 895	252 557	243 610	243 143	243 610	238 790	
Air Force Base Waterkloof	310 047	313 937	334 841	263 686	212 319	187 605	
2 Military Hospital	283 839	320 648	357 253	437 804	467 237	486 047	
General Support Base Thaba Tswane	280 755	256 318	302 654	271 021	271 540	268 199	
Area Military Health Unit Gauteng	237 352	298 069	296 528	286 808	301 124	286 056	
7 SA Infantry Battalion	218 774	218 988	246 447	231 015	231 029	235 029	
Joint Support Base Garrison	257 444	240 839	258 928	262 287	279 641	295 428	
1 SA Infantry Battalion	196 390	221 977	252 681	232 388	229 197	233 235	
21 SA Infantry Battalion	228 815	235 367	269 091	258 038	252 830	255 772	
14 SA Infantry Battalion	208 732	233 863	247 563	224 616	225 038	226 951	
4 Artillery Regiment	191 470	220 305	241 281	235 110	233 342	238 165	
8 SA Infantry Battalion	180 034	182 466	217 106	210 859	208 258	214 795	
6 SA Infantry Battalion	192 159	192 711	229 289	202 748	201 219	203 174	
121 SA Infantry Battalion	193 713	324 404	224 669	211 738	209 266	208 206	
4 SA Infantry Battalion	200 299	203 997	230 760	237 769	238 196	242 881	
5 SA Infantry Battalion	213 203	225 240	243 700	234 919	232 354	229 813	
10 SA Infantry Battalion	211 668	222 988	252 596	241 266	238 024	240 188	
9 SA Infantry Battalion	169 545	177 826	201 980	186 081	186 878	188 820	
3 Military Hospital	183 881	204 988	210 540	252 711	256 819	258 998	
Area Military Health Unit Western Cape	173 651	197 775	216 379	223 281	229 985	239 642	
68 Air School	215 981	365 742	242 391	238 839	252 514	253 331	
1 Parachute Battalion	138 158	149 439	168 980	172 696	172 253	175 358	
10 Anti Aircraft Regiment	151 590	162 849	200 687	209 493	208 381	214 274	
2 SA Infantry Battalion	195 587	212 545	234 920	216 401	217 726	221 611	
2 Field Engineer Regiment	154 347	174 488	193 191	194 190	193 683	196 923	
Army Support Base Bloemfontein	163 887	168 772	174 987	170 758	169 252	160 329	
1 Construction Regiment	154 041	150 178	163 632	165 017	162 880	163 499	
Joint Support Base Wonderboom	144 385	144 669	159 313	160 279	161 735	164 811	
Air Force Base Hoedspruit	141 189	150 736	155 026	156 701	152 995	153 890	
SAS Simonsberg	142 257	159 031	169 483	174 311	169 827	182 016	
Army Support Base Limpopo	141 996	148 732	153 681	151 897	146 165	143 803	
Army Support Base Potchefstroom	141 932	119 432	130 113	118 720	116 006	122 174	
Defence Works Formation	178 533	90 028	183 353	150 355	175 699	174 128	
Army Support Base KwaZulu-Natal	122 794	130 637	133 321	132 822	134 483	127 577	
Area Military Health Unit Limpopo	122 429	135 137	149 469	152 505	154 859	157 705	
Army Support Base Western Cape	122 129	123 353	133 136	121 744	116 731	115 786	
Area Military Health Unit KwaZulu-Natal	131 841	136 910	151 644	160 942	179 292	170 155	
1 Special Services Battalion	112 658	122 272	144 850	145 392	143 549	146 078	
Defence Headquarters Unit	104 528	115 314	136 149	135 985	138 409	140 375	
Air Force Base Makhado	134 910	113 019	131 021	130 195	127 947	128 787	
1 SA Tank Regiment	103 932	114 018	140 702	130 516	127 804	130 175	
Area Military Health Unit Eastern Cape	102 585	117 090	129 333	127 461	133 299	135 727	
3 SA Infantry Battalion	146 214	151 302	174 214	168 793	161 533	169 164	
SAS Saldanha	113 160	140 320	151 207	173 878	167 197	170 565	

