

## Defence

### Budget summary

R million	2026/27				2027/28	2028/29
	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total	Total
<b>MTEF allocation</b>						
Administration	5 954.1	142.2	42.6	6 138.8	6 319.6	6 514.5
Force Employment	4 039.6	242.5	103.5	4 385.7	4 368.0	4 453.5
Landward Defence	17 928.4	796.3	35.0	18 759.8	19 637.2	20 235.9
Air Defence	6 144.0	1 356.6	68.9	7 569.5	7 935.3	8 175.7
Maritime Defence	3 820.3	1 240.2	16.3	5 076.8	5 294.9	5 469.1
Military Health Support	6 321.2	38.2	44.3	6 403.7	6 764.2	7 029.9
Defence Intelligence	886.3	340.1	10.3	1 236.7	1 285.0	1 317.6
General Support	5 994.2	1 577.3	463.2	8 034.7	8 274.1	8 558.2
<b>Total expenditure estimates</b>	<b>51 088.2</b>	<b>5 733.4</b>	<b>784.1</b>	<b>57 605.7</b>	<b>59 878.2</b>	<b>61 754.4</b>
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](http://www.treasury.gov.za). Additional tables in Excel format can be found at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://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, enable, 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		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Number of reserve force person days per year	Administration	Enhanced peace and security in Africa	2 818 497	3 257 162	3 664 429	1 997 872	2 619 960	2 619 960	2 620 695
Percentage compliance with the Southern African Development Community standby force pledge per year	Force Employment		88% (28/32)	79% (25.4/32)	85% (27.3/32)	100%	100%	100%	100%
Percentage compliance with number of external operations conducted per year	Force Employment		67% (2/3)	75% (2.3/3)	75% (2.3/3)	100%	100%	100%	100%
Percentage compliance with number of internal operations conducted per year	Force Employment	Effective border security	100% (4)	100% (4)	100% (4)	100%	100%	100%	100%
Number of planned joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Enhanced peace and security in Africa	4	1	1	3	3	3	2
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Effective border security	15	15	15	15	15	15	15
Number of maritime coastal patrols conducted per year	Force Employment	Enhanced peace and security in Africa	2	3	4	4	4	4	4
Number of hours flown per year	Air Defence	Effective border security	12 059	6 904	6 210	12 000	12 000	12 000	12 000
Number of hours at sea per year	Maritime Defence		2 770	2 641	3 717	8 000	8 000	8 000	8 000

## Expenditure overview

Over the medium term, the department will continue to protect the sovereignty of South Africa and its territorial integrity through internal and external operations. This entails, among others, prioritising border safeguarding and supporting the South African Police Service, maintaining navy defence systems and the air force's fighter capability.

Expenditure is expected to increase at an average annual rate of 1.5 per cent, from R59.1 billion in 2025/26 to R61.8 billion in 2028/29. This moderate increase is due to a sharp decrease in spending in the *Regional Security* subprogramme in the *Force Employment* programme because of the phased withdrawal of South African National Defence Force troops deployed in the eastern Democratic Republic of the Congo through Operation Thiba. As the department's work is labour-intensive, spending on compensation of employees accounts for an estimated 65.7 per cent (R117.7 billion) of total expenditure over the period ahead.

To ease the pressure on the department's personnel budget, over the next 3 years, it 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 total personnel numbers do not exceed an average strength of 74 000. To further manage personnel costs, the department plans to exit 227 eligible personnel hired in terms of the Public Service Act (1994) by the end of 2026/27 through the government-wide early retirement programme, which allows retirement without penalties on pension benefits. The department is set to receive an additional R76.1 million in 2026/27 in its budget for transfers to households to make provision for early retirement and voluntary exit programmes.

### ***Guarding South Africa's borders and supporting the police***

To safeguard the integrity of South Africa's borders, the department will continue to prioritise the acquisition of vehicles and technology that will serve as a force multiplier. This approach is expected to increase the range of the borderline under protection and help prevent illegal border crossings, smuggling and other activities that could compromise national security. The department will also continue to support the South African Police Service to address internal security challenges, including the protection of critical government infrastructure and national key points, and operations related to illegal mining, public unrest and the 2026 local government elections. These activities are carried out through allocations amounting to R4.2 billion over the next 3 years in the *Support to the People* subprogramme in the *Force Employment* programme. An amount of R255 million over the medium term is allocated in the *Landward Defence* programme to procure uniforms for South African National Defence Force members.

### ***Maintaining navy defence systems and the air force's fighter capability***

During the period ahead, the department will continue to combat maritime threats, including maritime crime and piracy, terrorism, illegal fishing, the smuggling of contraband, the illegal dumping of toxic waste, and uncontrolled migration at sea. The South African Navy plans to conduct maritime border patrols and combat piracy particularly in the Mozambique Channel through the deployment of surface (frigates), sub-surface (submarines) and offshore patrol vessels to keep South Africa's maritime space safe and support the execution of the Southern African Development Community's maritime security strategy. A total of R1.6 billion is allocated over medium term period for the maintenance of these vessels, mainly in the *Maritime Defence* programme. The department aims to maintain the number of hours at sea at 8 000 in each year over the MTEF period to align performance with the available budget. The *Maritime Combat Capability* subprogramme in the *Maritime Defence* programme has a budget of R3.7 billion over the medium term to carry out these activities.

