

Vote 19

Defence and Military Veterans

Budget Summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	6 187.1	5 441.5	723.3	22.3	6 547.6	6 931.8
Force Employment	3 620.7	3 323.8	260.8	36.1	3 644.6	3 612.2
Landward Defence	16 464.3	14 486.1	1 945.7	32.6	17 406.5	17 016.3
Air Defence	6 977.7	5 657.2	1 294.5	26.1	7 674.9	6 568.8
Maritime Defence	4 517.9	3 333.1	1 174.1	10.7	5 033.9	4 368.1
Military Health Support	5 375.3	5 250.1	77.5	47.6	5 777.6	6 035.9
Defence Intelligence	1 020.5	495.5	520.9	4.1	1 082.7	821.0
General Support	6 349.5	4 140.6	1 625.6	583.3	6 657.3	6 923.4
Total expenditure estimates	50 513.0	42 127.9	7 622.4	762.8	53 825.1	52 277.5

Executive authority Minister of Defence and Military Veterans

Accounting officer Secretary for Defence

Website address www.dod.mil.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, 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		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total number of defence attachè offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	44	44	44	44	44	44	44
Total number of military skills development members in the system ²	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	3 944	3 759	3 476	3 568	3 510	3 570 ²	3 550

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections ¹		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of reserve force man days ³	Administration	Outcome 3: All people in South Africa are and feel safe	2 768 982	2 679 142	2 425 899	2 679 761	2 693 048 ³	2 680 494 ³	2 674 732 ³
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	100% (32)	100% (32)	100% (32)	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment		100% (3)	100% (2)	100% (2)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Percentage compliance with number of ordered commitments (internal operations) ⁵	Force Employment		100% (4)	100% (4)	100% (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	6	4	3	4	1 ⁶	3 ⁶	2 ⁶
Number of landward subunits deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	15	15	15	15	15	15	15
Number of hours flown per year ⁷	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	– ⁷	– ⁷	– ⁷	25 000	17 200	17 100	17 100
Number of hours at sea per year	Maritime Defence		10 711	8 132	6 047	12 000	10 000	10 000	10 000

1. Over the MTEF period, most of the department's performance targets are maintained at the same level or reduced to align with available budgets.
2. Indicator reworded to reflect its cumulative nature. Target increase in 2020/21 is due to a higher attrition rate for military personnel, especially an increase in retirements in the South African National Defence Force.
3. A "man day" refers to a day regarded as the number of hours of work one person can complete in a day. Medium-term targets for this indicator are aligned with the operational requirements of the department. The increase in the target in 2019/20 is due to the 2019 national and provincial elections.
4. Only absolute numbers for executed operations are reported on. The number of ordered commitments cannot be predicted, hence no absolute values can be provided in 2018/19 and over the MTEF period.
5. Internal operations include border safeguarding and operations in support of other departments.
6. Due to the 2019 national and provincial elections, only 1 joint interdepartmental, interagency and multinational military exercise will be conducted in 2019/20. 2019 targets show an inconsistent trend as these exercises involve agreements with other countries. As some of the exercises occur every second year, only 2 exercises are scheduled in 2021/22.
7. No historical data available as this is a new indicator, replacing "Number of force employment hours flown per year".

Expenditure analysis

Over the medium term, the department will focus on: arresting the decline in critical defence capabilities, participating in peace support operations, safeguarding South Africa's borders and territorial integrity, supporting the people of South Africa through collaboration with other departments, and refurbishing and maintaining infrastructure. These activities support the realisation 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.

Due to the labour-intensive nature of the department's work, compensation of employees is its largest spending item, accounting for 59 per cent (R94 billion) of its total budget over the MTEF period. As part of the department's effort to remain within government's expenditure ceiling for compensation of employees, its number of personnel is expected to decrease by 901, from 75 210 in 2018/19 to 74 309 in 2021/22, mainly through natural attrition.

Cabinet has approved budget reductions of R183.2 million in 2019/20, R174.2 million in 2020/21 and R5 billion in 2021/22. The reductions will be effected across all programmes mainly on the special defence account and various goods and services items such as computer services, contractors and travel and subsistence. Included in these are baseline reductions of R3.8 million for the Department of Military Veterans and R96.2 million for the Armaments Corporation of South Africa. The department will implement targeted interventions, such as cost containment on non-core goods and services items, and review projects within the special defence account to ensure that it functions sustainably.

Arresting the decline in critical defence capabilities

The 2015 South African Defence Review provides a policy for South Africa's defence trajectory over the next 20 to 30 years. Over the medium term, the department will focus on implementing parts of the review that are related to arresting the decline in critical defence capabilities. Due to the constrained fiscal outlook, the department expects to only partially implement critical elements of the review such as improved operational support systems and urgent equipment enhancements. Activities related to implementing the review are expected to be achieved with funds retained through reimbursements from the United Nations. These reimbursements are projected to amount to R1.9 billion over the medium term, as part of South Africa's contribution towards peace support operations in the Democratic Republic of the Congo.

Participating in peace support operations

As part of its efforts to ensure peace and stability in Africa, 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, the department intends to deploy an infantry battalion supported by Rooivalk and Oryx helicopters. The department also expects to continue its deployment of 4 military observers as part of the African Union mission in Sudan's Darfur region. R3.2 billion over the medium term is allocated in the *Force Employment* programme for activities related to peace support operations.

Safeguarding South Africa's borders and territorial integrity

Border security remains a key priority for the South African National Defence Force, especially the country's land and sea borders. Accordingly, over the MTEF period, the department plans to deploy 15 landward sub-units to patrol 4 471km of South Africa's land borders with Zimbabwe, eSwatini, Mozambique, Lesotho, Botswana and Namibia. R3.7 billion is allocated over the period ahead for land border control in the *Force Employment* programme.

The South African Navy will continue to prepare naval forces for operations in support of the maritime security strategy. These operations involve ongoing maritime border patrols along the Mozambican channel to combat piracy. Provision is made in the *Maritime Defence* programme over the MTEF period to finalise the acquisition of a new hydrographic survey vessel at an estimated cost of R2.1 billion. The vessel will be used to conduct hydrographic research to produce nautical charts, and ensure safe navigation for military and civilian shipping. The acquisition of this vessel also forms part of Operation Phakisa, an initiative of the Department of Environmental Affairs intended to unlock the economic potential of South Africa's oceans. Over the medium term, R1.6 billion is allocated, mainly in the *Maritime Defence* programme, for the implementation of the maritime security strategy along the east coast of Africa.

Supporting the people of South Africa

The department contributes to domestic safety and security by conducting various internal operations in support of other government departments. For this purpose, R48.1 million is allocated over the MTEF period in the *Force Employment* programme. As part of these operations, the South African National Defence Force will continue to work with the Department of Water and Sanitation, the Gauteng provincial government and the Emfuleni local municipality to deal with water pollution in the Vaal River system. In 2018/19, the South African National Defence Force deployed 400 soldiers, including engineers, to provide technical assistance and protect equipment at pump stations and wastewater treatment plants. This project is expected to be completed in December 2019, with its total cost still to be finalised. The department will also focus on preparing and

deploying the South African National Defence Force for the 2019 national and provincial elections in support of the South African Police Service at a projected cost of R67.7 million in 2019/20 in the *Force Employment* programme.

Refurbishing and maintaining infrastructure

The Defence Works Formation maintains and refurbishes defence facilities across South Africa. Priority projects over the medium term include the upgrading of the Sandhurst building in Thaba Tshwane (Gauteng), the construction of houses at the military academy in Saldanha (Western Cape), and the renovation of quarters for married officers in Potchefstroom (North West). To carry out these activities, R2.4 billion is allocated over the MTEF period in the *General Support* programme.

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	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	4 827.2	4 862.4	4 981.5	5 151.1	5 348.0	5 740.6	5 380.8	5 469.5	5 505.4	5 548.9	5 653.3	5 653.3	104.7%	102.6%
Programme 2	3 603.2	3 813.3	3 602.8	3 899.6	3 672.6	3 431.0	3 688.6	3 535.4	3 208.1	3 375.6	3 375.6	3 375.6	93.5%	94.6%
Programme 3	14 805.3	15 202.4	15 119.0	15 651.4	15 627.3	15 557.8	16 550.2	16 719.8	16 691.5	16 234.3	16 271.2	16 271.2	100.6%	99.7%
Programme 4	7 049.2	7 167.6	7 085.7	6 883.5	6 936.6	6 782.6	6 628.0	6 818.5	6 753.4	6 415.9	6 650.8	6 650.8	101.1%	98.9%
Programme 5	3 717.2	3 769.1	3 732.7	4 355.9	4 386.8	4 298.4	4 790.0	4 590.0	4 613.9	4 424.7	4 699.4	4 699.4	100.3%	99.4%
Programme 6	3 932.9	4 069.3	4 243.2	4 416.8	4 440.7	4 448.7	4 586.7	4 586.7	4 852.9	4 714.1	4 714.1	4 714.1	103.4%	102.5%
Programme 7	827.5	831.5	830.1	900.2	900.2	881.3	917.3	917.3	888.0	950.4	950.4	950.4	98.7%	98.6%
Programme 8	5 817.0	5 372.6	5 476.6	5 911.1	5 924.3	6 056.7	6 077.2	6 362.4	6 463.9	6 285.9	6 181.6	6 181.6	100.4%	101.4%
Total	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 977.2	47 949.7	48 496.2	48 496.2	100.8%	100.0%
Change to 2018 Budget estimate											546.5			
Economic classification														
Current payments	36 162.0	36 607.6	36 227.6	39 101.1	39 407.1	38 780.7	38 022.0	39 175.7	38 826.4	39 447.5	39 265.5	39 265.5	100.2%	99.1%
Compensation of employees	24 595.0	24 890.4	24 788.0	26 884.6	27 094.6	27 059.7	26 448.0	27 448.0	28 040.9	27 116.7	27 116.7	27 116.7	101.9%	100.4%
Goods and services	11 567.0	11 717.2	11 439.6	12 216.5	12 312.5	11 721.0	11 574.0	11 727.7	10 785.5	12 330.8	12 148.8	12 148.8	96.7%	96.2%
Transfers and subsidies	7 830.5	7 893.7	8 003.3	7 780.8	7 541.6	7 466.8	9 180.1	8 587.2	8 507.4	7 614.4	8 160.9	8 160.9	99.2%	99.9%
Provinces and municipalities	0.0	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.2	1.5	1.5	1.5	113.1%	113.1%
Departmental agencies and accounts	6 687.8	6 745.2	6 840.1	6 622.7	6 383.4	6 251.8	7 747.1	7 154.2	6 999.7	6 011.4	6 557.9	6 557.9	98.5%	99.3%
Foreign governments and international organisations	–	5.8	5.8	–	–	–	–	–	–	–	–	–	–	100.0%
Public corporations and private enterprises	1 025.9	1 025.9	1 022.4	1 025.4	1 025.4	1 067.7	1 296.9	1 296.9	1 298.5	1 422.7	1 422.7	1 422.7	100.8%	100.8%
Non-profit institutions	8.0	8.0	8.1	9.5	9.5	9.3	8.9	8.9	8.7	9.3	9.3	9.3	99.2%	99.2%
Households	108.8	108.8	126.8	123.2	123.2	137.9	127.1	127.1	200.3	169.4	169.4	169.4	120.0%	120.0%

Table 19.2 Vote expenditure trends by programme and economic classification

Economic classification	2015/16			2016/17			2017/18			2018/19			Average: Outcome/Annual budget (%)	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	2015/16 - 2018/19	Average: Outcome/Adjusted appropriation (%)
R million														
Payments for capital assets	586.9	586.9	838.0	287.8	287.8	947.3	1 416.7	1 236.7	1 633.8	887.8	1 069.8	1 069.8	141.2%	141.1%
Buildings and other fixed structures	122.6	122.6	82.6	121.9	121.9	147.9	958.8	658.1	697.3	529.7	529.7	529.7	84.1%	101.8%
Machinery and equipment	451.2	451.2	696.7	164.5	164.5	696.9	455.7	455.7	830.7	314.8	314.8	314.8	183.2%	183.2%
Specialised military assets	12.1	12.1	58.1	1.0	1.0	7.6	1.7	1.7	–	2.8	2.8	2.8	387.9%	387.9%
Biological assets	–	–	–	–	–	–	–	–	0.1	–	–	–	–	–
Software and other intangible assets	1.0	1.0	0.6	0.3	0.3	95.0	0.4	121.1	105.8	40.6	222.6	222.6	1 001.8%	122.9%
Payments for financial assets	–	–	2.7	–	–	2.3	–	–	9.6	–	–	–	–	–
Total	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 977.2	47 949.7	48 496.2	48 496.2	100.8%	100.0%

