

Defence

Budget summary

	2025/26				2026/27	2027/28
	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total	Total
R million						
MTEF allocation						
Administration	5 733.0	71.8	35.1	5 839.9	6 122.3	6 401.4
Force Employment	5 070.8	725.5	107.7	5 904.0	6 143.6	5 870.1
Landward Defence	17 109.1	533.6	21.7	17 664.4	18 355.4	19 266.3
Air Defence	5 883.9	910.5	76.3	6 870.7	7 196.1	7 536.5
Maritime Defence	3 661.5	995.2	21.6	4 678.3	4 985.8	5 204.4
Military Health Support	6 020.8	25.4	93.3	6 139.4	6 422.5	6 803.7
Defence Intelligence	856.1	325.0	3.1	1 184.2	1 240.4	1 292.5
General Support	5 735.5	1 473.6	450.7	7 659.9	8 051.8	8 287.2
Total expenditure estimates	50 070.6	5 060.4	809.6	55 940.7	58 517.9	60 662.2

Executive authority Minister of Defence and Military Veterans

Accounting officer Secretary for Defence

Website www.dod.mil.za

The Estimates of National Expenditure is available at www.treasury.gov.za. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.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.

Mandate

The Department of Defence derives its mandate from section 200 of the Constitution; the Defence Act (2002), as amended by the Defence Amendment Act (2010); the 1996 White Paper on Defence; and the 2015 South African Defence Review. The department is required to provide, manage, prepare and employ defence capabilities in line with South Africa's needs.

Selected performance indicators

Table 23.1 Performance indicators by programme and related outcome

Indicator	Programme	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Number of reserve force person days per year	Administration	Outcome 21: Effective border management and development in Africa and globally	3 237 118	2 818 497	3 257 162	1 997 872	1 997 872	1 997 872	1 999 877
Percentage compliance with the Southern African Development Community standby force pledge per year	Force Employment		100% (32)	88% (28/32)	79% (25.4/32)	100%	100%	100%	100%
Percentage compliance with number of external operations conducted per year	Force Employment		100% (2)	67% (2/3)	75% (2.3/3)	100%	100%	100%	100%
Percentage compliance with number of internal operations conducted per year	Force Employment		100% (4)	100% (4)	100 (4)	100%	100%	100%	100%
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment		1	4	1	2	3	3	3
Number of landward sub-units deployed on border safeguarding per year	Force Employment		15	15	15	15	15	15	15
Number of maritime coastal patrols conducted per year	Force Employment		4	2	3	4	4	4	4
Number of hours flown per year	Air Defence		15 216	12 059	6 904	12 000	12 000	12 000	12 000
Number of hours at sea per year	Maritime Defence		7 614	2 770	2 641	8 000	8 000	8 000	8 000

Expenditure overview

The department will continue to focus on protecting the country's people and territorial integrity over the medium term through internal and external operations. This includes safeguarding South Africa's borders and participating in regional peace support operations.

Expenditure is set to increase at an average annual rate of 3 per cent, from R55.5 billion in 2024/25 to R60.7 billion in 2027/28. As the department's work is labour intensive, an estimated 65.1 per cent (R115.1 billion) of its budget of R175.1 billion over the medium term is allocated to compensation of employees. However, the budget for compensation of employees remains constrained. To lessen the impact of this over the next 3 years, the department will continue to manage commuted overtime within the South African Military Health Service by ensuring that it does not exceed 30 per cent of each employee's total annual salary package and allow natural attrition to ensure that personnel numbers do not exceed 73 000. To further manage personnel costs over the next 2 years, the department will facilitate the participation of a targeted 4 000 eligible members of the South African National Defence Force in the government-wide early retirement programme, which allows retirement without penalties on pension benefits.

Over the next 3 years, R66.5 million is allocated to cover costs related to the 13 staff members overseeing Denel, which shifts from the abolished Department of Public Enterprises to the Department of Defence as part of the national macro organisation of government. A further R34.7 million is allocated to the department over the medium term to cover expenses associated with the appointment of an additional deputy minister of defence and military veterans.

Safeguarding South Africa's borders, territorial integrity and supporting the police

Border security remains a priority for the South African National Defence Force. Accordingly, over the MTEF period, the department plans to continue to deploy 15 landward sub-units to patrol 4 471km of South Africa's land borders with Botswana, eSwatini, Lesotho, Mozambique, Namibia and Zimbabwe.

The department will continue to prioritise the acquisition of vehicles and advanced technologies that serve as a force multiplier to enhance border protection and prevent illegal activities. It will also continue to support the South African Police Service to tackle internal security threats as they arise. These activities are carried out in the *Support to the People* subprogramme in the *Force Employment* programme, which has a budget of R4.1 billion over the period ahead. An additional R150 million is allocated in 2026/27 in the same subprogramme for the deployment of South African National Defence Force members to support the South African Police Service during the 2026 local government elections.

Participating in regional peace support operations

An additional allocation of R5 billion over the period ahead is expected to cover expenses related to South Africa's regional peacekeeping commitments in the Democratic Republic of the Congo through Operation Thiba. This spending is in the *Regional Security* subprogramme in the *Force Employment* programme.

Expenditure trends and estimates

Table 23.2 Vote expenditure trends by programme and economic classification¹

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											
Programme					Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Audited outcome			Adjusted appropriation							
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Programme 1	5 384.0	9 481.4	5 389.3	5 609.2	1.4%	11.7%	5 839.9	6 122.3	6 401.4	4.5%	10.4%
Programme 2	4 117.1	5 012.4	5 308.0	7 422.0	21.7%	9.9%	5 904.0	6 143.6	5 870.1	-7.5%	11.0%
Programme 3	16 372.1	17 732.0	18 902.5	16 995.2	1.3%	31.6%	17 664.4	18 355.4	19 266.3	4.3%	31.3%
Programme 4	5 881.2	6 763.5	7 770.4	6 695.1	4.4%	12.2%	6 870.7	7 196.1	7 536.5	4.0%	12.3%
Programme 5	4 133.4	4 662.6	4 377.3	4 443.8	2.4%	8.0%	4 678.3	4 985.8	5 204.4	5.4%	8.4%
Programme 6	5 525.7	5 979.6	6 032.3	5 816.6	1.7%	10.5%	6 139.4	6 422.5	6 803.7	5.4%	10.9%
Programme 7	778.3	1 114.0	1 183.9	1 128.4	13.2%	1.9%	1 184.2	1 240.4	1 292.5	4.6%	2.1%
Programme 8	6 601.0	7 261.3	6 898.2	7 396.4	3.9%	12.7%	7 659.9	8 051.8	8 287.2	3.9%	13.6%
Subtotal	48 792.8	58 006.9	55 861.9	55 506.6	4.4%	98.5%	55 940.7	58 517.9	60 662.2	3.0%	100.0%
Total	51 823.7	58 211.6	55 861.9	55 506.6	2.3%	100.0%	55 940.7	58 517.9	60 662.2	3.0%	100.0%
Change to 2024				–			2 165.1	2 280.5	1 881.8		
Budget estimate											
Economic classification											
Current payments	44 359.7	47 201.1	47 320.5	49 380.1	3.6%	85.0%	50 070.6	52 474.9	54 385.5	3.3%	89.5%
Compensation of employees	33 701.9	34 660.6	35 307.1	35 148.4	1.4%	62.7%	36 703.1	38 421.2	39 940.3	4.4%	65.1%
Goods and services ¹	10 657.9	12 540.4	12 013.4	14 231.6	10.1%	22.3%	13 367.5	14 053.7	14 445.2	0.5%	24.3%
of which:					0.0%	0.0%				0.0%	0.0%
Computer services	754.2	854.9	735.1	934.6	7.4%	1.5%	1 042.6	1 084.4	1 091.3	5.3%	1.8%
Contractors	1 215.4	1 377.1	1 180.3	1 872.2	15.5%	2.5%	1 619.5	1 758.9	1 785.7	-1.6%	3.1%
Inventory: Food and food supplies	1 413.5	1 537.8	1 644.8	1 645.4	5.2%	2.8%	1 598.1	1 697.9	1 640.6	-0.1%	2.9%
Operating leases	1 381.0	1 966.5	1 343.0	1 582.2	4.6%	2.8%	1 221.6	1 291.2	1 347.7	-5.2%	2.4%
Property payments	1 540.0	1 361.8	1 532.0	2 357.0	15.2%	3.1%	2 318.5	2 456.2	2 561.7	2.8%	4.2%
Travel and subsistence	1 071.9	1 452.9	1 970.2	1 044.9	-0.8%	2.5%	1 007.3	1 059.8	1 126.5	2.5%	1.8%
Transfers and subsidies ¹	3 401.2	5 786.0	7 451.4	5 315.2	16.0%	9.9%	5 060.4	5 236.3	5 392.0	0.5%	9.1%
Provinces and municipalities	0.2	0.2	0.2	0.2	12.6%	0.0%	0.2	0.2	0.3	2.4%	0.0%
Departmental agencies and accounts	1 666.0	2 800.2	3 605.3	3 658.2	30.0%	5.3%	2 877.8	2 988.8	3 088.1	-5.5%	5.5%
Foreign governments and international organisations	55.5	133.4	77.6	–	-100.0%	0.1%	487.0	455.0	421.0	0.0%	0.6%
Public corporations and private enterprises	1 480.1	1 478.9	1 446.7	1 400.4	-1.8%	2.6%	1 464.7	1 531.8	1 600.4	4.5%	2.6%
Non-profit institutions	7.8	3.4	4.7	11.9	15.5%	0.0%	11.0	11.4	11.9	-0.2%	0.0%
Households	191.7	1 370.0	2 316.9	244.4	8.4%	1.9%	219.8	249.1	270.3	3.4%	0.4%
Payments for capital assets	1 028.9	1 619.4	1 085.5	811.4	-7.6%	2.1%	809.6	806.7	884.7	2.9%	1.4%
Buildings and other fixed structures	416.1	748.3	494.2	393.8	-1.8%	0.9%	394.4	402.0	431.7	3.1%	0.7%
Machinery and equipment	562.9	582.2	560.6	395.1	-11.1%	0.9%	392.0	381.7	429.1	2.8%	0.7%
Heritage assets	–	212.9	–	–	0.0%	0.1%	–	–	–	0.0%	0.0%
Specialised military assets	–	–	5.3	21.0	0.0%	0.0%	20.6	21.9	22.8	2.8%	0.0%
Biological assets	0.3	–	0.6	0.0	-48.2%	0.0%	0.1	0.1	0.1	18.2%	0.0%
Software and other intangible assets	49.7	75.9	24.8	1.5	-68.6%	0.1%	2.5	0.9	1.1	-10.6%	0.0%
Payments for financial assets	3 033.9	3 605.1	4.5	–	-100.0%	3.0%	–	–	–	0.0%	0.0%
Total	51 823.7	58 211.6	55 861.9	55 506.6	2.3%	100.0%	55 940.7	58 517.9	60 662.2	3.0%	100.0%

1. Tables with expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.

Transfers and subsidies expenditure trends and estimates

Table 23.3 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
R thousand				2024/25	2021/22 - 2024/25					2024/25 - 2027/28	
Households											
Social benefits											
Current	167 661	1 357 290	2 312 197	244 401	13.4%	18.6%	219 785	249 068	270 346	3.4%	4.7%
Employee social benefits	167 661	1 357 290	2 312 197	244 401	13.4%	18.6%	219 785	249 068	270 346	3.4%	4.7%
Other transfers to households											
Current	23 997	12 664	4 727	–	-100.0%	0.2%	–	–	–	–	–
Claims against the state	23 997	12 664	4 727	–	-100.0%	0.2%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 665 991	2 800 160	3 605 308	3 658 159	30.0%	53.4%	2 877 755	2 988 765	3 088 137	-5.5%	60.0%
Safety and Security Sector	29 935	31 917	30 578	25 531	-5.2%	0.5%	29 801	31 177	31 138	6.8%	0.6%
Education and Training Authority											
Special defence account	1 630 556	2 762 243	3 568 730	3 626 628	30.5%	52.8%	2 842 954	2 953 588	3 052 999	-5.6%	59.4%
Castle Control Board	5 500	6 000	6 000	6 000	2.9%	0.1%	5 000	4 000	4 000	-12.6%	0.1%
Provinces and municipalities											
Municipal bank accounts											
Current	2	1	–	–	-100.0%	–	–	–	–	–	–
Vehicle licences	2	1	–	–	-100.0%	–	–	–	–	–	–
Provincial agencies and funds											
Current	167	164	151	241	13.0%	–	232	240	259	2.4%	–
Vehicle licences	167	164	151	241	13.0%	–	232	240	259	2.4%	–
Non-profit institutions											
Current	7 753	3 446	4 709	11 932	15.5%	0.1%	10 979	11 418	11 857	-0.2%	0.2%
Reserve Force Council	7 527	3 355	4 635	11 432	14.9%	0.1%	10 829	11 262	11 695	0.8%	0.2%
St John Ambulance Brigade	226	91	74	500	30.3%	–	150	156	162	-31.3%	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	1 480 055	1 478 501	1 446 251	1 399 984	-1.8%	26.4%	1 464 582	1 531 681	1 600 300	4.6%	28.5%
Armaments Corporation of South Africa	1 480 055	1 478 501	1 446 251	1 399 984	-1.8%	26.4%	1 464 582	1 531 681	1 600 300	4.6%	28.5%
Other transfers to private enterprises											
Current	–	283	103	–	–	–	–	–	–	–	–
Claims against the state	–	283	103	–	–	–	–	–	–	–	–
Other transfers to public corporations											
Current	76	102	296	463	82.6%	–	112	113	123	-35.7%	–
Claims against the state	63	67	–	–	-100.0%	–	–	–	–	–	–
Communication licences	13	35	296	463	229.0%	–	112	113	123	-35.7%	–
Foreign governments and international organisations											
Current	55 493	133 421	77 628	–	-100.0%	1.2%	487 000	455 000	421 000	–	6.5%
Southern African Development Community Secretariat	45 555	133 421	77 628	–	-100.0%	1.2%	487 000	455 000	421 000	–	6.5%
Foreign governments and international organisations	9 938	–	–	–	-100.0%	–	–	–	–	–	–
Total	3 401 195	5 786 032	7 451 370	5 315 180	16.0%	100.0%	5 060 445	5 236 285	5 392 022	0.5%	100.0%

