

Vote 19

Defence and Military Veterans

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	5 548.9	4 856.8	674.6	17.5	5 839.6	6 252.2
Force Employment	3 375.6	3 016.4	266.5	92.6	3 596.0	3 761.2
Landward Defence	16 234.3	13 665.8	2 532.0	36.5	16 632.1	16 981.5
Air Defence	6 415.9	5 578.1	821.0	16.9	7 280.0	8 176.4
Maritime Defence	4 424.7	3 150.8	1 262.1	11.9	4 408.7	5 067.0
Military Health Support	4 714.1	4 650.5	15.0	48.6	5 264.1	5 806.8
Defence Intelligence	950.4	436.4	510.0	3.9	991.7	1 063.3
General Support	6 285.9	4 092.8	1 533.2	659.9	6 684.1	6 891.0
Total expenditure estimates	47 949.7	39 447.5	7 614.4	887.8	50 696.2	53 999.3

Executive authority Minister of Defence and Military Veterans

Accounting officer Secretary for Defence

Website address www.dod.mil.za

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

Vote purpose

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

Mandate

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

Selected performance indicators

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections ¹		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of defence attachè offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	43	44	44	44	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	3 889	3 944	3 759	3 651	3 568	3 510	3 570
Number of reserve force man days ²	Administration	Outcome 3: All people in South Africa are and feel safe	2 695 742	2 768 982	2 679 142	1 817 104	2 679 761 ²	2 693 048 ²	2 680 494 ²
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	79% (34/43)	100% (32/32)	100% (32/32)	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment		140% (7/5) ³	100% (3/3)	100% (2/2)	100% ⁴	100% ⁴	100% ⁴	100% ⁴

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	MTEF outcome	Past			Current	Projections ¹		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage compliance with number of ordered commitments (internal operations) ⁵	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4/4)	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	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	5	6	4	3	4	0 ⁶	4
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	15	15	15	15	15	15
Number of hours flown per year ⁷	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	– ⁷	– ⁷	– ⁷	– ⁷	25 000	25 000	25 000
Number of hours at sea per year	Maritime Defence		8 951	10 711	8 132	12 000	12 000	10 000 ⁸	10 000 ⁸

- Over the MTEF period, most of the department's performance targets are maintained at the same level or decreased to align with available budgets.
- Indicator rephrased to align with the department's 2018/19 annual performance plan. A "man day" refers to a day regarded as the number of hours of work one person can complete in a day. The medium-term performance targets for this indicator have been revised upwards to align the targets with historical performance and operational requirements. The minimal increase in the target in 2019/20 is due to the 2019 national elections.
- 2 additional operations were conducted over and above the set target of 5 external operations.
- 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 2017/18 and over the MTEF period.
- Internal operations include border safeguarding and operations in support of other departments.
- Due to the 2019 national elections, joint, interdepartmental, interagency and multinational military exercises will not be conducted in 2019/20.
- No historical data available as this is a new indicator replacing "Number of force employment hours flown per year". The new indicator includes force preparation hours and force employment hours.
- Targets in 2019/20 and 2020/21 decreased to align with historical performance and available budgets.

Expenditure analysis

Chapter 12 of the National Development Plan (NDP) calls for an integrated approach to building safety through a holistic view of safety and security. This vision is expressed in terms of outcome 3 (all people in South Africa are and feel safe) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium-term strategic framework. These outcomes are closely aligned with the functions of the Department of Defence. Over the medium term, the department intends to focus on sustaining South Africa's defence capabilities, safeguarding South Africa's borders and territorial integrity, and implementing the maritime security strategy. The department also plans to participate in peace support operations, internal operations, and expanding and maintaining infrastructure.

Due to the labour intensive nature of the department's work, compensation of employees continues to be its largest expenditure item over the medium term, spending on which accounts for a projected 57.1 per cent (R87.7 billion) of its total budget. Spending on goods and services such as computer services, contractors, operating leases, property payments and inventory is expected to amount to 25.2 per cent (R39 billion) of the total budget over the MTEF period. In 2017/18, the department expects to maintain its personnel establishment at 75 500. However, to remain within the government's expenditure ceiling for compensation of employees, the department plans to reduce its personnel establishment to 74 660 by 2020/21, mainly by means of natural attrition.

Cabinet has approved baseline reductions of R2.7 billion in 2018/19, R3.3 billion in 2019/20 and R3.5 billion in 2020/21, including baseline reductions of R33 million in 2018/19, R35 million in 2019/20 and R37 million in 2020/21 for the Department of Military Veterans. Budget reductions to the Department of Defence are mainly effected in the Air Defence, Maritime Defence and General Support programmes; and the special defence account in the Landward Defence programme. To mitigate the impact of these reductions, the department will defer some projects within the special defence account.

Sustaining South Africa's defence capabilities

The 2015 South African Defence Review provides a policy for South Africa's defence trajectory over the next 20 to 30 years. The review proposes a number of milestones, the first of which is aimed towards arresting the decline in critical defence capabilities. This is expected to be achieved by focusing on a number of core

measures and deliverables, such as conducting priority defence missions; and setting up measures to improve efficiency, sustainability and capability. The implementation of these measures is expected to cost R18.2 billion over the MTEF period in the *Landward Defence, Air Defence, Maritime Defence and Military Health Support* programmes. The cost of implementing the review's proposals is over and above the current allocation and is not yet provided for in the department's baseline over the medium term.

Safeguarding South Africa's borders and territorial integrity

As a sovereign state, South Africa has a duty to safeguard its borders against the possibility of transnational crime, international crime syndicates and cartels, the illegal flow of undocumented migrants, and illicit economic activities. Over the MTEF period, the department plans to deploy 15 landward sub-units along South Africa's borders with Zimbabwe, Swaziland, Mozambique, Lesotho, Botswana and Namibia. For this purpose, R3.1 billion is allocated over the medium term in the *Force Employment* programme.

Implementing the maritime security strategy

Over the next three years, the South African Navy plans to conduct maritime border patrols and combat piracy in the Mozambique Channel. A suite of surface (frigates), sub-surface (submarines) and offshore patrol vessels will be deployed to keep South Africa's maritime space safe and support the execution of the Southern African Development Community's maritime security strategy. The department aims to maintain the number of hours at sea per year at 12 000 until 2018/19, after which they are expected to decrease to 10 000 to align performance with the available budget following budget reductions of R1.6 billion approved by Cabinet in the *Maritime Defence* programme over the medium term. R1.5 billion is allocated over same period to implement the maritime security strategy, mainly in the *Maritime Defence* programme.

Participating in peace support operations

Peacekeeping missions are a critical element to respond to conflict, prevent conflict and deter potential aggressors. In this regard, over the MTEF period, the department expects to continue participating in peace support operations in the Democratic Republic of the Congo under the auspices of the United Nations stabilisation mission. To this end, over the medium term, the department intends to deploy an infantry battalion supported by Rooivalk and Oryx helicopters. The department also expects to continue its deployment of officers and military observers as part of the African Union Mission in Sudan. Over the medium term, the department aims to comply with all ordered commitments for external operations. R3.3 billion is provided over the MTEF period in the *Force Employment* programme for activities related to peace support operations.

Participating in internal operations

The department contributes to domestic safety and security by conducting internal operations such as border safeguarding and operations in support of other government departments. Over the MTEF period, the department aims to comply with all ordered commitments for internal operations through conducting operations in support of the South African Police Service; and providing disaster aid and relief, and search and rescue operations on request. A projected R48.8 million is provided over the medium term in the *Force Employment* programme for activities related to internal operations. The department also plans to focus on preparing and deploying the South African National Defence Force for the 2019 national elections, for which an additional allocation of R67.7 million in 2019/20 is provided to the department.

Expanding and maintaining infrastructure

The department's infrastructure programme channels resources into the construction and refurbishment of military health facilities, the refurbishment of military bases and units, and improvements to accommodation, kitchen and security facilities. The department's largest infrastructure project over the MTEF period is upgrading and refurbishing the military health service's training centre in Pretoria. Other projects include: constructing a base hospital in Port Elizabeth, which is in the design stage and is expected to be completed by 2023/24; upgrading and refurbishing 2 Military Hospital, which is expected to be completed by 2019/20; refurbishing the 6 South African Infantry Battalion in Grahamstown, which is in the design stage and is expected to be completed in 2021/22; refurbishing the school of engineers in Kroonstad, which is in the

planning stage and is expected to be completed by 2024/25; refurbishing air force bases in Bloemspruit and Overberg, which are in the design and construction stages and expected to be completed in 2024/25 and 2020/21, respectively; refurbishing the South African Army and South African Air Force headquarters in Pretoria, which is in the design stage and is expected to be completed in 2023/24; and refurbishing A-Mess military base in Thaba Tshwane, which is in the design stage and is expected to be completed in 2023/24. R1.6 billion is allocated for infrastructure projects over the medium term, mainly in the *General Support* programme.

The Defence Works Formation and its regional units are expected to continue to maintain facilities across South Africa over the MTEF period. A number of projects, such as the construction of houses at the military academy in Saldanha and the construction of single quarters at the Lord's Ground military base in Durban, will be undertaken by these units over the medium term. R2.4 billion is allocated over the medium term in the *General Support* programme to carry out these activities. The devolution of the facility management function pertaining to defence endowment property from the Department of Public Works to the Department of Defence is being managed by a joint task team in accordance with the memorandum of agreement between these departments. As a pilot project, the Defence Works Formation is expected to begin refurbishing the first floor at 1 Military Hospital.

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	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	4 866.5	4 499.7	4 659.0	4 827.2	4 862.4	4 981.5	5 151.1	5 348.0	5 740.6	5 380.8	5 469.5	5 450.3	103.0%	103.2%
Programme 2	3 437.0	3 487.0	3 631.4	3 603.2	3 813.3	3 602.8	3 899.6	3 672.6	3 431.0	3 688.6	3 535.4	3 429.5	96.4%	97.1%
Programme 3	13 854.9	14 241.9	14 049.1	14 805.3	15 202.4	15 119.0	15 651.4	15 627.3	15 557.8	16 550.2	16 719.8	16 652.3	100.8%	99.3%
Programme 4	7 166.9	7 176.6	6 913.5	7 049.2	7 167.6	7 085.7	6 883.5	6 936.6	6 782.6	6 628.0	6 818.5	6 788.9	99.4%	98.1%
Programme 5	3 678.5	3 678.5	3 802.4	3 717.2	3 769.1	3 732.7	4 355.9	4 386.8	4 298.4	4 790.0	4 590.0	4 602.5	99.4%	100.1%
Programme 6	3 849.1	3 849.1	4 053.1	3 932.9	4 069.3	4 243.2	4 416.8	4 440.7	4 448.7	4 586.7	4 586.7	4 644.6	103.6%	102.6%
Programme 7	792.1	813.7	819.8	827.5	831.5	830.1	900.2	900.2	881.3	917.3	917.3	907.6	100.0%	99.3%
Programme 8	5 186.3	5 110.5	4 914.1	5 817.0	5 372.6	5 476.6	5 911.1	5 924.3	6 056.7	6 077.2	6 362.4	6 523.9	99.9%	100.9%
Total	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 999.6	100.5%	100.0%
Change to 2017 Budget estimate										380.8				
Economic classification														
Current payments	34 471.1	34 471.1	34 343.5	36 162.0	36 607.6	36 227.6	39 101.1	39 407.1	38 780.7	38 022.0	39 175.7	39 175.7	100.5%	99.2%
Compensation of employees	21 980.2	22 476.2	23 005.8	24 595.0	24 890.4	24 788.0	26 884.6	27 094.6	27 059.7	26 448.0	27 448.0	27 448.0	102.4%	100.4%
Goods and services	12 490.9	11 994.9	11 337.7	11 567.0	11 717.2	11 439.6	12 216.5	12 312.5	11 721.0	11 574.0	11 727.7	11 727.7	96.6%	96.8%
Transfers and subsidies	7 838.2	7 863.8	7 400.2	7 830.5	7 893.7	8 003.3	7 780.8	7 541.6	7 466.8	9 180.1	8 587.2	8 587.2	96.4%	98.7%
Provinces and municipalities	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.1	128.2%	128.2%
Departmental agencies and accounts	6 624.6	6 650.2	6 144.3	6 687.8	6 745.2	6 840.1	6 622.7	6 383.4	6 251.8	7 747.1	7 154.2	7 154.2	-	-
Foreign governments and international organisations	-	-	-	-	5.8	5.8	-	-	-	-	-	-	-	100.0%
Public corporations and private enterprises	1 096.3	1 096.3	1 114.1	1 025.9	1 025.9	1 022.4	1 025.4	1 025.4	1 067.7	1 296.9	1 296.9	1 296.9	101.3%	101.3%
Non-profit institutions	7.7	7.7	7.9	8.0	8.0	8.1	9.5	9.5	9.3	8.9	8.9	8.9	100.6%	100.6%
Households	109.6	109.6	133.8	108.8	108.8	126.8	123.2	123.2	137.9	127.1	127.1	127.1	112.1%	112.1%

Table 19.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	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														
Payments for capital assets	521.9	521.9	1 081.2	586.9	586.9	838.0	287.8	287.8	947.3	1 416.7	1 236.7	1 236.7	145.8%	155.8%
Buildings and other fixed structures	123.7	123.7	64.9	122.6	122.6	82.6	121.9	121.9	147.9	958.8	658.1	658.1	71.8%	92.9%
Machinery and equipment	347.1	347.1	1 010.5	451.2	451.2	696.7	164.5	164.5	696.9	455.7	455.7	455.7	201.6%	201.6%
Specialised military assets	45.3	45.3	4.4	12.1	12.1	58.1	1.0	1.0	7.6	1.7	1.7	1.7	119.3%	119.3%
Software and other intangible assets	5.9	5.9	1.4	1.0	1.0	0.6	0.3	0.3	95.0	0.4	121.1	121.1	2 865.0%	170.0%
Payments for financial assets	-	-	17.5	-	-	2.7	-	-	2.3	-	-	-	-	-
Total	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 999.6	100.5%	100.0%