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Force Employment									
3. Landward Defence									
4. Air Defence									
5. Maritime Defence									
6. Military Health Support									
7. Defence Intelligence									
8. General Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2018/19	2015/16 - 2018/19	2019/20			2020/21
R million									
Programme 1	5 653.3	5.2%	11.5%	6 187.1	6 547.6	6 931.8	7.0%	12.3%	
Programme 2	3 375.6	-4.0%	7.2%	3 620.7	3 644.6	3 612.2	2.3%	6.9%	
Programme 3	16 271.2	2.3%	33.5%	16 464.3	17 406.5	17 016.3	1.5%	32.7%	
Programme 4	6 650.8	-2.5%	14.4%	6 977.7	7 674.9	6 568.8	-0.4%	13.6%	
Programme 5	4 699.4	7.6%	9.1%	4 517.9	5 033.9	4 368.1	-2.4%	9.1%	
Programme 6	4 714.1	5.0%	9.6%	5 375.3	5 777.6	6 035.9	8.6%	10.7%	
Programme 7	950.4	4.6%	1.9%	1 020.5	1 082.7	821.0	-4.8%	1.9%	
Programme 8	6 181.6	4.8%	12.7%	6 349.5	6 657.3	6 923.4	3.9%	12.7%	
Total	48 496.2	2.5%	100.0%	50 513.0	53 825.1	52 277.5	2.5%	100.0%	
Change to 2018 Budget estimate				(183.2)	(174.2)	(5 034.8)			
Economic classification									
Current payments	39 265.5	2.4%	80.7%	42 127.9	45 062.1	48 221.2	7.1%	85.2%	
Compensation of employees	27 116.7	2.9%	56.4%	29 193.7	31 365.9	33 404.7	7.2%	59.0%	
Goods and services	12 148.8	1.2%	24.3%	12 934.2	13 696.2	14 816.5	6.8%	26.1%	
Transfers and subsidies	8 160.9	1.1%	16.9%	7 622.4	7 940.8	3 362.9	-25.6%	13.2%	
Provinces and municipalities	1.5	260.2%	0.0%	0.9	0.6	0.6	-26.6%	0.0%	
Departmental agencies and accounts	6 557.9	-0.9%	14.0%	5 977.0	6 236.9	1 583.3	-37.7%	9.9%	
Public corporations and private enterprises	1 422.7	11.5%	2.5%	1 468.0	1 543.8	1 627.3	4.6%	3.0%	
Non-profit institutions	9.3	5.3%	0.0%	9.7	10.2	10.2	3.1%	0.0%	
Households	169.4	15.9%	0.3%	166.7	149.2	141.4	-5.8%	0.3%	
Payments for capital assets	1 069.8	22.2%	2.4%	762.8	822.2	693.5	-13.5%	1.6%	
Buildings and other fixed structures	529.7	62.9%	0.8%	351.3	401.6	410.0	-8.2%	0.8%	
Machinery and equipment	314.8	-11.3%	1.3%	262.8	276.0	278.4	-4.0%	0.6%	
Specialised military assets	2.8	-39.0%	0.0%	1.8	1.8	1.8	-12.5%	0.0%	
Software and other intangible assets	222.6	507.7%	0.2%	146.9	142.7	3.2	-75.8%	0.3%	
Total	48 496.2	2.5%	100.0%	50 513.0	53 825.1	52 277.5	2.5%	100.0%	

Expenditure trends and estimates for significant spending items

Table 19.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total vote (%)
R thousand											
Compensation of employees	24 788 024	27 059 700	28 040 854	27 116 696	3.0%	56.4%	29 193 710	31 365 882	33 404 665	7.2%	59.0%
Contractors	2 207 794	2 114 847	2 022 429	2 212 360	0.1%	4.5%	2 128 973	2 065 512	2 278 562	1.0%	4.2%
Property payments	1 465 752	1 555 229	655 990	1 398 740	-1.5%	2.7%	1 606 942	1 828 593	1 895 707	10.7%	3.3%
Special defence account	6 235 069	5 633 479	6 350 102	5 908 182	-1.8%	12.7%	5 290 939	5 510 551	814 987	-48.3%	8.5%
Armaments Corporation of South Africa	1 021 899	1 043 387	1 296 901	1 422 725	11.7%	2.5%	1 467 968	1 543 845	1 627 338	4.6%	3.0%
Total	35 718 538	37 406 642	38 366 276	38 058 703	2.1%	78.8%	39 688 532	42 314 383	40 021 259	1.7%	78.0%

Goods and services expenditure trends and estimates

Table 19.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R thousand											
Administrative fees	11 381	12 373	11 690	13 554	6.0%	0.1%	18 764	19 443	19 480	12.9%	0.1%
Advertising	8 431	98 673	76 999	80 237	111.9%	0.6%	93 465	97 208	102 521	8.5%	0.7%
Minor assets	94 206	252 482	65 968	150 159	16.8%	1.2%	186 218	203 492	210 227	11.9%	1.4%
Audit costs: External	60 979	50 617	61 607	70 570	5.0%	0.5%	75 393	78 927	78 927	3.8%	0.6%
Catering: Departmental activities	27 218	22 761	26 661	30 288	3.6%	0.2%	23 430	25 752	26 185	-4.7%	0.2%
Communication	88 963	102 362	92 730	101 748	4.6%	0.8%	97 933	110 693	105 455	1.2%	0.8%
Computer services	1 055 993	921 495	917 707	929 561	-4.2%	8.3%	1 031 342	1 057 355	1 280 485	11.3%	8.0%
Consultants: Business and advisory services	300 594	219 068	81 412	236 697	-7.7%	1.8%	180 208	7 712	18 898	-56.9%	0.8%
Infrastructure and planning services	32 933	15 954	24 906	43 356	9.6%	0.3%	42 423	45 504	49 782	4.7%	0.3%
Laboratory services	32 069	46 249	52 904	28 109	-4.3%	0.3%	25 810	36 355	39 067	11.6%	0.2%
Legal services	54 853	34 569	21 340	31 957	-16.5%	0.3%	38 363	40 281	40 287	8.0%	0.3%
Science and technological services	97 713	101 757	90 486	71 086	-10.1%	0.8%	63 441	63 222	64 806	-3.0%	0.5%
Contractors	2 207 794	2 114 847	2 022 429	2 212 360	0.1%	18.6%	2 128 973	2 065 512	2 278 562	1.0%	16.2%
Agency and support/outsourced services	583 755	645 770	856 459	592 212	0.5%	5.8%	527 896	529 763	576 376	-0.9%	4.2%
Entertainment	4 785	4 543	3 742	2 840	-16.0%	-	3 131	3 152	3 246	4.6%	-
Fleet services (including government motor transport)	136 107	108 860	72 827	141 649	1.3%	1.0%	311 420	414 137	422 175	43.9%	2.4%
Inventory: Clothing material and accessories	160 038	90 305	94 400	217 706	10.8%	1.2%	220 216	257 769	260 548	6.2%	1.8%
Inventory: Farming supplies	7 387	7 345	4 754	8 549	5.0%	0.1%	7 427	5 948	6 027	-11.0%	0.1%
Inventory: Food and food supplies	886 530	949 315	1 034 662	1 002 942	4.2%	8.4%	1 099 268	1 113 457	1 208 305	6.4%	8.3%
Inventory: Fuel, oil and gas	639 187	563 779	530 510	669 136	1.5%	5.2%	738 200	831 166	932 400	11.7%	5.9%
Inventory: Materials and supplies	107 893	64 874	69 928	102 065	-1.8%	0.7%	102 158	125 563	128 098	7.9%	0.9%
Inventory: Medical supplies	98 713	65 430	64 366	111 416	4.1%	0.7%	161 428	202 363	219 040	25.3%	1.3%
Inventory: Medicine	154 091	198 592	245 059	196 591	8.5%	1.7%	356 224	372 053	388 195	25.5%	2.4%
Inventory: Other supplies	58 439	60 853	99 926	265 763	65.7%	1.1%	217 200	458 056	502 394	23.6%	2.7%
Consumable supplies	133 484	133 458	142 345	144 783	2.7%	1.2%	119 051	138 821	141 687	-0.7%	1.0%
Consumables: Stationery, printing and office supplies	58 300	54 630	49 997	80 796	11.5%	0.5%	70 713	75 949	73 828	-3.0%	0.6%
Operating leases	1 318 598	1 507 114	1 759 096	1 563 454	5.8%	13.3%	1 591 293	1 676 552	1 769 211	4.2%	12.3%
Rental and hiring	4 757	5 564	4 692	383	-56.8%	-	65	68	68	-43.8%	-
Property payments	1 465 752	1 555 229	655 990	1 398 740	-1.5%	11.0%	1 606 942	1 828 593	1 895 707	10.7%	12.6%
Travel and subsistence	991 344	1 102 666	1 062 716	925 826	-2.3%	8.9%	1 010 017	998 389	1 117 214	6.5%	7.6%
Training and development	228 253	239 660	196 508	309 159	10.6%	2.1%	345 140	363 728	375 941	6.7%	2.6%
Operating payments	316 593	358 877	278 785	398 264	8.0%	2.9%	423 190	431 105	462 899	5.1%	3.2%
Venues and facilities	12 440	10 890	11 923	16 880	10.7%	0.1%	17 411	18 143	18 457	3.0%	0.1%
Total	11 439 573	11 720 961	10 785 524	12 148 836	2.0%	100.0%	12 934 153	13 696 231	14 816 498	6.8%	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 (%)	
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22	2018/19	2021/22
Households											
Social benefits											
Current	115 981	133 255	186 109	169 419	13.5%	1.9%	166 661	149 193	141 393	-5.8%	2.3%
Employee social benefits	115 981	133 255	186 109	169 419	13.5%	1.9%	166 661	149 193	141 393	-5.8%	2.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 840 117	6 251 767	6 999 688	6 557 851	-1.4%	82.9%	5 977 039	6 236 938	1 583 319	-37.7%	75.1%
Safety and Security Sector Education and Training Authority	22 590	20 677	27 006	21 971	-0.9%	0.3%	23 070	24 051	24 051	3.1%	0.3%
Vehicle licences	1 369 266	1 074 342	1 106 244	1 160 418	-5.4%	14.7%	1 253 560	1 333 982	750 804	-13.5%	16.6%
Communication	257	4	469	611	33.5%	-	477	565	565	-2.6%	-
Special defence account	5 448 004	5 156 744	5 865 969	5 374 851	-0.4%	68.0%	4 699 932	4 878 340	807 899	-46.8%	58.2%
Households											
Other transfers to households											
Current	10 840	4 597	14 213	-	-100.0%	0.1%	-	-	-	-	-
Vehicle licences	70	1 962	35	-	-100.0%	-	-	-	-	-	-
Claims against the state	10 770	2 635	14 178	-	-100.0%	0.1%	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	28	185	194	1 542	280.5%	-	939	609	609	-26.6%	-
Vehicle licences	28	185	194	1 542	280.5%	-	939	609	609	-26.6%	-
Non-profit institutions											
Current	8 081	9 303	8 701	9 324	4.9%	0.1%	9 744	10 232	10 232	3.1%	0.1%
Reserve Force Council	7 192	8 620	7 929	8 326	5.0%	0.1%	8 742	9 179	9 179	3.3%	0.1%
St John Ambulance Brigade	889	683	772	998	3.9%	-	1 002	1 053	1 053	1.8%	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	480	312	25	-	-100.0%	-	-	-	-	-	-
Claims against the state	480	312	25	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	-	24 014	1 591	-	-	0.1%	-	-	-	-	-
Claims against the state	-	24 014	1 591	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Subsidies on products and production											
Current	1 021 899	1 043 387	1 296 901	1 422 725	11.7%	14.9%	1 467 968	1 543 845	1 627 338	4.6%	22.4%
Armaments Corporation of South Africa	1 021 899	1 043 387	1 296 901	1 422 725	11.7%	14.9%	1 467 968	1 543 845	1 627 338	4.6%	22.4%
Foreign governments and international organisations											
Current	5 804	-	-	-	-100.0%	-	-	-	-	-	-
Southern African Development Community	5 804	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipal agencies and funds											
Current	33	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	33	-	-	-	-100.0%	-	-	-	-	-	-
Total	8 003 263	7 466 820	8 507 422	8 160 861	0.7%	100.0%	7 622 351	7 940 817	3 362 891	-25.6%	100.0%

Personnel information

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

Programmes		Number and cost ² of personnel posts filled/planned for on funded establishment															Number					
Number of posts estimated for 31 March 2019																	Average growth rate (%)	Average: Salary level/Total (%)				
Number of funded posts	Number of posts additional to the establishment	Actual 2017/18			Revised estimate 2018/19			Medium-term expenditure estimate 2019/20			2020/21			2021/22			2018/19 - 2021/22					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Defence and Military Veterans		75 211			75 051	28 040.9	0.4	75 210	27 116.7	0.4	74 900	29 193.7	0.4	74 662	31 365.9	0.4	74 309	33 404.7	0.4	-0.4%	100.0%	
Salary level																						
1 – 6	50 527				49 642	12 605.4	0.3	50 244	12 540.1	0.2	50 164	13 451.7	0.3	50 355	14 607.5	0.3	50 434	15 713.0	0.3	0.1%	67.3%	
7 – 10	22 980				23 701	11 430.4	0.5	23 241	11 072.7	0.5	23 009	11 802.2	0.5	22 618	12 538.8	0.6	22 207	13 204.3	0.6	-1.5%	30.5%	
11 – 12	1 318				1 329	1 175.7	0.9	1 337	1 152.8	0.9	1 337	1 266.6	0.9	1 302	1 333.6	1.0	1 285	1 400.1	1.1	-1.3%	1.8%	
13 – 16	384				377	454.5	1.2	386	452.0	1.2	388	498.8	1.3	385	536.3	1.4	381	565.2	1.5	-0.4%	0.5%	
Other	2				2	2 374.9	1 187.4	2	1 899.1	949.5	2	2 174.4	1 087.2	2	2 349.7	1 174.8	2	2 522.2	1 261.1		0.0%	
Programme	75 211				75 051	28 040.9	0.4	75 210	27 116.7	0.4	74 900	29 193.7	0.4	74 662	31 365.9	0.4	74 309	33 404.7	0.4	-0.4%	100.0%	
Programme 1	3 888				3 630	1 883.8	0.5	3 888	1 891.5	0.5	3 876	2 150.2	0.6	3 880	2 311.5	0.6	3 874	2 461.7	0.6	-0.1%	5.2%	
Programme 2	1 969				2 010	1 935.8	1.0	1 969	1 909.1	1.0	1 988	2 102.9	1.1	1 981	2 243.3	1.1	1 984	2 389.1	1.2	0.3%	2.6%	
Programme 3	38 301				38 572	11 973.0	0.3	38 300	11 499.3	0.3	37 593	12 251.7	0.3	37 335	13 170.6	0.4	37 036	14 026.7	0.4	-1.1%	50.2%	
Programme 4	9 918				9 652	3 723.8	0.4	9 918	3 602.5	0.4	9 933	3 678.9	0.4	9 933	3 954.8	0.4	9 933	4 211.9	0.4	0.1%	13.3%	
Programme 5	7 071				6 992	2 350.2	0.3	7 071	2 274.7	0.3	7 076	2 486.9	0.4	7 073	2 673.4	0.4	7 075	2 847.2	0.4	0.0%	9.5%	
Programme 6	7 527				7 624	3 523.7	0.5	7 527	3 379.9	0.4	7 731	3 754.5	0.5	7 756	4 036.1	0.5	7 713	4 298.4	0.6	0.8%	10.3%	
Programme 7	858				860	400.7	0.5	858	387.4	0.5	876	445.4	0.5	873	478.8	0.5	874	509.9	0.6	0.6%	1.2%	
Programme 8	5 679				5 711	2 249.8	0.4	5 679	2 172.3	0.4	5 827	2 323.2	0.4	5 831	2 497.4	0.4	5 820	2 659.7	0.5	0.8%	7.7%	