Personnel information

Table 23.4 Vote personnel numbers and cost by salary level and programme¹

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																					
Number of posts estimated for 31 March 2025			Number and cost ² of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate													
		2023/24			2024/25			2025/26			2026/27			2027/28			2024/25 - 2027/28				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Defence			69 429	—	68 288	35 307.1	0.5	71 051	35 148.4	0.5	71 654	36 703.1	0.5	73 069	38 421.2	0.5	74 492	39 940.3	0.5	1.6%	100.0%
Salary level			69 429	—	68 288	35 307.1	0.5	71 051	35 148.4	0.5	71 654	36 703.1	0.5	73 069	38 421.2	0.5	74 492	39 940.3	0.5	1.6%	100.0%
1 – 6			41 763	—	42 135	12 435.1	0.3	43 021	13 376.1	0.3	43 860	14 442.5	0.3	45 336	15 676.7	0.3	46 721	16 976.3	0.4	2.8%	61.6%
7 – 10			25 086	—	23 755	12 735.8	0.5	25 414	14 372.3	0.6	25 217	15 182.3	0.6	25 169	15 980.6	0.6	25 204	16 891.4	0.7	-0.3%	34.8%
11 – 12			2 009	—	1 871	1 700.5	0.9	2 042	1 971.7	1.0	1 995	2 034.5	1.0	1 982	2 131.7	1.1	1 984	2 250.8	1.1	-1.0%	2.8%
13 – 16			569	—	525	801.8	1.5	572	908.9	1.6	580	972.7	1.7	577	1 021.6	1.8	578	1 080.2	1.9	0.3%	0.8%
Other			2	—	2	7 633.8	3 816.9	2	4 519.5	2 259.8	2	4 071.2	2 035.6	5	3 610.7	722.1	5	2 741.6	548.3	35.7%	0.0%
Programme			69 429	—	68 288	35 307.1	0.5	71 051	35 148.4	0.5	71 654	36 703.1	0.5	73 069	38 421.2	0.5	74 492	39 940.3	0.5	1.6%	100.0%
Programme 1			3 971	—	3 338	1 997.2	0.6	4 043	2 239.7	0.6	4 014	2 371.9	0.6	3 989	2 491.1	0.6	4 000	2 609.2	0.7	-0.4%	5.5%
Programme 2			2 198	—	2 000	2 962.8	1.5	2 360	3 578.7	1.5	2 385	3 387.5	1.4	2 398	3 542.9	1.5	2 406	3 440.9	1.4	0.6%	3.3%
Programme 3			34 447	—	34 891	15 558.6	0.4	35 063	14 255.3	0.4	35 612	15 064.3	0.4	36 867	15 766.1	0.4	37 922	16 504.0	0.4	2.6%	50.1%
Programme 4			8 817	—	8 799	4 315.7	0.5	9 107	4 306.6	0.5	9 172	4 531.3	0.5	9 209	4 742.4	0.5	9 321	4 959.9	0.5	0.8%	12.7%
Programme 5			5 641	—	5 534	2 570.1	0.5	5 870	2 671.2	0.5	6 123	2 811.0	0.5	6 274	2 940.0	0.5	6 433	3 076.9	0.5	3.1%	8.5%
Programme 6			6 787	—	6 745	4 239.9	0.6	6 933	4 238.6	0.6	6 873	4 466.5	0.6	6 869	4 669.8	0.7	6 871	4 882.1	0.7	-0.3%	9.5%
Programme 7			1 043	—	989	705.9	0.7	1 055	671.9	0.6	1 041	707.2	0.7	1 026	740.2	0.7	1 032	772.3	0.7	-0.7%	1.4%
Programme 8			6 525	—	5 992	2 957.0	0.5	6 620	3 186.4	0.5	6 434	3 363.4	0.5	6 437	3 528.8	0.5	6 507	3 694.9	0.6	-0.6%	9.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 23.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2021/22	2022/23	2023/24					2025/26	2026/27	2027/28		
	2021/22	2022/23	2023/24					2025/26	2026/27	2027/28		
Departmental receipts	1 145 567	1 263 531	1 265 959	1 319 314	1 319 314	4.8%	100.0%	1 345 701	1 372 952	1 400 413	2.0%	100.0%
Sales of goods and services produced by department	721 395	498 112	570 239	503 182	503 182	-11.3%	45.9%	513 246	523 510	533 981	2.0%	38.1%
Administrative fees	6	9	7	30	30	71.0%	—	31	32	33	3.2%	—
of which:	—	—	—	—	—	—	—	—	—	—	—	—
Request for information:	6	9	7	30	30	71.0%	—	31	32	33	3.2%	—
Promotion of Access to Information Act (2000)	—	—	—	—	—	—	—	—	—	—	—	—
Other sales	721 389	498 103	570 232	503 152	503 152	-11.3%	45.9%	513 215	523 478	533 948	2.0%	38.1%
of which:	—	—	—	—	—	—	—	—	—	—	—	—
Rental capital assets	—	—	142 135	42 016	42 016	—	3.7%	114 256	116 541	118 872	41.4%	7.2%
Sale of goods	373 226	420 414	30 521	125 187	125 187	-30.5%	19.0%	15 491	15 800	16 116	-49.5%	3.2%
Services rendered	348 163	77 689	397 576	335 949	335 949	-1.2%	23.2%	383 468	391 137	398 960	5.9%	27.8%
Sales of scrap, waste, arms and other used current goods	491	937	478	1 692	1 692	51.0%	0.1%	1 726	1 761	1 796	2.0%	0.1%
of which:	—	—	—	—	—	—	—	—	—	—	—	—
Scrap and waste	491	937	478	1 692	1 692	51.0%	0.1%	1 726	1 761	1 796	2.0%	0.1%
Transfers received	358 953	639 820	583 867	690 758	690 758	24.4%	45.5%	704 573	718 664	733 038	2.0%	52.4%
Fines, penalties and forfeits	1 077	1 178	1 730	1 462	1 462	10.7%	0.1%	1 491	1 521	1 551	2.0%	0.1%
Interest, dividends and rent on land	3 341	5 049	9 454	4 795	4 795	12.8%	0.5%	4 891	4 989	5 089	2.0%	0.4%
Interest	3 341	5 049	9 454	4 795	4 795	12.8%	0.5%	4 891	4 989	5 089	2.0%	0.4%
Sales of capital assets	2 557	18 408	7 564	33 282	33 282	135.2%	1.2%	33 948	34 966	35 666	2.3%	2.5%
Transactions in financial assets and liabilities	57 753	100 027	92 627	84 143	84 143	13.4%	6.7%	85 826	87 541	89 292	2.0%	6.4%
Total	1 145 567	1 263 531	1 265 959	1 319 314	1 319 314	4.8%	100.0%	1 345 701	1 372 952	1 400 413	2.0%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department and its entities.

Expenditure trends and estimates

Table 23.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome											
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Ministry	74.3	59.1	56.0	135.6	22.2%	1.3%	153.0	161.0	167.9	7.4%	2.6%
Departmental Direction	35.6	39.7	33.8	51.1	12.7%	0.6%	54.6	60.3	63.0	7.3%	1.0%
Policy and Planning	96.3	115.7	138.7	144.7	14.5%	1.9%	163.4	171.6	179.4	7.4%	2.7%
Financial Services	371.7	396.1	401.0	473.8	8.4%	6.4%	498.6	522.3	547.0	4.9%	8.5%
Human Resources Support Services	910.0	1 045.2	1 047.6	1 009.5	3.5%	15.5%	1 065.4	1 119.5	1 170.0	5.0%	18.2%
Legal Services	338.0	391.3	375.9	404.3	6.1%	5.8%	426.2	443.3	464.0	4.7%	7.2%
Inspection and Audit Services	139.0	155.0	160.5	161.9	5.2%	2.4%	170.8	179.6	188.0	5.1%	2.9%
Acquisition Services and Management of Denel	89.0	3 494.6	91.8	98.7	3.5%	14.6%	103.6	110.2	115.9	5.5%	1.8%
Communication Services	83.4	47.6	65.6	125.8	14.7%	1.2%	131.1	134.7	140.5	3.8%	2.2%
South African National Defence Force Command and Control	192.1	206.8	207.1	202.5	1.8%	3.1%	213.6	224.2	234.7	5.0%	3.7%
Religious Services	17.8	23.1	24.4	22.2	7.8%	0.3%	23.3	24.4	25.6	4.8%	0.4%
Defence Reserve Direction	28.2	27.2	36.8	40.3	12.6%	0.5%	42.3	44.3	46.3	4.7%	0.7%
Defence Foreign Relations	220.3	319.6	12.7	19.7	-55.3%	2.2%	20.6	21.6	22.6	4.8%	0.4%
Office Accommodation	2 788.2	3 160.3	2 737.5	2 719.3	-0.8%	44.1%	2 773.4	2 905.2	3 036.6	3.7%	47.7%
Total	5 384.0	9 481.4	5 389.3	5 609.2	1.4%	100.0%	5 839.9	6 122.3	6 401.4	4.5%	100.0%
Change to 2024 Budget estimate				–			64.8	63.5	68.7		
Economic classification											
Current payments	5 296.0	5 810.2	5 079.5	5 522.7	1.4%	83.9%	5 733.0	6 014.2	6 287.7	4.4%	98.3%
Compensation of employees	2 113.2	2 231.9	1 997.2	2 239.7	2.0%	33.2%	2 371.9	2 491.1	2 609.2	5.2%	40.5%
Goods and services	3 182.8	3 578.3	3 082.3	3 283.0	1.0%	50.8%	3 361.1	3 523.1	3 678.4	3.9%	57.8%
of which:						–					–
Advertising	45.2	7.6	16.6	79.0	20.4%	0.6%	60.7	61.4	62.6	-7.4%	1.1%
Computer services	60.1	60.8	62.5	88.2	13.7%	1.0%	89.4	93.2	98.7	3.8%	1.5%
Operating leases	1 373.5	1 946.2	1 299.7	1 167.4	-5.3%	22.4%	1 166.8	1 244.4	1 300.8	3.7%	20.4%
Property payments	1 457.9	1 278.3	1 444.6	1 581.3	2.7%	22.3%	1 637.6	1 690.0	1 766.6	3.8%	27.8%
Travel and subsistence	76.2	99.0	112.6	100.0	9.5%	1.5%	111.3	121.3	128.9	8.8%	1.9%
Operating payments	23.9	30.2	7.9	66.6	40.7%	0.5%	90.9	96.6	98.2	13.8%	1.5%
Transfers and subsidies	61.6	172.8	259.2	56.9	-2.6%	2.1%	71.8	76.7	76.9	10.6%	1.2%
Provinces and municipalities	0.1	0.1	0.1	0.1	0.9%	–	0.1	0.1	0.1	5.0%	–
Departmental agencies and accounts	29.9	31.9	30.6	25.5	-5.2%	0.5%	29.8	31.2	31.1	6.8%	0.5%
Public corporations and private enterprises	0.0	0.0	9.7	0.0	-5.9%	–	10.7	11.2	11.2	1206.8%	0.1%
Non-profit institutions	7.5	3.4	4.6	11.4	14.9%	0.1%	10.8	11.3	11.7	0.8%	0.2%
Households	24.1	137.5	214.2	19.8	-6.2%	1.5%	20.3	23.0	22.8	4.7%	0.4%
Payments for capital assets	25.5	103.1	50.0	29.6	5.1%	0.8%	35.1	31.4	36.9	7.6%	0.6%
Buildings and other fixed structures	1.2	26.7	0.3	0.1	-65.2%	0.1%	0.6	0.6	0.6	128.7%	–
Machinery and equipment	24.3	69.4	49.5	28.6	5.6%	0.7%	32.9	30.8	36.2	8.1%	0.5%
Software and other intangible assets	0.0	7.1	0.2	0.9	231.2%	–	1.6	0.0	0.1	-47.3%	–
Payments for financial assets	0.9	3 395.2	0.5	–	-100.0%	13.1%	–	–	–	–	–
Total	5 384.0	9 481.4	5 389.3	5 609.2	1.4%	100.0%	5 839.9	6 122.3	6 401.4	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	11.0%	16.3%	9.6%	10.1%	–	–	10.4%	10.5%	10.6%	–	–

Table 23.6 Administration expenditure trends and estimates by subprogramme and economic classification (continued)

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome											
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Households											
Social benefits											
Current	21.0	137.5	213.7	19.8	-1.9%	1.5%	20.3	23.0	22.8	4.7%	0.4%
Employee social benefits	21.0	137.5	213.7	19.8	-1.9%	1.5%	20.3	23.0	22.8	4.7%	0.4%
Other transfers to households											
Current	3.1	–	0.5	–	-100.0%	–	–	–	–	–	–
Claims against the state	3.1	–	0.5	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	29.9	31.9	30.6	25.5	-5.2%	0.5%	29.8	31.2	31.1	6.8%	0.5%
Safety and Security Sector	29.9	31.9	30.6	25.5	-5.2%	0.5%	29.8	31.2	31.1	6.8%	0.5%
Education and Training Authority											
Provinces and municipalities											
Municipal bank accounts											
Current	0.0	0.0	–	–	-100.0%	–	–	–	–	–	–
Vehicle licences	0.0	0.0	–	–	-100.0%	–	–	–	–	–	–
Provincial agencies and funds											
Current	0.1	0.1	0.1	0.1	1.8%	–	0.1	0.1	0.1	5.0%	–
Vehicle licences	0.1	0.1	0.1	0.1	1.8%	–	0.1	0.1	0.1	5.0%	–
Non-profit institutions											
Current	7.5	3.4	4.6	11.4	14.9%	0.1%	10.8	11.3	11.7	0.8%	0.2%
Reserve Force Council	7.5	3.4	4.6	11.4	14.9%	0.1%	10.8	11.3	11.7	0.8%	0.2%
Public corporations and private enterprises											
Subsidies on products and production											
Current	–	–	9.7	–	–	–	10.7	11.1	11.1	–	0.1%
Armaments Corporation of South Africa	–	–	9.7	–	–	–	10.7	11.1	11.1	–	0.1%
Other transfers to public corporations											
Current	0.0	0.0	0.0	0.0	-5.9%	–	0.0	0.0	0.0	21.6%	–
Communication licences	0.0	0.0	0.0	0.0	-5.9%	–	0.0	0.0	0.0	21.6%	–

Personnel information

Table 23.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2023/24			2024/25			2025/26			2026/27			2027/28					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2024/25 - 2027/28		
Salary level	3 971	–	3 338	1 997.2	0.6	4 043	2 239.7	0.6	4 014	2 371.9	0.6	3 989	2 491.1	0.6	4 000	2 609.2	0.7	-0.4%	100.0%
1 – 6	1 587	–	1 274	399.8	0.3	1 611	533.9	0.3	1 597	564.4	0.4	1 596	595.4	0.4	1 600	630.2	0.4	-0.2%	39.9%
7 – 10	1 810	–	1 586	865.5	0.5	1 852	1 062.7	0.6	1 844	1 121.5	0.6	1 824	1 169.5	0.6	1 829	1 238.6	0.7	-0.4%	45.8%
11 – 12	443	–	372	344.4	0.9	448	440.0	1.0	441	455.9	1.0	438	477.8	1.1	440	505.9	1.1	-0.6%	11.0%
13 – 16	129	–	104	119.4	1.1	130	158.1	1.2	130	166.9	1.3	126	170.7	1.4	126	180.1	1.4	-1.0%	3.2%
Other	2	–	2	268.2	134.1	2	44.9	22.5	2	63.2	31.6	5	77.7	15.5	5	54.5	10.9	35.7%	0.1%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 2: Force Employment

Programme purpose

Provide and employ defence capabilities, including an operational capability, to successfully conduct all operations as well as joint, interdepartmental, interagency and multinational military exercises.

Objectives

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements by March 2028

- ensuring full participation in the number of peace missions instructed by the president by March 2028
- conducting 9 joint interdepartmental, interagency and multinational military force preparation exercises, excluding Special Forces exercises, by March 2028
- conducting internal operations in the interest of protecting the territorial integrity and sovereignty of South Africa on an ongoing basis
- supporting other government departments and complying with international obligations on an ongoing basis
- providing a special operation capability on an ongoing basis
- providing external deployments on an ongoing basis.

Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces to promote peace, stability and security in the region and on the continent.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational-level headquarters.
- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force.
- *Regional Security* provides for the external deployment of forces to support South Africa's commitment to regional, continental and global security.
- *Support to the People* provides for the internal deployment of forces to support the South African Police Service and other government departments. This includes safeguarding borders, helping during disasters, and conducting search and rescue missions.

Expenditure trends and estimates

Table 23.8 Force Employment expenditure trends and estimates by subprogramme and economic classification

Subprogramme						Average growth rate (%)	Average: Expen- diture/ Total (%)				Average growth rate (%)	Average: Expen- diture/ Total (%)
	Audited outcome			Adjusted appropriation				Medium-term expenditure estimate				
R million	2021/22	2022/23	2023/24	2024/25	2021/22 -	2024/25		2025/26	2026/27	2027/28	2024/25 -	2027/28
Strategic Direction	171.0	199.5	199.3	190.1	3.6%	3.5%	199.4	205.5	213.5	4.0%	3.2%	
Operational Direction	394.4	446.9	431.4	460.6	5.3%	7.9%	486.6	515.6	525.4	4.5%	7.8%	
Special Operations	1 172.8	1 099.6	1 111.2	1 171.2	—	20.8%	1 232.6	1 279.0	1 339.4	4.6%	19.8%	
Regional Security	852.9	1 956.7	2 214.4	4 276.5	71.2%	42.5%	2 696.1	2 663.0	2 422.3	-17.3%	47.6%	
Support to the People	1 526.0	1 309.7	1 351.7	1 323.6	-4.6%	25.2%	1 289.2	1 480.4	1 369.5	1.1%	21.6%	
Total	4 117.1	5 012.4	5 308.0	7 422.0	21.7%	100.0%	5 904.0	6 143.6	5 870.1	-7.5%	100.0%	
Change to 2024				—			1 820.1	1 918.1	1 453.6			
Budget estimate												
Economic classification												
Current payments	3 505.0	4 103.2	4 546.6	6 325.6	21.7%	84.5%	5 070.8	5 341.1	5 085.3	-7.0%	86.1%	
Compensation of employees	2 701.1	2 788.3	2 962.8	3 578.7	9.8%	55.0%	3 387.5	3 542.9	3 440.9	-1.3%	55.1%	
Goods and services	804.0	1 314.9	1 583.8	2 746.9	50.6%	29.5%	1 683.3	1 798.2	1 644.4	-15.7%	31.1%	
of which:						—					—	
Contractors	106.5	96.6	29.2	316.3	43.7%	2.5%	283.0	294.5	297.5	-2.0%	4.7%	
Inventory: Food and food supplies	281.1	343.8	316.9	436.4	15.8%	6.3%	392.2	416.9	353.7	-6.8%	6.3%	
Inventory: Fuel, oil and gas	84.3	104.9	104.3	274.2	48.1%	2.6%	181.7	187.2	174.5	-14.0%	3.2%	
Consumable supplies	33.1	33.4	31.9	83.2	36.0%	0.8%	75.8	81.1	79.4	-1.5%	1.3%	
Travel and subsistence	166.9	302.0	371.9	468.6	41.1%	6.0%	299.0	319.9	309.2	-12.9%	5.5%	
Operating payments	7.8	291.4	619.1	494.2	298.3%	6.5%	173.7	208.1	124.9	-36.8%	4.0%	
Transfers and subsidies	391.3	760.2	691.3	970.4	35.4%	12.9%	725.5	688.4	665.7	-11.8%	12.0%	
Provinces and municipalities	0.0	0.0	0.0	0.0	26.0%	—	0.0	0.0	0.0	-9.1%	—	
Departmental agencies and accounts	326.0	572.0	512.6	950.9	42.9%	10.8%	230.7	224.8	235.5	-37.2%	6.5%	
Foreign governments and international organisations	45.6	133.4	77.6	—	-100.0%	1.2%	487.0	455.0	421.0	—	5.4%	
Public corporations and private enterprises	10.3	9.8	0.3	10.3	—	0.1%	0.1	0.1	0.1	-79.3%	—	
Households	9.5	45.0	100.7	9.2	-1.0%	0.8%	7.7	8.5	9.1	-0.4%	0.1%	

Table 23.8 Force Employment expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome											
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Payments for capital assets	220.6	149.0	70.0	126.0	-17.0%	2.6%	107.7	114.1	119.1	-1.9%	1.8%
Buildings and other fixed structures	4.7	7.3	6.9	20.2	62.1%	0.2%	17.8	18.9	21.5	2.0%	0.3%
Machinery and equipment	215.9	141.7	63.1	86.6	-26.3%	2.3%	71.2	75.6	77.3	-3.7%	1.2%
Specialised military assets	–	–	–	19.2	–	0.1%	18.7	19.6	20.4	2.0%	0.3%
Payments for financial assets	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Total	4 117.1	5 012.4	5 308.0	7 422.0	21.7%	100.0%	5 904.0	6 143.6	5 870.1	-7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	8.4%	8.6%	9.5%	13.4%	–	–	10.6%	10.5%	9.7%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	9.4	44.6	100.7	9.2	-0.6%	0.7%	7.7	8.5	9.1	-0.4%	0.1%
Employee social benefits	9.4	44.6	100.7	9.2	-0.6%	0.7%	7.7	8.5	9.1	-0.4%	0.1%
Other transfers to households											
Current	0.1	0.3	0.1	–	-100.0%	–	–	–	–	–	–
Claims against the state	0.1	0.3	0.1	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	326.0	572.0	512.6	950.9	42.9%	10.8%	230.7	224.8	235.5	-37.2%	6.5%
Special defence account	326.0	572.0	512.6	950.9	42.9%	10.8%	230.7	224.8	235.5	-37.2%	6.5%
Provinces and municipalities											
Provincial agencies and funds											
Current	0.0	0.0	0.0	0.0	26.0%	–	0.0	0.0	0.0	-9.1%	–
Vehicle licences	0.0	0.0	0.0	0.0	26.0%	–	0.0	0.0	0.0	-9.1%	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	10.3	9.7	–	10.2	-0.3%	0.1%	–	–	–	-100.0%	–
Armaments Corporation of South Africa	10.3	9.7	–	10.2	-0.3%	0.1%	–	–	–	-100.0%	–
Other transfers to public corporations											
Current	–	0.0	0.3	0.1	–	–	0.1	0.1	0.1	5.7%	–
Communication licences	–	0.0	0.3	0.1	–	–	0.1	0.1	0.1	5.7%	–
Foreign governments and international organisations											
Current	45.6	133.4	77.6	–	-100.0%	1.2%	487.0	455.0	421.0	–	5.4%
Southern African Development Community Secretariat	45.6	133.4	77.6	–	-100.0%	1.2%	487.0	455.0	421.0	–	5.4%

Personnel information

Table 23.9 Force Employment personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			Number and cost ² of personnel posts filled/planned for on funded establishment													Average growth rate (%)	Average: Salary level/ Total (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2023/24			2024/25			2025/26		2026/27		2027/28		2024/25 - 2027/28					
Force Employment			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	2 198	–	2 000	2 962.8	1.5	2 360	3 578.7	1.5	2 385	3 387.5	1.4	2 398	3 542.9	1.5	2 406	3 440.9	1.4	0.6%	100.0%
1 – 6	1 154	–	1 032	413.6	0.4	1 273	524.0	0.4	1 295	566.4	0.4	1 313	607.8	0.5	1 321	647.7	0.5	1.2%	54.5%
7 – 10	966	–	901	569.5	0.6	1 008	669.8	0.7	1 012	714.5	0.7	1 009	751.1	0.7	1 010	793.6	0.8	0.1%	42.3%
11 – 12	61	–	51	56.6	1.1	62	72.8	1.2	61	75.6	1.2	59	77.2	1.3	58	80.0	1.4	-2.2%	2.5%
13 – 16	17	–	16	22.9	1.4	17	25.5	1.5	17	27.0	1.6	17	28.4	1.7	17	30.0	1.8	–	0.7%
Other	–	–	–	1 900.3	–	–	2 286.7	–	–	2 004.0	–	–	2 078.3	–	–	1 889.6	–	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 3: Landward Defence

Programme purpose

Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its territory by:
 - providing 1 infantry capability for external deployment and for internal safety and security, including border safeguarding, per year
 - exercising 1 tank and armoured car capability and providing 1 squadron for internal deployment per year
 - exercising 1 composite artillery capability and providing 1 battery for internal deployment per year
 - exercising 1 air defence artillery capability and providing 1 battery for internal deployment per year
 - providing 1 sustained composite engineer capability for external deployment and for internal safety and security, and exercising 1 field engineer capability per year
 - providing 1 signal capability for external deployment and for internal signal support and exercising 1 composite signal capability per year
 - providing combat ready operational intelligence capabilities per year
 - providing combat ready tactical command and control capabilities per year
 - providing 2 infantry companies and 1 battalion headquarters for internal deployments per year.

Subprogrammes

- *Strategic Direction* directs, orchestrates and controls the South African Army in achieving its mission to prepare and provide landward capabilities for the defence and protection of South Africa.
- *Infantry Capability* provides combat-ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units.
- *Armour Capability* provides combat-ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units.
- *Artillery Capability* provides combat-ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units.
- *Air Defence Artillery Capability* provides combat-ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units.
- *Engineering Capability* provides combat-ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments through training, preparing, exercising and supporting field and construction engineer units.
- *Operational Intelligence* provides combat-ready operational intelligence capabilities to enable the successful planning and execution of operations through training, preparing, exercising and supporting intelligence units.
- *Command and Control Capability* provides combat-ready tactical command and control capabilities for integrated forces during force preparation and employment.
- *Support Capability* provides first-line, second-line and third-line support to units and bases, and ensures support to deployed combat units through training, preparing, exercising and supporting first-line and second-line maintenance units and workshops.
- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training, and command and management training at the training depot and decentralised units, the South African Army Gymnasium, the combat training centre and the South African Army College.
- *Signal Capability* provides combat-ready signal capabilities to ensure command, control and communications during exercises and deployments through training, preparing, exercising and supporting signal units.

Expenditure trends and estimates

Table 23.10 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Strategic Direction	450.7	522.7	893.9	546.1	6.6%	3.4%	583.0	582.4	605.5	3.5%	3.2%
Infantry Capability	6 276.3	6 888.1	7 305.0	6 159.2	-0.6%	38.0%	6 356.0	6 630.9	6 980.1	4.3%	36.1%
Armour Capability	607.2	628.3	648.2	617.4	0.6%	3.6%	658.8	688.0	715.5	5.0%	3.7%
Artillery Capability	631.4	631.4	792.4	615.9	-0.8%	3.8%	660.4	689.8	716.5	5.2%	3.7%
Air Defence Artillery Capability	467.6	476.2	486.6	513.9	3.2%	2.8%	605.7	523.5	652.8	8.3%	3.2%
Engineering Capability	1 020.0	1 061.4	1 130.0	1 035.5	0.5%	6.1%	1 098.3	1 147.0	1 191.7	4.8%	6.2%
Operational Intelligence	291.4	308.7	324.0	292.9	0.2%	1.7%	325.7	335.8	349.0	6.0%	1.8%
Command and Control Capability	255.4	284.4	312.4	263.4	1.0%	1.6%	281.7	294.5	306.3	5.2%	1.6%
Support Capability	4 097.8	4 532.3	4 532.4	4 654.4	4.3%	25.5%	4 629.6	4 885.1	5 065.5	2.9%	26.6%
General Training Capability	664.6	709.4	695.9	674.6	0.5%	3.9%	730.7	763.0	794.1	5.6%	4.1%
Signal Capability	1 609.7	1 689.2	1 781.8	1 621.9	0.3%	9.6%	1 734.5	1 815.5	1 889.3	5.2%	9.8%
Total	16 372.1	17 732.0	18 902.5	16 995.2	1.3%	100.0%	17 664.4	18 355.4	19 266.3	4.3%	100.0%
Change to 2024				–			135.9	143.6	230.9		
Budget estimate											
Economic classification											
Current payments	16 150.9	16 992.8	17 651.6	16 195.4	0.1%	95.7%	17 109.1	17 886.0	18 708.6	4.9%	96.7%
Compensation of employees	14 446.6	14 969.0	15 558.6	14 255.3	-0.4%	84.6%	15 064.3	15 766.1	16 504.0	5.0%	85.2%
Goods and services	1 704.3	2 023.8	2 093.0	1 940.1	4.4%	11.1%	2 044.8	2 119.9	2 204.6	4.4%	11.5%
of which:											
Computer services	40.3	37.0	25.0	50.4	7.7%	0.2%	49.3	50.8	52.8	1.5%	0.3%
Contractors	44.2	44.6	23.1	147.4	49.4%	0.4%	137.8	182.2	171.2	5.1%	0.9%
Fleet services (including government motor transport)	31.3	52.7	27.1	59.4	23.7%	0.2%	43.1	54.3	56.0	-1.9%	0.3%
Inventory: Food and food supplies	750.1	766.7	858.4	812.0	2.7%	4.6%	832.7	884.0	868.9	2.3%	4.7%
Inventory: Fuel, oil and gas	172.2	231.6	244.4	403.7	32.8%	1.5%	444.3	452.3	531.9	9.6%	2.5%
Travel and subsistence	498.7	573.7	796.7	221.7	-23.7%	3.0%	235.8	244.3	256.6	5.0%	1.3%
Transfers and subsidies	195.0	648.2	1 221.5	788.6	59.3%	4.1%	533.6	449.4	537.2	-12.0%	3.2%
Provinces and municipalities	0.0	0.0	0.0	0.0	30.8%	–	0.0	0.0	0.0	1.7%	–
Departmental agencies and accounts	114.7	229.6	311.4	699.8	82.7%	1.9%	462.0	366.2	441.2	-14.3%	2.7%
Public corporations and private enterprises	6.0	0.4	1.7	1.1	-42.8%	–	0.0	0.0	0.0	-80.0%	–
Households	74.3	418.3	908.3	87.6	5.7%	2.1%	71.6	83.1	95.9	3.1%	0.5%
Payments for capital assets	25.6	88.8	28.0	11.2	-24.0%	0.2%	21.7	20.1	20.5	22.2%	0.1%
Buildings and other fixed structures	2.3	0.9	0.3	0.2	-54.3%	–	0.4	0.9	1.0	64.7%	–
Machinery and equipment	22.7	87.6	27.7	11.0	-21.5%	0.2%	21.3	19.1	19.5	21.0%	0.1%
Specialised military assets	–	–	–	0.0	–	–	–	–	–	-100.0%	–
Software and other intangible assets	0.6	0.3	–	0.0	-64.1%	–	0.0	0.0	0.0	4.9%	–
Payments for financial assets	0.5	2.2	1.4	–	-100.0%	–	–	–	–	–	–
Total	16 372.1	17 732.0	18 902.5	16 995.2	1.3%	100.0%	17 664.4	18 355.4	19 266.3	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	33.6%	30.6%	33.8%	30.6%	–	–	31.6%	31.4%	31.8%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	58.1	408.8	907.0	87.6	14.7%	2.1%	71.6	83.1	95.9	3.1%	0.5%
Employee social benefits	58.1	408.8	907.0	87.6	14.7%	2.1%	71.6	83.1	95.9	3.1%	0.5%
Other transfers to households											
Current	16.2	9.5	1.4	–	-100.0%	–	–	–	–	–	–
Claims against the state	16.2	9.5	1.4	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	114.7	229.6	311.4	699.8	82.7%	1.9%	462.0	366.2	441.2	-14.3%	2.7%
Special defence account	114.7	229.6	311.4	699.8	82.7%	1.9%	462.0	366.2	441.2	-14.3%	2.7%
Provinces and municipalities											
Provincial agencies and funds											
Current	0.0	0.0	0.0	0.0	30.8%	–	0.0	0.0	0.0	1.7%	–
Vehicle licences	0.0	0.0	0.0	0.0	30.8%	–	0.0	0.0	0.0	1.7%	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	6.0	–	1.7	1.1	-42.9%	–	–	–	–	-100.0%	–
Armaments Corporation of South Africa	6.0	–	1.7	1.1	-42.9%	–	–	–	–	-100.0%	–
Other transfers to private enterprises											
Current	–	0.3	–	–	–	–	–	–	–	–	–
Claims against the state	–	0.3	–	–	–	–	–	–	–	–	–
Other transfers to public corporations											
Current	0.0	0.1	–	0.0	21.6%	–	0.0	0.0	0.0	–	–
Claims against the state	–	0.1	–	–	–	–	–	–	–	–	–
Communication licences	0.0	–	–	0.0	21.6%	–	0.0	0.0	0.0	–	–

