

Vote 19

Defence and Military Veterans

Budget summary

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

Executive authority: Minister of Defence
 Accounting officer: Secretary for Defence
 Website address: www.dod.mil.za

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

Vote purpose

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

Mandate

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

Selected performance indicators

Table 19.1 Performance indicators by programme and related outcome

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

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections ¹		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage compliance with the number of ordered commitments (internal operations) ⁵	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4/4)	100% (4/4)	100% (4/4)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year ⁶	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	5	5	6	4	3	2	3
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	13	13	15	15	15	15	15
Number of force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	4 471	5 026	4 785	5 000	5 000	5 000	5 000
Number of hours at sea per year	Maritime Defence	Africa and a better world	11 081	8 951	10 711	12 000	12 000	12 000	12 000

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

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

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

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

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

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

Expenditure analysis

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

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

Maintaining defence capabilities

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

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

acquisition of a hydrographic vessel to 2017/18 and the acquisition of offshore patrol vessels to 2018/19. This is expected to increase spending in the *Maritime Combat Capability* subprogramme in the *Maritime Defence* programme in those years.

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

Expanding and maintaining infrastructure

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

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

Safeguarding South Africa's borders and territorial integrity

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

Participating in peace support operations

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

Establishing cyber security institutional capacity

The department will focus on institutionalising a cybersecurity policy over the medium term, with plans to implement the cyberwarfare strategy in 2017/18 and establish a cyber-command centre by 2018/19. These activities are assigned to the *Defence Intelligence* programme, and are allocated R72 million over the medium term.

Expenditure trends

Table 19.2 Vote expenditure trends by programme and economic classification

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

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Force Employment									
3. Landward Defence									
4. Air Defence									
5. Maritime Defence									
6. Military Health Support									
7. Defence Intelligence									
8. General Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million		2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	5 358.6	5.9%	11.1%	5 380.8	5 628.3	5 947.1	3.5%	11.1%	
Programme 2	3 601.2	0.4%	8.1%	3 688.6	3 661.0	3 749.8	1.4%	7.3%	
Programme 3	15 557.5	4.6%	33.2%	16 550.2	17 134.3	18 160.8	5.3%	33.6%	
Programme 4	6 971.4	6.9%	15.4%	6 628.0	7 145.8	8 572.2	7.1%	14.6%	
Programme 5	4 407.1	12.4%	8.6%	4 790.0	4 893.4	4 482.4	0.6%	9.3%	
Programme 6	4 474.1	5.9%	9.4%	4 586.7	4 905.6	5 371.3	6.3%	9.6%	
Programme 7	900.2	5.4%	1.9%	917.3	947.9	1 002.2	3.6%	1.9%	
Programme 8	5 966.4	1.9%	12.3%	6 077.2	6 294.1	6 680.6	3.8%	12.5%	
Total	47 236.5	5.1%	100.0%	48 618.8	50 610.3	53 966.4	4.5%	100.0%	
Change to 2016 Budget estimate				(125.8)	(115.4)	(144.7)			
Economic classification									
Current payments	39 594.1	5.6%	81.4%	38 022.0	39 388.9	42 042.9	2.0%	79.4%	
Compensation of employees	27 361.6	8.6%	54.9%	26 448.0	27 116.7	29 177.6	2.2%	54.9%	
Goods and services	12 232.5	-	26.4%	11 574.0	12 272.2	12 865.3	1.7%	24.4%	
Transfers and subsidies	7 354.6	6.0%	16.6%	9 180.1	9 762.1	10 435.6	12.4%	18.3%	
Provinces and municipalities	0.1	-	-	0.1	0.1	0.1	4.8%	-	
Departmental agencies and accounts	6 196.4	9.7%	13.6%	7 747.1	8 251.4	8 894.2	12.8%	15.5%	
Public corporations and private enterprises	1 025.4	-0.2%	2.6%	1 296.9	1 375.1	1 418.6	11.4%	2.6%	
Non-profit institutions	9.5	11.0%	-	8.9	9.3	9.7	1.0%	-	
Households	123.2	-3.6%	0.3%	127.1	126.1	112.9	-2.9%	0.2%	
Payments for capital assets	287.8	-27.2%	2.0%	1 416.7	1 459.4	1 488.0	72.9%	2.3%	
Buildings and other fixed structures	121.9	1.8%	0.3%	958.8	1 069.0	1 111.1	108.9%	1.6%	
Machinery and equipment	164.5	-34.1%	1.7%	455.7	389.0	375.0	31.6%	0.7%	
Specialised military assets	1.0	-70.9%	-	1.7	1.0	1.5	14.5%	-	
Software and other intangible assets	0.3	-70.4%	-	0.4	0.4	0.5	10.7%	-	
Total	47 236.5	5.1%	100.0%	48 618.8	50 610.3	53 966.4	4.5%	100.0%	

Goods and services expenditure trends and estimates

Table 19.4 Vote goods and services expenditure trends and estimates

	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administrative fees	9 584	12 254	11 381	18 448	24.4%	0.1%	13 603	13 438	13 957	-8.9%	0.1%	
Advertising	32 110	12 463	8 431	6 628	-40.9%	0.1%	7 797	7 898	7 593	4.6%	0.1%	
Minor assets	137 417	127 731	94 206	219 862	17.0%	1.2%	173 109	130 323	129 842	-16.1%	1.3%	
Audit costs: External	70 878	73 179	60 979	73 312	1.1%	0.6%	64 981	69 632	74 198	0.4%	0.6%	
Catering: Departmental activities	24 089	20 874	27 218	25 693	2.2%	0.2%	29 498	39 319	30 179	5.5%	0.3%	
Communication	91 230	91 480	88 963	99 194	2.8%	0.8%	99 106	99 512	103 390	1.4%	0.8%	
Computer services	1 019 445	988 433	1 055 993	1 190 418	5.3%	9.2%	1 132 729	1 195 341	1 266 857	2.1%	9.8%	
Consultants: Business and advisory services	203 496	274 352	300 594	146 220	-10.4%	2.0%	75 254	82 495	29 883	-41.1%	0.7%	
Infrastructure and planning services	3 364	19 220	32 933	46 424	139.9%	0.2%	29 945	31 843	30 328	-13.2%	0.3%	
Laboratory services	29 847	26 855	32 069	23 353	-7.9%	0.2%	24 544	27 818	20 944	-3.6%	0.2%	
Legal services	41 418	30 016	54 853	30 742	-9.5%	0.3%	31 389	31 957	38 367	7.7%	0.3%	
Science and technological services	40 937	56 221	97 713	74 104	21.9%	0.6%	88 065	62 909	61 352	-6.1%	0.6%	
Contractors	2 538 811	2 735 529	2 207 794	2 294 237	-3.3%	21.1%	2 378 323	2 403 480	2 504 531	3.0%	19.6%	
Agency and support/outsourced services	458 229	490 354	583 755	415 805	-3.2%	4.2%	548 563	568 594	641 347	15.5%	4.4%	
Entertainment	9 471	2 917	4 785	4 773	-20.4%	-	4 727	5 461	5 580	5.3%	-	
Fleet services (including government motor transport)	41 410	96 765	136 107	92 434	30.7%	0.8%	57 450	58 337	60 220	-13.3%	0.5%	

Table 19.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Inventory: Clothing material and accessories	–	208 087	160 038	154 688	–	1.1%	176 198	237 832	210 533	10.8%	1.6%
Inventory: Farming supplies	–	5 709	7 387	3 173	–	–	8 186	8 584	8 646	39.7%	0.1%
Inventory: Food and food supplies	833 586	872 380	886 530	896 309	2.4%	7.5%	958 582	1 013 925	1 103 029	7.2%	8.1%
Inventory: Fuel, oil and gas	652 715	455 660	639 187	618 716	-1.8%	5.1%	661 975	757 496	754 739	6.8%	5.7%
Inventory: Materials and supplies	144 509	138 448	107 893	89 517	-14.8%	1.0%	115 032	93 681	109 869	7.1%	0.8%
Inventory: Medical supplies	86 144	75 396	98 713	111 890	9.1%	0.8%	104 035	157 379	172 117	15.4%	1.1%
Inventory: Medicine	189 301	167 932	154 091	243 403	8.7%	1.6%	156 134	183 991	331 428	10.8%	1.9%
Inventory: Other supplies	133 504	110 974	58 439	165 054	7.3%	1.0%	168 375	268 043	236 914	12.8%	1.7%
Consumable supplies	201 914	122 769	133 484	121 075	-15.7%	1.2%	132 617	137 338	143 590	5.8%	1.1%
Consumables: Stationery, printing and office supplies	86 806	57 804	58 300	62 844	-10.2%	0.6%	73 891	69 739	73 706	5.5%	0.6%
Operating leases	343 523	415 443	1 318 598	1 420 005	60.5%	7.5%	1 460 566	1 525 125	1 634 756	4.8%	12.3%
Rental and hiring	45	335	4 757	55	6.9%	–	361	383	66	6.3%	–
Property payments	2 506 555	2 151 430	1 465 752	1 919 325	-8.5%	17.3%	1 131 585	1 244 364	1 293 674	-12.3%	11.4%
Travel and subsistence	873 601	883 798	991 344	808 897	-2.5%	7.7%	906 139	935 265	962 555	6.0%	7.4%
Training and development	159 315	256 804	228 253	277 217	20.3%	2.0%	268 971	297 508	306 675	3.4%	2.4%
Operating payments	436 864	342 034	316 593	559 694	8.6%	3.6%	473 887	495 457	485 773	-4.6%	4.1%
Venues and facilities	15 111	14 018	12 440	19 003	7.9%	0.1%	18 413	17 693	18 673	-0.6%	0.2%
Total	11 415 229	11 337 664	11 439 573	12 232 512	2.3%	100.0%	11 574 030	12 272 160	12 865 311	1.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.5 Vote transfers and subsidies trends and estimates

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

Table 19.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal agencies and funds											
Current	-	-	33	-	-	-	-	-	-	-	-
Vehicle licences	-	-	33	-	-	-	-	-	-	-	-
Total	6 422 070	7 400 180	8 003 263	7 354 582	4.6%	100.0%	9 180 066	9 762 099	10 435 572	12.4%	100.0%