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

Departmental receipts

Table 19.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2018/19	Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Receipt item/Total (%) 2018/19	Medium-term receipts estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Receipt item/Total (%) 2021/22
	2015/16	2016/17	2017/18					2019/20	2020/21	2021/22		
Departmental receipts	1 082 623	1 387 310	933 331	1 085 741	1 085 741	0.1%	100.0%	1 145 273	1 202 886	1 207 696	3.6%	100.0%
Sales of goods and services produced by department	439 041	806 472	578 864	413 958	413 958	-1.9%	49.9%	436 547	458 776	460 611	3.6%	38.1%
Administrative fees	19	9	11	24	24	8.1%	–	26	27	27	4.0%	–
of which:												
Request for information: Receipt	19	9	11	24	24	8.1%	–	26	27	27	4.0%	–
Other sales	439 022	806 463	578 853	413 934	413 934	-1.9%	49.9%	436 521	458 749	460 584	3.6%	38.1%
of which:												
Rental capital assets	86 229	84 909	–	92 206	92 206	2.3%	5.9%	97 254	102 130	102 539	3.6%	8.5%
Sale of goods	7 325	12 161	126 300	12 519	12 519	19.6%	3.5%	13 194	13 847	13 902	3.6%	1.2%
Services rendered	345 468	709 393	452 553	309 209	309 209	-3.6%	40.5%	326 073	342 772	344 143	3.6%	28.5%
Sales of scrap, waste, arms and other used current goods	2 975	747	711	1 419	1 419	-21.9%	0.1%	1 497	1 542	1 548	2.9%	0.1%
of which:												
Sales: Scrap and waste	2 975	747	711	1 419	1 419	-21.9%	0.1%	1 497	1 542	1 548	2.9%	0.1%
Transfers received	524 130	441 660	274 670	568 563	568 563	2.7%	40.3%	599 833	629 801	632 320	3.6%	52.4%
Fines, penalties and forfeits	600	1 164	1 709	2 210	2 210	54.4%	0.1%	1 274	1 333	1 338	-15.4%	0.1%
Interest, dividends and rent on land	3 890	3 928	4 493	3 938	3 938	0.4%	0.4%	4 154	4 372	4 389	3.7%	0.4%
Interest	3 890	3 928	4 493	3 938	3 938	0.4%	0.4%	4 154	4 372	4 389	3.7%	0.4%
Sales of capital assets	36 212	31 858	9 110	27 394	27 394	-8.9%	2.3%	28 901	30 345	30 466	3.6%	2.5%
Transactions in financial assets and liabilities	75 775	101 481	63 774	68 259	68 259	-3.4%	6.9%	73 067	76 717	77 024	4.1%	6.4%
Total	1 082 623	1 387 310	933 331	1 085 741	1 085 741	0.1%	100.0%	1 145 273	1 202 886	1 207 696	3.6%	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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Ministry	112.0	111.1	130.1	125.6	3.9%	2.2%	137.7	145.8	155.3	7.3%	2.2%
Departmental Direction	67.0	70.8	41.2	43.2	-13.6%	1.0%	51.9	55.6	59.0	10.9%	0.8%
Policy and Planning	94.4	103.9	108.4	114.9	6.8%	1.9%	123.6	132.6	141.2	7.1%	2.0%
Financial Services	324.3	620.6	371.4	369.4	4.4%	7.7%	435.6	465.4	494.3	10.2%	7.0%
Human Resources Support Services	736.4	791.5	821.2	800.3	2.8%	14.4%	958.7	1 020.9	1 082.2	10.6%	15.3%
Legal Services	278.6	291.3	303.9	318.1	4.5%	5.4%	364.1	389.3	413.5	9.1%	5.9%
Inspection and Audit Services	115.9	116.4	123.9	138.8	6.2%	2.3%	154.6	165.7	176.2	8.3%	2.5%
Acquisition Services	82.2	150.7	152.0	173.4	28.3%	2.6%	89.8	80.6	85.8	-20.9%	1.7%
Communication Services	43.8	100.7	116.3	116.5	38.5%	1.7%	129.9	136.7	144.8	7.5%	2.1%
South African National Defence Force Command and Control	135.7	148.0	153.3	165.0	6.7%	2.8%	185.8	199.1	212.0	8.7%	3.0%
Religious Services	18.3	14.5	19.2	15.0	-6.3%	0.3%	20.1	21.4	22.8	14.9%	0.3%
Defence Reserve Direction	25.2	28.1	26.5	29.4	5.2%	0.5%	35.0	37.2	39.5	10.4%	0.6%
Defence Foreign Relations	262.2	312.1	265.0	278.9	2.1%	5.1%	303.3	321.5	340.4	6.9%	4.9%
Office Accommodation	2 103.3	2 283.2	2 250.9	2 337.7	3.6%	41.0%	2 534.7	2 674.1	2 821.2	6.5%	40.9%
Military Veterans Management	582.2	597.6	622.1	627.1	2.5%	11.1%	662.6	701.8	743.7	5.9%	10.8%
Total	4 981.5	5 740.6	5 505.4	5 653.3	4.3%	100.0%	6 187.1	6 547.6	6 931.8	7.0%	100.0%
Change to 2018 Budget estimate				104.3			347.6	295.4	311.7		
Economic classification											
Current payments	4 309.6	5 063.6	4 742.2	4 921.1	4.5%	87.0%	5 441.5	5 761.6	6 108.0	7.5%	87.8%
Compensation of employees	1 689.6	2 105.2	1 883.8	1 891.5	3.8%	34.6%	2 150.2	2 311.5	2 461.7	9.2%	34.8%
Goods and services ¹	2 620.0	2 958.4	2 858.4	3 029.7	5.0%	52.4%	3 291.3	3 450.1	3 646.3	6.4%	53.0%
of which:											
Advertising	5.1	94.2	73.9	76.0	146.5%	1.1%	89.2	92.9	98.2	8.9%	1.4%
Computer services	78.7	86.7	73.5	75.5	-1.4%	1.4%	114.1	118.2	122.3	17.5%	1.7%
Operating leases	1 295.5	1 478.1	1 743.6	1 483.4	4.6%	27.4%	1 529.4	1 613.9	1 705.8	4.8%	25.0%
Property payments	846.8	853.9	551.5	976.5	4.9%	14.8%	1 126.6	1 191.3	1 262.0	8.9%	18.0%
Travel and subsistence	141.0	152.3	150.6	135.2	-1.4%	2.6%	142.7	146.3	150.8	3.7%	2.3%
Training and development	37.5	39.5	38.6	39.5	1.7%	0.7%	51.9	53.4	58.3	13.8%	0.8%
Transfers and subsidies¹	628.3	647.7	686.1	674.6	2.4%	12.1%	723.3	756.7	796.4	5.7%	11.7%
Provinces and municipalities	0.0	0.0	0.0	0.0	19.5%	-	0.0	0.1	0.1	6.8%	-
Departmental agencies and accounts	604.8	618.3	649.1	649.1	2.4%	11.5%	685.6	725.8	767.8	5.8%	11.2%
Public corporations and private enterprises	-	0.1	0.0	-	-	-	-	-	-	-	-
Non-profit institutions	7.2	8.6	7.9	8.3	5.0%	0.1%	8.7	9.2	9.2	3.3%	0.1%
Households	16.3	20.6	29.0	17.2	1.8%	0.4%	28.9	21.7	19.4	4.1%	0.3%
Payments for capital assets	43.4	29.1	76.7	57.5	9.9%	0.9%	22.3	29.3	27.5	-21.8%	0.5%
Buildings and other fixed structures	0.0	0.2	0.3	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	42.8	28.9	49.3	17.5	-25.8%	0.6%	22.3	29.3	27.5	16.3%	0.4%
Software and other intangible assets	0.6	-	27.0	40.0	312.2%	0.3%	0.1	-	-	-100.0%	0.2%
Payments for financial assets	0.3	0.2	0.4	-	-100.0%	-	-	-	-	-	-
Total	4 981.5	5 740.6	5 505.4	5 653.3	4.3%	100.0%	6 187.1	6 547.6	6 931.8	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	11.1%	12.2%	11.2%	11.7%	-	-	12.2%	12.2%	13.3%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	15.4	21.0	26.7	17.2	3.7%	0.4%	28.9	21.7	19.4	4.1%	0.3%
Employee social benefits	15.4	21.0	26.7	17.2	3.7%	0.4%	28.9	21.7	19.4	4.1%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	604.8	618.3	649.1	649.1	2.4%	11.5%	685.6	725.8	767.8	5.8%	11.2%
Safety and Security Sector Education and Training Authority	22.6	20.7	27.0	22.0	-0.9%	0.4%	23.1	24.1	24.1	3.1%	0.4%
Department of Military Veterans	582.2	597.6	622.1	627.1	2.5%	11.1%	662.6	701.8	743.7	5.9%	10.8%
Households											
Other transfers to households											
Current	0.9	(0.3)	2.3	-	-100.0%	-	-	-	-	-	-
Claims against the state	0.9	(0.3)	2.3	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	7.2	8.6	7.9	8.3	5.0%	0.1%	8.7	9.2	9.2	3.3%	0.1%
Reserve Force Council	7.2	8.6	7.9	8.3	5.0%	0.1%	8.7	9.2	9.2	3.3%	0.1%

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

Programme 2: Force Employment

Programme purpose

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

Objectives

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements over the medium term
 - ensuring full participation in the number of peace missions, as instructed by the president, over the medium term
 - conducting 6 joint, interdepartmental, interagency and multinational military force preparation exercises, excluding Special Forces exercises, over the medium term
 - conducting internal operations in the interest of protecting the territorial integrity and sovereignty of South Africa on an ongoing basis
 - supporting other government departments and complying with international obligations on an ongoing basis.

Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces to promote peace, stability and security in the region and on the continent.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters.
- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force.
- *Regional Security* provides for the external deployment of forces in support of South Africa's commitment to regional, continental and global security.
- *Support to the People* provides for the internal deployment of forces in support of the South African Police Service and other government departments. This includes safeguarding borders, assisting during disasters, and conducting search and rescue missions.

Expenditure trends and estimates

Table 19.10 Force Employment expenditure and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R million											
Strategic Direction	164.3	152.0	157.4	175.5	2.2%	4.8%	191.3	204.7	213.3	6.7%	5.5%
Operational Direction	286.2	288.4	360.9	340.1	5.9%	9.4%	378.2	389.9	411.2	6.5%	10.7%
Special Operations	756.5	810.1	848.3	844.3	3.7%	23.9%	936.4	972.1	824.2	-0.8%	25.1%
Regional Security	1 573.0	1 068.8	929.4	1 081.1	-11.8%	34.2%	1 021.2	1 030.4	1 063.3	-0.5%	29.4%
Support to the People	822.8	1 111.7	912.1	934.6	4.3%	27.8%	1 093.6	1 047.5	1 100.2	5.6%	29.3%
Total	3 602.8	3 431.0	3 208.1	3 375.6	-2.1%	100.0%	3 620.7	3 644.6	3 612.2	2.3%	100.0%
Change to 2018 Budget estimate				-			24.7	(116.6)	(379.6)		

Table 19.10 Force Employment expenditure 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Current payments	3 038.3	2 885.7	2 784.8	3 016.4	-0.2%	86.1%	3 323.8	3 322.2	3 524.5	5.3%	92.5%
Compensation of employees	1 898.3	1 948.6	1 935.8	1 909.1	0.2%	56.5%	2 102.9	2 243.3	2 389.1	7.8%	60.6%
Goods and services ¹	1 140.0	937.1	849.0	1 107.4	-1.0%	29.6%	1 220.9	1 078.9	1 135.4	0.8%	31.9%
<i>of which:</i>											
Contractors	364.8	212.7	229.3	357.0	-0.7%	8.5%	346.6	273.2	293.2	-6.3%	8.9%
Fleet services (including government motor transport)	36.3	27.0	23.8	27.0	-9.5%	0.8%	46.6	56.4	39.7	13.7%	1.2%
Inventory: Food and food supplies	124.4	113.1	168.4	150.1	6.5%	4.1%	215.7	194.0	206.2	11.2%	5.4%
Inventory: Fuel, oil and gas	32.5	63.6	49.3	53.7	18.3%	1.5%	93.6	81.1	83.1	15.7%	2.2%
Travel and subsistence	248.2	214.2	208.8	182.6	-9.7%	6.3%	227.8	179.4	194.1	2.1%	5.5%
Operating payments	85.3	112.5	33.2	159.5	23.2%	2.9%	106.3	97.3	114.4	-10.5%	3.4%
Transfers and subsidies¹	431.6	257.3	288.5	266.5	-14.8%	9.1%	260.8	276.4	35.8	-48.8%	5.9%
Provinces and municipalities	–	0.0	0.0	0.0	–	–	0.0	0.0	0.0	35.7%	–
Departmental agencies and accounts	412.3	241.3	256.6	251.8	-15.2%	8.5%	241.8	259.1	18.6	-58.0%	5.4%
Foreign governments and international organisations	5.8	–	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises	8.0	8.4	9.1	9.3	5.3%	0.3%	9.8	10.3	10.3	3.3%	0.3%
Households	5.4	7.5	22.8	5.3	-0.4%	0.3%	9.2	7.0	6.9	9.0%	0.2%
Payments for capital assets	132.9	288.1	134.7	92.6	-11.3%	4.8%	36.1	46.0	51.8	-17.6%	1.6%
Buildings and other fixed structures	10.0	5.9	9.2	2.6	-35.8%	0.2%	1.0	2.6	2.6	-0.7%	0.1%
Machinery and equipment	123.0	282.1	125.5	89.0	-10.2%	4.6%	34.0	42.3	48.1	-18.5%	1.5%
Specialised military assets	–	–	–	1.0	–	–	1.0	1.1	1.1	3.3%	–
Payments for financial assets	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Total	3 602.8	3 431.0	3 208.1	3 375.6	-2.1%	100.0%	3 620.7	3 644.6	3 612.2	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	7.3%	6.6%	7.0%	–	–	7.2%	6.8%	6.9%	–	–