Personnel information

Table 23.11 Landward Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)				
Number of funded posts	Number of posts additional to the establishment																		
		Actual			Revised estimate			Medium-term expenditure estimate											
		2023/24			2024/25			2025/26		2026/27		2027/28				2024/25 - 2027/28			
Landward Defence		Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost						
Salary level	34 447	–	34 891	15 558.6	0.4	35 063	14 255.3	0.4	35 612	15 064.3	0.4	36 867	15 766.1	0.4	37 922	16 504.0	0.4	2.6%	100.0%
1 – 6	25 453	–	26 338	7 474.9	0.3	25 960	7 779.5	0.3	26 605	8 462.9	0.3	27 839	9 272.2	0.3	28 868	10 092.9	0.3	3.6%	75.1%
7 – 10	8 779	–	8 354	4 239.7	0.5	8 885	4 745.2	0.5	8 790	5 001.8	0.6	8 813	5 288.8	0.6	8 840	5 599.0	0.6	-0.2%	24.3%
11 – 12	180	–	166	153.1	0.9	183	178.7	1.0	182	188.3	1.0	180	196.4	1.1	179	206.0	1.2	-0.7%	0.5%
13 – 16	35	–	33	41.0	1.2	35	46.1	1.3	35	48.6	1.4	35	51.3	1.5	35	54.1	1.5	–	0.1%
Other	–	–	–	3 650.0	–	–	1 505.9	–	–	1 362.7	–	–	957.4	–	–	552.0	–	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 4: Air Defence

Programme purpose

Provide prepared and supported air defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its airspace by providing:
 - 4 helicopter squadrons and 1 combat support helicopter squadron per year
 - 3 medium transport squadrons (1 VIP squadron, 1 maritime transport squadron, 1 light transport squadron and 1 liaison squadron) and 9 reserve squadrons per year
 - 1 air combat squadron per year
 - ongoing 24-hour air command and control capabilities.

Subprogrammes

- Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- Operational Direction* provides operational direction to the programme by means of an air command.
- Helicopter Capability* provides and sustains light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel.
- Transport and Maritime Capability* provides and sustains transport and maritime aircraft crewed by appropriately qualified personnel.
- Air Combat Capability* provides and sustains fighter aircraft crewed by appropriately qualified personnel.
- Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counterintelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training.
- Command and Control Capability* supplies and maintains command and control elements in support of air battle space operations.
- Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including the maintenance of all relevant systems and personnel, to support flying operations.
- Command Post* renders command and control over all missions flown.
- Training Capability* provides for the general education, training and development of air force personnel.

- *Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistics support capabilities to provide support to multiple defence systems and manage air service units.

Expenditure trends and estimates

Table 23.12 Air Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2027/28
Strategic Direction	24.0	28.8	31.4	74.0	45.6%	0.6%	34.9	31.5	33.9	-22.9%	0.6%
Operational Direction	80.8	184.3	163.6	56.4	-11.3%	1.8%	145.7	148.1	158.8	41.3%	1.8%
Helicopter Capability	874.8	1 085.4	711.8	908.6	1.3%	13.2%	798.5	859.1	880.8	-1.0%	12.2%
Transport and Maritime Capability	458.1	536.5	1 525.7	495.4	2.6%	11.1%	611.7	675.5	690.5	11.7%	8.7%
Air Combat Capability	189.2	403.7	597.7	649.4	50.8%	6.8%	681.3	715.1	753.6	5.1%	9.9%
Operational Support and Intelligence Capability	387.2	414.6	424.7	402.3	1.3%	6.0%	409.4	424.9	444.3	3.4%	5.9%
Command and Control Capability	408.1	430.8	417.3	403.7	-0.4%	6.1%	420.5	466.7	502.8	7.6%	6.3%
Base Support Capability	2 271.2	2 406.8	2 597.1	2 306.9	0.5%	35.3%	2 344.3	2 404.7	2 536.0	3.2%	33.9%
Command Post	68.4	82.1	112.2	103.0	14.6%	1.3%	105.5	112.3	115.5	3.9%	1.5%
Training Capability	473.7	458.8	461.2	462.4	-0.8%	6.8%	484.4	535.4	559.9	6.6%	7.2%
Technical Support Services	645.8	731.5	727.6	833.3	8.9%	10.8%	834.6	822.8	860.6	1.1%	11.8%
Total	5 881.2	6 763.5	7 770.4	6 695.1	4.4%	100.0%	6 870.7	7 196.1	7 536.5	4.0%	100.0%
Change to 2024				–			41.2	43.2	60.1		
Budget estimate											
Economic classification											
Current payments	5 533.8	6 000.7	5 940.8	5 972.4	2.6%	86.5%	5 883.9	6 202.6	6 501.5	2.9%	86.8%
Compensation of employees	4 154.0	4 312.9	4 315.7	4 306.6	1.2%	63.0%	4 531.3	4 742.4	4 959.9	4.8%	65.5%
Goods and services	1 379.9	1 687.8	1 625.1	1 665.7	6.5%	23.5%	1 352.6	1 460.2	1 541.6	-2.5%	21.3%
of which:						–					–
Contractors	799.7	921.4	802.2	982.6	7.1%	12.9%	734.9	820.3	839.1	-5.1%	11.9%
Fleet services (including government motor transport)	15.3	15.7	29.0	30.2	25.4%	0.3%	49.3	53.0	60.6	26.2%	0.7%
Inventory: Food and food supplies	112.0	112.8	160.4	98.2	-4.3%	1.8%	83.3	91.0	103.3	1.7%	1.3%
Inventory: Fuel, oil and gas	100.7	182.3	199.6	71.8	-10.7%	2.0%	138.7	143.2	147.8	27.2%	1.8%
Travel and subsistence	79.1	139.0	203.0	55.3	-11.3%	1.8%	64.8	68.9	71.9	9.2%	0.9%
Training and development	61.0	84.4	19.1	39.8	-13.2%	0.8%	55.7	56.0	60.4	14.9%	0.7%
Transfers and subsidies	266.0	719.5	1 768.5	658.2	35.3%	12.6%	910.5	930.4	979.7	14.2%	12.3%
Provinces and municipalities	0.0	0.0	0.0	0.0	14.5%	–	0.0	0.0	0.0	5.3%	–
Departmental agencies and accounts	242.6	502.8	1 456.6	615.8	36.4%	10.4%	875.3	893.1	940.0	15.1%	11.7%
Public corporations and private enterprises	0.0	0.0	0.0	0.3	429.6%	–	0.0	0.0	0.0	-78.4%	–
Households	23.4	216.8	312.0	42.1	21.7%	2.2%	35.1	37.3	39.8	-1.9%	0.5%
Payments for capital assets	81.2	42.5	60.7	64.6	-7.4%	0.9%	76.3	63.1	55.3	-5.0%	0.9%
Buildings and other fixed structures	2.9	0.6	2.2	0.5	-45.8%	–	0.8	0.8	1.9	60.9%	–
Machinery and equipment	78.1	42.0	57.9	64.1	-6.4%	0.9%	75.4	62.2	53.4	-5.9%	0.9%
Biological assets	0.2	–	0.6	–	-100.0%	–	0.1	0.1	0.0	–	–
Software and other intangible assets	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.1	0.8	0.4	–	-100.0%	–	–	–	–	–	–
Total	5 881.2	6 763.5	7 770.4	6 695.1	4.4%	100.0%	6 870.7	7 196.1	7 536.5	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	12.1%	11.7%	13.9%	12.1%	–	–	12.3%	12.3%	12.4%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	22.3	216.5	311.5	42.1	23.6%	2.2%	35.1	37.3	39.8	-1.9%	0.5%
Employee social benefits	22.3	216.5	311.5	42.1	23.6%	2.2%	35.1	37.3	39.8	-1.9%	0.5%
Other transfers to households											
Current	1.0	0.3	0.4	–	-100.0%	–	–	–	–	–	–
Claims against the state	1.0	0.3	0.4	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	242.6	502.8	1 456.6	615.8	36.4%	10.4%	875.3	893.1	940.0	15.1%	11.7%
Special defence account	242.6	502.8	1 456.6	615.8	36.4%	10.4%	875.3	893.1	940.0	15.1%	11.7%
Provinces and municipalities											
Provincial agencies and funds											
Current	0.0	0.0	0.0	0.0	14.5%	–	0.0	0.0	0.0	5.3%	–
Vehicle licences	0.0	0.0	0.0	0.0	14.5%	–	0.0	0.0	0.0	5.3%	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	0.0	0.0	0.0	0.3	429.6%	–	0.0	0.0	0.0	-78.4%	–
Communication licences	0.0	0.0	0.0	0.3	429.6%	–	0.0	0.0	0.0	-78.4%	–

Personnel information

Table 23.13 Air Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment														Average growth rate (%)	Average: Salary level/ Total (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2023/24			2024/25			2025/26		2026/27		2027/28		2024/25 - 2027/28					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Air Defence																			
Salary level	8 817	—	8 799	4 315.7	0.5	9 107	4 306.6	0.5	9 172	4 531.3	0.5	9 209	4 742.4	0.5	9 321	4 959.9	0.5	0.8%	100.0%
1 – 6	4 109	—	4 315	1 268.5	0.3	4 364	1 304.5	0.3	4 488	1 426.5	0.3	4 546	1 524.8	0.3	4 659	1 650.7	0.4	2.2%	49.1%
7 – 10	4 455	—	4 235	2 279.9	0.5	4 486	2 545.7	0.6	4 439	2 690.0	0.6	4 417	2 823.2	0.6	4 417	2 979.6	0.7	-0.5%	48.2%
11 – 12	227	—	229	191.9	0.8	231	206.6	0.9	219	206.2	0.9	219	217.8	1.0	218	228.8	1.0	-1.9%	2.4%
13 – 16	26	—	20	21.9	1.1	26	29.5	1.1	26	31.4	1.2	27	34.3	1.3	27	36.2	1.3	1.3%	0.3%
Other	—	—	—	553.5	—	—	220.3	—	—	177.3	—	—	142.3	—	—	64.6	—	—	—

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 5: Maritime Defence

Programme purpose

Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its maritime zones by providing:
 - a surface combat and patrol capability of 3 frigates, 1 combat support vessel, 2 offshore patrol vessels and 3 inshore patrol vessels per year
 - a subsurface combat capability of 2 submarines per year
 - a mine warfare capability of 2 vessels in each annual operational cycle to ensure safe access to South Africa's harbours and mine clearance, where required
 - a maritime reaction squadron capability, comprising an operational boat division, an operational diving division and a naval reaction division per year
 - an ongoing hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

Subprogrammes

- Maritime Direction* provides strategic direction to the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities.
- Maritime Combat Capability* provides mission-ready and supported maritime combat capabilities in accordance with the department's approved force design.
- Maritime Logistics Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments.
- Maritime Human Resources and Training Capability* ensures that maritime combat and support capability requirements are met in terms of qualified personnel.
- Base Support Capability* provides a general base support capability to ships, submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels.

Expenditure trends and estimates

Table 23.14 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28		
Maritime Direction	772.0	878.1	868.8	822.0	2.1%	19.0%	860.5	900.8	955.3	5.1%	18.3%
Maritime Combat Capability	1 345.0	1 525.6	875.4	916.3	-12.0%	26.5%	964.2	1 103.4	1 146.8	7.8%	21.4%
Maritime Logistics Support Capability	918.4	972.6	1 494.0	1 497.2	17.7%	27.7%	1 559.0	1 605.7	1 672.0	3.7%	32.8%
Maritime Human Resources and Training Capability	492.8	513.3	504.6	573.0	5.2%	11.8%	608.4	661.9	687.7	6.3%	13.1%
Base Support Capability	605.2	773.1	634.4	635.2	1.6%	15.0%	686.3	713.9	742.7	5.4%	14.4%
Total	4 133.4	4 662.6	4 377.3	4 443.8	2.4%	100.0%	4 678.3	4 985.8	5 204.4	5.4%	100.0%
Change to 2024 Budget estimate				–			25.6	26.8	21.1		
Economic classification											
Current payments	3 026.7	3 228.9	3 174.9	3 405.2	4.0%	72.9%	3 661.5	3 826.8	4 001.9	5.5%	77.1%
Compensation of employees	2 588.3	2 603.4	2 570.1	2 671.2	1.1%	59.2%	2 811.0	2 940.0	3 076.9	4.8%	59.5%
Goods and services	438.5	625.6	604.8	734.0	18.7%	13.6%	850.5	886.8	925.0	8.0%	17.6%
of which:											
Contractors	153.1	195.6	196.3	251.8	18.0%	4.5%	328.0	319.9	336.5	10.1%	6.4%
Inventory: Food and food supplies	69.1	96.2	83.3	86.7	7.9%	1.9%	73.6	83.5	86.0	-0.2%	1.7%
Inventory: Fuel, oil and gas	20.9	39.4	46.3	44.0	28.1%	0.9%	54.9	58.6	60.8	11.4%	1.1%
Inventory: Materials and supplies	15.2	55.8	9.4	46.9	45.7%	0.7%	51.3	54.2	57.0	6.7%	1.1%
Travel and subsistence	47.8	80.7	145.0	66.6	11.7%	1.9%	75.2	78.6	81.0	6.7%	1.6%
Operating payments	17.5	29.5	0.6	58.6	49.6%	0.6%	58.3	61.2	64.0	3.0%	1.3%
Transfers and subsidies	1 054.6	1 295.1	1 089.2	990.9	-2.1%	25.1%	995.2	1 135.7	1 178.4	5.9%	22.3%
Provinces and municipalities	0.0	0.0	0.0	0.0	14.5%	–	0.0	0.0	0.0	18.6%	–
Departmental agencies and accounts	711.4	738.2	622.5	613.5	-4.8%	15.2%	588.5	722.0	752.2	7.0%	13.9%
Public corporations and private enterprises	327.2	340.2	351.2	355.4	2.8%	7.8%	366.3	371.6	382.2	2.5%	7.6%
Households	16.0	216.8	115.5	21.9	11.0%	2.1%	40.4	42.0	43.9	26.0%	0.8%
Payments for capital assets	51.9	138.3	112.9	47.7	-2.8%	2.0%	21.6	23.3	24.2	-20.3%	0.6%
Buildings and other fixed structures	0.6	98.6	0.1	–	-100.0%	0.6%	–	–	–	–	–
Machinery and equipment	50.4	35.0	100.6	45.4	-3.4%	1.3%	19.1	20.4	21.1	-22.5%	0.5%
Specialised military assets	–	–	5.3	1.8	–	–	1.9	2.3	2.4	10.8%	–
Software and other intangible assets	0.9	4.7	6.9	0.5	-16.0%	0.1%	0.6	0.6	0.7	7.3%	–
Payments for financial assets	0.2	0.3	0.3	–	-100.0%	–	–	–	–	–	–
Total	4 133.4	4 662.6	4 377.3	4 443.8	2.4%	100.0%	4 678.3	4 985.8	5 204.4	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.5%	8.0%	7.8%	8.0%	–	–	8.4%	8.5%	8.6%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	15.9	216.5	115.5	21.9	11.2%	2.1%	40.4	42.0	43.9	26.0%	0.8%
Employee social benefits	15.9	216.5	115.5	21.9	11.2%	2.1%	40.4	42.0	43.9	26.0%	0.8%
Other transfers to households											
Current	0.1	0.3	0.1	–	-100.0%	–	–	–	–	–	–
Claims against the state	0.1	0.3	0.1	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	711.4	738.2	622.5	613.5	-4.8%	15.2%	588.5	722.0	752.2	7.0%	13.9%
Special defence account	711.4	738.2	622.5	613.5	-4.8%	15.2%	588.5	722.0	752.2	7.0%	13.9%
Provinces and municipalities											
Provincial agencies and funds											
Current	0.0	0.0	0.0	0.0	14.5%	–	0.0	0.0	0.0	18.6%	–
Vehicle licences	0.0	0.0	0.0	0.0	14.5%	–	0.0	0.0	0.0	18.6%	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	327.2	340.2	351.2	355.4	2.8%	7.8%	366.3	371.6	382.2	2.5%	7.6%
Armaments Corporation of South Africa	327.2	340.2	351.2	355.4	2.8%	7.8%	366.3	371.6	382.2	2.5%	7.6%
Other transfers to public corporations											
Current	–	–	–	0.1	–	–	–	–	–	-100.0%	–
Communication licences	–	–	–	0.1	–	–	–	–	–	-100.0%	–

