

Vote 19

Defence and Military Veterans

Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	47 949 743	48 496 235	(182 000)	728 492
<i>of which:</i>				
Current payments	39 447 532	39 265 532	(182 000)	–
Transfers and subsidies	7 614 369	8 160 861	–	546 492
Payments for capital assets	887 842	1 069 842	–	182 000
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	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa, 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	3 568	3 651	–
Number of reserve force man days	Administration	Outcome 3: All people in South Africa are and feel safe	2 679 761	1 257 334	–
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	100% (19)	100% (19)	–
Percentage compliance with number of ordered commitments (external operations)	Force Employment		100% (2)	100% (2)	–
Percentage compliance with 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, a better Africa and a better world	4	1	–
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 hours flown per year	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	25 000	8 719	–
Number of hours at sea per year	Maritime Defence		12 000	4 083	–

Mid-year progress

There are 44 operational defence attaché offices in total. These are located within the Southern African Development Community region (10), the rest of Africa (13) and the rest of the world (21). This number remains unchanged from the previous period as no additional offices were opened in 2018/19.

In the first half of 2018/19, 3 651 military skills development members were registered in the system against a target of 3 568 for the year. This overachievement was due to fewer members than projected being transferred to the core service.

By mid-year of 2018/19, 1 joint interdepartmental, interagency and multinational military exercise was held against a target of 4 for the year. The department is on track to achieve the target as these exercises are typically held during the fourth quarter.

In the first half of 2018/19, 8 719 hours were flown against a target of 25 000 for the year. This underachievement will be compensated for in the second half of the financial year by adding 16 281 hours for force preparation and force employment.

By mid-year of 2018/19, 4 083 hours were spent at sea against a target of 12 000 for the year. This underachievement was due to delays in the repair and maintenance of vessels, however, the department is on track to achieve the target by the end of the financial year.

Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	5 548 928	–	–	104 346	–	–	104 346	5 653 274
Force Employment	3 375 584	–	–	–	–	–	–	3 375 584
Landward Defence	16 234 277	–	–	–	–	36 944	36 944	16 271 221
Air Defence	6 415 901	–	–	–	–	234 878	234 878	6 650 779
Maritime Defence	4 424 685	–	–	–	–	274 670	274 670	4 699 355
Military Health Support	4 714 062	–	–	–	–	–	–	4 714 062
Defence Intelligence	950 364	–	–	–	–	–	–	950 364
General Support	6 285 942	–	–	(104 346)	–	–	(104 346)	6 181 596
Total	47 949 743	–	–	–	–	546 492	546 492	48 496 235
Economic classification								
Current payments	39 447 532	–	–	(182 000)	–	–	(182 000)	39 265 532
Compensation of employees	27 116 696	–	–	–	–	–	–	27 116 696
Goods and services	12 330 836	–	–	(182 000)	–	–	(182 000)	12 148 836
Transfers and subsidies	7 614 369	–	–	–	–	546 492	546 492	8 160 861
Provinces and municipalities	1 542	–	–	–	–	–	–	1 542
Departmental agencies and accounts	6 011 359	–	–	–	–	546 492	546 492	6 557 851
Public corporations and private enterprises	1 422 725	–	–	–	–	–	–	1 422 725
Non-profit institutions	9 324	–	–	–	–	–	–	9 324
Households	169 419	–	–	–	–	–	–	169 419
Payments for capital assets	887 842	–	–	182 000	–	–	182 000	1 069 842
Buildings and other fixed structures	529 694	–	–	–	–	–	–	529 694
Machinery and equipment	314 803	–	–	–	–	–	–	314 803
Specialised military assets	2 758	–	–	–	–	–	–	2 758
Software and other intangible assets	40 587	–	–	182 000	–	–	182 000	222 587
Total	47 949 743	–	–	–	–	546 492	546 492	48 496 235