Details of selected transfers and subsidies

Households											
Social benefits											
Current	5.4	7.4	16.1	5.3	–	0.3%	9.2	7.0	6.9	35.7%	0.2%
Employee social benefits	5.4	7.4	16.1	5.3	-15.2%	0.3%	9.2	7.0	6.9	-58.0%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	412.3	241.3	256.6	251.8	5.3%	8.5%	241.8	259.1	18.6	3.3%	5.4%
Communication	0.0	0.0	0.0	0.0	–	–	0.0	0.1	0.1	–	–
Special defence account	412.3	241.3	256.6	251.8	-0.4%	8.5%	241.7	259.0	18.5	9.0%	5.4%
Foreign governments and international organisations											
Current	5.8	–	–	–	–	–	–	–	–	–	–
Southern African Development Community	5.8	–	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	8.0	8.4	8.9	9.3	–	0.3%	9.8	10.3	10.3	–	0.3%
Armaments Corporation of South Africa	8.0	8.4	8.9	9.3	-0.2%	0.3%	9.8	10.3	10.3	9.0%	0.3%

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

Programme 3: Landward Defence**Programme purpose**

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

Objectives

- Defend and protect South Africa and its territory over the medium term by:
 - providing 1 infantry capability, including the Chief of the South African National Defence Force 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, and for internal safety and security; and exercising 1 field engineer capability per year
- providing 1 signal capability for external deployment and for internal signal support, and exercising 1 composite signal capability per year.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22		
R million											
Strategic Direction	442.8	458.9	462.8	396.2	-3.6%	2.8%	395.1	406.3	406.0	0.8%	2.4%
Infantry Capability	6 102.5	6 208.9	6 915.0	6 663.6	3.0%	40.7%	6 294.5	6 430.5	6 040.3	-3.2%	37.9%
Armour Capability	399.3	446.6	480.9	472.8	5.8%	2.8%	497.0	527.0	559.5	5.8%	3.1%
Artillery Capability	527.6	471.6	509.7	482.8	-2.9%	3.1%	718.5	690.4	583.2	6.5%	3.7%
Air Defence Artillery Capability	561.6	571.4	698.1	547.8	-0.8%	3.7%	494.3	528.5	436.2	-7.3%	3.0%
Engineering Capability	675.9	755.4	803.7	795.3	5.6%	4.8%	814.0	875.3	947.4	6.0%	5.1%
Operational Intelligence	202.5	206.4	204.6	233.5	4.9%	1.3%	246.4	278.9	308.5	9.7%	1.6%
Command and Control Capability	188.9	199.0	211.4	218.1	4.9%	1.3%	235.1	252.1	265.7	6.8%	1.4%
Support Capability	4 414.8	4 531.2	4 664.0	4 595.5	1.3%	28.6%	4 816.7	5 342.3	5 271.4	4.7%	29.8%
General Training Capability	397.7	413.1	382.3	528.2	9.9%	2.7%	544.6	570.5	592.8	3.9%	3.2%
Signal Capability	1 205.2	1 295.5	1 359.0	1 337.6	3.5%	8.2%	1 408.1	1 504.8	1 605.3	6.3%	8.7%
Total	15 119.0	15 557.8	16 691.5	16 271.2	2.5%	100.0%	16 464.3	17 406.5	17 016.3	1.5%	100.0%
Change to 2018 Budget estimate				36.9			(167.8)	425.1	(1 030.7)		
Economic classification											
Current payments	12 484.2	13 179.4	13 469.1	13 665.8	3.1%	83.0%	14 486.1	15 704.0	16 802.2	7.1%	90.3%
Compensation of employees	10 584.0	11 470.7	11 973.0	11 499.3	2.8%	71.5%	12 251.7	13 170.6	14 026.7	6.8%	75.9%
Goods and services ¹	1 900.2	1 708.7	1 496.1	2 166.5	4.5%	11.4%	2 234.4	2 533.4	2 775.5	8.6%	14.5%
of which:											
Contractors	357.2	197.4	177.1	266.9	-9.3%	1.6%	297.9	266.2	244.4	-2.9%	1.6%
Fleet services (including government motor transport)	84.9	65.3	26.6	81.4	-1.4%	0.4%	178.1	260.1	263.8	48.0%	1.2%
Inventory: Food and food supplies	476.9	588.2	526.4	547.2	4.7%	3.4%	562.2	585.2	648.0	5.8%	3.5%
Inventory: Fuel, oil and gas	211.2	164.5	152.3	262.3	7.5%	1.2%	244.2	257.7	320.7	6.9%	1.6%
Inventory: Other supplies	15.1	1.7	0.0	61.1	59.3%	0.1%	51.4	200.1	221.1	53.6%	0.8%
Travel and subsistence	277.3	339.6	315.0	323.4	5.3%	2.0%	342.0	373.5	470.0	13.3%	2.2%
Transfers and subsidies¹	2 528.6	2 225.1	3 116.0	2 568.9	0.5%	16.4%	1 945.7	1 666.8	178.4	-58.9%	9.5%
Provinces and municipalities	0.0	0.1	0.1	0.0	44.2%	-	0.0	0.0	0.0	-12.6%	-
Departmental agencies and accounts	2 451.2	2 144.8	3 031.3	2 483.2	0.4%	15.9%	1 873.0	1 593.9	103.4	-65.3%	9.0%
Public corporations and private enterprises	33.6	38.7	35.2	27.8	-6.1%	0.2%	21.7	26.7	26.7	-1.3%	0.2%
Households	43.8	41.5	49.4	57.9	9.8%	0.3%	51.0	46.2	48.3	-5.9%	0.3%
Payments for capital assets	104.9	152.6	105.8	36.5	-29.7%	0.6%	32.6	35.7	35.7	-0.7%	0.2%
Buildings and other fixed structures	0.1	34.5	9.3	3.1	260.7%	0.1%	2.5	2.7	2.7	-5.1%	-
Machinery and equipment	104.8	118.1	96.6	32.3	-32.5%	0.6%	29.3	32.3	32.3	-	0.2%
Specialised military assets	-	-	-	1.1	-	-	0.8	0.8	0.8	-10.8%	-
Payments for financial assets	1.3	0.8	0.7	-	-100.0%	-	-	-	-	-	-
Total	15 119.0	15 557.8	16 691.5	16 271.2	-	100.0%	16 464.3	17 406.5	17 016.3	-	100.0%
Proportion of total programme expenditure to vote expenditure	33.5%	33.0%	34.1%	33.6%	-	-	32.6%	32.3%	32.5%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	40.8	40.0	48.5	57.9	12.4%	0.3%	51.0	46.2	48.3	-5.9%	0.3%
Employee social benefits	40.8	40.0	48.5	57.9	12.4%	0.3%	51.0	46.2	48.3	-5.9%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 451.2	2 144.8	3 031.3	2 483.2	0.4%	15.9%	1 873.0	1 593.9	103.4	-65.3%	9.0%
Communication	-	-	0.1	0.1	144.4%	-	-	-	-	-59.1%	-
Special defence account	2 451.2	2 144.8	3 031.2	2 483.1	0.4%	15.9%	1 873.0	1 593.9	103.4	-65.3%	9.0%
Households											
Other transfers to households											
Current	3.0	1.4	0.9	-	-100.0%	-	-	-	-	-	-
Claims against the state	3.0	1.4	0.9	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	33.1	38.4	35.2	27.8	-5.7%	0.2%	21.7	26.7	26.7	-1.3%	0.2%
Armaments Corporation of South Africa	33.1	38.4	35.2	27.8	-5.7%	0.2%	21.7	26.7	26.7	-1.3%	0.2%

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

Programme 4: Air Defence

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 19.12 Air Defence expenditure 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Strategic Direction	20.8	24.1	19.4	31.0	14.2%	0.3%	32.0	33.2	35.1	4.3%	0.5%
Operational Direction	255.3	225.8	263.3	97.3	-27.5%	3.1%	189.0	191.8	199.8	27.1%	2.4%
Helicopter Capability	619.7	728.4	1 099.9	948.5	15.2%	12.5%	700.5	756.5	757.1	-7.2%	11.3%
Transport and Maritime Capability	684.4	594.1	521.8	675.8	-0.4%	9.1%	1 156.0	1 177.9	817.3	6.5%	13.7%
Air Combat Capability	1 368.8	1 230.1	783.4	840.1	-15.0%	15.5%	726.7	981.2	528.2	-14.3%	11.0%
Operational Support and Intelligence Capability	297.7	322.8	343.0	343.3	4.9%	4.8%	370.1	404.4	435.4	8.2%	5.6%
Command and Control Capability	884.6	606.2	536.0	692.0	-7.9%	10.0%	876.6	942.6	477.9	-11.6%	10.7%
Base Support Capability	1 823.7	1 947.3	2 036.0	1 803.8	-0.4%	27.9%	1 763.9	1 900.9	1 957.8	2.8%	26.6%
Command Post	60.5	62.6	67.2	68.9	4.4%	1.0%	73.7	78.6	84.8	7.2%	1.1%
Training Capability	492.2	480.5	487.3	586.3	6.0%	7.5%	509.0	578.9	619.8	1.9%	8.2%
Technical Support Services	577.8	560.8	596.2	563.9	-0.8%	8.4%	580.3	628.9	655.5	5.1%	8.7%
Total	7 085.7	6 782.6	6 753.4	6 650.8	-2.1%	100.0%	6 977.7	7 674.9	6 568.8	-0.4%	100.0%
Change to 2018 Budget estimate				234.9			(302.3)	(501.6)	(2 100.0)		
Economic classification											
Current payments	5 146.5	5 569.9	5 765.1	5 578.1	2.7%	80.9%	5 657.2	6 063.3	6 470.5	5.1%	85.3%
Compensation of employees	3 325.2	3 539.4	3 723.8	3 602.5	2.7%	52.0%	3 678.9	3 954.8	4 211.9	5.3%	55.4%
Goods and services ¹	1 821.3	2 030.5	2 041.2	1 975.5	2.7%	28.9%	1 978.3	2 108.5	2 258.6	4.6%	29.9%
of which:											
Contractors	1 086.5	1 322.3	1 231.7	1 121.2	1.1%	17.5%	1 054.7	1 065.8	1 224.9	3.0%	16.0%
Inventory: Fuel, oil and gas	244.3	189.9	212.1	173.0	-10.9%	3.0%	208.8	252.0	263.7	15.1%	3.2%
Property payments	18.6	15.6	17.9	56.5	44.8%	0.4%	82.1	92.4	69.6	7.2%	1.1%
Travel and subsistence	103.2	128.0	103.4	78.3	-8.8%	1.5%	78.4	84.9	86.6	3.4%	1.2%
Training and development	26.3	24.0	37.2	123.5	67.4%	0.8%	116.0	136.1	139.2	4.1%	1.8%
Operating payments	128.6	162.0	151.3	107.8	-5.7%	2.0%	171.7	179.3	174.2	17.4%	2.3%
Transfers and subsidies¹	1 852.9	1 139.0	897.6	1 055.9	-17.1%	18.1%	1 294.5	1 582.4	69.7	-59.6%	14.4%
Departmental agencies and accounts	1 837.6	1 120.6	876.5	1 020.0	-17.8%	17.8%	1 255.1	1 546.9	37.6	-66.7%	13.8%
Households	15.3	18.4	21.1	35.8	32.8%	0.3%	39.4	35.4	32.1	-3.6%	0.5%
Payments for capital assets	86.1	73.3	90.5	16.9	-41.9%	1.0%	26.1	29.2	28.7	19.4%	0.4%
Buildings and other fixed structures	12.7	1.4	1.9	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	73.4	71.7	88.7	16.9	-38.7%	0.9%	26.1	29.2	28.7	19.4%	0.4%
Software and other intangible assets	-	0.2	-	-	-	-	-	-	-	-	-
Payments for financial assets	0.2	0.3	0.2	-	-100.0%	-	-	-	-	-	-
Total	7 085.7	6 782.6	6 753.4	6 650.8	-2.1%	100.0%	6 977.7	7 674.9	6 568.8	-0.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.7%	14.4%	13.8%	13.7%	-	-	13.8%	14.3%	12.6%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	13.6	18.3	20.6	35.8	38.2%	0.3%	39.4	35.4	32.1	-3.6%	0.5%
Employee social benefits	13.6	18.3	20.6	35.8	38.2%	0.3%	39.4	35.4	32.1	-3.6%	0.5%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 837.6	1 120.6	876.5	1 020.0	-17.8%	17.8%	1 255.1	1 546.9	37.6	-66.7%	13.8%
Special defence account	1 837.6	1 120.6	876.5	1 020.0	-	-	1 255.1	1 546.9	37.6	-	-

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

Programme 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 subsurface combat capability of 2 submarines in each annual operational cycle