Personnel information

Table 23.15 Maritime Defence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate										
			2023/24			2024/25			2025/26		2026/27		2027/28				2024/25 - 2027/28		
Maritime Defence			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	5 641	–	5 534	2 570.1	0.5	5 870	2 671.2	0.5	6 123	2 811.0	0.5	6 274	2 940.0	0.5	6 433	3 076.9	0.5	3.1%	100.0%
1 – 6	3 050	–	3 163	834.8	0.3	3 242	880.6	0.3	3 546	1 015.9	0.3	3 698	1 124.9	0.3	3 857	1 235.7	0.3	6.0%	58.1%
7 – 10	2 420	–	2 213	1 175.5	0.5	2 456	1 383.4	0.6	2 410	1 438.4	0.6	2 409	1 517.5	0.6	2 408	1 601.0	0.7	-0.7%	39.2%
11 – 12	151	–	140	121.0	0.9	152	139.6	0.9	147	142.8	1.0	147	150.6	1.0	148	159.9	1.1	-0.9%	2.4%
13 – 16	20	–	18	22.4	1.2	20	26.4	1.3	20	27.6	1.4	20	29.1	1.5	20	30.7	1.5	–	0.3%
Other	–	–	–	416.4	–	–	241.2	–	–	186.3	–	–	117.9	–	–	49.6	–	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 6: Military Health Support

Programme purpose

Provide prepared and supported health capabilities and services for the defence and protection of South Africa.

Objectives

- Ensure prepared and supported health capabilities and services by providing:
 - a health support capability of 5 medical battalion groups and 1 specialist medical battalion group for deployed and contingency forces over the medium term
 - a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 principal members and their beneficiaries per year.

Subprogrammes

- Strategic Direction* formulates strategy, policies and plans, and provides advice from the Surgeon-General's office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- Mobile Military Health Support* provides health-support elements for deployed and contingency forces, and health services to provincial hospitals and the Department of Health as and when ordered.
- Area Military Health Service* provides a comprehensive, self-supporting, multidisciplinary geographic military health service through formation headquarters and commanding and controlling military health units to ensure a healthy military community.
- Specialist/Tertiary Health Service* provides a specialist health service to develop and maintain tertiary military health capabilities within the parameters of relevant legislation, as contained in the South African military health service strategy.
- Military Health Product Support Capability* provides for: the warehousing of pharmaceuticals, sundries, military health mobilisation equipment and unique stock; the procurement of military health products, materials and services; an asset management service; military health product systems; and cooperative common military health logistics.
- Military Health Maintenance Capability* provides general base support services to identified military health service units to sustain and maintain the approved force design and structure.
- Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies.

Expenditure trends and estimates

Table 23.16 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28		
Strategic Direction	284.0	271.3	392.7	267.5	-2.0%	5.2%	274.2	287.1	298.2	3.7%	4.5%
Mobile Military Health Support	201.0	189.2	221.9	227.0	4.1%	3.6%	217.5	227.4	236.2	1.3%	3.6%
Area Military Health Service	2 069.5	2 300.7	2 223.3	2 205.5	2.1%	37.7%	2 398.3	2 507.3	2 605.1	5.7%	38.6%
Specialist/Tertiary Health Service	2 256.3	2 433.4	2 446.5	2 321.8	1.0%	40.5%	2 442.2	2 556.0	2 787.1	6.3%	40.1%
Military Health Product Support Capability	217.5	371.4	334.7	407.6	23.3%	5.7%	398.5	416.9	432.5	2.0%	6.6%
Military Health Maintenance Capability	105.1	—	—	—	-100.0%	0.5%	—	—	—	—	—
Military Health Training Capability	392.3	413.5	413.3	387.3	-0.4%	6.9%	408.8	427.8	444.5	4.7%	6.6%
Total	5 525.7	5 979.6	6 032.3	5 816.6	1.7%	100.0%	6 139.4	6 422.5	6 803.7	5.4%	100.0%
Change to 2024 Budget estimate				—			40.6	42.5	135.3		
Economic classification											
Current payments	5 480.9	5 685.3	5 647.9	5 688.5	1.2%	96.4%	6 020.8	6 295.1	6 659.7	5.4%	97.9%
Compensation of employees	4 227.8	4 204.8	4 239.9	4 238.6	0.1%	72.4%	4 466.5	4 669.8	4 882.1	4.8%	72.5%
Goods and services of which:	1 253.2	1 480.5	1 408.0	1 449.9	5.0%	23.9%	1 554.3	1 625.3	1 777.6	7.0%	25.4%
Laboratory services	76.2	78.3	67.4	58.1	-8.6%	1.2%	68.7	71.7	75.9	9.3%	1.1%
Agency and support/outsourced services	542.4	723.5	663.6	579.0	2.2%	10.7%	678.8	702.2	725.1	7.8%	10.7%
Inventory: Food and food supplies	107.7	115.9	88.8	112.2	1.4%	1.8%	112.1	117.2	121.3	2.6%	1.8%
Inventory: Medical supplies	63.0	58.6	54.9	109.9	20.4%	1.2%	116.9	122.6	128.1	5.2%	1.9%
Inventory: Medicine	242.5	219.0	228.8	252.2	1.3%	4.0%	270.1	291.1	336.3	10.1%	4.6%
Travel and subsistence	52.8	86.4	132.1	56.0	2.0%	1.4%	61.5	62.3	112.7	26.2%	1.2%
Transfers and subsidies	24.5	141.5	247.7	35.5	13.2%	1.9%	25.4	29.2	29.3	-6.2%	0.5%
Provinces and municipalities	0.0	0.0	0.0	0.0	38.7%	—	0.0	0.0	0.0	-20.6%	—
Public corporations and private enterprises	—	—	0.1	0.0	—	—	0.0	0.0	0.0	-29.1%	—
Non-profit institutions	0.2	0.1	0.1	0.5	30.3%	—	0.2	0.2	0.2	-31.3%	—
Households	24.3	141.4	247.6	35.0	13.0%	1.9%	25.2	29.0	29.1	-5.9%	0.5%
Payments for capital assets	20.0	151.3	135.1	92.5	66.7%	1.7%	93.3	98.2	114.8	7.4%	1.6%
Buildings and other fixed structures	0.3	—	0.4	0.0	-66.9%	—	—	—	—	-100.0%	—
Machinery and equipment	19.6	151.3	134.8	92.5	67.8%	1.7%	93.2	98.2	114.7	7.5%	1.6%
Biological assets	0.1	—	—	0.0	-20.6%	—	0.0	0.0	0.0	4.8%	—
Software and other intangible assets	—	—	—	0.0	—	—	—	—	—	-100.0%	—
Payments for financial assets	0.3	1.4	1.5	—	-100.0%	—	—	—	—	—	—
Total	5 525.7	5 979.6	6 032.3	5 816.6	1.7%	100.0%	6 139.4	6 422.5	6 803.7	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	11.3%	10.3%	10.8%	10.5%	—	—	11.0%	11.0%	11.2%	—	—
Details of transfers and subsidies											
Households											
Social benefits											
Current	21.7	141.3	246.3	35.0	17.2%	1.9%	25.2	29.0	29.1	-5.9%	0.5%
Employee social benefits	21.7	141.3	246.3	35.0	17.2%	1.9%	25.2	29.0	29.1	-5.9%	0.5%
Other transfers to households											
Current	2.5	0.2	1.3	—	-100.0%	—	—	—	—	—	—
Claims against the state	2.5	0.2	1.3	—	-100.0%	—	—	—	—	—	—
Provinces and municipalities											
Provincial agencies and funds											
Current	0.0	0.0	0.0	0.0	38.7%	—	0.0	0.0	0.0	-20.6%	—
Vehicle licences	0.0	0.0	0.0	0.0	38.7%	—	0.0	0.0	0.0	-20.6%	—
Non-profit institutions											
Current	0.2	0.1	0.1	0.5	30.3%	—	0.2	0.2	0.2	-31.3%	—
St John Ambulance Brigade	0.2	0.1	0.1	0.5	30.3%	—	0.2	0.2	0.2	-31.3%	—
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	—	—	0.1	—	—	—	—	—	—	—	—
Claims against the state	—	—	0.1	—	—	—	—	—	—	—	—
Other transfers to public corporations											
Current	—	—	—	0.0	—	—	0.0	0.0	0.0	-29.1%	—
Communication licences	—	—	—	0.0	—	—	0.0	0.0	0.0	-29.1%	—

Personnel information

Table 23.17 Military Health Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2023/24			2024/2			2025/26		2026/27		2027/28				2024/25 - 2027/28			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Military Health Support																			
Salary level	6 787	–	6 745	4 239.9	0.6	6 933	4 238.6	0.6	6 873	4 466.5	0.6	6 869	4 669.8	0.7	6 871	4 882.1	0.7	-0.3%	100.0%
1 – 6	2 513	–	2 532	814.5	0.3	2 609	884.5	0.3	2 527	907.9	0.4	2 492	948.7	0.4	2 489	996.4	0.4	-1.6%	36.7%
7 – 10	3 284	–	3 236	1 796.1	0.6	3 320	1 954.0	0.6	3 339	2 088.0	0.6	3 365	2 219.0	0.7	3 368	2 345.6	0.7	0.5%	48.6%
11 – 12	703	–	692	624.0	0.9	715	681.9	1.0	709	716.5	1.0	713	760.3	1.1	714	803.5	1.1	-0.0%	10.3%
13 – 16	287	–	285	515.8	1.8	289	554.0	1.9	298	599.4	2.0	299	633.2	2.1	300	670.4	2.2	1.3%	4.3%
Other	–	–	–	489.5	–	–	164.3	–	–	154.7	–	–	108.6	–	–	66.2	–	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capabilities, and defence diplomacy administrative support to the department.

Objective

- Provide intelligence and counterintelligence capabilities, a defence intelligence service and defence diplomacy administrative support to the department on an ongoing basis.

Subprogrammes

- *Operations* provides timely defence prediction, intelligence and counterintelligence capabilities and services.
- *Defence Intelligence Support Services* provides defence diplomacy capabilities.

Expenditure trends and estimates

Table 23.18 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme		Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22 - 2024/25	2021/22 - 2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2024/25 - 2027/28
Operations		234.0	584.0	299.0	312.7	10.1%	34.0%	34.0%	320.1	340.5	357.5	4.6%	27.5%
Defence Intelligence Support Services		544.3	530.0	884.9	815.7	14.4%	66.0%	66.0%	864.1	899.9	935.0	4.7%	72.5%
Total		778.3	1 114.0	1 183.9	1 128.4	13.2%	100.0%	100.0%	1 184.2	1 240.4	1 292.5	4.6%	100.0%
Change to 2024					–				6.4	6.7	3.1		
Budget estimate													
Economic classification		493.1	501.7	826.3	807.3	17.9%	62.5%	62.5%	856.1	894.8	929.4	4.8%	72.0%
Current payments		468.8	479.6	705.9	671.9	12.8%	55.3%	55.3%	707.2	740.2	772.3	4.8%	59.7%
Compensation of employees		24.4	22.1	120.4	135.4	77.1%	7.2%	7.2%	148.8	154.6	157.0	5.1%	12.3%
Goods and services													
of which:													
Inventory: Fuel, oil and gas		3.2	3.3	3.6	12.0	54.9%	0.5%	0.5%	10.3	10.8	11.2	-2.4%	0.9%
Operating leases		–	–	30.8	40.1	–	1.7%	1.7%	41.3	41.9	42.0	1.6%	3.4%
Property payments		0.5	0.4	3.8	16.5	230.7%	0.5%	0.5%	15.1	15.2	15.2	-2.6%	1.3%
Travel and subsistence		5.2	7.3	30.3	20.3	57.5%	1.5%	1.5%	21.2	24.8	26.7	9.7%	1.9%
Training and development		3.0	2.2	3.6	7.5	36.0%	0.4%	0.4%	8.4	9.5	9.5	8.3%	0.7%
Operating payments		0.5	–	25.2	8.5	150.1%	0.8%	0.8%	17.9	18.7	18.3	29.2%	1.3%

Table 23.18 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome							2025/26	2026/27	2027/28		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Transfers and subsidies	236.7	612.1	356.2	317.2	10.2%	36.2%	325.0	345.6	363.2	4.6%	27.9%
Provinces and municipalities	0.0	0.0	0.0	0.0	44.2%	–	0.0	0.0	0.0	-5.9%	–
Departmental agencies and accounts	234.0	584.0	299.0	312.7	10.1%	34.0%	320.1	340.5	357.5	4.6%	27.5%
Households	2.7	28.1	57.1	4.5	18.4%	2.2%	4.9	5.1	5.7	8.0%	0.4%
Payments for capital assets	48.4	0.1	1.3	3.9	-56.9%	1.3%	3.1	–	–	-100.0%	0.1%
Buildings and other fixed structures	48.4	–	–	–	-100.0%	1.2%	–	–	–	–	–
Machinery and equipment	–	0.1	1.3	3.9	–	0.1%	3.1	–	–	-100.0%	0.1%
Payments for financial assets	0.1	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Total	778.3	1 114.0	1 183.9	1 128.4	13.2%	100.0%	1 184.2	1 240.4	1 292.5	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.6%	1.9%	2.1%	2.0%	–	–	2.1%	2.1%	2.1%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	2.7	28.0	57.1	4.5	18.4%	2.2%	4.9	5.1	5.7	8.0%	0.4%
Employee social benefits	2.7	28.0	57.1	4.5	18.4%	2.2%	4.9	5.1	5.7	8.0%	0.4%
Other transfers to households											
Current	–	0.0	–	–	–	–	–	–	–	–	–
Claims against the state	–	0.0	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	234.0	584.0	299.0	312.7	10.1%	34.0%	320.1	340.5	357.5	4.6%	27.5%
Special defence account	234.0	584.0	299.0	312.7	10.1%	34.0%	320.1	340.5	357.5	4.6%	27.5%
Provinces and municipalities											
Provincial agencies and funds											
Current	0.0	0.0	0.0	0.0	44.2%	–	0.0	0.0	0.0	-5.9%	–
Vehicle licences	0.0	0.0	0.0	0.0	44.2%	–	0.0	0.0	0.0	-5.9%	–