In consultation with the department, National Treasury conducted a detailed baseline analysis of the department's budget in 2025/26 and identified the need to improve efficiency in the management of travel and subsistence. In response, an estimated R338.5 million is to be reprioritised over the next 3 years from goods and services across all programmes. These funds will be directed towards the *Maritime Defence* programme to strengthen the maritime reaction squadron, a specialised unit of the South African Navy responsible for providing combat-ready amphibious, diving and small-boat capabilities for peacekeeping and humanitarian operations, and for the procurement of South African Navy ammunition.

An additional R1.4 billion is allocated over the MTEF period in the *Air Defence* programme for the maintenance of the South African Air Force's fighter capability. These funds are expected to ensure that 12 000 hours are flown each year over the medium term, thereby strengthening the fighter fleet's readiness for urgent internal and external deployments.

## Expenditure trends and estimates

**Table 23.2 Vote expenditure trends by programme and economic classification<sup>1</sup>**

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	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
R million	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Programme 1	9 481.4	5 389.3	5 852.2	5 839.9	-14.9%	11.5%	6 138.8	6 319.6	6 514.5	3.7%	10.6%
Programme 2	5 012.4	5 308.0	7 279.1	6 561.0	9.4%	10.5%	4 385.7	4 368.0	4 453.5	-12.1%	7.4%
Programme 3	17 732.0	18 902.5	19 384.9	19 176.0	2.6%	32.5%	18 759.8	19 637.2	20 235.9	1.8%	32.7%
Programme 4	6 763.5	7 770.4	6 715.7	7 247.9	2.3%	12.3%	7 569.5	7 935.3	8 175.7	4.1%	13.2%
Programme 5	4 662.6	4 377.3	4 527.1	5 011.9	2.4%	8.0%	5 076.8	5 294.9	5 469.1	3.0%	8.8%
Programme 6	5 979.6	6 032.3	6 029.5	6 342.8	2.0%	10.5%	6 403.7	6 764.2	7 029.9	3.5%	11.3%
Programme 7	1 114.0	1 183.9	1 372.6	1 192.6	2.3%	2.1%	1 236.7	1 285.0	1 317.6	3.4%	2.1%
Programme 8	7 261.3	6 898.2	6 833.0	7 700.1	2.0%	12.4%	8 034.7	8 274.1	8 558.2	3.6%	13.9%
<b>Subtotal</b>	<b>58 006.9</b>	<b>55 861.9</b>	<b>57 994.1</b>	<b>59 072.2</b>	<b>0.6%</b>	<b>99.9%</b>	<b>57 605.7</b>	<b>59 878.2</b>	<b>61 754.4</b>	<b>1.5%</b>	<b>100.0%</b>
<b>Direct charge against the National Revenue Fund</b>	<b>204.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
Payment to Denel in terms of section 70 of the Public Finance Management Act (1999)	204.7	-	-	-	-100.0%	0.1%	-	-	-	0.0%	0.0%
<b>Total</b>	<b>58 211.6</b>	<b>55 861.9</b>	<b>57 994.1</b>	<b>59 072.2</b>	<b>0.5%</b>	<b>100.0%</b>	<b>57 605.7</b>	<b>59 878.2</b>	<b>61 754.4</b>	<b>1.5%</b>	<b>100.0%</b>
Change to 2025 Budget estimate							834.8	696.0	(84.6)		
Economic classification											
<b>Current payments</b>	<b>47 201.1</b>	<b>47 320.5</b>	<b>51 222.9</b>	<b>50 563.1</b>	<b>2.3%</b>	<b>84.9%</b>	<b>51 088.2</b>	<b>53 117.9</b>	<b>54 610.7</b>	<b>2.6%</b>	<b>88.6%</b>
Compensation of employees	34 660.6	35 307.1	37 654.7	36 703.1	1.9%	62.4%	37 744.7	39 357.4	40 580.6	3.4%	65.7%
Goods and services <sup>1</sup>	12 540.4	12 013.4	13 568.2	13 860.0	3.4%	22.5%	13 343.5	13 760.5	14 030.1	0.4%	22.9%
<i>of which:</i>											
Computer services	854.9	735.1	740.8	1 042.6	6.8%	1.5%	1 168.0	1 145.4	1 154.9	3.5%	1.9%
Contractors	1 377.1	1 180.3	1 201.1	1 709.6	7.5%	2.4%	1 542.7	1 511.7	1 386.4	-6.7%	2.5%
Inventory: Food and food supplies	1 537.8	1 644.8	1 992.4	1 598.1	1.3%	2.9%	1 418.8	1 736.7	1 802.5	4.1%	2.8%
Operating leases	1 966.5	1 343.0	1 695.6	1 221.6	-14.7%	2.7%	1 291.7	1 338.6	1 377.5	4.1%	2.2%
Property payments	1 361.8	1 532.0	1 740.5	2 318.5	19.4%	3.0%	2 407.8	2 497.9	2 669.6	4.8%	4.2%
Travel and subsistence	1 452.9	1 970.2	2 369.9	1 257.7	-4.7%	3.1%	1 006.5	1 053.0	1 054.7	-5.7%	1.7%
<b>Transfers and subsidies<sup>1</sup></b>	<b>5 786.0</b>	<b>7 451.4</b>	<b>5 781.8</b>	<b>7 699.5</b>	<b>10.0%</b>	<b>11.6%</b>	<b>5 733.4</b>	<b>5 935.2</b>	<b>6 297.3</b>	<b>-6.5%</b>	<b>10.0%</b>
Provinces and municipalities	0.2	0.2	0.2	0.2	12.0%	0.0%	0.2	0.2	0.2	2.2%	0.0%
Departmental agencies and accounts	2 800.2	3 605.3	2 919.5	5 088.5	22.0%	6.2%	3 889.2	4 080.1	4 350.7	-5.1%	6.9%
Foreign governments and international organisations	133.4	77.6	755.0	487.0	54.0%	0.6%	-	-	-	-100.0%	0.0%
Public corporations and private enterprises	1 478.9	1 446.4	1 401.4	1 454.0	-0.6%	2.5%	1 512.6	1 572.5	1 621.4	3.7%	2.6%
Non-profit institutions	3.4	4.7	4.4	11.0	47.1%	0.0%	11.5	12.1	12.7	5.0%	0.0%
Households	1 370.0	2 317.2	701.3	658.9	-21.7%	2.2%	319.9	270.3	312.3	-22.0%	0.5%
<b>Payments for capital assets</b>	<b>1 619.8</b>	<b>1 085.5</b>	<b>979.8</b>	<b>809.6</b>	<b>-20.6%</b>	<b>1.9%</b>	<b>784.1</b>	<b>825.1</b>	<b>846.3</b>	<b>1.5%</b>	<b>1.4%</b>
Buildings and other fixed structures	748.3	494.2	118.9	394.4	-19.2%	0.8%	382.9	383.4	389.3	-0.4%	0.6%
Machinery and equipment	795.6	560.6	852.3	392.0	-21.0%	1.1%	371.7	414.6	429.0	3.0%	0.7%
Specialised military assets	-	5.3	2.7	20.6	0.0%	0.0%	22.8	22.8	23.7	4.8%	0.0%
Biological assets	-	0.6	-	0.1	0.0%	0.0%	4.2	1.8	1.8	135.1%	0.0%
Software and other intangible assets	75.9	24.8	5.9	2.5	-68.0%	0.0%	2.4	2.5	2.5	-0.2%	0.0%
<b>Payments for financial assets</b>	<b>3 604.6</b>	<b>4.5</b>	<b>9.6</b>	<b>-</b>	<b>-100.0%</b>	<b>1.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total</b>	<b>58 211.6</b>	<b>55 861.9</b>	<b>57 994.1</b>	<b>59 072.2</b>	<b>0.5%</b>	<b>100.0%</b>	<b>57 605.7</b>	<b>59 878.2</b>	<b>61 754.4</b>	<b>1.5%</b>	<b>100.0%</b>