Programme 1: Administration

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	76 499	–	–	49 068	–	–	49 068	125 567
Departmental Direction	47 698	–	–	(4 469)	–	–	(4 469)	43 229
Policy and Planning	102 238	–	–	12 638	–	–	12 638	114 876
Financial Services	343 927	–	–	25 468	–	–	25 468	369 395
Human Resources Support Services	776 196	–	–	24 127	–	–	24 127	800 323
Legal Services	297 841	–	–	20 281	–	–	20 281	318 122
Inspection and Audit Services	139 420	–	–	(656)	–	–	(656)	138 764
Acquisition Services	134 211	–	–	39 198	–	–	39 198	173 409
Communication Services	116 481	–	–	–	–	–	–	116 481
South African National Defence Force Command and Control	165 325	–	–	(278)	–	–	(278)	165 047
Religious Services	15 022	–	–	–	–	–	–	15 022
Defence Reserve Direction	29 367	–	–	–	–	–	–	29 367
Defence Foreign Relations	277 359	–	–	1 514	–	–	1 514	278 873
Office Accommodation	2 400 257	–	–	(62 545)	–	–	(62 545)	2 337 712
Military Veterans Management	627 087	–	–	–	–	–	–	627 087
Total	5 548 928	–	–	104 346	–	–	104 346	5 653 274
Economic classification								
Current payments	4 856 788	–	–	64 346	–	–	64 346	4 921 134
Compensation of employees	1 891 455	–	–	–	–	–	–	1 891 455
Goods and services	2 965 333	–	–	64 346	–	–	64 346	3 029 679
Transfers and subsidies	674 596	–	–	–	–	–	–	674 596
Provinces and municipalities	41	–	–	–	–	–	–	41
Departmental agencies and accounts	649 059	–	–	–	–	–	–	649 059
Non-profit institutions	8 326	–	–	–	–	–	–	8 326
Households	17 170	–	–	–	–	–	–	17 170
Payments for capital assets	17 544	–	–	40 000	–	–	40 000	57 544
Machinery and equipment	17 496	–	–	–	–	–	–	17 496
Software and other intangible assets	48	–	–	40 000	–	–	40 000	40 048
Total	5 548 928	–	–	104 346	–	–	104 346	5 653 274

Programme 3: Landward Defence

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Strategic Direction	396 223	–	–	–	–	–	–	396 223
Infantry Capability	6 626 629	–	–	–	–	36 944	36 944	6 663 573
Armour Capability	472 791	–	–	–	–	–	–	472 791
Artillery Capability	482 802	–	–	–	–	–	–	482 802
Air Defence Artillery Capability	547 788	–	–	–	–	–	–	547 788
Engineering Capability	795 266	–	–	–	–	–	–	795 266
Operational Intelligence	233 518	–	–	–	–	–	–	233 518
Command and Control Capability	218 050	–	–	–	–	–	–	218 050
Support Capability	4 595 480	–	–	–	–	–	–	4 595 480
General Training Capability	528 157	–	–	–	–	–	–	528 157
Signal Capability	1 337 573	–	–	–	–	–	–	1 337 573
Total	16 234 277	–	–	–	–	36 944	36 944	16 271 221
Economic classification								
Current payments	13 665 824	–	–	–	–	–	–	13 665 824
Compensation of employees	11 499 335	–	–	–	–	–	–	11 499 335
Goods and services	2 166 489	–	–	–	–	–	–	2 166 489
Transfers and subsidies	2 531 994	–	–	–	–	36 944	36 944	2 568 938
Provinces and municipalities	6	–	–	–	–	–	–	6
Departmental agencies and accounts	2 446 270	–	–	–	–	36 944	36 944	2 483 214
Public corporations and private enterprises	27 807	–	–	–	–	–	–	27 807
Households	57 911	–	–	–	–	–	–	57 911

Programme 3: Landward Defence (continued)

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Payments for capital assets	36 459	–	–	–	–	–	–	36 459
Buildings and other fixed structures	3 145	–	–	–	–	–	–	3 145
Machinery and equipment	32 257	–	–	–	–	–	–	32 257
Specialised military assets	1 057	–	–	–	–	–	–	1 057
Total	16 234 277	–	–	–	–	36 944	36 944	16 271 221