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration 2. Force Employment 3. Landward Defence 4. Air Defence 5. Maritime Defence 6. Military Health Support 7. Defence Intelligence 8. General Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15	2017/18			2018/19
R million									
Programme 1	5 450.3	6.6%	11.3%	5 548.9	5 839.6	6 252.2	4.7%	11.5%	
Programme 2	3 429.5	-0.6%	7.7%	3 375.6	3 596.0	3 761.2	3.1%	7.0%	
Programme 3	16 652.3	5.4%	33.3%	16 234.3	16 632.1	16 981.5	0.7%	33.0%	
Programme 4	6 788.9	-1.8%	15.0%	6 415.9	7 280.0	8 176.4	6.4%	14.2%	
Programme 5	4 602.5	7.8%	8.9%	4 424.7	4 408.7	5 067.0	3.3%	9.2%	
Programme 6	4 644.6	6.5%	9.4%	4 714.1	5 264.1	5 806.8	7.7%	10.1%	
Programme 7	907.6	3.7%	1.9%	950.4	991.7	1 063.3	5.4%	1.9%	
Programme 8	6 523.9	8.5%	12.5%	6 285.9	6 684.1	6 891.0	1.8%	13.1%	
Total	48 999.6	4.6%	100.0%	47 949.7	50 696.2	53 999.3	3.3%	100.0%	
Change to 2017 Budget estimate				(2 660.6)	(3 270.2)	(3 521.5)			
Economic classification									
Current payments	39 175.7	4.4%	80.7%	39 447.5	42 121.5	45 111.8	4.8%	82.3%	
Compensation of employees	27 448.0	6.9%	55.6%	27 116.7	29 193.7	31 365.9	4.5%	57.1%	
Goods and services	11 727.7	-0.7%	25.1%	12 330.8	12 927.8	13 745.9	5.4%	25.2%	
Transfers and subsidies	8 587.2	3.0%	17.1%	7 614.4	7 701.7	7 980.6	-2.4%	15.8%	
Provinces and municipalities	0.1	-1.1%	0.0%	1.5	0.9	0.6	88.3%	0.0%	
Departmental agencies and accounts	7 154.2	2.5%	14.3%	6 011.4	5 979.0	6 238.8	-4.5%	12.6%	
Public corporations and private enterprises	1 296.9	5.8%	2.4%	1 422.7	1 497.8	1 575.4	6.7%	2.9%	
Non-profit institutions	8.9	5.2%	0.0%	9.3	9.7	10.2	4.8%	0.0%	
Households	127.1	5.1%	0.3%	169.4	214.2	155.6	7.0%	0.3%	
Payments for capital assets	1 236.7	33.3%	2.2%	887.8	873.0	906.8	-9.8%	1.9%	
Buildings and other fixed structures	658.1	74.6%	0.5%	529.7	544.0	558.0	-5.4%	1.1%	
Machinery and equipment	455.7	9.5%	1.6%	314.8	325.8	345.6	-8.8%	0.7%	
Specialised military assets	1.7	-66.2%	0.0%	2.8	2.0	2.1	6.3%	0.0%	
Software and other intangible assets	121.1	174.2%	0.1%	40.6	1.2	1.2	-78.7%	0.1%	
Total	48 999.6	4.6%	100.0%	47 949.7	50 696.2	53 999.3	3.3%	100.0%	

Expenditure trends and estimates for significant spending items

Table 19.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Compensation of employees	23 005 809	24 788 024	27 059 700	27 447 971	6.1%	55.6%	27 116 696	29 193 710	31 365 882	4.5%	57.1%
Contractors	2 735 529	2 207 794	2 114 847	2 106 763	-8.3%	5.0%	2 204 310	2 235 580	2 309 253	3.1%	4.4%
Property payments	2 151 430	1 465 752	1 555 229	1 181 585	-18.1%	3.5%	1 523 728	1 587 688	1 679 449	12.4%	3.0%
Special defence account	5 619 079	6 235 069	5 633 479	6 510 469	5.0%	13.0%	5 361 690	5 290 838	5 510 417	-5.4%	11.2%
Armaments Corporation of South Africa	1 096 252	1 021 899	1 043 387	1 296 901	5.8%	2.4%	1 422 725	1 497 819	1 575 448	6.7%	2.9%
Total	34 608 099	35 718 538	37 406 642	38 543 689	-9.5%	79.5%	37 629 149	39 805 635	42 440 449	21.3%	78.6%

Goods and services expenditure trends and estimates

Table 19.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	12 254	11 381	12 373	13 603	3.5%	0.1%	13 554	13 968	14 662	2.5%	0.1%
Advertising	12 463	8 431	98 673	7 797	-14.5%	0.3%	80 237	87 535	93 748	129.1%	0.5%
Minor assets	127 731	94 206	252 482	254 609	25.9%	1.6%	144 316	151 569	166 942	-13.1%	1.4%
Audit costs: External	73 179	60 979	50 617	64 981	-3.9%	0.5%	70 570	75 393	78 926	6.7%	0.6%
Catering: Departmental activities	20 874	27 218	22 761	29 498	12.2%	0.2%	30 226	25 420	27 466	-2.4%	0.2%
Communication	91 480	88 963	102 362	99 106	2.7%	0.8%	101 780	96 392	97 843	-0.4%	0.8%
Computer services	988 433	1 055 993	921 495	1 132 729	4.6%	8.9%	1 119 661	1 235 311	1 265 490	3.8%	9.4%
Consultants: Business and advisory services	274 352	300 594	219 068	248 927	-3.2%	2.3%	236 670	194 524	22 212	-55.3%	1.4%
Infrastructure and planning services	19 220	32 933	15 954	49 945	37.5%	0.3%	43 356	46 184	52 979	2.0%	0.4%
Laboratory services	26 855	32 069	46 249	24 544	-3.0%	0.3%	28 109	21 170	31 833	9.1%	0.2%
Legal services	30 016	54 853	34 569	31 389	1.5%	0.3%	31 957	38 367	40 285	8.7%	0.3%
Science and technological services	56 221	97 713	101 757	88 065	16.1%	0.7%	69 479	70 301	70 820	-7.0%	0.6%
Contractors	2 735 529	2 207 794	2 114 847	2 106 763	-8.3%	19.8%	2 204 310	2 235 580	2 309 253	3.1%	17.5%
Agency and support/outsourced services	490 354	583 755	645 770	660 123	10.4%	5.1%	568 667	533 356	530 851	-7.0%	4.5%
Entertainment	2 917	4 785	4 543	4 727	17.5%	-	2 490	2 828	2 865	-15.4%	-
Fleet services (including government motor transport)	96 765	136 107	108 860	57 450	-16.0%	0.9%	141 649	209 323	308 493	75.1%	1.4%
Inventory: Clothing material and accessories	208 087	160 038	90 305	176 198	-5.4%	1.4%	216 206	181 133	242 025	11.2%	1.6%
Inventory: Farming supplies	5 709	7 387	7 345	8 186	12.8%	0.1%	8 549	8 611	7 146	-4.4%	0.1%
Inventory: Food and food supplies	872 380	886 530	949 315	918 582	1.7%	7.8%	999 450	1 002 463	1 070 304	5.2%	7.9%
Inventory: Fuel, oil and gas	455 660	639 187	563 779	661 975	13.3%	5.0%	667 636	718 440	846 221	8.5%	5.7%
Inventory: Materials and supplies	138 448	107 893	64 874	115 032	-6.0%	0.9%	102 065	115 722	131 716	4.6%	0.9%
Inventory: Medical supplies	75 396	98 713	65 430	104 035	11.3%	0.7%	111 416	161 436	203 288	25.0%	1.1%
Inventory: Medicine	167 932	154 091	198 592	156 134	-2.4%	1.5%	196 591	352 896	358 718	32.0%	2.1%
Inventory: Other supplies	110 974	58 439	60 853	168 375	14.9%	0.9%	265 763	218 740	403 965	33.9%	2.1%
Consumable supplies	122 769	133 484	133 458	132 617	2.6%	1.1%	140 063	131 593	151 387	4.5%	1.1%
Consumables: Stationery, printing and office supplies	57 804	58 300	54 630	73 891	8.5%	0.5%	72 011	71 211	75 380	0.7%	0.6%
Operating leases	415 443	1 318 598	1 507 114	1 460 566	52.1%	10.2%	1 563 567	1 670 330	1 760 084	6.4%	12.7%
Rental and hiring	335	4 757	5 564	361	2.5%	-	383	66	68	-42.7%	-
Property payments	2 151 430	1 465 752	1 555 229	1 181 585	-18.1%	13.7%	1 523 728	1 587 688	1 679 449	12.4%	11.8%
Travel and subsistence	883 798	991 344	1 102 666	927 739	1.6%	8.4%	872 021	946 587	946 639	0.7%	7.3%
Training and development	256 804	228 253	239 660	275 871	2.4%	2.2%	304 962	330 089	340 883	7.3%	2.5%
Operating payments	342 034	316 593	358 877	473 887	11.5%	3.2%	382 564	375 715	395 230	-5.9%	3.2%
Venues and facilities	14 018	12 440	10 890	18 413	9.5%	0.1%	16 830	17 892	18 753	0.6%	0.1%
Total	11 337 664	11 439 573	11 720 961	11 727 703	1.1%	100.0%	12 330 836	12 927 833	13 745 924	5.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
Households											
Social benefits											
Current	87 532	115 981	133 255	127 093	13.2%	1.5%	169 419	214 196	155 583	7.0%	2.1%
Employee social benefits	87 532	115 981	133 255	127 093	13.2%	1.5%	169 419	214 196	155 583	7.0%	2.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 144 266	6 840 117	6 251 767	7 154 177	5.2%	83.9%	6 011 359	5 979 013	6 238 773	-4.5%	79.6%
Safety and Security Sector Education and Training Authority	21 014	22 590	20 677	21 073	0.1%	0.3%	21 971	23 070	24 051	4.5%	0.3%
Department of Military Veterans	504 160	582 201	597 607	622 111	7.3%	7.3%	627 087	664 527	703 606	4.2%	8.2%
Communication	13	257	4	524	242.9%	-	611	578	699	10.1%	-
Special defence account	5 619 079	6 235 069	5 633 479	6 510 469	5.0%	76.3%	5 361 690	5 290 838	5 510 417	-5.4%	71.1%
Non-profit institutions											
Current	7 909	8 081	9 303	8 901	4.0%	0.1%	9 324	9 744	10 231	4.8%	0.1%
Reserve Force Council	7 140	7 192	8 620	7 929	3.6%	0.1%	8 326	8 742	9 179	5.0%	0.1%
St Johns Ambulance Brigade	769	889	683	972	8.1%	-	998	1 002	1 052	2.7%	-
Households											
Other transfers to households											
Current	46 274	10 840	4 597	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	46 274	10 840	4 597	-	-100.0%	0.2%	-	-	-	-	-
Foreign governments and international organisations											
Current	-	5 804	-	-	-	-	-	-	-	-	-
Southern African Development Community	-	5 804	-	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	54	28	185	91	19.0%	-	1 542	939	608	88.3%	-
Vehicle licences	54	28	185	91	19.0%	-	1 542	939	608	88.3%	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	1 024	480	312	-	-100.0%	-	-	-	-	-	-
Claims against the state	1 024	480	312	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	16 869	-	24 014	-	-100.0%	0.1%	-	-	-	-	-
Claims against the state	16 869	-	24 014	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Subsidies on products and production											
Current	1 096 252	1 021 899	1 043 387	1 296 901	5.8%	14.2%	1 422 725	1 497 819	1 575 448	6.7%	18.2%
Armaments Corporation of South Africa	1 096 252	1 021 899	1 043 387	1 296 901	5.8%	14.2%	1 422 725	1 497 819	1 575 448	6.7%	18.2%
Provinces and municipalities											
Municipal agencies and funds											
Current	-	33	-	-	-	-	-	-	-	-	-
Vehicle licences	-	33	-	-	-	-	-	-	-	-	-
Total	7 400 180	8 003 263	7 466 820	8 587 163	5.1%	100.0%	7 614 369	7 701 711	7 980 643	-2.4%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2018		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 (%)			
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost	
Defence and Military Veterans																		
Salary level	75 500	76 480	27 059.7	0.4	75 500	27 448.0	0.4	75 204	27 116.7	0.4	74 899	29 193.7	0.4	74 660	31 365.9	0.4	-0.4%	100.0%
1 – 6	50 444	51 278	12 138.5	0.2	50 444	12 528.2	0.2	50 267	12 505.2	0.2	50 098	13 630.2	0.3	50 041	14 510.9	0.3	-0.3%	66.9%
7 – 10	23 258	23 428	10 790.8	0.5	23 258	10 974.9	0.5	23 140	10 668.8	0.5	22 991	11 261.7	0.5	22 786	12 153.7	0.5	-0.7%	30.7%
11 – 12	1 382	1 367	1 217.5	0.9	1 382	1 210.2	0.9	1 385	1 210.3	0.9	1 384	1 276.1	0.9	1 379	1 391.9	1.0	-0.1%	1.8%
13 – 16	410	401	485.9	1.2	410	482.1	1.2	406	480.7	1.2	420	533.8	1.3	448	642.5	1.4	3.0%	0.6%
Other	6	6	2 427.1	404.5	6	2 252.5	375.4	6	2 251.8	375.3	6	2 492.0	415.3	6	2 666.8	444.5	–	0.0%
Programme	75 500	76 480	27 059.7	0.4	75 500	27 448.0	0.4	75 204	27 116.7	0.4	74 899	29 193.7	0.4	74 660	31 365.9	0.4	-0.4%	100.0%
Programme 1	3 814	3 796	2 105.2	0.6	3 814	1 910.4	0.5	3 887	1 891.5	0.5	3 875	2 027.0	0.5	3 878	2 242.7	0.6	0.6%	5.1%
Programme 2	1 925	1 943	1 948.6	1.0	1 925	1 939.7	1.0	1 965	1 909.1	1.0	1 989	2 131.4	1.1	1 982	2 270.7	1.1	1.0%	2.6%
Programme 3	39 044	39 397	11 470.7	0.3	39 044	11 626.5	0.3	38 300	11 499.3	0.3	37 593	12 367.1	0.3	37 335	12 856.8	0.3	-1.5%	50.7%
Programme 4	9 718	9 897	3 539.4	0.4	9 718	3 646.5	0.4	9 918	3 602.5	0.4	9 933	3 839.9	0.4	9 933	4 264.6	0.4	0.7%	13.2%
Programme 5	7 039	7 076	2 235.1	0.3	7 039	2 300.5	0.3	7 071	2 274.7	0.3	7 076	2 444.1	0.3	7 073	2 671.1	0.4	0.2%	9.4%
Programme 6	7 549	7 764	3 328.8	0.4	7 549	3 431.5	0.5	7 526	3 379.9	0.4	7 730	3 636.5	0.5	7 755	4 023.8	0.5	0.9%	10.2%
Programme 7	882	882	379.2	0.4	882	393.8	0.4	858	387.4	0.5	876	415.7	0.5	873	459.3	0.5	-0.3%	1.2%
Programme 8	5 529	5 725	2 052.7	0.4	5 529	2 199.0	0.4	5 679	2 172.3	0.4	5 827	2 331.9	0.4	5 831	2 576.8	0.4	1.8%	7.6%