1. Tables with expenditure trends, annual budget, adjusted appropriation and audited outcome are available at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://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 (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R thousand											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	1 357 290	2 312 197	693 854	658 863	-21.4%	18.8%	319 911	270 348	312 297	-22.0%	5.0%
Employee social benefits	1 357 290	2 312 197	693 854	658 863	-21.4%	18.8%	243 837	270 348	312 297	-22.0%	4.6%
Early retirement and voluntary exit programmes	–	–	–	–	–	–	76 074	–	–	–	0.4%
<b>Other transfers to households</b>											
<b>Current</b>	12 695	5 012	7 448	–	-100.0%	0.1%	–	–	–	–	–
Claims against the state	12 695	5 012	7 448	–	-100.0%	0.1%	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	2 800 160	3 605 308	2 919 532	5 088 458	22.0%	53.9%	3 889 195	4 080 058	4 350 715	-5.1%	68.6%
Safety and Security Sector	31 917	30 578	32 626	29 801	-2.3%	0.5%	31 175	31 137	28 620	-1.3%	0.5%
Education and Training Authority											
Claims against the state	188	46 955	–	–	-100.0%	0.2%	–	–	–	–	–
Communication licences	–	–	8	–	–	–	–	–	–	–	–
Special defence account	2 762 055	3 521 775	2 880 897	5 044 854	22.2%	53.2%	3 844 020	4 034 471	4 311 175	-5.1%	67.8%
Castle Control Board	6 000	6 000	6 000	5 000	-5.9%	0.1%	4 000	4 000	–	-100.0%	0.0%
Departmental Agencies	–	–	1	–	–	–	–	–	–	–	–
Independent Communications Authority of South Africa	–	–	–	8 803	–	–	10 000	10 450	10 920	7.4%	0.2%
<b>Provinces and municipalities</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	165	151	178	232	12.0%	–	235	244	248	2.2%	0.0%
Vehicle licences	165	151	178	232	12.0%	–	235	244	248	2.2%	0.0%
<b>Non-profit institutions</b>											
<b>Current</b>	3 446	4 709	4 363	10 979	47.1%	0.1%	11 462	12 075	12 716	5.0%	0.2%
Reserve Force Council	3 355	4 635	4 250	10 829	47.8%	0.1%	11 262	11 825	12 416	4.7%	0.2%
St John Ambulance Brigade	91	74	113	150	18.1%	–	200	250	300	26.0%	0.0%
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	1 478 572	1 446 262	1 400 168	1 453 974	-0.6%	21.6%	1 512 639	1 572 524	1 621 369	3.7%	26.2%
Claims against the state	67	–	40	–	-100.0%	–	–	–	–	–	–
Communication licences	4	11	10 354	112	203.7%	–	46	48	50	-23.6%	0.0%
Armaments Corporation of South Africa	1 478 501	1 446 251	1 389 774	1 453 862	-0.6%	21.6%	1 512 593	1 572 476	1 621 319	3.7%	26.2%
<b>Other transfers to private enterprises</b>											
<b>Current</b>	283	103	1 232	–	-100.0%	–	–	–	–	–	–
Claims against the state	283	103	1 232	–	-100.0%	–	–	–	–	–	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	133 421	77 628	755 004	487 000	54.0%	5.4%	–	–	–	-100.0%	–
Southern African Development Community Secretariat	133 421	77 628	755 004	487 000	54.0%	5.4%	–	–	–	-100.0%	–
<b>Total</b>	<b>5 786 032</b>	<b>7 451 370</b>	<b>5 781 779</b>	<b>7 699 506</b>	<b>10.0%</b>	<b>100.0%</b>	<b>5 733 442</b>	<b>5 935 249</b>	<b>6 297 345</b>	<b>-6.5%</b>	<b>100.0%</b>