- a mine warfare capability of 2 vessels in each annual operational cycle to ensure safe access to South Africa's harbours and mine clearance where required
- a maritime reaction squadron capability, comprising an operational boat division, an operational diving division and a naval reaction division in each annual operational cycle
- a hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
R million											
Maritime Direction	586.2	607.3	657.1	569.3	-1.0%	14.0%	594.9	629.0	654.2	4.7%	13.1%
Maritime Combat Capability	1 238.8	1 694.7	1 850.5	1 845.0	14.2%	38.2%	1 449.5	1 739.6	850.4	-22.8%	31.6%
Maritime Logistic Support Capability	803.9	841.8	924.2	1 133.1	12.1%	21.3%	1 184.3	1 280.4	1 427.0	8.0%	27.0%
Maritime Human Resources and Training Capability	497.7	529.6	518.0	545.2	3.1%	12.1%	570.1	551.9	615.3	4.1%	12.3%
Base Support Capability	606.2	625.1	664.1	606.6	-	14.4%	719.1	833.0	821.2	10.6%	16.0%
Total	3 732.7	4 298.4	4 613.9	4 699.4	8.0%	100.0%	4 517.9	5 033.9	4 368.1	-2.4%	100.0%
Change to 2018				274.7			109.1	(33.1)	(1 005.0)		
Budget estimate											
Economic classification											
Current payments	2 803.5	2 889.5	2 986.6	3 150.8	4.0%	68.2%	3 333.1	3 685.5	3 964.3	8.0%	75.9%
Compensation of employees	2 102.8	2 235.1	2 350.2	2 274.7	2.7%	51.7%	2 486.9	2 673.4	2 847.2	7.8%	55.2%
Goods and services ¹	700.7	654.4	636.4	876.1	7.7%	16.5%	846.2	1 012.1	1 117.2	8.4%	20.7%
<i>of which:</i>											
<i>Contractors</i>	258.5	238.2	246.5	254.0	-0.6%	5.7%	229.9	240.3	279.1	3.2%	5.4%
<i>Inventory: Food and food supplies</i>	77.2	56.1	124.0	120.6	16.0%	2.2%	123.7	127.0	139.0	4.9%	2.7%
<i>Inventory: Fuel, oil and gas</i>	92.6	85.2	46.1	109.2	5.7%	1.9%	97.5	142.1	164.7	14.7%	2.8%
<i>Inventory: Other supplies</i>	25.1	34.9	29.2	126.8	71.5%	1.2%	94.0	190.0	212.2	18.7%	3.3%
<i>Travel and subsistence</i>	71.0	77.3	75.2	56.1	-7.6%	1.6%	59.4	68.2	59.9	2.2%	1.3%
<i>Operating payments</i>	50.4	47.7	18.0	47.4	-2.0%	0.9%	51.6	54.2	65.0	11.1%	1.2%
Transfers and subsidies¹	836.7	1 383.1	1 598.2	1 536.7	22.5%	30.9%	1 174.1	1 337.1	392.6	-36.5%	23.8%
Departmental agencies and accounts	602.0	1 123.0	1 284.0	1 232.0	27.0%	24.5%	866.6	1 013.1	69.3	-61.7%	17.1%
Public corporations and private enterprises	219.9	244.3	270.0	283.7	8.9%	5.9%	298.4	313.4	313.4	3.4%	6.5%
Households	14.8	15.8	44.2	21.1	12.5%	0.6%	9.0	10.7	9.9	-22.3%	0.3%
Payments for capital assets	92.3	25.6	28.8	11.9	-49.5%	0.9%	10.7	11.2	11.2	-2.0%	0.2%
Buildings and other fixed structures	1.5	0.3	0.1	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	32.7	15.8	28.3	11.2	-30.1%	0.5%	10.0	10.5	10.4	-2.3%	0.2%
Specialised military assets	58.1	7.6	-	-	-100.0%	0.4%	-	-	-	-	-
Software and other intangible assets	-	2.0	0.4	0.7	-	-	0.7	0.7	0.7	1.7%	-
Payments for financial assets	0.3	0.1	0.3	-	-100.0%	-	-	-	-	-	-
Total	3 732.7	4 298.4	4 613.9	4 699.4	8.0%	100.0%	4 517.9	5 033.9	4 368.1	-2.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	9.1%	9.4%	9.7%	-	-	8.9%	9.4%	8.4%	-	-

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

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
R million											
Households											
Social benefits											
Current	14.6	15.8	44.0	21.1	13.0%	0.5%	9.0	10.7	9.9	-22.3%	0.3%
Employee social benefits	14.6	15.8	44.0	21.1	13.0%	0.5%	9.0	10.7	9.9	-22.3%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	602.0	1 123.0	1 284.0	1 232.0	27.0%	24.5%	866.6	1 013.1	69.3	-61.7%	17.1%
Special defence account	602.0	1 123.0	1 284.0	1 232.0	27.0%	24.5%	866.6	1 013.1	69.3	-61.7%	17.1%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	219.9	244.3	270.0	283.7	8.9%	5.9%	298.4	313.4	313.4	3.4%	6.5%
Armaments Corporation of South Africa	219.9	244.3	270.0	283.7	8.9%	5.9%	298.4	313.4	313.4	3.4%	6.5%

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

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 over the medium term 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 per year.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R million											
Strategic Direction	168.3	184.3	186.7	191.7	4.4%	4.0%	206.7	223.6	250.4	9.3%	4.0%
Mobile Military Health Support	120.7	120.9	140.3	131.6	2.9%	2.8%	260.5	288.1	184.5	11.9%	3.9%
Area Military Health Service	1 597.7	1 672.3	1 809.6	1 672.2	1.5%	37.0%	1 956.3	2 097.8	2 213.5	9.8%	36.3%
Specialist/Tertiary Health Service	1 553.4	1 718.5	1 884.5	1 876.5	6.5%	38.5%	2 049.2	2 200.0	2 363.0	8.0%	38.8%
Military Health Product Support Capability	134.5	182.0	181.3	295.0	29.9%	4.3%	302.5	325.5	333.5	4.2%	5.7%
Military Health Maintenance Capability	319.6	235.7	309.3	175.8	-18.1%	5.7%	221.4	236.7	250.7	12.6%	4.0%
Military Health Training Capability	348.9	335.1	341.2	371.3	2.1%	7.6%	378.6	406.0	440.2	5.8%	7.3%
Total	4 243.2	4 448.7	4 852.9	4 714.1	3.6%	100.0%	5 375.3	5 777.6	6 035.9	8.6%	100.0%
Change to 2018 Budget estimate				-			111.2	(29.2)	(142.1)		
Economic classification											
Current payments	4 170.0	4 374.0	4 740.0	4 650.5	3.7%	98.2%	5 250.1	5 633.2	5 988.7	8.8%	98.3%
Compensation of employees	3 136.3	3 328.8	3 523.7	3 379.9	2.5%	73.2%	3 754.5	4 036.1	4 298.4	8.3%	70.6%
Goods and services ¹	1 033.7	1 045.2	1 216.3	1 270.6	7.1%	25.0%	1 495.6	1 597.2	1 690.3	10.0%	27.6%
<i>of which:</i>											
Contractors	40.0	40.1	41.4	79.1	25.5%	1.1%	70.3	80.0	80.7	0.7%	1.4%
Agency and support/outsourced services	406.1	422.0	531.6	436.3	2.4%	9.8%	428.2	441.3	491.3	4.0%	8.2%
Inventory: Food and food supplies	85.1	54.4	64.8	60.8	-10.6%	1.5%	65.6	72.2	73.5	6.5%	1.2%
Inventory: Medical supplies	71.5	59.9	63.9	109.5	15.3%	1.7%	159.4	200.3	216.9	25.6%	3.1%
Inventory: Medicine	154.1	198.0	244.6	194.5	8.1%	4.3%	352.1	370.8	385.9	25.6%	6.0%
Travel and subsistence	79.4	84.9	76.9	81.1	0.7%	1.8%	91.3	89.2	97.9	6.5%	1.6%
Transfers and subsidies¹	26.2	15.5	27.6	15.0	-16.9%	0.5%	77.5	110.6	13.3	-3.9%	1.0%
Provinces and municipalities	-	-	0.0	1.4	-	-	0.8	0.5	0.5	-30.2%	-
Departmental agencies and accounts	6.7	-	11.1	0.1	-76.7%	0.1%	62.7	97.3	0.0	-36.0%	0.7%
Public corporations and private enterprises	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	0.9	0.7	0.8	1.0	3.9%	-	1.0	1.1	1.1	1.8%	-
Households	18.6	14.9	15.7	12.5	-12.4%	0.3%	13.0	11.7	11.8	-2.0%	0.2%
Payments for capital assets	46.3	58.6	85.1	48.6	1.6%	1.3%	47.6	33.8	33.8	-11.4%	0.7%
Buildings and other fixed structures	0.3	0.3	1.8	0.0	-44.5%	-	-	-	-	-100.0%	-
Machinery and equipment	46.0	58.3	83.3	47.8	1.3%	1.3%	47.6	33.8	33.8	-10.9%	0.7%
Specialised military assets	-	-	-	0.7	-	-	-	-	-	-100.0%	-
Biological assets	-	-	0.1	-	-	-	-	-	-	-	-
Payments for financial assets	0.6	0.7	0.2	-	-100.0%	-	-	-	-	-	-
Total	4 243.2	4 448.7	4 852.9	4 714.1	3.6%	100.0%	5 375.3	5 777.6	6 035.9	8.6%	100.0%
Proportion of total programme expenditure to vote expenditure	9.4%	9.4%	9.9%	9.7%	-	-	10.6%	10.7%	11.5%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	14.7	12.0	12.5	12.5	-5.2%	0.3%	13.0	11.7	11.8	-2.0%	0.2%
Employee social benefits	14.7	12.0	12.5	12.5	-5.2%	0.3%	13.0	11.7	11.8	-2.0%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6.7	-	11.1	0.1	-76.7%	0.1%	62.7	97.3	0.0	-36.0%	0.7%
Communication	-	-	0.0	0.1	-	-	0.0	0.0	0.0	-36.0%	-
Special defence account	6.7	-	11.1	-	-100.0%	0.1%	62.7	97.3	-	-	0.7%
Households											
Other transfers to households											
Current	3.9	2.8	3.3	-	-100.0%	0.1%	-	-	-	-	-
Claims against the state	3.9	2.8	3.3	-	-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.

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capabilities.

Objective

- Ensure prepared and supported intelligence services by providing an intelligence, a counterintelligence and a defence foreign relations capability over the medium term.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22	2018/19	2021/22
R million											
Operations	459.8	472.4	459.9	529.2	4.8%	54.1%	542.5	568.0	244.6	-22.7%	48.6%
Defence Intelligence Support Services	370.3	408.9	428.1	421.2	4.4%	45.9%	477.9	514.7	576.4	11.0%	51.4%
Total	830.1	881.3	888.0	950.4	4.6%	100.0%	1 020.5	1 082.7	821.0	-4.8%	100.0%
Change to 2018 Budget estimate				-			28.8	19.4	(305.4)		
Economic classification											
Current payments	382.1	422.7	433.4	436.4	4.5%	47.2%	495.5	532.0	595.4	10.9%	53.1%
Compensation of employees	347.9	379.2	400.7	387.4	3.6%	42.7%	445.4	478.8	509.9	9.6%	47.0%
Goods and services ¹	34.2	43.5	32.7	49.0	12.8%	4.5%	50.1	53.2	85.4	20.4%	6.1%
<i>of which:</i>											
<i>Fleet services (including government motor transport)</i>	0.0	0.0	0.1	0.2	306.2%	-	0.4	0.7	31.2	437.3%	0.8%
<i>Inventory: Food and food supplies</i>	10.4	11.9	7.0	14.3	11.0%	1.2%	14.4	15.2	15.7	3.2%	1.5%
<i>Inventory: Fuel, oil and gas</i>	1.9	2.1	2.5	3.4	22.4%	0.3%	3.5	3.7	3.9	4.9%	0.4%
<i>Operating leases</i>	7.6	8.3	6.1	6.5	-5.0%	0.8%	6.8	7.2	7.3	3.8%	0.7%
<i>Travel and subsistence</i>	6.3	6.9	7.2	9.0	12.6%	0.8%	9.3	9.8	10.4	5.0%	1.0%
<i>Training and development</i>	1.3	1.6	1.5	2.7	26.5%	0.2%	2.8	3.0	3.0	3.3%	0.3%
Transfers and subsidies¹	445.0	457.7	449.2	510.0	4.7%	52.5%	520.9	546.3	221.3	-24.3%	46.4%
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	442.3	452.1	444.2	505.5	4.6%	52.0%	519.1	543.3	219.5	-24.3%	46.1%
Households	2.7	5.6	5.0	4.5	18.7%	0.5%	1.7	3.0	1.9	-25.7%	0.3%
Payments for capital assets	3.0	0.9	5.3	3.9	9.7%	0.4%	4.1	4.3	4.3	3.3%	0.4%
Machinery and equipment	3.0	0.9	5.3	3.9	9.7%	0.4%	4.1	4.3	4.3	3.3%	0.4%
Payments for financial assets	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	830.1	881.3	888.0	950.4	4.6%	100.0%	1 020.5	1 082.7	821.0	-4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	1.9%	1.8%	2.0%	-	-	2.0%	2.0%	1.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	442.3	452.1	444.2	505.5	4.6%	52.0%	519.1	543.3	219.5	-24.3%	46.1%
Communication	0.2	-	0.3	0.4	16.7%	-	0.4	0.4	0.4	2.2%	-
Special defence account	442.0	452.1	443.9	505.1	4.5%	51.9%	518.7	542.9	219.1	-24.3%	46.1%