Personnel information

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

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of posts estimated for 31 March 2017																	Average growth rate (%)	Average: Salary level/Total (%)			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2016/17 - 2019/20							
		2015/16		2016/17		2017/18		2018/19		2019/20											
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Defence And Military Veterans		76 648			77 597	24 788.0	0.3	78 345	27 361.6	0.3	69 609	26 448.0	0.4	65 582	27 116.7	0.4	66 016	29 177.6	0.4	-5.5%	100.0%
Salary level		76 648			77 597	24 788.0	0.3	78 345	27 361.6	0.3	69 609	26 448.0	0.4	65 582	27 116.7	0.4	66 016	29 177.6	0.4	-5.5%	100.0%
1 – 6		51 331			52 243	11 165.7	0.2	53 027	12 398.9	0.2	45 733	11 721.9	0.3	42 857	11 937.8	0.3	43 771	13 136.6	0.3	-6.2%	66.3%
7 – 10		23 559			23 573	9 688.6	0.4	23 577	10 623.1	0.5	22 190	10 900.4	0.5	21 090	11 249.9	0.5	20 639	11 963.6	0.6	-4.3%	31.3%
11 – 12		1 339			1 358	1 043.3	0.8	1 325	1 109.9	0.8	1 264	1 155.2	0.9	1 228	1 220.6	1.0	1 206	1 300.9	1.1	-3.1%	1.8%
13 – 16		414			417	435.3	1.0	412	453.5	1.1	417	494.0	1.2	402	513.7	1.3	395	544.2	1.4	-1.4%	0.6%
Other		6			6	2 455.1	409.2	4	2 776.2	694.1	5	2 176.5	435.3	5	2 194.7	438.9	5	2 232.3	446.5	7.7%	-
Programme		76 648			77 597	24 788.0	0.3	78 345	27 361.6	0.3	69 609	26 448.0	0.4	65 582	27 116.7	0.4	66 016	29 177.6	0.4	-5.5%	100.0%
Programme 1		3 876			3 816	1 689.6	0.4	4 402	2 063.3	0.5	3 424	1 847.8	0.5	3 126	1 888.2	0.6	3 119	2 047.2	0.7	-10.8%	5.0%
Programme 2		1 942			1 907	1 898.3	1.0	1 756	1 951.8	1.1	1 850	2 138.8	1.2	1 781	2 172.5	1.2	1 888	2 289.8	1.2	2.4%	2.6%
Programme 3		39 170			40 246	10 584.0	0.3	40 004	11 562.2	0.3	35 910	10 953.8	0.3	34 050	11 394.2	0.3	34 339	12 375.3	0.4	-5.0%	51.6%
Programme 4		10 066			10 261	3 325.2	0.3	9 896	3 587.5	0.4	8 383	3 444.8	0.4	8 037	3 438.1	0.4	8 267	3 658.0	0.4	-5.8%	12.4%
Programme 5		7 044			7 480	2 102.8	0.3	7 429	2 314.2	0.3	6 620	2 248.0	0.3	6 187	2 275.1	0.4	6 129	2 447.5	0.4	-6.2%	9.4%
Programme 6		7 898			8 002	3 136.3	0.4	8 196	3 421.5	0.4	7 235	3 373.7	0.5	6 741	3 480.5	0.5	6 674	3 713.9	0.6	-6.6%	10.3%
Programme 7		881			880	347.9	0.4	946	404.9	0.4	846	403.6	0.5	756	400.0	0.5	798	441.3	0.6	-5.5%	1.2%
Programme 8		5 771			5 005	1 704.0	0.3	5 716	2 056.2	0.4	5 341	2 037.5	0.4	4 904	2 068.3	0.4	4 802	2 204.6	0.5	-5.6%	7.4%

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

2. Rand million.

Departmental receipts

Table 19.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	853 475	923 792	1 082 623	842 710	842 710	-0.4%	100.0%	1 051 761	1 109 575	1 170 568	11.6%	100.0%
Sales of goods and services produced by department	351 023	285 956	439 041	442 198	442 198	8.0%	41.0%	412 760	435 430	459 345	1.3%	41.9%
Administrative fees	19	28	19	13	13	-11.9%	-	23	24	26	26.0%	-
of which:												
Request for information: Receipt	19	28	19	13	13	-11.9%	-	23	24	26	26.0%	-
Other sales	351 004	285 928	439 022	442 185	442 185	8.0%	41.0%	412 737	435 406	459 319	1.3%	41.9%
of which:												
Rental capital assets	76 493	79 775	86 229	70 600	70 600	-2.6%	8.5%	88 243	93 096	98 217	11.6%	8.4%
Sale of goods	8 720	12 497	7 325	16 257	16 257	23.1%	1.2%	9 671	10 203	10 764	-12.8%	1.1%
Services rendered	265 791	193 656	345 468	355 328	355 328	10.2%	31.3%	314 823	332 107	350 338	-0.5%	32.4%

Table 19.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Sales of scrap, waste, arms and other used current goods	1 658	3 676	2 975	850	850	-20.0%	0.2%	1 345	1 419	1 497	20.8%	0.1%
of which:												
Sales: Scrap and waste	1 658	3 676	2 975	850	850	-20.0%	0.2%	1 345	1 419	1 497	20.8%	0.1%
Transfers received	418 008	542 149	524 130	231 652	231 652	-17.9%	46.3%	538 922	568 563	599 833	37.3%	46.4%
Fines, penalties and forfeits	1 225	1 733	600	650	650	-19.0%	0.1%	1 150	1 213	1 280	25.3%	0.1%
Interest, dividends and rent on land	2 877	3 558	3 890	2 758	2 758	-1.4%	0.4%	3 840	4 050	4 273	15.7%	0.4%
Interest	2 877	3 558	3 890	2 758	2 758	-1.4%	0.4%	3 840	4 050	4 273	15.7%	0.4%
Sales of capital assets	24 904	42 507	36 212	66 000	66 000	38.4%	4.6%	25 967	27 394	28 902	-24.1%	3.6%
Transactions in financial assets and liabilities	53 780	44 213	75 775	98 602	98 602	22.4%	7.4%	67 777	71 506	75 438	-8.5%	7.5%
Total	853 475	923 792	1 082 623	842 710	842 710	-0.4%	100.0%	1 051 761	1 109 575	1 170 568	11.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	86.9	82.0	112.0	76.2	-4.3%	1.8%	74.1	77.4	82.0	2.5%	1.4%
Departmental Direction	50.0	43.7	67.0	50.6	0.4%	1.1%	58.6	60.0	64.4	8.4%	1.0%
Policy and Planning	84.3	93.7	94.4	119.3	12.3%	2.0%	119.1	122.5	130.6	3.1%	2.2%
Financial Services	285.0	325.2	324.3	472.5	18.4%	7.2%	372.6	381.8	409.2	-4.7%	7.3%
Human Resources Support Services	652.2	714.4	736.4	810.4	7.5%	14.9%	777.3	791.0	845.1	1.4%	14.4%
Legal Services	242.6	266.3	278.6	308.4	8.3%	5.6%	300.1	305.7	327.0	2.0%	5.6%
Inspection and Audit Services	82.9	106.9	115.9	145.9	20.7%	2.3%	143.0	145.3	154.2	1.9%	2.6%
Acquisition Services	46.5	58.8	82.2	112.7	34.3%	1.5%	125.7	133.8	88.2	-7.8%	2.1%
Communication Services	49.8	48.5	43.8	45.2	-3.2%	1.0%	46.4	47.7	50.5	3.8%	0.9%
South African National Defence Force Command and Control	136.6	143.7	135.7	155.2	4.3%	2.9%	156.2	159.5	171.0	3.3%	2.9%
Religious Services	11.4	12.7	18.3	15.8	11.6%	0.3%	14.0	14.5	15.6	-0.5%	0.3%
Defence Reserve Direction	23.2	24.6	25.2	29.3	8.1%	0.5%	28.5	29.3	31.1	1.9%	0.5%
Defence Foreign Relations	227.3	255.5	262.2	258.2	4.3%	5.1%	274.5	299.5	344.1	10.0%	5.3%
Office Accommodation	2 180.7	1 978.9	2 103.3	2 161.3	-0.3%	43.2%	2 268.7	2 400.3	2 534.7	5.5%	42.0%
Military Veterans Management	351.4	504.2	582.2	597.6	19.4%	10.4%	622.1	660.1	699.5	5.4%	11.6%
Total	4 511.0	4 659.0	4 981.5	5 358.6	5.9%	100.0%	5 380.8	5 628.3	5 947.1	3.5%	100.0%
Change to 2016 Budget estimate				207.5			32.4	67.9	38.1		
Economic classification											
Current payments	4 074.5	4 029.1	4 309.6	4 704.9	4.9%	87.7%	4 686.7	4 894.7	5 172.4	3.2%	87.2%
Compensation of employees	1 397.8	1 535.0	1 689.6	2 063.3	13.9%	34.3%	1 847.8	1 888.2	2 047.2	-0.3%	35.2%
Goods and services ¹	2 676.7	2 494.1	2 620.0	2 641.5	-0.4%	53.5%	2 838.9	3 006.5	3 125.2	5.8%	52.0%
of which:											
Computer services	76.4	76.2	78.7	117.4	15.4%	1.8%	109.6	118.4	124.0	1.8%	2.1%
Consultants: Business and advisory services	3.5	3.6	53.5	49.9	143.2%	0.6%	62.4	69.3	16.3	-31.1%	0.9%
Operating payments	31.66	36.0	44.5	23.7	-9.2%	0.7%	37.7	29.5	29.5	7.7%	0.59%
Operating leases	311.0	376.0	1 295.5	1 273.5	60.0%	16.7%	1 384.4	1 480.6	1 589.1	7.7%	25.7%
Property payments	1 924.5	1 678.2	846.8	918.2	-21.9%	27.5%	978.8	1 037.7	1 090.9	5.9%	18.0%
Travel and subsistence	119.6	133.1	141.0	99.8	-5.9%	2.5%	117.8	120.6	124.1	7.5%	2.1%

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

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
Transfers and subsidies¹	387.3	557.1	628.3	644.9	18.5%	11.4%	667.5	706.2	745.6	5.0%	12.4%
Provinces and municipalities	–	–	–	–	–	–	–	–	–	4.3%	–
Departmental agencies and accounts	370.4	525.2	604.8	618.3	18.6%	10.9%	643.2	682.1	722.6	5.3%	11.9%
Public corporations and private enterprises	0.5	0.2	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	6.9	7.1	7.2	8.6	7.9%	0.2%	7.9	8.3	8.7	0.5%	0.2%
Households	9.6	24.6	16.3	18.0	23.3%	0.4%	16.4	15.8	14.3	-7.4%	0.3%
Payments for capital assets	43.1	59.7	43.4	8.8	-41.1%	0.8%	26.6	27.4	29.1	48.8%	0.4%
Buildings and other fixed structures	–	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	43.1	58.8	42.8	8.8	-41.1%	0.8%	26.6	27.4	29.0	48.8%	0.4%
Software and other intangible assets	–	0.9	0.6	–	–	–	–	–	0.1	–	–
Payments for financial assets	6.0	13.2	0.3	–	-100.0%	0.1%	–	–	–	–	–
Total	4 511.0	4 659.0	4 981.5	5 358.6	5.9%	100.0%	5 380.8	5 628.3	5 947.1	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	10.9%	11.1%	11.3%	–	–	11.1%	11.1%	11.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	370.4	525.2	604.8	618.3	18.6%	10.9%	643.2	682.1	722.6	5.3%	11.9%
Safety and Security Sector Education and Training Authority	18.9	21.0	22.6	20.7	3.0%	0.4%	21.1	22.0	23.1	3.7%	0.4%
Department of Military Veterans	351.4	504.2	582.2	597.6	19.4%	10.4%	622.1	660.1	699.5	5.4%	11.6%
Non-profit institutions											
Current	6.5	7.1	7.2	8.6	9.7%	0.2%	7.9	8.3	8.7	0.5%	0.2%
Reserve Force Council	6.5	7.1	7.2	8.6	9.7%	0.2%	7.9	8.3	8.7	0.5%	0.2%
Households											
Social benefits											
Current	9.0	13.6	16.0	17.7	25.4%	0.3%	16.0	15.8	14.0	-7.6%	0.3%
Employee social benefits	9.0	13.6	16.0	17.7	25.4%	0.3%	16.0	15.8	14.0	-7.6%	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 2: Force Employment

Programme purpose

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

Objective

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements over the medium term
 - ensuring full participation in the number of peace missions, as instructed by the president, over the medium term
 - conducting eight joint, interdepartmental, interagency and multinational military force preparation exercises, excluding special forces exercises, from 2017/18 to 2019/20
 - conducting four operations per year, protecting the territorial integrity and sovereignty of South Africa, supporting other government departments and complying with international obligations on an ongoing basis.

Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces to promote peace, stability and security in the region and on the continent.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters.

- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force.
- *Regional Security* provides for the external deployment of forces in support of South Africa's commitment to regional, continental and global security.
- *Support to the People* provides for the internal deployment of forces in support of the South African Police Service and other government departments. This includes border safeguarding, assistance during disaster situations and conducting search and rescue missions.

Expenditure trends and estimates

Table 19.9 Force Employment 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 (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
R million											
Strategic Direction	119.8	125.9	164.3	186.9	16.0%	4.2%	155.9	165.5	167.8	-3.5%	4.6%
Operational Direction	253.0	257.0	286.2	307.8	6.7%	7.8%	331.4	340.0	338.6	3.2%	9.0%
Special Operations	666.5	708.7	756.5	822.0	7.2%	20.8%	824.4	821.2	872.2	2.0%	22.7%
Regional Security	1 608.6	1 638.6	1 573.0	1 177.7	-9.9%	42.3%	1 410.8	1 340.0	1 339.4	4.4%	35.8%
Support to the People	698.8	901.2	822.8	1 106.8	16.6%	24.9%	966.0	994.2	1 031.9	-2.3%	27.9%
Total	3 346.7	3 631.4	3 602.8	3 601.2	2.5%	100.0%	3 688.6	3 661.0	3 749.8	1.4%	100.0%
Change to 2016				(298.4)			(257.0)	(378.7)	(558.5)		
Budget estimate											
Economic classification											
Current payments	2 938.7	3 053.1	3 038.3	3 252.5	3.4%	86.6%	3 232.4	3 305.0	3 370.8	1.2%	89.5%
Compensation of employees	1 590.2	1 854.5	1 898.3	1 951.8	7.1%	51.4%	2 138.8	2 172.5	2 289.8	5.5%	58.2%
Goods and services ¹	1 348.6	1 198.6	1 140.0	1 300.6	-1.2%	35.2%	1 093.6	1 132.5	1 081.0	-6.0%	31.3%
of which:											
Contractors	138.8	427.3	364.8	331.3	33.6%	8.9%	366.6	352.9	302.5	-3.0%	9.2%
Inventory: Food and food supplies	118.5	108.5	124.4	143.2	6.5%	3.5%	138.9	150.4	158.7	3.5%	4.0%
Inventory: Fuel, oil and gas	66.3	50.2	32.5	69.6	1.6%	1.5%	47.7	51.5	54.2	-8.0%	1.5%
Property payments	18.5	21.2	13.4	20.9	4.3%	0.5%	30.4	32.0	25.0	6.1%	0.7%
Travel and subsistence	200.2	221.4	248.2	232.8	5.2%	6.4%	172.9	182.8	192.1	-6.2%	5.3%
Operating payments	262.1	114.1	85.3	283.9	2.7%	5.3%	190.0	207.2	184.4	-13.4%	5.9%
Transfers and subsidies¹	163.6	288.0	431.6	254.5	15.9%	8.0%	272.9	243.5	259.2	0.6%	7.0%
Departmental agencies and accounts	149.1	276.9	412.3	241.4	17.4%	7.6%	256.7	226.9	241.9	0.1%	6.6%
Foreign governments and international organisations	-	-	5.8	-	-	-	-	-	-	-	-
Public corporations and private enterprises	9.0	8.1	8.0	8.4	-2.3%	0.2%	8.9	9.3	9.8	5.2%	0.2%
Households	5.5	3.1	5.4	4.7	-4.8%	0.1%	7.3	7.3	7.5	17.0%	0.2%
Payments for capital assets	244.2	290.3	132.9	94.2	-27.2%	5.4%	183.3	112.4	119.8	8.3%	3.5%
Buildings and other fixed structures	11.7	0.5	10.0	1.2	-53.7%	0.2%	0.4	0.4	0.4	-28.7%	-
Machinery and equipment	232.4	289.8	123.0	92.1	-26.6%	5.2%	181.9	111.0	118.3	8.7%	3.4%
Specialised military assets	-	-	-	1.0	-	-	1.0	1.0	1.0	1.7%	-
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	3 346.7	3 631.4	3 602.8	3 601.2	2.5%	100.0%	3 688.6	3 661.0	3 749.8	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	8.5%	8.0%	7.6%	-	-	7.6%	7.2%	6.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	149.1	276.9	412.3	241.3	17.4%	7.6%	256.6	226.9	241.8	0.1%	6.6%
Special defence account	149.1	276.9	412.3	241.3	17.4%	7.6%	256.6	226.9	241.8	0.1%	6.6%
Foreign governments and international organisations											
Current	-	-	5.8	-	-	-	-	-	-	-	-
Southern African Development Community	-	-	5.8	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations (subsidies on products and production)											
Current	9.0	8.0	8.0	8.4	-2.3%	0.2%	8.9	9.3	9.8	5.2%	0.2%
Armaments Corporation of South Africa	9.0	8.0	8.0	8.4	-2.3%	0.2%	8.9	9.3	9.8	5.2%	0.2%

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

Programme 3: Landward Defence

Programme purpose

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

Objective

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

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Strategic Direction	420.4	419.0	442.8	474.7	4.1%	3.0%	426.8	417.0	424.3	-3.7%	2.6%
Infantry Capability	4 759.7	5 404.0	6 102.5	6 059.3	8.4%	38.3%	6 889.6	7 364.0	7 950.6	9.5%	41.9%
Armour Capability	356.8	374.7	399.3	447.9	7.9%	2.7%	449.5	466.9	493.5	3.3%	2.8%
Artillery Capability	383.2	425.6	527.6	473.7	7.3%	3.1%	486.5	477.5	721.7	15.1%	3.2%
Air Defence Artillery Capability	425.1	478.1	561.6	588.9	11.5%	3.5%	681.7	619.6	539.7	-2.9%	3.6%
Engineering Capability	587.2	623.1	675.9	719.0	7.0%	4.5%	745.9	778.5	814.2	4.2%	4.5%
Operational Intelligence	176.8	188.3	202.5	252.5	12.6%	1.4%	236.7	247.4	259.1	0.9%	1.5%
Command and Control Capability	168.7	177.8	188.9	204.2	6.6%	1.3%	209.3	216.3	230.6	4.1%	1.3%
Support Capability	4 858.2	4 428.2	4 414.8	4 464.7	-2.8%	31.1%	4 680.4	4 747.6	4 819.7	2.6%	27.8%
General Training Capability	391.0	411.5	397.7	585.8	14.4%	3.1%	474.1	484.5	523.7	-3.7%	3.1%
Signal Capability	1 072.1	1 119.0	1 205.2	1 286.8	6.3%	8.0%	1 269.6	1 315.0	1 383.7	2.5%	7.8%
Total	13 599.1	14 049.1	15 119.0	15 557.5	4.6%	100.0%	16 550.2	17 134.3	18 160.8	5.3%	100.0%
Change to 2016 Budget estimate				(94.0)			(288.5)	(580.3)	(782.7)		
Economic classification											
Current payments	10 809.5	11 652.1	12 484.2	13 403.9	7.4%	82.9%	12 811.4	13 309.3	14 331.3	2.3%	79.9%
Compensation of employees	9 164.8	9 795.6	10 584.0	11 562.2	8.1%	70.5%	10 953.8	11 394.2	12 375.3	2.3%	68.7%
Goods and services ¹	1 644.8	1 856.5	1 900.2	1 841.7	3.8%	12.4%	1 857.5	1 915.1	1 956.0	2.0%	11.2%
<i>of which:</i>											
Contractors	232.9	352.5	357.2	335.5	12.9%	2.2%	218.2	204.2	244.7	-10.0%	1.5%
Inventory: Clothing material and accessories	-	148.1	88.0	72.0	-	0.5%	103.7	156.1	124.6	20.1%	0.7%
Inventory: Food and food supplies	481.4	473.4	476.9	472.9	-0.6%	3.3%	519.4	534.6	579.7	7.0%	3.1%
Inventory: Fuel, oil and gas	193.6	152.0	211.2	231.0	6.1%	1.4%	198.6	224.0	206.7	-3.6%	1.3%
Computer services	71.1	81.65	72.0	77.6	3.0%	0.5%	80.6	80.6	80.7	1.3%	0.5%
Travel and subsistence	278.7	251.4	277.3	218.1	-7.8%	1.8%	327.9	328.9	333.1	15.2%	1.8%
Transfers and subsidies¹	2 474.0	2 251.8	2 528.6	2 127.7	-4.9%	16.1%	3 687.9	3 773.5	3 782.9	21.1%	19.8%
Departmental agencies and accounts	2 391.5	2 158.4	2 451.2	2 048.9	-5.0%	15.5%	3 619.7	3 707.7	3 745.3	22.3%	19.5%
Public corporations and private enterprises	54.5	50.2	33.6	38.4	-11.0%	0.3%	35.2	30.6	-	-100.0%	0.2%
Households	28.0	43.2	43.8	40.4	13.0%	0.3%	33.0	35.2	37.6	-2.4%	0.2%
Payments for capital assets	312.1	144.5	104.9	25.9	-56.4%	1.0%	51.0	51.5	46.7	21.7%	0.3%
Buildings and other fixed structures	0.3	0.9	0.1	0.1	-26.6%	-	5.1	5.4	5.3	241.4%	-
Machinery and equipment	310.5	143.5	104.8	25.8	-56.4%	1.0%	45.9	46.1	41.0	16.7%	0.2%
Specialised military assets	-	-	-	-	-	-	-	-	0.4	-	-
Biological assets	1.2	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	3.5	0.8	1.3	-	-100.0%	-	-	-	-	-	-
Total	13 599.1	14 049.1	15 119.0	15 557.5	4.6%	100.0%	16 550.2	17 134.3	18 160.8	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	33.6%	32.8%	33.5%	32.9%	-	-	34.0%	33.9%	33.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 391.5	2 158.4	2 451.2	2 048.8	-5.0%	15.5%	3 619.6	3 707.7	3 745.2	22.3%	19.5%
Special defence account	2 391.5	2 158.4	2 451.2	2 048.8	-5.0%	15.5%	3 619.6	3 707.7	3 745.2	22.3%	19.5%
Households											
Social benefits											
Current	24.3	29.5	40.8	40.4	18.5%	0.2%	33.0	35.2	37.6	-2.4%	0.2%
Employee social benefits	24.3	29.5	40.8	40.4	18.5%	0.2%	33.0	35.2	37.6	-2.4%	0.2%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	54.4	49.7	33.1	38.4	-11.0%	0.3%	35.2	30.6	-	-100.0%	0.2%
Armaments Corporation of South Africa	54.4	49.7	33.1	38.4	-11.0%	0.3%	35.2	30.6	-	-100.0%	0.2%