1. The department aims to maintain personnel numbers at 75 500 over the 2018 MTEF. However, the indicated data in the table has been revised by the National Treasury to align personnel numbers and the related expenditure to the compensation of employees ceiling. As such, the indicated personnel data may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 19.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	923 792	1 082 623	1 387 310	1 051 761	1 051 761	4.4%	100.0%	1 085 741	1 145 273	1 202 886	4.6%	100.0%
Sales of goods and services produced by department	285 956	439 041	806 472	412 760	412 760	13.0%	43.7%	413 958	436 547	458 776	3.6%	38.4%
Administrative fees	28	19	9	23	23	-6.3%	–	24	26	27	5.5%	–
<i>of which:</i>												
Request for information: Receipt	28	19	9	23	23	-6.3%	–	24	26	27	5.5%	–
Other sales	285 928	439 022	806 463	412 737	412 737	13.0%	43.7%	413 934	436 521	458 749	3.6%	38.4%
<i>of which:</i>												
Rental capital assets	79 775	86 229	84 909	88 242	88 242	3.4%	7.6%	92 206	97 254	102 130	5.0%	8.5%
Sale of goods	12 497	7 325	12 161	9 672	9 672	-8.2%	0.9%	12 519	13 194	13 847	12.7%	1.1%
Services rendered	193 656	345 468	709 393	314 823	314 823	17.6%	35.2%	309 209	326 073	342 772	2.9%	28.8%
Sales of scrap, waste, arms and other used current goods	3 676	2 975	747	1 345	1 345	-28.5%	0.2%	1 419	1 497	1 542	4.7%	0.1%
<i>of which:</i>												
Sales: Scrap and waste	3 676	2 975	747	1 345	1 345	-28.5%	0.2%	1 419	1 497	1 542	4.7%	0.1%
Transfers received	542 149	524 130	441 660	538 922	538 922	-0.2%	46.0%	568 563	599 833	629 801	5.3%	52.1%
Fines, penalties and forfeits	1 733	600	1 164	1 150	1 150	-12.8%	0.1%	1 210	1 274	1 333	5.0%	0.1%
Interest, dividends and rent on land	3 558	3 890	3 928	3 840	3 840	2.6%	0.3%	3 938	4 154	4 372	4.4%	0.4%
Interest	3 558	3 890	3 928	3 840	3 840	2.6%	0.3%	3 938	4 154	4 372	4.4%	0.4%
Sales of capital assets	42 507	36 212	31 858	25 967	25 967	-15.1%	3.1%	27 394	28 901	30 345	5.3%	2.5%
Transactions in financial assets and liabilities	44 213	75 775	101 481	67 777	67 777	15.3%	6.5%	69 259	73 067	76 717	4.2%	6.4%
Total	923 792	1 082 623	1 387 310	1 051 761	1 051 761	4.4%	100.0%	1 085 741	1 145 273	1 202 886	4.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	82.0	112.0	111.1	74.1	-3.3%	1.8%	76.5	80.7	87.1	5.6%	1.4%
Departmental Direction	43.7	67.0	70.8	58.6	10.3%	1.2%	47.7	49.9	55.1	-2.0%	0.9%
Policy and Planning	93.7	94.4	103.9	119.1	8.3%	2.0%	102.2	108.5	118.9	-0.1%	1.9%
Financial Services	325.2	324.3	620.6	372.6	4.6%	7.9%	343.9	364.6	401.5	2.5%	6.4%
Human Resources Support Services	714.4	736.4	791.5	808.5	4.2%	14.6%	776.2	821.4	899.2	3.6%	14.3%
Legal Services	266.3	278.6	291.3	300.1	4.1%	5.4%	297.8	312.1	343.9	4.6%	5.4%
Inspection and Audit Services	106.9	115.9	116.4	143.0	10.2%	2.3%	139.4	147.7	162.3	4.3%	2.6%
Acquisition Services	58.8	82.2	150.7	125.7	28.8%	2.0%	134.2	88.3	82.5	-13.1%	1.9%
Communication Services	48.5	43.8	100.7	46.4	-1.5%	1.1%	116.5	125.9	136.2	43.2%	1.8%
South African National Defence Force Command and Control	143.7	135.7	148.0	156.2	2.8%	2.8%	165.3	175.2	192.4	7.2%	3.0%
Religious Services	12.7	18.3	14.5	14.0	3.2%	0.3%	15.0	16.0	17.5	7.7%	0.3%
Defence Reserve Direction	24.6	25.2	28.1	28.5	5.1%	0.5%	29.4	30.9	33.5	5.5%	0.5%
Defence Foreign Relations	255.5	262.2	312.1	331.9	9.1%	5.6%	277.4	319.2	344.2	1.2%	5.5%
Office Accommodation	1 978.9	2 103.3	2 283.2	2 268.7	4.7%	41.4%	2 400.3	2 534.7	2 674.1	5.6%	42.7%
Military Veterans Management	504.2	582.2	597.6	622.1	7.3%	11.1%	627.1	664.5	703.6	4.2%	11.3%
Total	4 659.0	4 981.5	5 740.6	5 469.5	5.5%	100.0%	5 548.9	5 839.6	6 252.2	4.6%	100.0%
Change to 2017 Budget estimate				88.7			(228.1)	(107.6)	(231.7)		
Economic classification											
Current payments	4 029.1	4 309.6	5 063.6	4 775.4	5.8%	87.2%	4 856.8	5 108.6	5 479.2	4.7%	87.5%
Compensation of employees	1 535.0	1 689.6	2 105.2	1 929.6	7.9%	34.8%	1 891.5	2 027.0	2 242.7	5.1%	35.0%
Goods and services ¹	2 494.1	2 620.0	2 958.4	2 845.8	4.5%	52.4%	2 965.3	3 081.6	3 236.5	4.4%	52.5%
<i>of which:</i>											
Advertising	9.9	5.1	94.2	4.1	-25.6%	0.5%	76.0	82.9	89.1	179.0%	1.1%
Computer services	76.2	78.7	86.7	109.6	12.9%	1.7%	54.2	51.4	52.7	-21.6%	1.2%
Operating leases	376.0	1 295.5	1 478.1	1 384.4	54.4%	21.7%	1 483.4	1 590.8	1 677.7	6.6%	26.6%
Property payments	1 678.2	846.8	853.9	978.8	-16.4%	20.9%	1 039.7	1 095.9	1 158.0	5.8%	18.5%
Travel and subsistence	133.1	141.0	152.3	117.8	-4.0%	2.6%	83.5	87.3	91.6	-8.0%	1.6%
Training and development	38.5	37.5	39.5	38.1	-0.4%	0.7%	35.3	35.7	37.1	-0.9%	0.6%
Transfers and subsidies¹	557.1	628.3	647.7	667.5	6.2%	12.0%	674.6	710.6	751.2	4.0%	12.1%
Provinces and municipalities	0.0	0.0	0.0	0.0	23.5%	-	0.0	0.0	0.0	13.7%	-
Departmental agencies and accounts	525.2	604.8	618.3	643.2	7.0%	11.5%	649.1	687.6	727.7	4.2%	11.7%
Public corporations and private enterprises	0.2	-	0.1	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	7.1	7.2	8.6	7.9	3.6%	0.1%	8.3	8.7	9.2	5.0%	0.1%
Households	24.6	16.3	20.6	16.4	-12.7%	0.4%	17.2	14.3	14.3	-4.3%	0.3%
Payments for capital assets	59.7	43.4	29.1	26.6	-23.6%	0.8%	17.5	20.3	21.7	-6.5%	0.4%
Buildings and other fixed structures	0.0	0.0	0.2	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	58.8	42.8	28.9	26.6	-23.3%	0.8%	17.5	20.3	21.7	-6.5%	0.4%
Software and other intangible assets	0.9	0.6	-	0.0	-62.7%	-	0.0	0.1	-	-100.0%	-
Payments for financial assets	13.2	0.3	0.2	-	-100.0%	0.1%	-	-	-	-	-
Total	4 659.0	4 981.5	5 740.6	5 469.5	5.5%	100.0%	5 548.9	5 839.6	6 252.2	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.9%	11.1%	12.2%	11.2%	-	-	11.6%	11.5%	11.6%	-	-

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

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Households											
Social benefits											
Current	13.7	16.2	20.6	16.2	5.7%	0.3%	17.2	14.1	14.3	-4.1%	0.3%
Employee social benefits	13.7	16.2	20.6	16.2	5.7%	0.3%	17.2	14.1	14.3	-4.1%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	525.2	604.8	618.3	643.2	7.0%	11.5%	649.1	687.6	727.7	4.2%	11.7%
Safety and Security Sector Education and Training Authority	21.0	22.6	20.7	21.1	0.1%	0.4%	22.0	23.1	24.1	4.5%	0.4%
Department of Military Veterans	504.2	582.2	597.6	622.1	7.3%	11.1%	627.1	664.5	703.6	4.2%	11.3%
Non-profit institutions											
Current	7.1	7.2	8.6	7.9	3.6%	0.1%	8.3	8.7	9.2	5.0%	0.1%
Reserve Force Council	7.1	7.2	8.6	7.9	3.6%	0.1%	8.3	8.7	9.2	5.0%	0.1%

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

Programme 2: Force Employment

Programme purpose

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

Objectives

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements over the medium term
 - ensuring full participation in the number of peace missions, as instructed by the president, over the medium term
 - conducting 8 joint, interdepartmental, interagency and multinational military force preparation exercises, excluding special forces exercises, from 2018/19 to 2020/21
 - conducting internal operations in the interest of 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 safeguarding borders, assisting during disasters, 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Strategic Direction	125.9	164.3	152.0	155.9	7.4%	4.2%	175.5	184.0	211.0	10.6%	5.1%
Operational Direction	257.0	286.2	288.4	331.4	8.8%	8.2%	340.1	359.2	391.9	5.7%	10.0%
Special Operations	708.7	756.5	810.1	864.4	6.8%	22.1%	844.3	903.4	979.1	4.2%	25.2%
Regional Security	1 638.6	1 573.0	1 068.8	1 114.6	-12.1%	38.0%	1 081.1	1 082.2	1 089.6	-0.8%	30.6%
Support to the People	901.2	822.8	1 111.7	1 069.0	5.9%	27.5%	934.6	1 067.1	1 089.6	0.6%	29.2%
Total	3 631.4	3 602.8	3 431.0	3 535.4	-0.9%	100.0%	3 375.6	3 596.0	3 761.2	2.1%	100.0%
Change to 2017				(153.2)			(51.3)	(153.8)	18.0		
Budget estimate											
Economic classification											
Current payments	3 053.1	3 038.3	2 885.7	3 079.2	0.3%	84.9%	3 016.4	3 245.1	3 370.6	3.1%	89.1%
Compensation of employees	1 854.5	1 898.3	1 948.6	2 045.6	3.3%	54.6%	1 909.1	2 131.4	2 270.7	3.5%	58.6%
Goods and services ¹	1 198.6	1 140.0	937.1	1 033.6	-4.8%	30.3%	1 107.4	1 113.7	1 099.9	2.1%	30.5%
<i>of which:</i>											
Contractors	427.3	364.8	212.7	306.6	-10.5%	9.2%	357.0	333.9	288.2	-2.0%	9.0%
Inventory: Food and food supplies	108.5	124.4	113.1	138.9	8.6%	3.4%	150.1	156.6	183.0	9.6%	4.4%
Inventory: Fuel, oil and gas	50.2	32.5	63.6	47.7	-1.7%	1.4%	53.7	56.3	77.7	17.7%	1.7%
Property payments	21.2	13.4	15.8	30.4	12.7%	0.6%	32.5	25.5	36.2	6.0%	0.9%
Travel and subsistence	221.4	248.2	214.2	172.9	-7.9%	6.0%	182.6	251.2	212.2	7.1%	5.7%
Operating payments	114.1	85.3	112.5	190.0	18.5%	3.5%	159.5	96.4	102.3	-18.6%	3.8%
Transfers and subsidies¹	288.0	431.6	257.3	272.9	-1.8%	8.8%	266.5	258.4	276.1	0.4%	7.5%
Departmental agencies and accounts	276.9	412.3	241.3	256.6	-2.5%	8.4%	251.8	241.7	259.0	0.3%	7.1%
Foreign governments and international organisations	-	5.8	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	8.1	8.0	8.4	8.9	3.1%	0.2%	9.3	9.8	10.3	5.1%	0.3%
Households	3.1	5.4	7.5	7.3	33.3%	0.2%	5.3	6.8	6.7	-3.2%	0.2%
Payments for capital assets	290.3	132.9	288.1	183.3	-14.2%	6.3%	92.6	92.5	114.5	-14.5%	3.4%
Buildings and other fixed structures	0.5	10.0	5.9	0.4	-6.6%	0.1%	2.6	1.0	2.6	86.2%	-
Machinery and equipment	289.8	123.0	282.1	181.9	-14.4%	6.2%	89.0	90.4	110.8	-15.2%	3.3%
Specialised military assets	-	-	-	1.0	-	-	1.0	1.0	1.1	3.3%	-
Total	3 631.4	3 602.8	3 431.0	3 535.4	-0.9%	100.0%	3 375.6	3 596.0	3 761.2	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	8.5%	8.0%	7.3%	7.2%	-	-	7.0%	7.1%	7.0%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	3.1	5.4	7.4	7.3	33.5%	0.2%	5.3	6.8	6.7	-3.2%	0.2%
Employee social benefits	3.1	5.4	7.4	7.3	33.5%	0.2%	5.3	6.8	6.7	-3.2%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	276.9	412.3	241.3	256.6	-2.5%	8.4%	251.8	241.7	259.0	0.3%	7.1%
Special defence account	276.9	412.3	241.3	256.6	-2.5%	8.4%	251.8	241.7	259.0	0.3%	7.1%
Foreign governments and international organisations											
Current	-	5.8	-	-	-	-	-	-	-	-	-
Southern African Development Community	-	5.8	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	8.0	8.0	8.4	8.9	3.5%	0.2%	9.3	9.8	10.3	5.1%	0.3%
Armaments Corporation of South Africa	8.0	8.0	8.4	8.9	3.5%	0.2%	9.3	9.8	10.3	5.1%	0.3%