## Personnel information

**Table 23.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

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 2026			Number and cost <sup>2</sup> 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	Medium-term expenditure estimate																			
			Actual			Revised estimate			2026/27					2027/28					2028/29			
			2024/25	2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29													
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
<b>Defence</b>	<b>70 924</b>	<b>-</b>	<b>68 408</b>	<b>37 654.7</b>	<b>0.6</b>	<b>70 872</b>	<b>36 703.1</b>	<b>0.5</b>	<b>74 004</b>	<b>37 744.7</b>	<b>0.5</b>	<b>74 951</b>	<b>39 357.4</b>	<b>0.5</b>	<b>74 932</b>	<b>40 580.6</b>	<b>0.5</b>	<b>1.9%</b>	<b>100.0%</b>			
Salary level	70 924	-	68 408	37 654.7	0.6	70 872	36 703.1	0.5	74 004	37 744.7	0.5	74 951	39 357.4	0.5	74 932	40 580.6	0.5	1.9%	100.0%			
1 - 6	43 231	-	42 426	14 962.0	0.4	44 651	15 451.0	0.3	46 668	16 251.7	0.3	47 495	16 932.0	0.4	47 451	17 594.3	0.4	2.0%	63.3%			
7 - 10	25 119	-	23 632	14 381.1	0.6	23 730	14 434.6	0.6	24 698	15 001.0	0.6	24 816	15 344.0	0.6	24 831	15 727.0	0.6	1.5%	33.2%			
11 - 12	1 990	-	1 813	2 021.1	1.1	1 936	2 158.4	1.1	2 035	2 272.1	1.1	2 038	2 318.8	1.1	2 048	2 391.4	1.2	1.9%	2.7%			
13 - 16	581	-	534	987.7	1.8	552	1 020.5	1.8	600	1 098.2	1.8	600	1 101.6	1.8	599	1 113.5	1.9	2.8%	0.8%			
Other	3	-	3	5 302.8	1 767.6	3	3 638.6	1 212.9	3	3 121.8	1 040.6	3	3 661.1	1 220.4	3	3 754.5	1 251.5	-0.0%	0.0%			
<b>Programme</b>	<b>70 924</b>	<b>-</b>	<b>68 408</b>	<b>37 654.7</b>	<b>0.6</b>	<b>70 872</b>	<b>36 703.1</b>	<b>0.5</b>	<b>74 004</b>	<b>37 744.7</b>	<b>0.5</b>	<b>74 951</b>	<b>39 357.4</b>	<b>0.5</b>	<b>74 932</b>	<b>40 580.6</b>	<b>0.5</b>	<b>1.9%</b>	<b>100.0%</b>			
Programme 1	4 021	-	3 316	2 113.5	0.6	3 405	2 371.9	0.7	4 046	2 491.1	0.6	4 085	2 609.2	0.6	4 083	2 693.6	0.7	6.2%	5.5%			
Programme 2	2 355	-	1 973	3 671.6	1.9	1 957	3 387.5	1.7	2 291	2 866.3	1.3	2 292	2 858.0	1.2	2 292	2 913.3	1.3	5.4%	3.1%			
Programme 3	35 105	-	35 152	16 412.3	0.5	36 609	15 064.3	0.4	37 298	15 766.1	0.4	37 801	16 504.0	0.4	37 665	17 035.4	0.5	1.0%	50.4%			
Programme 4	9 095	-	8 710	4 425.1	0.5	9 039	4 531.3	0.5	9 321	4 742.4	0.5	9 521	4 959.9	0.5	9 565	5 115.7	0.5	1.9%	12.7%			
Programme 5	5 988	-	5 700	2 737.9	0.5	6 039	2 811.0	0.5	6 228	2 940.0	0.5	6 328	3 076.9	0.5	6 383	3 175.4	0.5	1.9%	8.5%			
Programme 6	6 861	-	6 735	4 413.9	0.7	6 910	4 466.5	0.6	7 120	4 669.8	0.7	7 198	4 882.1	0.7	7 211	5 036.8	0.7	1.4%	9.6%			
Programme 7	1 057	-	999	834.9	0.8	854	707.2	0.8	918	740.2	0.8	895	772.3	0.9	904	794.3	0.9	1.9%	1.2%			
Programme 8	6 442	-	5 823	3 045.6	0.5	6 059	3 363.4	0.6	6 781	3 528.8	0.5	6 831	3 694.9	0.5	6 829	3 816.1	0.6	4.1%	9.1%			

