

Vote 19

Defence and Military Veterans

Adjusted budget summary

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	48 618 790	48 999 560	(772 903)	1 153 673
of which:				
Current payments	38 022 001	39 175 674	–	1 153 673
Transfers and subsidies	9 180 066	8 587 163	(592 903)	–
Payments for capital assets	1 416 723	1 236 723	(180 000)	–
Executive authority	Minister of Defence and Military Veterans			
Accounting officer	Secretary for Defence			
Website address	www.dod.mil.za			

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.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	44	44	–
Number of military skills development members in the system per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	3 651	3 710	–
Number of reserve force person days	Administration	Outcome 3: All people in South Africa are and feel safe	1 817 104	1 174 763	–
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	100% (19)	100% (19)	–
Percentage compliance with the number of ordered commitments (external operations)	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	100% (2)	100% (2)	–
Percentage compliance with the number of ordered commitments (internal operations)	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4)	100% (4)	–
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	3	2	–
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	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	5 000	2 094	–
Number of hours at sea per year	Maritime Defence	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	12 000	2 929	–

Mid-year progress

There are 44 operational defence attaché offices. This number remains unchanged from the previous period as no additional offices were opened in 2017/18.

In the first half of the financial year, the department exceeded the annual target for members in military skills development, as fewer members than projected were transferred to the core service.

The department has pledged full compliance with all 19 requirements of the Southern African Development Community standby force. It will maintain this compliance in the second half of the year.

The South African National Defence Force provides support to 2 external operations: the United Nations peace support operation in the Democratic Republic of the Congo and the Mozambican Defence force operation to curb piracy. The department has also complied with the order to execute all 4 of South Africa's internal commitments: border safeguarding, police support, humanitarian search and rescue missions, and disaster aid.

In the first half of the year, the South African National Defence Force deployed all 15 landward sub-units to undertake border safeguarding in the Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West provinces.

In the first half of 2017/18, 2 929 hours were spent at sea out of a targeted 12 000 hours. Targets for operational tasks at sea are typically achieved in the fourth quarter.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Administration	5 380 834	-	-	88 650	-	-	88 650	5 469 484
Force Employment	3 688 564	-	-	(153 165)	-	-	(153 165)	3 535 399
Landward Defence	16 550 196	-	-	124 197	-	45 364	169 561	16 719 757
Air Defence	6 628 007	-	-	(144 915)	-	335 406	190 491	6 818 498
Maritime Defence	4 790 003	-	-	(200 000)	-	-	(200 000)	4 590 003
Military Health Support	4 586 699	-	-	-	-	-	-	4 586 699
Defence Intelligence	917 277	-	-	-	-	-	-	917 277
General Support	6 077 210	-	-	285 233	-	-	285 233	6 362 443
Total	48 618 790	-	-	-	-	380 770	380 770	48 999 560
Economic classification								
Current payments	38 022 001	-	-	1 153 673	-	-	1 153 673	39 175 674
Compensation of employees	26 447 971	-	-	1 000 000	-	-	1 000 000	27 447 971
Goods and services	11 574 030	-	-	153 673	-	-	153 673	11 727 703
Transfers and subsidies	9 180 066	-	-	(973 673)	-	380 770	(592 903)	8 587 163
Provinces and municipalities	91	-	-	-	-	-	-	91
Departmental agencies and accounts	7 747 080	-	-	(973 673)	-	380 770	(592 903)	7 154 177
Public corporations and private enterprises	1 296 901	-	-	-	-	-	-	1 296 901
Non-profit institutions	8 901	-	-	-	-	-	-	8 901
Households	127 093	-	-	-	-	-	-	127 093
Payments for capital assets	1 416 723	-	-	(180 000)	-	-	(180 000)	1 236 723
Buildings and other fixed structures	958 840	-	-	(300 747)	-	-	(300 747)	658 093
Machinery and equipment	455 741	-	-	-	-	-	-	455 741
Specialised military assets	1 743	-	-	-	-	-	-	1 743
Software and other intangible assets	399	-	-	120 747	-	-	120 747	121 146
Total	48 618 790	-	-	-	-	380 770	380 770	48 999 560