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

Programme 3: Landward Defence

Programme purpose

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

Objectives

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

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

Subprogrammes

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

Expenditure trends and estimates

Table 19.11 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Strategic Direction	419.0	442.8	458.9	488.6	5.3%	2.9%	396.2	398.3	413.8	-5.4%	2.5%
Infantry Capability	5 404.0	6 102.5	6 208.9	6 972.8	8.9%	40.2%	6 626.6	6 545.4	6 444.6	-2.6%	39.9%
Armour Capability	374.7	399.3	446.6	449.5	6.3%	2.7%	472.8	502.1	522.0	5.1%	2.9%
Artillery Capability	425.6	527.6	471.6	486.5	4.6%	3.1%	482.8	725.1	643.5	9.8%	3.5%
Air Defence Artillery Capability	478.1	561.6	571.4	681.7	12.6%	3.7%	547.8	492.5	520.0	-8.6%	3.4%
Engineering Capability	623.1	675.9	755.4	745.9	6.2%	4.6%	795.3	823.3	857.5	4.8%	4.8%
Operational Intelligence	188.3	202.5	206.4	236.7	7.9%	1.4%	233.5	245.3	257.7	2.9%	1.5%
Command and Control Capability	177.8	188.9	199.0	209.3	5.6%	1.3%	218.1	234.9	246.5	5.6%	1.4%
Support Capability	4 428.2	4 414.8	4 531.2	4 705.1	2.0%	29.4%	4 595.5	4 707.3	5 037.1	2.3%	28.6%
General Training Capability	411.5	397.7	413.1	474.1	4.8%	2.8%	528.2	561.2	584.3	7.2%	3.2%
Signal Capability	1 119.0	1 205.2	1 295.5	1 269.6	4.3%	8.0%	1 337.6	1 396.7	1 454.5	4.6%	8.2%
Total	14 049.1	15 119.0	15 557.8	16 719.8	6.0%	100.0%	16 234.3	16 632.1	16 981.5	0.5%	100.0%
Change to 2017				169.6			(911.2)	(1 528.7)	(1 930.9)		
Budget estimate											
Economic classification											
Current payments	11 652.1	12 484.2	13 179.4	13 409.2	4.8%	82.6%	13 665.8	14 548.4	15 265.6	4.4%	85.5%
Compensation of employees	9 795.6	10 584.0	11 470.7	11 693.9	6.1%	70.9%	11 499.3	12 367.1	12 856.8	3.2%	72.7%
Goods and services ¹	1 856.5	1 900.2	1 708.7	1 715.3	-2.6%	11.7%	2 166.5	2 181.3	2 408.8	12.0%	12.7%
of which:											
Contractors	352.5	357.2	197.4	122.9	-29.6%	1.7%	266.9	287.3	223.6	22.1%	1.4%
Fleet services (including government motor transport)	48.5	84.9	65.3	20.0	-25.6%	0.4%	81.4	157.7	234.8	127.4%	0.7%
Inventory: Clothing material and accessories	148.1	88.0	39.1	103.7	-11.2%	0.6%	131.5	103.7	152.7	13.8%	0.7%
Inventory: Food and food supplies	473.4	476.9	588.2	479.4	0.4%	3.3%	547.2	566.1	587.6	7.0%	3.3%
Inventory: Fuel, oil and gas	152.0	211.2	164.5	198.6	9.3%	1.2%	262.3	272.7	283.0	12.5%	1.5%
Travel and subsistence	251.4	277.3	339.6	321.0	8.5%	1.9%	323.4	316.7	325.0	0.4%	1.9%
Transfers and subsidies ¹	2 251.8	2 528.6	2 225.1	3 259.6	13.1%	16.7%	2 532.0	2 040.4	1 668.3	-20.0%	14.3%
Provinces and municipalities	0.0	0.0	0.1	-	-100.0%	-	0.0	0.0	0.0	-	-
Departmental agencies and accounts	2 158.4	2 451.2	2 144.8	3 191.4	13.9%	16.2%	2 446.3	1 873.0	1 556.4	-21.3%	13.6%
Public corporations and private enterprises	50.2	33.6	38.7	35.2	-11.2%	0.3%	27.8	28.8	35.5	0.3%	0.2%
Households	43.2	43.8	41.5	33.0	-8.6%	0.3%	57.9	138.5	76.3	32.3%	0.5%
Payments for capital assets	144.5	104.9	152.6	51.0	-29.3%	0.7%	36.5	43.3	47.5	-2.3%	0.3%
Buildings and other fixed structures	0.9	0.1	34.5	5.1	76.6%	0.1%	3.1	3.4	3.6	-11.1%	-
Machinery and equipment	143.5	104.8	118.1	45.9	-31.6%	0.7%	32.3	39.0	42.9	-2.2%	0.2%
Specialised military assets	-	-	-	-	-	-	1.1	1.0	1.0	-	-
Software and other intangible assets	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.8	1.3	0.8	-	-100.0%	-	-	-	-	-	-
Total	14 049.1	15 119.0	15 557.8	16 719.8	6.0%	100.0%	16 234.3	16 632.1	16 981.5	0.5%	100.0%
Proportion of total programme expenditure to vote expenditure	32.8%	33.5%	33.0%	34.1%	-	-	33.9%	32.8%	31.4%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	29.5	40.8	40.0	33.0	3.8%	0.2%	57.9	138.5	76.3	32.3%	0.5%
Employee social benefits	29.5	40.8	40.0	33.0	3.8%	0.2%	57.9	138.5	76.3	32.3%	0.5%
Households											
Other transfers to households											
Current	13.6	2.5	1.1	-	-100.0%	-	-	-	-	-	-
Claims against the state	13.6	2.5	1.1	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 158.4	2 451.2	2 144.8	3 191.3	13.9%	16.2%	2 446.2	1 873.0	1 556.4	-21.3%	13.6%
Special defence account	2 158.4	2 451.2	2 144.8	3 191.3	13.9%	16.2%	2 446.2	1 873.0	1 556.4	-21.3%	13.6%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	49.7	33.1	38.4	35.2	-10.9%	0.3%	27.8	28.8	35.5	0.3%	0.2%
Armaments Corporation of South Africa	49.7	33.1	38.4	35.2	-10.9%	0.3%	27.8	28.8	35.5	0.3%	0.2%

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

Programme 4: Air Defence

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 19.12 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Strategic Direction	18.3	20.8	24.1	30.6	18.7%	0.3%	31.0	33.4	35.4	4.9%	0.5%
Operational Direction	183.8	255.3	225.8	170.2	-2.5%	3.0%	97.3	191.4	193.8	4.4%	2.3%
Helicopter Capability	817.1	619.7	728.4	1 074.0	9.5%	11.7%	713.6	774.6	830.1	-8.2%	11.8%
Transport and Maritime Capability	1 138.8	684.4	594.1	798.3	-11.2%	11.7%	675.8	1 278.5	1 242.9	15.9%	13.9%
Air Combat Capability	1 108.3	1 368.8	1 230.1	793.2	-10.6%	16.3%	840.1	723.6	1 132.4	12.6%	12.2%
Operational Support and Intelligence Capability	270.9	297.7	322.8	297.0	3.1%	4.3%	343.3	371.4	408.6	11.2%	5.0%
Command and Control Capability	508.7	884.6	606.2	510.4	0.1%	9.1%	692.0	893.3	962.6	23.5%	10.7%
Base Support Capability	1 848.1	1 823.7	1 947.3	1 994.1	2.6%	27.6%	1 803.8	1 752.0	1 963.3	-0.5%	26.2%
Command Post	57.4	60.5	62.6	63.6	3.5%	0.9%	68.9	72.0	79.0	7.5%	1.0%
Training Capability	200.6	492.2	480.5	612.8	45.1%	6.5%	586.3	607.0	694.3	4.2%	8.7%
Technical Support Services	761.5	577.8	560.8	474.1	-14.6%	8.6%	563.9	582.8	634.1	10.2%	7.9%
Total	6 913.5	7 085.7	6 782.6	6 818.5	-0.5%	100.0%	6 415.9	7 280.0	8 176.4	6.2%	100.0%
Change to 2017 Budget estimate				190.5			(545.8)	(1 292.2)	(498.0)		
Economic classification											
Current payments	5 162.9	5 146.5	5 569.9	5 906.6	4.6%	78.9%	5 578.1	5 901.9	6 549.4	3.5%	83.4%
Compensation of employees	3 148.9	3 325.2	3 539.4	3 676.2	5.3%	49.6%	3 602.5	3 839.9	4 264.6	5.1%	53.6%
Goods and services ¹	2 014.0	1 821.3	2 030.5	2 230.4	3.5%	29.3%	1 975.5	2 062.0	2 284.8	0.8%	29.8%
<i>of which:</i>											
Contractors	1 329.4	1 086.5	1 322.3	1 238.4	-2.3%	18.0%	1 121.2	1 157.6	1 305.3	1.8%	16.8%
Inventory: Fuel, oil and gas	154.1	244.3	189.9	276.0	21.5%	3.1%	173.0	218.2	256.6	-2.4%	3.2%
Inventory: Other supplies	49.7	17.6	23.5	71.5	12.9%	0.6%	77.1	81.0	66.2	-2.5%	1.0%
Travel and subsistence	86.6	103.2	128.0	83.5	-1.2%	1.5%	78.3	78.1	85.2	0.7%	1.1%
Training and development	45.1	26.3	24.0	84.9	23.5%	0.7%	123.5	125.2	136.8	17.2%	1.6%
Operating payments	135.4	128.6	162.0	145.9	2.5%	2.1%	107.8	159.7	166.5	4.5%	2.0%
Transfers and subsidies¹	1 630.9	1 852.9	1 139.0	894.4	-18.1%	20.0%	821.0	1 360.6	1 608.3	21.6%	16.3%
Provinces and municipalities	0.0	0.0	0.0	0.0	14.5%	-	0.0	0.0	0.0	-	-
Departmental agencies and accounts	1 618.1	1 837.6	1 120.6	876.5	-18.5%	19.8%	785.1	1 335.1	1 584.3	21.8%	16.0%
Public corporations and private enterprises	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	12.6	15.3	18.4	17.9	12.4%	0.2%	35.8	25.5	24.0	10.2%	0.4%
Payments for capital assets	119.2	86.1	73.3	17.5	-47.3%	1.1%	16.9	17.5	18.7	2.3%	0.2%
Buildings and other fixed structures	0.1	12.7	1.4	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	119.0	73.4	71.7	17.5	-47.2%	1.0%	16.9	17.5	18.7	2.3%	0.2%
Specialised military assets	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	-	0.2	-	-	-	-	-	-	-	-
Payments for financial assets	0.6	0.2	0.3	-	-100.0%	-	-	-	-	-	-
Total	6 913.5	7 085.7	6 782.6	6 818.5	-0.5%	100.0%	6 415.9	7 280.0	8 176.4	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	16.1%	15.7%	14.4%	13.9%	-	-	13.4%	14.4%	15.1%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	12.1	13.6	18.3	17.8	13.9%	0.2%	35.8	25.5	24.0	10.3%	0.4%
Employee social benefits	12.1	13.6	18.3	17.8	13.9%	0.2%	35.8	25.5	24.0	10.3%	0.4%
Households											
Other transfers to households											
Current	-	1.7	-	-	-	-	-	-	-	-	-
Claims against the state	-	1.7	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 618.1	1 837.6	1 120.6	876.5	-18.5%	19.8%	785.1	1 335.1	1 584.3	21.8%	16.0%
Special defence account	1 618.1	1 837.6	1 120.6	876.5	-18.5%	19.8%	785.1	1 335.1	1 584.3	21.8%	16.0%

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.

Programme 5: Maritime Defence

Programme purpose

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

Objectives

- Defend and protect South Africa and its maritime zones over the medium term by providing:

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

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Maritime Direction	524.9	586.2	607.3	582.2	3.5%	14.0%	569.3	608.2	654.7	4.0%	13.1%
Maritime Combat Capability	1 129.3	1 238.8	1 694.7	1 873.1	18.4%	36.1%	1 570.4	1 378.8	1 747.6	-2.3%	35.5%
Maritime Logistic Support Capability	1 104.0	803.9	841.8	940.7	-5.2%	22.5%	1 133.1	1 193.9	1 303.6	11.5%	24.7%
Maritime Human Resources and Training Capability	445.2	497.7	529.6	538.6	6.6%	12.2%	545.2	594.1	663.3	7.2%	12.7%
Base Support Capability	599.0	606.2	625.1	655.4	3.0%	15.1%	606.6	633.8	697.9	2.1%	14.0%
Total	3 802.4	3 732.7	4 298.4	4 590.0	6.5%	100.0%	4 424.7	4 408.7	5 067.0	3.4%	100.0%
Change to 2017 Budget estimate				(200.0)			(506.8)	(73.6)	(569.5)		
Economic classification											
Current payments	2 886.5	2 803.5	2 889.5	3 009.2	1.4%	70.6%	3 150.8	3 304.0	3 718.4	7.3%	71.3%
Compensation of employees	1 968.7	2 102.8	2 235.1	2 288.0	5.1%	52.3%	2 274.7	2 444.1	2 671.1	5.3%	52.3%
Goods and services ¹	917.8	700.7	654.4	721.2	-7.7%	18.2%	876.1	859.9	1 047.3	13.2%	19.0%
<i>of which:</i>											
Contractors	473.4	258.5	238.2	184.5	-27.0%	7.0%	254.0	247.7	258.2	11.9%	5.1%
Inventory: Food and food supplies	114.9	77.2	56.1	102.9	-3.6%	2.1%	120.6	131.9	138.8	10.5%	2.7%
Inventory: Fuel, oil and gas	29.9	92.6	85.2	73.1	34.7%	1.7%	109.2	96.9	150.4	27.2%	2.3%
Inventory: Other supplies	54.9	25.1	34.9	75.6	11.2%	1.2%	126.8	95.2	192.4	36.5%	2.7%
Travel and subsistence	57.3	71.0	77.3	53.3	-2.4%	1.6%	56.1	60.0	68.8	8.9%	1.3%
Operating payments	43.9	50.4	47.7	56.8	9.0%	1.2%	47.4	53.3	55.9	-0.6%	1.2%
Transfers and subsidies¹	867.6	836.7	1 383.1	1 569.4	21.8%	28.4%	1 262.1	1 094.0	1 337.4	-5.2%	28.5%
Departmental agencies and accounts	648.9	602.0	1 123.0	1 284.0	25.5%	22.3%	957.3	786.6	1 013.1	-7.6%	21.9%
Public corporations and private enterprises	208.9	219.9	244.3	270.0	8.9%	5.7%	283.7	298.4	313.4	5.1%	6.3%
Households	9.8	14.8	15.8	15.5	16.3%	0.3%	21.1	9.0	11.0	-10.9%	0.3%
Payments for capital assets	48.0	92.3	25.6	11.3	-38.2%	1.1%	11.9	10.7	11.2	-0.4%	0.2%
Buildings and other fixed structures	0.6	1.5	0.3	1.5	36.3%	–	–	–	–	-100.0%	–
Machinery and equipment	47.4	32.7	15.8	9.8	-40.8%	0.6%	11.2	10.0	10.5	2.1%	0.2%
Specialised military assets	–	58.1	7.6	–	–	0.4%	–	–	–	–	–
Software and other intangible assets	–	–	2.0	–	–	–	0.7	0.7	0.7	–	–
Payments for financial assets	0.2	0.3	0.1	–	-100.0%	–	–	–	–	–	–
Total	3 802.4	3 732.7	4 298.4	4 590.0	6.5%	100.0%	4 424.7	4 408.7	5 067.0	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.9%	8.3%	9.1%	9.4%	–	–	9.2%	8.7%	9.4%	–	–

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

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	648.9	602.0	1 123.0	1 284.0	25.5%	22.3%	957.3	786.6	1 013.1	-7.6%	21.9%
Special defence account	648.9	602.0	1 123.0	1 284.0	25.5%	22.3%	957.3	786.6	1 013.1	-7.6%	21.9%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	208.6	219.9	244.3	270.0	9.0%	5.7%	283.7	298.4	313.4	5.1%	6.3%
Armaments Corporation of South Africa	208.6	219.9	244.3	270.0	9.0%	5.7%	283.7	298.4	313.4	5.1%	6.3%

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.

