

Vote 19

Defence and Military Veterans

Adjusted budget summary

R thousand	2019/20			Adjusted appropriation
	Appropriation	Adjustments appropriation		
		Decrease	Increase	
Amount to be appropriated	50 512 992	(1 575)	376 715	50 888 132
<i>of which:</i>				
Current payments	42 127 863	(1 575)	–	42 126 288
Transfers and subsidies	7 622 351	–	375 140	7 997 491
Payments for capital assets	762 778	–	–	762 778
Payments for financial assets	–	–	1 575	1 575
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

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	44	44	–
Total number of military skills development members in the system	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	3 510	3 295	–
Number of reserve force man days	Administration	Outcome 3: All people in South Africa are and feel safe	2 693 048	1 346 886	–
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	1	0	–
Number of landward subunits deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	15	15	–
Number of hours flown per year	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	17 200	8 943	–
Number of hours at sea per year	Maritime Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	10 000	4 028	–

Mid-year progress

In the first half of 2019/20, all defence attaché offices were operational. Although most of the annual target for the number of military skills development members in the system has been achieved, the remainder is expected to be achieved in the fourth quarter of 2019/20, as this is when new intakes occur. The joint interdepartmental, interagency and multinational military exercise is planned to be executed during the fourth quarter of 2019/20. By mid-year, 4 028 hours were spent at sea against a target of 10 000 hours for the year. This target is typically achieved in the fourth quarter.

Adjusted estimates

Programme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Administration	6 187 144	–	–	–	(10 000)	–	(10 000)	6 177 144
Force Employment	3 620 718	–	–	–	–	–	–	3 620 718
Landward Defence	16 464 299	–	–	–	–	62 703	62 703	16 527 002
Air Defence	6 977 747	–	–	–	–	1 828	1 828	6 979 575
Maritime Defence	4 517 878	–	–	–	–	320 609	320 609	4 838 487
Military Health Support	5 375 266	–	–	–	–	–	–	5 375 266
Defence Intelligence	1 020 469	–	–	–	–	–	–	1 020 469
General Support	6 349 471	–	–	–	–	–	–	6 349 471
Total	50 512 992	–	–	–	(10 000)	385 140	375 140	50 888 132
Economic classification								
Current payments	42 127 863	–	(1 575)	–	–	–	(1 575)	42 126 288
Compensation of employees	29 193 710	–	–	–	–	–	–	29 193 710
Goods and services	12 934 153	–	(1 575)	–	–	–	(1 575)	12 932 578
Transfers and subsidies	7 622 351	–	–	–	(10 000)	385 140	375 140	7 997 491
Provinces and municipalities	939	–	–	–	–	–	–	939
Departmental agencies and accounts	5 977 039	–	–	–	(10 000)	385 140	375 140	6 352 179
Public corporations and private enterprises	1 467 968	–	–	–	–	–	–	1 467 968
Non-profit institutions	9 744	–	–	–	–	–	–	9 744
Households	166 661	–	–	–	–	–	–	166 661
Payments for capital assets	762 778	–	–	–	–	–	–	762 778
Buildings and other fixed structures	351 300	–	–	–	–	–	–	351 300
Machinery and equipment	262 765	–	–	–	–	–	–	262 765
Specialised military assets	1 794	–	–	–	–	–	–	1 794
Software and other intangible assets	146 919	–	–	–	–	–	–	146 919
Payments for financial assets	–	–	1 575	–	–	–	1 575	1 575
Total	50 512 992	–	–	–	(10 000)	385 140	375 140	50 888 132

Programme 1: Administration

Subprogramme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Ministry	137 685	–	131	–	–	–	131	137 816
Departmental Direction	51 852	–	–	–	–	–	–	51 852
Policy and Planning	123 646	–	(230)	–	–	–	(230)	123 416
Financial Services	435 561	–	20	–	–	–	20	435 581
Human Resources Support Services	958 728	–	49	–	–	–	49	958 777
Legal Services	364 139	–	13	–	–	–	13	364 152
Inspection and Audit Services	154 563	–	–	–	–	–	–	154 563
Acquisition Services	89 780	–	–	–	–	–	–	89 780
Communication Services	129 878	–	–	–	–	–	–	129 878
South African National Defence	185 764	–	17	–	–	–	17	185 781
Force Command and Control								
Religious Services	20 059	–	–	–	–	–	–	20 059
Defence Reserve Direction	34 995	–	–	–	–	–	–	34 995
Defence Foreign Relations	303 270	–	–	–	–	–	–	303 270
Office Accommodation	2 534 671	–	–	–	–	–	–	2 534 671
Military Veterans Management	662 553	–	–	–	(10 000)	–	(10 000)	652 553
Total	6 187 144	–	–	–	(10 000)	–	(10 000)	6 177 144