Programme 4: Air Defence

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Strategic Direction	30 985	–	–	–	–	–	–	30 985
Operational Direction	97 268	–	–	–	–	–	–	97 268
Helicopter Capability	713 578	–	–	–	–	234 878	234 878	948 456
Transport and Maritime Capability	675 788	–	–	–	–	–	–	675 788
Air Combat Capability	840 078	–	–	–	–	–	–	840 078
Operational Support and Intelligence Capability	343 284	–	–	–	–	–	–	343 284
Command and Control Capability	692 031	–	–	–	–	–	–	692 031
Base Support Capability	1 803 837	–	–	–	–	–	–	1 803 837
Command Post	68 890	–	–	–	–	–	–	68 890
Training Capability	586 284	–	–	–	–	–	–	586 284
Technical Support Services	563 878	–	–	–	–	–	–	563 878
Total	6 415 901	–	–	–	–	234 878	234 878	6 650 779
Economic classification								
Current payments	5 578 057	–	–	–	–	–	–	5 578 057
Compensation of employees	3 602 538	–	–	–	–	–	–	3 602 538
Goods and services	1 975 519	–	–	–	–	–	–	1 975 519
Transfers and subsidies	820 974	–	–	–	–	234 878	234 878	1 055 852
Provinces and municipalities	3	–	–	–	–	–	–	3
Departmental agencies and accounts	785 140	–	–	–	–	234 878	234 878	1 020 018
Households	35 831	–	–	–	–	–	–	35 831
Payments for capital assets	16 870	–	–	–	–	–	–	16 870
Machinery and equipment	16 870	–	–	–	–	–	–	16 870
Total	6 415 901	–	–	–	–	234 878	234 878	6 650 779

Programme 5: Maritime Defence

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Maritime Direction	569 321	–	–	–	–	–	–	569 321
Maritime Combat Capability	1 570 369	–	–	–	–	274 670	274 670	1 845 039
Maritime Logistic Support Capability	1 133 131	–	–	–	–	–	–	1 133 131
Maritime Human Resources and Training Capability	545 248	–	–	–	–	–	–	545 248
Base Support Capability	606 616	–	–	–	–	–	–	606 616
Total	4 424 685	–	–	–	–	274 670	274 670	4 699 355
Economic classification								
Current payments	3 150 754	–	–	–	–	–	–	3 150 754
Compensation of employees	2 274 695	–	–	–	–	–	–	2 274 695
Goods and services	876 059	–	–	–	–	–	–	876 059

Programme 5: Maritime Defence (continued)

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Transfers and subsidies	1 262 050	–	–	–	–	274 670	274 670	1 536 720
Departmental agencies and accounts	957 320	–	–	–	–	274 670	274 670	1 231 990
Public corporations and private enterprises	283 680	–	–	–	–	–	–	283 680
Households	21 050	–	–	–	–	–	–	21 050
Payments for capital assets	11 881	–	–	–	–	–	–	11 881
Machinery and equipment	11 186	–	–	–	–	–	–	11 186
Software and other intangible assets	695	–	–	–	–	–	–	695
Total	4 424 685	–	–	–	–	274 670	274 670	4 699 355

Programme 8: General Support

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Joint Logistic Services	2 938 858	–	–	(40 000)	–	–	(40 000)	2 898 858
Command and Management Information Systems	1 048 184	–	–	(70 000)	–	–	(70 000)	978 184
Military Police	665 911	–	–	5 654	–	–	5 654	671 565
Technology Development	465 995	–	–	–	–	–	–	465 995
Departmental Support	1 166 994	–	–	–	–	–	–	1 166 994
Total	6 285 942	–	–	(104 346)	–	–	(104 346)	6 181 596
Economic classification								
Current payments	4 092 790	–	–	(246 346)	–	–	(246 346)	3 846 444
Compensation of employees	2 172 264	–	–	–	–	–	–	2 172 264
Goods and services	1 920 526	–	–	(246 346)	–	–	(246 346)	1 674 180
Transfers and subsidies	1 533 203	–	–	–	–	–	–	1 533 203
Provinces and municipalities	56	–	–	–	–	–	–	56
Departmental agencies and accounts	416 172	–	–	–	–	–	–	416 172
Public corporations and private enterprises	1 101 897	–	–	–	–	–	–	1 101 897
Households	15 078	–	–	–	–	–	–	15 078
Payments for capital assets	659 949	–	–	142 000	–	–	142 000	801 949
Buildings and other fixed structures	523 868	–	–	–	–	–	–	523 868
Machinery and equipment	96 237	–	–	–	–	–	–	96 237
Software and other intangible assets	39 844	–	–	142 000	–	–	142 000	181 844
Total	6 285 942	–	–	(104 346)	–	–	(104 346)	6 181 596