Programme 6: Military Health Support

Programme purpose

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

Objectives

- Ensure prepared and supported health capabilities and services on an annual basis by providing: a health support capability of 5 medical battalion groups and 1 specialist medical battalion group for deployed and contingency forces
- a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members.

Subprogrammes

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

Expenditure trends and estimates

Table 19.14 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Strategic Direction	218.3	168.3	184.3	176.1	-6.9%	4.3%	191.7	199.6	219.9	7.7%	3.9%
Mobile Military Health Support	120.8	120.7	120.9	134.1	3.5%	2.9%	131.6	198.3	239.7	21.4%	3.5%
Area Military Health Service	1 455.5	1 597.7	1 672.3	1 676.4	4.8%	36.9%	1 672.2	1 907.2	2 106.0	7.9%	36.1%
Specialist/Tertiary Health Service	1 433.3	1 553.4	1 718.5	1 754.6	7.0%	37.3%	1 876.5	2 077.4	2 269.9	9.0%	39.2%
Military Health Product Support Capability	212.9	134.5	182.0	197.5	-2.5%	4.2%	295.0	307.5	332.6	19.0%	5.6%
Military Health Maintenance Capability	256.4	319.6	235.7	271.0	1.9%	6.2%	175.8	183.0	201.1	-9.5%	4.1%
Military Health Training Capability	355.9	348.9	335.1	376.9	1.9%	8.2%	371.3	391.1	437.7	5.1%	7.7%
Total	4 053.1	4 243.2	4 448.7	4 586.7	4.2%	100.0%	4 714.1	5 264.1	5 806.8	8.2%	100.0%
Change to 2017 Budget estimate				-			(102.7)	(107.2)	(6.1)		
Economic classification											
Current payments	3 886.4	4 170.0	4 374.0	4 521.7	5.2%	97.8%	4 650.5	5 142.7	5 664.9	7.8%	98.1%
Compensation of employees	2 865.5	3 136.3	3 328.8	3 373.7	5.6%	73.3%	3 379.9	3 636.5	4 023.8	6.0%	70.8%
Goods and services ¹	1 021.0	1 033.7	1 045.2	1 148.1	4.0%	24.5%	1 270.6	1 506.2	1 641.1	12.6%	27.3%
of which:											
Contractors	56.2	40.0	40.1	81.6	13.3%	1.3%	79.1	77.6	87.8	2.5%	1.6%
Agency and support/outsourced services	362.2	406.1	422.0	433.5	6.2%	9.4%	436.3	480.0	497.9	4.7%	9.1%
Inventory: Food and food supplies	53.5	85.1	54.4	49.7	-2.4%	1.4%	60.8	66.8	73.3	13.8%	1.2%
Inventory: Medical supplies	75.1	71.5	59.9	102.0	10.7%	1.8%	109.5	159.4	201.2	25.4%	2.8%
Inventory: Medicine	166.3	154.1	198.0	155.1	-2.3%	3.9%	194.5	328.7	356.5	32.0%	5.1%
Travel and subsistence	62.9	79.4	84.9	69.6	3.5%	1.7%	81.1	83.3	93.4	10.3%	1.6%
Transfers and subsidies¹	46.1	26.2	15.5	26.9	-16.4%	0.7%	15.0	73.9	108.3	59.1%	1.1%
Provinces and municipalities	-	-	-	0.0	-	-	1.4	0.8	0.5	396.0%	-
Departmental agencies and accounts	15.4	6.7	-	11.1	-10.2%	0.2%	0.1	62.7	97.3	106.1%	0.8%
Public corporations and private enterprises	0.1	0.0	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	0.8	0.9	0.7	1.0	8.1%	-	1.0	1.0	1.1	2.7%	-
Households	29.9	18.6	14.9	14.8	-20.9%	0.5%	12.5	9.3	9.4	-14.1%	0.2%
Payments for capital assets	120.2	46.3	58.6	38.1	-31.8%	1.5%	48.6	47.5	33.7	-4.0%	0.8%
Buildings and other fixed structures	0.2	0.3	0.3	2.6	143.5%	-	0.0	-	-	-100.0%	-
Machinery and equipment	119.2	46.0	58.3	34.7	-33.7%	1.5%	47.8	47.5	33.7	-1.0%	0.8%
Specialised military assets	0.9	-	-	0.8	-4.1%	-	0.7	-	-	-100.0%	-
Payments for financial assets	0.4	0.6	0.7	-	-100.0%	-	-	-	-	-	-
Total	4 053.1	4 243.2	4 448.7	4 586.7	4.2%	100.0%	4 714.1	5 264.1	5 806.8	8.2%	100.0%
Proportion of total programme expenditure to vote expenditure	9.5%	9.4%	9.4%	9.4%	-	-	9.8%	10.4%	10.8%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	20.2	3.9	2.7	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	20.2	3.9	2.7	-	-100.0%	0.2%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	15.4	6.7	-	11.1	-10.4%	0.2%	-	62.7	97.3	106.5%	0.8%
Special defence account	15.4	6.7	-	11.1	-10.4%	0.2%	-	62.7	97.3	106.5%	0.8%

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.

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capabilities.

Objective

- Ensure prepared and supported intelligence services annually by providing an intelligence capability, a counterintelligence capability and a defence foreign relations capability.

Subprogrammes

- *Strategic Direction* provides advice on defence intelligence, policy and doctrine in support of the department's decision-making and policy formulation processes.

- *Operations* provides timely defence prediction, intelligence and counterintelligence capabilities and services.
- *Defence Intelligence Support Services* provides human resources, logistics, planning, security, labour relations, and training and information support services to the defence intelligence community.

Expenditure trends and estimates

Table 19.15 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Operations	472.6	459.8	472.4	465.4	-0.5%	54.2%	529.2	543.6	568.8	6.9%	53.7%
Defence Intelligence Support Services	347.2	370.3	408.9	451.9	9.2%	45.8%	421.2	448.1	494.5	3.0%	46.3%
Total	819.8	830.1	881.3	917.3	3.8%	100.0%	950.4	991.7	1 063.3	5.0%	100.0%
Change to 2017 Budget estimate				-			(16.1)	(10.5)	(24.7)		
Economic classification	358.7	382.1	422.7	462.6	8.8%	47.2%	436.4	466.6	513.1	3.5%	47.9%
Current payments											
Compensation of employees	327.8	347.9	379.2	403.6	7.2%	42.3%	387.4	415.7	459.3	4.4%	42.5%
Goods and services ¹	30.9	34.2	43.5	59.0	24.1%	4.9%	49.0	50.9	53.7	-3.1%	5.4%
<i>of which:</i>											
Communication	1.5	1.6	1.9	2.4	16.1%	0.2%	2.4	2.6	2.7	4.4%	0.3%
Inventory: Food and food supplies	10.2	10.4	11.9	12.0	5.5%	1.3%	14.3	14.7	15.1	7.9%	1.4%
Inventory: Fuel, oil and gas	1.9	1.9	2.1	3.3	20.4%	0.3%	3.4	3.6	3.8	3.9%	0.4%
Operating leases	6.4	7.6	8.3	6.8	1.8%	0.8%	6.6	6.9	7.6	3.9%	0.7%
Travel and subsistence	3.9	6.3	6.9	8.9	31.3%	0.8%	9.0	9.5	9.9	3.8%	1.0%
Training and development	1.6	1.3	1.6	2.7	18.0%	0.2%	2.7	2.9	3.0	4.2%	0.3%
Transfers and subsidies¹	456.5	445.0	457.7	451.0	-0.4%	52.5%	510.0	520.9	545.9	6.6%	51.7%
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	455.8	442.3	452.1	444.5	-0.8%	52.0%	505.5	519.1	543.3	6.9%	51.3%
Public corporations and private enterprises	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.7	2.7	5.6	6.5	110.0%	0.4%	4.5	1.8	2.6	-26.8%	0.4%
Payments for capital assets	4.5	3.0	0.9	3.6	-7.0%	0.3%	3.9	4.1	4.3	6.1%	0.4%
Machinery and equipment	4.5	3.0	0.9	3.6	-7.0%	0.3%	3.9	4.1	4.3	6.1%	0.4%
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	819.8	830.1	881.3	917.3	3.8%	100.0%	950.4	991.7	1 063.3	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.8%	1.9%	1.9%	-	-	2.0%	2.0%	2.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	455.8	442.3	452.1	444.5	-0.8%	52.0%	505.5	519.1	543.3	6.9%	51.3%
Communication	-	0.2	-	0.3	-	-	0.4	0.4	0.4	7.9%	-
Special defence account	455.8	442.0	452.1	444.2	-0.9%	52.0%	505.1	518.7	542.9	6.9%	51.3%

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.

Programme 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services through effective and efficient centralised common logistical support in respect of ordered commitments, in accordance with the defence policy and strategy, by providing:
 - appropriate, ready and sustained centralised common matériel management to the department
 - appropriate, ready and sustained centralised facilities management to the department
 - appropriate, ready and sustained centralised common logistic services and movement management to the department
 - sound logistic strategic direction to the department.

- Provide ICT prime systems integration and strategic direction to the department over the medium term by providing:
 - strategic direction and staff support services
 - integrated ICT solutions and enablers
 - an information warfare strategic direction capability
 - maintenance and support for information systems.
- Provide a military policing capability to the department by:
 - conducting 124 deliberate crime prevention operations each year over the medium term
 - investigating 100 per cent of corruption and fraud cases reported each 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 the investigation of criminal cases over the medium term
 - sustaining 2 military correctional facilities for detention and rehabilitation over the medium term.

Subprogrammes

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

Expenditure trends and estimates

Table 19.16 General Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Joint Logistic Services	2 125.7	2 546.7	2 925.3	3 227.1	14.9%	47.5%	2 938.9	3 109.2	3 136.8	-0.9%	47.3%
Command and Management Information Systems	865.7	1 096.5	1 143.7	1 025.2	5.8%	18.1%	1 048.2	1 137.6	1 197.0	5.3%	16.8%
Military Police	539.6	529.2	589.5	576.1	2.2%	9.8%	665.9	712.2	783.0	10.8%	10.4%
Technology Development	442.3	424.0	515.9	441.3	-0.1%	8.0%	466.0	487.6	472.2	2.3%	7.1%
Departmental Support	940.7	880.2	882.3	1 092.7	5.1%	16.6%	1 167.0	1 237.5	1 302.0	6.0%	18.3%
Total	4 914.1	5 476.6	6 056.7	6 362.4	9.0%	100.0%	6 285.9	6 684.1	6 891.0	2.7%	100.0%
Change to 2017				285.2			(298.5)	3.5	(278.6)		
Budget estimate											
Economic classification											
Current payments	3 314.7	3 893.4	4 395.9	4 011.7	6.6%	68.5%	4 092.8	4 404.2	4 550.7	4.3%	65.1%
Compensation of employees	1 509.8	1 704.0	2 052.7	2 037.5	10.5%	32.0%	2 172.3	2 331.9	2 576.8	8.1%	34.8%
Goods and services ¹	1 804.9	2 189.4	2 343.2	1 974.2	3.0%	36.4%	1 920.5	2 072.3	1 973.9	-	30.3%
of which:											
Audit costs: External	61.8	60.0	50.6	64.0	1.2%	1.0%	68.8	73.4	77.0	6.4%	1.1%
Computer services	727.9	804.1	682.1	803.4	3.3%	13.2%	881.7	956.9	991.8	7.3%	13.9%
Consultants: Business and advisory services	262.3	240.9	127.0	183.7	-11.2%	3.6%	160.1	171.2	14.2	-57.4%	2.0%
Contractors	83.8	90.5	96.1	159.1	23.8%	1.9%	115.7	121.2	135.2	-5.3%	2.0%
Property payments	345.0	515.2	599.8	60.8	-43.9%	6.7%	304.9	313.9	321.5	74.2%	3.8%
Travel and subsistence	67.2	64.9	99.5	100.7	14.4%	1.5%	58.1	60.5	60.5	-15.6%	1.1%
Transfers and subsidies¹	1 302.2	1 254.1	1 341.4	1 445.4	3.5%	23.4%	1 533.2	1 642.9	1 685.1	5.2%	24.0%
Provinces and municipalities	0.0	0.0	0.0	0.1	21.5%	-	0.1	0.1	0.1	4.3%	-
Departmental agencies and accounts	445.7	483.2	551.6	446.8	0.1%	8.4%	416.2	473.1	457.4	0.8%	6.8%
Public corporations and private enterprises	846.6	760.9	776.2	982.9	5.1%	14.8%	1 101.9	1 160.7	1 216.2	7.4%	17.0%
Households	9.9	9.9	13.5	15.7	16.5%	0.2%	15.1	9.0	11.4	-10.1%	0.2%

Table 19.16 General Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million											
Payments for capital assets	294.8	329.1	319.1	905.4	45.4%	8.1%	659.9	637.0	655.2	-10.2%	10.9%
Buildings and other fixed structures	62.6	58.1	105.3	648.5	118.0%	3.8%	523.9	539.6	551.8	-5.2%	8.6%
Machinery and equipment	228.3	271.0	121.0	135.8	-15.9%	3.3%	96.2	97.0	102.9	-8.8%	1.6%
Specialised military assets	3.4	–	–	–	-100.0%	–	–	–	–	–	–
Software and other intangible assets	0.6	0.1	92.8	121.1	490.6%	0.9%	39.8	0.4	0.4	-84.6%	0.6%
Payments for financial assets	2.3	0.1	0.3	–	-100.0%	–	–	–	–	–	–
Total	4 914.1	5 476.6	6 056.7	6 362.4	9.0%	100.0%	6 285.9	6 684.1	6 891.0	2.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.5%	12.2%	12.8%	13.0%	–	–	13.1%	13.2%	12.8%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	8.5	8.9	13.2	15.7	22.6%	0.2%	15.1	9.0	11.4	-10.1%	0.2%
Employee social benefits	8.5	8.9	13.2	15.7	22.6%	0.2%	15.1	9.0	11.4	-10.1%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	445.7	483.2	551.6	446.8	0.1%	8.4%	416.2	473.1	457.4	0.8%	6.8%
Special defence account	445.7	483.2	551.6	446.8	0.1%	8.4%	416.2	473.1	457.4	0.8%	6.8%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	829.9	760.9	752.3	982.9	5.8%	14.6%	1 101.9	1 160.7	1 216.2	7.4%	17.0%
Armaments Corporation of South Africa	829.9	760.9	752.3	982.9	5.8%	14.6%	1 101.9	1 160.7	1 216.2	7.4%	17.0%

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.

