



2018
BUDGET
ESTIMATES OF NATIONAL
EXPENDITURE

VOTE
19

**DEFENCE AND
MILITARY VETERANS**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2018

National Treasury

Republic of South Africa



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The 2018 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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

Foreword

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



Dondo Mogajane

Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2018 MTEF period is from 2018/19 to 2020/21.

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

A separate 2018 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2018 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Defence and Military Veterans

National Treasury

Republic of South Africa



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Vote 19

Defence and Military Veterans

Budget summary

R million	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	MTSF 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	↔	↔	↔	↔	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%

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														
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%
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

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 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
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	2 309 912	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	42 441 108	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 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
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 (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
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	21 014	22 590	20 677	21 073	0.1%	0.3%	21 971	23 070	24 051	4.5%	0.3%
Education and Training Authority											
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

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																			
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							
		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

	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			2020/21
R thousand													
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%	-	
of which:													
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%	
of which:													
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%	
of which:													
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 thousand											
Ministry	81 987	111 963	111 131	74 051	-3.3%	1.8%	76 499	80 692	87 148	5.6%	1.4%
Departmental Direction	43 673	66 980	70 822	58 586	10.3%	1.2%	47 698	49 871	55 147	-2.0%	0.9%
Policy and Planning	93 673	94 433	103 856	119 058	8.3%	2.0%	102 238	108 512	118 875	-0.1%	1.9%
Financial Services	325 176	324 266	620 566	372 613	4.6%	7.9%	343 927	364 615	401 516	2.5%	6.4%
Human Resources Support Services	714 358	736 370	791 512	808 476	4.2%	14.6%	776 196	821 377	899 209	3.6%	14.3%
Legal Services	266 262	278 596	291 268	300 110	4.1%	5.4%	297 841	312 122	343 927	4.6%	5.4%
Inspection and Audit Services	106 914	115 948	116 411	143 025	10.2%	2.3%	139 420	147 667	162 281	4.3%	2.6%
Acquisition Services	58 828	82 192	150 724	125 743	28.8%	2.0%	134 211	88 347	82 547	-13.1%	1.9%
Communication Services	48 486	43 826	100 748	46 397	-1.5%	1.1%	116 481	125 852	136 244	43.2%	1.8%
South African National Defence Force Command and Control	143 742	135 727	148 025	156 217	2.8%	2.8%	165 325	175 174	192 400	7.2%	3.0%
Religious Services	12 736	18 257	14 538	14 008	3.2%	0.3%	15 022	15 984	17 500	7.7%	0.3%
Defence Reserve Direction	24 575	25 192	28 060	28 501	5.1%	0.5%	29 367	30 940	33 481	5.5%	0.5%
Defence Foreign Relations	255 538	262 199	312 072	331 895	9.1%	5.6%	277 359	319 204	344 197	1.2%	5.5%
Office Accommodation	1 978 877	2 103 343	2 283 219	2 268 693	4.7%	41.4%	2 400 257	2 534 671	2 674 078	5.6%	42.7%
Military Veterans Management	504 160	582 201	597 607	622 111	7.3%	11.1%	627 087	664 527	703 606	4.2%	11.3%
Total	4 658 985	4 981 493	5 740 559	5 469 484	5.5%	100.0%	5 548 928	5 839 555	6 252 156	4.6%	100.0%
Change to 2017 Budget estimate				88 650			(228 075)	(107 567)	(231 685)		
Economic Classification											
Current payments	4 029 089	4 309 580	5 063 598	4 775 390	5.8%	87.2%	4 856 788	5 108 607	5 479 234	4.7%	87.5%
Compensation of employees	1 535 000	1 689 577	2 105 215	1 929 579	7.9%	34.8%	1 891 455	2 026 966	2 242 717	5.1%	35.0%
Goods and services ¹	2 494 089	2 620 003	2 958 383	2 845 811	4.5%	52.4%	2 965 333	3 081 641	3 236 517	4.4%	52.5%
of which:											
Advertising	9 942	5 075	94 179	4 100	-25.6%	0.5%	75 990	82 917	89 053	179.0%	1.1%
Computer services	76 217	78 731	86 661	109 572	12.9%	1.7%	54 182	51 367	52 744	-21.6%	1.2%
Operating leases	376 018	1 295 516	1 478 122	1 384 435	54.4%	21.7%	1 483 401	1 590 847	1 677 681	6.6%	26.6%
Property payments	1 678 162	846 773	853 871	978 846	-16.4%	20.9%	1 039 683	1 095 935	1 157 984	5.8%	18.5%
Travel and subsistence	133 082	140 993	152 288	117 828	-4.0%	2.6%	83 462	87 347	91 604	-8.0%	1.6%
Training and development	38 537	37 542	39 533	38 116	-0.4%	0.7%	35 324	35 694	37 130	-0.9%	0.6%
Transfers and subsidies¹	557 075	628 287	647 689	667 500	6.2%	12.0%	674 596	710 637	751 199	4.0%	12.1%
Provinces and municipalities	17	24	38	32	23.5%	-	41	44	47	13.7%	-
Departmental agencies and accounts	525 174	604 791	618 285	643 185	7.0%	11.5%	649 059	687 598	727 659	4.2%	11.7%
Public corporations and private enterprises	188	-	100	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	7 140	7 192	8 620	7 929	3.6%	0.1%	8 326	8 742	9 179	5.0%	0.1%
Households	24 556	16 280	20 646	16 354	-12.7%	0.4%	17 170	14 253	14 314	-4.3%	0.3%
Payments for capital assets	59 659	43 373	29 084	26 594	-23.6%	0.8%	17 544	20 311	21 723	-6.5%	0.4%
Buildings and other fixed structures	28	17	184	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	58 780	42 784	28 900	26 550	-23.3%	0.8%	17 496	20 261	21 723	-6.5%	0.4%
Software and other intangible assets	851	572	-	44	-62.7%	-	48	50	-	-100.0%	-
Payments for financial assets	13 162	253	188	-	-100.0%	0.1%	-	-	-	-	-
Total	4 658 985	4 981 493	5 740 559	5 469 484	5.5%	100.0%	5 548 928	5 839 555	6 252 156	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%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	14 515	15 395	20 969	16 354	4.1%	0.3%	17 170	14 253	14 314	-4.3%	0.3%
Employee social benefits	14 515	15 395	20 969	16 354	4.1%	0.3%	17 170	14 253	14 314	-4.3%	0.3%
Households											
Other transfers to households											
Current	10 041	885	(323)	-	-100.0%	0.1%	-	-	-	-	-
Claims against the state	10 041	885	(323)	-	-100.0%	0.1%	-	-	-	-	-

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

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
	2017/18 - 2017/18		2017/18 - 2020/21									
R thousand												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	525 174	604 791	618 285	643 185	7.0%	11.5%	649 059	687 598	727 659	4.2%	11.7%	
Safety and Security Sector	21 014	22 590	20 677	21 073	0.1%	0.4%	21 971	23 070	24 051	4.5%	0.4%	
Education and Training Authority												
Department of Military Veterans	504 160	582 201	597 607	622 111	7.3%	11.1%	627 087	664 527	703 606	4.2%	11.3%	
Communication	–	–	1	1	–	–	1	1	2	26.0%	–	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current	184	–	–	–	-100.0%	–	–	–	–	–	–	
Claims against the state	184	–	–	–	-100.0%	–	–	–	–	–	–	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	17	24	38	32	23.5%	–	41	44	47	13.7%	–	
Vehicle licences	17	24	38	32	23.5%	–	41	44	47	13.7%	–	
Non-profit institutions												
Current	7 140	7 192	8 620	7 929	3.6%	0.1%	8 326	8 742	9 179	5.0%	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%	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	4	–	100	–	-100.0%	–	–	–	–	–	–	
Claims against the state	4	–	100	–	-100.0%	–	–	–	–	–	–	

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

Personnel information

Table 19.10 Administration personnel numbers and cost by salary level¹

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								
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost							
Administration																			
Salary level	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%	100.0%
1 – 6	1 373	–	1 357	410.4	0.3	1 373	379.4	0.3	1 427	392.0	0.3	1 411	433.7	0.3	1 415	482.4	0.3	1.0%	36.4%
7 – 10	1 781	–	1 786	942.5	0.5	1 781	848.1	0.5	1 793	822.1	0.5	1 790	878.2	0.5	1 783	966.4	0.5	0.0%	46.2%
11 – 12	512	–	505	487.6	1.0	512	449.0	0.9	519	445.4	0.9	526	467.7	0.9	532	516.4	1.0	1.3%	13.5%
13 – 16	142	–	142	193.2	1.4	142	168.9	1.2	142	163.3	1.2	142	177.1	1.2	142	204.0	1.4	–	3.7%
Other	6	–	6	71.6	11.9	6	65.0	10.8	6	68.7	11.5	6	70.2	11.7	6	73.6	12.3	–	0.2%

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.

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 19.11 Force Employment 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 thousand											
Strategic Direction	125 918	164 315	151 997	155 948	7.4%	4.2%	175 459	184 014	210 978	10.6%	5.1%
Operational Direction	257 001	286 236	288 414	331 429	8.8%	8.2%	340 114	359 230	391 889	5.7%	10.0%
Special Operations	708 723	756 469	810 137	864 403	6.8%	22.1%	844 312	903 392	979 102	4.2%	25.2%
Regional Security	1 638 636	1 572 998	1 068 789	1 114 648	-12.1%	38.0%	1 081 053	1 082 219	1 089 641	-0.8%	30.6%
Support to the People	901 163	822 783	1 111 674	1 068 971	5.9%	27.5%	934 646	1 067 130	1 089 568	0.6%	29.2%
Total	3 631 441	3 602 801	3 431 011	3 535 399	-0.9%	100.0%	3 375 584	3 595 985	3 761 178	2.1%	100.0%
Change to 2017 Budget estimate				(153 165)			(51 315)	(153 847)	17 995		
Economic classification											
Current payments	3 053 107	3 038 310	2 885 688	3 079 220	0.3%	84.9%	3 016 441	3 245 056	3 370 610	3.1%	89.1%
Compensation of employees	1 854 548	1 898 261	1 948 578	2 045 622	3.3%	54.6%	1 909 079	2 131 381	2 270 739	3.5%	58.6%
Goods and services ¹	1 198 559	1 140 049	937 110	1 033 598	-4.8%	30.3%	1 107 362	1 113 675	1 099 871	2.1%	30.5%
<i>of which:</i>											
Contractors	427 309	364 776	212 693	306 569	-10.5%	9.2%	357 024	333 890	288 216	-2.0%	9.0%
Inventory: Food and food supplies	108 473	124 449	113 126	138 940	8.6%	3.4%	150 128	156 571	183 044	9.6%	4.4%
Inventory: Fuel, oil and gas	50 229	32 489	63 608	47 725	-1.7%	1.4%	53 721	56 307	77 730	17.7%	1.7%
Property payments	21 246	13 391	15 763	30 438	12.7%	0.6%	32 479	25 540	36 230	6.0%	0.9%
Travel and subsistence	221 351	248 164	214 192	172 934	-7.9%	6.0%	182 556	251 242	212 182	7.1%	5.7%
Operating payments	114 102	85 283	112 487	190 039	18.5%	3.5%	159 548	96 382	102 345	-18.6%	3.8%
Transfers and subsidies¹	288 037	431 552	257 263	272 883	-1.8%	8.8%	266 500	258 440	276 092	0.4%	7.5%
Provinces and municipalities	–	–	3	–	–	–	2	2	5	–	–
Departmental agencies and accounts	276 855	412 349	241 304	256 677	-2.5%	8.4%	251 828	241 784	259 138	0.3%	7.1%
Foreign governments and international organisations	–	5 804	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	8 086	8 000	8 424	8 871	3.1%	0.2%	9 341	9 808	10 298	5.1%	0.3%
Households	3 096	5 399	7 532	7 335	33.3%	0.2%	5 329	6 846	6 651	-3.2%	0.2%

