

Vote 19

Defence and Military Veterans

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	47 169 745	47 236 465	-	66 720
of which:				
Current payments	39 101 098	39 407 071	-	305 973
Transfers and subsidies	7 780 835	7 541 582	(239 253)	-
Payments for capital assets	287 812	287 812	-	-
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 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	46	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	4 001	3 837	-
Number of reserve force person days	Administration	Outcome 3: All people in South Africa are and feel safe	2 701 681	1 405 164	-
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%	100%	-
Percentage compliance with number of ordered commitments (external operations)	Force Employment Landward Defence Defence Intelligence	Outcome 11: Create a better South Africa, a better Africa and a better world	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 force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	5 000	2 027	-
Number of hours at sea per year	Maritime Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	12 000	3 902	-

Mid-year progress

In the first half of 2016/17, the Department of Defence has been in full compliance with the South African Development Community standby force pledge, external as well as internal operations and it is on track to meet most of its performance targets.

Due to a lengthy accreditation process, 44 out of 46 defence attaché offices are open in 2016/17. Approval for the opening of the other two awaits the approval of the Minister of Defence and Military Veterans.

The South African National Defence Force has already deployed all 15 landward sub-units to execute border safeguarding in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces. The deployment was coordinated as a single activity in the first half of the financial year.

The overachievement on military skills development members in the system has been recorded in the first half of the financial year. This is due to the majority of the intake being scheduled for the first half of the financial year. The department is on track to achieve its target by the end of the financial year.

Although 4 joint interdepartmental, interagency and multinational military exercises were planned for the year, only 1 took place during the first half of 2016/17. The exercise planned for August has been postponed to take place in the middle of October 2016.

The South African National Defence Force continued to participate in external operations, as part of one peace support operation of the United Nations in the Democratic Republic of the Congo and to support the Mozambican Defence Force in operations to counter piracy. At only 3 902, the number of hours at sea is low due to delays in the repair and maintenance of vessels but it is expected to increase over the next six months.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Administration	5 151 108	–	–	185 026	–	11 817	196 843	5 347 951
Force Employment	3 899 635	–	–	(227 000)	–	–	(227 000)	3 672 635
Landward Defence	15 651 438	–	–	(90 883)	–	66 720	(24 163)	15 627 275
Air Defence	6 883 527	–	–	53 056	–	–	53 056	6 936 583
Maritime Defence	4 355 880	–	–	30 935	–	–	30 935	4 386 815
Military Health Support	4 416 816	–	–	35 672	–	(11 817)	23 855	4 440 671
Defence Intelligence	900 248	–	–	–	–	–	–	900 248
General Support	5 911 093	–	–	13 194	–	–	13 194	5 924 287
Total	47 169 745	–	–	–	–	66 720	66 720	47 236 465
Economic classification								
Current payments	39 101 098	–	–	305 973	–	–	305 973	39 407 071
Compensation of employees	26 884 559	–	–	210 000	–	–	210 000	27 094 559
Goods and services	12 216 539	–	–	95 973	–	–	95 973	12 312 512
Transfers and subsidies	7 780 835	–	–	(305 973)	–	66 720	(239 253)	7 541 582
Provinces and municipalities	87	–	–	–	–	–	–	87
Departmental agencies and accounts	6 622 655	–	–	(305 973)	–	66 720	(239 253)	6 383 402
Public corporations and private enterprises	1 025 387	–	–	–	–	–	–	1 025 387
Non-profit institutions	9 460	–	–	–	–	–	–	9 460
Households	123 246	–	–	–	–	–	–	123 246
Payments for capital assets	287 812	–	–	–	–	–	–	287 812
Buildings and other fixed structures	121 935	–	–	–	–	–	–	121 935
Machinery and equipment	164 538	–	–	–	–	–	–	164 538
Specialised military assets	993	–	–	–	–	–	–	993
Software and other intangible assets	346	–	–	–	–	–	–	346
Total	47 169 745	–	–	–	–	66 720	66 720	47 236 465

Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Ministry	72 898	-	-	2 126	-	-	2 126	75 024
Departmental Direction	50 565	-	-	-	-	-	-	50 565
Policy and Planning	118 967	-	-	110	-	-	110	119 077
Financial Services	361 392	-	-	111 107	-	-	111 107	472 499
Human Resources Support Services	753 112	-	-	39 676	-	11 817	51 493	804 605
Legal Services	308 363	-	-	-	-	-	-	308 363
Inspection and Audit Services	145 890	-	-	-	-	-	-	145 890
Acquisition Services	112 742	-	-	-	-	-	-	112 742
Communication Services	45 211	-	-	-	-	-	-	45 211
South African National Defence Force Command and Control	156 358	-	-	(2 343)	-	-	(2 343)	154 015
Religious Services	13 700	-	-	1 323	-	-	1 323	15 023
Defence Reserve Direction	28 850	-	-	492	-	-	492	29 342
Defence Foreign Relations	224 186	-	-	32 535	-	-	32 535	256 721
Office Accommodation	2 161 267	-	-	-	-	-	-	2 161 267
Military Veterans Management	597 607	-	-	-	-	-	-	597 607
Total	5 151 108	-	-	185 026	-	11 817	196 843	5 347 951
Economic classification								
Current payments	4 497 608	-	-	185 026	-	11 547	196 573	4 694 181
Compensation of employees	1 860 533	-	-	181 996	-	10 109	192 105	2 052 638
Goods and services	2 637 075	-	-	3 030	-	1 438	4 468	2 641 543
Transfers and subsidies	644 677	-	-	-	-	270	270	644 947
Provinces and municipalities	30	-	-	-	-	-	-	30
Departmental agencies and accounts	618 289	-	-	-	-	-	-	618 289
Non-profit institutions	8 620	-	-	-	-	-	-	8 620
Households	17 738	-	-	-	-	270	270	18 008
Payments for capital assets	8 823	-	-	-	-	-	-	8 823
Machinery and equipment	8 823	-	-	-	-	-	-	8 823
Total	5 151 108	-	-	185 026	-	11 817	196 843	5 347 951

Programme 2: Force Employment

Subprogramme	2016/17							
	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	186 949	-	-	-	-	-	-	186 949
Operational Direction	307 758	-	-	-	-	-	-	307 758
Special Operations	813 440	-	-	-	-	-	-	813 440
Regional Security	1 484 658	-	-	(227 000)	-	-	(227 000)	1 257 658
Support to the People	1 106 830	-	-	-	-	-	-	1 106 830
Total	3 899 635	-	-	(227 000)	-	-	(227 000)	3 672 635
Economic classification								
Current payments	3 550 880	-	-	(227 000)	-	-	(227 000)	3 323 880
Compensation of employees	2 170 263	-	-	(227 000)	-	-	(227 000)	1 943 263
Goods and services	1 380 617	-	-	-	-	-	-	1 380 617
Transfers and subsidies	254 543	-	-	-	-	-	-	254 543
Departmental agencies and accounts	241 405	-	-	-	-	-	-	241 405
Public corporations and private enterprises	8 424	-	-	-	-	-	-	8 424
Households	4 714	-	-	-	-	-	-	4 714
Payments for capital assets	94 212	-	-	-	-	-	-	94 212
Buildings and other fixed structures	1 160	-	-	-	-	-	-	1 160
Machinery and equipment	92 059	-	-	-	-	-	-	92 059
Specialised military assets	993	-	-	-	-	-	-	993
Total	3 899 635	-	-	(227 000)	-	-	(227 000)	3 672 635

Programme 3: Landward Defence

Subprogramme	2016/17							Total adjustments appropriation	Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Strategic Direction	510 163	-	-	(39 605)	-	-	(39 605)	470 558	
Infantry Capability	6 208 726	-	-	(89 610)	-	66 720	(22 890)	6 185 836	
Armour Capability	444 191	-	-	1 282	-	-	1 282	445 473	
Artillery Capability	463 044	-	-	6 435	-	-	6 435	469 479	
Air Defence Artillery Capability	588 879	-	-	-	-	-	-	588 879	
Engineering Capability	708 687	-	-	3 565	-	-	3 565	712 252	
Operational Intelligence	252 520	-	-	-	-	-	-	252 520	
Command and Control Capability	202 683	-	-	509	-	-	509	203 192	
Support Capability	4 424 147	-	-	14 035	-	-	14 035	4 438 182	
General Training Capability	585 823	-	-	-	-	-	-	585 823	
Signal Capability	1 262 575	-	-	12 506	-	-	12 506	1 275 081	
Total	15 651 438	-	-	(90 883)	-	66 720	(24 163)	15 627 275	
Economic classification									
Current payments	13 167 574	-	-	119 117	-	-	119 117	13 286 691	
Compensation of employees	11 295 190	-	-	149 816	-	-	149 816	11 445 006	
Goods and services	1 872 384	-	-	(30 699)	-	-	(30 699)	1 841 685	
Transfers and subsidies	2 457 933	-	-	(210 000)	-	66 720	(143 280)	2 314 653	
Provinces and municipalities	3	-	-	-	-	-	-	3	
Departmental agencies and accounts	2 379 140	-	-	(210 000)	-	66 720	(143 280)	2 235 860	
Public corporations and private enterprises	38 400	-	-	-	-	-	-	38 400	
Households	40 390	-	-	-	-	-	-	40 390	
Payments for capital assets	25 931	-	-	-	-	-	-	25 931	
Buildings and other fixed structures	132	-	-	-	-	-	-	132	
Machinery and equipment	25 779	-	-	-	-	-	-	25 779	
Software and other intangible assets	20	-	-	-	-	-	-	20	
Total	15 651 438	-	-	(90 883)	-	66 720	(24 163)	15 627 275	