Programme 1: Administration (continued)

Economic classification		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Current payments	5 441 510	–	(230)	–	–	–	(230)	5 441 280
Compensation of employees	2 150 197	–	–	–	–	–	–	2 150 197
Goods and services	3 291 313	–	(230)	–	–	–	(230)	3 291 083
Transfers and subsidies	723 332	–	–	–	(10 000)	–	(10 000)	713 332
Provinces and municipalities	47	–	–	–	–	–	–	47
Departmental agencies and accounts	685 624	–	–	–	(10 000)	–	(10 000)	675 624
Non-profit institutions	8 742	–	–	–	–	–	–	8 742
Households	28 919	–	–	–	–	–	–	28 919
Payments for capital assets	22 302	–	–	–	–	–	–	22 302
Machinery and equipment	22 252	–	–	–	–	–	–	22 252
Software and other intangible assets	50	–	–	–	–	–	–	50
Payments for financial assets	–	–	230	–	–	–	230	230
Total	6 187 144	–	–	–	(10 000)	–	(10 000)	6 177 144

Programme 3: Landward Defence

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Strategic Direction	395 089	–	13	–	–	–	13	395 102
Infantry Capability	6 294 523	–	191	–	–	62 703	62 894	6 357 417
Armour Capability	497 013	–	–	–	–	–	–	497 013
Artillery Capability	718 494	–	41	–	–	–	41	718 535
Air Defence Artillery Capability	494 297	–	19	–	–	–	19	494 316
Engineering Capability	813 978	–	35	–	–	–	35	814 013
Operational Intelligence	246 412	–	–	–	–	–	–	246 412
Command and Control Capability	235 115	–	–	–	–	–	–	235 115
Support Capability	4 816 730	–	(330)	–	–	–	(330)	4 816 400
General Training Capability	544 553	–	–	–	–	–	–	544 553
Signal Capability	1 408 095	–	31	–	–	–	31	1 408 126
Total	16 464 299	–	–	–	–	62 703	62 703	16 527 002
Economic classification								
Current payments	14 486 069	–	(520)	–	–	–	(520)	14 485 549
Compensation of employees	12 251 710	–	–	–	–	–	–	12 251 710
Goods and services	2 234 359	–	(520)	–	–	–	(520)	2 233 839
Transfers and subsidies	1 945 662	–	–	–	–	62 703	62 703	2 008 365
Provinces and municipalities	4	–	–	–	–	–	–	4
Departmental agencies and accounts	1 872 972	–	–	–	–	62 703	62 703	1 935 675
Public corporations and private enterprises	21 670	–	–	–	–	–	–	21 670
Households	51 016	–	–	–	–	–	–	51 016
Payments for capital assets	32 568	–	–	–	–	–	–	32 568
Buildings and other fixed structures	2 533	–	–	–	–	–	–	2 533
Machinery and equipment	29 284	–	–	–	–	–	–	29 284
Specialised military assets	751	–	–	–	–	–	–	751
Payments for financial assets	–	–	520	–	–	–	520	520
Total	16 464 299	–	–	–	–	62 703	62 703	16 527 002

Programme 4: Air Defence

Subprogramme		2019/20						Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Strategic Direction	31 986	–	–	–	–	–	–	31 986
Operational Direction	189 045	–	–	–	–	–	–	189 045
Helicopter Capability	700 486	–	14	–	–	1 828	1 842	702 328
Transport and Maritime Capability	1 156 031	–	12	–	–	–	12	1 156 043
Air Combat Capability	726 699	–	–	–	–	–	–	726 699
Operational Support and Intelligence Capability	370 087	–	–	–	–	–	–	370 087
Command and Control Capability	876 590	–	18	–	–	–	18	876 608
Base Support Capability	1 763 885	–	(107)	–	–	–	(107)	1 763 778
Command Post	73 673	–	–	–	–	–	–	73 673
Training Capability	509 015	–	54	–	–	–	54	509 069
Technical Support Services	580 250	–	9	–	–	–	9	580 259
Total	6 977 747	–	–	–	–	1 828	1 828	6 979 575
Economic classification								
Current payments	5 657 170	–	(142)	–	–	–	(142)	5 657 028
Compensation of employees	3 678 900	–	–	–	–	–	–	3 678 900
Goods and services	1 978 270	–	(142)	–	–	–	(142)	1 978 128
Transfers and subsidies	1 294 490	–	–	–	–	1 828	1 828	1 296 318
Provinces and municipalities	3	–	–	–	–	–	–	3
Departmental agencies and accounts	1 255 085	–	–	–	–	1 828	1 828	1 256 913
Households	39 402	–	–	–	–	–	–	39 402
Payments for capital assets	26 087	–	–	–	–	–	–	26 087
Machinery and equipment	26 087	–	–	–	–	–	–	26 087
Payments for financial assets	–	–	142	–	–	–	142	142
Total	6 977 747	–	–	–	–	1 828	1 828	6 979 575