Table 19.11 Force Employment 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	Average Expenditure/Total (%)
	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 thousand											
Payments for capital assets	290 252	132 926	288 054	183 296	-14.2%	6.3%	92 643	92 489	114 476	-14.5%	3.4%
Buildings and other fixed structures	491	9 974	5 945	400	-6.6%	0.1%	2 634	1 026	2 581	86.2%	-
Machinery and equipment	289 761	122 952	282 109	181 903	-14.4%	6.2%	89 016	90 420	110 800	-15.2%	3.3%
Specialised military assets	-	-	-	993	-	-	993	1 043	1 095	3.3%	-
Payments for financial assets	45	13	6	-	-100.0%	-	-	-	-	-	-
Total	3 631 441	3 602 801	3 431 011	3 535 399	-0.9%	100.0%	3 375 584	3 595 985	3 761 178	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 transfers and subsidies											
Households											
Social benefits											
Current	3 083	5 368	7 419	7 335	33.5%	0.2%	5 329	6 846	6 651	-3.2%	0.2%
Employee social benefits	3 083	5 368	7 419	7 335	33.5%	0.2%	5 329	6 846	6 651	-3.2%	0.2%
Households											
Other transfers to households											
Current	13	31	113	-	-100.0%	-	-	-	-	-	-
Claims against the state	13	31	113	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	276 855	412 349	241 304	256 677	-2.5%	8.4%	251 828	241 784	259 138	0.3%	7.1%
Communication	3	2	2	40	137.1%	-	43	45	111	40.5%	-
Special defence account	276 852	412 347	241 302	256 637	-2.5%	8.4%	251 785	241 739	259 027	0.3%	7.1%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	86	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	86	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	3	-	-	-	2	2	5	-	-
Vehicle licences	-	-	3	-	-	-	2	2	5	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidiaries on products and production)											
Current	8 000	8 000	8 424	8 871	3.5%	0.2%	9 341	9 808	10 298	5.1%	0.3%
Armaments Corporation of South Africa	8 000	8 000	8 424	8 871	3.5%	0.2%	9 341	9 808	10 298	5.1%	0.3%
Foreign governments and international organisations											
Current	-	5 804	-	-	-	-	-	-	-	-	-
Southern African Development Community	-	5 804	-	-	-	-	-	-	-	-	-

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

Personnel information

Table 19.12 Force Employment personnel numbers and cost by salary level¹

Force Employment	Salary level	Number of posts estimated for 31 March 2018	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment										Number						
					Actual		Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	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	
					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%	100.0%
	1-6	985	-	-	995	256.3	0.3	985	264.7	0.3	1 035	263.9	0.3	1 062	281.8	0.3	1 056	297.2	0.3	2.3%	52.6%
	7-10	838	-	-	864	415.0	0.5	838	411.2	0.5	828	375.3	0.5	825	384.7	0.5	833	421.3	0.5	-0.2%	42.3%
	11-12	80	-	-	67	60.9	0.9	80	73.1	0.9	80	71.8	0.9	80	75.2	0.9	72	73.9	1.0	-3.5%	4.0%
	13-16	22	-	-	17	22.3	1.3	22	29.5	1.3	22	29.1	1.3	22	31.2	1.4	21	32.9	1.6	-1.5%	1.1%
	Other	-	-	-	-	1 194.0	-	-	1 161.2	-	-	1 169.1	-	-	1 358.5	-	-	1 445.4	-	-	-

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.

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 19.13 Landward 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				2018/19	2019/20	2020/21		
R thousand											
Strategic Direction	418 972	442 829	458 887	488 621	5.3%	2.9%	396 223	398 275	413 772	-5.4%	2.5%
Infantry Capability	5 403 955	6 102 469	6 208 918	6 972 753	8.9%	40.2%	6 626 629	6 545 439	6 444 612	-2.6%	39.9%
Armour Capability	374 685	399 336	446 568	449 485	6.3%	2.7%	472 791	502 119	521 954	5.1%	2.9%
Artillery Capability	425 602	527 555	471 569	486 548	4.6%	3.1%	482 802	725 065	643 533	9.8%	3.5%
Air Defence Artillery Capability	478 055	561 608	571 392	681 730	12.6%	3.7%	547 788	492 517	519 962	-8.6%	3.4%
Engineering Capability	623 073	675 942	755 414	745 915	6.2%	4.6%	795 266	823 318	857 541	4.8%	4.8%
Operational Intelligence	188 262	202 548	206 371	236 675	7.9%	1.4%	233 518	245 295	257 665	2.9%	1.5%
Command and Control Capability	177 810	188 949	198 953	209 283	5.6%	1.3%	218 050	234 878	246 545	5.6%	1.4%
Support Capability	4 428 168	4 414 820	4 531 161	4 705 089	2.0%	29.4%	4 595 480	4 707 250	5 037 093	2.3%	28.6%
General Training Capability	411 522	397 699	413 104	474 083	4.8%	2.8%	528 157	561 204	584 315	7.2%	3.2%
Signal Capability	1 119 012	1 205 196	1 295 485	1 269 575	4.3%	8.0%	1 337 573	1 396 722	1 454 491	4.6%	8.2%
Total	14 049 116	15 118 951	15 557 822	16 719 757	6.0%	100.0%	16 234 277	16 632 082	16 981 483	0.5%	100.0%
Change to 2017 Budget estimate				169 561			(911 249)	(1 528 740)	(1 930 944)		
Economic classification											
Current payments	11 652 112	12 484 201	13 179 373	13 409 241	4.8%	82.6%	13 665 824	14 548 374	15 265 630	4.4%	85.5%
Compensation of employees	9 795 641	10 583 972	11 470 689	11 693 936	6.1%	70.9%	11 499 335	12 367 088	12 856 848	3.2%	72.7%
Goods and services ¹	1 856 471	1 900 229	1 708 684	1 715 305	-2.6%	11.7%	2 166 489	2 181 286	2 408 782	12.0%	12.7%
<i>of which:</i>											
Contractors	352 503	357 161	197 372	122 895	-29.6%	1.7%	266 935	287 293	223 636	22.1%	1.4%
Fleet services (including government motor transport)	48 491	84 862	65 276	19 970	-25.6%	0.4%	81 406	157 743	234 764	127.4%	0.7%
Inventory: Clothing material and accessories	148 071	88 035	39 094	103 682	-11.2%	0.6%	131 537	103 729	152 715	13.8%	0.7%
Inventory: Food and food supplies	473 441	476 913	588 154	479 418	0.4%	3.3%	547 217	566 071	587 606	7.0%	3.3%
Inventory: Fuel, oil and gas	152 000	211 240	164 548	198 614	9.3%	1.2%	262 332	272 675	283 039	12.5%	1.5%
Travel and subsistence	251 414	277 313	339 586	320 979	8.5%	1.9%	323 440	316 672	324 988	0.4%	1.9%
Transfers and subsidies¹	2 251 766	2 528 555	2 225 078	3 259 557	13.1%	16.7%	2 531 994	2 040 361	1 668 330	-20.0%	14.3%
Provinces and municipalities	2	2	92	–	-100.0%	–	6	6	6	–	–
Departmental agencies and accounts	2 158 389	2 451 220	2 144 771	3 191 395	13.9%	16.2%	2 446 270	1 873 047	1 556 485	-21.3%	13.6%
Public corporations and private enterprises	50 185	33 571	38 712	35 185	-11.2%	0.3%	27 807	28 841	35 543	0.3%	0.2%
Households	43 190	43 762	41 503	32 977	-8.6%	0.3%	57 911	138 467	76 296	32.3%	0.5%
Payments for capital assets	144 478	104 899	152 570	50 959	-29.3%	0.7%	36 459	43 347	47 523	-2.3%	0.3%
Buildings and other fixed structures	925	67	34 471	5 097	76.6%	0.1%	3 145	3 371	3 582	-11.1%	–
Machinery and equipment	143 547	104 832	118 084	45 862	-31.6%	0.7%	32 257	38 976	42 941	-2.2%	0.2%
Specialised military assets	–	–	–	–	–	–	1 057	1 000	1 000	–	–
Software and other intangible assets	6	–	15	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	760	1 296	801	–	-100.0%	–	–	–	–	–	–
Total	14 049 116	15 118 951	15 557 822	16 719 757	6.0%	100.0%	16 234 277	16 632 082	16 981 483	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 transfers and subsidies											
Households											
Social benefits											
Current	29 509	40 792	40 046	32 977	3.8%	0.2%	57 911	138 467	76 296	32.3%	0.5%
Employee social benefits	29 509	40 792	40 046	32 977	3.8%	0.2%	57 911	138 467	76 296	32.3%	0.5%
Households											
Other transfers to households											
Current	13 681	2 970	1 457	–	-100.0%	–	–	–	–	–	–
Claims against the state	13 681	2 970	1 457	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 158 389	2 451 220	2 144 771	3 191 395	13.9%	16.2%	2 446 270	1 873 047	1 556 485	-21.3%	13.6%
Communication	8	5	1	76	111.8%	–	73	80	83	3.0%	–
Special defence account	2 158 381	2 451 215	2 144 770	3 191 319	13.9%	16.2%	2 446 197	1 872 967	1 556 402	-21.3%	13.6%

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

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Audited outcome			2017/18				2014/15 - 2017/18	2018/19	2019/20		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	457	454	312	–	-100.0%	–	–	–	–	–	
Claims against the state	457	454	312	–	-100.0%	–	–	–	–	–	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	2	92	–	-100.0%	–	6	6	6	–	
Vehicle licences	2	2	92	–	-100.0%	–	6	6	6	–	
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	49 728	33 117	38 400	35 185	-10.9%	0.3%	27 807	28 841	35 543	0.3%	
Armaments Corporation of South Africa	49 728	33 117	38 400	35 185	-10.9%	0.3%	27 807	28 841	35 543	0.3%	

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

Personnel information

Table 19.14 Landward Defence personnel numbers and cost by salary level¹

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			
Landward Defence		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Salary level	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	2 856.8	0.3
1 – 6	30 973	–	31 169	7 213.6	0.2	30 973	7 468.8	0.2	30 298	7 431.2	0.2	29 711	8 110.1	0.3	29 631	8 431.3	0.3
7 – 10	7 885	–	8 024	3 317.8	0.4	7 885	3 379.8	0.4	7 821	3 298.4	0.4	7 709	3 431.9	0.4	7 531	3 567.9	0.5
11 – 12	150	–	169	134.7	0.8	150	125.1	0.8	145	120.3	0.8	137	122.7	0.9	137	127.6	0.9
13 – 16	36	–	35	39.1	1.1	36	42.2	1.2	36	42.9	1.2	36	47.5	1.3	36	49.3	1.4
Other	–	–	–	765.5	–	–	610.6	–	–	606.6	–	–	654.8	–	–	680.8	–

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.