Details of adjustments to Estimates of National Expenditure 2018

Virements and shifts within the vote

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					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(62 545)	Programme 1		40 000
Goods and services	Reallocation of funds incorrectly allocated in the 2018 ENE	(40 000)	Software and other intangible assets	Electronic document management system	40 000
	Reallocation of funds incorrectly allocated in the 2018 ENE	(22 545)	Programme 8		22 545
			Goods and services	Maintenance and repair of vehicles (Operation Thusano)	22 545
Shifts within the programme as a percentage of the programme budget		0.7%			
Virements to other programmes as a percentage of the programme budget		0.4%			
Programme 8		(268 891)	Programme 1		126 891
Goods and services	Computer services, and maintenance and repairs	(126 891)	Goods and services	ICT equipment, and support to the South African National Defence Force and foreign military dignitaries	126 891
	Computer services	(142 000)	Programme 8		142 000
			Software and other intangible assets	Software licence fees	142 000
Shifts within the programme as a percentage of the programme budget		2.3%			
Virements to other programmes as a percentage of the programme budget		2.0%			
Total		(331 436)			331 436

Other adjustments – R546.492 million

Self-financing expenditure

Revenue of R546.492 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. Of this amount, R36.944 million will go to Programme 3: Landward Defence, R234.878 million will go to Programme 4: Air Defence, and R274.670 million will go to Programme 5: Maritime Defence.

Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18 Audited outcome					2018/19 Actual expenditure			
	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - % of adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	Apr 18 - % of adjusted appropriation	
R thousand									
Administration	5 469 484	2 414 097	44.1	5 505 415	100.7	5 653 274	11.7	2 533 416	44.8
Force Employment	3 535 399	1 453 175	41.1	3 208 059	90.7	3 375 584	7.0	1 399 131	41.4
Landward Defence	16 719 757	8 434 669	50.4	16 691 543	99.8	16 271 221	33.6	7 837 395	48.2
Air Defence	6 818 498	3 058 589	44.9	6 753 411	99.0	6 650 779	13.7	2 803 710	42.2
Maritime Defence	4 590 003	2 304 147	50.2	4 613 939	100.5	4 699 355	9.7	2 009 584	42.8
Military Health	4 586 699	2 345 498	51.1	4 852 916	105.8	4 714 062	9.7	2 426 843	51.5
Support									
Defence Intelligence	917 277	419 098	45.7	888 000	96.8	950 364	2.0	474 525	49.9
General Support	6 362 443	2 790 861	43.9	6 463 949	101.6	6 181 596	12.7	2 672 663	43.2
Total	48 999 560	23 220 134	47.4	48 977 232	100.0	48 496 235	100.0	22 157 267	45.7
Economic classification									
Current payments	39 175 674	18 287 138	46.7	38 826 378	99.1	39 265 532	81.0	18 335 673	46.7
Compensation of employees	27 447 971	13 818 308	50.3	28 040 854	102.2	27 116 696	55.9	13 931 748	51.4
Goods and services	11 727 703	4 468 829	38.1	10 785 524	92.0	12 148 836	25.1	4 403 925	36.2
Transfers and subsidies	8 587 163	4 508 646	52.5	8 507 422	99.1	8 160 861	16.8	3 288 784	40.3
Provinces and municipalities	91	45	49.5	194	213.2	1 542	0.0	53	3.4
Departmental agencies and accounts	7 154 177	3 751 590	52.4	6 999 688	97.8	6 557 851	13.5	2 457 951	37.5
Public corporations and private enterprises	1 296 901	645 286	49.8	1 298 517	100.1	1 422 725	2.9	698 006	49.1
Non-profit institutions	8 901	3 965	44.5	8 701	97.8	9 324	0.0	4 163	44.6
Households	127 093	107 760	84.8	200 322	157.6	169 419	0.3	128 611	75.9
Payments for capital assets	1 236 723	423 106	34.2	1 633 786	132.1	1 069 842	2.2	530 483	49.6
Buildings and other fixed structures	658 093	286 018	43.5	697 262	106.0	529 694	1.1	195 856	37.0
Machinery and equipment	455 741	119 218	26.2	830 663	182.3	314 803	0.6	173 006	55.0
Specialised military assets	1 743	135	7.7	–	0.0	2 758	0.0	1 736	62.9
Biological assets	–	–	0.0	80	0.0	–	0.0	70	0.0
Software and other intangible assets	121 146	17 735	14.6	105 781	87.3	222 587	0.5	159 815	71.8
Payments for financial assets	–	1 245	–	9 646	–	–	0.0	2 327	0.0
Total	48 999 560	23 220 134	47.4	48 977 232	100.0	48 496 235	100.0	22 157 267	45.7

Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R49 billion, 100 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2017/18 was R23.2 billion, 47.4 per cent of the 2017/18 adjusted appropriation for the year, whereas mid-year expenditure in 2018/19 was R22.2 billion, 45.7 per cent of the adjusted appropriation of R48.5 billion for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 decreased by R1.1 billion, 4.6 per cent, mainly due to the decrease in the overall budget allocation to the department in 2018/19 as a result of Cabinet approved baseline reductions.

Departmental receipts

R thousand	2017/18					2018/19				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted estimate/ Total (%)	Apr 18 - Sep 18 % of adjusted estimate			
Departmental receipts	1 051 761	309 494	29.4	933 331	88.7	1 085 741	1 085 741	100.0	327 790	30.2
Sales of goods and services produced by department	412 760	248 299	60.2	578 863	140.2	413 958	413 958	38.1	172 211	41.6
Sales of scrap, waste, arms and other used current goods	1 345	405	30.1	711	52.9	1 419	1 419	0.1	764	53.8
Transfers received	538 922	–	–	274 670	51.0	568 563	568 563	52.4	104 836	18.4
Fines, penalties and forfeits	1 150	688	59.8	1 709	148.6	1 210	2 210	0.2	1 214	54.9
Interest, dividends and rent on land	3 840	2 061	53.7	4 493	117.0	3 938	3 938	0.4	2 484	63.1
Sales of capital assets	25 967	9 110	35.1	9 110	35.1	27 394	27 394	2.5	11 769	43.0
Transactions in financial assets and liabilities	67 777	48 931	72.2	63 775	94.1	69 259	68 259	6.3	34 512	50.6
Total	1 051 761	309 494	29.4	933 331	88.7	1 085 741	1 085 741	100.0	327 790	30.2

Revenue trends for the first half of 2018/19

Mid-year revenue in 2017/18 was R309.5 million, 29.4 per cent of the 2017/18 adjusted estimate, whereas mid-year revenue in 2018/19 was R327.8 million, 30.2 per cent of the adjusted estimate for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 increased by R18.3 million, 5.9 per cent, mainly due to reimbursements received 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	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Landward Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	2 446 197	–	–	–	–	36 944	36 944	2 483 141
Special defence account	2 446 197	–	–	–	–	36 944	36 944	2 483 141
Air Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	785 139	–	–	–	–	234 878	234 878	1 020 017
Special defence account	785 139	–	–	–	–	234 878	234 878	1 020 017
Maritime Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	957 320	–	–	–	–	274 670	274 670	1 231 990
Special defence account	957 320	–	–	–	–	274 670	274 670	1 231 990

Other department within the vote

Military Veterans

Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	627 087	627 087	–	–
<i>of which:</i>				
Current payments	386 037	386 037	–	–
Transfers and subsidies	234 166	234 166	–	–
Payments for capital assets	6 884	6 884	–	–
Executive authority	Minister of Defence and Military Veterans			
Accounting officer	Director General for Military Veterans			
Website address	www.dmv.gov.za			

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.