Programme 5: Maritime Defence

Subprogramme		2019/20						Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Maritime Direction	594 935	–	13	–	–	–	13	594 948
Maritime Combat Capability	1 449 546	–	–	–	–	320 609	320 609	1 770 155
Maritime Logistic Support Capability	1 184 276	–	(58)	–	–	–	(58)	1 184 218
Maritime Human Resources and Training Capability	570 067	–	16	–	–	–	16	570 083
Base Support Capability	719 054	–	29	–	–	–	29	719 083
Total	4 517 878	–	–	–	–	320 609	320 609	4 838 487
Economic classification								
Current payments	3 333 110	–	(58)	–	–	–	(58)	3 333 052
Compensation of employees	2 486 879	–	–	–	–	–	–	2 486 879
Goods and services	846 231	–	(58)	–	–	–	(58)	846 173
Transfers and subsidies	1 174 060	–	–	–	–	320 609	320 609	1 494 669
Departmental agencies and accounts	866 609	–	–	–	–	320 609	320 609	1 187 218
Public corporations and private enterprises	298 437	–	–	–	–	–	–	298 437
Households	9 014	–	–	–	–	–	–	9 014
Payments for capital assets	10 708	–	–	–	–	–	–	10 708
Machinery and equipment	9 978	–	–	–	–	–	–	9 978
Software and other intangible assets	730	–	–	–	–	–	–	730
Payments for financial assets	–	–	58	–	–	–	58	58
Total	4 517 878	–	–	–	–	320 609	320 609	4 838 487

Programme 6: Military Health Support

Subprogramme		2019/20							Adjusted appropriation
		Adjustments appropriation						Total adjustments appropriation	
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments			
Strategic Direction	206 652	–	–	–	–	–	–	206 652	
Mobile Military Health Support	260 527	–	–	–	–	–	–	260 527	
Area Military Health Service	1 956 339	–	(223)	–	–	–	(223)	1 956 116	
Specialist/Tertiary Health Service	2 049 235	–	172	–	–	–	172	2 049 407	
Military Health Product Support Capability	302 508	–	–	–	–	–	–	302 508	
Military Health Maintenance Capability	221 370	–	14	–	–	–	14	221 384	
Military Health Training Capability	378 635	–	37	–	–	–	37	378 672	
Total	5 375 266	–	–	–	–	–	–	5 375 266	
Economic classification									
Current payments	5 250 141	–	(493)	–	–	–	(493)	5 249 648	
Compensation of employees	3 754 500	–	–	–	–	–	–	3 754 500	
Goods and services	1 495 641	–	(493)	–	–	–	(493)	1 495 148	
Transfers and subsidies	77 519	–	–	–	–	–	–	77 519	
Provinces and municipalities	824	–	–	–	–	–	–	824	
Departmental agencies and accounts	62 721	–	–	–	–	–	–	62 721	
Non-profit institutions	1 002	–	–	–	–	–	–	1 002	
Households	12 972	–	–	–	–	–	–	12 972	
Payments for capital assets	47 606	–	–	–	–	–	–	47 606	
Machinery and equipment	47 606	–	–	–	–	–	–	47 606	
Payments for financial assets	–	–	493	–	–	–	493	493	
Total	5 375 266	–	–	–	–	–	–	5 375 266	