Programme 4: Air Defence

Programme purpose

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

Objectives

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

Subprogrammes

- Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Strategic Direction	18 298	20 830	24 065	30 627	18.7%	0.3%	30 985	33 414	35 388	4.9%	0.5%
Operational Direction	183 763	255 332	225 828	170 185	-2.5%	3.0%	97 268	191 392	193 777	4.4%	2.3%
Helicopter Capability	817 145	619 683	728 385	1 073 989	9.5%	11.7%	713 578	774 595	830 079	-8.2%	11.8%
Transport and Maritime Capability	1 138 780	684 446	594 103	798 324	-11.2%	11.7%	675 788	1 278 490	1 242 880	15.9%	13.9%
Air Combat Capability	1 108 324	1 368 811	1 230 099	793 221	-10.6%	16.3%	840 078	723 641	1 132 379	12.6%	12.2%
Operational Support and Intelligence Capability	270 938	297 730	322 769	297 026	3.1%	4.3%	343 284	371 411	408 597	11.2%	5.0%
Command and Control Capability	508 715	884 586	606 177	510 423	0.1%	9.1%	692 031	893 341	962 625	23.5%	10.7%
Base Support Capability	1 848 057	1 823 734	1 947 271	1 994 144	2.6%	27.6%	1 803 837	1 751 963	1 963 290	-0.5%	26.2%
Command Post	57 395	60 528	62 597	63 630	3.5%	0.9%	68 890	72 004	78 982	7.5%	1.0%
Training Capability	200 584	492 224	480 505	612 819	45.1%	6.5%	586 284	607 020	694 312	4.2%	8.7%
Technical Support Services	761 524	577 815	560 786	474 110	-14.6%	8.6%	563 878	582 753	634 103	10.2%	7.9%
Total	6 913 523	7 085 719	6 782 585	6 818 498	-0.5%	100.0%	6 415 901	7 280 024	8 176 412	6.2%	100.0%
Change to 2017 Budget estimate				190 491			(545 815)	(1 292 216)	(498 030)		
Economic classification											
Current payments	5 162 868	5 146 482	5 569 920	5 906 594	4.6%	78.9%	5 578 057	5 901 932	6 549 380	3.5%	83.4%
Compensation of employees	3 148 889	3 325 169	3 539 449	3 676 155	5.3%	49.6%	3 602 538	3 839 934	4 264 568	5.1%	53.6%
Goods and services ¹	2 013 979	1 821 313	2 030 471	2 230 439	3.5%	29.3%	1 975 519	2 061 998	2 284 812	0.8%	29.8%
of which:											
Contractors	1 329 425	1 086 529	1 322 291	1 238 414	-2.3%	18.0%	1 121 169	1 157 601	1 305 265	1.8%	16.8%
Inventory: Fuel, oil and gas	154 052	244 288	189 939	276 046	21.5%	3.1%	173 029	218 156	256 594	-2.4%	3.2%
Inventory: Other supplies	49 732	17 568	23 499	71 506	12.9%	0.6%	77 102	80 955	66 202	-2.5%	1.0%
Travel and subsistence	86 605	103 240	127 967	83 473	-1.2%	1.5%	78 266	78 095	85 175	0.7%	1.1%
Training and development	45 055	26 311	23 977	84 859	23.5%	0.7%	123 455	125 229	136 782	17.2%	1.6%
Operating payments	135 377	128 613	161 968	145 882	2.5%	2.1%	107 779	159 685	166 526	4.5%	2.0%
Transfers and subsidies¹	1 630 860	1 852 934	1 139 023	894 435	-18.1%	20.0%	820 974	1 360 603	1 608 332	21.6%	16.3%
Provinces and municipalities	2	2	2	3	14.5%	-	3	3	3	-	-
Departmental agencies and accounts	1 618 149	1 837 617	1 120 610	876 508	-18.5%	19.8%	785 140	1 335 055	1 584 324	21.8%	16.0%
Public corporations and private enterprises	100	-	-	-	-100.0%	-	-	-	-	-	-
Households	12 609	15 315	18 411	17 924	12.4%	0.2%	35 831	25 545	24 005	10.2%	0.4%

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

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand	119 219	86 128	73 331	17 469	-47.3%	1.1%	16 870	17 489	18 700	2.3%	0.2%
Payments for capital assets											
Buildings and other fixed structures	90	12 746	1 412	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	118 972	73 382	71 747	17 469	-47.2%	1.0%	16 870	17 489	18 700	2.3%	0.2%
Specialised military assets	157	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	-	172	-	-	-	-	-	-	-	-
Payments for financial assets	576	175	311	-	-100.0%	-	-	-	-	-	-
Total	6 913 523	7 085 719	6 782 585	6 818 498	-0.5%	100.0%	6 415 901	7 280 024	8 176 412	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 transfers and subsidies											
Households											
Social benefits											
Current	12 085	13 583	18 266	17 924	14.0%	0.2%	35 831	25 545	24 005	10.2%	0.4%
Employee social benefits	12 085	13 583	18 266	17 924	14.0%	0.2%	35 831	25 545	24 005	10.2%	0.4%
Households											
Other transfers to households											
Current	524	1 732	145	-	-100.0%	-	-	-	-	-	-
Claims against the state	524	1 732	145	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 618 149	1 837 617	1 120 610	876 508	-18.5%	19.8%	785 140	1 335 055	1 584 324	21.8%	16.0%
Communication	-	-	-	-	-	-	1	1	1	-	-
Special defence account	1 618 149	1 837 617	1 120 610	876 508	-18.5%	19.8%	785 139	1 335 054	1 584 323	21.8%	16.0%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	100	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	100	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	2	2	3	14.5%	-	3	3	3	-	-
Vehicle licences	2	2	2	3	14.5%	-	3	3	3	-	-

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

Personnel information

Table 19.16 Air Defence personnel numbers and cost by salary level¹

Air Defence	Salary level	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	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost						
	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%	100.0%
1 - 6	5 688	-	5 865	1 435.1	0.2	5 688	1 465.8	0.3	5 916	1 468.5	0.2	5 943	1 573.1	0.3	5 953	1 750.7	0.3	1.5%	59.5%
7 - 10	3 870	-	3 878	1 884.0	0.5	3 870	1 934.9	0.5	3 842	1 890.3	0.5	3 830	2 011.6	0.5	3 820	2 230.8	0.6	-0.4%	38.9%
11 - 12	133	-	128	120.2	0.9	133	128.4	1.0	133	125.2	0.9	133	133.0	1.0	133	151.9	1.1	-	1.3%
13 - 16	27	-	26	33.1	1.3	27	34.7	1.3	27	37.4	1.4	27	40.0	1.5	27	44.3	1.6	-	0.3%
Other	-	-	-	67.1	-	-	82.7	-	-	81.2	-	-	82.2	-	-	86.8	-	-	-

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.

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Maritime Direction	524 851	586 213	607 285	582 180	3.5%	14.0%	569 321	608 166	654 654	4.0%	13.1%
Maritime Combat Capability	1 129 323	1 238 808	1 694 658	1 873 088	18.4%	36.1%	1 570 369	1 378 771	1 747 620	-2.3%	35.5%
Maritime Logistic Support Capability	1 103 963	803 862	841 751	940 721	-5.2%	22.5%	1 133 131	1 193 920	1 303 572	11.5%	24.7%
Maritime Human Resources and Training Capability	445 218	497 655	529 565	538 634	6.6%	12.2%	545 248	594 087	663 261	7.2%	12.7%
Base Support Capability	599 014	606 210	625 126	655 380	3.0%	15.1%	606 616	633 805	697 864	2.1%	14.0%
Total	3 802 369	3 732 748	4 298 385	4 590 003	6.5%	100.0%	4 424 685	4 408 749	5 066 971	3.4%	100.0%
Change to 2017 Budget estimate				(200 000)			(506 814)	(73 620)	(569 486)		
Economic classification											
Current payments	2 886 473	2 803 542	2 889 544	3 009 223	1.4%	70.6%	3 150 754	3 304 026	3 718 371	7.3%	71.3%
Compensation of employees	1 968 660	2 102 814	2 235 134	2 288 007	5.1%	52.3%	2 274 695	2 444 121	2 671 121	5.3%	52.3%
Goods and services ¹	917 813	700 728	654 410	721 216	-7.7%	18.2%	876 059	859 905	1 047 250	13.2%	19.0%
of which:											
Contractors	473 360	258 532	238 192	184 506	-27.0%	7.0%	253 999	247 736	258 193	11.9%	5.1%
Inventory: Food and food supplies	114 873	77 249	56 064	102 902	-3.6%	2.1%	120 590	131 868	138 780	10.5%	2.7%
Inventory: Fuel, oil and gas	29 938	92 577	85 167	73 122	34.7%	1.7%	109 205	96 948	150 420	27.2%	2.3%
Inventory: Other supplies	54 903	25 146	34 931	75 568	11.2%	1.2%	126 831	95 232	192 394	36.5%	2.7%
Travel and subsistence	57 325	71 007	77 306	53 295	-2.4%	1.6%	56 078	59 972	68 809	8.9%	1.3%
Operating payments	43 948	50 380	47 691	56 841	9.0%	1.2%	47 436	53 327	55 858	-0.6%	1.2%
Transfers and subsidies¹	867 619	836 662	1 383 124	1 569 439	21.8%	28.4%	1 262 050	1 094 016	1 337 396	-5.2%	28.5%
Provinces and municipalities	-	-	2	-	-	-	-	-	-	-	-
Departmental agencies and accounts	648 874	601 987	1 123 038	1 283 973	25.5%	22.3%	957 320	786 564	1 013 085	-7.6%	21.9%
Public corporations and private enterprises	208 897	219 884	244 287	269 991	8.9%	5.7%	283 680	298 438	313 359	5.1%	6.3%
Households	9 848	14 791	15 797	15 475	16.3%	0.3%	21 050	9 014	10 952	-10.9%	0.3%

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

Economic classification	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		
	R thousand										
Payments for capital assets	48 036	92 289	25 629	11 341	-38.2%	1.1%	11 881	10 707	11 204	-0.4%	0.2%
Buildings and other fixed structures	592	1 463	308	1 500	36.3%	-	-	-	-	-100.0%	-
Machinery and equipment	47 444	32 728	15 790	9 841	-40.8%	0.6%	11 186	9 977	10 474	2.1%	0.2%
Specialised military assets	-	58 098	7 553	-	-	0.4%	-	-	-	-	-
Software and other intangible assets	-	-	1 978	-	-	-	695	730	730	-	-
Payments for financial assets	241	255	88	-	-100.0%	-	-	-	-	-	-
Total	3 802 369	3 732 748	4 298 385	4 590 003	6.5%	100.0%	4 424 685	4 408 749	5 066 971	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%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	9 553	14 594	15 767	15 475	17.4%	0.3%	21 050	9 014	10 952	-10.9%	0.3%
Employee social benefits	9 553	14 594	15 767	15 475	17.4%	0.3%	21 050	9 014	10 952	-10.9%	0.3%
Households											
Other transfers to households											
Current	295	197	30	-	-100.0%	-	-	-	-	-	-
Claims against the state	295	197	30	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	648 874	601 987	1 123 038	1 283 973	25.5%	22.3%	957 320	786 564	1 013 085	-7.6%	21.9%
Special defence account	648 874	601 987	1 123 038	1 283 973	25.5%	22.3%	957 320	786 564	1 013 085	-7.6%	21.9%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	23	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	23	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	2	-	-	-	-	-	-	-	-
Vehicle licence	-	-	2	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	255	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	255	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	208 619	219 884	244 287	269 991	9.0%	5.7%	283 680	298 438	313 359	5.1%	6.3%
Armaments Corporation of South Africa	208 619	219 884	244 287	269 991	9.0%	5.7%	283 680	298 438	313 359	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.

Personnel information

Table 19.18 Maritime Defence personnel numbers and cost by salary level¹

Maritime Defence	Number of posts estimated for 31 March 2018	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		Unit cost	2017/18		Unit cost	2018/19		2019/20		2020/21						
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
Salary level	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%	100.0%
1-6	4 767	-	4 804	1 147.3	0.2	4 767	1 183.3	0.2	4 797	1 182.2	0.2	4 809	1 273.1	0.3	4 807	1 401.1	0.3	0.3%	67.9%
7-10	2 156	-	2 156	927.2	0.4	2 156	950.2	0.4	2 159	926.0	0.4	2 153	997.1	0.5	2 153	1 075.2	0.5	-0.0%	30.5%
11-12	98	-	98	80.7	0.8	98	82.7	0.8	98	83.7	0.9	98	91.3	0.9	98	101.9	1.0	-	1.4%
13-16	18	-	18	20.1	1.1	18	20.6	1.1	17	19.5	1.1	16	19.4	1.2	15	20.9	1.4	-5.9%	0.2%
Other	-	-	-	59.9	-	-	63.7	-	-	63.3	-	-	63.2	-	-	72.1	-	-	-

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.