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

Programme 4: Air Defence

Programme purpose

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

Objective

- Defend and protect South Africa and its airspace by providing:
 - four helicopter squadrons and one combat support helicopter squadron per year over the medium term
 - three medium transport squadrons including one VIP squadron, one maritime and transport squadron, one light transport squadron and nine reserve squadrons per year over the medium term
 - one air combat squadron per year over the medium term
 - 24-hour air command and control capability over the medium term.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Strategic Direction	16.8	18.3	20.8	35.4	28.1%	0.3%	30.6	30.9	31.3	-4.0%	0.4%
Operational Direction	247.9	183.8	255.3	208.7	-5.6%	3.3%	170.2	184.2	165.5	-7.4%	2.5%
Helicopter Capability	996.3	817.1	619.7	769.3	-8.3%	11.9%	814.8	880.5	916.5	6.0%	11.5%
Transport and Maritime Capability	485.4	1 138.8	684.4	773.3	16.8%	11.4%	798.3	866.5	1 721.7	30.6%	14.2%
Air Combat Capability	909.9	1 108.3	1 368.8	1 277.2	12.0%	17.3%	1 043.2	1 034.6	1 015.7	-7.4%	14.9%
Operational Support and Intelligence Capability	312.6	270.9	297.7	321.5	0.9%	4.5%	286.3	281.7	299.4	-2.3%	4.1%
Command and Control Capability	343.1	508.7	884.6	610.8	21.2%	8.7%	560.4	912.7	1 250.7	27.0%	11.4%
Base Support Capability	1 724.0	1 848.1	1 823.7	1 859.5	2.6%	26.9%	1 773.5	1 756.2	1 911.7	0.9%	24.9%
Command Post	30.9	57.4	60.5	62.5	26.5%	0.8%	63.6	65.2	67.4	2.5%	0.9%
Training Capability	206.4	200.6	492.2	581.0	41.2%	5.5%	612.8	643.9	669.6	4.8%	8.6%
Technical Support Services	758.2	761.5	577.8	472.2	-14.6%	9.5%	474.1	489.3	522.8	3.4%	6.7%
Total	6 031.5	6 913.5	7 085.7	6 971.4	4.9%	100.0%	6 628.0	7 145.8	8 572.2	7.1%	100.0%
Change to 2016 Budget estimate				87.8			31.9	(94.5)	859.7		

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

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Current payments	5 116.0	5 162.9	5 146.5	5 785.4	4.2%	78.6%	5 751.5	5 918.3	6 337.6	3.1%	81.2%
Compensation of employees	2 955.3	3 148.9	3 325.2	3 587.5	6.7%	48.2%	3 444.8	3 438.1	3 658.0	0.7%	48.2%
Goods and services ¹	2 160.7	2 014.0	1 821.3	2 198.0	0.6%	30.3%	2 306.7	2 480.2	2 679.6	6.8%	33.0%
of which:											
Contractors	1 532.3	1 329.4	1 086.5	1 206.1	-7.7%	19.1%	1 314.7	1 378.2	1 491.3	7.3%	18.4%
Inventory: Food and food supplies	71.2	78.5	77.5	82.7	5.1%	1.1%	82.7	88.3	100.7	6.8%	1.2%
Inventory: Fuel, oil and gas	240.9	154.1	244.3	238.5	-0.3%	3.3%	276.0	302.3	322.2	10.6%	3.9%
Travel and subsistence	88.2	86.6	103.2	581.0	-5.2%	1.3%	83.5	88.7	93.1	7.4%	1.2%
Training and development	29.6	45.1	26.3	86.1	42.7%	0.7%	84.9	107.9	113.3	9.6%	1.3%
Operating payments	136.9	135.4	128.6	140.5	0.9%	2.0%	145.9	166.7	174.6	7.5%	2.1%
Transfers and subsidies¹	815.7	1 630.9	1 852.9	1 179.1	13.1%	20.3%	859.0	1 213.8	2 220.2	23.5%	18.7%
Departmental agencies and accounts	806.1	1 618.1	1 837.6	1 160.6	12.9%	20.1%	841.1	1 198.1	2 204.2	23.8%	18.4%
Public corporations and private enterprises	-	0.1	-	-	-100.0%	-	-	-	-	-	-
Households	9.5	12.6	15.3	18.5	24.9%	0.2%	17.9	15.7	16.0	-4.7%	0.2%
Payments for capital assets	99.1	119.2	86.1	6.8	-59.0%	1.2%	17.5	13.7	14.5	28.3%	0.2%
Buildings and other fixed structures	0.5	0.1	12.7	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	98.3	119.0	73.4	6.8	-58.9%	1.1%	17.5	13.7	14.5	28.3%	0.2%
Specialised military assets	0.2	0.2	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.7	0.6	0.2	-	-100.0%	-	-	-	-	-	-
Total	6 031.5	6 913.5	7 085.7	6 971.4	4.9%	100.0%	6 628.0	7 145.8	8 572.2	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	14.9%	16.1%	15.7%	14.8%	-	-	13.6%	14.1%	15.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	805.2	1 618.1	1 837.6	1 160.6	13.0%	20.1%	841.0	1 198.0	2 204.1	23.8%	18.4%
Special defence account	805.2	1 618.1	1 837.6	1 160.6	13.0%	20.1%	841.0	1 198.0	2 204.1	23.8%	18.4%

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.

Objective

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

Subprogrammes

- Maritime Direction* provides strategic direction to the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities.
- Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the department.
- Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments.

- *Maritime Human Resources and Training Capability* ensures that the maritime combat and support capability requirements are met in terms of qualified personnel.
- *Base Support Capability* provides a general base support capability to ships and submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels.

Expenditure trends and estimates

Table 19.12 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 (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R million											
Maritime Direction	488.8	524.9	586.2	593.5	6.7%	14.5%	582.2	640.0	619.9	1.5%	13.1%
Maritime Combat Capability	585.1	1 129.3	1 238.8	1 719.7	43.2%	30.8%	2 073.1	2 038.7	1 471.9	-5.1%	39.3%
Maritime Logistic Support Capability	1 137.0	1 104.0	803.9	934.9	-6.3%	26.2%	980.7	1 086.8	1 166.7	7.7%	22.4%
Maritime Human Resources and Training Capability	397.1	445.2	497.7	516.6	9.2%	12.2%	538.6	518.8	566.6	3.1%	11.5%
Base Support Capability	618.4	599.0	606.2	642.3	1.3%	16.3%	615.4	609.0	657.3	0.8%	13.6%
Total	3 226.4	3 802.4	3 732.7	4 407.1	11.0%	100.0%	4 790.0	4 893.4	4 482.4	0.6%	100.0%
Change to 2016 Budget estimate				51.2			232.7	465.8	(238.6)		
Economic classification											
Current payments	2 663.9	2 886.5	2 803.5	3 033.4	4.4%	75.1%	3 009.2	3 124.3	3 273.7	2.6%	67.0%
Compensation of employees	1 827.1	1 968.7	2 102.8	2 314.2	8.2%	54.1%	2 248.0	2 275.1	2 447.5	1.9%	50.0%
Goods and services ¹	836.8	917.8	700.7	719.2	-4.9%	20.9%	761.2	849.2	826.2	4.7%	17.0%
of which:											
Contractors	497.0	473.4	258.5	226.1	-23.1%	9.6%	224.5	219.7	215.8	-1.5%	4.8%
Inventory: Food and food supplies	49.3	114.9	77.2	92.1	23.2%	2.2%	102.9	120.6	131.9	12.7%	2.4%
Inventory: Fuel, oil and gas	92.5	29.9	92.6	19.1	-40.9%	1.5%	73.1	109.4	96.9	71.8%	1.6%
Inventory: Other supplies	49.3	54.9	25.1	95.7	24.7%	1.5%	75.6	129.2	95.2	-0.2%	2.1%
Travel and subsistence	63.5	57.3	71.0	49.4	-8.0%	1.6%	53.3	57.9	58.1	5.6%	1.2%
Operating payments	18.0	43.9	50.4	69.8	57.1%	1.2%	56.8	49.8	53.3	-8.6%	1.2%
Transfers and subsidies¹	475.2	867.6	836.7	1 367.0	42.2%	23.4%	1 769.4	1 758.0	1 198.3	-4.3%	32.8%
Departmental agencies and accounts	167.7	648.9	602.0	1 123.0	88.5%	16.8%	1 484.0	1 463.0	889.6	-7.5%	26.7%
Public corporations and private enterprises	301.4	208.9	219.9	226.3	-9.1%	6.3%	270.0	283.7	298.4	9.7%	5.8%
Households	6.1	9.8	14.8	17.7	42.5%	0.3%	15.5	11.3	10.2	-16.7%	0.3%
Payments for capital assets	86.9	48.0	92.3	6.6	-57.6%	1.5%	11.3	11.1	10.4	16.2%	0.2%
Buildings and other fixed structures	3.5	0.6	1.5	-	-100.0%	-	1.5	1.5	-	-	-
Machinery and equipment	83.4	47.4	32.7	6.6	-57.0%	1.1%	9.8	9.6	10.4	16.2%	0.2%
Specialised military assets	-	-	58.1	-	-	0.4%	-	-	-	-	-
Payments for financial assets	0.3	0.2	0.3	-	-100.0%	-	-	-	-	-	-
Total	3 226.4	3 802.4	3 732.7	4 407.1	11.0%	100.0%	4 790.0	4 893.4	4 482.4	0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	8.9%	8.3%	9.3%	-	-	9.9%	9.7%	8.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	167.7	648.9	602.0	1 123.0	88.5%	16.8%	1 484.0	1 463.0	889.6	-7.5%	26.7%
Special defence account	167.7	648.9	602.0	1 123.0	88.5%	16.8%	1 484.0	1 463.0	889.6	-7.5%	26.7%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	301.4	208.6	219.9	226.3	-9.1%	6.3%	270.0	283.7	298.4	9.7%	5.8%
Armaments Corporation of South Africa	301.4	208.6	219.9	226.3	-9.1%	6.3%	270.0	283.7	298.4	9.7%	5.8%

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

Programme 6: Military Health Support

Programme purpose

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

Objective

- Ensure prepared and supported health capabilities and services by providing:
 - a health support capability of five medical battalion groups and one specialist medical battalion group for deployed and contingency forces per year
 - a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members per year.