Programme 8: General Support

Subprogramme		2019/20							Adjusted appropriation
		Adjustments appropriation						Total adjustments appropriation	
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments			
Joint Logistic Services	2 905 512	–	13	–	–	–	13	2 905 525	
Command and Management Information Systems	1 047 971	–	–	–	–	–	–	1 047 971	
Military Police	704 537	–	59	–	–	–	59	704 596	
Technology Development	487 700	–	–	–	–	–	–	487 700	
Departmental Support	1 203 751	–	(72)	–	–	–	(72)	1 203 679	
Total	6 349 471	–	–	–	–	–	–	6 349 471	
Economic classification									
Current payments	4 140 557	–	(132)	–	–	–	(132)	4 140 425	
Compensation of employees	2 323 157	–	–	–	–	–	–	2 323 157	
Goods and services	1 817 400	–	(132)	–	–	–	(132)	1 817 268	
Transfers and subsidies	1 625 613	–	–	–	–	–	–	1 625 613	
Provinces and municipalities	59	–	–	–	–	–	–	59	
Departmental agencies and accounts	473 104	–	–	–	–	–	–	473 104	
Public corporations and private enterprises	1 138 053	–	–	–	–	–	–	1 138 053	
Households	14 397	–	–	–	–	–	–	14 397	
Payments for capital assets	583 301	–	–	–	–	–	–	583 301	
Buildings and other fixed structures	347 741	–	–	–	–	–	–	347 741	
Machinery and equipment	89 421	–	–	–	–	–	–	89 421	
Software and other intangible assets	146 139	–	–	–	–	–	–	146 139	
Payments for financial assets	–	–	132	–	–	–	132	132	
Total	6 349 471	–	–	–	–	–	–	6 349 471	

Details of adjustments to the 2019 Estimates of National Expenditure

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		(230)	Programme 1		230
Goods and services	Reallocation of funds	(230)	Payments for financial assets	Irrecoverable debt, theft and losses	230
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(520)	Programme 3		520
Goods and services	Reallocation of funds	(520)	Payments for financial assets	Irrecoverable debt, theft and losses	520
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(142)	Programme 4		142
Goods and services	Reallocation of funds	(142)	Payments for financial assets	Irrecoverable debt, theft and losses	142
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 5		(58)	Programme 5		58
Goods and services	Reallocation of funds	(58)	Payments for financial assets	Irrecoverable debt, theft and losses	58
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 6		(493)	Programme 6		493
Goods and services	Reallocation of funds	(493)	Payments for financial assets	Irrecoverable debt, theft and losses	493
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 8		(132)	Programme 8		132
Goods and services	Reallocation of funds	(132)	Payments for financial assets	Irrecoverable debt, theft and losses	132
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(1 575)			1 575

Other adjustments – R385.140 million

Self-financing expenditure

Revenue of R385.140 million has been generated from reimbursements from the United Nations for South Africa's contribution to 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 to cover the operational costs related to the department's participation in the peacekeeping mission in

the Democratic Republic of the Congo, as well as one-off critical elements of the 2015 South African Defence Review. Of this amount, R62.703 million will go to the *Landward Defence* programme, R1.828 million will go to the *Air Defence* programme, and R320.609 million will go to the *Maritime Defence* programme.

Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Programme	2018/19					2019/20			
	Adjusted appropriation	Outcome		Apr 18 - Mar 19 appropriation	Apr 18 - Mar 19 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Actual expenditure	
Apr 18 - Sep 18		Apr 18 - Sep 18 % of adjusted appropriation	Apr 19 - Sep 19					Apr 19 - Sep 19 % of adjusted appropriation	
R thousand									
Administration	5 653 274	2 533 416	44.8	5 692 748	100.7	6 177 144	12.1	2 838 383	45.9
Force	3 375 584	1 399 131	41.4	3 168 678	93.9	3 620 718	7.1	1 572 412	43.4
Employment									
Landward Defence	16 271 221	7 837 395	48.2	16 427 499	101.0	16 527 002	32.5	8 445 516	51.1
Air Defence	6 650 779	2 803 710	42.2	6 257 443	94.1	6 979 575	13.7	3 300 347	47.3
Maritime Defence	4 699 355	2 009 584	42.8	4 503 930	95.8	4 838 487	9.5	2 034 646	42.1
Military Health Support	4 714 062	2 426 843	51.5	5 090 591	108.0	5 375 266	10.6	2 581 885	48.0
Defence Intelligence	950 364	474 525	49.9	938 173	98.7	1 020 469	2.0	477 610	46.8
General Support	6 181 596	2 672 663	43.2	6 413 011	103.7	6 349 471	12.5	3 023 479	47.6
Total	48 496 235	22 157 267	45.7	48 492 073	100.0	50 888 132	100.0	24 274 278	47.7
Economic classification									
Current payments	39 265 532	18 335 673	46.7	40 382 766	102.8	42 126 288	82.8	20 405 151	48.4
Compensation of employees	27 116 696	13 931 748	51.4	30 011 960	110.7	29 193 710	57.4	15 672 381	53.7
Goods and services	12 148 836	4 403 925	36.2	10 370 806	85.4	12 932 578	25.4	4 732 770	36.6
Transfers and subsidies	8 160 861	3 288 784	40.3	6 655 008	81.5	7 997 491	15.7	3 392 082	42.4
Provinces and municipalities	1 542	53	3.4	135	8.8	939	0.0	407	43.3
Departmental agencies and accounts	6 557 851	2 457 951	37.5	4 923 769	75.1	6 352 179	12.5	2 589 644	40.8
Public corporations and private enterprises	1 422 725	698 006	49.1	1 423 359	100.0	1 467 968	2.9	721 171	49.1
Non-profit institutions	9 324	4 163	44.6	9 073	97.3	9 744	0.0	4 371	44.9
Households	169 419	128 611	75.9	298 672	176.3	166 661	0.3	76 489	45.9
Payments for capital assets	1 069 842	530 483	49.6	1 442 941	134.9	762 778	1.5	474 474	62.2
Buildings and other fixed structures	529 694	195 856	37.0	614 850	116.1	351 300	0.7	255 505	72.7
Machinery and equipment	314 803	173 006	55.0	573 231	182.1	262 765	0.5	76 411	29.1
Specialised military assets	2 758	1 736	62.9	27	1.0	1 794	0.0	–	–
Biological assets	–	70	–	380	–	–	–	–	–
Software and other intangible assets	222 587	159 815	71.8	254 453	114.3	146 919	0.3	142 558	97.0
Payments for financial assets	–	2 327	–	11 358	–	1 575	0.0	2 571	163.2
Total	48 496 235	22 157 267	45.7	48 492 073	100.0	50 888 132	100.0	24 274 278	47.7

Expenditure trends for the first half of 2019/20

Total expenditure in 2018/19 was R48.5 billion, 100 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2018/19 was R22.2 billion, 45.7 per cent of the 2018/19 adjusted appropriation, whereas expenditure in the first half of 2019/20 was R24.3 billion, 47.7 per cent of the adjusted appropriation of R50.9 billion for the year. Compared to the first half of 2018/19, expenditure over the same period in 2019/20 increased by R2.1 billion, 9.6 per cent. This was mainly due to increased spending on compensation of employees.

Departmental receipts

R thousand	2018/19					2019/20				
	Adjusted estimate	Outcome			Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts		
		Apr 18 - Sep 18	adjusted estimate	% of				Apr 18 - Mar 19	adjusted estimate	% of
Departmental receipts	1 085 741	327 790	30.2	814 391	75.0	1 145 273	1 145 250	100.0	320 602	28.0
Sales of goods and services produced by department	413 958	172 211	41.6	366 268	88.5	436 547	436 547	38.1	185 108	42.4
Sales of scrap, waste, arms and other used current goods	1 419	764	53.8	1 334	94.0	1 497	1 497	0.1	311	20.8
Transfers received	568 563	104 836	18.4	320 609	56.4	599 833	599 810	52.4	116 394	19.4
Fines, penalties and forfeits	2 210	1 214	54.9	2 227	100.8	1 274	1 274	0.1	1 009	79.2
Interest, dividends and rent on land	3 938	2 484	63.1	4 622	117.4	4 154	4 154	0.4	2 463	59.3
Sales of capital assets	27 394	11 769	43.0	18 924	69.1	28 901	28 901	2.5	–	–
Transactions in financial assets and liabilities	68 259	34 512	50.6	100 407	147.1	73 067	73 067	6.4	15 317	21.0
Total	1 085 741	327 790	30.2	814 391	75.0	1 145 273	1 145 250	100.0	320 602	28.0

Revenue trends for the first half of 2019/20

Mid-year revenue in 2018/19 was R327.8 million, 30.2 per cent of the 2018/19 adjusted estimate, whereas revenue in the first half of 2019/20 was R320.6 million, 28 per cent of the adjusted estimate of R1.1 billion for the year. Compared to the first half of 2018/19, revenue over the same period in 2019/20 decreased by R7.2 million, 2.2 per cent. This was mainly due to a decrease in revenue from the Armaments Corporation of South Africa regarding income from penalties charged to suppliers.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Appropriation	2019/20						Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Administration								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	662 553	–	–	–	–	(10 000)	(10 000)	652 553
Department of Military Veterans	662 553	–	–	–	–	(10 000)	(10 000)	652 553
Landward Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	1 872 967	–	–	–	–	62 703	62 703	1 935 670
Special defence account	1 872 967	–	–	–	–	62 703	62 703	1 935 670