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 19.19 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 (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Strategic Direction	218 271	168 328	184 268	176 144	-6.9%	4.3%	191 698	199 611	219 890	7.7%	3.9%
Mobile Military Health Support	120 810	120 655	120 929	134 118	3.5%	2.9%	131 625	198 328	239 671	21.4%	3.5%
Area Military Health Service	1 455 454	1 597 652	1 672 299	1 676 433	4.8%	36.9%	1 672 169	1 907 243	2 106 035	7.9%	36.1%
Specialist/Tertiary Health Service	1 433 329	1 553 413	1 718 510	1 754 579	7.0%	37.3%	1 876 452	2 077 416	2 269 866	9.0%	39.2%
Military Health Product Support Capability	212 914	134 540	181 975	197 538	-2.5%	4.2%	294 984	307 467	332 562	19.0%	5.6%
Military Health Maintenance Capability	256 414	319 614	235 704	271 021	1.9%	6.2%	175 829	182 974	201 062	-9.5%	4.1%
Military Health Training Capability	355 921	348 948	335 060	376 866	1.9%	8.2%	371 305	391 055	437 745	5.1%	7.7%
Total	4 053 113	4 243 150	4 448 745	4 586 699	4.2%	100.0%	4 714 062	5 264 094	5 806 831	8.2%	100.0%
Change to 2017 Budget estimate				-			(102 730)	(107 191)	(6 058)		

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

Economic classification	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		
R thousand											
Current payments	3 886 430	4 170 043	4 373 961	4 521 745	5.2%	97.8%	4 650 481	5 142 690	5 664 850	7.8%	98.1%
Compensation of employees	2 865 474	3 136 307	3 328 783	3 373 665	5.6%	73.3%	3 379 923	3 636 535	4 023 755	6.0%	70.8%
Goods and services ¹	1 020 956	1 033 736	1 045 178	1 148 080	4.0%	24.5%	1 270 558	1 506 155	1 641 095	12.6%	27.3%
<i>of which:</i>											
Contractors	56 188	40 006	40 123	81 645	13.3%	1.3%	79 060	77 590	87 800	2.5%	1.6%
Agency and support/outsourced services	362 199	406 119	421 961	433 500	6.2%	9.4%	436 316	479 963	497 945	4.7%	9.1%
Inventory: Food and food supplies	53 467	85 079	54 358	49 711	-2.4%	1.4%	60 791	66 783	73 284	13.8%	1.2%
Inventory: Medical supplies	75 141	71 526	59 885	101 989	10.7%	1.8%	109 495	159 421	201 163	25.4%	2.8%
Inventory: Medicine	166 320	154 080	197 952	155 080	-2.3%	3.9%	194 540	328 743	356 457	32.0%	5.1%
Travel and subsistence	62 860	79 433	84 932	69 600	3.5%	1.7%	81 104	83 329	93 426	10.3%	1.6%
Transfers and subsidies¹	46 096	26 194	15 540	26 886	-16.4%	0.7%	15 021	73 898	108 271	59.1%	1.1%
Provinces and municipalities	–	–	–	4	–	–	1 434	825	488	396.0%	–
Departmental agencies and accounts	15 357	6 666	–	11 119	-10.2%	0.2%	84	62 722	97 349	106.1%	0.8%
Public corporations and private enterprises	107	26	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	769	889	683	972	8.1%	–	998	1 002	1 052	2.7%	–
Households	29 863	18 613	14 857	14 791	-20.9%	0.5%	12 505	9 349	9 382	-14.1%	0.2%
Payments for capital assets	120 225	46 300	58 583	38 068	-31.8%	1.5%	48 560	47 506	33 710	-4.0%	0.8%
Buildings and other fixed structures	180	275	259	2 600	143.5%	–	47	–	–	-100.0%	–
Machinery and equipment	119 195	46 025	58 324	34 718	-33.7%	1.5%	47 805	47 506	33 710	-1.0%	0.8%
Specialised military assets	850	–	–	750	-4.1%	–	708	–	–	-100.0%	–
Payments for financial assets	362	613	661	–	-100.0%	–	–	–	–	–	–
Total	4 053 113	4 243 150	4 448 745	4 586 699	4.2%	100.0%	4 714 062	5 264 094	5 806 831	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 transfers and subsidies											
Households											
Social benefits											
Current	9 553	14 670	11 980	14 791	15.7%	0.3%	12 505	9 349	9 382	-14.1%	0.2%
Employee social benefits	9 553	14 670	11 980	14 791	15.7%	0.3%	12 505	9 349	9 382	-14.1%	0.2%
Households											
Other transfers to households											
Current	20 310	3 943	2 877	–	-100.0%	0.2%	–	–	–	–	–
Claims against the state	20 310	3 943	2 877	–	-100.0%	0.2%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	15 357	6 666	–	11 119	-10.2%	0.2%	84	62 722	97 349	106.1%	0.8%
Communication	–	–	–	68	–	–	84	22	49	-10.3%	–
Special defence account	15 357	6 666	–	11 051	-10.4%	0.2%	–	62 700	97 300	106.5%	0.8%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	107	26	–	–	-100.0%	–	–	–	–	–	–
Claims against the state	107	26	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	–	–	4	–	–	1 434	825	488	396.0%	–
Vehicle licences	–	–	–	4	–	–	1 434	825	488	396.0%	–
Non-profit institutions											
Current	769	889	683	972	8.1%	–	998	1 002	1 052	2.7%	–
St. Johns Ambulance Brigade	769	889	683	972	8.1%	–	998	1 002	1 052	2.7%	–

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

Personnel information

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

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		
			Unit			Unit			Unit		Unit		Unit						
			Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost		
Military Health Support	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%	100.0%
Salary level																			
1 – 6	3 144	-	3 371	787.3	0.2	3 144	775.4	0.2	3 134	775.4	0.2	3 339	851.0	0.3	3 358	940.2	0.3	2.2%	42.5%
7 – 10	4 040	-	4 035	2 110.3	0.5	4 040	2 213.1	0.5	4 029	2 146.6	0.5	4 013	2 281.6	0.6	3 993	2 485.0	0.6	-0.4%	52.6%
11 – 12	241	-	236	201.2	0.9	241	213.0	0.9	242	226.4	0.9	242	239.7	1.0	238	257.2	1.1	-0.4%	3.2%
13 – 16	124	-	122	133.4	1.1	124	140.7	1.1	121	143.9	1.2	136	170.9	1.3	166	237.4	1.4	10.2%	1.8%
Other	-	-	-	96.6	-	-	89.3	-	-	87.6	-	-	93.4	-	-	103.9	-	-	-

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.

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 19.21 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	2020/21		
R thousand												
Operations	472 579	459 762	472 416	465 389	465 389	-0.5%	54.2%	529 182	543 558	568 790	6.9%	53.7%
Defence Intelligence Support Services	347 196	370 298	408 873	451 888	451 888	9.2%	45.8%	421 182	448 102	494 503	3.0%	46.3%
Total	819 775	830 060	881 289	917 277	917 277	3.8%	100.0%	950 364	991 660	1 063 293	5.0%	100.0%
Change to 2017 Budget estimate				-				(16 051)	(10 546)	(24 702)		
Economic classification												
Current payments	358 722	382 083	422 685	462 598	462 598	8.8%	47.2%	436 397	466 621	513 053	3.5%	47.9%
Compensation of employees	327 807	347 933	379 166	403 554	403 554	7.2%	42.3%	387 407	415 742	459 329	4.4%	42.5%
Goods and services ¹	30 915	34 150	43 519	59 044	59 044	24.1%	4.9%	48 990	50 879	53 724	-3.1%	5.4%
of which:												
Communication	1 514	1 645	1 884	2 370	2 370	16.1%	0.2%	2 437	2 564	2 693	4.4%	0.3%
Inventory: Food and food supplies	10 225	10 442	11 928	12 007	12 007	5.5%	1.3%	14 291	14 691	15 097	7.9%	1.4%
Inventory: Fuel, oil and gas	1 917	1 862	2 056	3 347	3 347	20.4%	0.3%	3 412	3 573	3 753	3.9%	0.4%
Operating leases	6 438	7 566	8 338	6 790	6 790	1.8%	0.8%	6 598	6 929	7 605	3.9%	0.7%
Travel and subsistence	3 926	6 314	6 866	8 890	8 890	31.3%	0.8%	9 019	9 458	9 932	3.8%	1.0%
Training and development	1 620	1 348	1 646	2 665	2 665	18.0%	0.2%	2 730	2 870	3 013	4.2%	0.3%

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

Economic classification	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 thousand											
Transfers and subsidies¹	456 493	444 994	457 700	451 045	-0.4%	52.5%	510 031	520 906	545 901	6.6%	51.7%
Provinces and municipalities	4	3	2	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts	455 783	442 271	452 132	444 521	-0.8%	52.0%	505 486	519 139	543 346	6.9%	51.3%
Public corporations and private enterprises	2	–	–	–	-100.0%	–	–	–	–	–	–
Households	704	2 720	5 566	6 524	110.0%	0.4%	4 545	1 767	2 555	-26.8%	0.4%
Payments for capital assets	4 525	2 978	904	3 634	-7.0%	0.3%	3 936	4 133	4 339	6.1%	0.4%
Machinery and equipment	4 525	2 978	904	3 634	-7.0%	0.3%	3 936	4 133	4 339	6.1%	0.4%
Payments for financial assets	35	5	–	–	-100.0%	–	–	–	–	–	–
Total	819 775	830 060	881 289	917 277	3.8%	100.0%	950 364	991 660	1 063 293	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 transfers and subsidies

Households											
Social benefits											
Current	704	2 720	5 566	6 524	110.0%	0.4%	4 545	1 767	2 555	-26.8%	0.4%
Employee social benefits	704	2 720	5 566	6 524	110.0%	0.4%	4 545	1 767	2 555	-26.8%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	455 783	442 271	452 132	444 521	-0.8%	52.0%	505 486	519 139	543 346	6.9%	51.3%
Communication	–	247	–	335	–	–	393	400	421	7.9%	–
Special defence account	455 783	442 024	452 132	444 186	-0.9%	52.0%	505 093	518 739	542 925	6.9%	51.3%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	2	–	–	–	-100.0%	–	–	–	–	–	–
Claims against the state	2	–	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	4	–	2	–	-100.0%	–	–	–	–	–	–
Vehicle licences	4	–	2	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	–	3	–	–	–	–	–	–	–	–	–
Vehicle licences	–	3	–	–	–	–	–	–	–	–	–

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

Personnel information**Table 19.22 Defence Intelligence personnel numbers and cost by salary level¹**

Defence Intelligence	Salary level	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	
	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%	100.0%
1 – 6	252	–	252	52.8	0.2	252	57.9	0.2	248	60.2	0.2	263	72.1	0.3	253	77.1	0.3	0.1%	29.1%
7 – 10	554	–	558	251.9	0.5	554	259.0	0.5	534	250.9	0.5	537	263.8	0.5	544	294.5	0.5	-0.6%	62.2%
11 – 12	59	–	55	47.2	0.9	59	49.3	0.8	59	48.4	0.8	59	51.3	0.9	59	57.0	1.0	–	6.8%
13 – 16	17	–	17	19.3	1.1	17	18.4	1.1	17	18.2	1.1	17	19.3	1.1	17	21.6	1.3	–	1.9%
Other	–	–	–	8.1	–	–	9.2	–	–	9.8	–	–	9.3	–	–	9.1	–	–	–

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.