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**

	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2022/23	2023/24	2024/25	2025/26					2026/27	2027/28	2028/29		
	2022/23	2023/24	2024/25	2025/26					2026/27	2027/28	2028/29		
R thousand													
<b>Departmental receipts</b>	<b>1 263 531</b>	<b>1 265 959</b>	<b>2 028 080</b>	<b>1 345 701</b>	<b>1 345 701</b>	<b>2.1%</b>	<b>100.0%</b>	<b>1 372 952</b>	<b>1 400 413</b>	<b>1 428 421</b>	<b>2.0%</b>	<b>100.0%</b>	
Sales of goods and services produced by department	498 112	570 239	532 026	504 922	504 922	0.5%	35.7%	523 510	533 981	544 660	2.6%	38.1%	
Administrative fees of which:	9	7	8	31	31	51.0%	-	32	33	34	3.1%	-	
Request for information: Receipt	9	7	8	31	31	51.0%	-	32	33	34	3.1%	-	
Other sales of which:	498 103	570 232	532 018	504 891	504 891	0.5%	35.7%	523 478	533 948	544 626	2.6%	38.1%	
Rental capital assets	-	142 135	154 437	114 256	114 256	-	7.0%	116 541	118 872	121 249	2.0%	8.5%	
Sale of goods	420 414	30 521	38 632	15 491	15 491	-66.7%	8.6%	15 800	16 116	16 438	2.0%	1.2%	
Services rendered	77 689	397 576	338 949	375 144	375 144	69.0%	20.1%	391 137	398 960	406 939	2.7%	28.5%	
Sales of scrap, waste, arms and other used current goods of which:	937	478	1 489	1 726	1 726	22.6%	0.1%	1 761	1 796	1 832	2.0%	0.1%	
Sales: Scrap and waste	937	478	1 489	1 726	1 726	22.6%	0.1%	1 761	1 796	1 832	2.0%	0.1%	
Transfers received	639 820	583 867	1 411 486	704 573	704 573	3.3%	56.6%	718 664	733 038	747 699	2.0%	52.3%	
Fines, penalties and forfeits	1 178	1 730	1 260	1 491	1 491	8.2%	0.1%	1 521	1 551	1 582	2.0%	0.1%	
Interest, dividends and rent on land	5 049	9 454	10 386	13 215	13 215	37.8%	0.6%	4 989	5 089	5 191	-26.8%	0.4%	
Interest	5 049	9 454	10 386	13 215	13 215	37.8%	0.6%	4 989	5 089	5 191	-26.8%	0.4%	
Sales of capital assets	18 408	7 564	25 253	33 948	33 948	22.6%	1.4%	34 966	35 666	36 379	2.3%	2.5%	
Transactions in financial assets and liabilities	100 027	92 627	46 180	85 826	85 826	-5.0%	5.5%	87 541	89 292	91 078	2.0%	6.4%	
<b>Total</b>	<b>1 263 531</b>	<b>1 265 959</b>	<b>2 028 080</b>	<b>1 345 701</b>	<b>1 345 701</b>	<b>2.1%</b>	<b>100.0%</b>	<b>1 372 952</b>	<b>1 400 413</b>	<b>1 428 421</b>	<b>2.0%</b>	<b>100.0%</b>	