Programme 4: Air Defence

Subprogramme	2016/17							Total adjustments appropriation	Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Strategic Direction	35 219	-	-	64	-	-	64	35 283	
Operational Direction	208 681	-	-	-	-	-	-	208 681	
Helicopter Capability	763 242	-	-	3 634	-	-	3 634	766 876	
Transport and Maritime Capability	672 528	-	-	98 888	-	-	98 888	771 416	
Air Combat Capability	1 371 247	-	-	(94 803)	-	-	(94 803)	1 276 444	
Operational Support and Intelligence Capability	314 168	-	-	4 424	-	-	4 424	318 592	
Command and Control Capability	606 031	-	-	2 862	-	-	2 862	608 893	
Base Support Capability	1 819 552	-	-	24 123	-	-	24 123	1 843 675	
Command Post	61 232	-	-	766	-	-	766	61 998	
Training Capability	569 991	-	-	6 684	-	-	6 684	576 675	
Technical Support Services	461 636	-	-	6 414	-	-	6 414	468 050	
Total	6 883 527	-	-	53 056	-	-	53 056	6 936 583	
Economic classification									
Current payments	5 601 628	-	-	149 029	-	-	149 029	5 750 657	
Compensation of employees	3 499 610	-	-	53 056	-	-	53 056	3 552 666	
Goods and services	2 102 018	-	-	95 973	-	-	95 973	2 197 991	
Transfers and subsidies	1 275 050	-	-	(95 973)	-	-	(95 973)	1 179 077	
Provinces and municipalities	3	-	-	-	-	-	-	3	
Departmental agencies and accounts	1 256 583	-	-	(95 973)	-	-	(95 973)	1 160 610	
Households	18 464	-	-	-	-	-	-	18 464	
Payments for capital assets	6 849	-	-	-	-	-	-	6 849	
Machinery and equipment	6 849	-	-	-	-	-	-	6 849	
Total	6 883 527	-	-	53 056	-	-	53 056	6 936 583	

Programme 5: Maritime Defence

Subprogramme		2016/17						
		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	581 621	-	-	7 189	-	-	7 189	588 810
Maritime Combat Capability	1 707 984	-	-	7 069	-	-	7 069	1 715 053
Maritime Logistic Support Capability	930 730	-	-	2 516	-	-	2 516	933 246
Maritime Human Resources and Training Capability	505 914	-	-	6 478	-	-	6 478	512 392
Base Support Capability	629 631	-	-	7 683	-	-	7 683	637 314
Total	4 355 880	-	-	30 935	-	-	30 935	4 386 815
Economic classification								
Current payments	2 982 248	-	-	30 935	-	-	30 935	3 013 183
Compensation of employees	2 263 018	-	-	30 935	-	-	30 935	2 293 953
Goods and services	719 230	-	-	-	-	-	-	719 230
Transfers and subsidies	1 366 999	-	-	-	-	-	-	1 366 999
Departmental agencies and accounts	1 123 038	-	-	-	-	-	-	1 123 038
Public corporations and private enterprises	226 287	-	-	-	-	-	-	226 287
Households	17 674	-	-	-	-	-	-	17 674
Payments for capital assets	6 633	-	-	-	-	-	-	6 633
Machinery and equipment	6 633	-	-	-	-	-	-	6 633
Total	4 355 880	-	-	30 935	-	-	30 935	4 386 815