Programme 1: Administration

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	74 051	-	-	-	-	-	-	74 051
Departmental Direction	58 586	-	-	-	-	-	-	58 586
Policy and Planning	119 058	-	-	-	-	-	-	119 058
Financial Services	372 613	-	-	-	-	-	-	372 613
Human Resources Support Services	777 263	-	-	31 213	-	-	31 213	808 476
Legal Services	300 110	-	-	-	-	-	-	300 110
Inspection and Audit Services	143 025	-	-	-	-	-	-	143 025
Acquisition Services	125 743	-	-	-	-	-	-	125 743
Communication Services	46 397	-	-	-	-	-	-	46 397
South African National Defence Force Command and Control Religious Services	156 217	-	-	-	-	-	-	156 217
Defence Reserve Direction	14 008	-	-	-	-	-	-	14 008
Defence Foreign Relations	28 501	-	-	57 437	-	-	57 437	331 895
Office Accommodation	274 458	-	-	-	-	-	-	2 268 693
Military Veterans Management	2 268 693	-	-	-	-	-	-	622 111
Total	5 380 834	-	-	88 650	-	-	88 650	5 469 484
Economic classification								
Current payments	4 686 740	-	-	88 650	-	-	88 650	4 775 390
Compensation of employees	1 847 829	-	-	81 750	-	-	81 750	1 929 579
Goods and services	2 838 911	-	-	6 900	-	-	6 900	2 845 811
Transfers and subsidies	667 500	-	-	-	-	-	-	667 500
Provinces and municipalities	32	-	-	-	-	-	-	32
Departmental agencies and accounts	643 185	-	-	-	-	-	-	643 185
Non-profit institutions	7 929	-	-	-	-	-	-	7 929
Households	16 354	-	-	-	-	-	-	16 354
Payments for capital assets	26 594	-	-	-	-	-	-	26 594
Machinery and equipment	26 550	-	-	-	-	-	-	26 550
Software and other intangible assets	44	-	-	-	-	-	-	44
Total	5 380 834	-	-	88 650	-	-	88 650	5 469 484

Programme 2: Force Employment

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Strategic Direction	155 948	-	-	-	-	-	-	155 948
Operational Direction	331 429	-	-	-	-	-	-	331 429
Special Operations	824 403	-	-	40 000	-	-	40 000	864 403
Regional Security	1 410 813	-	-	(296 165)	-	-	(296 165)	1 114 648
Support to the People	965 971	-	-	103 000	-	-	103 000	1 068 971
Total	3 688 564	-	-	(153 165)	-	-	(153 165)	3 535 399
Economic classification								
Current payments	3 232 385	-	-	(153 165)	-	-	(153 165)	3 079 220
Compensation of employees	2 138 787	-	-	(93 165)	-	-	(93 165)	2 045 622
Goods and services	1 093 598	-	-	(60 000)	-	-	(60 000)	1 033 598
Transfers and subsidies	272 883	-	-	-	-	-	-	272 883
Departmental agencies and accounts	256 677	-	-	-	-	-	-	256 677
Public corporations and private enterprises	8 871	-	-	-	-	-	-	8 871
Households	7 335	-	-	-	-	-	-	7 335
Payments for capital assets	183 296	-	-	-	-	-	-	183 296
Buildings and other fixed structures	400	-	-	-	-	-	-	400
Machinery and equipment	181 903	-	-	-	-	-	-	181 903
Specialised military assets	993	-	-	-	-	-	-	993
Total	3 688 564	-	-	(153 165)	-	-	(153 165)	3 535 399