## 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	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Ministry	59.2	56.0	61.3	153.0	37.3%	1.2%	113.0	119.1	120.0	-7.8%	1.9%
Departmental Direction	39.7	33.8	35.8	54.6	11.2%	0.6%	60.1	62.8	64.6	5.8%	1.0%
Policy and Planning	115.7	138.7	148.1	163.4	12.2%	2.1%	171.3	178.6	184.1	4.1%	2.8%
Financial Services	396.1	401.0	402.8	498.6	8.0%	6.4%	598.0	546.1	562.7	4.1%	9.0%
Human Resources Support Services	1 045.2	1 047.6	1 069.1	1 065.4	0.6%	15.9%	1 118.5	1 167.1	1 202.8	4.1%	18.4%
Legal Services	391.3	375.9	379.9	426.2	2.9%	5.9%	443.4	463.9	479.5	4.0%	7.3%
Inspection and Audit Services	155.0	160.5	159.6	170.8	3.3%	2.4%	179.4	187.6	193.4	4.2%	3.0%
Acquisition Services and Management of Denel	3 494.6	91.8	90.9	103.6	-69.0%	14.2%	110.2	115.9	121.7	5.5%	1.8%
Communication Services	47.6	65.6	65.3	131.1	40.2%	1.2%	134.0	139.2	142.7	2.9%	2.2%
South African National Defence Force Command and Control	206.8	207.1	222.4	213.6	1.1%	3.2%	224.0	234.3	241.5	4.2%	3.7%
Religious Services	23.1	24.4	21.7	23.3	0.4%	0.3%	24.4	25.4	26.2	3.9%	0.4%
Defence Reserve Direction	27.2	36.8	32.7	42.3	15.9%	0.5%	44.2	46.1	47.6	4.1%	0.7%
Defence Foreign Relations	319.6	12.7	13.7	20.6	-59.9%	1.4%	21.6	22.5	23.2	4.0%	0.4%
Office Accommodation	3 160.3	2 737.5	3 148.9	2 773.4	-4.3%	44.5%	2 896.7	3 011.0	3 104.6	3.8%	47.5%
<b>Total</b>	<b>9 481.4</b>	<b>5 389.3</b>	<b>5 852.2</b>	<b>5 839.9</b>	<b>-14.9%</b>	<b>100.0%</b>	<b>6 138.8</b>	<b>6 319.6</b>	<b>6 514.5</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2025 Budget estimate							16.6	(81.8)	(174.3)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>5 810.2</b>	<b>5 079.5</b>	<b>5 669.4</b>	<b>5 743.7</b>	<b>-0.4%</b>	<b>84.0%</b>	<b>5 954.1</b>	<b>6 214.2</b>	<b>6 404.2</b>	<b>3.7%</b>	<b>97.9%</b>
Compensation of employees	2 231.9	1 997.2	2 113.5	2 371.9	2.0%	32.8%	2 491.1	2 609.2	2 693.6	4.3%	41.1%
Goods and services	3 578.3	3 082.3	3 555.9	3 371.8	-2.0%	51.2%	3 463.0	3 605.0	3 710.6	3.2%	56.8%
of which:											
Advertising	7.6	16.6	15.0	60.7	100.0%	0.4%	79.4	81.3	80.4	9.8%	1.3%
Computer services	60.8	62.5	64.9	89.4	13.7%	1.0%	89.1	96.0	98.4	3.3%	1.5%
Operating leases	1 946.2	1 299.7	1 597.9	1 166.8	-15.7%	22.6%	1 240.9	1 290.0	1 330.1	4.5%	20.3%
Property payments	1 278.3	1 444.6	1 557.7	1 637.6	8.6%	22.3%	1 678.2	1 741.9	1 799.6	3.2%	27.5%
Travel and subsistence	99.0	112.6	140.6	111.3	4.0%	1.7%	107.6	117.0	122.6	3.3%	1.8%
Operating payments	30.2	7.9	6.8	90.9	44.4%	0.5%	34.5	34.6	30.1	-30.8%	0.5%
<b>Transfers and subsidies</b>	<b>172.8</b>	<b>259.2</b>	<b>114.4</b>	<b>61.0</b>	<b>-29.3%</b>	<b>2.3%</b>	<b>142.2</b>	<b>67.8</b>	<b>68.7</b>	<b>4.0%</b>	<b>1.5%</b>
Provinces and municipalities	0.1	0.1	0.1	0.1	1.5%	0.0%	0.1	0.1	0.1	5.6%	0.0%
Departmental agencies and accounts	31.9	30.6	32.6	29.8	-2.3%	0.5%	31.2	31.1	28.6	-1.3%	0.5%
Public corporations and private enterprises	0.0	9.7	0.9	0.0	58.7%	0.0%	0.0	0.0	0.0	71.0%	0.0%
Non-profit institutions	3.4	4.6	4.3	10.8	47.8%	0.1%	11.3	11.8	12.4	4.7%	0.2%
Households	137.5	214.2	76.6	20.3	-47.1%	1.7%	99.6	24.8	27.5	10.6%	0.8%
<b>Payments for capital assets</b>	<b>103.6</b>	<b>50.0</b>	<b>68.3</b>	<b>35.1</b>	<b>-30.3%</b>	<b>1.0%</b>	<b>42.6</b>	<b>37.6</b>	<b>41.7</b>	<b>5.9%</b>	<b>0.6%</b>
Buildings and other fixed structures	26.7	0.3	0.3	0.6	-72.0%	0.1%	1.5	1.1	2.1	53.9%	0.0%
Machinery and equipment	69.9	49.5	68.0	32.9	-22.2%	0.8%	40.8	36.2	39.3	6.1%	0.6%
Software and other intangible assets	7.1	0.2	0.1	1.6	-38.8%	0.0%	0.3	0.3	0.3	-45.4%	0.0%
<b>Payments for financial assets</b>	<b>3 394.8</b>	<b>0.5</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>12.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9 481.4</b>	<b>5 389.3</b>	<b>5 852.2</b>	<b>5 839.9</b>	<b>-14.9%</b>	<b>100.0%</b>	<b>6 138.8</b>	<b>6 319.6</b>	<b>6 514.5</b>	<b>3.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>16.3%</b>	<b>9.6%</b>	<b>10.1%</b>	<b>9.9%</b>	<b>-</b>	<b>-</b>	<b>10.7%</b>	<b>10.6%</b>	<b>10.5%</b>	<b>-</b>	<b>-</b>