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

Programme 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 logistics support of ordered commitments, in accordance with 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 logistics services and movement management to the department
 - sound logistics strategic direction to the department.
- Provide ICT prime systems integration and strategic direction to the department over the medium term by providing:
 - strategic direction and staff support services to the division
 - integrated ICT solutions and enablers
 - an information warfare strategic direction capability
 - maintenance and support for information systems.
- Provide a military policing capability to the department over the medium term by:
 - investigating backlog criminal cases
 - investigating new criminal cases reported
 - conducting deliberate crime prevention operations per year
 - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and the investigation of criminal cases
 - sustaining 2 military correctional facilities for detention and rehabilitation.
- Provide a military policing capability to the department by sustaining a provost company for operational deployment on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R million											
Joint Logistic Services	2 546.7	2 925.3	3 316.0	2 898.9	4.4%	48.3%	2 905.5	3 062.2	3 206.9	3.4%	46.2%
Command and Management Information Systems	1 096.5	1 143.7	980.0	978.2	-3.7%	17.4%	1 048.0	1 101.9	1 134.8	5.1%	16.3%
Military Police	529.2	589.5	633.8	671.6	8.3%	10.0%	704.5	755.9	805.0	6.2%	11.2%
Technology Development	424.0	515.9	441.1	466.0	3.2%	7.6%	487.7	472.3	394.0	-5.4%	7.0%
Departmental Support	880.2	882.3	1 093.1	1 167.0	9.9%	16.6%	1 203.8	1 265.0	1 382.7	5.8%	19.2%
Total	5 476.6	6 056.7	6 463.9	6 181.6	4.1%	100.0%	6 349.5	6 657.3	6 923.4	3.9%	100.0%
Change to 2018 Budget estimate				(104.3)			(334.6)	(233.6)	(383.6)		
Economic classification											
Current payments	3 893.4	4 395.9	3 905.2	3 846.4	-0.4%	66.3%	4 140.6	4 360.2	4 767.7	7.4%	65.5%
Compensation of employees	1 704.0	2 052.7	2 249.8	2 172.3	8.4%	33.8%	2 323.2	2 497.4	2 659.7	7.0%	37.0%
Goods and services ¹	2 189.4	2 343.2	1 655.4	1 674.2	-8.6%	32.5%	1 817.4	1 862.8	2 107.9	8.0%	28.6%
<i>of which:</i>											
<i>Audit costs: External</i>	60.0	50.6	61.6	68.8	4.7%	1.0%	73.4	77.0	77.0	3.8%	1.1%
<i>Computer services</i>	804.1	682.1	688.6	670.3	-5.9%	11.8%	689.6	719.6	912.9	10.8%	11.5%
<i>Contractors</i>	90.5	96.1	86.4	116.0	8.6%	1.6%	120.3	130.8	146.8	8.2%	2.0%
<i>Inventory: Food and food supplies</i>	25.6	24.0	28.4	35.9	11.9%	0.5%	68.2	69.9	74.2	27.4%	1.0%
<i>Property payments</i>	515.2	599.8	19.6	242.9	-22.2%	5.7%	252.0	397.5	416.0	19.6%	5.0%
<i>Training and development</i>	117.6	109.3	53.0	49.3	-25.1%	1.4%	69.7	65.4	66.4	10.4%	1.0%
Transfers and subsidies¹	1 254.1	1 341.4	1 444.1	1 533.2	6.9%	23.0%	1 625.6	1 664.4	1 655.4	2.6%	24.8%
Provinces and municipalities	0.0	0.0	0.0	0.1	23.1%	-	0.1	0.1	0.1	1.8%	-
Departmental agencies and accounts	483.2	551.6	446.8	416.2	-4.9%	7.8%	473.1	457.4	367.1	-4.1%	6.6%
Public corporations and private enterprises	760.9	776.2	984.2	1 101.9	13.1%	15.0%	1 138.1	1 193.5	1 277.0	5.0%	18.0%
Households	9.9	13.5	13.1	15.1	14.9%	0.2%	14.4	13.5	11.2	-9.3%	0.2%
Payments for capital assets	329.1	319.1	1 106.8	801.9	34.6%	10.6%	583.3	632.7	500.4	-14.5%	9.6%
Buildings and other fixed structures	58.1	105.3	674.8	523.9	108.2%	5.6%	347.7	396.4	404.7	-8.2%	6.4%
Machinery and equipment	271.0	121.0	353.7	96.2	-29.2%	3.5%	89.4	94.4	93.2	-1.1%	1.4%
Software and other intangible assets	0.1	92.8	78.3	181.8	1243.4%	1.5%	146.1	142.0	2.4	-76.3%	1.8%
Payments for financial assets	0.1	0.3	7.8	-	-100.0%	-	-	-	-	-	-
Total	5 476.6	6 056.7	6 463.9	6 181.6	4.1%	100.0%	6 349.5	6 657.3	6 923.4	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	12.2%	12.8%	13.2%	12.7%	-	-	12.6%	12.4%	13.2%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	8.9	13.2	12.8	15.1	19.4%	0.2%	14.4	13.5	11.2	-9.3%	0.2%
Employee social benefits	8.9	13.2	12.8	15.1	19.4%	0.2%	14.4	13.5	11.2	-9.3%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	483.2	551.6	446.8	416.2	-4.9%	7.8%	473.1	457.4	367.1	-4.1%	6.6%
Special defence account	483.2	551.6	446.8	416.2	-4.9%	7.8%	473.1	457.4	367.1	-4.1%	6.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	23.9	1.3	-	-	0.1%	-	-	-	-	-
Claims against the state	-	23.9	1.3	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	760.9	752.3	982.9	1 101.9	13.1%	14.9%	1 138.1	1 193.5	1 277.0	5.0%	18.0%
Armaments Corporation of South Africa	760.9	752.3	982.9	1 101.9	13.1%	14.9%	1 138.1	1 193.5	1 277.0	5.0%	18.0%

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

Other department within the vote

Department of Military Veterans

Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	136.1	126.3	–	9.8	144.9	153.3
Socioeconomic Support	356.8	110.7	243.0	3.0	377.6	398.8
Empowerment and Stakeholder Management	169.7	156.0	4.2	9.5	179.3	191.6
Total expenditure estimates	662.6	393.1	247.3	22.2	701.8	743.7
Executive authority	Minister of Defence and Military Veterans					
Accounting officer	Director-General of Military Veterans					
Website address	www.dmv.gov.za					

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

Department purpose

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

Mandate

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

Selected performance indicators

Table 19.17 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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	8 264	15 740	16 673	17 000	18 000	19 000	20 000
Number of military veterans provided with newly built houses per year ²	Socioeconomic Support	Outcome 8: Sustainable human settlements and improved quality of household life	130 ²	168 ²	270 ²	1 000 ²	400 ²	500 ²	600 ²
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	2	2	0 ³	3	3	3	3
Number of bursaries provided to military veterans and their dependants per year ⁴	Socioeconomic Support	Outcome 1: Quality basic education	5 482	7 146	7 702	10 700	7 466 ⁵	7 466 ⁵	7 466 ⁵

- Increases over the MTEF period are mainly due to the approval of regulations for military veterans' benefits, resulting in increased information campaigns to make veterans aware of their due benefits.
- Although the department has significantly underperformed in the past, 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 medium term have been reduced to align with historical performance and available budget.
- Zero performance in 2017/18 was mainly due to lack of capacity within the Heritage, Memorials, Burials and Honours subprogramme.
- Indicator reworded to align with the department's annual performance plan.
- Targets over the MTEF period are reduced and maintained at the same level to align with available budget.

Expenditure analysis

Recognising the role military veterans played in the democratisation of South Africa ties into the National Development Plan's aspirations to realise a developmental, capable and ethical state that treats citizens with dignity. As such, acknowledging military veterans for their contributions can deepen social cohesion and national unity while redressing the inequities of the past. In pursuit of this, over the medium term, the Department of Military Veterans will focus on providing housing; health care; and education, training and skills development programmes to veterans and their dependants.

Housing

A projected 79.2 per cent (R1.7 billion) of the department's total budget over the medium term is allocated to the *Socioeconomic Support*, and *Empowerment and Stakeholder Management* programmes. The aim of these programmes is to improve the quality of life of military veterans and their dependants. Through the *Socioeconomic Support* programme, the department expects to deliver 1 500 houses at a projected cost of R111 million over the MTEF period. The provincial departments of human settlements will construct the houses on behalf of the department, as per the terms of the department's housing delivery model.

Health care

The department fully subsidises eligible military veterans' health care through the South African Military Health Service. Over the period ahead, the department plans to increase the number of military veterans accessing health care services, from 17 000 in 2018/19 to 20 000 in 2021/22. These services are provided for in the *Health Care and Wellbeing Support* subprogramme in the *Socioeconomic Support* programme. Due to the planned increase in veterans accessing health care services, spending in the subprogramme is expected to increase at an average annual rate of 6 per cent, from R80.9 million in 2018/19 to R96.4 million in 2021/22.

Education and training

The department plans to provide 7 466 education and training bursaries to military veterans and their dependants in each year over the medium term. For this purpose, R465 million is allocated over the period ahead in the *Socioeconomic Support* programme, and a memorandum of understanding between the department, the National Student Financial Aid Scheme and the Department of Basic Education is being implemented. As per the memorandum of understanding, support to military veterans and their dependants is given in the form of a departmental bursary using funds transferred to the National Student Financial Aid Scheme. Similar arrangements have been made with the Department of Basic Education to enable eligible military veterans' dependants to access primary and secondary schooling in public schools, especially for quintiles 4 to 5.

A projected 18 000 veterans and their dependants are expected to benefit from training and skills development programmes over the medium term. These programmes are offered through accredited service providers at a projected cost of R224 million over the period in the *Empowerment and Stakeholder Management* programme.

Expenditure trends

Table 19.18 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Socioeconomic Support														
3. Empowerment and Stakeholder Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	157.5	157.5	131.3	143.7	143.7	159.2	149.8	149.8	140.5	127.6	133.6	133.6	97.6%	96.6%
Programme 2	266.3	266.3	136.4	294.1	294.1	243.9	307.4	307.4	356.4	336.8	336.8	336.8	89.1%	89.1%
Programme 3	158.4	158.4	80.2	159.8	159.8	101.5	164.9	164.9	104.5	162.8	156.8	156.8	68.6%	69.2%
Total	582.2	582.2	348.0	597.6	597.6	504.6	622.1	622.1	601.5	627.1	627.1	627.1	85.7%	85.7%
Change to 2018 Budget estimate														
Economic classification														
Current payments	360.7	360.7	280.3	347.5	347.5	327.0	378.9	378.9	316.5	386.0	386.0	386.0	88.9%	88.9%
Compensation of employees	97.5	97.5	100.6	102.7	102.7	108.5	113.8	113.8	116.2	122.3	122.3	122.3	102.6%	102.6%
Goods and services	263.2	263.2	179.6	244.8	244.8	218.5	265.1	265.1	200.2	263.8	263.8	263.8	83.1%	83.1%
Transfers and subsidies	218.5	218.5	57.6	243.6	243.6	166.1	232.8	232.8	278.3	234.2	234.2	234.2	79.2%	79.2%
Households	218.5	218.5	57.6	243.6	243.6	166.1	232.8	232.8	278.3	234.2	234.2	234.2	79.2%	79.2%
Payments for capital assets	3.0	3.0	10.1	6.5	6.5	11.5	10.4	10.4	6.7	6.9	6.9	6.9	131.8%	131.8%
Machinery and equipment	3.0	3.0	10.1	5.2	5.2	7.3	4.6	4.6	6.7	4.4	4.4	4.4	165.6%	165.6%
Heritage assets	-	-	-	-	-	4.3	3.4	3.4	-	-	-	-	126.0%	126.0%
Software and other intangible assets	-	-	0.0	1.3	1.3	-	2.4	2.4	-	2.5	2.5	2.5	41.0%	41.0%
Total	582.2	582.2	348.0	597.6	597.6	504.6	622.1	622.1	601.5	627.1	627.1	627.1	85.7%	85.7%

Expenditure estimates

Table 19.19 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Socioeconomic Support									
3. Empowerment and Stakeholder Management									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Programme 1	133.6	-5.3%	27.1%	136.1	144.9	153.3	4.7%	20.8%	
Programme 2	336.8	8.1%	51.6%	356.8	377.6	398.8	5.8%	53.7%	
Programme 3	156.8	-0.3%	21.3%	169.7	179.3	191.6	6.9%	25.5%	
Total	627.1	2.5%	100.0%	662.6	701.8	743.7	5.9%	100.0%	
Change to 2018 Budget estimate				(2.0)	(1.8)	-			
Economic classification									
Current payments	386.0	2.3%	62.9%	393.1	424.3	456.5	5.7%	60.7%	
Compensation of employees	122.3	7.8%	21.5%	131.5	141.4	150.6	7.2%	20.0%	
Goods and services	263.8	0.1%	41.4%	261.5	282.8	305.7	5.0%	40.7%	
Interest and rent on land	-	-	-	0.1	0.1	0.1	-	0.0%	
Transfers and subsidies	234.2	2.3%	35.4%	247.3	260.9	275.2	5.5%	37.2%	
Households	234.2	2.3%	35.4%	247.3	260.9	275.2	5.5%	37.2%	
Payments for capital assets	6.9	31.9%	1.7%	22.2	16.7	12.1	20.8%	2.1%	
Machinery and equipment	4.4	13.5%	1.4%	16.1	8.9	9.2	28.1%	1.4%	
Heritage assets	-	-	0.2%	5.0	5.0	-	-	0.4%	
Software and other intangible assets	2.5	-	0.1%	1.1	2.8	2.9	5.5%	0.3%	
Total	627.1	2.5%	100.0%	662.6	701.9	743.8	5.9%	100.0%	

Expenditure trends and estimates for significant spending items

Table 19.20 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average Expenditure/ Total vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total vote (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22		
Social benefits	9 199	35 496	26 227	53 908	80.3%	6.0%	55 309	58 351	61 560	4.5%	8.4%	
Contractors	56 949	61 486	55 947	58 544	0.9%	11.2%	57 652	65 794	69 412	5.8%	9.2%	
Infrastructure and planning services	37	—	—	14 779	636.5%	0.7%	—	17 374	18 330	7.4%	1.8%	
Training and development	16 546	24 690	22 382	60 245	53.8%	6.0%	48 829	56 046	59 616	-0.3%	8.2%	
Travel and subsistence	37 307	41 226	43 536	50 271	10.5%	8.3%	57 899	60 297	65 550	9.2%	8.6%	
Total	120 038	162 898	148 092	237 747	782.0%	32.2%	219 689	257 862	274 468	26.6%	36.2%	