Subprogrammes

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

Expenditure trends and estimates

Table 19.13 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Strategic Direction	207.5	218.3	168.3	207.6	–	4.9%	176.1	177.2	172.6	-6.0%	3.8%
Mobile Military Health Support	109.4	120.8	120.7	124.4	4.4%	2.9%	134.1	160.2	197.3	16.6%	3.2%
Area Military Health Service	1 262.3	1 455.5	1 597.7	1 560.6	7.3%	35.6%	1 676.4	1 820.1	2 058.5	9.7%	36.8%
Specialist/Tertiary Health Service	1 273.5	1 433.3	1 553.4	1 597.0	7.8%	35.5%	1 754.6	1 857.7	2 012.7	8.0%	37.3%
Military Health Product Support Capability	236.3	212.9	134.5	211.0	-3.7%	4.8%	197.5	220.4	219.1	1.3%	4.4%
Military Health Maintenance Capability	280.8	256.4	319.6	307.2	3.0%	7.1%	271.0	271.5	278.9	-3.2%	5.8%
Military Health Training Capability	363.7	355.9	348.9	466.4	8.6%	9.3%	376.9	398.5	432.2	-2.5%	8.7%
Total	3 733.6	4 053.1	4 243.2	4 474.1	6.2%	100.0%	4 586.7	4 905.6	5 371.3	6.3%	100.0%
Change to 2016 Budget estimate				57.3			186.3	327.1	470.0		

Table 19.13 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	3 615.9	3 886.4	4 170.0	4 464.9	7.3%	97.8%	4 521.7	4 801.3	5 262.8	5.6%	98.5%
Compensation of employees	2 700.8	2 865.5	3 136.3	3 421.5	8.2%	73.5%	3 373.7	3 480.5	3 713.9	2.8%	72.3%
Goods and services ¹	915.1	1 021.0	1 033.7	1 043.5	4.5%	24.3%	1 148.1	1 320.9	1 548.9	14.1%	26.2%
of which:											
Computer services	34.8	36.7	35.9	60.0	19.9%	1.0%	61.3	64.1	65.6	3.0%	1.3%
Contractors	55.1	56.2	40.0	59.4	2.5%	1.3%	81.6	82.3	77.6	9.3%	1.6%
Agency and support/outourced services	286.6	362.2	406.1	283.6	-0.4%	8.1%	433.5	509.1	582.2	27.1%	9.4%
Inventory: Medical supplies	85.7	75.1	71.5	110.2	8.8%	2.1%	102.0	155.3	169.9	15.5%	2.8%
Inventory: Medicine	186.5	166.3	154.1	235.1	8.0%	4.5%	155.1	181.9	329.3	11.9%	4.7%
Travel and subsistence	53.7	62.9	79.4	59.6	3.6%	1.5%	69.6	74.7	76.2	8.5%	1.4%
Transfers and subsidies¹	11.5	46.1	26.2	6.2	-18.4%	0.5%	26.9	48.3	77.4	131.5%	0.8%
Departmental agencies and accounts	2.9	15.4	6.7	0.1	-73.0%	0.2%	11.1	30.1	62.7	926.4%	0.5%
Public corporations and private enterprises	-	0.1	-	-	-	-	-	-	-	-	-
Non-profit institutions	0.8	0.8	0.9	0.8	0.3%	-	1.0	1.0	1.0	6.1%	-
Households	7.7	29.9	18.6	5.3	-11.6%	0.4%	14.8	17.2	13.6	36.7%	0.3%
Payments for capital assets	105.5	120.2	46.3	2.9	-69.8%	1.7%	38.1	56.0	31.1	120.2%	0.7%
Buildings and other fixed structures	-	0.2	0.3	-	-100.0%	-	2.6	-	-	-	-
Machinery and equipment	105.4	119.2	46.0	2.9	-69.8%	1.7%	34.7	55.9	31.1	120.2%	0.6%
Specialised military assets	-	0.9	-	-	-	-	0.8	-	-	-	-
Payments for financial assets	0.8	0.4	0.6	-	-100.0%	-	-	-	-	-	-
Total	3 733.6	4 053.1	4 243.2	4 474.1	6.2%	100.0%	4 586.7	4 905.6	5 371.3	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	9.5%	9.4%	9.5%	-	-	9.4%	9.7%	10.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.9	15.4	6.7	-	-100.0%	0.2%	11.1	30.0	62.7	-	0.5%
Communication	1.8	-	-	-	-100.0%	-	-	-	-	-	-
Special defence account	1.2	15.4	6.7	-	-100.0%	0.1%	11.1	30.0	62.7	-	0.5%
Households											
Social benefits											
Current	7.1	9.3	14.3	5.3	-9.1%	0.2%	14.7	16.8	13.6	36.6%	0.3%
Employee social benefits	7.1	9.3	14.3	5.3	-9.1%	0.2%	14.7	16.8	13.6	36.6%	0.3%
Households											
Other transfers to households											
Current	-	20.1	3.9	-	-	0.1%	-	-	-	-	-
Claims against the state	-	20.1	3.9	-	-	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 on an annual basis by providing an intelligence capability, a counterintelligence capability and a defence foreign relations capability.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Strategic Direction	-	-	-	0.1	86.2%	-	-	-	-	-100.0%	-
Operations	457.8	472.6	459.8	472.5	1.1%	56.0%	465.4	513.4	528.4	3.8%	52.5%
Defence Intelligence Support Services	316.9	347.2	370.3	427.7	10.5%	44.0%	451.9	434.5	473.8	3.5%	47.5%
Total	774.7	819.8	830.1	900.2	5.1%	100.0%	917.3	947.9	1 002.2	3.6%	100.0%
Change to 2016 Budget estimate							0.1	3.6	(3.3)		
Economic classification											
Current payments	324.2	358.7	382.1	443.0	11.0%	45.4%	462.6	449.1	491.1	3.5%	49.0%
Compensation of employees	295.8	327.8	347.9	404.9	11.0%	41.4%	403.6	400.0	441.3	2.9%	43.8%
Goods and services ¹	28.4	30.9	34.2	38.1	10.3%	4.0%	59.0	49.2	49.8	9.4%	5.2%
of which:											
Agency and support/outsourced services	0.1	0.1	0.3	0.2	62.6%	-	12.8	0.3	0.3	7.3%	0.4%
Inventory: Food and food supplies	8.1	10.2	10.4	10.7	9.9%	1.2%	12.0	14.3	14.7	11.0%	1.4%
Inventory: Fuel, oil and gas	2.4	1.9	1.9	2.1	-5.2%	0.2%	3.3	3.4	3.6	19.9%	0.3%
Operating leases	5.4	6.4	7.6	6.4	5.8%	0.8%	6.8	7.0	7.4	4.9%	0.7%
Travel and subsistence	3.7	3.9	6.3	5.4	13.2%	0.6%	8.9	9.1	9.5	21.0%	0.9%
Training and development	1.1	1.6	1.3	2.5	33.3%	0.2%	2.7	2.7	2.9	4.5%	0.3%
Transfers and subsidies¹	445.7	456.5	445.0	456.7	0.8%	54.3%	451.0	494.9	507.0	3.5%	50.7%
Departmental agencies and accounts	441.9	455.8	442.3	452.5	0.8%	53.9%	444.5	489.9	504.1	3.7%	50.2%
Households	3.8	0.7	2.7	4.3	4.4%	0.3%	6.5	4.9	2.8	-12.9%	0.5%
Payments for capital assets	4.8	4.5	3.0	0.6	-51.0%	0.4%	3.6	3.9	4.1	93.7%	0.3%
Machinery and equipment	4.8	4.5	3.0	0.6	-51.0%	0.4%	3.6	3.9	4.1	93.7%	0.3%
Total	774.7	819.8	830.1	900.2	5.1%	100.0%	917.3	947.9	1 002.2	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.9%	1.8%	1.9%	-	-	1.9%	1.9%	1.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	441.9	455.8	442.3	452.5	0.8%	53.9%	444.5	489.9	504.1	3.7%	50.2%
Communication	-	-	0.2	0.3	-	-	0.3	0.4	0.4	5.2%	-
Special defence account	441.9	455.8	442.0	452.1	0.8%	53.9%	444.2	489.6	503.8	3.7%	50.2%
Households											
Social benefits											
Current	3.8	0.7	2.7	4.3	4.4%	0.3%	6.5	4.9	2.8	-12.9%	0.5%
Employee social benefits	3.8	0.7	2.7	4.3	4.4%	0.3%	6.5	4.9	2.8	-12.9%	0.5%

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 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services through effective and efficient centralised common logistical support of ordered commitments in accordance with the defence policy and strategy by providing:
 - appropriate, ready and sustained centralised common matériel management to the department
 - appropriate, ready and sustained centralised facilities management to the department
 - appropriate, ready and sustained centralised common logistic services and movement management to the department
 - sound logistic strategic direction to the department.
- Provide ICT prime systems integration and strategic direction to the department over the medium term by providing:
 - strategic direction and staff support services to the division
 - integrated ICT solutions and enablers for the department
 - an information warfare strategic direction capability to the department

- maintenance and support for information systems in the department.
- Provide a military policing capability to the department by:
 - conducting 124 deliberate crime-prevention operations per year over the medium term
 - investigating 100 per cent of corruption and fraud cases reported per year over the medium term
 - sustaining a provost company for operational deployment on an ongoing basis
 - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and investigation of criminal cases over the medium term
 - sustaining 2 military correctional facilities for detention and rehabilitation over the medium term.