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 19.23 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 (%)	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		
R thousand											
Joint Logistic Services	2 125 739	2 546 667	2 925 331	3 227 069	14.9%	47.5%	2 938 858	3 109 175	3 136 789	-0.9%	47.3%
Command and Management											
Information Systems	865 697	1 096 461	1 143 673	1 025 182	5.8%	18.1%	1 048 184	1 137 554	1 196 961	5.3%	16.8%
Military Police	539 571	529 249	589 506	576 123	2.2%	9.8%	665 911	712 229	782 979	10.8%	10.4%
Technology Development	442 306	424 021	515 935	441 333	-0.1%	8.0%	465 995	487 640	472 236	2.3%	7.1%
Departmental Support	940 746	880 214	882 253	1 092 736	5.1%	16.6%	1 166 994	1 237 489	1 301 994	6.0%	18.3%
Total	4 914 059	5 476 612	6 056 698	6 362 443	9.0%	100.0%	6 285 942	6 684 087	6 890 959	2.7%	100.0%
Change to 2017				285 233			(298 522)	3 527	(278 574)		
Budget estimate											
Economic classification											
Current payments	3 314 672	3 893 356	4 395 892	4 011 663	6.6%	68.5%	4 092 790	4 404 237	4 550 678	4.3%	65.1%
Compensation of employees	1 509 790	1 703 991	2 052 686	2 037 453	10.5%	32.0%	2 172 264	2 331 943	2 576 805	8.1%	34.8%
Goods and services ¹	1 804 882	2 189 365	2 343 206	1 974 210	3.0%	36.4%	1 920 526	2 072 294	1 973 873	-	30.3%
of which:											
Audit costs: External	61 799	60 038	50 617	63 977	1.2%	1.0%	68 826	73 352	77 020	6.4%	1.1%
Computer services	727 934	804 118	682 080	803 436	3.3%	13.2%	881 668	956 936	991 835	7.3%	13.9%
Consultants: Business and advisory services	262 324	240 857	127 018	183 704	-11.2%	3.6%	160 128	171 217	14 243	-57.4%	2.0%
Contractors	83 809	90 502	96 139	159 061	23.8%	1.9%	115 722	121 229	135 207	-5.3%	2.0%
Property payments	344 990	515 222	599 823	60 826	-43.9%	6.7%	304 887	313 894	321 548	74.2%	3.8%
Travel and subsistence	67 235	64 880	99 529	100 740	14.4%	1.5%	58 096	60 472	60 523	-15.6%	1.1%
Transfers and subsidies¹	1 302 234	1 254 085	1 341 403	1 445 418	3.5%	23.4%	1 533 203	1 642 850	1 685 122	5.2%	24.0%
Provinces and municipalities	29	30	46	52	21.5%	-	56	59	59	4.3%	-
Departmental agencies and accounts	445 685	483 216	551 627	446 799	0.1%	8.4%	416 172	473 104	457 387	0.8%	6.8%
Public corporations and private enterprises	846 580	760 898	776 190	982 854	5.1%	14.8%	1 101 897	1 160 732	1 216 248	7.4%	17.0%
Households	9 940	9 941	13 540	15 713	16.5%	0.2%	15 078	8 955	11 428	-10.1%	0.2%
Payments for capital assets	294 831	329 104	319 139	905 362	45.4%	8.1%	659 949	637 000	655 159	-10.2%	10.9%
Buildings and other fixed structures	62 571	58 055	105 277	648 496	118.0%	3.8%	523 868	539 592	551 817	-5.2%	8.6%
Machinery and equipment	228 293	270 974	121 037	135 764	-15.9%	3.3%	96 237	96 988	102 901	-8.8%	1.6%
Specialised military assets	3 379	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	588	75	92 825	121 102	490.6%	0.9%	39 844	420	441	-84.6%	0.6%
Payments for financial assets	2 322	67	264	-	-100.0%	-	-	-	-	-	-
Total	4 914 059	5 476 612	6 056 698	6 362 443	9.0%	100.0%	6 285 942	6 684 087	6 890 959	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 transfers and subsidies											
Households											
Social benefits											
Current	8 530	8 859	13 242	15 713	22.6%	0.2%	15 078	8 955	11 428	-10.1%	0.2%
Employee social benefits	8 530	8 859	13 242	15 713	22.6%	0.2%	15 078	8 955	11 428	-10.1%	0.2%
Households											
Other transfers to households											
Current	1 410	1 082	298	-	-100.0%	-	-	-	-	-	-
Claims against the state	1 410	1 082	298	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	445 685	483 216	551 627	446 799	0.1%	8.4%	416 172	473 104	457 387	0.8%	6.8%
Communication	2	3	-	4	26.0%	-	16	29	32	100.0%	-
Special defence account	445 683	483 213	551 627	446 795	0.1%	8.4%	416 156	473 075	457 355	0.8%	6.8%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	65	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	65	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	29	-	46	52	21.5%	-	56	59	59	4.3%	-
Vehicle licences	29	-	46	52	21.5%	-	56	59	59	4.3%	-

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

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2017/18				2014/15 - 2017/18	2018/19	2019/20		
R thousand	2014/15	2015/16	2016/17								
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	16 610	–	23 914	–	-100.0%	0.2%	–	–	–	–	–
Claims against the state	16 610	–	23 914	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	829 905	760 898	752 276	982 854	5.8%	14.6%	1 101 897	1 160 732	1 216 248	7.4%	17.0%
Armaments Corporation of South Africa	829 905	760 898	752 276	982 854	5.8%	14.6%	1 101 897	1 160 732	1 216 248	7.4%	17.0%
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	–	30	–	–	–	–	–	–	–	–	–
Vehicle licences	–	30	–	–	–	–	–	–	–	–	–

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

Personnel information

Table 19.24 General Support personnel numbers and cost by salary level¹

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			ed 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							
General Support		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	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%	100.0%
1 – 6	3 262	–	3 465	835.7	0.2	3 262	933.0	0.3	3 412	931.9	0.3	3 560	1 035.3	0.3	3 568	1 131.0	0.3	3.0%	60.4%
7 – 10	2 134	–	2 127	942.2	0.4	2 134	978.6	0.5	2 134	959.2	0.4	2 134	1 012.8	0.5	2 129	1 112.6	0.5	-0.1%	37.3%
11 – 12	109	–	109	85.0	0.8	109	89.5	0.8	109	89.1	0.8	109	95.2	0.9	110	106.0	1.0	0.3%	1.9%
13 – 16	24	–	24	25.5	1.1	24	27.2	1.1	24	26.5	1.1	24	28.4	1.2	24	32.0	1.3	–	0.4%
Other	–	–	–	164.3	–	–	170.7	–	–	165.5	–	–	160.3	–	–	195.1	–	–	–

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.

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 19.25 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	2020/21
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 dependants ^{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

1. 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.

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

3. 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.

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

5. Indicator reworded to reflect cumulative numbers.

6. 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 19.26 Departmental expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Socioeconomic Support																																	
3. Empowerment and Stakeholder Management																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 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 19.27 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	2017/18	2018/19	2019/20	2020/21	2017/18 - 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)		
Economic classification								
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 19.28 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
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 19.29 Departmental goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
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%

Table 19.29 Departmental goods and services expenditure 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		
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 19.30 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 19.31 Departmental 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 (%) 2017/18 - 2020/21	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21									
		Number	Cost	Unit cost	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	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%
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 19.32 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
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 19.33 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Total	143 574	131 281	159 207	149 818	1.4%	100.0%	127 565	136 054	144 862	-1.1%	100.0%
Change to 2017 Budget estimate				11 157			(34 829)	(37 021)	(39 253)		
Economic classification											
Current payments	139 829	121 940	152 731	146 056	1.5%	96.0%	124 036	132 328	140 931	-1.2%	97.3%
Compensation of employees	47 394	57 123	65 094	62 952	9.9%	39.8%	43 693	47 043	50 514	-7.1%	36.6%
Goods and services ¹	92 298	64 817	87 637	83 104	-3.4%	56.2%	80 343	85 285	90 417	2.9%	60.7%
of which:											
Audit costs: External	7 466	7 891	5 961	4 476	-15.7%	4.4%	4 736	5 001	5 276	5.6%	3.5%
Communication	11 042	2 707	2 975	4 861	-23.9%	3.7%	10 433	11 017	11 623	33.7%	6.8%
Consultants: Business and advisory services	2 722	1 646	1 226	1 855	-12.0%	1.3%	8 452	8 925	9 415	71.9%	5.1%
Infrastructure and planning services	-	37	-	561	-	0.1%	14 779	16 051	17 374	214.0%	8.7%
Contractors	39	743	20	851	179.4%	0.3%	4 818	5 088	5 368	84.8%	2.9%
Travel and subsistence	4 357	6 214	7 008	6 291	13.0%	4.1%	7 322	7 732	8 156	9.0%	5.3%
Interest and rent on land	137	-	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies ¹	79	269	29	-	-100.0%	0.1%	-	-	-	-	-
Households	79	269	29	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	3 666	9 072	6 447	3 762	0.9%	3.9%	3 529	3 726	3 931	1.5%	2.7%
Machinery and equipment	3 666	9 042	6 447	3 762	0.9%	3.9%	3 529	3 726	3 931	1.5%	2.7%
Software and other intangible assets	-	30	-	-	-	-	-	-	-	-	-
Total	143 574	131 281	159 207	149 818	1.4%	100.0%	127 565	136 054	144 862	-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%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	79	269	29	-	-100.0%	0.1%	-	-	-	-	-
Households	79	269	29	-	-100.0%	0.1%	-	-	-	-	-

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

Personnel information

Table 19.34 Administration personnel numbers and cost by salary level¹

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	Administration Salary level	Actual 2016/17			Revised estimate 2017/18			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
			Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19		2019/20		2020/21									
									Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost			
			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%	100.0%
1 – 6	25	47	44	9.4	0.2	1	3.5	3.5	1	3.8	3.8	1	4.1	4.1	1	4.4	4.4	1	4.4	4.4	–	2.0%
7 – 10	35	3	33	21.0	0.6	24	13.5	0.6	24	14.6	0.6	24	15.8	0.7	24	17.0	0.7	24	17.0	0.7	–	48.2%
11 – 12	26	5	21	20.3	1.0	20	21.3	1.1	9	10.7	1.2	9	11.6	1.3	9	12.5	1.4	9	12.5	1.4	-23.4%	23.6%
13 – 16	16	–	13	14.4	1.1	13	13.6	1.0	13	14.6	1.1	13	15.6	1.2	13	16.7	1.3	13	16.7	1.3	–	26.1%

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

2. Rand million.

Programme 2: Socioeconomic Support

Programme purpose

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

Objectives

- Establish an enabling environment to provide socioeconomic support services to military veterans by:
 - maintaining the credibility and security of the national 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 19.35 Socioeconomic 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 thousand											
Database and Benefits Management	12 299	11 703	6 455	10 999	-3.7%	4.4%	15 577	16 985	18 116	18.1%	4.5%
Health Care and Wellbeing Support	17 832	67 327	70 503	76 709	62.6%	24.6%	80 858	85 995	91 232	5.9%	24.3%
Socioeconomic Support Management	225 040	57 408	166 956	219 673	-0.8%	71.0%	240 337	253 771	268 238	6.9%	71.2%
Total	255 171	136 438	243 914	307 381	6.4%	100.0%	336 772	356 751	377 586	7.1%	100.0%
Change to 2017 Budget estimate				(9 570)			12 333	13 973	15 460		
Economic classification											
Current payments	41 902	82 470	86 915	76 331	22.1%	30.5%	103 284	110 187	117 461	15.5%	29.5%
Compensation of employees	17 476	19 845	18 590	22 809	9.3%	8.3%	40 581	43 686	47 029	27.3%	11.2%
Goods and services ¹	24 426	62 625	68 325	53 522	29.9%	22.2%	62 703	66 501	70 432	9.6%	18.4%
of which:											
Catering: Departmental activities	527	239	195	828	16.3%	0.2%	876	926	977	5.7%	0.3%
Consultants: Business and advisory services	276	-	-	1 814	87.3%	0.2%	642	678	713	-26.7%	0.3%
Contractors	4 311	55 585	61 453	34 439	99.9%	16.5%	53 726	57 015	60 426	20.6%	14.9%
Travel and subsistence	13 204	4 788	3 217	10 885	-6.2%	3.4%	4 226	4 463	4 709	-24.4%	1.8%
Training and development	-	3	30	1 453	-	0.2%	1 401	979	1 033	-10.7%	0.4%
Venues and facilities	2 767	25	35	1 100	-26.5%	0.4%	412	940	991	-3.4%	0.2%
Transfers and subsidies¹	212 988	53 410	156 891	227 841	2.3%	69.1%	230 148	243 037	256 404	4.0%	69.5%
Departmental agencies and accounts	175 550	-	-	-	-100.0%	18.6%	-	-	-	-	-
Households	37 438	53 410	156 891	227 841	82.6%	50.4%	230 148	243 037	256 404	4.0%	69.5%
Payments for capital assets	281	558	108	3 209	125.2%	0.4%	3 340	3 527	3 721	5.1%	1.0%
Machinery and equipment	281	558	108	805	42.0%	0.2%	840	887	936	5.2%	0.3%
Software and other intangible assets	-	-	-	2 404	-	0.3%	2 500	2 640	2 785	5.0%	0.7%
Total	255 171	136 438	243 914	307 381	6.4%	100.0%	336 772	356 751	377 586	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%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	34 958	48 215	130 638	-	-100.0%	22.7%	180 258	191 971	202 529	-	41.7%
Households	34 958	48 215	130 638	-	-100.0%	22.7%	180 258	191 971	202 529	-	41.7%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	175 550	-	-	-	-100.0%	18.6%	-	-	-	-	-
Households	175 550	-	-	-	-100.0%	18.6%	-	-	-	-	-
Households											
Social benefits											
Current	2 480	5 195	26 228	227 841	351.2%	27.8%	49 890	51 066	53 875	-38.2%	27.8%
Households	2 480	5 195	26 228	227 841	351.2%	27.8%	49 890	51 066	53 875	-38.2%	27.8%