Mid-year performance status

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Total number of military veterans with access to healthcare services	Socioeconomic Support	Outcome 2: A long and healthy life for all South Africans	17 000	16 538	–
Number of military veterans provided with newly built houses per year	Socioeconomic Support	Outcome 8: Sustainable human settlements and improved quality of household life	1 000	122	–
Total number of bursaries provided to military veterans and their dependants	Socioeconomic Support	Outcome 1: Quality basic education	10 700	8 089	–
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	3	0	–

Mid-year progress

In the first half of 2018/19, 16 538 beneficiaries were provided with healthcare services against a target of 17 000 for the year. This overachievement was due to the service being demand-driven.

By mid-year of 2018/19, 122 newly built houses were provided to military veterans against a target of 1 000 for the year. This underperformance was mainly due to the department's dependence on other departments for the delivery of houses. To expedite the delivery of houses to military veterans, the department has signed service level agreements with the provincial departments of human settlements in Mpumalanga, Limpopo, North West and KwaZulu-Natal.

The department did not erect any memorial site for military veterans in the first half of 2018/19 as a result of vacant critical posts in the memorialisation, honouring and burial chief directorate. These posts were subsequently filled and the department expects to achieve the target by the end of the financial year.

Adjusted Estimates of National Expenditure 2018

Programme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	127 565	–	–	6 000	–	–	6 000	133 565
Socioeconomic Support	336 772	–	–	–	–	–	–	336 772
Empowerment and Stakeholder Management	162 750	–	–	(6 000)	–	–	(6 000)	156 750
Total	627 087	–	–	–	–	–	–	627 087
Economic classification								
Current payments	386 037	–	–	–	–	–	–	386 037
Compensation of employees	122 257	–	–	–	–	–	–	122 257
Goods and services	263 780	–	–	–	–	–	–	263 780
Transfers and subsidies	234 166	–	–	–	–	–	–	234 166
Households	234 166	–	–	–	–	–	–	234 166
Payments for capital assets	6 884	–	–	–	–	–	–	6 884
Machinery and equipment	4 384	–	–	–	–	–	–	4 384
Software and other intangible assets	2 500	–	–	–	–	–	–	2 500
Total	627 087	–	–	–	–	–	–	627 087

Programme 1: Administration

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management	6 852	–	–	6 000	–	–	6 000	12 852
Corporate Services	54 113	–	–	500	–	–	500	54 613
Financial Administration	16 676	–	–	–	–	–	–	16 676
Internal Audit	10 055	–	–	–	–	–	–	10 055
Strategic Planning, Policy Development and Monitoring and Evaluation	19 867	–	–	(500)	–	–	(500)	19 367
Office Accommodation	20 002	–	–	–	–	–	–	20 002
Total	127 565	–	–	6 000	–	–	6 000	133 565
Economic classification								
Current payments	124 036	–	–	6 000	–	–	6 000	130 036
Compensation of employees	43 693	–	–	–	–	–	–	43 693
Goods and services	80 343	–	–	6 000	–	–	6 000	86 343
Payments for capital assets	3 529	–	–	–	–	–	–	3 529
Machinery and equipment	3 529	–	–	–	–	–	–	3 529
Total	127 565	–	–	6 000	–	–	6 000	133 565

Programme 3: Empowerment and Stakeholder Management

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Provincial Offices and Stakeholder Relations	59 595	–	–	–	–	–	–	59 595
Empowerment and Skills Development	83 659	–	–	(6 000)	–	–	(6 000)	77 659
Heritage, Memorials, Burials and Honours	19 496	–	–	–	–	–	–	19 496
Total	162 750	–	–	(6 000)	–	–	(6 000)	156 750

Programme 3: Empowerment and Stakeholder Management (continued)

Economic classification	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Current payments	158 717	–	–	(6 000)	–	–	(6 000)	152 717
Compensation of employees	37 983	–	–	–	–	–	–	37 983
Goods and services	120 734	–	–	(6 000)	–	–	(6 000)	114 734
Transfers and subsidies	4 018	–	–	–	–	–	–	4 018
Households	4 018	–	–	–	–	–	–	4 018
Payments for capital assets	15	–	–	–	–	–	–	15
Machinery and equipment	15	–	–	–	–	–	–	15
Total	162 750	–	–	(6 000)	–	–	(6 000)	156 750