Other departments within the vote

Department of Military Veterans

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	127.6	124.0	–	3.5	136.1	144.9
Socioeconomic Support	336.8	103.3	230.1	3.3	356.8	377.6
Empowerment and Stakeholder Management	162.8	158.7	4.0	0.0	171.7	181.2
Total expenditure estimates	627.1	386.0	234.2	6.9	664.5	703.6

Executive authority: Minister of Defence and Military Veterans
Accounting officer: Director General of Military Veterans
Website address: www.dmv.gov.za

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

Department purpose

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

Mandate

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

Selected performance indicators

Table 19.17 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			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	6 795	8 264	15 740	15 000	17 000	18 000	19 000
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	— ³	130 ³	168 ³	1 000 ³	1 000 ³	1 000 ³	1 000 ³
Total number of bursaries provided to military veterans and their dependents ^{4,5}	Socioeconomic Support	Outcome 1: Quality basic education	645	5 482	7 146	8 700	10 700	12 700	14 700
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	2	2	2	2	3 ⁶	3 ⁶	3 ⁶

- Increases over the MTEF period are mainly due to the approval of regulations for military veterans' benefits, resulting in the increased marketing of benefits and recruitment of additional personnel.
- This indicator has been reworded to align with the department's annual performance plan.
- Although the department has 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 MTEF period. There are ongoing engagements between the Department of Military Veterans and the Department of Human Settlements to expedite the delivery of housing to military veterans. Targets over the MTEF period remain constant to align with the available budget and the implementation plan outlined in the memorandum of understanding with the Department of Human Settlements.
- 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 the target. This prompted the upward revision of targets from 2016/17.
- Indicator reworded to reflect cumulative numbers.
- Targets over the MTEF period remain constant to align with the available budget using the 2017/18 target as the baseline. This is in line with the agreement reached with all stakeholders involved in the erection of memorial sites.

Expenditure analysis

Chapter 13 of the NDP sets out goals towards establishing a developmental, capable and ethical state that treats its citizens with dignity. This vision is expressed through 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, all of which are directly aligned with the work of the Department of Military Veterans. Over the medium term, the department plans to continue delivering key benefits such as housing, education, training and skills development, and access to health care to military veterans and their dependants. The department also plans to amend legislation and develop policies to improve the services it provides to military veterans and their dependants.

Delivering key benefits to military veterans and their dependants

Over the MTEF period, 79.1 per cent (R1.6 billion) of the department's total budget is allocated to the *Socioeconomic Support*, and *Empowerment and Stakeholder Management* programmes. Through these programmes, the department expects to deliver 3 000 houses at a projected cost of R264 million over the medium term.

At the end of 2016/17, the department provided 7 146 bursaries to military veterans and their dependants. This was significantly higher than the target of 4 000 as a result of the increased prioritisation of education support, which was provided through reprioritising funds from machinery and equipment, and other social benefits. The department expects to continue this upward trend and award 14 700 bursaries at a projected cost of R465 million over the medium term. A memorandum of understanding between the department, the National Student Financial Aid Scheme and the Department of Basic Education is being implemented. Once in place, the scheme will assist the department with the disbursement of funds at public tertiary institutions on behalf of military veterans and their dependants. A projected 16 500 veterans and their dependants will benefit from training and skills development programmes such as driver training, short courses and hard skills offered through accredited service providers over the MTEF period. The provision of training and skills development is expected to cost R224 million over the medium term in the *Empowerment and Stakeholder Management* programme.

The department plans to increase military veterans' access to health care services, from 15 000 in 2017/18 to 19 000 in 2020/21. This is reflected by a projected 5.9 per cent increase in spending over the MTEF period,

from R78.9 million in 2017/18 to R91.2 million in 2020/21, in the *Health Care and Wellbeing Support* subprogramme in the *Socioeconomic Support* programme.

Development of legislation and policies

To improve the delivery of benefits to military veterans, the department is in the process of amending the Military Veterans Act (2011) to include a clear definition of military veterans. This will improve the administration and management of the database of military veterans, which is central to the department's functioning. Over the MTEF period, the department also expects to finalise and implement the education and pension policies provided for in the Military Veterans Act (2011), for which a projected R62.3 million is allocated in the *Strategic Planning, Policy Development and Monitoring and Evaluation* subprogramme in the *Administration* programme.

Expenditure trends

Table 19.18 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Socioeconomic Support														
3. Empowerment and Stakeholder Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	178.2	178.2	143.6	157.5	157.5	131.3	143.7	143.7	159.2	149.8	149.8	138.7	91.0%	91.0%
Programme 2	168.1	168.1	255.2	266.3	266.3	136.4	294.1	294.1	243.9	307.4	307.4	317.0	92.0%	92.0%
Programme 3	157.9	157.9	64.3	158.4	158.4	80.2	159.8	159.8	101.5	164.9	164.9	166.5	64.4%	64.4%
Total	504.2	504.2	463.1	582.2	582.2	348.0	597.6	597.6	504.6	622.1	622.1	622.1	-	84.0%
Change to 2017 Budget estimate														
Economic classification														
Current payments	496.2	496.2	239.3	360.7	360.7	280.3	347.5	347.5	327.0	378.9	378.9	378.9	77.4%	77.4%
Compensation of employees	92.2	92.2	83.6	97.5	97.5	100.6	102.7	102.7	108.5	113.8	113.8	113.8	100.1%	100.1%
Goods and services	404.1	404.1	155.5	263.2	263.2	179.6	244.8	244.8	218.5	265.1	265.1	265.1	69.5%	69.5%
Interest and rent on land	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	218.8	218.5	218.5	57.6	243.6	243.6	166.1	232.8	232.8	232.8	97.2%	97.2%
Departmental agencies and accounts	-	-	175.6	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	43.2	218.5	218.5	57.6	243.6	243.6	166.1	232.8	232.8	232.8	71.9%	71.9%
Payments for capital assets	7.9	7.9	5.1	3.0	3.0	10.1	6.5	6.5	11.5	10.4	10.4	10.4	133.6%	133.6%
Machinery and equipment	7.9	7.9	5.1	3.0	3.0	10.1	5.2	5.2	7.3	4.6	4.6	4.6	130.4%	130.4%
Heritage assets	-	-	-	-	-	-	-	-	4.3	3.4	3.4	3.4	226.0%	226.0%
Software and other intangible assets	-	-	-	-	-	0.0	1.3	1.3	-	2.4	2.4	2.4	66.2%	66.2%
Total	504.2	504.2	463.1	582.2	582.2	348.0	597.6	597.6	504.6	622.1	622.1	622.1	84.0%	84.0%

Expenditure estimates

Table 19.19 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 (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	138.7	-8.0%	29.6%	127.6	136.1	144.9	1.5%	20.9%
Programme 2	317.0	23.5%	49.2%	336.8	356.8	377.6	6.0%	53.0%
Programme 3	166.5	1.8%	21.3%	162.8	171.7	181.2	2.9%	26.1%
Total	622.1	7.3%	100.0%	627.1	664.5	703.6	4.2%	100.0%
Change to 2017 Budget estimate				(33.0)	(35.0)	(37.0)		

Table 19.19 Departmental 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 (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Current payments	378.9	-8.6%	63.2%	386.0	410.0	435.1	4.7%	61.5%
Compensation of employees	113.8	7.3%	21.0%	122.3	131.5	141.4	7.5%	19.4%
Goods and services	265.1	-13.1%	42.2%	263.8	278.4	293.6	3.5%	42.1%
Transfers and subsidies	232.8	-	34.8%	234.2	247.3	260.9	3.9%	37.3%
Households	232.8	-	25.8%	234.2	247.3	260.9	3.9%	37.3%
Payments for capital assets	10.4	9.5%	1.9%	6.9	7.3	7.7	-9.6%	1.2%
Machinery and equipment	4.6	-16.7%	1.4%	4.4	4.6	4.9	2.2%	0.7%
Heritage assets	3.4	-	0.4%	-	-	-	-100.0%	0.1%
Software and other intangible assets	2.4	-	0.1%	2.5	2.6	2.8	5.0%	0.4%
Total	622.1	7.3%	100.0%	627.1	664.5	703.6	4.2%	100.0%

Expenditure trends and estimates for significant spending items**Table 19.20 Expenditure trends and estimates for significant spending items**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Social benefits	7 512	9 199	35 496	227 841	211.9%	14.5%	53 908	55 309	58 351	-36.5%	15.1%
Contractors	4 389	56 949	61 486	35 290	100.3%	8.2%	58 544	62 103	65 794	23.1%	8.5%
Infrastructure and planning services	-	37	-	561	-	-	14 779	16 051	17 374	214.0%	1.9%
Training and development	3 497	16 543	24 690	70 944	172.7%	6.0%	60 245	62 267	64 876	-2.9%	9.9%
Travel and subsistence	44 287	37 310	41 227	58 975	10.0%	9.4%	55 771	58 894	62 132	1.8%	9.0%
Total	59 685	120 038	162 900	393 611	494.9%	38.1%	243 247	254 624	268 527	199.5%	44.4%

Goods and services expenditure trends and estimates**Table 19.21 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 (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administrative fees	5 431	3 669	4 347	1 322	-37.6%	1.8%	150	158	165	-50.0%	0.2%
Advertising	2 545	12 055	5 972	4 563	21.5%	3.1%	1 392	1 471	1 553	-30.2%	0.8%
Minor assets	1 220	1 844	374	7 126	80.1%	1.3%	7 608	8 032	8 478	6.0%	2.8%
Audit costs: External	7 466	7 891	5 961	4 476	-15.7%	3.2%	4 736	5 001	5 276	5.6%	1.8%
Bursaries: Employees	374	526	592	648	20.1%	0.3%	651	688	726	3.9%	0.2%
Catering: Departmental activities	4 050	1 933	1 591	4 762	5.5%	1.5%	4 973	5 251	5 540	5.2%	1.9%
Communication	11 064	2 707	2 975	4 861	-24.0%	2.6%	10 543	11 133	11 745	34.2%	3.5%
Computer services	28 941	888	34 640	16 109	-17.7%	9.8%	2 098	2 216	2 338	-47.4%	2.1%
Consultants: Business and advisory services	3 267	1 646	1 226	3 669	3.9%	1.2%	9 094	9 603	10 128	40.3%	3.0%
Infrastructure and planning services	-	37	-	561	-	0.1%	14 779	16 051	17 374	214.0%	4.4%
Legal services	-	833	1 239	1 647	-	0.5%	4 388	4 634	4 889	43.7%	1.4%
Contractors	4 389	56 949	61 486	35 290	100.3%	19.3%	58 544	62 103	65 794	23.1%	20.1%
Agency and support/outsourced services	934	380	735	1 244	10.0%	0.4%	469	495	522	-25.1%	0.2%
Entertainment	-	-	-	43	-	-	105	111	117	39.6%	-
Fleet services (including government motor transport)	1 738	1 512	1 889	3 297	23.8%	1.0%	1 364	1 441	1 520	-22.7%	0.7%
Consumable supplies	1 916	1 038	1 005	3 606	23.5%	0.9%	5 889	6 219	6 562	22.1%	2.0%
Consumables: Stationery, printing and office supplies	2 917	5 162	6 134	7 061	34.3%	2.6%	4 947	5 225	5 513	-7.9%	2.1%
Operating leases	21 481	15 382	16 834	18 625	-4.6%	8.8%	1 743	1 841	1 942	-52.9%	2.2%
Rental and hiring	457	756	337	1 736	56.0%	0.4%	1 308	1 381	1 457	-5.7%	0.5%
Property payments	1 569	6 133	2 943	5 557	52.4%	2.0%	2 705	2 856	3 013	-18.5%	1.3%
Transport provided: Departmental activity	-	-	25	-	-	-	-	-	-	-	-
Travel and subsistence	44 287	37 307	41 226	58 975	10.0%	22.2%	55 771	58 894	62 132	1.8%	21.4%
Training and development	3 497	16 546	24 690	70 944	172.7%	14.1%	60 245	62 267	64 876	-2.9%	23.5%
Operating payments	1 818	611	446	85	-64.0%	0.4%	69	73	77	-3.2%	-
Venues and facilities	6 170	3 807	1 821	8 848	12.8%	2.5%	10 209	11 285	11 905	10.4%	3.8%
Total	155 531	179 612	218 488	265 055	19.4%	100.0%	263 780	278 429	293 642	3.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.22 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	7 512	9 199	35 471	227 841	211.9%	41.5%	53 908	55 309	58 351	-36.5%	40.5%
Households	7 512	9 199	35 471	227 841	211.9%	41.5%	53 908	55 309	58 351	-36.5%	40.5%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	175 550	-	-	-	-100.0%	26.0%	-	-	-	-	-
Households	175 550	-	-	-	-100.0%	26.0%	-	-	-	-	-
Households											
Other transfers to households											
Current	35 692	48 371	130 638	5 000	-48.1%	32.5%	180 258	191 971	202 529	243.4%	59.5%
Households	35 692	48 371	130 638	5 000	-48.1%	32.5%	180 258	191 971	202 529	243.4%	59.5%
Total	218 754	57 570	166 109	232 841	2.1%	100.0%	234 166	247 280	260 880	3.9%	100.0%