Personnel information

Table 23.19 Defence Intelligence personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate										
			2023/24			2024/2			2025/26		2026/27		2027/28						
Defence Intelligence			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	1 043	–	989	705.9	0.7	1 055	671.9	0.6	1 041	707.2	0.7	1 026	740.2	0.7	1 032	772.3	0.7	-0.7%	100.0%
1 – 6	260	–	208	68.5	0.3	275	90.2	0.3	259	93.0	0.4	258	97.4	0.4	262	104.4	0.4	-1.6%	25.4%
7 – 10	654	–	663	395.6	0.6	647	410.0	0.6	663	447.0	0.7	655	465.8	0.7	655	491.6	0.8	0.4%	63.1%
11 – 12	99	–	90	89.2	1.0	103	107.9	1.0	90	99.5	1.1	85	99.1	1.2	87	106.9	1.2	-5.5%	8.8%
13 – 16	30	–	28	31.4	1.1	30	35.5	1.2	29	36.3	1.3	28	37.0	1.3	28	39.0	1.4	-2.3%	2.8%
Other	–	–	–	121.1	–	–	28.3	–	–	31.5	–	–	40.8	–	–	30.4	–	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing logistics services to the department in terms of warehousing for ammunition, main equipment and stores; and provide the defence works capability, the capital works programme and the defence facility refurbishment programme by ensuring that the department has:
 - appropriate, ready and sustained centralised common matériel management

- appropriate, ready and sustained centralised facilities management
- appropriate, ready and sustained centralised common logistics services and movement management
- sound strategic direction on logistics.
- Provide command and management information systems and related services to the department over the medium term by providing:
 - strategic direction and staff support services to the general support division
 - integrated department ICT solutions and enablers
 - an information warfare strategic direction capability
 - maintenance and support for information systems.
- Provide a military policing capability to the department over the medium term by:
 - investigating new and backlogged criminal cases
 - conducting planned crime prevention operations
 - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and the investigation of criminal cases
 - investigating reported corruption and fraud cases
 - sustaining a provost company for operational deployments
 - sustaining 2 military correctional facilities for detention and rehabilitation.

Subprogrammes

- *Joint Logistics Services* provides logistics services to the department in terms of warehousing for ammunition, main equipment and stores; and provides the defence works capability, the capital works programme and the defence facility refurbishment programme.
- *Command and Management Information Systems* provides command and management information systems-related services to the department.
- *Military Police* provides a military policing capability to the department.
- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits and bank charges.

Expenditure trends and estimates

Table 23.20 General Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Joint Logistics Services	3 681.6	3 903.7	3 551.3	3 927.7	2.2%	53.5%	4 105.4	4 293.0	4 462.0	4.3%	53.5%
Command and Management Information Systems	939.4	1 158.3	918.5	1 107.9	5.7%	14.6%	1 147.8	1 228.0	1 276.6	4.8%	15.2%
Military Police	742.7	826.2	854.8	773.5	1.4%	11.4%	815.3	856.2	896.0	5.0%	10.6%
Technology Development	–	133.5	316.0	411.3	–	3.1%	353.6	369.5	289.1	-11.1%	4.5%
Departmental Support	1 237.4	1 239.6	1 257.6	1 176.1	-1.7%	17.4%	1 237.8	1 305.2	1 363.5	5.1%	16.2%
Total	6 601.0	7 261.3	6 898.2	7 396.4	3.9%	100.0%	7 659.9	8 051.8	8 287.2	3.9%	100.0%
Change to 2024 Budget estimate				–			30.6	36.1	(91.1)		

Table 23.20 General Support expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome											
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Current payments	4 873.1	4 878.2	4 452.9	5 463.1	3.9%	69.8%	5 735.5	6 014.4	6 211.6	4.4%	74.6%
Compensation of employees	3 002.2	3 070.9	2 957.0	3 186.4	2.0%	43.4%	3 363.4	3 528.8	3 694.9	5.1%	43.9%
Goods and services	1 870.9	1 807.4	1 495.9	2 276.7	6.8%	26.5%	2 372.2	2 485.6	2 516.6	3.4%	30.7%
of which:						—					—
Minor assets	43.9	27.2	54.5	127.9	42.8%	0.9%	102.4	111.7	115.3	-3.4%	1.5%
Audit costs: External	64.8	76.6	83.0	88.3	10.9%	1.1%	92.7	96.4	94.4	2.2%	1.2%
Computer services	572.0	666.9	553.6	718.4	7.9%	8.9%	816.8	845.7	839.4	5.3%	10.3%
Agency and support/outsourced services	204.3	297.3	144.9	197.4	-1.1%	3.0%	164.1	164.1	164.1	-6.0%	2.2%
Property payments	20.4	20.2	15.5	561.2	201.7%	2.2%	521.2	590.1	615.5	3.1%	7.3%
Travel and subsistence	145.2	164.9	178.6	56.4	-27.1%	1.9%	138.5	139.6	139.4	35.2%	1.5%
Transfers and subsidies	1 171.4	1 436.5	1 817.6	1 497.4	8.5%	21.0%	1 473.6	1 581.0	1 561.7	1.4%	19.5%
Provinces and municipalities	0.1	0.1	0.1	0.1	14.7%	—	0.1	0.1	0.1	2.6%	—
Departmental agencies and accounts	7.4	141.6	372.5	439.9	290.9%	3.4%	371.4	410.9	330.6	-9.1%	4.9%
Foreign governments and international organisations	9.9	—	—	—	-100.0%	—	—	—	—	—	—
Public corporations and private enterprises	1 136.6	1 128.6	1 083.6	1 033.3	-3.1%	15.6%	1 087.6	1 148.9	1 206.9	5.3%	14.3%
Households	17.4	166.2	361.4	24.1	11.5%	2.0%	14.5	21.0	24.0	-0.1%	0.3%
Payments for capital assets	555.7	946.3	627.4	435.9	-7.8%	9.1%	450.7	456.5	513.9	5.6%	5.9%
Buildings and other fixed structures	355.7	614.3	483.9	372.8	1.6%	6.5%	374.8	380.7	406.7	2.9%	4.9%
Machinery and equipment	151.9	55.1	125.8	63.0	-25.4%	1.4%	75.7	75.5	106.9	19.3%	1.0%
Heritage assets	—	212.9	—	—	—	0.8%	—	—	—	—	—
Software and other intangible assets	48.1	63.9	17.7	—	-100.0%	0.5%	0.3	0.3	0.3	—	—
Payments for financial assets	0.8	0.2	0.2	—	-100.0%	—	—	—	—	—	—
Total	6 601.0	7 261.3	6 898.2	7 396.4	3.9%	100.0%	7 659.9	8 051.8	8 287.2	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	13.5%	12.5%	12.3%	13.3%	—	—	13.7%	13.8%	13.7%	—	—
Details of transfers and subsidies											
Households											
Social benefits											
Current	16.5	164.1	360.4	24.1	13.5%	2.0%	14.5	21.0	24.0	-0.1%	0.3%
Employee social benefits	16.5	164.1	360.4	24.1	13.5%	2.0%	14.5	21.0	24.0	-0.1%	0.3%
Other transfers to households											
Current	0.9	2.1	1.0	—	-100.0%	—	—	—	—	—	—
Claims against the state	0.9	2.1	1.0	—	-100.0%	—	—	—	—	—	—
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.4	141.6	372.5	439.9	290.9%	3.4%	371.4	410.9	330.6	-9.1%	4.9%
Special defence account	1.9	135.6	366.5	433.9	515.3%	3.3%	366.4	406.9	326.6	-9.0%	4.9%
Castle Control Board	5.5	6.0	6.0	6.0	2.9%	0.1%	5.0	4.0	4.0	-12.6%	0.1%
Provinces and municipalities											
Provincial agencies and funds											
Current	0.1	0.1	0.1	0.1	14.7%	—	0.1	0.1	0.1	2.6%	—
Vehicle licences	0.1	0.1	0.1	0.1	14.7%	—	0.1	0.1	0.1	2.6%	—
Public corporations and private enterprises											
Subsidies on products and production											
Current	1 136.6	1 128.6	1 083.6	1 033.3	-3.1%	15.6%	1 087.6	1 148.9	1 206.9	5.3%	14.3%
Armaments Corporation of South Africa	1 136.6	1 128.6	1 083.6	1 033.3	-3.1%	15.6%	1 087.6	1 148.9	1 206.9	5.3%	14.3%
Other transfers to public corporations											
Current	0.1	—	—	0.0	-54.3%	—	0.0	0.0	0.0	—	—
Claims against the state	0.1	—	—	—	-100.0%	—	—	—	—	—	—
Communication licences	—	—	—	0.0	—	—	0.0	0.0	0.0	—	—
Foreign governments and international organisations											
Current	9.9	—	—	—	-100.0%	—	—	—	—	—	—
Foreign governments and international organisations	9.9	—	—	—	-100.0%	—	—	—	—	—	—

Personnel information

Table 23.21 General Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			Number and cost ² of personnel posts filled/planned for on funded establishment													Average growth rate (%)	Average: Salary level/ Total (%)		
Number of funded posts	Number of posts additional to the establishment		Actual		Revised estimate			Medium-term expenditure estimate											
			2023/24		2024/2			2025/26		2026/27		2027/28			2024/25 - 2027/28				
General Support			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	6 525	–	5 992	2 957.0	0.5	6 620	3 186.4	0.5	6 434	3 363.4	0.5	6 437	3 528.8	0.5	6 507	3 694.9	0.6	-0.6%	100.0%
1 – 6	3 637	–	3 273	1 160.6	0.4	3 687	1 379.0	0.4	3 543	1 405.5	0.4	3 594	1 505.4	0.4	3 665	1 618.3	0.4	-0.2%	55.7%
7 – 10	2 718	–	2 567	1 414.0	0.6	2 760	1 601.7	0.6	2 720	1 681.1	0.6	2 677	1 745.6	0.7	2 677	1 842.4	0.7	-1.0%	41.7%
11 – 12	145	–	131	120.4	0.9	148	144.2	1.0	146	149.7	1.0	141	152.5	1.1	140	159.8	1.1	-1.8%	2.2%
13 – 16	25	–	21	27.0	1.3	25	33.8	1.4	25	35.6	1.4	25	37.6	1.5	25	39.7	1.6	–	0.4%
Other	–	–	–	234.9	–	–	27.9	–	–	91.4	–	–	87.7	–	–	34.8	–	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Entities

Armaments Corporation of South Africa

Selected performance indicators

Table 23.22 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Percentage of capital requirements from the Department of Defence converted into orders placed per year	Management of defence matériel acquisition	Outcome 21: Effective border management and development in Africa and globally	100% (R90m)	100% (R365.1m)	97.1% (R247.7m/ R255m)	95%	95%	95%	95%
Percentage of technology requirements executed per year	Management of strategic facilities (research and development)		97.9% (R126.6m/ R129.4m)	51.7% (R95.2m/ R184.1m)	84.5% (R187.7m/ R222.2m)	95%	95%	95%	95%
Value of defence industrial participation credits awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R260m	R26.6m	R1.9m	R1.2m	R1.2m	R 1.6m	R1.7m

Entity overview

The Armaments Corporation of South Africa, which is guided by the Armaments Corporation of South Africa, Limited Act (2003), ensures that the South African National Defence Force is equipped with high-quality, reliable and technologically advanced defence matériel. By fulfilling its mission, the corporation contributes to the overall effectiveness and readiness of the defence force while actively enabling the development of the local defence industry by supporting local manufacturers and fostering research and development initiatives.

The corporation's primary focus over the MTEF period will be on meeting the department's requirements in terms of defence matériel acquisition, research, development analysis, tests and evaluation. To achieve this, over the period ahead, the corporation will continue its efforts to improve its systems and processes, provide support to the local defence industry and improve its capacity to generate revenue.

Accordingly, the corporation aims to ensure that it maintains the technological requirements to meet 95 per cent of its contractual milestones over the medium term. For this purpose, an estimated R1.8 billion over the period ahead is set aside for managing strategic research facilities. The corporation plans to continue ensuring that the procurement of capital assets for the defence force over the next 3 years is cost efficient and meets its operational needs. To this end, the corporation aims to convert 95 per cent of the department's capital requirements into placed orders, which entails acquiring defence matériel, each year over the medium term. R808.6 million over the period ahead is allocated for this purpose.

Providing support to the South African defence industry involves facilitating its participation in international defence exhibitions and events, and managing requests from the private sector to use South African National Defence Force's equipment, personnel and facilities for marketing purposes. R56 million over the next 3 years is allocated to carry out these activities.

Expenditure is expected to increase at an average annual rate of 3.8 per cent, from R2.8 billion in 2024/25 to R3.2 billion in 2027/28, with goods and services accounting for an estimated 52.4 per cent (R4.7 billion) of the corporation's total budget over the medium term. The corporation expects to derive 50.9 per cent (R4.6 billion) of its revenue over the period ahead through transfers from the department and the remainder through commercial revenue and interest on investments. Revenue is set to increase at an average annual rate of 4.9 per cent, from R2.7 billion in 2024/25 to R3.2 billion in 2027/28.