Details of adjustments to Estimates of National Expenditure 2018**Virements and shifts within the department**

Programmes					
1. Administration					
2. Socioeconomic Support					
3. Empowerment and Stakeholder Management					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(6 000)	Programme 1		6 000
Goods and services	Travel and subsistence	(6 000)	Goods and services	Advisory council and appeals board	6 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		3.7%			
Total		(6 000)			6 000

Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18					2018/19				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 17 - Sep 17 appropriation	Apr 17 - Sep 17 adjusted % of	Apr 17 - Mar 18 appropriation	Apr 17 - Mar 18 adjusted % of	Adjusted appropriation/Total (%)	Adjusted appropriation/Total (%)	Apr 18 - Sep 18 appropriation	Apr 18 - Sep 18 adjusted % of	
Administration	149 818	55 016	36.7	140 520	93.8	133 565	21.3	65 898	49.3	
Socioeconomic Support	307 381	131 156	42.7	356 437	116.0	336 772	53.7	122 693	36.4	
Empowerment and Stakeholder Management	164 912	59 532	36.1	104 543	63.4	156 750	25.0	36 054	23.0	
Total	622 111	245 704	39.5	601 500	96.7	627 087	100.0	224 645	35.8	
Economic classification										
Current payments	378 884	140 918	37.2	316 486	83.5	386 037	61.6	147 791	38.3	
Compensation of employees	113 829	58 663	51.5	116 243	102.1	122 257	19.5	60 386	49.4	
Goods and services	265 055	82 255	31.0	200 243	75.5	263 780	42.1	87 405	33.1	
Transfers and subsidies	232 841	103 589	44.5	278 313	119.5	234 166	37.3	75 742	32.3	
Households	232 841	103 589	44.5	278 313	119.5	234 166	37.3	75 742	32.3	
Payments for capital assets	10 386	1 197	11.5	6 701	64.5	6 884	1.1	1 112	16.2	
Machinery and equipment	4 582	1 197	26.1	6 701	146.2	4 384	0.7	1 112	25.4	
Heritage assets	3 400	–	0.0	–	0.0	–	0.0	–	0.0	
Software and other intangible assets	2 404	–	0.0	–	0.0	2 500	0.4	–	0.0	
Total	622 111	245 704	39.5	601 500	96.7	627 087	100.0	224 645	35.8	

Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R601.5 million or 96.7 per cent of the 2017/18 adjusted appropriation. Expenditure in the first six months of 2018/19 was R224.6 million or 35.8 per cent of the adjusted appropriation of R627.1 million for the year. In comparison, mid-year expenditure in 2017/18 was R245.7 million or 39.5 per cent of the adjusted appropriation. Compared to the first six months of 2017/18, expenditure over the same period in 2018/19 decreased by R21.1 million, or 8.6 per cent. This was mainly due to less than expected spending on skills development and housing benefits.

Departmental receipts

R thousand	2017/18					2018/19				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate
Departmental receipts	1 425	1 425	100.0	2 758	193.5	62	62	100.0	21	33.9
Sales of goods and services produced by department	15	15	100.0	32	213.3	32	32	51.6	17	53.1
Transfers received	–	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	–	–	–	–	–	–	–	–	–	–
Sales of capital assets	–	–	–	–	–	–	–	–	–	–
Transactions in financial assets and liabilities	1 410	1 410	100.0	2 726	193.3	30	30	48.4	4	13.3
Total	1 425	1 425	100.0	2 758	193.5	62	62	100.0	21	33.9

Revenue trends for the first half of 2018/19

Mid-year revenue in the first half of 2017/18 was R1.4 million, 100 per cent of the 2017/18 adjusted estimate, whereas mid-year revenue in 2018/19 was R21 000, 33.9 per cent of the adjusted estimate for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 decreased by R1.4 million, 98.5 per cent, mainly due to less credit notes received from travel agencies for officials' travel expenses.