Subprogrammes

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

Expenditure trends and estimates

Table 19.15 General Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Joint Logistic Services	2 055.1	2 125.7	2 546.7	2 934.4	12.6%	44.8%	2 941.8	3 042.9	3 192.0	2.8%	48.4%
Command and Management Information Systems	955.6	865.7	1 096.5	1 011.2	1.9%	18.2%	1 025.2	1 061.9	1 120.9	3.5%	16.9%
Military Police	498.7	539.6	529.2	603.2	6.5%	10.1%	576.1	584.4	627.6	1.3%	9.6%
Technology Development	348.0	442.3	424.0	516.2	14.1%	8.0%	441.3	437.9	502.6	-0.9%	7.6%
Departmental Support	1 367.2	940.7	880.2	901.4	-13.0%	18.9%	1 092.7	1 167.0	1 237.5	11.1%	17.6%
Total	5 224.6	4 914.1	5 476.6	5 966.4	4.5%	100.0%	6 077.2	6 294.1	6 680.6	3.8%	100.0%
Change to 2016 Budget estimate				55.3			(63.7)	73.5	73.0		
Economic classification											
Current payments	3 205.2	3 314.7	3 893.4	4 506.1	12.0%	69.1%	3 546.4	3 586.9	3 803.2	-5.5%	61.7%
Compensation of employees	1 401.0	1 509.8	1 704.0	2 056.2	13.6%	30.9%	2 037.5	2 068.3	2 204.6	2.3%	33.4%
Goods and services ¹	1 804.2	1 804.9	2 189.4	2 449.9	10.7%	38.2%	1 509.0	1 518.6	1 598.7	-13.3%	28.3%
of which:											
Audit costs: External	67.2	61.8	60.0	73.3	2.9%	1.2%	64.0	68.8	73.4	–	1.1%
Computer services	768.1	727.9	804.1	857.5	3.7%	14.6%	803.4	841.2	880.1	0.9%	13.5%
Contractors	71.7	83.8	90.5	123.4	19.8%	1.7%	159.1	153.1	158.8	8.8%	2.4%
Inventory: Food and food supplies	30.2	24.6	25.6	35.1	5.1%	0.5%	41.7	42.4	52.8	14.6%	0.7%
Travel and subsistence	66.0	67.2	64.9	68.7	1.4%	1.2%	72.2	72.6	76.3	3.5%	1.2%
Training and development	39.0	68.0	117.6	42.9	3.2%	1.2%	80.5	82.7	85.7	26.0%	1.2%
Transfers and subsidies¹	1 649.1	1 302.2	1 254.1	1 318.4	-7.2%	25.6%	1 445.4	1 523.9	1 645.1	7.7%	23.7%
Provinces and municipalities	–	–	–	0.1	–	–	0.1	0.1	0.1	5.0%	–
Departmental agencies and accounts	368.1	445.7	483.2	551.7	14.4%	8.6%	446.8	453.6	523.8	-1.7%	7.9%
Foreign governments and international organisations	303.3	–	–	–	-100.0%	1.4%	–	–	–	–	–
Public corporations and private enterprises	971.6	846.6	760.9	752.3	-8.2%	15.4%	982.9	1 051.5	1 110.3	13.9%	15.6%
Households	6.1	9.9	9.9	14.4	33.1%	0.2%	15.7	18.8	10.8	-9.0%	0.2%

Table 19.15 General Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	369.8	294.8	329.1	141.9	-27.3%	5.3%	1 085.4	1 183.3	1 232.3	105.6%	14.6%
Buildings and other fixed structures	200.8	62.6	58.1	120.6	-15.6%	2.0%	949.2	1 061.7	1 105.4	109.3%	12.9%
Machinery and equipment	167.6	228.3	271.0	20.9	-50.0%	3.2%	135.8	121.3	126.4	82.2%	1.6%
Specialised military assets	-	3.4	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1.3	0.6	0.1	0.3	-37.7%	-	0.4	0.4	0.4	8.8%	-
Payments for financial assets	0.5	2.3	0.1	-	-100.0%	-	-	-	-	-	-
Total	5 224.6	4 914.1	5 476.6	5 966.4	4.5%	100.0%	6 077.2	6 294.1	6 680.6	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	12.9%	11.5%	12.2%	12.6%	-	-	12.5%	12.4%	12.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	368.1	445.7	483.2	551.6	14.4%	8.6%	446.8	453.6	523.8	-1.7%	7.9%
Claims against the state	2.1	-	-	-	-100.0%	-	-	-	-	-	-
Special defence account	366.0	445.7	483.2	551.6	14.7%	8.6%	446.8	453.6	523.8	-1.7%	7.9%
Foreign governments and international organisations											
Current	303.3	-	-	-	-100.0%	1.4%	-	-	-	-	-
Claims against the state	303.3	-	-	-	-100.0%	1.4%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	153.6	16.6	-	-	-100.0%	0.8%	-	-	-	-	-
Claims against the state	153.6	16.6	-	-	-100.0%	0.8%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	51.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	51.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	766.7	829.9	760.9	752.3	-0.6%	14.4%	982.9	1 051.5	1 110.3	13.9%	15.6%
Armaments Corporation of South Africa	766.7	829.9	760.9	752.3	-0.6%	14.4%	982.9	1 051.5	1 110.3	13.9%	15.6%

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.

Other departments within the vote

Military Veterans

Budget summary

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

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

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

Department purpose

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

Mandate

The Department of Military Veterans derives its mandate from the Military Veterans Act (2011), which requires the department to provide national policy and standards on socioeconomic support to military veterans and to

their dependants, including benefits and entitlement to help realise a dignified, unified, empowered and self-sufficient community of military veterans.

Selected performance indicators

Table 19.16 Performance indicators by programme and related outcome

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

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

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

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

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

Expenditure analysis

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

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

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

Expenditure trends

Table 19.17 Departmental expenditure trends by programme and economic classification

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

Expenditure estimates

Table 19.18 Departmental expenditure estimates by programme and economic classification

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

Goods and services expenditure trends and estimates

Table 19.19 Departmental goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
Administrative fees	2 300	5 431	3 666	834	-28.7%	1.8%	1 322	150	158	-42.6%	0.2%
Advertising	12 347	2 545	12 715	2 110	-44.5%	4.3%	4 563	1 392	1 471	-11.3%	0.9%
Minor assets	1 621	1 220	1 847	4 659	42.2%	1.3%	7 126	7 608	8 032	19.9%	2.4%
Audit costs: External	1 695	7 466	7 890	5 106	44.4%	3.2%	4 476	4 736	5 001	-0.7%	1.7%
Bursaries: Employees	620	374	526	1 515	34.7%	0.4%	648	651	688	-23.1%	0.3%
Catering: Departmental activities	2 185	4 050	1 933	4 338	25.7%	1.8%	4 762	4 973	5 251	6.6%	1.7%
Communication	3 738	11 064	1 290	5 431	13.3%	3.1%	4 861	10 543	11 133	27.0%	2.9%
Computer services	17 077	28 941	887	3 135	-43.2%	7.2%	16 109	2 098	2 216	-10.9%	2.1%
Consultants: Business and advisory services	16 772	3 267	1 645	13 443	-7.1%	5.0%	3 669	9 094	9 603	-10.6%	3.2%
Infrastructure and planning services	-	-	37	7 500	-	1.1%	561	22 779	24 051	47.5%	4.9%
Legal services	148	-	833	3 950	198.8%	0.7%	1 647	4 388	4 634	5.5%	1.3%
Contractors	1 157	4 389	56 949	30 894	198.9%	13.4%	35 290	63 544	67 103	29.5%	17.6%
Agency and support/outourced services	12 020	934	380	474	-66.0%	2.0%	1 244	469	495	1.5%	0.2%
Entertainment	42	-	-	50	6.0%	-	43	105	111	30.5%	-
Fleet services (including government motor transport)	494	1 738	1 512	1 298	38.0%	0.7%	3 297	1 364	1 441	3.5%	0.7%
Housing	14 546	-	-	-	-100.0%	2.1%	-	-	-	-	-
Consumable supplies	981	1 916	1 037	3 460	52.2%	1.1%	3 606	5 889	6 219	21.6%	1.7%
Consumables: Stationery, printing and office supplies	1 339	2 917	5 162	3 609	39.2%	1.9%	7 061	4 947	5 225	13.1%	1.9%
Operating leases	271	21 481	15 383	13 836	271.0%	7.3%	18 625	1 743	1 841	-48.9%	3.2%
Rental and hiring	1 826	457	756	190	-53.0%	0.5%	1 736	1 308	1 381	93.7%	0.4%
Property payments	-	1 569	6 131	2 610	-	1.5%	5 557	2 705	2 856	3.0%	1.2%
Travel and subsistence	24 296	44 287	37 310	47 461	25.0%	22.0%	58 975	55 771	58 894	7.5%	19.7%
Training and development	866	3 497	16 535	74 488	341.4%	13.7%	70 944	80 250	84 242	4.2%	27.7%
Operating payments	710	1 818	609	4 100	79.4%	1.0%	85	69	73	-73.9%	0.4%
Venues and facilities	965	6 170	3 807	10 300	120.2%	3.0%	8 848	10 209	11 285	3.1%	3.6%
Total	118 016	155 531	178 840	244 791	27.5%	100.0%	265 055	296 785	313 404	8.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.20 Departmental transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	175 550	-	-	-	33.8%	-	-	-	-	-
Household	-	175 550	-	-	-	33.8%	-	-	-	-	-
Households											
Other transfers to households											
Current	-	38 172	51 758	28 975	-	22.9%	32 412	19 888	21 002	-10.2%	10.7%
Household	-	38 172	51 758	28 975	-	22.9%	32 412	19 888	21 002	-10.2%	10.7%
Households											
Social benefits											
Current	-	5 032	5 813	214 627	-	43.4%	200 429	214 278	226 278	1.8%	89.3%
Household	-	5 032	5 813	214 627	-	43.4%	200 429	214 278	226 278	1.8%	89.3%
Total	-	218 754	57 571	243 602	-	100.0%	232 841	234 166	247 280	0.5%	100.0%

Personnel information

Table 19.21 Departmental personnel numbers and cost by salary level and programme¹

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

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

2. Rand million.

Departmental receipts

Table 19.22 Departmental receipts by economic classification

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

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 19.23 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management	49.3	12.4	8.4	8.4	-44.6%	15.8%	8.8	9.3	9.9	5.9%	5.8%
Corporate Services	-	83.2	68.1	51.7	-	40.9%	66.4	67.6	72.0	11.7%	41.0%
Financial Administration	23.4	11.2	16.4	18.2	-8.1%	13.9%	20.8	22.0	23.6	9.0%	13.4%
Internal Audit	2.7	11.0	12.5	16.1	81.9%	8.5%	10.8	11.4	12.1	-9.1%	8.0%
Strategic Planning, Policy Development and Monitoring and Evaluation	2.4	9.6	9.6	21.1	106.8%	8.6%	16.6	24.1	25.9	7.0%	13.9%
Office Accommodation	-	16.2	16.7	28.3	-	12.3%	26.5	28.0	29.6	1.5%	17.9%
Total	77.8	143.6	131.6	143.7	22.7%	100.0%	149.8	162.4	173.1	6.4%	100.0%
Change to 2016							(5.7)	(4.0)	(4.1)		
Budget estimate											

Table 19.23 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Current payments	74.9	139.8	120.9	140.9	23.4%	95.9%	146.1	158.9	169.3	6.3%	97.8%
Compensation of employees	30.1	47.4	56.8	59.6	25.6%	39.0%	63.0	70.5	76.1	8.5%	42.8%
Goods and services ¹	44.8	92.3	64.1	81.3	22.0%	56.9%	83.1	88.3	93.3	4.7%	55.0%
of which:											
Communication	3.7	11.0	1.3	5.2	11.6%	4.3%	4.9	10.4	11.0	28.4%	5.0%
Computer services	17.1	28.9	0.9	3.1	-43.5%	10.1%	16.1	2.0	2.2	-11.2%	3.7%
Consultants: Business and advisory services	0.1	2.7	1.6	10.9	413.1%	3.1%	1.9	8.5	8.9	-6.6%	4.8%
Infrastructure and planning services	-	-	-	7.5	-	1.5%	0.6	22.8	24.1	47.5%	8.7%
Operating leases	0.2	21.5	15.3	13.6	331.2%	10.2%	18.4	1.5	1.6	-50.7%	5.6%
Travel and subsistence	2.5	4.4	6.2	4.9	24.5%	3.6%	6.3	7.3	7.7	16.8%	4.2%
Interest and rent on land	-	0.1	-	-	-	-	-	-	-	-	-
Transfers and subsidies ¹	-	0.1	0.3	-	-	0.1%	-	-	-	-	-
Households	-	0.1	0.3	-	-	0.1%	-	-	-	-	-
Payments for capital assets	2.8	3.7	10.5	2.8	-0.1%	4.0%	3.8	3.5	3.7	9.6%	2.2%
Machinery and equipment	2.8	3.7	10.5	2.8	-0.1%	4.0%	3.8	3.5	3.7	9.6%	2.2%
Total	77.8	143.6	131.6	143.7	22.7%	100.0%	149.8	162.4	173.1	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	46.9%	31.0%	37.8%	24.1%	-	-	24.1%	24.6%	24.7%	-	-