Programme 6: Military Health Support

Subprogramme		2016/17						
		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	203 249	-	-	2 605	-	-	2 605	205 854
Mobile Military Health Support	121 678	-	-	1 653	-	-	1 653	123 331
Area Military Health Service	1 548 512	-	-	12 338	-	(11 817)	521	1 549 033
Specialist/Tertiary Health Service	1 574 186	-	-	11 424	-	-	11 424	1 585 610
Military Health Product Support Capability	208 883	-	-	1 036	-	-	1 036	209 919
Military Health Maintenance Capability	302 657	-	-	2 250	-	-	2 250	304 907
Military Health Training Capability	457 651	-	-	4 366	-	-	4 366	462 017
Total	4 416 816	-	-	35 672	-	(11 817)	23 855	4 440 671
Economic classification								
Current payments	4 407 393	-	-	35 672	-	(11 547)	24 125	4 431 518
Compensation of employees	3 362 501	-	-	35 672	-	(10 109)	25 563	3 388 064
Goods and services	1 044 892	-	-	-	-	(1 438)	(1 438)	1 043 454
Transfers and subsidies	6 510	-	-	-	-	(270)	(270)	6 240
Departmental agencies and accounts	58	-	-	-	-	-	-	58
Non-profit institutions	840	-	-	-	-	-	-	840
Households	5 612	-	-	-	-	(270)	(270)	5 342
Payments for capital assets	2 913	-	-	-	-	-	-	2 913
Machinery and equipment	2 913	-	-	-	-	-	-	2 913
Total	4 416 816	-	-	35 672	-	(11 817)	23 855	4 440 671

Programme 8: General Support

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Joint Logistic Services	2 916 867	-	-	(8 515)	-	-	(8 515)	2 908 352
Command and Management Information Systems	1 011 199	-	-	-	-	-	-	1 011 199
Military Police	565 427	-	-	21 709	-	-	21 709	587 136
Technology Development	516 244	-	-	-	-	-	-	516 244
Departmental Support	901 356	-	-	-	-	-	-	901 356
Total	5 911 093	-	-	13 194	-	-	13 194	5 924 287

Programme 8: General Support (continued)

Economic classification	2016/17							
	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	4 450 817	–	–	13 194	–	–	13 194	4 464 011
Compensation of employees	2 028 553	–	–	(14 475)	–	–	(14 475)	2 014 078
Goods and services	2 422 264	–	–	27 669	–	–	27 669	2 449 933
Transfers and subsidies	1 318 394	–	–	–	–	–	–	1 318 394
Provinces and municipalities	51	–	–	–	–	–	–	51
Departmental agencies and accounts	551 691	–	–	–	–	–	–	551 691
Public corporations and private enterprises	752 276	–	–	–	–	–	–	752 276
Households	14 376	–	–	–	–	–	–	14 376
Payments for capital assets	141 882	–	–	–	–	–	–	141 882
Buildings and other fixed structures	120 643	–	–	–	–	–	–	120 643
Machinery and equipment	20 913	–	–	–	–	–	–	20 913
Software and other intangible assets	326	–	–	–	–	–	–	326
Total	5 911 093	–	–	13 194	–	–	13 194	5 924 287