Programme 3: Landward Defence

Subprogramme		2017/18						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Strategic Direction	426 847	-	-	61 774	-	-	61 774	488 621
Infantry Capability	6 889 647	-	-	37 742	-	45 364	83 106	6 972 753
Armour Capability	449 485	-	-	-	-	-	-	449 485
Artillery Capability	486 548	-	-	-	-	-	-	486 548
Air Defence Artillery Capability	681 730	-	-	-	-	-	-	681 730
Engineering Capability	745 915	-	-	-	-	-	-	745 915
Operational Intelligence	236 675	-	-	-	-	-	-	236 675
Command and Control Capability	209 283	-	-	-	-	-	-	209 283
Support Capability	4 680 408	-	-	24 681	-	-	24 681	4 705 089
General Training Capability	474 083	-	-	-	-	-	-	474 083
Signal Capability	1 269 575	-	-	-	-	-	-	1 269 575
Total	16 550 196	-	-	124 197	-	45 364	169 561	16 719 757
Economic classification								
Current payments	12 811 371	-	-	597 870	-	-	597 870	13 409 241
Compensation of employees	10 953 847	-	-	740 089	-	-	740 089	11 693 936
Goods and services	1 857 524	-	-	(142 219)	-	-	(142 219)	1 715 305
Transfers and subsidies	3 687 866	-	-	(473 673)	-	45 364	(428 309)	3 259 557
Departmental agencies and accounts	3 619 704	-	-	(473 673)	-	45 364	(428 309)	3 191 395
Public corporations and private enterprises	35 185	-	-	-	-	-	-	35 185
Households	32 977	-	-	-	-	-	-	32 977
Payments for capital assets	50 959	-	-	-	-	-	-	50 959
Buildings and other fixed structures	5 097	-	-	-	-	-	-	5 097
Machinery and equipment	45 862	-	-	-	-	-	-	45 862
Total	16 550 196	-	-	124 197	-	45 364	169 561	16 719 757

Programme 4: Air Defence

Subprogramme		2017/18						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Strategic Direction	30 627	-	-	-	-	-	-	30 627
Operational Direction	170 185	-	-	-	-	-	-	170 185
Helicopter Capability	814 824	-	-	(76 241)	-	335 406	259 165	1 073 989
Transport and Maritime Capability	798 324	-	-	-	-	-	-	798 324
Air Combat Capability	1 043 221	-	-	(250 000)	-	-	(250 000)	793 221
Operational Support and Intelligence Capability	286 307	-	-	10 719	-	-	10 719	297 026
Command and Control Capability	560 423	-	-	(50 000)	-	-	(50 000)	510 423
Base Support Capability	1 773 537	-	-	220 607	-	-	220 607	1 994 144
Command Post	63 630	-	-	-	-	-	-	63 630
Training Capability	612 819	-	-	-	-	-	-	612 819
Technical Support Services	474 110	-	-	-	-	-	-	474 110
Total	6 628 007	-	-	(144 915)	-	335 406	190 491	6 818 498
Economic classification								
Current payments	5 751 509	-	-	155 085	-	-	155 085	5 906 594
Compensation of employees	3 444 829	-	-	231 326	-	-	231 326	3 676 155
Goods and services	2 306 680	-	-	(76 241)	-	-	(76 241)	2 230 439
Transfers and subsidies	859 029	-	-	(300 000)	-	335 406	35 406	894 435
Provinces and municipalities	3	-	-	-	-	-	-	3
Departmental agencies and accounts	841 102	-	-	(300 000)	-	335 406	35 406	876 508
Households	17 924	-	-	-	-	-	-	17 924
Payments for capital assets	17 469	-	-	-	-	-	-	17 469
Machinery and equipment	17 469	-	-	-	-	-	-	17 469
Total	6 628 007	-	-	(144 915)	-	335 406	190 491	6 818 498

Programme 5: Maritime Defence

Subprogramme		2017/18						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Maritime Direction	582 180	-	-	-	-	-	-	582 180
Maritime Combat Capability	2 073 088	-	-	(200 000)	-	-	(200 000)	1 873 088
Maritime Logistic Support Capability	980 721	-	-	(40 000)	-	-	(40 000)	940 721
Maritime Human Resources and Training Capability	538 634	-	-	-	-	-	-	538 634
Base Support Capability	615 380	-	-	40 000	-	-	40 000	655 380
Total	4 790 003	-	-	(200 000)	-	-	(200 000)	4 590 003

Programme 5: Maritime Defence (continued)