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

Programme 2: Socioeconomic Support

Programme purpose

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

Objectives

- Establish an enabling environment to provide socioeconomic support services to military veterans by:
 - maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and updating the personal files of military veterans on an ongoing basis
 - facilitating access to benefits espoused in section 5 of the Military Veterans Act (2011) for eligible military veterans by 2019/20.
- Advance the delivery of social services to military veterans and their dependants by developing strategic partnerships with other organs of the state and in broader society, where applicable, to ensure that:
 - 3 000 military veterans are provided with newly built houses over the medium term
 - 17 000 military veterans have access to health care services by 2019/20
 - 15 500 eligible military veterans and their dependants across the country are provided with ongoing education support by 2019/20.
- Provide strategic leadership to the socioeconomic sector by conducting ongoing research on pertinent issues affecting military veterans and developing requisite policies; and implementing norms and standards, strategies, guidelines, and frameworks by 2019/20.

Subprogrammes

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

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

Expenditure trends and estimates

Table 19.24 Socioeconomic Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Database and Benefits Management	3.3	12.3	11.6	11.2	50.2%	5.2%	11.0	12.0	12.9	4.9%	3.7%
Health Care and Wellbeing Support	14.5	17.8	67.3	56.9	57.6%	21.0%	76.7	81.7	86.4	15.0%	23.8%
Socioeconomic Support Management	40.5	225.0	57.3	226.0	77.3%	73.8%	219.7	230.7	243.5	2.5%	72.5%
Total	58.4	255.2	136.2	294.1	71.4%	100.0%	307.4	324.4	342.8	5.2%	100.0%
Change to 2016 Budget estimate							(0.3)	(1.1)	(1.3)		
Economic classification											
Current payments	58.3	41.9	82.2	50.4	-4.7%	31.3%	76.3	91.0	96.2	24.0%	24.7%
Compensation of employees	9.5	17.5	19.6	16.2	19.6%	8.4%	22.8	23.2	24.7	15.1%	6.9%
Goods and services ¹	48.9	24.4	62.6	34.2	-11.2%	22.9%	53.5	67.7	71.5	27.8%	17.9%
of which:											
Catering: Departmental activities	0.4	0.5	0.2	0.4	-3.8%	0.2%	0.8	0.9	0.9	37.4%	0.2%
Consultants: Business and advisory services	16.3	0.3	-	2.5	-46.4%	2.6%	1.8	0.6	0.7	-35.3%	0.4%
Contractors	0.2	4.3	55.6	24.5	368.0%	11.4%	34.4	58.7	62.0	36.3%	14.2%
Consumables: Stationery, printing and office supplies	0.1	0.4	1.5	0.4	67.6%	0.3%	1.8	0.5	0.5	9.6%	0.2%
Travel and subsistence	5.1	13.2	4.8	2.6	-20.4%	3.4%	10.9	4.2	4.5	20.2%	1.7%
Training and development	-	-	-	0.4	-	0.1%	1.5	1.4	1.0	30.5%	0.3%
Transfers and subsidies¹	-	213.0	53.4	240.1	-	68.1%	227.8	230.1	243.0	0.4%	74.2%
Departmental agencies and accounts	-	175.6	-	-	-	23.6%	-	-	-	-	-
Households	-	37.4	53.4	240.1	-	44.5%	227.8	230.1	243.0	0.4%	74.2%
Payments for capital assets	0.1	0.3	0.6	3.5	288.5%	0.6%	3.2	3.3	3.5	0.1%	1.1%
Machinery and equipment	0.1	0.3	0.6	2.3	236.9%	0.4%	0.8	0.8	0.9	-27.2%	0.4%
Software and other intangible assets	-	-	-	1.2	-	0.2%	2.4	2.5	2.6	29.2%	0.7%
Total	58.4	255.2	136.2	294.1	71.4%	100.0%	307.4	324.4	342.8	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	35.2%	55.1%	39.1%	49.2%	-	-	49.4%	49.2%	49.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	175.6	-	-	-	23.6%	-	-	-	-	-
Households	-	175.6	-	-	-	23.6%	-	-	-	-	-
Households											
Social benefits											
Current	-	-	1.8	214.6	-	29.1%	200.4	214.3	226.3	1.8%	67.4%
Households	-	-	1.8	214.6	-	29.1%	200.4	214.3	226.3	1.8%	67.4%
Households											
Other transfers to households											
Current	-	37.4	51.6	25.5	-	15.4%	27.4	15.9	16.8	-13.1%	6.7%
Households	-	37.4	51.6	25.5	-	15.4%	27.4	15.9	16.8	-13.1%	6.7%

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

Programme 3: Empowerment and Stakeholder Management

Programme purpose

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

Objective

- Ensure the empowerment of deserving military veterans by:
 - continuing to develop and implement a fully functional special purpose vehicle that will facilitate business opportunities by 2019/20

- forming partnerships with 20 private-sector companies and other organs of state, and entering into service-level agreements and memorandums of understanding over the medium term
- monitoring and evaluating the implementation of the agreements and memorandums of understanding to ensure that support is provided on an annual basis
- providing 14 500 military veterans with access to relevant training and skills development, and concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
- facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes by 2019/20
- facilitating the integration of military veterans into the national workforce on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 19.25 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Provincial Offices and Stakeholder Relations	15.6	30.7	38.7	44.2	41.5%	38.6%	49.1	51.9	55.3	7.7%	29.4%
Empowerment and Skills Development	11.7	22.7	30.0	100.7	104.7%	49.3%	94.0	103.1	109.1	2.7%	59.7%
Heritage, Memorials, Burials and Honours	2.4	10.9	12.0	14.9	82.9%	12.0%	21.8	18.2	19.3	9.1%	10.9%
Total	29.8	64.3	80.8	159.8	75.1%	100.0%	164.9	173.3	183.6	4.7%	100.0%
Change to 2016 Budget estimate							(6.6)	(8.2)	(8.6)		
Economic classification											
Current payments	29.8	57.5	76.4	156.2	73.8%	95.6%	156.5	169.2	179.4	4.7%	97.0%
Compensation of employees	5.4	18.7	24.2	27.0	70.5%	22.5%	28.1	28.5	30.8	4.5%	16.8%
Goods and services ¹	24.3	38.8	52.2	129.2	74.5%	73.1%	128.4	140.7	148.6	4.8%	80.3%
of which:											
Minor assets	–	0.1	0.3	3.4	684.1%	1.1%	3.6	3.8	4.0	6.2%	2.2%
Catering: Departmental activities	1.0	1.2	1.0	3.4	48.0%	2.0%	2.5	3.7	3.9	5.1%	2.0%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.8	0.9	156.6%	0.6%	2.9	2.9	3.0	50.3%	1.4%
Travel and subsistence	16.7	26.7	26.3	40.0	33.9%	32.8%	41.8	44.2	46.7	5.3%	25.3%
Training and development	0.6	3.3	15.9	71.3	388.9%	27.2%	66.4	75.1	79.3	3.6%	42.9%
Venues and facilities	0.5	3.0	3.5	6.6	141.1%	4.1%	6.9	7.3	7.7	5.2%	4.2%
Transfers and subsidies¹	–	5.7	3.9	3.5	–	3.9%	5.0	4.0	4.2	6.9%	2.5%
Households	–	5.7	3.9	3.5	–	3.9%	5.0	4.0	4.2	6.9%	2.5%

Table 19.25 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	–	1.1	0.5	0.1	98.4%	0.5%	3.4	–	–	-49.6%	0.5%
Machinery and equipment	–	1.1	0.5	0.1	67.4%	0.5%	–	–	–	-40.2%	–
Heritage assets	–	–	–	–	–	–	3.4	–	–	–	0.5%
Software and other intangible assets	–	–	–	0.1	–	–	–	–	–	-100.0%	–
Total	29.8	64.3	80.8	159.8	75.1%	100.0%	165	173	184	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	17.9%	13.9%	23.2%	26.7%	–	–	26.5%	26.2%	26.3%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	–	–	3.5	–	1.0%	5.0	4.0	4.2	6.9%	2.5%
Households	–	–	–	3.5	–	1.0%	5.0	4.0	4.2	6.9%	2.5%

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

Entity¹

Armaments Corporation of South Africa

Mandate

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

Selected performance indicators

Table 19.26 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

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

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

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

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

Expenditure analysis

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

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

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

Through its research and development facilities, the corporation will provide services for operational research and comprehensive testing; and the evaluation of defence systems and capabilities, in both the military and civilian environments. Acquiring the latest technologies will enable the corporation to fulfil its mandate effectively and efficiently. Over the medium term, the execution of research, testing, evaluation and defence technology activities will constitute 95 per cent of the total amount of planned activities. The total budget allocated for these activities is R1.4 billion over the medium term.