Goods and services expenditure trends and estimates

Table 19.21 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total Vote (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22		
Administrative fees	3 669	4 347	5 867	550	-46.9%	1.7%	1 743	165	174	-31.9%	0.2%	
Advertising	12 055	5 972	2 634	1 592	-49.1%	2.6%	9 052	1 553	1 639	1.0%	1.2%	
Minor assets	1 844	374	110	7 308	58.3%	1.1%	4 081	8 478	8 945	7.0%	2.6%	
Audit costs: External	7 891	5 961	6 658	4 736	-15.6%	2.9%	6 543	5 276	5 566	5.5%	2.0%	
Bursaries: Employees	526	592	452	651	7.4%	0.3%	395	726	766	5.6%	0.2%	
Catering: Departmental activities	1 933	1 591	431	5 273	39.7%	1.1%	3 230	5 540	5 845	3.5%	1.8%	
Communication	2 707	2 975	5 824	7 443	40.1%	2.2%	2 556	11 745	12 391	18.5%	3.1%	
Computer services	888	34 640	21 033	2 098	33.2%	6.8%	9 163	2 338	2 467	5.5%	1.4%	
Consultants: Business and advisory services	1 646	1 226	904	10 094	83.0%	1.6%	4 180	10 128	10 684	1.9%	3.2%	
Infrastructure and planning services	37	—	—	14 779	636.5%	1.7%	—	17 374	18 330	7.4%	4.5%	
Legal services	833	1 239	550	4 388	74.0%	0.8%	2 500	4 889	5 158	5.5%	1.5%	
Contractors	56 949	61 486	55 947	58 544	0.9%	27.0%	57 652	65 794	69 412	5.8%	22.6%	
Agency and support/outsourced services	380	735	4 156	469	7.3%	0.7%	5 308	522	5 551	127.9%	1.1%	
Entertainment	—	—	—	105	—	—	81	117	123	5.4%	—	
Fleet services (including government motor transport)	1 512	1 889	1 821	3 364	30.5%	1.0%	3 388	1 520	1 604	-21.9%	0.9%	
Consumable supplies	1 038	1 005	176	5 839	77.8%	0.9%	3 555	6 335	6 695	4.7%	2.0%	
Consumables: Stationery, printing and office supplies	5 162	6 134	2 291	5 447	1.8%	2.2%	5 934	5 513	5 816	2.2%	2.0%	
Operating leases	15 382	16 834	15 459	6 243	-26.0%	6.3%	18 143	1 942	2 048	-31.0%	2.5%	
Rental and hiring	756	337	106	1 308	20.0%	0.3%	504	1 457	1 537	5.5%	0.4%	
Property payments	6 133	2 943	2 740	2 705	-23.9%	1.7%	4 856	3 013	3 179	5.5%	1.2%	
Transport provided: Departmental activity	—	25	—	—	—	—	1 800	—	—	—	0.2%	
Travel and subsistence	37 307	41 226	43 536	50 271	10.5%	20.0%	57 899	60 297	65 550	9.2%	21.0%	
Training and development	16 546	24 690	22 382	60 245	53.8%	14.4%	48 829	56 046	59 616	-0.3%	20.2%	
Operating payments	611	446	77	119	-42.0%	0.1%	783	77	81	-12.0%	0.1%	
Venues and facilities	3 807	1 821	7 089	10 209	38.9%	2.7%	9 337	11 905	12 557	7.1%	4.0%	
Total	179 612	218 488	200 243	263 780	13.7%	100.0%	261 512	282 750	305 734	5.0%	100.0%	

Transfers and subsidies expenditure trends and estimates

Table 19.22 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22		
Households												
Social benefits												
Current	9 199	35 471	26 203	53 908	80.3%	17.0%	55 309	58 351	61 560	4.5%	22.5%	
Households	9 199	35 471	26 203	53 908	80.3%	17.0%	55 309	58 351	61 560	4.5%	22.5%	
Other transfers to households												
Current	48 371	130 638	252 086	180 258	55.0%	83.0%	191 971	202 529	213 668	5.8%	77.5%	
Households	48 371	130 638	252 086	180 258	55.0%	83.0%	191 971	202 529	213 668	5.8%	77.5%	
Total	57 570	166 109	278 289	234 166	59.6%	100.0%	247 280	260 880	275 228	5.5%	100.0%	

Personnel information

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

Programmes		Number and cost ² of personnel posts filled/planned for on funded establishment															Number		
Number of posts estimated for 31 March 2019		Actual 2017/18			Revised estimate 2018/19			Medium-term expenditure estimate 2019/20			Medium-term expenditure estimate 2020/21			Medium-term expenditure estimate 2021/22			Average growth rate (%)	Average: Salary level/Total (%)	
Number of funded posts	Number of posts additional to the establishment	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22	2018/19 - 2021/22	
Military Veterans																			
Salary level	169	87	200	116.2	0.6	206	122.3	0.6	208	131.5	0.6	208	141.4	0.7	207	150.6	0.7	0.2%	100.0%
1 – 6	29	71	79	21.7	0.3	75	19.5	0.3	77	21.3	0.3	77	23.1	0.3	75	23.8	0.3	–	36.7%
7 – 10	61	10	57	30.7	0.5	63	35.7	0.6	63	38.4	0.6	63	41.4	0.7	63	44.3	0.7	–	30.4%
11 – 12	48	4	43	38.3	0.9	39	32.3	0.8	39	34.5	0.9	39	37.0	0.9	40	39.9	1.0	0.8%	18.9%
13 – 16	31	2	21	25.5	1.2	29	34.8	1.2	29	37.3	1.3	29	39.9	1.4	29	42.5	1.5	–	14.0%
Programme	169	87	200	116.2	0.6	206	122.3	0.6	208	131.5	0.6	208	141.4	0.7	207	150.6	0.7	0.2%	100.0%
Programme 1	102	50	120	69.8	0.6	85	43.7	0.5	86	47.0	0.5	86	50.5	0.6	86	53.8	0.6	0.4%	41.4%
Programme 2	21	23	41	19.1	0.5	67	40.6	0.6	68	43.7	0.6	68	47.0	0.7	67	50.1	0.7	–	32.6%
Programme 3	46	14	39	27.4	0.7	54	38.0	0.7	54	40.8	0.8	54	43.9	0.8	54	46.7	0.9	–	26.1%

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

2. Rand million.

Departmental receipts

Table 19.24 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2015/16	2016/17	2017/18	2018/19	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22	
Departmental receipts	789	330	2 758	62	80	-53.4%	100.0%	86	93	100	7.7%	100.0%
Sales of goods and services produced by department	23	28	32	32	32	11.6%	2.9%	34	37	40	7.7%	39.8%
Other sales of which:												
Other	23	28	32	32	32	11.6%	2.9%	34	37	40	7.7%	39.8%
Transactions in financial assets and liabilities	766	302	2 726	30	48	-60.3%	97.1%	52	56	60	7.7%	60.2%
Total	789	330	2 758	62	80	-53.4%	100.0%	86	93	100	7.7%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22	
R million											
Management	8.4	10.2	10.9	12.9	15.1%	7.5%	7.1	7.6	8.1	-14.4%	6.3%
Corporate Services	67.5	94.3	81.4	54.6	-6.8%	52.7%	58.8	62.4	66.1	6.6%	42.6%
Financial Administration	16.4	22.3	18.9	16.7	0.5%	13.2%	17.2	18.3	19.4	5.2%	12.6%
Internal Audit	12.6	10.6	10.0	10.1	-7.2%	7.7%	10.9	11.5	12.2	6.6%	7.9%
Strategic Planning, Policy Development and Monitoring and Evaluation	9.6	9.4	8.3	19.4	26.2%	8.3%	20.6	21.9	23.2	6.2%	15.0%
Office Accommodation	16.7	12.5	11.1	20.0	6.1%	10.7%	21.6	23.2	24.5	6.9%	15.7%
Total	131.3	159.2	140.5	133.6	0.6%	100.0%	136.1	144.9	153.3	4.7%	100.0%
Change to 2018 Budget estimate				6.0			–	–	–		

Table 19.25 Administration 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 (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
R million											
Current payments	121.9	152.7	134.2	130.0	2.2%	95.5%	126.3	140.9	149.2	4.7%	96.2%
Compensation of employees	57.1	65.1	69.8	43.7	-8.5%	41.7%	47.0	50.5	53.8	7.2%	34.4%
Goods and services ¹	64.8	87.6	64.4	86.3	10.0%	53.7%	79.3	90.4	95.4	3.4%	61.9%
<i>of which:</i>											
<i>Audit costs: External</i>	7.9	6.0	6.3	4.7	-15.6%	4.4%	6.5	5.3	5.6	5.5%	3.9%
<i>Communication</i>	2.7	3.0	5.8	7.3	39.4%	3.3%	2.4	11.6	12.3	18.7%	5.9%
<i>Consultants: Business and advisory services</i>	1.6	1.2	0.9	9.5	79.1%	2.3%	3.1	9.4	9.9	1.7%	5.6%
<i>Infrastructure and planning services</i>	0.0	–	–	14.8	636.5%	2.6%	–	17.4	18.3	7.4%	8.9%
<i>Operating leases</i>	15.3	16.8	15.5	6.0	-26.7%	9.5%	18.0	1.7	1.8	-33.0%	4.9%
<i>Travel and subsistence</i>	6.2	7.0	5.2	7.8	8.0%	4.6%	7.8	8.2	8.6	3.2%	5.7%
Transfers and subsidies¹	0.3	0.0	0.2	–	-100.0%	0.1%	–	–	–	–	–
Households	0.3	0.0	0.2	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	9.1	6.4	6.1	3.5	-27.0%	4.5%	9.8	3.9	4.1	5.5%	3.8%
Machinery and equipment	9.0	6.4	6.1	3.5	-26.9%	4.5%	9.3	3.9	4.1	5.5%	3.7%
Software and other intangible assets	0.0	–	–	–	-100.0%	–	0.5	–	–	–	0.1%
Total	131.3	159.2	140.5	133.6	0.6%	100.0%	136.1	144.9	153.3	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	37.7%	31.5%	23.4%	21.3%	–	–	20.5%	20.6%	20.6%	–	–

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

Programme 2: Socioeconomic Support

Programme purpose

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

Objectives

- Establish an enabling environment to provide socioeconomic support services to military veterans by:
 - maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and 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 2021/22.
- 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:
 - 1 500 military veterans are provided with newly built houses over the medium term
 - 20 000 military veterans have access to health care services by 2021/22
 - 7 466 eligible military veterans and their dependants across the country are provided with ongoing education support each year over the medium term.
- 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 2021/22.

Subprogrammes

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

- *Socioeconomic Support Management* develops norms and standards for the provision of education, public transport, pension, housing and social relief of distress for military veterans eligible for such support. This subprogramme also establishes strategic partnerships to advance service delivery, tracks delivery by service providers on agreed targets, ensures continual improvement, and reports on service delivery.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R million											
Database and Benefits Management	11.7	6.5	5.5	15.6	10.0%	3.7%	14.7	18.1	19.2	7.2%	4.6%
Health Care and Wellbeing Support	67.3	70.5	66.9	80.9	6.3%	26.6%	87.5	91.2	96.4	6.0%	24.2%
Socioeconomic Support Management	57.4	167.0	283.9	240.3	61.2%	69.7%	254.6	268.2	283.2	5.6%	71.2%
Total	136.4	243.9	356.4	336.8	35.1%	100.0%	356.8	377.6	398.8	5.8%	100.0%
Change to 2018 Budget estimate				-			-	-	-		
Economic classification											
Current payments	82.5	86.9	83.8	103.3	7.8%	33.2%	110.7	117.5	124.4	6.4%	31.0%
Compensation of employees	19.8	18.6	19.1	40.6	26.9%	9.1%	43.7	47.0	50.1	7.3%	12.3%
Goods and services ¹	62.6	68.3	64.7	62.7	-	24.1%	67.0	70.4	74.3	5.8%	18.7%
of which:											
Catering: Departmental activities	0.2	0.2	0.0	0.9	54.2%	0.1%	0.8	1.0	1.0	5.6%	0.3%
Consultants: Business and advisory services	-	-	-	0.6	-	0.1%	1.1	0.7	0.8	5.4%	0.2%
Contractors	55.6	61.5	55.8	53.7	-1.1%	21.1%	54.5	60.4	63.7	5.9%	15.8%
Travel and subsistence	4.8	3.2	4.6	4.2	-4.1%	1.6%	5.0	4.7	5.0	5.5%	1.3%
Training and development	0.0	0.0	-	1.4	675.8%	0.1%	-	1.0	1.1	-8.0%	0.2%
Venues and facilities	0.0	0.0	0.0	0.4	154.5%	-	0.7	1.0	1.0	36.4%	0.2%
Transfers and subsidies¹	53.4	156.9	272.4	230.1	62.7%	66.4%	243.0	256.4	270.5	5.5%	68.0%
Households	53.4	156.9	272.4	230.1	62.7%	66.4%	243.0	256.4	270.5	5.5%	68.0%
Payments for capital assets	0.6	0.1	0.2	3.3	81.6%	0.4%	3.0	3.7	3.9	5.5%	1.0%
Machinery and equipment	0.6	0.1	0.2	0.8	14.6%	0.2%	2.4	0.9	1.0	5.5%	0.3%
Software and other intangible assets	-	-	-	2.5	-	0.2%	0.6	2.8	2.9	5.5%	0.6%
Total	136.4	243.9	356.4	336.8	-	100.0%	356.8	377.6	398.8	-	100.0%
Proportion of total programme expenditure to vote expenditure	39.2%	48.3%	59.3%	53.7%	-	-	53.8%	53.8%	53.6%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	5.2	26.2	26.0	49.9	-	10.0%	51.1	53.9	56.8	-	14.4%
Households	5.2	26.2	26.0	49.9	-	10.0%	51.1	53.9	56.8	-	14.4%
Households											
Other transfers to households											
Current	48.2	130.6	246.4	180.3	-	56.4%	192.0	202.5	213.7	-	53.6%
Households	48.2	130.6	246.4	180.3	-	56.4%	192.0	202.5	213.7	-	53.6%

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

Programme 3: Empowerment and Stakeholder Management

Programme purpose

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

Objectives

- Ensure the empowerment of deserving military veterans by:
 - continuing to develop and implement a fully functional special purpose vehicle that will facilitate business opportunities by 2021/22
 - forming partnerships with 12 companies in the private sector and other organs of state, and entering into service level agreements and memorandums of understanding over the medium term
 - monitoring and evaluating the implementation of the agreements and memorandums of understanding to ensure that support is provided annually
 - providing 18 000 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 2021/22
 - facilitating the integration of military veterans into the national workforce on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 19.27 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R million											
Provincial Offices and Stakeholder Relations	38.8	32.3	34.3	59.6	15.4%	37.2%	63.4	67.5	71.6	6.3%	37.6%
Empowerment and Skills Development	29.3	34.3	42.3	77.7	38.3%	41.4%	80.7	84.9	91.8	5.7%	48.0%
Heritage, Memorials, Burials and Honours	12.1	34.9	27.9	19.5	17.2%	21.3%	25.7	26.9	28.2	13.1%	14.4%
Total	80.2	101.5	104.5	156.8	25.0%	100.0%	169.7	179.3	191.6	6.9%	100.0%
Change to 2018 Budget estimate				(6.0)			(2.0)	(1.8)	-		
Economic classification											
Current payments	75.8	87.3	98.5	152.7	26.3%	93.5%	156.0	165.8	182.8	6.2%	94.3%
Compensation of employees	23.7	24.8	27.4	38.0	17.1%	25.7%	40.8	43.9	46.7	7.1%	24.3%
Goods and services ¹	52.2	62.5	71.1	114.7	30.0%	67.8%	115.2	121.9	136.0	5.8%	70.0%
of which:											
Minor assets	0.4	0.2	0.0	3.8	121.9%	1.0%	1.5	4.3	4.5	5.5%	2.0%
Catering: Departmental activities	1.0	1.0	0.3	3.7	52.5%	1.4%	1.8	4.1	4.3	5.5%	2.0%
Agency and support/outsourced services	0.4	0.7	4.2	0.1	-28.3%	1.2%	5.2	0.2	5.2	232.9%	1.5%
Travel and subsistence	26.3	31.0	33.7	38.2	13.3%	29.2%	45.2	47.4	52.0	10.8%	26.2%
Training and development	15.9	23.3	21.9	55.1	51.3%	26.2%	47.6	50.9	54.1	-0.6%	29.8%
Venues and facilities	3.5	1.4	7.0	7.3	28.0%	4.3%	7.1	8.1	8.6	5.5%	4.5%

Table 19.27 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average Expenditure/ Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average Expenditure/ Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R million											
Transfers and subsidies¹	3.9	9.2	5.7	4.0	1.1%	5.2%	4.2	4.5	4.7	5.5%	2.5%
Households	3.9	9.2	5.7	4.0	1.1%	5.2%	4.2	4.5	4.7	5.5%	2.5%
Payments for capital assets	0.5	5.0	0.3	0.0	-68.9%	1.3%	9.5	9.1	4.1	547.7%	3.2%
Machinery and equipment	0.5	0.7	0.3	0.0	-68.9%	0.3%	4.5	4.1	4.1	547.7%	1.8%
Heritage assets	–	4.3	–	–	–	1.0%	5.0	5.0	–	–	1.4%
Total	80.2	101.5	104.5	156.8	–	100.0%	169.7	179.3	191.6	–	100.0%
Proportion of total programme expenditure to vote expenditure	23.1%	20.1%	17.4%	25.0%	–	–	25.6%	25.6%	25.8%	–	–

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.