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

Personnel information

Table 19.36 Socioeconomic Support personnel numbers and cost by salary level¹

Salary level	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 (%) 2017/18 - 2020/21	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21								
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost							
Socioeconomic Support																			
1 - 6	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%	100.0%
7 - 10	1	36	1	1.1	1.1	1	13.4	13.4	1	14.4	14.4	1	15.6	15.6	1	16.8	16.8	-	4.0%
11 - 12	5	12	5	4.3	0.9	5	5.2	1.0	5	5.6	1.1	5	6.1	1.2	5	6.6	1.3	-	20.2%
13 - 16	8	-	8	9.2	1.2	8	6.4	0.8	8	6.9	0.9	8	7.4	0.9	8	8.0	1.0	-	32.3%
	7	-	2	3.9	1.9	7	7.4	1.1	12	13.7	1.1	12	14.6	1.2	12	15.6	1.3	19.7%	43.4%

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

2. Rand million.

Programme 3: Empowerment and Stakeholder Management

Programme purpose

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

Objectives

- Ensure the empowerment of deserving military veterans by:
 - 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 19.37 Empowerment and Stakeholder Management 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 thousand											
Provincial Offices and Stakeholder Relations	30 734	38 777	32 319	49 092	16.9%	36.7%	59 595	63 376	67 509	11.2%	35.2%
Empowerment and Skills Development	22 657	29 346	34 255	94 026	60.7%	43.9%	83 659	87 684	91 739	-0.8%	52.5%
Heritage, Memorials, Burials and Honours	10 927	12 109	34 926	21 794	25.9%	19.4%	19 496	20 662	21 910	0.2%	12.3%
Total	64 318	80 232	101 500	164 912	36.9%	100.0%	162 750	171 722	181 158	3.2%	100.0%
Change to 2017 Budget estimate				(1 587)			(10 509)	(11 927)	(13 207)		
Economic classification											
Current payments	57 525	75 840	87 305	156 497	39.6%	91.8%	158 717	167 463	176 665	4.1%	96.9%
Compensation of employees	18 718	23 670	24 779	28 068	14.5%	23.2%	37 983	40 820	43 872	16.1%	22.2%
Goods and services ¹	38 807	52 170	62 526	128 429	49.0%	68.6%	120 734	126 643	132 793	1.1%	74.7%
of which:											
Minor assets	52	350	202	3 603	310.7%	1.0%	3 826	4 039	4 262	5.8%	2.3%
Catering: Departmental activities	1 194	1 041	1 030	2 490	27.8%	1.4%	3 693	3 899	4 114	18.2%	2.1%
Consumables: Stationery, printing and office supplies	130	770	1 081	2 937	182.7%	1.2%	2 874	3 036	3 203	2.9%	1.8%
Travel and subsistence	26 726	26 305	31 001	41 799	16.1%	30.6%	44 223	46 699	49 267	5.6%	26.7%
Training and development	3 303	15 909	23 343	66 407	171.9%	26.5%	55 107	57 342	59 680	-3.5%	35.1%
Venues and facilities	3 034	3 475	1 429	6 893	31.5%	3.6%	7 293	7 701	8 125	5.6%	4.4%

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

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Transfers and subsidies ¹	5 687	3 891	9 214	5 000	-4.2%	5.8%	4 018	4 243	4 476	-3.6%	2.6%
Households	5 687	3 891	9 214	5 000	-4.2%	5.8%	4 018	4 243	4 476	-3.6%	2.6%
Payments for capital assets	1 106	501	4 981	3 415	45.6%	2.4%	15	16	17	-82.9%	0.5%
Machinery and equipment	1 106	501	696	15	-76.2%	0.6%	15	16	17	4.3%	-
Heritage assets	-	-	4 285	3 400	-	1.9%	-	-	-	-100.0%	0.5%
Total	64 318	80 232	101 500	164 912	36.9%	100.0%	162 750	171 722	181 158	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 transfers and subsidies											
Households											
Other transfers to households											
Current	734	156	-	5 000	89.6%	1.4%	-	-	-	-100.0%	0.7%
Households	734	156	-	5 000	89.6%	1.4%	-	-	-	-100.0%	0.7%
Households											
Social benefits											
Current	4 953	3 735	9 214	-	-100.0%	4.4%	4 018	4 243	4 476	-	1.9%
Households	4 953	3 735	9 214	-	-100.0%	4.4%	4 018	4 243	4 476	-	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.

Personnel information

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

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						
Salary level	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%	100.0%
1-6	3	2	2	1.0	0.5	2	0.7	0.3	2	0.7	0.4	2	0.8	0.4	2	0.9	0.4	-	4.8%
7-10	21	3	11	8.3	0.8	11	8.7	0.8	11	9.3	0.8	11	10.1	0.9	11	10.9	1.0	-	26.3%
11-12	14	-	14	9.9	0.7	14	7.9	0.6	14	8.5	0.6	14	9.2	0.7	14	9.9	0.7	-	33.5%
13-16	8	1	6	5.6	0.9	11	12.4	1.1	16	19.4	1.2	16	20.8	1.3	16	22.2	1.4	13.3%	35.3%

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

2. Rand million.

Entities¹

Armaments Corporation of South Africa

Mandate

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

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

Selected performance indicators

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

Indicator	Programme/Objective/Activity	MTEF 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.

The corporation participates that 69.6 per cent of its revenue over the MTEF period will be derived through 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 19.40 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	456 866	391 999	413 122	452 957	-0.3%	25.4%	504 277	511 845	541 383	6.1%	24.2%
Quality assurance	87 815	118 474	101 893	115 639	9.6%	6.2%	122 478	130 124	139 163	6.4%	6.1%
Management of defence matériel acquisition	291 285	328 302	337 101	382 583	9.5%	19.6%	405 781	427 122	456 811	6.1%	20.1%
Logistics support	173 496	217 669	215 492	235 598	10.7%	12.3%	276 310	208 904	218 166	-2.5%	11.4%
Management of strategic facilities: Armscor dockyard	197 692	250 875	250 544	283 732	12.8%	14.4%	302 224	318 121	339 795	6.2%	15.0%
Management of strategic facilities: Research and development	312 746	370 983	386 207	434 655	11.6%	22.0%	469 989	497 068	528 703	6.7%	23.2%
Total	1 519 900	1 678 300	1 704 359	1 905 164	7.8%	100.0%	2 081 059	2 093 184	2 224 021	5.3%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	2017/18	
Revenue									
Non-tax revenue	880 893	690 800	383 387	1 006 700	453 594	453 594	554 287	554 287	119.1%
Sale of goods and services other than capital assets	760 131	400 500	291 289	479 500	353 003	353 003	370 861	370 861	90.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	760 131	400 500	291 289	479 500	353 003	353 003	370 861	370 861	90.3%
Other non-tax revenue	120 762	290 300	92 098	527 200	100 591	100 591	183 426	183 426	221.7%
Transfers received	1 101 475	913 300	1 025 893	858 700	1 042 144	1 042 144	1 325 406	1 325 406	92.1%
Total revenue	1 982 368	1 604 100	1 409 280	1 878 400	1 495 738	1 495 738	1 879 693	1 879 693	101.3%
Expenses									
Current expenses	1 981 529	1 502 300	1 636 047	1 678 300	1 704 359	1 704 359	1 865 122	1 905 164	94.5%
Compensation of employees	935 468	872 070	1 029 203	940 146	1 048 959	1 048 959	1 162 474	1 202 516	97.3%
Goods and services	1 006 587	565 888	535 533	673 212	576 451	576 451	620 759	620 759	88.9%
Depreciation	39 474	64 342	71 311	64 942	78 949	78 949	81 889	81 889	106.8%
Total expenses	1 981 529	1 519 900	1 636 047	1 678 300	1 704 359	1 704 359	1 865 122	1 905 164	94.7%
Surplus/(Deficit)	839	84 200	(226 767)	200 100	(208 621)	(208 621)	14 571	(25 471)	
Statement of financial position									
Carrying value of assets	1 347 036	1 300 001	1 396 246	1 596 100	1 654 626	1 548 863	1 758 696	1 586 439	98.0%
<i>of which:</i>									
<i>Acquisition of assets</i>	(35 700)	(24 000)	(54 895)	(25 000)	(104 500)	(33 386)	(143 800)	(117 499)	59.0%
Investments	–	1 300	–	–	100	3 072	100	100	2 236.0%
Inventory	12 188	8 099	9 600	7 500	8 000	29 589	8 386	8 821	141.5%
Receivables and prepayments	136 916	100 700	106 800	199 900	211 800	162 734	222 401	196 246	97.3%
Cash and cash equivalents	695 585	877 500	760 500	865 800	615 499	764 881	533 476	743 094	124.8%
Non-current assets held for sale	–	100	–	500	–	385	–	–	–
Defined benefit plan assets	118 300	–	130 000	–	16	–	16	–	–
Taxation	–	2 100	–	25 900	–	26 036	–	–	–
Derivatives financial instruments	–	747 700	–	129 100	–	131 394	–	–	–
Total assets	2 310 025	3 037 500	2 403 146	2 824 800	2 490 041	2 666 954	2 523 075	2 534 700	113.8%

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

Statement of financial position										Average: Outcome/ Budget (%)
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
Accumulated surplus/(deficit)	613 762	1 920 000	834 626	608 500	(208 621)	(126 863)	14 571	(25 471)	189.4%	
Capital and reserves	1 231 624	75 000	1 083 691	1 583 700	2 042 229	2 200 614	1 833 606	1 930 463	93.5%	
Deferred income	80 986	128 900	114 000	101 200	101 212	78 597	88 512	65 897	97.4%	
Trade and other payables	254 086	214 500	179 081	281 800	295 234	251 784	309 995	289 714	99.9%	
Taxation	-	17 800	-	5 000	-	5 031	-	-	-	
Provisions	129 567	681 300	191 748	244 600	259 987	257 791	276 391	274 097	170.0%	
Total equity and liabilities	2 310 025	3 037 500	2 403 146	2 824 800	2 490 041	2 666 954	2 523 075	2 534 700	113.8%	

Statements of estimates of financial performance and position**Table 19.42 Armaments Corporation of South Africa statements of estimates of financial performance and position**