Personnel information

Table 19.23 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Socioeconomic Support																			
3. Empowerment and Stakeholder Management																			
	Number of posts estimated for 31 March 2018		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 (%)					
			2016/17		2017/18			2018/19		2019/20		2020/21			2017/18 - 2020/21				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number				Cost	Unit cost		
Military Veterans	169	109	160	108.5	0.7	117	113.8	1.0	116	122.3	1.1	116	131.5	1.1	116	141.4	1.2	-0.3%	100.0%
Salary level																			
1 – 6	29	85	47	11.5	0.2	4	17.5	4.4	4	18.9	4.7	4	20.4	5.1	4	22.0	5.5	-	3.4%
7 – 10	61	18	49	33.6	0.7	40	27.3	0.7	40	29.6	0.7	40	31.9	0.8	40	34.5	0.9	-	34.4%
11 – 12	48	5	43	39.5	0.9	42	35.5	0.8	31	26.1	0.8	31	28.2	0.9	31	30.4	1.0	-9.6%	29.0%
13 – 16	31	1	21	23.8	1.1	31	33.5	1.1	41	47.7	1.2	41	51.0	1.2	41	54.5	1.3	9.8%	33.1%
Programme	169	109	160	108.5	0.7	117	113.8	1.0	116	122.3	1.1	116	131.5	1.1	116	141.4	1.2	-0.3%	100.0%
Programme 1	102	55	111	65.1	0.6	58	51.8	0.9	47	43.7	0.9	47	47.0	1.0	47	50.5	1.1	-6.8%	42.8%
Programme 2	21	48	16	18.6	1.2	21	32.4	1.5	26	40.6	1.6	26	43.7	1.7	26	47.0	1.8	7.4%	21.3%
Programme 3	46	6	33	24.8	0.8	38	29.7	0.8	43	38.0	0.9	43	40.8	0.9	43	43.9	1.0	4.2%	35.9%

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

2. Rand million.

Departmental receipts

Table 19.24 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/Total (%)	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/Total (%)
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	3 049	789	330	62	62	-72.7%	100.0%	62	62	62	-	100.0%
Sales of goods and services produced by department	-	-	-	32	32	-	0.8%	32	32	32	-	51.6%
Other sales	-	-	-	32	32	-	0.8%	32	32	32	-	51.6%
of which:												
Other	-	-	-	32	32	-	0.8%	32	32	32	-	51.6%
Transactions in financial assets and liabilities	3 049	789	330	30	30	-78.6%	99.2%	30	30	30	-	48.4%
Total	3 049	789	330	62	62	-72.7%	100.0%	62	62	62	-	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 19.25 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million											
Management	12.4	8.4	10.2	8.8	-10.9%	6.8%	6.9	7.1	7.6	-4.7%	5.4%
Corporate Services	83.2	67.5	94.3	66.4	-7.3%	53.3%	54.1	58.8	62.4	-2.0%	43.3%
Financial Administration	11.2	16.4	22.3	20.8	22.8%	12.1%	16.7	17.2	18.3	-4.2%	13.1%
Internal Audit	11.0	12.6	10.6	10.8	-0.5%	7.7%	10.1	10.9	11.5	2.2%	7.7%
Strategic Planning, Policy Development and Monitoring and Evaluation	9.6	9.6	9.4	16.6	20.1%	7.7%	19.9	20.6	21.9	9.7%	14.1%
Office Accommodation	16.2	16.7	12.5	26.5	17.9%	12.3%	20.0	21.6	23.2	-4.3%	16.3%
Total	143.6	131.3	159.2	149.8	1.4%	100.0%	127.6	136.1	144.9	-1.1%	100.0%
Change to 2017 Budget estimate				11.2			(34.8)	(37.0)	(39.3)		
Economic classification											
Current payments	139.8	121.9	152.7	146.1	1.5%	96.0%	124.0	132.3	140.9	-1.2%	97.3%
Compensation of employees	47.4	57.1	65.1	63.0	9.9%	39.8%	43.7	47.0	50.5	-7.1%	36.6%
Goods and services ¹	92.3	64.8	87.6	83.1	-3.4%	56.2%	80.3	85.3	90.4	2.9%	60.7%
<i>of which:</i>											
<i>Audit costs: External</i>	7.5	7.9	6.0	4.5	-15.7%	4.4%	4.7	5.0	5.3	5.6%	3.5%
<i>Communication</i>	11.0	2.7	3.0	4.9	-23.9%	3.7%	10.4	11.0	11.6	33.7%	6.8%
<i>Consultants: Business and advisory services</i>	2.7	1.6	1.2	1.9	-12.0%	1.3%	8.5	8.9	9.4	71.9%	5.1%
<i>Infrastructure and planning services</i>	–	0.0	–	0.6	–	0.1%	14.8	16.1	17.4	214.0%	8.7%
<i>Contractors</i>	0.0	0.7	0.0	0.9	179.4%	0.3%	4.8	5.1	5.4	84.8%	2.9%
<i>Travel and subsistence</i>	4.4	6.2	7.0	6.3	13.0%	4.1%	7.3	7.7	8.2	9.0%	5.3%
<i>Interest and rent on land</i>	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies¹	0.1	0.3	0.0	–	-100.0%	0.1%	–	–	–	–	–
Households	0.1	0.3	0.0	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	3.7	9.1	6.4	3.8	0.9%	3.9%	3.5	3.7	3.9	1.5%	2.7%
Machinery and equipment	3.7	9.0	6.4	3.8	0.9%	3.9%	3.5	3.7	3.9	1.5%	2.7%
Total	143.6	131.3	159.2	149.8	1.4%	100.0%	127.6	136.1	144.9	-1.1%	100.0%
Proportion of total programme expenditure to vote expenditure	31.0%	37.7%	31.5%	24.1%	–	–	20.3%	20.5%	20.6%	–	–

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

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 database of military veterans 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 March 2021.

- 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
 - 19 000 military veterans have access to health care services by March 2021
 - 14 700 eligible military veterans and their dependants are provided with ongoing education support across the country by March 2021.
- 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 March 2021.

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 of governance obligations and resources allocated to the unit based on the provisions of the Military Veterans Act (2011).
- *Health Care and Wellbeing Support* facilitates the provision of health care services and wellbeing support to military veterans, including initiatives to prevent disease.
- *Socioeconomic Support Management* develops norms and standards for the provision of education, public transport, pension, housing and social relief of distress for military veterans eligible for such support. This subprogramme also establishes strategic partnerships to advance service delivery, tracks delivery by service providers on agreed targets, ensures continual improvement, and reports on service delivery.

Expenditure trends and estimates

Table 19.26 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Database and Benefits Management	12.3	11.7	6.5	11.0	-3.7%	4.4%	15.6	17.0	18.1	18.1%	4.5%
Health Care and Wellbeing Support	17.8	67.3	70.5	76.7	62.6%	24.6%	80.9	86.0	91.2	5.9%	24.3%
Socio Economic Support Management	225.0	57.4	167.0	219.7	-0.8%	71.0%	240.3	253.8	268.2	6.9%	71.2%
Total	255.2	136.4	243.9	307.4	6.4%	100.0%	336.8	356.8	377.6	7.1%	100.0%
Change to 2017 Budget estimate				(9.6)			12.3	14.0	15.5		
Economic classification											
Current payments	41.9	82.5	86.9	76.3	22.1%	30.5%	103.3	110.2	117.5	15.5%	29.5%
Compensation of employees	17.5	19.8	18.6	22.8	9.3%	8.3%	40.6	43.7	47.0	27.3%	11.2%
Goods and services ¹	24.4	62.6	68.3	53.5	29.9%	22.2%	62.7	66.5	70.4	9.6%	18.4%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.5	0.2	0.2	0.8	16.3%	0.2%	0.9	0.9	1.0	5.7%	0.3%
<i>Consultants: Business and advisory services</i>	0.3	–	–	1.8	87.3%	0.2%	0.6	0.7	0.7	-26.7%	0.3%
<i>Contractors</i>	4.3	55.6	61.5	34.4	99.9%	16.5%	53.7	57.0	60.4	20.6%	14.9%
<i>Travel and subsistence</i>	13.2	4.8	3.2	10.9	-6.2%	3.4%	4.2	4.5	4.7	-24.4%	1.8%
<i>Training and development</i>	–	0.0	0.0	1.5	–	0.2%	1.4	1.0	1.0	-10.7%	0.4%
<i>Venues and facilities</i>	2.8	0.0	0.0	1.1	-26.5%	0.4%	0.4	0.9	1.0	-3.4%	0.2%
Transfers and subsidies¹	213.0	53.4	156.9	227.8	2.3%	69.1%	230.1	243.0	256.4	4.0%	69.5%
Departmental agencies and accounts	175.6	–	–	–	-100.0%	18.6%	–	–	–	–	–
Households	37.4	53.4	156.9	227.8	82.6%	50.4%	230.1	243.0	256.4	4.0%	69.5%
Payments for capital assets	0.3	0.6	0.1	3.2	125.2%	0.4%	3.3	3.5	3.7	5.1%	1.0%
Machinery and equipment	0.3	0.6	0.1	0.8	42.0%	0.2%	0.8	0.9	0.9	5.2%	0.3%
Software and other intangible assets	–	–	–	2.4	–	0.3%	2.5	2.6	2.8	5.0%	0.7%
Total	255.2	136.4	243.9	307.4	6.4%	100.0%	336.8	356.8	377.6	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	55.1%	39.2%	48.3%	49.4%	–	–	53.7%	53.7%	53.7%	–	–

Table 19.26 Socioeconomic Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	2.5	5.2	26.2	227.8	351.2%	27.8%	49.9	51.1	53.9	-38.2%	27.8%
Households	2.5	5.2	26.2	227.8	351.2%	27.8%	49.9	51.1	53.9	-38.2%	27.8%
Households											
Other transfers to households											
Current	35.0	48.2	130.6	–	-100.0%	22.7%	180.3	192.0	202.5	–	41.7%
Households	35.0	48.2	130.6	–	-100.0%	22.7%	180.3	192.0	202.5	–	41.7%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	175.6	–	–	–	-100.0%	18.6%	–	–	–	–	–
Households	175.6	–	–	–	-100.0%	18.6%	–	–	–	–	–

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

Programme 3: Empowerment and Stakeholder Management

Programme purpose

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

Objectives

- Ensure the empowerment of deserving military veterans by:
 - facilitating business opportunities for military veterans over the medium term
 - forming partnerships with 20 private sector companies and other organs of state, and entering into service level agreements and memorandums of understanding with them over the medium term
 - monitoring and evaluating the implementation of the agreements and memorandums of understanding to ensure that support is provided annually
 - providing 16 500 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 March 2021
 - 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 identify 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 19.27 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Provincial Offices and Stakeholder Relations	30.7	38.8	32.3	49.1	16.9%	36.7%	59.6	63.4	67.5	11.2%	35.2%
Empowerment and Skills Development	22.7	29.3	34.3	94.0	60.7%	43.9%	83.7	87.7	91.7	-0.8%	52.5%
Heritage, Memorials, Burials and Honours	10.9	12.1	34.9	21.8	25.9%	19.4%	19.5	20.7	21.9	0.2%	12.3%
Total	64.3	80.2	101.5	164.9	36.9%	100.0%	162.8	171.7	181.2	3.2%	100.0%
Change to 2017				(1.6)			(10.5)	(11.9)	(13.2)		
Budget estimate											
Economic classification											
Current payments	57.5	75.8	87.3	156.5	39.6%	91.8%	158.7	167.5	176.7	4.1%	96.9%
Compensation of employees	18.7	23.7	24.8	28.1	14.5%	23.2%	38.0	40.8	43.9	16.1%	22.2%
Goods and services ¹	38.8	52.2	62.5	128.4	49.0%	68.6%	120.7	126.6	132.8	1.1%	74.7%
of which:											
Minor assets	0.1	0.4	0.2	3.6	310.7%	1.0%	3.8	4.0	4.3	5.8%	2.3%
Catering: Departmental activities	1.2	1.0	1.0	2.5	27.8%	1.4%	3.7	3.9	4.1	18.2%	2.1%
Consumables: Stationery, printing and office supplies	0.1	0.8	1.1	2.9	182.7%	1.2%	2.9	3.0	3.2	2.9%	1.8%
Travel and subsistence	26.7	26.3	31.0	41.8	16.1%	30.6%	44.2	46.7	49.3	5.6%	26.7%
Training and development	3.3	15.9	23.3	66.4	171.9%	26.5%	55.1	57.3	59.7	-3.5%	35.1%
Venues and facilities	3.0	3.5	1.4	6.9	31.5%	3.6%	7.3	7.7	8.1	5.6%	4.4%
Transfers and subsidies¹	5.7	3.9	9.2	5.0	-4.2%	5.8%	4.0	4.2	4.5	-3.6%	2.6%
Households	5.7	3.9	9.2	5.0	-4.2%	5.8%	4.0	4.2	4.5	-3.6%	2.6%
Payments for capital assets	1.1	0.5	5.0	3.4	45.6%	2.4%	0.0	0.0	0.0	-82.9%	0.5%
Machinery and equipment	1.1	0.5	0.7	0.0	-76.2%	0.6%	0.0	0.0	0.0	4.3%	-
Heritage assets	-	-	4.3	3.4	-	1.9%	-	-	-	-100.0%	0.5%
Total	64.3	80.2	101.5	164.9	36.9%	100.0%	162.8	171.7	181.2	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	13.9%	23.1%	20.1%	26.5%			26.0%	25.8%	25.7%		
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	5.0	3.7	9.2	-	-100.0%	4.4%	4.0	4.2	4.5	-	1.9%
Households	5.0	3.7	9.2	-	-100.0%	4.4%	4.0	4.2	4.5	-	1.9%

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.

Entity¹**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 entity concerned.

Selected performance indicators

Table 19.28 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of capital requirements from the Department of Defence converted into orders placed per year	Management of defence matériel acquisition	Outcome 3: All people in South Africa are and feel safe	100% (R1bn)	100% (R1.8bn/ R1.8bn)	100% (R597.9m/ R597.9m)	95% ¹	95% ¹	95% ¹	95% ¹
Percentage of technology requirements executed per year	Management of strategic facilities: Research and development		98.7% (R247.3m/ R250.6m) ²	99.6% (R223.2m/ R224.1m)	96.7% (R219.7m/ R227.3m)	95% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits ³ awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R696m	R103.8m	R135.5m	R235.6m	R51.7m ⁴	R107m	R98.4m ⁴

1. The corporation cannot predict actual rand values as it is dependent on capital requirements from the Department of Defence. Performance targets are maintained at the same level to align with available budgets.
2. The outcome was revised following publication of the 2017 Estimates of National Expenditure to align with the corporation's 2014/15 annual report.
3. 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.
4. The decrease in targets for 2018/19 and 2020/21 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 Armaments Corporation of South Africa supports the NDP's vision of creating an environment for sustainable employment and economic growth through procurement approaches that stimulate the domestic defence industry and job creation, and through greater investment in research and development. In line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework, the corporation plans to meet the defence matériel requirements of the country, and the requirements of the Department of Defence in defence technology, research and development, tests and evaluation. Over the medium term, the corporation intends to focus on improving its systems and processes, and expanding revenue sources. It also intends to support the local defence industry through acquiring armaments and unearthing new technologies. The corporation is implementing a new enterprise resource planning system to assist it to meet the acquisition, maintenance and disposal requirements of the department in an efficient manner.