Programmes/Objectives/Activities

Table 23.23 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2021/22	2022/23	2023/24		2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2027/28
Administration	852.5	682.6	718.1	891.7	1.5%	39.7%	996.6	1 052.2	1 111.5	7.6%	34.1%
Quality assurance	107.4	109.4	116.2	129.1	6.3%	5.9%	119.2	125.2	131.6	0.6%	4.3%
Management of defence matériel acquisition	239.7	224.3	235.8	231.0	-1.2%	12.0%	256.4	269.3	282.9	7.0%	8.7%
Logistics support	27.7	47.5	71.0	30.0	2.7%	2.4%	31.2	32.8	34.5	4.7%	1.1%
Management of strategic facilities (dockyard)	266.4	231.6	275.1	1 016.2	56.2%	19.9%	889.3	934.2	981.5	-1.2%	32.2%
Management of strategic facilities (research and development)	448.0	325.2	323.2	535.2	6.1%	20.2%	569.2	598.6	629.6	5.6%	19.6%
Total	1 941.8	1 620.5	1 739.4	2 833.1	13.4%	100.0%	2 861.9	3 012.3	3 171.5	3.8%	100.0%

Statements of financial performance, cash flow and financial position

Table 23.24 Armaments Corporation of South Africa statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2021/22	2022/23	2023/24		2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2027/28
Revenue											
Non-tax revenue	474.3	527.3	680.0	1 344.4	41.5%	34.8%	1 397.8	1 481.6	1 571.9	5.4%	49.1%
Sale of goods and services other than capital assets	259.7	296.1	361.6	1 129.1	63.2%	22.6%	1 152.8	1 222.0	1 295.3	4.7%	40.7%
Other non-tax revenue	214.6	231.3	318.4	215.3	0.1%	12.2%	245.0	259.7	276.7	8.7%	8.4%
Transfers received	1 480.1	1 241.8	1 210.3	1 400.0	-1.8%	65.2%	1 464.6	1 531.7	1 600.3	4.6%	50.9%
Total revenue	1 954.3	1 769.2	1 890.3	2 744.4	12.0%	100.0%	2 862.3	3 013.3	3 172.2	4.9%	100.0%
Expenses											
Current expenses	1 941.8	1 620.5	1 737.7	2 833.1	13.4%	100.0%	2 861.9	3 012.3	3 171.5	3.8%	100.0%
Compensation of employees	1 145.2	1 020.7	1 060.4	1 218.8	2.1%	56.5%	1 272.4	1 336.0	1 402.8	4.8%	44.0%
Goods and services	700.5	469.4	543.3	1 502.3	29.0%	37.3%	1 491.5	1 573.4	1 660.7	3.4%	52.4%
Depreciation	96.1	92.0	94.2	112.0	5.2%	5.0%	98.0	102.9	108.0	-1.2%	3.5%
Interest, dividends and rent on land	—	38.5	39.8	—	—	1.2%	—	—	—	—	—
Transfers and subsidies	—	—	1.7	—	—	—	—	—	—	—	—
Total expenses	1 941.8	1 620.5	1 739.4	2 833.1	13.4%	100.0%	2 861.9	3 012.3	3 171.5	3.8%	100.0%
Surplus/(Deficit)	12.6	148.6	150.9	(88.8)	-291.7%		—	1.0	—	-100.0%	
Cash flow statement											
Cash flow from operating activities	303.2	126.5	81.2	23.3	-57.5%	100.0%	98.4	103.9	108.8	67.2%	100.0%
Receipts											
Non-tax receipts	288.3	488.1	832.8	1 302.0	65.3%	32.6%	1 349.9	1 430.9	1 518.1	5.3%	47.5%
Sales of goods and services other than capital assets	169.6	338.0	682.0	1 129.1	88.1%	25.5%	1 152.8	1 222.0	1 295.3	4.7%	40.7%
Other tax receipts	118.7	150.0	150.8	172.9	13.4%	7.1%	197.1	208.9	222.9	8.8%	6.8%
Transfers received	1 480.1	1 241.6	1 210.3	1 400.0	-1.8%	65.3%	1 464.6	1 531.7	1 600.3	4.6%	50.9%
Financial transactions in assets and liabilities	21.1	18.7	94.3	42.4	26.2%	2.1%	47.9	50.8	53.8	8.3%	1.6%
Total receipts	1 789.5	1 748.4	2 137.4	2 744.4	15.3%	100.0%	2 862.3	3 013.3	3 172.2	4.9%	100.0%

Table 23.24 Armaments Corporation of South Africa statements of financial performance, cash flow and financial position (continued)

Cash flow statement						Average:					Average:
	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total (%)
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Payment											
Current payments	1 483.6	1 621.0	2 056.0	2 721.1	22.4%	99.9%	2 763.9	2 909.4	3 063.5	4.0%	100.0%
Compensation of employees	1 204.3	1 057.8	1 174.7	1 218.8	0.4%	62.0%	1 272.4	1 336.0	1 402.8	4.8%	45.6%
Goods and services	279.3	563.3	881.2	1 502.3	75.2%	37.9%	1 491.5	1 573.4	1 660.7	3.4%	54.4%
Interest and rent on land	0.0	—	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	2.7	0.9	0.3	—	-100.0%	0.1%	—	—	—	—	—
Total payments	1 486.3	1 621.9	2 056.2	2 721.1	22.3%	100.0%	2 763.9	2 909.4	3 063.5	4.0%	100.0%
Net cash flow from investing activities	(407.4)	74.4	337.8	(207.1)	-20.2%	100.0%	(320.9)	(274.1)	(304.3)	13.7%	100.0%
Acquisition of property, plant, equipment and intangible assets	(58.3)	(103.4)	(57.4)	(311.7)	74.8%	2.2%	(350.5)	(293.2)	(235.5)	-8.9%	111.0%
Acquisition of software and other intangible assets	(9.5)	(6.0)	(18.1)	(95.3)	115.4%	8.8%	(70.4)	(80.9)	(68.8)	-10.3%	30.0%
Proceeds from the sale of property, plant, equipment and intangible assets	0.1	0.7	—	—	-100.0%	0.2%	—	—	—	—	—
Other flows from investing activities	(339.7)	183.0	413.3	200.0	-183.8%	88.8%	100.0	100.0	—	-100.0%	-41.1%
Net increase/(decrease) in cash and cash equivalents	(104.3)	200.9	418.9	(183.8)	20.8%	6.2%	(222.5)	(170.2)	(195.5)	2.1%	100.0%
Statement of financial position											
Carrying value of assets of which:	1 291.8	1 272.1	1 258.2	1 720.1	10.0%	40.9%	1 822.0	2 078.0	2 237.5	9.2%	58.3%
Acquisition of assets	(58.3)	(103.4)	(57.4)	(311.7)	74.8%	100.0%	(350.5)	(293.2)	(235.5)	-8.9%	100.0%
Investments	—	6.2	9.6	0.1	—	0.1%	0.1	0.1	0.1	—	—
Inventory	14.2	15.8	20.7	14.4	0.6%	0.5%	18.9	18.1	17.4	6.4%	0.5%
Receivables and prepayments	205.0	497.7	645.3	510.6	35.5%	13.5%	605.8	587.6	570.0	3.7%	16.9%
Cash and cash equivalents	465.7	666.5	1 085.4	100.1	-40.1%	16.5%	508.3	373.6	242.3	34.3%	9.0%
Taxation	3.4	22.1	3.7	—	-100.0%	0.2%	—	—	—	—	—
Derivatives financial instruments	1 236.5	1 058.8	650.5	881.4	-10.7%	28.3%	450.0	350.0	350.0	-26.5%	15.3%
Total assets	3 216.6	3 539.2	3 673.5	3 226.8	0.1%	100.0%	3 405.0	3 407.4	3 417.3	1.9%	100.0%
Accumulated surplus/(deficit)	785.9	956.2	1 113.0	696.3	-4.0%	25.8%	1 565.2	1 533.0	1 484.7	28.7%	39.0%
Capital and reserves	1 641.6	1 619.1	1 613.2	1 613.2	-0.6%	47.7%	952.2	985.4	1 034.7	-13.8%	34.3%
Capital reserve fund	75.0	75.0	75.0	75.0	—	2.2%	75.0	75.0	75.0	—	2.2%
Deferred income	59.6	45.8	39.8	21.5	-28.8%	1.2%	20.7	11.8	7.6	-29.3%	0.5%
Trade and other payables	192.4	385.5	385.2	325.0	19.1%	9.4%	306.3	291.0	276.5	-5.2%	8.9%
Taxation	7.1	6.1	7.5	—	-100.0%	0.1%	—	—	—	—	—
Provisions	374.4	424.8	411.0	495.8	9.8%	12.5%	485.6	511.2	538.8	2.8%	15.1%
Derivatives financial instruments	80.7	26.9	28.9	—	-100.0%	1.0%	—	—	—	—	—
Total equity and liabilities	3 216.6	3 539.2	3 673.5	3 226.8	0.1%	100.0%	3 405.0	3 407.4	3 417.3	1.9%	100.0%

Personnel information

Table 23.25 Armaments Corporation of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2025			Number and cost ¹ of personnel posts filled/planned for on funded establishment													Average growth rate of personnel posts (%)	Average: salary level/ Total (%)	
Number of funded posts	Number of approved establishment posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						2024/25 - 2027/28			
			2023/24			2024/25			2025/26		2026/27		2027/28					
Armaments Corporation of South Africa			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Salary level	1 541	1 541	1 357	1 060.4	0.8	1 541	1 218.8	0.8	1 565	1 272.4	0.8	1 565	1 336.0	0.9	1 565	1 402.8	0.9	0.5%
1 – 6	237	237	233	50.3	0.2	237	49.5	0.2	236	53.4	0.2	236	56.1	0.2	236	58.9	0.2	-0.1%
7 – 10	765	765	692	393.3	0.6	765	412.0	0.5	792	446.8	0.6	792	469.2	0.6	792	492.6	0.6	1.2%
11 – 12	173	173	150	158.9	1.1	173	168.8	1.0	186	188.8	1.0	186	198.3	1.1	186	208.2	1.1	2.4%
13 – 16	351	351	274	429.0	1.6	351	542.9	1.5	328	533.6	1.6	328	560.2	1.7	328	588.2	1.8	-2.2%
17 – 22	15	15	8	28.9	3.6	15	45.7	3.0	23	49.8	2.2	23	52.3	2.3	23	54.9	2.4	15.3%

1. Rand million.

Castle Control Board

Selected performance indicators

Table 23.26 Castle Control Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Gross revenue generated per year	Increased public profile and positive perception across all sectors of the community	Outcome 15: Social cohesion and nation building	R8.7m	R10.8m	R10.9m	R10.8m	R10.2m	R10m	R11.2m
Number of visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		33 452	73 765	102 326	130 000	170 000	180 000	190 000
Number of interns hosted at the Castle of Good Hope per year	Increased public profile and positive perception across all sectors of the community	Outcome 1: Increased employment and work opportunities	7	10	13	12	14	14	14

Entity overview

The Castle Control Board derives its primary authority from the Castle Management Act (1993), which mandates the preservation and protection of the military and cultural heritage of the Castle of Good Hope. Aspects of the board's mandate are also derived from the Defence Endowment Property and Account Act (1922) and the National Heritage Resources Act (1999). The board aims to implement its revenue optimisation strategy over the medium term to remain viable as a self-sustaining entity. This will mainly entail efforts to optimise the heritage tourism potential of the Castle of Good Hope and increase its accessibility to the broader public.

Accordingly, key activities over the medium term include delivering a comprehensive range of visitor services. These include an improved script for tour guides, better curated museums and exhibitions, an upgraded information centre and website, better and clearer signage to allow for effective self-guided tours and directions to the site, and an improved security system in and around the precinct to ensure the safety and wellbeing of all visitors. As a result, the number of visitors to the Castle of Good Hope is expected to increase from 130 000 in 2024/25 to 190 000 in 2027/28. An estimated R928 000 over the next 3 years is allocated for these activities. As a result, revenue from operating activities is expected to increase at an average annual rate of 11.4 per cent, from R4.7 million in 2024/25 to R6.5 million in 2027/28.

Spending over the medium term is expected to decrease at an average annual rate of 0.7 per cent, from R10.7 million in 2024/25 to R10.5 million in 2027/28, in line with cost-cutting measures implemented by the board such as conducting in-house recruitment.

Programmes/Objectives/Activities

Table 23.27 Castle Control Board expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2021/22	2022/23	2023/24		2021/22 - 2024/25	Average: Expenditure/ Total (%)	2025/26	2026/27	2027/28	2024/25 - 2027/28	Average: Expenditure/ Total (%)
Administration	6.2	7.4	7.9	8.9	12.5%	87.9%	8.6	8.6	9.1	0.9%	85.3%
Ensure the preservation, interpretation and showcasing of the castle's history	0.5	0.6	0.8	0.9	27.1%	8.1%	1.1	1.0	1.1	3.7%	9.8%
Maximising the tourist potential of the Castle of Good Hope	0.0	0.0	0.0	0.2	214.8%	0.5%	0.1	0.1	0.1	-6.4%	1.3%
Increased public profile and positive perception across all sectors of the community	0.1	0.3	0.2	0.8	126.0%	3.5%	0.3	0.2	0.2	-34.8%	3.6%
Total	6.8	8.4	9.0	10.7	16.6%	100.0%	10.2	10.0	10.5	-0.7%	100.0%

Statements of financial performance, cash flow and financial position

Table 23.28 Castle Control Board statements of financial performance, cash flow and financial position

Statement of financial performance				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2024/25				2025/26	2026/27	2027/28		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Revenue											
Non-tax revenue	3.2	5.2	4.9	4.7	13.1%	43.1%	5.2	6.0	6.5	11.4%	54.1%
Sale of goods and services other than capital assets	2.8	4.4	4.2	3.9	11.8%	36.4%	4.2	4.9	5.3	11.3%	44.3%
Other non-tax revenue	0.5	0.7	0.8	0.8	20.4%	6.7%	0.9	1.1	1.2	11.8%	9.8%
Transfers received	5.5	6.0	6.0	6.0	2.9%	56.9%	5.0	4.0	4.0	-12.6%	45.9%
Total revenue	8.7	11.2	10.9	10.7	7.0%	100.0%	10.2	10.0	10.5	-0.7%	100.0%
Expenses											
Current expenses	6.8	8.4	9.0	10.7	16.6%	100.0%	10.2	10.0	10.5	-0.7%	100.0%
Compensation of employees	4.7	5.6	6.3	6.6	12.0%	67.0%	6.8	7.0	7.4	3.8%	67.4%
Goods and services	1.5	2.2	2.4	3.6	33.9%	27.0%	2.9	2.5	2.6	-9.7%	28.1%
Depreciation	0.6	0.5	0.4	0.5	-3.0%	6.0%	0.4	0.4	0.5	-3.4%	4.5%
Total expenses	6.8	8.4	9.0	10.7	16.6%	100.0%	10.2	10.0	10.5	-0.7%	100.0%
Surplus/(Deficit)	2.0	2.8	1.9	-	-100.0%		-	-	-	-	
Cash flow statement											
Cash flow from operating activities	2.5	2.8	2.5	0.2	-54.2%	100.0%	0.0	(0.1)	0.7	40.9%	100.0%
Receipts											
Non-tax receipts	2.8	4.3	4.7	3.8	11.6%	39.2%	4.2	4.8	5.5	12.9%	47.4%
Sales of goods and services other than capital assets	2.7	4.1	4.3	3.5	10.0%	36.7%	3.9	4.4	5.1	13.0%	43.7%
Other tax receipts	0.1	0.3	0.3	0.3	42.6%	2.5%	0.3	0.4	0.4	10.7%	3.7%
Transfers received	5.5	6.0	6.0	6.0	2.9%	60.1%	5.0	4.0	4.0	-12.6%	49.0%
Financial transactions in assets and liabilities	0.0	0.1	0.0	0.2	48.3%	0.7%	0.2	0.3	0.7	67.1%	3.6%
Total receipts	8.3	10.4	10.7	10.0	6.3%	100.0%	9.4	9.1	10.2	0.8%	100.0%
Payment											
Current payments	5.8	7.6	8.2	9.8	18.9%	100.0%	9.4	9.2	9.6	-0.7%	100.0%
Compensation of employees	4.7	5.7	6.3	6.7	12.2%	75.3%	6.9	7.1	7.2	2.6%	73.5%
Goods and services	1.1	1.9	1.9	3.1	41.8%	24.7%	2.5	2.1	2.4	-8.6%	26.5%
Total payments	5.8	7.6	8.2	9.8	18.9%	100.0%	9.4	9.2	9.6	-0.7%	100.0%
Net cash flow from investing activities	(0.0)	(0.2)	(0.6)	(0.5)	179.1%	100.0%	(0.2)	(0.2)	(1.6)	47.4%	100.0%
Acquisition of property, plant, equipment and intangible assets	(0.0)	(0.2)	(0.1)	(0.4)	147.8%	74.0%	(0.2)	(0.2)	(1.6)	66.0%	92.5%
Acquisition of software and other intangible assets	-	-	(0.4)	(0.2)	-	26.2%	-	-	-	-100.0%	7.5%
Proceeds from the sale of property, plant, equipment and intangible assets	-	-	0.0	-	-	-0.1%	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	2.5	2.6	1.9	(0.3)	-147.1%	21.8%	(0.2)	(0.3)	(0.9)	52.9%	100.0%
Statement of financial position											
Carrying value of assets of which:	2.8	2.5	2.7	4.9	20.4%	36.1%	5.2	5.5	6.2	7.8%	54.3%
Acquisition of assets	(0.0)	(0.2)	(0.1)	(0.4)	147.8%	100.0%	(0.2)	(0.2)	(1.6)	66.0%	100.0%
Inventory	0.0	0.0	0.0	0.1	180.2%	0.2%	0.1	0.1	0.1	10.9%	0.6%
Receivables and prepayments	0.1	0.6	0.5	0.6	66.0%	4.7%	0.4	0.3	0.2	-30.7%	3.7%
Cash and cash equivalents	3.5	6.2	8.1	4.3	6.7%	59.0%	4.1	3.8	4.5	1.7%	41.4%
Total assets	6.5	9.2	11.3	9.9	15.1%	100.0%	9.8	9.6	11.0	3.6%	100.0%
Accumulated surplus/(deficit)	5.7	8.5	10.4	9.2	17.4%	91.0%	9.1	8.9	10.1	3.4%	92.8%
Trade and other payables	0.4	0.4	0.5	0.3	-3.2%	4.5%	0.4	0.4	0.4	3.4%	3.6%
Provisions	0.4	0.4	0.4	0.4	-5.2%	4.6%	0.3	0.3	0.5	7.3%	3.5%
Total equity and liabilities	6.5	9.2	11.3	9.9	15.1%	100.0%	9.8	9.6	11.0	3.6%	100.0%