Summary of changes to transfers and subsidies per programme (continued)

		2019/20						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Air Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	1 255 084	–	–	–	–	1 828	1 828	1 256 912
Special defence account	1 255 084	–	–	–	–	1 828	1 828	1 256 912
Maritime Defence								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	866 609	–	–	–	–	320 609	320 609	1 187 218
Special defence account	866 609	–	–	–	–	320 609	320 609	1 187 218

Other department within the vote

Military Veterans

Adjusted budget summary

		2019/20			
		Appropriation	Adjustments appropriation		Adjusted appropriation
R thousand			Decrease	Increase	
Amount to be appropriated		662 553	(10 000)	–	652 553
<i>of which:</i>					
Current payments		393 061	(1 594)	–	391 467
Transfers and subsidies		247 280	(6 544)	–	240 736
Payments for capital assets		22 212	(1 862)	–	20 350
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

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Total number of military veterans with access to health care services	Socioeconomic Support	Outcome 2: A long and healthy life for all South Africans	18 000	17 691	–
Number of military veterans provided with newly built houses per year	Socioeconomic Support	Outcome 8: Sustainable human settlements and improved quality of household life	400	65	–
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	3	0	–
Number of bursaries provided to military veterans and their dependants	Socioeconomic Support	Outcome 1: Quality basic education	7 466	4 547	–

Mid-year progress

In the first half of 2019/20, 17 691 beneficiaries were provided with health care services against a target of 18 000 for the year. This overachievement was due to the service being demand-driven. By mid-year, 65 newly built houses were provided to military veterans against a target of 400 for the year. This underperformance was mainly due to the department's dependence on other departments for the delivery of houses. The department will expedite the implementation of service-level agreements with the provincial departments of human settlements in KwaZulu-Natal, Limpopo, Mpumalanga and North West.

Although the department did not erect any memorial site for military veterans in the first half of 2019/20, this activity is planned to be executed during the fourth quarter of 2019/20 and the department expects to achieve the target by the end of the financial year.

Adjusted estimates

Programme		2019/20						Adjusted appropriation
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Administration	136 054	–	5 000	–	–	–	5 000	141 054
Socioeconomic Support	356 751	–	8 600	–	–	–	8 600	365 351
Empowerment and Stakeholder Management	169 748	–	(13 600)	–	(10 000)	–	(23 600)	146 148
Total	662 553	–	–	–	(10 000)	–	(10 000)	652 553
Economic classification								
Current payments	393 061	–	8 406	–	(10 000)	–	(1 594)	391 467
Compensation of employees	131 549	–	–	–	–	–	–	131 549
Goods and services	261 512	–	8 406	–	(10 000)	–	(1 594)	259 918
Transfers and subsidies	247 280	–	(6 544)	–	–	–	(6 544)	240 736
Households	247 280	–	(6 544)	–	–	–	(6 544)	240 736
Payments for capital assets	22 212	–	(1 862)	–	–	–	(1 862)	20 350
Buildings and other fixed structures	–	–	2 000	–	–	–	2 000	2 000
Machinery and equipment	16 092	–	(3 862)	–	–	–	(3 862)	12 230
Heritage assets	5 000	–	–	–	–	–	–	5 000
Software and other intangible assets	1 120	–	–	–	–	–	–	1 120
Total	662 553	–	–	–	(10 000)	–	(10 000)	652 553

Programme 1: Administration

Subprogramme		2019/20						Adjusted appropriation
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Management	7 106	–	5 000	–	–	–	5 000	12 106
Corporate Services	58 764	–	7 448	–	–	–	7 448	66 212
Financial Administration	17 156	–	(2 614)	–	–	–	(2 614)	14 542
Internal Audit	10 878	–	(14)	–	–	–	(14)	10 864
Strategic Planning, Policy Development and Monitoring and Evaluation	20 584	–	(674)	–	–	–	(674)	19 910
Office Accommodation	21 566	–	(4 146)	–	–	–	(4 146)	17 420
Total	136 054	–	5 000	–	–	–	5 000	141 054
Economic classification								
Current payments	126 296	–	6 882	–	–	–	6 882	133 178
Compensation of employees	47 043	–	–	–	–	–	–	47 043
Goods and services	79 253	–	6 882	–	–	–	6 882	86 135
Payments for capital assets	9 758	–	(1 882)	–	–	–	(1 882)	7 876
Buildings and other fixed structures	–	–	2 000	–	–	–	2 000	2 000
Machinery and equipment	9 258	–	(3 882)	–	–	–	(3 882)	5 376
Software and other intangible assets	500	–	–	–	–	–	–	500
Total	136 054	–	5 000	–	–	–	5 000	141 054