Statement of financial performance										Average: Expenditure/ Total (%)
R thousand	Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/Total (%)		
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21			
Revenue										
Non-tax revenue	554 287	-7.1%	39.1%	681 943	624 162	668 365	6.4%	30.4%		
Sale of goods and services other than capital assets	370 861	-2.5%	23.5%	525 517	472 914	513 030	11.4%	22.6%		
<i>of which:</i>										
<i>Sales by market establishment</i>	370 861	-2.5%	23.5%	525 517	472 914	513 030	11.4%	22.6%		
Other non-tax revenue	183 426	-14.2%	15.7%	156 426	151 248	155 335	-5.4%	7.8%		
Transfers received	1 325 406	13.2%	60.7%	1 399 331	1 485 937	1 568 016	5.8%	69.6%		
Total revenue	1 879 693	5.4%	100.0%	2 081 274	2 110 099	2 236 381	6.0%	100.0%		
Expenses										
Current expenses	1 905 164	8.2%	99.7%	2 081 059	2 093 184	2 224 021	5.3%	100.0%		
Compensation of employees	1 202 516	11.3%	59.5%	1 251 853	1 345 741	1 446 672	6.4%	63.2%		
Goods and services	620 759	3.1%	35.9%	746 799	660 916	686 495	3.4%	32.7%		
Depreciation	81 889	8.4%	4.3%	82 407	86 527	90 854	3.5%	4.1%		
Total expenses	1 905 164	7.8%	100.0%	2 081 059	2 093 184	2 224 021	5.3%	100.0%		
Surplus/(Deficit)	(25 471)			215	16 915	12 360				
Statement of financial position										
Carrying value of assets	1 586 439	6.9%	55.0%	1 639 269	1 618 269	1 596 219	0.2%	62.5%		
<i>of which:</i>										
<i>Acquisition of assets</i>	(117 499)	69.8%	-1.9%	(135 240)	(65 530)	(68 800)	-16.3%	-3.8%		
Investments	100	-57.5%	0.0%	100	100	100	-	0.0%		
Inventory	8 821	2.9%	0.5%	9 263	9 726	10 212	5.0%	0.4%		
Receivables and prepayments	196 246	24.9%	6.1%	206 058	216 361	227 179	5.0%	8.2%		
Cash and cash equivalents	743 094	-5.4%	29.4%	699 597	748 310	794 453	2.3%	28.9%		
Total assets	2 534 700	-5.9%	100.0%	2 554 287	2 592 766	2 628 163	1.2%	100.0%		
Accumulated surplus/(deficit)	(25 471)	-123.7%	19.7%	215	16 915	12 360	-178.6%	0.0%		
Capital and reserves	1 930 463	195.3%	54.3%	1 904 993	1 905 214	1 922 129	-0.1%	74.3%		
Deferred income	65 897	-20.0%	3.3%	57 897	49 897	41 897	-14.0%	2.1%		
Trade and other payables	289 714	10.5%	9.5%	304 200	319 410	335 380	5.0%	12.1%		
Provisions	274 097	-26.2%	12.9%	286 982	301 330	316 397	4.9%	11.4%		
Total equity and liabilities	2 534 700	-5.9%	100.0%	2 554 287	2 592 766	2 628 163	1.2%	100.0%		

Personnel information**Table 19.43 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.

Castle Control Board

Mandate

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

Selected performance indicators

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

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18 ¹	2018/19	2019/20	2020/21
Annual income from hosting events, and film and fashion shoots	Increased public profile and positive perception across all sectors of the community	Outcome 14: Nation building and social cohesion	R2.6m	R3.2m	R3.3m	R3.9m	R4m	R3.5m ²	R3.6m
Number of visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		168 514	154 067	195 445 ³	160 000	165 000 ⁴	165 000 ⁴	170 000
Income from visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		R3.2m	R4.2m	R4.2m	R4.4m	R5m	R6m	R6.5m
Number of student interns successfully supported and mentored at the Castle of Good Hope per year	Increased public profile and positive perception across all sectors of the community		20	26	25	30	30 ⁵	30 ⁵	30 ⁵

- Figures for 2017/18 are based on targets published in the entity's 2017/18 annual performance plan. Some targets were revised following publication of the 2017 Estimates of National Expenditure.
- Decrease in income from events and visitors in 2019/20 is due to an expected decrease in the number of commercial events hosted at the castle in line with the integrated conservation management plan.
- The significant increase in the number of visitors to the Castle of Good Hope in 2016/17 was due to an initiative to promote the castle to the wider community in December 2016, as well as an event related to the commemoration of the castle's 350 years of existence.
- Targets are kept constant between 2018/19 and 2019/20 in line with the integrated conservation management plan, which recommends that the castle limit the number of commercial events held.
- Targets for this indicator over the MTEF period are constant based on the available budget.

Expenditure analysis

The work of the Castle Control Board is aligned with outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework, and the NDP's vision of exposing learners to history, heritage and culture to understand the past, analyse the present and plan for the future. Over the medium term, the board intends to focus on optimising the heritage tourism potential of the Castle of Good Hope and increasing access to the castle for the public by implementing its revenue optimisation strategy.

The board's revenue is primarily generated from ticket sales, the renting out of venues in the castle, and fees from hosting special events. Income from visitors to the castle is expected to increase at an average annual rate of 7.4 per cent, from R4.4 million in 2017/18 to R6.5 million in 2020/21, mainly due to the implementation of the revenue optimisation strategy, particularly the increase in the ticket price from R30 to R50 and the extension of its operating hours.

As part of implementing the strategy, the board plans to upgrade its information centre and website; provide better signage; improve security systems and provide a larger offering of tour options to attract more tourists and local visitors. The board anticipates spending R576 000 over the medium term on these activities, which is expected to lead to an increase in the number of visitors to the castle, from 160 000 in 2017/18 to 170 000 in 2020/21. Funds for these activities are provided in the administration programme, which accounts for a projected 85.5 per cent of the board's total estimated expenditure of R29.8 million over the MTEF period.

The board intends to strengthen its human resource capacity to ensure that it is self-sustainable. As such, spending on compensation of employees remains the largest cost driver, accounting for an estimated 70.4 per cent (R20.9 million) of total expenditure over the medium term. The board's staff complement is expected to increase from 29 to 30 over the MTEF period.

Programmes/objectives/activities

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

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	5 172	5 412	8 011	7 266	12.0%	80.3%	7 954	8 491	9 070	7.7%	85.5%
Ensure the preservation, interpretation and showcasing the history of the castle	656	541	238	750	4.6%	7.2%	795	843	894	6.0%	8.6%
Maximising the tourist potential of the Castle of Good Hope	60	131	48	158	37.9%	1.3%	167	176	186	5.7%	1.8%
Increased public profile and positive perception across all sectors of the community	350	1 354	1 642	364	1.3%	11.1%	385	407	431	5.8%	4.1%
Total	6 238	7 438	9 939	8 538	11.0%	100.0%	9 301	9 917	10 581	7.4%	100.0%

Statements of historical financial performance and position

Table 19.46 Castle Control Board statements of historical financial performance and position

Statement of financial performance									
R thousand	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	5 771	4 697	7 501	4 905	8 214	3 995	8 538	8 538	73.7%
Sale of goods and services other than capital assets	5 171	3 700	6 901	4 259	7 614	3 597	7 938	8 289	71.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	5 171	3 700	6 901	4 259	7 614	3 597	7 938	8 289	71.8%
Other non-tax revenue	600	997	600	646	600	397	600	249	95.4%
Total revenue	5 771	4 697	7 501	4 905	8 214	3 995	8 538	8 538	73.7%
Expenses									
Current expenses	5 771	6 238	7 501	7 438	8 214	9 939	8 538	8 538	107.1%
Compensation of employees	2 472	3 092	3 845	3 362	4 278	5 393	4 530	6 044	118.3%
Goods and services	3 224	3 067	3 586	3 988	3 936	4 361	3 939	2 384	94.0%
Depreciation	75	79	70	88	–	185	68	110	216.6%
Total expenses	5 771	6 238	7 501	7 438	8 214	9 939	8 538	8 538	107.1%
Surplus/(Deficit)	–	(1 541)	–	(2 533)	–	(5 944)	–	–	
Statement of financial position									
Carrying value of assets	1 591	1 610	1 791	1 691	2 269	1 713	2 663	1 882	82.9%
<i>of which:</i>									
<i>Acquisition of assets</i>	(125)	(140)	(150)	(180)	(400)	(281)	(158)	(158)	91.2%
Inventory	70	18	75	–	100	–	105	100	33.7%
Receivables and prepayments	75	143	75	251	75	106	79	110	200.8%
Cash and cash equivalents	12 500	11 327	12 400	9 760	11 900	3 832	11 500	4 173	60.2%
Total assets	14 236	13 098	14 341	11 702	14 344	5 650	14 347	6 265	64.1%
Accumulated surplus/(deficit)	14 216	12 653	14 216	10 120	14 216	4 176	14 216	5 415	56.9%
Trade and other payables	75	73	75	1 114	75	899	75	300	795.5%
Provisions	–	372	50	468	53	575	56	550	1 235.9%
Total equity and liabilities	14 291	13 098	14 341	11 702	14 344	5 650	14 347	6 265	64.1%

Statements of estimates of financial performance and position

Table 19.47 Castle Control Board statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
Revenue									
Non-tax revenue	8 538	22.0%	100.0%	9 301	9 917	10 581	7.4%	100.0%	
Sale of goods and services other than capital assets	8 289	30.8%	88.2%	9 001	9 517	10 081	6.7%	96.3%	
<i>of which:</i>									
<i>Sales by market establishment</i>	8 289	30.8%	88.2%	9 001	9 517	10 081	6.7%	96.3%	
Other non-tax revenue	249	-37.0%	11.8%	300	400	500	26.2%	3.7%	
Total revenue	8 538	22.0%	100.0%	9 301	9 917	10 581	7.4%	100.0%	

Table 19.47 Castle Control Board statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	Revised estimate							
R thousand	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Expenses								
Current expenses	8 538	11.0%	100.0%	9 301	9 917	10 581	7.4%	100.0%
Compensation of employees	6 044	25.0%	55.0%	6 509	6 965	7 453	7.2%	70.4%
Goods and services	2 384	-8.1%	43.6%	2 720	2 876	3 048	8.5%	28.7%
Depreciation	110	11.7%	1.4%	72	76	80	-10.1%	0.9%
Total expenses	8 538	11.0%	100.0%	9 301	9 917	10 581	7.4%	100.0%
Surplus/(Deficit)	-			-	-	-		
Statement of financial position								
Carrying value of assets	1 882	5.3%	21.8%	3 267	3 430	3 636	24.5%	37.4%
<i>of which:</i>								
Acquisition of assets	(158)	4.1%	-2.5%	(167)	(400)	-	-100.0%	-2.3%
Inventory	100	77.1%	0.4%	106	112	119	6.0%	1.4%
Receivables and prepayments	110	-8.4%	1.7%	84	88	93	-5.4%	1.2%
Cash and cash equivalents	4 173	-28.3%	76.1%	4 500	5 000	5 500	9.6%	60.0%
Total assets	6 265	-21.8%	100.0%	7 957	8 630	9 348	14.3%	100.0%
Accumulated surplus/(deficit)	5 415	-24.6%	85.9%	7 268	7 900	8 574	16.6%	90.3%
Trade and other payables	300	60.2%	7.7%	106	112	119	-26.5%	2.2%
Provisions	550	13.9%	6.4%	583	618	655	6.0%	7.6%
Total equity and liabilities	6 265	-21.8%	100.0%	7 957	8 630	9 348	14.3%	100.0%

Personnel information**Table 19.48 Castle Control Board 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							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Castle Control Board																			
Salary level	29	29	37	5.4	0.1	29	6.0	0.2	23	6.5	0.3	30	7.0	0.2	30	7.5	0.2	7.2%	100.0%
1 - 6	23	23	30	2.4	0.1	23	2.8	0.1	16	2.9	0.2	23	3.1	0.1	23	3.3	0.1	5.7%	75.6%
7 - 10	4	4	5	1.4	0.3	4	1.4	0.3	5	1.6	0.3	5	1.8	0.4	5	2.0	0.4	12.8%	17.2%
11 - 12	1	1	1	0.7	0.7	1	0.8	0.8	1	0.9	0.9	1	0.9	0.9	1	1.0	1.0	5.3%	3.6%
13 - 16	1	1	1	0.9	0.9	1	1.1	1.1	1	1.1	1.1	1	1.2	1.2	1	1.2	1.2	5.3%	3.6%