Personnel information

Table 23.29 Castle Control Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2025			Number and cost ¹ of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average salary level/ Total (%)
Number of funded posts	Number of approved establishment posts		Actual			Revised estimate			Medium-term expenditure estimate										
			2023/24			2024/25			2025/26			2026/27			2027/28				
Castle Control Board			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	29	29	29	6.3	0.2	29	6.6	0.2	29	6.8	0.2	29	7.0	0.2	29	7.4	0.3	–	100.0%
1 – 6	25	25	25	4.7	0.2	25	4.6	0.2	25	4.7	0.2	25	4.9	0.2	25	5.1	0.2	–	86.2%
7 – 10	3	3	3	0.5	0.2	3	1.0	0.3	3	1.1	0.4	3	1.1	0.4	3	1.2	0.4	–	10.3%
11 – 12	1	1	1	1.1	1.1	1	1.0	1.0	1	1.0	1.0	1	1.0	1.0	1	1.1	1.1	–	3.4%

1. Rand million.

Denel

Selected performance indicators

Table 23.30 Denel performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTDP outcome	Audited performance			Estimated performance	MTEF targets			
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Revenue generated through the aerospace programme per year	Aerospace	Outcome 3: Structural reforms to drive growth and competitiveness	R99.3m	R281.2m	R111m	R206m	R251m	R266.1m	R274m	
Weighting of personnel costs on total objective costs in the aerospace programme per year	Aerospace		27%	14%	78%	19%	46%	97%	97%	
Revenue generated through the aviation programme per year	Aviation		R456.5m	R476m	R619m	R664m	R776m	R822m	R911m	
Weighting of personnel costs to total objective costs in the aviation programme per year	Aviation		23%	10%	61%	62%	65%	52%	51%	
Revenue generated through the land solutions programme per year	Land solutions		R341m	R288m	R1.1bn	R1.3bn	R1.5bn	R1.6bn	R1.7bn	
Weighting of personnel costs to total objective costs in the land solutions programme per year	Land solutions		51%	51%	51%	51%	33%	28%	25%	
Revenue generated through the integrated systems solutions programme per year	Integrated systems solutions		– ¹	– ¹	R125m	R185m	R300m	R318m	R335m	
Weighting of personnel costs to total objective costs in the integrated systems solutions programme per year	Integrated systems solutions		– ¹	– ¹	59%	62%	63%	63%	63%	

1. No historical data available.

Company overview

Denel was incorporated as a private company in 1992 in terms of the Companies Act (1973), with the South African government as its sole shareholder. It operates in the military aerospace and landward defence environment and provides strategic defence equipment. As part of the national macro organisation of government, Denel will migrate from the abolished Department of Public Enterprises to the Department of Defence.

The company's broad focus over the medium term will be on implementing its turnaround plan, which entails rolling out its new operating model, restructuring, and optimising its cost structure. The plan has a funding requirement of R5.2 billion, of which the company committed to raise R1.8 billion by disposing of non-core assets. The remaining R3.4 billion was allocated to Denel through the Special Appropriation Act (2022). The cash injection was intended to implement the turnaround plan, settle legacy obligations and address the company's liquidity requirements to support operations and execute its order pipeline. However, the company's financial challenges remain, prompting an independent review to be conducted over the next 3 years. The review will, among other things, focus on the company's strategy; operations; funding model; and balance sheet optimisation, including capital structure and assets.

Expenditure is expected to increase at an average annual rate of 10.3 per cent, from R2.6 billion in 2024/25 to R3.5 billion in 2027/28, because of the expected improvement in business activity and the intensified implementation of the turnaround plan. Spending on goods and services accounts for 51.1 per cent (R5.1 billion) of the total budget. Revenue is projected to increase at an average annual rate of 14.5 per cent, from R2.6 billion in 2024/25 to R3.8 billion in 2027/28, also due to the implementation of the turnaround strategy. The company expects to derive 96.3 per cent (R10.8 billion) of its revenue over the period ahead through the sale of defence and security equipment and the services that it provides.

Programmes/Objectives/Activities

Table 23.31 Denel expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
Administration	498.4	383.7	305.5	400.5	-7.0%	16.1%	431.6	472.5	512.4	8.6%	14.6%
Aerospace	385.5	481.4	215.8	243.0	-14.3%	13.2%	238.3	242.8	254.9	1.6%	7.9%
Aviation	455.7	419.1	561.4	593.3	9.2%	21.4%	672.0	702.5	737.6	7.5%	21.8%
Land solutions	975.7	1 189.9	671.1	1 202.1	7.2%	40.5%	1 553.2	1 636.6	1 718.4	12.7%	48.9%
Munitions	316.6	324.8	—	—	-100.0%	5.9%	—	—	—	—	—
Integrated systems solutions	—	—	106.5	146.9	—	2.9%	219.3	231.0	242.6	18.2%	6.7%
Total	2 631.9	2 798.8	1 860.3	2 585.7	-0.6%	100.0%	3 114.5	3 285.3	3 465.9	10.3%	100.0%

Statements of financial performance, cash flow and financial position

Table 23.32 Denel statements of financial performance, cash flow and financial position

Statement of financial performance						Average growth rate (%)	Average: Expenditure/ Total (%)				Average growth rate (%)	Average: Expenditure/ Total (%)
	Audited outcome			Revised estimate				Medium-term expenditure estimate				
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25			2025/26	2026/27	2027/28	2024/25 - 2027/28	
Revenue												
Non-tax revenue	1 522.8	2 730.8	1 517.0	2 558.0	18.9%	99.5%		3 328.0	3 999.9	3 841.1	14.5%	100.0%
Sale of goods and services other than capital assets	1 382.4	1 469.0	1 434.0	2 440.0	20.9%	83.1%		3 207.0	3 874.9	3 712.7	15.0%	96.3%
Other non-tax revenue	140.4	1 261.8	83.0	118.0	-5.6%	16.3%		121.0	125.0	128.4	2.8%	3.7%
Transfers received	34.1	—	—	—	-100.0%	0.5%		—	—	—	—	—
Total revenue	1 556.9	2 730.8	1 517.0	2 558.0	18.0%	100.0%		3 328.0	3 999.9	3 841.1	14.5%	100.0%
Expenses												
Current expenses	2 631.9	2 787.3	1 860.3	2 585.7	-0.6%	99.9%		3 114.5	3 285.3	3 465.9	10.3%	100.0%
Compensation of employees	859.3	849.5	974.5	1 085.9	8.1%	39.3%		1 353.3	1 434.5	1 506.2	11.5%	43.1%
Goods and services	1 312.5	1 411.2	844.2	1 308.2	-0.1%	49.1%		1 578.5	1 693.1	1 794.1	11.1%	51.1%
Depreciation	85.2	71.9	41.6	31.5	-28.2%	2.3%		33.9	—	—	-100.0%	0.6%
Interest, dividends and rent on land	375.0	454.7	—	160.1	-24.7%	9.2%		148.7	157.7	165.5	1.1%	5.1%
Transfers and subsidies	—	11.5	—	—	—	0.1%		—	—	—	—	—
Total expenses	2 631.9	2 798.8	1 860.3	2 585.7	-0.6%	100.0%		3 114.5	3 285.3	3 465.9	10.3%	100.0%
Surplus/(Deficit)	(1 075.1)	(68.0)	(343.3)	(27.7)	-70.5%			213.5	714.6	375.2	-338.4%	

Table 23.32 Denel statements of financial performance, cash flow and financial position (continued)

Cash flow statement					Average growth rate (%)	Average: Expenditure/ Total (%)				Average growth rate (%)	Average: Expenditure/ Total (%)
	Audited outcome			Revised estimate			Medium-term expenditure estimate				
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Receipts											
Payment											
Net cash flow from investing activities	–	(49.0)	350.7	(252.6)	–	–	(112.2)	(31.3)	(31.0)	-50.3%	100.0%
Acquisition of property, plant, equipment and intangible assets	–	(59.0)	(145.3)	(252.6)	–	–	(112.2)	(31.3)	(31.0)	-50.3%	100.0%
Proceeds from the sale of property, plant, equipment and intangible assets	–	10.0	496.0	–	–	–	–	–	–	–	–
Net cash flow from financing activities	–	–	(342.0)	(130.0)	–	–	(15.0)	(15.0)	(15.0)	-51.3%	100.0%
Borrowing activities	–	–	(266.0)	(115.0)	–	–	–	–	–	-100.0%	22.1%
Repayment of finance leases	–	–	(76.0)	(15.0)	–	–	(15.0)	(15.0)	(15.0)	–	77.9%
Net increase/(decrease) in cash and cash equivalents	–	(49.0)	8.7	(382.6)	–	-4.0%	(127.2)	(46.3)	(46.0)	-50.6%	100.0%
Statement of financial position											
Carrying value of assets of which:	1 863.9	985.1	1 535.0	1 843.2	-0.4%	18.2%	2 011.3	2 099.3	2 188.0	5.9%	21.5%
Acquisition of assets	–	(59.0)	(145.3)	(252.6)	–	–	(112.2)	(31.3)	(31.0)	-50.3%	100.0%
Investments	1 161.1	1 213.8	2 512.0	2 630.0	31.3%	21.1%	2 751.0	2 876.0	3 004.4	4.5%	29.8%
Inventory	1 435.7	1 872.8	1 878.7	1 718.7	6.2%	19.4%	1 591.1	1 464.4	1 338.8	-8.0%	16.2%
Receivables and prepayments	1 644.3	1 203.1	1 509.3	1 485.6	-3.3%	16.9%	1 481.8	1 492.4	1 513.5	0.6%	15.8%
Cash and cash equivalents	488.6	3 748.1	1 474.0	1 258.8	37.1%	18.2%	1 218.9	1 448.3	1 601.0	8.3%	14.6%
Non-current assets held for sale	201.1	955.6	–	–	-100.0%	3.0%	–	–	–	–	–
Taxation	261.3	420.5	87.7	90.3	-29.8%	2.4%	93.0	95.8	98.7	3.0%	1.0%
Finance lease receivable	–	–	114.0	123.0	–	0.6%	123.0	59.0	59.0	-21.7%	1.0%
Total assets	7 055.9	10 399.0	9 110.7	9 149.6	9.0%	100.0%	9 270.0	9 535.3	9 803.3	2.3%	100.0%
Capital and reserves	(12 377.1)	(12 196.5)	(12 720.9)	(12 560.4)	0.5%	-142.4%	(12 305.7)	(11 886.4)	(11 435.5)	-3.1%	-127.8%
Capital reserve fund	11 621.3	15 204.0	15 204.0	15 204.0	9.4%	161.0%	15 204.0	15 204.0	15 204.0	–	161.2%
Borrowings	445.0	280.3	115.4	0.4	-90.3%	2.6%	0.4	0.4	0.4	–	–
Finance lease	349.6	251.0	235.1	220.1	-14.3%	3.1%	205.1	190.1	175.1	-7.3%	2.1%
Deferred income	3 974.4	3 882.9	4 042.6	4 289.8	2.6%	46.2%	4 187.2	4 063.9	3 910.6	-3.0%	43.6%
Trade and other payables	2 361.8	2 345.6	1 781.4	1 531.4	-13.4%	23.1%	1 500.8	1 470.8	1 441.4	-2.0%	15.8%
Taxation	100.3	119.3	2.3	–	-100.0%	0.6%	–	–	–	–	–
Provisions	580.7	512.6	450.8	464.3	-7.2%	5.8%	478.2	492.6	507.4	3.0%	5.1%
Total equity and liabilities	7 055.9	10 399.0	9 110.7	9 149.6	9.0%	100.0%	9 270.0	9 535.3	9 803.3	2.3%	100.0%

Personnel information

Table 23.33 Denel personnel numbers and cost by salary level

Number of posts estimated for 31 March 2025			Number and cost ¹ of personnel posts filled/planned for on funded establishment														Average growth rate of personnel posts (%)	Average: salary level/ Total (%)	
Number of funded posts	Number of approved establishment	Number of posts on approved establishment	Actual		Revised estimate			Medium-term expenditure estimate											
			2023/24		2024/25			2025/26		2026/27		2027/28				2024/25 - 2027/28			
Denel			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	1 791	1 791	1 793	974.5	0.5	1 791	1 085.9	0.6	1 791	1 353.3	0.8	1 791	1 434.5	0.8	1 791	1 520.6	0.8	–	100.0%
1 – 6	596	596	596	115.6	0.2	596	116.1	0.2	596	116.5	0.2	596	123.5	0.2	596	130.9	0.2	–	33.3%
7 – 10	906	906	906	446.9	0.5	906	429.1	0.5	906	431.0	0.5	906	456.9	0.5	906	484.3	0.5	–	50.6%
11 – 12	268	268	268	323.0	1.2	268	320.3	1.2	268	335.5	1.3	268	355.7	1.3	268	377.0	1.4	–	15.0%
13 – 16	20	20	22	38.4	1.7	20	216.5	10.8	20	465.9	23.3	20	493.9	24.7	20	523.5	26.2	–	1.1%
17 – 22	1	1	1	50.5	50.5	1	4.0	4.0	1	4.3	4.3	1	4.5	4.5	1	4.8	4.8	–	0.1%

1. Rand million.