Details of adjustments to the Estimates of National Expenditure 2016**Virements and shifts within votes****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		(2 970)	Programme 3		2 970
Goods and services	Reallocation of funds due to incorrect allocation in the 2016 ENE	(2 970)	Goods and services	Guard services rendered to the defence headquarters	2 970
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.1%			
Programme 2		(227 000)	Programme 1		65 246
Compensation of employees	Reallocation of funds due to incorrect allocation in the 2016 ENE	(65 246)	Compensation of employees	Increase in personnel remuneration	65 246
	Reallocation of funds due to incorrect allocation in the 2016 ENE	(51 728)	Programme 3		51 728
	Reallocation of funds due to incorrect allocation in the 2016 ENE	(34 662)	Compensation of employees	Increase in personnel remuneration	51 728
	Reallocation of funds due to incorrect allocation in the 2016 ENE	(21 709)	Programme 4		34 662
	Reallocation of funds due to incorrect allocation in the 2016 ENE	(20 234)	Compensation of employees	Increase in personnel remuneration	34 662
	Reallocation of funds due to incorrect allocation in the 2016 ENE	(33 421)	Programme 8		21 709
			Compensation of employees	Increase in personnel remuneration	21 709
			Programme 5		20 234
			Compensation of employees	Increase in personnel remuneration	20 234
			Programme 6		33 421
			Compensation of employees	Increase in personnel remuneration	33 421
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		5.8%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(251 791)	Programme 1		6 000
Goods and services	Reallocation of funds due to incorrect allocation in the 2016 ENE	(6 000)	Goods and services	Services rendered by the Centre for Conflict Simulation	6 000
	Reallocation of funds due to incorrect allocation in the 2016 ENE	(35 791)	Programme 8		35 791
			Goods and services	Maintenance and repair of B Vehicles by Operation Thusano	35 791
Departmental agencies and accounts	Reprioritisation of funds from the special defence account ¹	(116 750)	Programme 1		116 750
	Reprioritisation of funds from the special defence account ¹	(61 904)	Compensation of employees	Housing scheme accruals ¹	116 750
	Reprioritisation of funds from the special defence account ¹	(18 394)	Programme 3		61 904
	Reprioritisation of funds from the special defence account ¹	(10 701)	Compensation of employees	Housing scheme accruals ¹	61 904
	Reprioritisation of funds from the special defence account ¹	(2 251)	Programme 4		18 394
			Compensation of employees	Housing scheme accruals ¹	18 394
			Programme 5		10 701
			Compensation of employees	Housing scheme accruals ¹	10 701
			Programme 6		2 251
			Compensation of employees	Housing scheme accruals ¹	2 251
Shifts within the programme as a percentage of the programme budget		0.4%			
Virements to other programmes as a percentage of the programme budget		1.2%			
Programme 4		(95 973)	Programme 4		95 973
Departmental agencies and accounts	Reprioritisation of funds from the special defence account	(95 973)	Goods and services	Lease of transport aircraft	95 973
Shifts within the programme as a percentage of the programme budget		1.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 8		(44 306)	Programme 3		44 306
Goods and services	Reallocation of funds due to incorrect allocation in the 2016 ENE	(8 122)	Goods and services	Guard services rendered to the defence works formation	8 122
Compensation of employees	Reallocation of funds due to incorrect allocation in the 2016 ENE	(36 184)	Compensation of employees	Guard services rendered to the defence works formation	36 184
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.7%			
Total		(622 040)			622 040

1. Only the legislature may approve this virement in terms of the Public Finance Management Act (Act 1 of 1999).

Other adjustments – R66.720 million

Funds shifted within a vote following a function shift – R11.817 million

Programme 1: Administration

R11.817 million has been transferred from the *Military Health Support* programme following the shift of the physical training, sport and recreation function to the human resources support services function in this programme.

Self-financing expenditure – R66.720 million

R66.720 million in revenue was generated from the selling of equipment, and spares procured through the special defence account have been surrendered to the National Revenue Fund for the *Landward Defence* programme.