Table 19.C Largest defence force units

Unit	Audited outcome			Adjusted appropriation			Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20		
R thousand									
Army Support Base Eastern Cape	102 497	105 615	103 105	109 838	110 028	105 979	104 668		
Area Military Health Unit Free State	91 755	100 487	104 474	118 927	122 115	126 237	130 145		
1 Tactical Intelligence Regiment	95 522	103 088	116 607	138 713	118 025	115 714	117 330		
5 Signal Regiment	106 314	123 559	122 000	137 573	143 482	143 799	148 352		
Area Military Health Unit North West	98 374	110 635	108 477	123 921	131 908	134 077	134 395		
SA Army Gymnasium	95 893	101 572	122 985	132 965	105 614	103 128	109 989		
Air Force Base Ysterplaat	101 323	107 738	103 834	116 096	114 626	111 817	113 264		
Air Force Base Langebaanweg	100 981	106 437	102 687	112 140	114 587	111 087	112 294		
School for Military Health Training	70 081	65 903	87 380	104 194	110 298	112 985	117 761		
School of Engineers	91 800	95 748	110 981	123 648	141 464	139 448	141 347		
SA Army Technical Training Centre	111 998	116 712	145 887	163 828	143 148	149 767	156 655		
Army Support Base Johannesburg	88 656	92 522	91 700	98 979	94 517	92 871	93 067		
National Ceremonial Guard	92 069	91 709	92 007	109 880	116 112	124 406	-		
SA Army Combat Training Centre	84 957	81 337	120 815	125 288	95 109	95 131	99 258		
43 SA Brigade	91 126	94 217	100 283	101 340	107 033	112 579	113 958		
SAS Wingfield	93 418	121 500	129 524	135 366	126 910	121 561	133 732		
Army Support Base Kimberley	90 769	92 755	94 079	98 351	94 453	90 982	90 092		
Air Force Base Overberg	84 280	91 097	83 821	95 486	98 058	96 664	97 244		
5 Air Supply Unit	98 212	101 524	99 801	113 574	114 557	112 638	116 378		
Army Support Base Lohatla	81 156	81 312	77 935	85 462	80 797	78 559	78 905		

Table 19.C Largest defence force units

Unit	Audited outcome			Adjusted appropriation	Medium-term estimates		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R thousand							
Nursing College	84 427	95 794	122 182	144 992	7 328	3 069	3 871
Air Force Gymnasium	39 905	47 310	54 266	72 164	106 148	121 579	137 100
Army Support Base Mpumalanga	84 591	86 483	88 319	91 847	94 221	92 691	93 685
Area Military Health Unit Northern Cape	77 794	85 725	110 110	102 093	104 711	103 211	104 897
School of Armour	70 437	72 108	78 043	87 562	96 964	99 351	104 508
Army Support Base Dequar Road	73 794	67 876	109 525	–	–	–	–
46 SA Brigade	71 884	78 218	91 489	94 439	92 952	93 258	–
Gauteng Signal Unit	72 604	76 899	77 901	86 748	84 761	82 839	85 202
Air Force Base Bloemspuit	72 304	77 250	72 214	80 185	82 936	80 894	82 822
7 Medical Battalion Group	46 525	50 931	51 044	54 948	53 352	54 676	55 593
93 Ammunition Depot	52 213	55 584	64 739	68 236	65 498	64 313	66 374
10 Air Depot	43 009	46 891	70 450	46 272	53 278	53 126	52 450
Air Force Base Durban	38 325	41 715	39 350	44 957	44 942	43 002	43 507
85 Combat Flying School	34 048	34 315	34 970	41 156	41 420	44 258	43 434
2 Squadron	26 680	29 255	29 926	42 316	42 043	42 077	41 765
60 Squadron	7 511	7 734	9 898	9 975	9 798	9 738	9 203
28 Squadron	39 336	43 820	44 214	50 359	53 065	61 283	58 415
22 Squadron	41 925	42 384	43 242	46 826	49 509	58 890	54 085
15 Squadron	37 209	39 675	39 380	44 617	45 866	45 054	44 998
87 Helicopter Flying School	35 518	34 115	34 728	39 507	39 376	38 769	39 790
17 Squadron	33 687	34 806	35 155	41 315	41 860	40 991	40 025
41 Squadron	33 041	39 777	38 553	44 602	44 651	43 822	44 073
36 Squadron	31 879	33 448	33 626	38 046	38 972	38 005	37 694
21 Squadron	41 748	48 289	61 332	72 284	73 653	76 253	77 058
School of Artillery	56 699	56 096	59 847	66 989	76 802	78 024	81 335
SA Army College	44 471	49 472	60 950	66 612	54 621	54 176	58 761
16 Maintenance Unit	33 460	31 483	34 386	42 319	36 984	36 411	36 805
SA National War College	35 304	38 690	39 442	43 266	46 441	46 000	47 292
SAS Protea	26 913	31 887	37 227	41 102	37 429	36 458	37 315
101 Workshop	25 941	28 916	29 181	34 373	32 646	31 830	31 038
Personnel Services School	22 489	22 918	22 919	26 741	27 335	27 826	28 476

BUDGET 2017

ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002
Tel +27 12 315 5944 | Fax +27 12 395 6697



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