Economic classification		2017/18						
		Adjustments appropriation						Total adjustments appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Current payments	3 009 223	-	-	-	-	-	-	3 009 223
Compensation of employees	2 248 007	-	-	40 000	-	-	40 000	2 288 007
Goods and services	761 216	-	-	(40 000)	-	-	(40 000)	721 216
Transfers and subsidies	1 769 439	-	-	(200 000)	-	-	(200 000)	1 569 439
Departmental agencies and accounts	1 483 973	-	-	(200 000)	-	-	(200 000)	1 283 973
Public corporations and private enterprises	269 991	-	-	-	-	-	-	269 991
Households	15 475	-	-	-	-	-	-	15 475
Payments for capital assets	11 341	-	-	-	-	-	-	11 341
Buildings and other fixed structures	1 500	-	-	-	-	-	-	1 500
Machinery and equipment	9 841	-	-	-	-	-	-	9 841
Total	4 790 003	-	-	(200 000)	-	-	(200 000)	4 590 003

Programme 8: General Support

Subprogramme		2017/18						
		Adjustments appropriation						Total adjustments appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Joint Logistic Services	2 941 836	-	-	285 233	-	-	285 233	3 227 069
Command and Management Information Systems	1 025 182	-	-	-	-	-	-	1 025 182
Military Police	576 123	-	-	-	-	-	-	576 123
Technology Development	441 333	-	-	-	-	-	-	441 333
Departmental Support	1 092 736	-	-	-	-	-	-	1 092 736
Total	6 077 210	-	-	285 233	-	-	285 233	6 362 443
Economic classification								
Current payments	3 546 430	-	-	465 233	-	-	465 233	4 011 663
Compensation of employees	2 037 453	-	-	-	-	-	-	2 037 453
Goods and services	1 508 977	-	-	465 233	-	-	465 233	1 974 210
Transfers and subsidies	1 445 418	-	-	-	-	-	-	1 445 418
Provinces and municipalities	52	-	-	-	-	-	-	52
Departmental agencies and accounts	446 799	-	-	-	-	-	-	446 799
Public corporations and private enterprises	982 854	-	-	-	-	-	-	982 854
Households	15 713	-	-	-	-	-	-	15 713
Payments for capital assets	1 085 362	-	-	(180 000)	-	-	(180 000)	905 362
Buildings and other fixed structures	949 243	-	-	(300 747)	-	-	(300 747)	648 496
Machinery and equipment	135 764	-	-	-	-	-	-	135 764
Software and other intangible assets	355	-	-	120 747	-	-	120 747	121 102
Total	6 077 210	-	-	285 233	-	-	285 233	6 362 443

Details of adjustments to Estimates of National Expenditure 2017**Virements and shifts within votes**

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(11 415)	Programme 3		11 415
Compensation of employees	Reallocation of funds incorrectly allocated in the 2017 ENE	(11 415)	Compensation of employees	Guard services	11 415
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.2%			