Over the MTEF period, the corporation's services and facilities will continue to be used for researching, testing and evaluating defence systems used in military and civilian environments. Facilities used for civilian purposes include Gerotek, a specialised track where car manufacturers can test their vehicles.

The corporation's mandate is to acquire matériel for the department or any other organ of state. The department usually stipulates its technology and/or matériel orders in rand values, requiring them to be fulfilled within a certain timeframe. The corporation is therefore using the enterprise resource planning system to ensure that 95 per cent of all orders that are received are met. Spending on activities to fulfil its contractual obligations with the department is projected to increase from R434.7 million in 2017/18 to R1.5 billion over the MTEF period in the management of strategic facilities: research and development programme.

To maintain competitiveness, the corporation aims to acquire capital assets such as armoured vehicles and helicopters in an economically viable manner. Internal controls are to be improved to ensure adherence to and compliance with procurement regulations by assigning responsibilities to individuals and having proper processes in place during the procurement process. As a result, the percentage of the department's capital requirements will be maintained at 95 per cent over the MTEF period. To improve compliance with procurement regulations, the corporation plans to spend R1.3 billion over the medium term in the management of defence matériel acquisition programme.

Vacancies in senior management are to be filled over the MTEF period to enable the corporation to implement the recommendations of the turnaround strategy that were made in 2016. The corporation is in the process of restructuring to steer itself towards new markets, particularly in Africa, for its products and services. The

corporation's staff complement is expected to increase from 1 858 in 2017/18 to 1 863 in 2020/21, due to new positions being identified during the restructuring process. As a result, spending on compensation of employees is expected to increase at an average annual rate of 6.4 per cent, from R1.2 billion in 2017/18 to R1.4 billion in 2020/21.

transfers from the department. These transfers increase at an average annual rate of 5.8 per cent, from R1.3 billion in 2017/18 to R1.6 billion in 2020/21. The corporation also generates revenue from interest earned from investments. These funds are to be used to finance operational expenditure, administrative expenses, training, the maintenance of buildings, and other goods and services. To make itself less reliant on transfers from the department, the corporation is considering other revenue streams, such as the commercialisation of intellectual property, commercial income from some assets such as Gerotek and the Alkantpan ammunition test range, and the brokering of defence deals in Africa.

Programmes/Objectives/Activities

Table 19.29 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	456.9	392.0	413.1	453.0	-0.3%	25.4%	504.3	511.8	541.4	6.1%	24.2%
Quality assurance	87.8	118.5	101.9	115.6	9.6%	6.2%	122.5	130.1	139.2	6.4%	6.1%
Management of defence matériel acquisition	291.3	328.3	337.1	382.6	9.5%	19.6%	405.8	427.1	456.8	6.1%	20.1%
Logistics support	173.5	217.7	215.5	235.6	10.7%	12.3%	276.3	208.9	218.2	-2.5%	11.4%
Management of strategic facilities: Armscor dockyard	197.7	250.9	250.5	283.7	12.8%	14.4%	302.2	318.1	339.8	6.2%	15.0%
Management of strategic facilities: Research and development	312.7	371.0	386.2	434.7	11.6%	22.0%	470.0	497.1	528.7	6.7%	23.2%
Total	1 519.9	1 678.3	1 704.4	1 905.2	7.8%	100.0%	2 081.1	2 093.2	2 224.0	5.3%	100.0%

Statement of historical financial performance and position

Table 19.30 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	880.9	690.8	383.4	1 006.7	453.6	453.6	554.3	554.3	119.1%
Sale of goods and services other than capital assets	760.1	400.5	291.3	479.5	353.0	353.0	370.9	370.9	90.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	760.1	400.5	291.3	479.5	353.0	353.0	370.9	370.9	90.3%
Other non-tax revenue	120.8	290.3	92.1	527.2	100.6	100.6	183.4	183.4	221.7%
Transfers received	1 101.5	913.3	1 025.9	858.7	1 042.1	1 042.1	1 325.4	1 325.4	92.1%
Total revenue	1 982.4	1 604.1	1 409.3	1 878.4	1 495.7	1 495.7	1 879.7	1 879.7	101.3%
Expenses									
Current expenses	1 981.5	1 502.3	1 636.0	1 678.3	1 704.4	1 704.4	1 865.1	1 905.2	94.5%
Compensation of employees	935.5	872.1	1 029.2	940.1	1 049.0	1 049.0	1 162.5	1 202.5	97.3%
Goods and services	1 006.6	565.9	535.5	673.2	576.5	576.5	620.8	620.8	88.9%
Depreciation	39.5	64.3	71.3	64.9	78.9	78.9	81.9	81.9	106.8%
Total expenses	1 981.5	1 519.9	1 636.0	1 678.3	1 704.4	1 704.4	1 865.1	1 905.2	94.7%
Surplus/(Deficit)	-	84.0	(227.0)	200.0	(209.0)	(209.0)	15.0	(25.0)	

Table 19.30 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial position									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Carrying value of assets	1 347.0	1 300.0	1 396.2	1 596.1	1 654.6	1 548.9	1 758.7	1 586.4	98.0%
<i>of which:</i>									
Acquisition of assets	(35.7)	(24.0)	(54.9)	(25.0)	(104.5)	(33.4)	(143.8)	(117.5)	59.0%
Investments	-	1.3	-	-	0.1	3.1	0.1	0.1	2,236.0%
Inventory	12.2	8.1	9.6	7.5	8.0	29.6	8.4	8.8	141.5%
Receivables and prepayments	136.9	100.7	106.8	199.9	211.8	162.7	222.4	196.2	97.3%
Cash and cash equivalents	695.6	877.5	760.5	865.8	615.5	764.9	533.5	743.1	124.8%
Non-current assets held for sale	-	0.1	-	0.5	-	0.4	-	-	-
Defined benefit plan assets	118.3	-	130.0	-	0.0	-	0.0	-	-
Taxation	-	2.1	-	25.9	-	26.0	-	-	-
Derivatives financial instruments	-	747.7	-	129.1	-	131.4	-	-	-
Total assets	2 310.0	3 037.5	2 403.1	2 824.8	2, 90.0	2 667.0	2 523.1	2 534.7	113.8%
Accumulated surplus/(deficit)	613.8	1 920.0	834.6	608.5	(208.6)	(126.9)	14.6	(25.5)	189.4%
Capital and reserves	1 231.6	75.0	1 083.7	1 583.7	2 042.2	2 200.6	1 833.6	1 930.5	93.5%
Deferred income	81.0	128.9	114.0	101.2	101.2	78.6	88.5	65.9	97.4%
Trade and other payables	254.1	214.5	179.1	281.8	295.2	251.8	310.0	289.7	99.9%
Taxation	-	17.8	-	5.0	-	5.0	-	-	-
Provisions	129.6	681.3	191.7	244.6	260.0	257.8	276.4	274.1	170.0%
Total equity and liabilities	2 310.0	3 037.5	2 403.1	2 824.8	2 490.0	2 667.0	2 523.1	2 534.7	113.8%

Statements of estimates of financial performance and position**Table 19.31 Armaments Corporation of South Africa statements of estimates of financial performance and position**

Statement of financial performance									Average: Expenditure/ Total (%)
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	554.3	-7.1%	39.1%	681.9	624.2	668.4	6.4%	30.4%	
Sale of goods and services other than capital assets	370.9	-2.5%	23.5%	525.5	472.9	513.0	11.4%	22.6%	
<i>of which:</i>									
Sales by market establishment	370.9	-2.5%	23.5%	525.5	472.9	513.0	11.4%	22.6%	
Other non-tax revenue	183.4	-14.2%	15.7%	156.4	151.2	155.3	-5.4%	7.8%	
Transfers received	1 325.4	13.2%	60.7%	1 399.3	1 485.9	1 568.0	5.8%	69.6%	
Total revenue	1 879.7	5.4%	100.0%	2 081.3	2 110.1	2 236.4	6.0%	100.0%	
Expenses									
Current expenses	1 905.2	8.2%	99.7%	2 081.1	2 093.2	2 224.0	5.3%	100.0%	
Compensation of employees	1 202.5	11.3%	59.5%	1 251.9	1 345.7	1 446.7	6.4%	63.2%	
Goods and services	620.8	3.1%	35.9%	746.8	660.9	686.5	3.4%	32.7%	
Depreciation	81.9	8.4%	4.3%	82.4	86.5	90.9	3.5%	4.1%	
Total expenses	1 905.2	7.8%	100.0%	2 081.1	2 093.2	2 224.0	5.3%	100.0%	
Surplus/(Deficit)	(25.0)			-	17.0	12.0			
Statement of financial position									
Carrying value of assets	1 586.4	6.9%	55.0%	1 639.3	1 618.3	1 596.2	0.2%	62.5%	
<i>of which:</i>									
Acquisition of assets	(117.5)	69.8%	-1.9%	(135.2)	(65.5)	(68.8)	-16.3%	-3.8%	
Investments	0.1	-57.5%	0.0%	0.1	0.1	0.1	-	0.0%	
Inventory	8.8	2.9%	0.5%	9.3	9.7	10.2	5.0%	0.4%	
Receivables and prepayments	196.2	24.9%	6.1%	206.1	216.4	227.2	5.0%	8.2%	
Cash and cash equivalents	743.1	-5.4%	29.4%	699.6	748.3	794.5	2.3%	28.9%	
Total assets	2 534.7	-5.9%	100.0%	2 554.3	2 592.8	2 628.2	1.2%	100.0%	
Accumulated surplus/(deficit)	(25.5)	-123.7%	19.7%	0.2	16.9	12.4	-178.6%	0.0%	
Capital and reserves	1 930.5	195.3%	54.3%	1 905.0	1 905.2	1 922.1	-0.1%	74.3%	
Deferred income	65.9	-20.0%	3.3%	57.9	49.9	41.9	-14.0%	2.1%	
Trade and other payables	289.7	10.5%	9.5%	304.2	319.4	335.4	5.0%	12.1%	
Provisions	274.1	-26.2%	12.9%	287.0	301.3	316.4	4.9%	11.4%	
Total equity and liabilities	2 534.7	-5.9%	100.0%	2 554.3	2 592.8	2 628.2	1.2%	100.0%	

Personnel information**Table 19.32 Armaments Corporation of South Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		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 (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
Armaments Corporation of South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	1 858	1 858	1 676	1 049.0	0.6	1 858	1 202.5	0.6	1 863	1 251.9	0.7	1 863	1 345.7	0.7	1 863	1 446.7	0.8	6.4%	100.0%
1 – 6	332	332	365	52.4	0.1	332	53.5	0.2	429	70.9	0.2	429	76.2	0.2	429	81.9	0.2	15.3%	21.7%
7 – 10	954	954	806	370.0	0.5	954	440.4	0.5	915	474.3	0.5	915	509.9	0.6	915	548.1	0.6	7.6%	49.7%
11 – 12	228	228	190	171.5	0.9	228	210.0	0.9	244	256.4	1.1	244	275.6	1.1	244	296.3	1.2	12.2%	12.9%
13 – 16	338	338	309	439.4	1.4	338	483.6	1.4	269	430.7	1.6	269	463.0	1.7	269	497.7	1.9	1.0%	15.4%
17 – 22	6	6	6	15.6	2.6	6	14.9	2.5	6	19.6	3.3	6	21.1	3.5	6	22.7	3.8	15.0%	0.3%

1. Rand million.

Other entity

Comprehensive coverage of the following public entity is provided with the more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Castle Control Board** preserves and protects the military and cultural heritage of the Castle of Good Hope in Cape Town. The board's total budget for 2018/19 is R9.3 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
R million										
Rebuilding of the runway at Waterkloof Air Force Base	Upgrade of runway	Handed over	1 113.6	2.2	–	–	–	–	–	–
Upgrade and refurbishment of the South African Military Health Training Centre: Phase 2 (nurses college)	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	1 803.2	–	–	–	–	7.7	79.0	222.4
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	3 257.6	–	0.7	7.3	69.0	96.4	109.9	127.1
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	610.0	–	0.8	2.7	10.0	1.3	76.4	41.9
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	936.2	25.5	24.2	36.8	133.3	57.7	–	–
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	581.0	–	1.6	0.7	17.3	17.6	37.4	45.9
Demolition of infrastructure	Demolition of infrastructure	Various	80.3	–	–	–	–	–	–	–
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	77.7	3.7	–	3.5	0.8	15.7	2.3	–
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	199.1	0.0	0.8	3.3	–	20.1	20.0	3.9
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Site identification	550.6	1.1	4.9	11.2	18.0	83.6	40.1	5.3
Construction of accommodation	Construction of single and married housing units (in the form of houses and flats) to accommodate military personnel	Various	–	–	–	–	33.0	–	–	–
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	3 277.5	24.8	45.7	63.7	138.3	131.5	110.0	80.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	91.4	0.4	0.5	0.2	–	33.9	6.4	1.4
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24.2	–	0.0	–	167.7	–	–	–
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	8.9	0.6	0.0	0.2	7.7	–	–	–
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	30.3	0.1	0.0	0.9	–	0.9	2.1	0.8
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaai	Site identification	5.0	–	0.0	–	–	–	–	–
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	48.0	0.5	0.1	0.1	15.5	10.0	–	–
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	25.4	–	0.0	1.4	0.3	–	1.5	–
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordnance	Various	–	–	–	–	3.9	–	–	–
Training facilities	Construction and upgrades of training facilities	Various	119.1	–	–	0.4	7.4	4.8	14.9	11.2
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	241.2	5.9	3.2	15.0	–	7.3	17.3	0.3
Workshops and stores	Construction of workshops and stores	Various	22.5	–	–	0.0	1.7	0.1	–	–
Fences and gates	Replacement or erection of fences	Various	249.8	0.0	–	0.2	34.1	41.2	27.4	17.6
Recoverable projects	Upgrades of buildings in military bases	Various	129.4	0.0	–	–	0.2	–	(0.7)	–
Total			13 481.8	64.9	82.6	147.9	658.1	529.7	544.0	558.0