Programme 2: Socioeconomic Support

Subprogramme		2019/20						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Database and Benefits Management	14 685	–	–	–	–	–	–	14 685
Health Care and Wellbeing Support	87 495	–	8 600	–	–	–	8 600	96 095
Socio Economic Support Management	254 571	–	–	–	–	–	–	254 571
Total	356 751	–	8 600	–	–	–	8 600	365 351
Economic classification								
Current payments	110 733	–	19 139	–	–	–	19 139	129 872
Compensation of employees	43 686	–	–	–	–	–	–	43 686
Goods and services	67 047	–	19 139	–	–	–	19 139	86 186
Transfers and subsidies	243 037	–	(10 559)	–	–	–	(10 559)	232 478
Households	243 037	–	(10 559)	–	–	–	(10 559)	232 478
Payments for capital assets	2 981	–	20	–	–	–	20	3 001
Machinery and equipment	2 361	–	20	–	–	–	20	2 381
Software and other intangible assets	620	–	–	–	–	–	–	620
Total	356 751	–	8 600	–	–	–	8 600	365 351

Programme 3: Empowerment and Stakeholder Management

Subprogramme		2019/20						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Provincial Offices and Stakeholder Relations	63 376	–	–	–	–	–	–	63 376
Empowerment and Skills Development	80 710	–	(21 670)	–	(10 000)	–	(31 670)	49 040
Heritage, Memorials, Burials and Honours	25 662	–	8 070	–	–	–	8 070	33 732
Total	169 748	–	(13 600)	–	(10 000)	–	(23 600)	146 148
Economic classification								
Current payments	156 032	–	(17 615)	–	(10 000)	–	(27 615)	128 417
Compensation of employees	40 820	–	–	–	–	–	–	40 820
Goods and services	115 212	–	(17 615)	–	(10 000)	–	(27 615)	87 597
Transfers and subsidies	4 243	–	4 015	–	–	–	4 015	8 258
Households	4 243	–	4 015	–	–	–	4 015	8 258
Payments for capital assets	9 473	–	–	–	–	–	–	9 473
Machinery and equipment	4 473	–	–	–	–	–	–	4 473
Heritage assets	5 000	–	–	–	–	–	–	5 000
Total	169 748	–	(13 600)	–	(10 000)	–	(23 600)	146 148

Details of adjustments to the 2019 Estimates of National Expenditure

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 1		(4 718)	Programme 1		4 718
Goods and services	Reallocation of funds incorrectly allocated in the 2019 ENE	(418)	Machinery and equipment	Procurement of machinery and equipment	418
Machinery and equipment	Reallocation of funds incorrectly allocated in the 2019 ENE ¹	(2 300)	Goods and services	Computer services	2 300
	Reallocation of funds incorrectly allocated in the 2019 ENE	(2 000)	Buildings and other fixed structures	Procurement of infrastructure	2 000
Shifts within the programme as a percentage of the programme budget		3.5%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(10 759)	Programme 2		10 759
Goods and services	Reallocation of funds incorrectly allocated in the 2019 ENE	(110)	Machinery and equipment	Procurement of machinery and equipment	110
Machinery and equipment	Reallocation of funds incorrectly allocated in the 2019 ENE ¹	(90)	Goods and services	Procurement of goods and services	90
Households	Reallocation of funds incorrectly allocated in the 2019 ENE	(10 559)	Goods and services	Health care support	10 559
Shifts within the programme as a percentage of the programme budget		3.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(17 615)	Programme 1		5 000
Goods and services	Reallocation of funds incorrectly allocated in the 2019 ENE	(5 000)	Goods and services	Procurement of goods and services	5 000
	Reallocation of funds incorrectly allocated in the 2019 ENE	(8 600)	Programme 2		8 600
	Reallocation of funds incorrectly allocated in the 2019 ENE	(4 015)	Goods and services	Health care support	8 600
			Programme 3		4 015
			Households	Burial support benefit	4 015
Shifts within the programme as a percentage of the programme budget		2.4%			
Virements to other programmes as a percentage of the programme budget		8.0%			
Total		(33 092)			33 092

1. Only the legislature may approve this virement.

Declared unspent funds – R10 million

Programme 3: Empowerment and Stakeholder Management

R10 million in unspent funds has been declared on goods and services due to slow spending.

Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Programme	2018/19					2019/20			
	Adjusted appropriation	Outcome			Adjusted appropriation	Adjusted appropriation/ Total (%)	Actual expenditure		
		Apr 18 - Sep 18	% of adjusted appropriation	Apr 18 - Mar 19			% of adjusted appropriation	Apr 19 - Sep 19	% of adjusted appropriation
R thousand									
Administration	140 585	65 898	46.9	138 071	98.2	141 054	21.6	66 044	46.8
Socioeconomic Support	336 772	122 693	36.4	334 660	99.4	365 351	56.0	85 322	23.4
Empowerment and Stakeholder Management	149 730	36 054	24.1	69 246	46.2	146 148	22.4	34 908	23.9
Total	627 087	224 645	35.8	541 977	86.4	652 553	100.0	186 274	28.5
Economic classification									
Current payments	438 232	147 791	33.7	336 352	76.8	391 467	60.0	131 133	33.5
Compensation of employees	122 257	60 385	49.4	123 788	101.3	131 549	20.2	65 303	49.6
Goods and services	315 974	87 405	27.7	212 564	67.3	259 918	39.8	65 830	25.3
Interest and rent on land	1	1	100.0	–	–	–	–	–	–
Transfers and subsidies	185 874	75 743	40.7	203 066	109.2	240 736	36.9	54 906	22.8
Households	185 874	75 743	40.7	203 066	109.2	240 736	36.9	54 906	22.8
Payments for capital assets	2 961	1 111	37.5	2 539	85.7	20 350	3.1	235	1.2
Buildings and other fixed structures	–	–	–	–	–	2 000	0.3	–	–
Machinery and equipment	2 961	1 111	37.5	2 539	85.7	12 230	1.9	235	1.9
Heritage assets	–	–	–	–	–	5 000	0.8	–	–
Software and other intangible assets	–	–	–	–	–	1 120	0.2	–	–
Payments for financial assets	20	–	–	20	100.0	–	–	–	–
Total	627 087	224 645	35.8	541 977	86.4	652 553	100.0	186 274	28.5

Expenditure trends for the first half of 2019/20

Total expenditure in 2018/19 was R542 million, 86.4 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2018/19 was R224.6 million, 35.8 per cent of the 2018/19 adjusted appropriation, whereas expenditure in the first half of 2019/20 was R186.3 million, 28.5 per cent of the adjusted appropriation of R652.6 million for the year. Compared to the first half of 2018/19, expenditure over the same period in 2019/20 decreased by R38.4 million, 17.1 per cent. This was mainly due to lower than expected spending on skills development and housing benefits.

Departmental receipts

R thousand	2018/19					2019/20				
	Adjusted estimate	Outcome			Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts		
		Apr 18 - Sep 18	% of adjusted estimate	Apr 18 - Mar 19				% of adjusted estimate	Apr 19 - Sep 19	% of adjusted estimate
Departmental receipts	62	21	33.9	53	85.5	86	334	100.0	300	89.8
Sales of goods and services produced by department	32	17	53.1	36	112.5	34	34	10.2	18	52.9
Transactions in financial assets and liabilities	30	4	13.3	17	56.7	52	300	89.8	282	94.0
Total	62	21	33.9	53	85.5	86	334	100.0	300	89.8

Revenue trends for the first half of 2019/20

Mid-year revenue in 2018/19 was R21 000, 33.9 per cent of the 2018/19 adjusted estimate, whereas revenue in the first half of 2019/20 was R300 000, 89.8 per cent of the adjusted estimate for the year. Compared to the first half of 2018/19, revenue over the same period in 2019/20 increased by R279 000, 1 328.6 per cent. This was mainly due to the department having recovered revenue from damaged goods.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Appropriation	2019/20					Adjusted appropriation	
		Adjustments appropriation						
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		Total adjustments appropriation
Socioeconomic Support								
Households								
Social benefits								
Current	51 066	–	(10 559)	–	–	–	(10 559)	40 507
Military veterans/dependants	51 066	–	(10 559)	–	–	–	(10 559)	40 507
Empowerment and Stakeholder Management								
Households								
Social benefits								
Current	4 243	–	4 015	–	–	–	4 015	8 258
Military veterans/dependants	4 243	–	4 015	–	–	–	4 015	8 258