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

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

Programmes/objectives/activities

Table 19.27 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	358.9	456.9	392.0	413.1	4.8%	26.1%	447.3	474.0	502.5	6.7%	24.0%
Quality assurance	81.6	87.8	118.5	101.9	7.7%	6.2%	112.2	119.7	127.7	7.8%	6.0%
Management of defence matériel acquisition	270.6	291.3	328.3	337.1	7.6%	19.7%	371.3	396.0	422.5	7.8%	19.9%
Logistics support	154.7	173.5	217.7	215.5	11.7%	12.1%	234.6	246.9	259.8	6.4%	12.5%
Management of strategic facilities: Armscor Dockyard	184.0	197.7	250.9	250.5	10.8%	14.1%	275.7	293.9	313.3	7.7%	14.8%
Management of strategic facilities: Research and development	294.5	312.7	371.0	386.2	9.5%	21.8%	424.1	451.1	479.8	7.5%	22.7%
Total	1 344.3	1 519.9	1 678.3	1 704.4	8.2%	100.0%	1 865.1	1 981.6	2 105.6	7.3%	100.0%

Statements of historical financial performance and position

Table 19.28 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	960.8	576.9	880.9	690.8	383.4	1 006.7	453.6	453.6	101.8%
Sale of goods and services other than capital assets	838.4	345.5	760.1	400.5	291.3	479.5	353.0	353.0	70.4%
<i>of which:</i>									
<i>Sales by market establishment</i>	838.4	345.5	760.1	400.5	291.3	479.5	353.0	353.0	70.4%
Other non-tax revenue	122.4	231.4	120.8	290.3	92.1	527.2	100.6	100.6	263.7%
Transfers received	1 021.3	870.7	1 101.5	913.3	1 025.9	858.7	1 025.4	1 042.1	88.3%
Total revenue	1 982.1	1 447.6	1 982.4	1 604.1	1 409.3	1 878.4	1 479.0	1 495.7	93.8%
Expenses									
Current expenses	1 960.6	1 323.7	1 981.5	1 502.3	1 636.0	1 678.3	1 704.4	1 704.4	85.3%
Compensation of employees	873.6	813.9	935.5	872.1	1 029.2	940.1	1 049.0	1 049.0	94.5%
Goods and services	1 047.1	453.1	1 006.6	565.9	535.5	673.2	576.5	576.5	71.7%
Depreciation	39.9	56.7	39.5	64.3	71.3	64.9	78.9	78.9	115.4%
Total expenses	1 960.6	1 344.3	1 981.5	1 519.9	1 636.0	1 678.3	1 704.4	1 704.4	85.8%
Surplus/(Deficit)	22.0	103.0	-	84.0	(227.0)	200.0	(225.0)	(209.0)	
Statement of financial position									
Carrying value of assets	266.3	1 340.9	1 347.0	1 300.0	1 396.2	1 596.1	1 284.9	1 654.6	137.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	(67.5)	(75.0)	(35.7)	(24.0)	(54.9)	(25.0)	(82.7)	(104.5)	94.9%
Investments	-	-	-	1.3	-	-	0.1	0.1	1 400.0%
Inventory	6.9	29.3	12.2	8.1	9.6	7.5	10.6	8.0	134.7%
Receivables and prepayments	189.0	120.7	136.9	100.7	106.8	199.9	111.3	211.8	116.4%
Cash and cash equivalents	376.0	699.0	695.6	877.5	760.5	865.8	477.8	615.5	132.4%
Non-current assets held for sale	-	0.2	-	0.1	-	0.5	-	-	-
Defined benefit plan assets	122.0	-	118.3	-	130.0	-	13.8	-	0.0%
Taxation	-	-	-	2.1	-	25.9	-	-	-
Derivatives financial instruments	-	712.5	-	747.7	-	129.1	-	-	-
Total assets	960.2	2 902.6	2 310.0	3 037.5	2 403.1	2 824.8	1 898.5	2 490.0	148.6%
Accumulated surplus/(deficit)	(21.5)	1 833.0	613.8	1 920.0	834.6	608.5	355.2	(208.6)	233.0%
Capital and reserves	633.1	75.0	1 231.6	75.0	1 083.7	1 583.7	1 083.7	2 042.2	93.6%
Deferred income	-	178.9	81.0	128.9	114.0	101.2	85.4	101.2	182.0%
Trade and other payables	224.0	158.5	254.1	214.5	179.1	281.8	224.5	295.2	107.8%
Taxation	-	39.3	-	17.8	-	5.0	-	-	-
Provisions	121.5	617.9	129.6	681.3	191.7	244.6	149.7	260.0	304.4%
Derivatives financial instruments	3.2	-	-	-	-	-	-	-	-
Total equity and liabilities	960.2	2 902.6	2 310.0	3 037.5	2 403.1	2 824.8	1 898.5	2 490.0	148.6%

Statements of estimates of financial performance and position

Table 19.29 Armaments Corporation of South Africa statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	453.6	-7.7%	41.7%	554.3	602.0	635.9	11.9%	30.0%
Sale of goods and services other than capital assets	353.0	0.7%	24.5%	370.9	389.4	408.9	5.0%	20.5%
<i>of which:</i>								
<i>Sales by market establishment</i>	353.0	0.7%	24.5%	370.9	389.4	408.9	5.0%	20.5%
Other non-tax revenue	100.6	-24.2%	17.2%	183.4	212.6	227.0	31.2%	9.5%
Transfers received	1 042.1	6.2%	58.1%	1 325.4	1 398.8	1 473.9	12.2%	70.0%
Total revenue	1 495.7	1.1%	100.0%	1 879.7	2 000.8	2 109.8	12.1%	100.0%
Expenses								
Current expenses	1 704.4	8.8%	99.3%	1 865.1	1 981.6	2 105.6	7.3%	114.1%
Compensation of employees	1 049.0	8.8%	58.9%	1 162.5	1 243.8	1 330.9	8.3%	62.5%
Goods and services	576.5	8.4%	36.2%	620.8	651.8	684.4	5.9%	33.1%
Depreciation	78.9	11.6%	4.2%	81.9	86.0	90.3	4.6%	4.4%
Total expenses	1 704.4	8.2%	100.0%	1 865.1	1 981.6	2 105.6	7.3%	100.0%
Surplus/(Deficit)	(209.0)	(2)		15.0	19.0	4.0	-126.7%	

Table 19.29 Armaments Corporation of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Carrying value of assets	1 654.6	7.3%	53.0%	1 758.7	1 868.0	1 982.7	6.2%	70.7%
of which:								
Acquisition of assets	(104.5)	11.7%	-2.1%	(143.8)	(151.0)	(158.5)	14.9%	-5.4%
Investments	0.1	-	0.0%	0.1	0.1	0.1	-	0.0%
Inventory	8.0	-35.1%	0.5%	8.4	8.8	9.2	4.9%	0.3%
Receivables and prepayments	211.8	20.6%	5.8%	222.4	233.5	245.2	5.0%	8.9%
Cash and cash equivalents	615.5	-4.2%	27.1%	533.5	464.3	437.5	-10.8%	20.1%
Total assets	2 490.0	-5.0%	100.0%	2 523.1	2 574.7	2 674.8	2.4%	100.0%
Accumulated surplus/(deficit)	(208.6)	-148.5%	34.9%	14.6	19.1	4.3	-127.3%	-1.7%
Capital and reserves	2 042.2	200.8%	35.8%	1 833.6	1 848.2	1 867.3	-2.9%	74.1%
Deferred income	101.2	-17.3%	4.5%	88.5	88.0	87.5	-4.7%	3.6%
Trade and other payables	295.2	23.0%	8.6%	310.0	325.5	341.8	5.0%	12.4%
Provisions	260.0	-25.1%	15.7%	276.4	293.9	373.9	12.9%	11.7%
Total equity and liabilities	2 490.0	-5.0%	100.0%	2 523.1	2 574.7	2 674.8	2.4%	100.0%

Personnel information

Table 19.30 Armaments Corporation of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
2015/16			Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20		2016/17 - 2019/20						
Armaments Corporation of South Africa			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	1 758	1 758	1 689	940.1	0.6	1 758	1 049.0	0.6	1 732	1 162.5	0.7	1 732	1 243.8	0.7	1 732	1 330.9	0.8	8.3%	100.0%
1 – 6	447	447	473	72.8	0.2	447	73.0	0.2	437	81.1	0.2	437	86.7	0.2	437	92.8	0.2	8.4%	25.3%
7 – 10	868	868	800	374.3	0.5	868	421.6	0.5	858	468.5	0.5	858	501.3	0.6	858	536.4	0.6	8.4%	49.5%
11 – 12	278	278	257	259.0	1.0	278	298.6	1.1	273	329.2	1.2	273	352.2	1.3	273	376.9	1.4	8.1%	15.8%
13 – 16	163	163	157	228.2	1.5	163	249.4	1.5	162	276.6	1.7	162	296.0	1.8	162	316.7	2.0	8.3%	9.3%
17 – 22	2	2	2	5.9	2.9	2	6.3	3.2	2	7.0	3.5	2	7.5	3.8	2	8.1	4.0	8.4%	0.1%

1. Rand million.

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 2017/18 is R8.5 million and R9.2 million for 2018/19.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project lifecycle)										
Rebuilding of the runway at Air Force Base Waterkloof	Upgrade of runway	Handed over	1 113.6	10.5	9.2	-	-	-	-	-
Refurbishment of SA Army Headquarters in Dequar Road	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	-	-	-	-	-	6.0	34.5	118.2
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Construction of mess and living-in complex at the Military Health Training Formation in Thaba Tshwane	Construction of a mess and living-in complex at the Military Health Training Formation in Thaba Tshwane to accommodate 1 200 members	Construction	297.8	52.4	-	-	-	-	-	-
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	2 053.4	-	-	4.8	23.4	94.4	173.3	340.4
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Construction	436.5	-	-	5.4	32.8	1.9	50.0	170.4
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	303.4	-	105.8	155.1	166.8	332.4	379.1	41.0
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	-	-	-	10.1	10.1	39.7	44.7	112.6
Small projects (total project cost of less than R250 million over the project life cycle)										
Relocation of air force base	Relocation of Air Force Base Durban to King Shaka International Airport	Pre-feasibility	60.2	-	-	-	-	-	-	-
Demolishing of infrastructure	Demolition of infrastructure	Various	80.3	-	-	-	6.1	0.8	-	-
Construction of new fire station and control tower	Construction of a fire station and control tower	Construction	0.1	-	-	-	-	-	-	-
Refurbishment of 1 Military Hospital	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	1 911.7	143.9	15.3	-	38.2	-	-	-
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	1 080.2	125.4	0.1	5.4	39.0	28.8	11.5	-
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Identification	73.0	-	4.6	31.3	64.6	125.1	48.3	12.5
Construction of living-in accommodation	Construction of single and married housing units (in the form of houses and flats) to accommodate military personnel	Various	152.8	-	-	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	6 399.8	242.8	102.7	293.0	438.2	175.1	270.2	269.7
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	853.2	4.8	1.7	3.1	50.0	30.3	11.2	25.7
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24.2	0.2	-	-	-	-	-	-
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	0.4	2.4	0.1	-	-	-	-
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	146.1	-	0.2	0.2	29.2	17.4	2.5	2.0
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaat	Identification	1.5	-	-	0.1	-	-	-	-
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	374.4	1.3	2.0	0.5	16.4	11.4	1.0	-
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	293.6	0.7	-	0.2	4.8	9.9	2.3	0.1
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordinance	Various	1.4	-	-	-	-	-	-	-
Training facilities	Construction and upgrades of training facilities	Various	35.1	-	-	-	-	2.6	13.4	5.0
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	30.6	2.8	24.4	20.7	40.7	54.6	3.3	0.4
Workshops and stores	Construction of workshops and stores	Various	99.7	7.0	-	-	-	0.5	-	-
Fences and gates	Replacement or erection of fences	Various	144.6	0.5	0.2	-	24.9	16.7	17.4	1.9
Recoverable projects	Upgrades of buildings in military bases	Various	129.4	10.5	0.2	-	11.6	11.2	6.1	11.2
Total			16 105.5	603.4	268.7	530.0	996.7	958.8	1 069.0	1 111.1