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

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2025/26	Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26	Medium-term expenditure estimate			Average growth rate (%) 2025/26 - 2028/29	Average: Expenditure/Total (%) 2026/27 - 2028/29
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29		
	R million										
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	137.5	213.7	76.4	20.3	-47.1%	1.7%	99.6	24.8	27.5	10.6%	0.8%
Employee social benefits	137.5	213.7	76.4	20.3	-47.1%	1.7%	23.6	24.8	27.5	10.6%	0.4%
Early retirement and voluntary exit programmes	–	–	–	–	–	–	76.1	–	–	–	0.4%
<b>Other transfers to households</b>											
<b>Current</b>	–	0.5	0.2	–	–	–	–	–	–	–	–
Claims against the state	–	0.5	0.2	–	–	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	31.9	30.6	32.6	29.8	-2.3%	0.5%	31.2	31.1	28.6	-1.3%	0.5%
Safety and Security Sector	31.9	30.6	32.6	29.8	-2.3%	0.5%	31.2	31.1	28.6	-1.3%	0.5%
Education and Training Authority	–	–	–	–	–	–	–	–	–	–	–
Communication licences	–	–	0.0	–	–	–	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	0.1	0.1	0.1	0.1	1.5%	–	0.1	0.1	0.1	5.6%	0.0%
Vehicle licences	0.1	0.1	0.1	0.1	1.5%	–	0.1	0.1	0.1	5.6%	0.0%
<b>Non-profit institutions</b>											
<b>Current</b>	3.4	4.6	4.3	10.8	47.8%	0.1%	11.3	11.8	12.4	4.7%	0.2%
Reserve Force Council	3.4	4.6	4.3	10.8	47.8%	0.1%	11.3	11.8	12.4	4.7%	0.2%
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	0.0	9.7	0.0	0.0	58.7%	–	0.0	0.0	0.0	71.0%	0.0%
Communication licences	0.0	0.0	0.0	0.0	58.7%	–	0.0	0.0	0.0	71.0%	0.0%
Armaments Corporation of South Africa	–	9.7	–	–	–	–	–	–	–	–	–
<b>Other transfers to private enterprises</b>											
<b>Current</b>	–	–	0.9	–	–	–	–	–	–	–	–
Claims against the state	–	–	0.9	–	–	–	–	–	–	–	–

## Personnel information

**Table 23.7 Administration personnel numbers and cost by salary level<sup>1</sup>**

Administration	Number of posts estimated for 31 March 2026	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment												Average growth rate (%) 2025/26 - 2028/29	Average: Salary level/Total (%) 2026/27 - 2028/29			
			Actual			Revised estimate			Medium-term expenditure estimate										
			2024/25		2025/26		2026/27		2027/28		2028/29								
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost							
	4 021	–	3 316	2 113.5	0.6	3 405	2 371.9	0.7	4 046	2 491.1	0.6	4 085	2 609.2	0.6	4 083	2 693.6	0.7	6.2%	100.0%
1 – 6	1 592	–	1 231	430.7	0.3	1 257	439.0	0.3	1 618	559.8	0.3	1 595	580.5	0.4	1 596	581.5	0.4	8.3%	39.4%
7 – 10	1 858	–	1 611	994.5	0.6	1 655	1 027.5	0.6	1 836	1 139.1	0.6	1 897	1 209.1	0.6	1 891	1 205.3	0.6	4.5%	46.0%
11 – 12	439	–	369	429.7	1.2	384	446.9	1.2	457	531.6	1.2	458	556.2	1.2	460	558.5	1.2	6.2%	11.3%
13 – 16	129	–	102	153.9	1.5	106	161.0	1.5	132	202.9	1.5	132	204.4	1.5	133	206.2	1.6	7.9%	3.3%
Other	3	–	3	104.7	34.9	3	297.5	99.2	3	57.6	19.2	3	59.1	19.7	3	142.1	47.4	–	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 over the medium term
  - conducting 8 joint interdepartmental, interagency and multinational military force preparation exercises, excluding Special Forces exercises, over the medium term
  - 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.

## 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 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	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million					2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Strategic Direction	199.5	199.3	204.0	199.4	–	3.3%	205.3	215.9	220.3	3.4%	4.9%
Operational Direction	446.9	431.4	406.2	527.2	5.7%	7.5%	515.9	529.2	546.0	1.2%	12.0%
Special Operations	1 099.6	1 111.2	1 140.6	1 232.6	3.9%	19.0%	1 302.2	1 345.2	1 378.1	3.8%	30.5%
Regional Security	1 956.7	2 214.4	3 704.1	3 312.6	19.2%	46.3%	923.7	911.0	889.4	-35.5%	20.6%
Support to the People	1 309.7	1 351.7	1 824.2	1 289.2	-0.5%	23.9%	1 438.7	1 366.7	1 419.8	3.3%	32.0%
<b>Total</b>	<b>5 012.4</b>	<b>5 308.0</b>	<b>7 279.1</b>	<b>6 561.0</b>	<b>9.4%</b>	<b>100.0%</b>	<b>4 385.7</b>	<b>4 368.0</b>	<b>4 453.5</b>	<b>-12.1%</b>	<b>100.0%</b>
Change to 2025 Budget estimate				–			(10.9)	(22.1)	(133.8)		