1. Rand million.

Additional tables

Table 19.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Rebuilding of the runway at Waterkloof Air Force Base	Upgrade of runway	Handed over	1 113 576	2 219	–	–	–	–		
Upgrade and refurbishment of the South African Military Health Training Centre: Phase 2 (nurses college)	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	1 803 201	–	–	–	7 680	78 953	222 401	
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	3 257 571	–	743	7 334	68 997	96 357	109 934	127 126
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Construction	609 973	–	839	2 717	9 977	1 281	76 365	41 879
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	936 152	25 537	24 178	36 844	133 304	57 735	–	–
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	581 025	–	1 579	746	17 270	17 569	37 389	45 947
Demolition of infrastructure	Demolition of infrastructure	Various	80 285	–	–	–	–	–	–	–
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	77 702	3 701	–	3 474	796	15 694	2 261	–
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	199 128	17	840	3 271	–	20 075	19 963	3 921
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Site identification	550 595	1 122	4 884	11 209	18 000	83 592	40 139	5 289
Construction of accommodation	Construction of single and married housing units (in the form of houses and flats) to accommodate military personnel	Various	–	–	–	–	32 955	–	–	–
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	3 277 497	24 783	45 659	63 678	138 274	131 531	110 026	80 048
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	91 361	409	483	222	–	33 933	6 399	1 425

Table 19.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2020/21
R thousand									
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24 196	–	2	–	167 741	–	–
Upgrading of infrastructure for disabled members	Upgrade of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8 911	577	17	213	7 653	–	–
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	30 289	51	34	949	–	922	2 089
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaatt	Site identification	5 021	–	12	–	–	–	–
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	47 952	486	78	50	15 544	9 987	–
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	25 431	–	27	1 447	264	–	1 520
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordnance	Various	–	–	–	–	3 867	–	–
Training facilities	Construction and upgrades of training facilities	Various	119 051	–	–	403	7 439	4 799	14 940
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	241 212	5 901	3 222	15 043	–	7 286	17 300
Workshops and stores	Construction of workshops and stores	Various	22 496	–	–	14	1 716	103	–
Fences and gates	Replacement or erection of fences	Various	249 777	37	–	242	34 096	41 150	27 431
Recoverable projects	Upgrades of buildings in military bases	Various	129 351	37	–	–	200	–	(720)
Total			13 481 753	64 877	82 597	147 856	658 093	529 694	543 989

Table 19.B Largest defence force units

Unit	Audited outcome			Adjusted appropriation	Medium-term estimates		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R thousand							
1 Military Hospital	688 060	774 579	838 065	803 128	887 679	952 326	971 511
Naval Base Simonstown	481 238	506 214	522 406	503 658	494 514	497 387	505 504
School of Infantry	558 697	602 009	578 748	641 858	636 732	617 279	582 263
15 SA Infantry Battalion	252 557	246 710	281 387	243 143	248 209	214 720	166 241
Air Force Base Waterkloof	313 937	299 796	343 108	263 686	308 315	297 232	298 760
2 Military Hospital	320 648	332 186	373 930	437 804	444 737	469 753	475 837
General Support Base Thaba Tswane	256 318	271 178	235 572	271 021	181 173	178 800	177 567
Area Military Health Unit Gauteng	284 855	298 069	349 153	286 808	316 520	309 760	310 083
7 SA Infantry Battalion	224 540	218 988	271 241	231 015	244 478	219 438	162 744
Joint Support Base Garrison	253 883	240 839	276 159	262 287	255 059	294 643	332 694
1 SA Infantry Battalion	219 177	221 977	253 002	232 389	253 721	255 010	258 376
21 SA Infantry Battalion	239 008	235 367	270 877	258 038	276 276	281 592	277 126
14 SA Infantry Battalion	229 008	233 863	242 427	224 616	246 908	250 010	243 525
4 Artillery Regiment	209 894	220 305	265 263	235 110	272 507	255 596	256 493
8 SA Infantry Battalion	184 438	182 466	217 708	210 895	237 882	242 388	243 660
6 SA Infantry Battalion	192 711	209 397	224 743	202 748	240 247	237 902	238 664
121 SA Infantry Battalion	197 452	324 404	248 821	211 738	259 261	259 324	261 664
4 SA Infantry Battalion	209 069	203 997	264 489	237 769	265 633	265 455	267 657
5 SA Infantry Battalion	225 240	225 181	270 858	234 919	267 393	263 004	267 267
10 SA Infantry Battalion	222 988	241 270	260 896	241 266	265 973	262 214	257 906
9 SA Infantry Battalion	177 826	184 679	210 843	186 081	218 896	221 190	223 050
3 Military Hospital	203 092	204 988	225 955	252 711	267 511	264 913	267 178
Area Military Health Unit Western Cape	191 936	197 775	223 824	223 281	245 819	250 728	245 646
68 Air School	223 584	365 742	204 236	238 839	220 422	213 848	211 626
1 Parachute Battalion	149 439	155 590	201 198	172 696	206 344	208 085	207 633
10 Anti-Aircraft Regiment	162 849	177 328	203 635	209 494	208 600	209 066	207 027
2 SA Infantry Battalion	206 933	212 545	226 179	216 401	238 119	239 956	242 285
2 Field Engineer Regiment	174 488	174 314	205 927	194 190	193 745	196 745	198 005
Army Support Base Bloemfontein	167 641	158 772	204 560	170 758	164 671	117 848	115 287
1 Construction Regiment	150 178	231 447	171 422	165 017	177 940	148 593	148 018
Joint Support Base Wonderboom	144 669	141 744	162 064	160 279	157 366	147 131	152 869
Air Force Base Hoedspruit	150 736	141 191	159 337	156 701	172 376	154 645	148 869
SAS Simonsberg	159 031	155 296	166 151	174 310	168 097	176 348	186 530
Army Support Base Limpopo	148 732	149 202	172 524	151 897	169 800	166 058	160 182
Army Support Base Potchefstroom	120 691	120 138	123 238	118 720	130 443	120 567	119 472
Defence Works Formation	74 253	90 028	123 540	150 355	115 156	123 126	122 940
Army Support Base KwaZulu-Natal	130 637	127 408	150 654	132 822	131 909	129 207	126 316
Area Military Health Unit Limpopo	135 137	137 021	171 892	152 505	172 251	181 909	176 677
Army Support Base Western Cape	127 734	123 353	134 903	121 744	127 209	124 042	120 455
Area Military Health Unit KwaZulu-Natal	163 006	136 910	165 319	160 942	182 893	175 129	180 330
1 Special Services Battalion	122 272	128 678	150 381	145 392	154 311	155 160	157 076
Defence Headquarters Unit	112 682	115 314	127 987	135 985	150 796	154 676	155 266
Air Force Base Makhado	125 030	113 019	137 694	130 195	138 603	132 795	131 523
1 SA Tank Regiment	114 018	124 750	136 927	130 516	151 729	151 261	150 364
Area Military Health Unit Eastern Cape	113 884	117 090	130 509	127 461	143 392	144 601	145 182
3 SA Infantry Battalion	161 397	151 302	118 674	168 793	143 087	145 137	146 417
SAS Saldanha	125 409	140 320	192 377	173 878	192 685	193 521	188 132
Army Support Base Eastern Cape	105 615	103 105	119 049	110 028	116 898	116 061	114 173
Area Military Health Unit Free State	100 487	104 474	119 851	122 115	136 529	138 923	139 352
1 Tactical Intelligence Regiment	103 088	116 607	105 530	118 025	124 727	123 659	122 110
5 Signal Regiment	123 559	122 000	151 812	143 483	144 674	121 497	119 349
Area Military Health Unit North West	110 635	108 477	126 534	131 908	143 384	142 934	145 793
SA Army Gymnasium	101 572	122 985	108 701	105 614	121 004	125 766	125 780
Air Force Base Ysterplaat	107 738	103 834	116 956	114 626	125 539	122 663	120 112
Air Force Base Langebaanweg	106 437	102 687	127 634	114 587	126 732	125 502	125 384
School for Military Health Training	65 903	87 380	77 428	77 454	82 290	82 698	83 731
School of Engineers	95 748	110 981	132 588	141 464	151 185	159 476	168 176
SA Army Technical Training Centre	116 712	145 887	154 820	143 148	161 335	160 885	168 758
Army Support Base Johannesburg	92 522	91 700	104 186	94 517	104 229	88 982	88 099
National Ceremonial Guard	91 709	92 007	110 859	101 591	101 992	103 164	104 202
SA Army Combat Training Centre	81 337	120 815	94 140	95 109	107 576	109 645	111 069
43 SA Brigade	94 217	100 283	106 808	107 033	114 723	116 704	118 135
SAS Wingfield	121 500	129 524	131 386	126 910	128 036	140 697	150 095
Army Support Base Kimberley	92 755	94 079	107 395	94 453	104 205	103 587	101 820
Air Force Base Overberg	91 097	83 821	103 329	98 058	108 359	104 561	102 427
5 Air Supply Unit	101 524	99 801	117 079	114 557	129 146	125 085	120 026
Army Support Base Lohatla	81 312	77 935	100 734	80 797	100 877	100 494	99 862
Nursing College	95 794	122 182	86 551	96 213	99 087	98 694	98 275
Air Force Gymnasium	47 310	54 266	45 857	106 148	58 205	45 810	63 649
Army Support Base Mpumalanga	86 483	88 319	104 185	94 221	103 810	103 045	102 772
Area Military Health Unit Northern Cape	85 725	110 110	108 299	104 711	117 928	117 523	118 411
School of Armour	72 108	78 043	89 284	96 964	91 440	93 051	93 899
Army Support Base Dequar Road	67 876	109 525	28 438	—	—	—	—

Table 19.B Largest defence force units

Unit	Audited outcome			Adjusted appropriation	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
R thousand							
46 SA Brigade	78 218	91 489	89 816	99 696	99 702	103 349	104 351
Gauteng Signal Unit	76 899	77 901	86 950	84 761	90 038	92 113	92 096
Air Force Base Bloemspruit	77 250	72 214	86 536	82 936	89 449	88 701	88 241
7 Medical Battalion Group	50 931	51 044	59 000	53 352	66 803	65 864	65 097
93 Ammunition Depot	55 584	64 739	57 640	65 498	63 767	65 913	65 294
10 Air Depot	46 891	70 450	57 118	53 278	54 460	54 129	57 048
Air Force Base Durban	41 715	39 350	47 368	44 942	51 652	50 559	52 266
85 Combat Flying School	34 315	34 970	33 092	41 420	42 604	42 128	43 155
2 Squadron	29 255	29 926	28 928	42 044	41 164	42 293	43 057
60 Squadron	7 734	9 898	14 177	9 798	14 016	14 180	14 524
28 Squadron	43 820	44 214	52 429	53 065	56 070	58 193	59 475
22 Squadron	42 384	43 242	45 769	49 509	47 118	47 141	47 181
15 Squadron	39 675	39 380	44 011	45 866	49 280	48 571	47 933
87 Helicopter Flying School	34 115	34 728	34 960	39 376	38 273	38 263	39 355
17 Squadron	34 806	35 155	40 112	41 860	43 485	43 457	44 217
41 Squadron	39 777	38 553	44 711	44 651	49 655	50 562	51 669
35 Squadron	33 448	33 626	38 002	38 972	41 354	42 458	40 997
21 Squadron	48 289	61 332	41 980	73 653	75 710	78 907	82 668
School of Artillery	56 096	59 847	59 185	76 801	73 453	74 419	76 076
SA Army College	49 472	60 950	54 045	54 621	64 318	65 201	65 697
16 Maintenance Unit	31 483	34 386	33 135	36 984	32 040	32 119	32 681
SA National War College	38 690	39 442	46 700	46 441	46 339	47 879	48 485
SAS Protea	31 887	37 227	33 464	37 429	39 732	38 975	38 181
101 Workshop	28 916	29 181	33 311	32 646	35 197	34 330	33 618
Personnel Services School	22 918	22 919	24 589	27 335	29 617	30 384	30 221



Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel +27 12 315 5944 | **Fax** +27 12 406 9055

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