Entity

Armaments Corporation of South Africa

Mandate

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

Selected performance indicators

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

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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% (R1.8bn/ R1.8bn)	100% (R597.9m/ R597.9m)	100% (R1.9bn/ R1.9bn)	95% ¹	95% ¹	95% ¹	95% ¹
Percentage of technology requirements executed per year	Management of strategic facilities: Research and development		99.6% (R223.2m/ R224.1m)	96.7% (R219.7m/ R227.3m)	97.2% (R288m/ R296.4m)	95% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits ² awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R103.8m	R135.5m	R157m	R51.7m	R80.4m ³	R98.4m ³	R101.5m ³

1. The corporation cannot project 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. Defence industrial participation credits are contracted with foreign suppliers who have been awarded defence contracts to reciprocate defence business in South Africa. This creates a quantified monetary obligation on the foreign party. In the execution of the contract, and subject to the foreign supplier meeting the defence industrial participation requirements, credits are awarded that reduce the liability.

3. The 2019 MTEF targets are lower compared to the historical outcome 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 aims to adopt procurement approaches that stimulate the domestic defence industry and job creation through greater investment in research and development. The corporation's focus over the medium term will be on meeting defence matériel requirements and those of the department in technology, research, development analysis, tests and evaluation; improving internal systems and processes; providing support to the local defence industry; and improving revenue generation.

In striving to achieve its strategic goals, the corporation expects to fill only critical vacancies over the medium term, particularly those that would contribute to increased revenue generation in the *management of strategic*

facilities: research and development programme. To contain costs over the period ahead, expiring fixed-term contracts for employees, particularly at the Armscor Dockyard, will not be renewed. The corporation's budget for compensation of employees is expected to increase marginally, from R1.25 billion in 2018/19 to R1.32 billion in 2021/22, to improve conditions of service. Personnel headcount is expected to stabilise at 1 705 over the medium term.

Improvements in internal controls over the medium term are expected to ensure adherence and compliance to procurement regulations, resulting in the acquisition of economically efficient capital assets. As a result, the percentage of the department's capital requirements converted into orders placed is expected to be maintained at 95 per cent over the period ahead. The corporation plans to spend R407.8 million over the MTEF period on activities to improve compliance with procurement regulations, which is provided for in the *management of defence matériel acquisition* programme.

The corporation plans to continue providing support to the South African defence industry over the medium term. This involves facilitating participation in international defence exhibitions, promoting the industry, and managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes. It is expected that R85.1 million will be spent on these activities over the medium term in the *management of strategic facilities: research and development* programme.

Over the MTEF period, the corporation will provide services for operational research and comprehensive testing, and the evaluation of defence systems and capabilities in the military and civilian environments. The corporation intends to acquire the latest technologies to fulfil its mandate effectively and efficiently. Over the period ahead, the execution of technology requirements to achieve agreed contractual milestones will be maintained at 95 per cent. Spending on these activities is projected to be R984.1 million over the medium term in the *management of strategic facilities: research and development* programme.

Transfers from the department account for 69.5 per cent (R4.6 billion) of the corporation's total projected revenue over the medium term. These transfers, however, do not cover the corporation's operational costs, which, along with expenses related to administration, training, the maintenance of buildings, and other goods and services, are covered with interest earned from investments. The aim of the corporation's 2016 turnaround strategy is to transform it into a self-sustaining organisation. To achieve this, the corporation will continue to diversify its revenue sources through the commercialisation of intellectual property and strategic facilities, and the brokering of defence-sector deals in Africa. In 2017/18, new revenue streams assisted the corporation in achieving a surplus of R1.7 million, instead of a budgeted deficit of R25.5 million.

Cabinet has approved budget reductions of R29.9 million in 2019/20, R31.6 million in 2020/21 and R34.8 million in departmental transfers. These reductions are implemented on goods and services, and spending on compensation of employees. Accordingly, a freeze on salary increases for senior management staff earning more than R1.5 million per year and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year have been effected. To mitigate the impact of budget reductions, the corporation expects to increase its own revenue generation, in line with its turnaround strategy, and continue to freeze all non-critical vacancies. Nevertheless, transfers from the department increase at an annual average rate of 5.2 per cent, from R1.5 billion in 2018/19 to R1.6 billion in 2021/22.

Programmes/Objectives/Activities

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

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Administration	392.0	423.0	439.9	504.3	8.8%	24.1%	832.3	885.8	931.8	22.7%	35.8%
Quality assurance	118.5	101.9	108.6	122.5	1.1%	6.2%	110.3	118.2	126.6	1.1%	5.5%
Management of defence matériel acquisition	328.3	337.1	359.1	405.8	7.3%	19.6%	324.5	347.3	372.0	-2.9%	16.6%
Logistics support	217.7	215.5	228.4	276.3	8.3%	12.9%	218.5	230.1	247.3	-3.6%	11.1%
Management of strategic facilities: Armscor Dockyard	250.9	250.5	266.9	302.2	6.4%	14.7%	299.0	320.1	342.7	4.3%	14.4%
Management of strategic facilities: Research and development	371.0	386.2	411.2	470.0	8.2%	22.5%	307.6	327.5	348.7	-9.5%	16.7%
Total	1 678.3	1 714.2	1 814.1	2 081.1	7.4%	100.0%	2 092.1	2 228.9	2 369.1	4.4%	100.0%

Statements of historical financial performance

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

R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)	
	Budget	2015/16	Budget	2016/17	Budget	2017/18	2018/19	2015/16 - 2018/19		
Revenue										
Non-tax revenue		383.4	1 006.7	453.6	545.2	554.3	610.0	681.9	681.9	137.2%
Sale of goods and services other than capital assets		291.3	479.5	353.0	403.3	370.9	467.4	525.5	525.5	121.7%
<i>of which:</i>										
<i>Sales by market establishment</i>		291.3	479.5	353.0	403.3	370.9	467.4	525.5	525.5	121.7%
Other non-tax revenue		92.1	527.2	100.6	141.9	183.4	142.6	156.4	156.4	181.8%
Transfers received		1 025.9	858.7	1 042.1	1 042.1	1 325.4	1 205.8	1 399.3	1 399.3	94.0%
Total revenue		1 409.3	1 878.4	1 495.7	1 587.4	1 879.7	1 815.8	2 081.3	2 081.3	107.2%
Expenses										
Current expenses		1 636.0	1 678.3	1 704.4	1 714.2	1 905.2	1 814.1	2 081.1	2 081.1	99.5%
Compensation of employees		1 029.2	940.1	1 049.0	1 049.0	1 202.5	1 118.0	1 251.9	1 251.9	96.2%
Goods and services		535.5	673.2	576.5	586.3	620.8	610.6	746.8	746.8	105.5%
Depreciation		71.3	64.9	78.9	78.9	81.9	85.6	82.4	82.4	99.1%
Total expenses		1 636.0	1 678.3	1 704.4	1 714.2	1 905.2	1 814.1	2 081.1	2 081.1	99.5%
Surplus/(Deficit)		(227.0)	200.0	(209.0)	(127.0)	(25.0)	2.0	-	-	

Statements of estimates of financial performance

Table 19.31 Armaments Corporation of South Africa statements of estimates of financial performance

R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
				2018/19	2015/16 - 2018/19	2019/20			2020/21	2021/22
Revenue										
Non-tax revenue	681.9	-12.2%	38.6%			624.3	655.5	688.3	0.3%	30.5%
Sale of goods and services other than capital assets	525.5	3.1%	25.5%			472.6	496.2	521.0	-0.3%	23.2%
<i>of which:</i>										
<i>Sales by market establishment</i>	525.5	3.1%	25.5%			472.6	496.2	521.0	-0.3%	23.2%
Other non-tax revenue	156.4	-33.3%	13.1%			151.7	159.3	167.3	2.3%	7.3%
Transfers received	1 399.3	17.7%	61.3%			1 468.0	1 543.8	1 627.3	5.2%	69.5%
Total revenue	2 081.3	3.5%	100.0%			2 092.3	2 199.4	2 315.6	3.6%	100.0%
Expenses										
Current expenses	2 081.1	7.4%	100.0%			2 092.1	2 228.9	2 369.1	4.4%	100.0%
Compensation of employees	1 251.9	10.0%	59.7%			1 145.8	1 231.7	1 324.1	1.9%	56.5%
Goods and services	746.8	3.5%	36.0%			854.6	900.9	942.5	8.1%	39.2%
Depreciation	82.4	8.3%	4.3%			91.7	96.3	102.5	7.5%	4.2%
Total expenses	2 081.1	7.4%	100.0%			2 092.1	2 228.9	2 369.1	4.4%	100.0%
Surplus/(Deficit)	-					-	(30.0)	(53.0)		

Personnel information

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

Number of posts estimated for 31 March 2019		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 (%)						
		2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost								
Armaments Corporation of South Africa		1 863	1 863		1 689	1 118.0	0.7	1 863	1 251.9	0.7	1 705	1 145.8	0.7	1 705	1 231.7	0.7	1 705	1 324.1	0.8	1.9%	100.0%
Salary level																					
1 – 6	511	511	357	57.8	0.2	511	107.5	0.2	452	84.8	0.2	452	91.2	0.2	452	98.0	0.2			-3.0%	26.7%
7 – 10	865	865	822	394.5	0.5	865	473.7	0.5	785	414.8	0.5	785	445.9	0.6	785	479.4	0.6			0.4%	46.1%
11 – 12	241	241	202	191.7	0.9	241	260.7	1.1	228	234.5	1.0	228	252.1	1.1	228	271.0	1.2			1.3%	13.3%
13 – 16	240	240	301	451.3	1.5	240	389.6	1.6	234	389.7	1.7	234	418.9	1.8	234	450.3	1.9			4.9%	13.5%
17 – 22	6	6	7	22.7	3.2	6	20.4	3.4	6	21.9	3.7	6	23.6	3.9	6	25.4	4.2			7.5%	0.3%

1. Rand million.

Other entity

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

- The **Castle Control Board** preserves and protects the military and cultural heritage of the Castle of Good Hope in Cape Town. The board's total budget for 2019/20 is R8.4 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2018/19	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Departmental infrastructure										
Upgrade and refurbishment of the South African Military Health Training Centre: Phase 2 (nurses college)	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	1 803.2	–	–	22.7	15.0	5.0	85.7	146.7
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	3 257.6	0.7	7.3	169.3	(38.7)	71.6	93.6	127.2
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Construction	610.0	0.8	2.7	1.9	22.0	12.4	45.6	47.5
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	936.2	24.2	36.8	145.7	209.0	48.1	–	–
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	581.0	1.6	0.7	3.6	15.5	26.8	26.3	25.2
Demolition of infrastructure	Demolition of infrastructure	Various	80.3	–	–	–	–	–	–	7.6
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	77.7	–	3.5	7.5	–	–	–	–
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	199.1	0.8	3.3	10.8	20.1	12.4	9.4	0.4
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Site identification	550.6	4.9	11.2	89.4	75.0	45.9	22.0	10.8
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	3 277.5	45.7	63.7	171.6	171.5	83.1	79.8	16.5
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	91.4	0.5	0.2	1.2	20.9	3.7	0.7	–
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24.2	0.0	–	–	–	–	–	–
Upgrading of infrastructure for disabled members	Upgrade of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8.9	0.0	0.2	–	–	–	–	–
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	30.3	0.0	0.9	13.8	1.0	–	0.2	1.7

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2018/19	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaat	Site identification	5.0	0.0	–	–	–	–	–	
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	48.0	0.1	0.1	6.4	8.7	2.5	0.7	–
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	25.4	0.0	1.4	10.8	1.2	–	0.1	–
Training facilities	Construction and upgrades of training facilities	Various	119.1	–	0.4	0.2	(2.0)	2.0	10.7	9.4
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	241.2	3.2	15.0	41.5	14.6	10.8	2.3	3.4
Workshops and stores	Construction of workshops and stores	Various	22.5	–	0.0	–	0.3	0.7	–	–
Fences and gates	Replacement or erection of fences	Various	249.8	–	0.2	0.7	(4.4)	27.2	24.5	2.2
Recoverable projects	Upgrades of buildings in military bases	Various	129.4	–	–	–	–	(0.7)	–	11.3
Total			12 368.2	82.6	147.9	697.3	529.7	351.3	401.6	410.0

