

Vote 19

Defence and Military Veterans

Adjusted budget summary

| 2019/20 | | | | |
|----------------------------------|---|---------------------------|----------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | Adjusted appropriation |
| | | Decrease | Increase | |
| Amount to be appropriated | 50 512 992 | (1 575) | 376 715 | 50 888 132 |
| of which: | | | | |
| 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 | | 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 | | | | | |
|---|-------------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation |
| Administration | 6 187 144 | – | – | – | (10 000) | – | (10 000) |
| Force Employment | 3 620 718 | – | – | – | – | – | – |
| Landward Defence | 16 464 299 | – | – | – | – | 62 703 | 62 703 |
| Air Defence | 6 977 747 | – | – | – | – | 1 828 | 1 828 |
| Maritime Defence | 4 517 878 | – | – | – | – | 320 609 | 320 609 |
| Military Health Support | 5 375 266 | – | – | – | – | – | – |
| Defence Intelligence | 1 020 469 | – | – | – | – | – | – |
| General Support | 6 349 471 | – | – | – | – | – | – |
| Total | 50 512 992 | – | – | – | (10 000) | 385 140 | 375 140 |
| Economic classification | | | | | | | |
| Current payments | 42 127 863 | – | (1 575) | – | – | – | (1 575) |
| Compensation of employees | 29 193 710 | – | – | – | – | – | – |
| Goods and services | 12 934 153 | – | (1 575) | – | – | – | (1 575) |
| Transfers and subsidies | 7 622 351 | – | – | – | (10 000) | 385 140 | 375 140 |
| Provinces and municipalities | 939 | – | – | – | – | – | – |
| Departmental agencies and accounts | 5 977 039 | – | – | – | (10 000) | 385 140 | 375 140 |
| Public corporations and private enterprises | 1 467 968 | – | – | – | – | – | – |
| Non-profit institutions | 9 744 | – | – | – | – | – | – |
| Households | 166 661 | – | – | – | – | – | – |
| Payments for capital assets | 762 778 | – | – | – | – | – | – |
| Buildings and other fixed structures | 351 300 | – | – | – | – | – | – |
| Machinery and equipment | 262 765 | – | – | – | – | – | – |
| Specialised military assets | 1 794 | – | – | – | – | – | – |
| Software and other intangible assets | 146 919 | – | – | – | – | – | – |
| Payments for financial assets | – | – | 1 575 | – | – | – | 1 575 |
| Total | 50 512 992 | – | – | – | (10 000) | 385 140 | 375 140 |

Programme 1: Administration

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

Programme 1: Administration (continued)

| Economic classification | | 2019/20 | | | | | | |
|--------------------------------------|------------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation | |
| 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 | | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation | |
| 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 | | | | | | |
|--|------------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation | |
| 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 | | | | | | |
|---|------------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation | |
| 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 | | Apr 18 - Mar 19 | adjusted estimate | Budget estimate | Adjusted estimate | Adjusted receipts estimate/ Total (%) | Actual receipts | |
| | | Apr 18 - Sep 18 | % of adjusted estimate | | | | | | Apr 19 - Sep 19 | % of adjusted estimate |
| 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

| 2019/20 | | | | | | | | |
|--|------------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation | |
| 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 | | | | | | | | |
|---|---------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted 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 | | |
|-----------------------------|---|---------------------------|----------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | Adjusted appropriation |
| | | Decrease | Increase | |
| Amount to be appropriated | 662 553 | (10 000) | – | 652 553 |
| of which: | | | | |
| 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 |
|--|----------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| | | Adjustments appropriation | | | | | Total adjustments appropriation | |
| R thousand | 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 |
|--|----------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| | | Adjustments appropriation | | | | | Total adjustments appropriation | |
| R thousand | 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 | | | | | | |
|--------------------------------------|----------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation | |
| 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 | | | | | | |
|--|----------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| R thousand | Appropriation | Adjustments appropriation | | | | | | Adjusted appropriation |
| | | Roll-overs | Virements and shifts | Shifts between votes | Declared unspent funds | Other adjustments | Total adjustments appropriation | |
| 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 |
| | | | Goods and services | Health care support | 8 600 |
| | Reallocation of funds incorrectly allocated in the 2019 ENE | (4 015) | 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 | | Apr 18 - Sep 18 | | Apr 18 - Mar 19 | | | | Apr 19 - Sep 19 | |
| 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

| Summary of changes to transfers and subsidies per programme | | | | | | | | |
|---|---------------|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------------------------|------------------------|
| 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 | | |
| 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 |