2017 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2			Programme 1		
(153 165)			93 165		
Compensation of employees	Reallocation of funds incorrectly allocated in the 2017 ENE	(35 728)	Compensation of employees	Personnel remuneration	35 728
	Reallocation of funds incorrectly allocated in the 2017 ENE	(57 437)	Compensation of employees	Personnel remuneration	57 437
Goods and services	Cost containment measures effected on contractors	(60 000)	Programme 3		
			60 000		
			Compensation of employees	Personnel remuneration ¹	60 000
Shifts within the programme as a percentage of the programme budget			3.9%		
Virements to other programmes as a percentage of the programme budget			4.2%		
Programme 3			Programme 1		
(615 892)			6 900		
Goods and services	Reallocation of funds incorrectly allocated in the 2017 ENE	(6 900)	Goods and services	Centre for Conflict Simulation	6 900
	Cost containment measures effected on inventory: food and food supplies	(40 000)	Programme 3		
			40 000		
	Reallocation of funds incorrectly allocated in the 2017 ENE	(95 319)	Compensation of employees	Personnel remuneration ¹	40 000
Departmental agencies and accounts	Special defence account ¹	(300 000)	Programme 8		
	Special defence account ¹	(173 673)	95 319		
			Goods and services	Maintenance and repair of vehicles by Operation Thusano	95 319
			Programme 3		
			300 000		
			Compensation of employees	Personnel remuneration ¹	300 000
			Programme 8		
			173 673		
			Goods and services	Asset and inventory verification	173 673
Shifts within the programme as a percentage of the programme budget			2.1%		
Virements to other programmes as a percentage of the programme budget			1.7%		
Programme 4			Programme 3		
(376 241)			60 000		
Goods and services	Cost containment measures effected on contractors	(60 000)	Compensation of employees	Personnel remuneration ¹	60 000
	Reallocation of funds incorrectly allocated in the 2017 ENE	(16 241)	Programme 8		
			16 241		
Departmental agencies and accounts	Special defence account ¹	(68 674)	Goods and services	Maintenance and repair of vehicles by Operation Thusano	16 241
	Special defence account ¹	(231 326)	Programme 3		
			68 674		
			Compensation of employees	Personnel remuneration ¹	68 674
			Programme 4		
			231 326		
			Compensation of employees	Personnel remuneration ¹	231 326
Shifts within the programme as a percentage of the programme budget			3.5%		
Virements to other programmes as a percentage of the programme budget			2.2%		
Programme 5			Programme 5		
(240 000)			40 000		
Goods and services	Cost containment measures effected on contractors	(40 000)	Compensation of employees	Personnel remuneration ¹	40 000
Departmental agencies and accounts	Special defence account ¹	(200 000)	Programme 3		
			200 000		
			Compensation of employees	Personnel remuneration ¹	200 000
Shifts within the programme as a percentage of the programme budget			0.8%		
Virements to other programmes as a percentage of the programme budget			4.2%		
Programme 8			Programme 8		
(300 747)			300 747		
Buildings and other fixed structures	Military hospital ¹	(180 000)	Goods and services	Refurbishment projects and perimeter fences for ammunition depots	180 000
	Upgrades and refurbishments to defence facilities	(120 747)	Software and other intangible assets	Development of a codification system compliant with the North Atlantic Treaty Organisation	120 747
Shifts within the programme as a percentage of the programme budget			4.9%		
Virements to other programmes as a percentage of the programme budget			0.0%		
Total			1 697 460		

1. Only the legislature may approve this virement.

Other adjustments – R380.77 million

Self-financing expenditure

Revenue of R380.77 million has been generated from reimbursements from the United Nations for South Africa's contribution towards peace support operations, and the sale of equipment and spares procured through the special defence account. This will be returned to the vote from the National Revenue Fund and will be used by the department for defence activities.

Programme 3: Landward Defence

R45.364 million

Programme 4: Air Defence

R335.406 million

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17 Audited outcome					2017/18 Actual expenditure			
	Adjusted appropriation	Apr 16 - Sep 16	adjusted % of appropriation	Apr 16 - Mar 17	adjusted % of appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	adjusted % of appropriation	
R thousand									
Administration	5 740 559	2 613 816	45.5	5 740 559	100.0	5 469 484	11.2	2 414 097	44.1
Force Employment	3 445 535	1 626 706	47.2	3 431 011	99.6	3 535 399	7.2	1 453 175	41.1
Landward Defence	15 557 822	7 861 552	50.5	15 557 22	100.0	16 719 757	34.1	8 434 669	50.4
Air Defence	6 782 585	3 169 341	46.7	6 782 585	100.0	6 818 498	13.9	3 058 589	44.9
Maritime Defence	4 323 232	2 093 256	48.4	4 298 385	99.4	4 590 003	9.4	2 304 147	50.2
Military Health Support	4 448 745	2 200 144	49.5	4 448 745	100.0	4 586 699	9.4	2 345 498	51.1
Defence Intelligence	881 289	413 038	46.9	881 289	100.0	917 277	1.9	419 098	45.7
General Support	6 056 698	2 647 844	43.7	6 056 698	100.0	6 362 443	13.0	2 790 861	43.9
Total	47 236 465	22 625 697	47.9	47 197 094	99.9	48 999 560	100.0	23 220 134	47.4
Economic classification									
Current payments	38 820 032	18 527 605	47.7	38 780 661	99.9	39 175 674	80.0	18 287 138	46.7
Compensation of employees	27 084 547	13 249 499	48.9	27 059 700	99.9	27 447 971	56.0	13 818 308	50.3
Goods and services	11 735 485	5 278 106	45.0	11 720 961	99.9	11 727 703	23.9	4 468 830	38.1
Transfers and subsidies	7 466 820	3 781 180	50.6	7 466 820	100.0	8 587 163	17.5	4 508 646	52.5
Provinces and municipalities	185	121	65.4	185	100.0	91	-	45	49.5
Departmental agencies and accounts	6 251 767	3 164 423	50.6	6 251 767	100.0	7 154 177	14.6	3 751 590	52.4
Foreign governments and international organisations	1 067 713	546 210	51.2	1 067 713	100.0	-	-	645 286	-
Public corporations and private enterprises	-	-	-	-	-	1 296 901	2.6	-	-
Non-profit institutions	9 303	6 620	71.2	9 303	100.0	8 901	-	3 965	44.5
Households	137 852	63 806	46.3	137 852	100.0	127 093	0.3	107 760	84.8
Payments for capital assets	947 294	315 766	33.3	947 294	100.0	1 236 723	2.5	423 106	34.2
Buildings and other fixed structures	147 856	51 824	35.1	147 856	100.0	658 093	1.3	286 018	43.5
Machinery and equipment	696 895	252 488	36.2	696 895	100.0	455 741	0.9	119 218	26.2
Specialised military assets	7 553	11 454	151.6	7 553	100.0	1 743	-	135	7.7
Software and other intangible assets	94 990	-	-	94 990	100.0	121 146	0.2	17 735	14.6
Payments for financial assets	2 319	1 146	49.4	2 319	100.0	-	-	1 244	-
Total	47 236 465	22 625 697	47.9	47 197 094	99.9	48 999 560	100.0	23 220 134	47.4

Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R47.2 billion, or 99.9 per cent of the 2016/17 adjusted appropriation. Expenditure in the first six months of 2017/18 was R23.2 billion, or 47.4 per cent of the adjusted appropriation of R49 billion for the year. In comparison, mid-year expenditure in 2016/17 was R22.6 billion, or 47.9 per cent of the 2016/17 adjusted appropriation. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 increased by R594.4 million, or 2.6 per cent. This is mainly due to an increase in expenditure on compensation of employees and a payment to the Department of Public Works for refurbishments to defence facilities.

Departmental receipts

R thousand	2016/17					2017/18				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts	842 710	519 118	61.6	1 387 310	164.6	1 051 761	1 051 761	100.0	309 494	29.4
Sales of goods and services produced by department	442 198	334 600	75.7	806 472	182.4	412 760	412 760	39.2	248 299	60.2
Sales of scrap, waste, arms and other used current goods	850	472	55.5	747	87.9	1 345	1 345	0.1	405	30.1
Transfers received	231 652	91 671	39.6	441 660	190.7	538 922	538 922	51.2	–	–
Fines, penalties and forfeits	650	333	51.2	1 164	179.1	1 150	1 150	0.1	688	59.8
Interest, dividends and rent on land	2 758	1 691	61.3	3 928	142.4	3 840	3 840	0.4	2 061	53.7
Sales of capital assets	66 000	31 858	48.3	31 858	48.3	25 967	25 967	2.5	9 110	35.1
Transactions in financial assets and liabilities	98 602	58 493	59.3	101 481	102.9	67 777	67 777	6.4	48 931	72.2
Total	842 710	519 118	61.6	1 387 310	164.6	1 051 761	1 051 761	100.0	309 494	29.4

Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R309.5 million, or 29.4 per cent of the adjusted revenue estimate of R1.1 billion for the year. In comparison, mid-year revenue in 2016/17 was R519.1 million, or 61.6 per cent of the 2016/17 adjusted estimate. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 decreased by R209.6 million, or 40.4 per cent. This is mainly due to outstanding reimbursements from the United Nations for peace support operations in the Democratic Republic of the Congo.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2017/18						Adjusted appropriation
		Adjustments appropriation						
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Landward Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	3 619 628	–	–	(473 673)	–	45 364	(428 309)	3 191 319
Special defence account	3 619 628	–	–	(473 673)	–	45 364	(428 309)	3 191 319
Air Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	841 102	–	–	(300 000)	–	335 406	35 406	876 508
Special defence account	841 102	–	–	(300 000)	–	335 406	35 406	876 508
Maritime Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	1 483 973	–	–	(200 000)	–	–	(200 000)	1 283 973
Special defence account	1 483 973	–	–	(200 000)	–	–	(200 000)	1 283 973