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome					2016/17 Actual expenditure			
	Adjusted appropriation	Apr 15 - Sep 15 appropriation	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16 appropriation	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/Total (%)	Apr 16 - Sep 16 appropriation	Apr 16 - Sep 16 % of adjusted appropriation
R thousand									
Administration	4 862 401	2 272 712	46.7	4 981 493	102.4	5 347 951	11.3	2 613 816	48.9
Force Employment	3 813 309	1 388 702	36.4	3 602 801	94.5	3 672 635	7.8	1 626 706	44.3
Landward Defence	15 202 376	7 304 353	48.0	15 118 951	99.5	15 627 275	33.1	7 861 552	50.3
Air Defence	7 167 594	3 136 933	43.8	7 085 719	98.9	6 936 583	14.7	3 169 341	45.7
Maritime Defence	3 769 147	1 789 108	47.5	3 732 748	99.0	4 386 815	9.3	2 093 256	47.7
Military Health Support	4 069 261	2 097 570	51.5	4 243 150	104.3	4 440 671	9.4	2 200 144	49.5
Defence Intelligence	831 459	392 799	47.2	830 060	99.8	900 248	1.9	413 038	45.9
General Support	5 372 614	2 365 683	44.0	5 476 612	101.9	5 924 287	12.5	2 647 844	44.7
Total	45 088 161	20 747 860	46.0	45 071 534	100.0	47 236 465	100.0	22 625 697	47.9
Economic classification									
Current payments	36 607 562	16 949 174	46.3	36 227 597	99.0	39 407 071	83.4	18 527 605	47.0
Compensation of employees	24 890 389	12 115 344	48.7	24 788 024	99.6	27 094 559	57.4	13 249 499	48.9
Goods and services	11 717 173	4 833 830	41.3	11 439 573	97.6	12 312 512	26.1	5 278 106	42.9
Transfers and subsidies	7 893 698	3 634 464	46.0	8 003 263	101.4	7 541 582	16.0	3 781 180	50.1
Provinces and municipalities	33	17	51.5	61	184.8	87	-	121	139.1
Departmental agencies and accounts	6 745 225	3 020 949	44.8	6 840 117	101.4	6 383 402	13.5	3 164 423	49.6
Foreign governments and international organisations	5 805	5 804	100.0	5 804	100.0	-	-	-	-
Public corporations and private enterprises	1 025 893	543 753	53.0	1 022 379	99.7	1 025 387	2.2	546 210	53.3
Non-profit institutions	7 992	3 596	45.0	8 081	101.1	9 460	-	6 620	70.0
Households	108 750	60 345	55.5	126 821	116.6	123 246	0.3	63 806	51.8
Payments for capital assets	586 901	163 021	27.8	837 997	142.8	287 812	0.6	315 766	109.7
Buildings and other fixed structures	122 599	24 332	19.8	82 597	67.4	121 935	0.3	51 824	42.5
Machinery and equipment	451 167	123 140	27.3	696 655	154.4	164 538	0.3	252 488	153.5
Specialised military assets	12 143	15 549	128.0	58 098	478.4	993	-	11 454	1153.5
Software and other intangible assets	992	-	-	647	65.2	346	-	-	-
Payments for financial assets	-	1 201	-	2 677	-	-	-	1 146	-
Total	45 088 161	20 747 860	46.0	45 071 534	100.0	47 236 465	100.0	22 625 697	47.9

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 100 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R22.6 billion, or 47.9 per cent of the adjusted appropriation of R47.2 billion for the year. In comparison, mid-year expenditure in 2015/16 was R20.7 billion, or 46 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 increased by R1.9 billion, or 9.1 per cent. This was mainly due to the increase in personnel remuneration as a result of the accrued payments for capital equipment in the *Force Employment* programme.

Departmental receipts

R thousand	2015/16					2016/17				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
Departmental receipts	818 166	301 452	36.8	1 082 623	132.3	842 710	842 710	100.0	519 118	61.6
Sales of goods and services produced by department	358 771	162 969	45.4	439 041	122.4	271 760	442 198	52.5	334 600	75.7
Sales of scrap, waste, arms and other used current goods	20 186	5 694	28.2	2 975	14.7	682	850	0.1	472	55.5
Transfers received	185 153	94 166	50.9	524 130	283.1	508 595	231 652	27.5	91 671	39.6
Fines, penalties and forfeits	4 086	424	10.4	600	14.7	1 122	650	0.1	333	51.2
Interest, dividends and rent on land	2 796	2 320	83.0	3 890	139.1	2 758	2 758	0.3	1 691	61.3
Sales of capital assets	59 549	14 232	23.9	36 212	60.8	45 182	66 000	7.8	31 858	48.3
Transactions in financial assets and liabilities	187 625	21 647	11.5	75 775	40.4	12 611	98 602	11.7	58 493	59.3
Total	818 166	301 452	36.8	1 082 623	132.3	842 710	842 710	100.0	519 118	61.6

Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R519.1 million, or 61.6 per cent of the adjusted revenue estimate of R842.7 million for the year. In comparison, mid-year revenue in 2015/16 was R301.5 million, or 36.8 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 increased by R217.7 million, or 72.2 per cent. This was mainly due to the increase in tariffs for the rental of state owned property and an increase in the disposal of redundant equipment.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2016/17						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
Administration									
Households									
Social benefits									
Current	17 738	-	-	-	-	270	270	18 008	
Employee social benefits	17 738	-	-	-	-	270	270	18 008	
Landward Defence									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	2 379 046	-	-	(210 000)	-	66 720	(143 280)	2 235 766	
Special defence account	2 379 046	-	-	(210 000)	-	66 720	(143 280)	2 235 766	
Air Defence									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	1 256 583	-	-	(95 973)	-	-	(95 973)	1 160 610	
Special defence account	1 256 583	-	-	(95 973)	-	-	(95 973)	1 160 610	
Military Health Support									
Households									
Social benefits									
Current	5 612	-	-	-	-	(270)	(270)	5 342	
Employee social benefits	5 612	-	-	-	-	(270)	(270)	5 342	