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

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
<b>Current payments</b>	<b>4 103.2</b>	<b>4 546.6</b>	<b>5 915.4</b>	<b>5 070.8</b>	<b>7.3%</b>	<b>81.3%</b>	<b>4 039.6</b>	<b>4 011.5</b>	<b>4 090.3</b>	<b>-6.9%</b>	<b>91.9%</b>
Compensation of employees	2 788.3	2 962.8	3 671.6	3 387.5	6.7%	53.0%	2 866.3	2 858.0	2 913.3	-4.9%	65.4%
Goods and services	1 314.9	1 583.8	2 243.9	1 683.3	8.6%	28.3%	1 173.3	1 153.6	1 177.0	-11.2%	26.5%
<i>of which:</i>											
Contractors	96.6	29.2	23.7	283.0	43.1%	1.8%	182.1	195.1	197.8	-11.2%	4.4%
Fleet services (including government motor transport)	19.5	21.3	27.6	71.2	54.0%	0.6%	77.4	84.1	88.1	7.4%	1.9%
Inventory: Food and food supplies	343.8	316.9	697.7	392.2	4.5%	7.2%	260.7	226.8	243.0	-14.8%	5.5%
Inventory: Fuel, oil and gas	104.9	104.3	118.6	181.7	20.1%	2.1%	107.2	116.2	119.9	-13.0%	2.6%
Travel and subsistence	302.0	371.9	599.2	299.0	-0.3%	6.5%	217.9	217.1	196.0	-13.1%	4.8%
Operating payments	291.4	619.1	620.0	173.7	-15.8%	7.1%	100.6	87.6	91.9	-19.1%	2.1%
<b>Transfers and subsidies</b>	<b>760.2</b>	<b>691.3</b>	<b>1 164.9</b>	<b>1 382.5</b>	<b>22.1%</b>	<b>16.6%</b>	<b>242.5</b>	<b>249.1</b>	<b>253.4</b>	<b>-43.2%</b>	<b>5.6%</b>
Provinces and municipalities	0.0	0.0	0.0	0.0	26.0%	0.0%	–	–	–	-100.0%	–
Departmental agencies and accounts	572.0	512.6	367.1	847.2	14.0%	9.5%	230.3	235.5	239.0	-34.4%	5.3%
Foreign governments and international organisations	133.4	77.6	755.0	487.0	54.0%	6.0%	–	–	–	-100.0%	–
Public corporations and private enterprises	9.7	–	10.2	0.1	-79.6%	0.1%	0.0	0.0	0.0	-45.9%	0.0%
Households	45.0	101.0	32.6	48.2	2.3%	0.9%	12.3	13.6	14.3	-33.2%	0.3%
<b>Payments for capital assets</b>	<b>149.0</b>	<b>70.0</b>	<b>198.7</b>	<b>107.7</b>	<b>-10.2%</b>	<b>2.2%</b>	<b>103.5</b>	<b>107.3</b>	<b>109.8</b>	<b>0.6%</b>	<b>2.4%</b>
Buildings and other fixed structures	7.3	6.9	27.0	17.8	34.7%	0.2%	16.5	18.5	20.5	4.8%	0.4%
Machinery and equipment	141.7	63.1	169.0	71.2	-20.5%	1.8%	67.4	68.4	68.1	-1.5%	1.5%
Specialised military assets	–	–	2.7	18.7	–	0.1%	19.6	20.4	21.2	4.2%	0.5%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>5 012.4</b>	<b>5 308.0</b>	<b>7 279.1</b>	<b>6 561.0</b>	<b>9.4%</b>	<b>100.0%</b>	<b>4 385.7</b>	<b>4 368.0</b>	<b>4 453.5</b>	<b>-12.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>8.6%</b>	<b>9.5%</b>	<b>12.6%</b>	<b>11.1%</b>	<b>–</b>	<b>–</b>	<b>7.6%</b>	<b>7.3%</b>	<b>7.2%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	44.6	100.7	31.1	48.2	2.6%	0.9%	12.3	13.6	14.3	-33.2%	0.3%
Employee social benefits	44.6	100.7	31.1	48.2	2.6%	0.9%	12.3	13.6	14.3	-33.2%	0.3%
<b>Other transfers to households</b>											
<b>Current</b>	0.4	0.3	1.5	–	-100.0%	–	–	–	–	–	–
Claims against the state	0.4	0.3	1.5	–	-100.0%	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	572.0	512.6	367.1	847.2	14.0%	9.5%	230.3	235.5	239.0	-34.4%	5.3%
Special defence account	572.0	512.6	367.1	847.2	14.0%	9.5%	230.3	235.5	239.0	-34.4%	5.3%
Departmental Agencies	–	–	0.0	–	–	–	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	0.0	0.0	0.0	0.0	26.0%	–	–	–	–	-100.0%	–
Vehicle licences	0.0	0.0	0.0	0.0	26.0%	–	–	–	–	-100.0%	–
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	9.7	–	10.2	0.1	-79.6%	0.1%	0.0	0.0	0.0	-45.9%	0.0%
Communication licences	–	–	10.2	0.1	–	–	0.0	0.0	0.0	-45.9%	0.0%
Armaments Corporation of South Africa	9.7	–	–	–	-100.0%	–	–	–	–	–	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	133.4	77.6	755.0	487.0	54.0%	6.0%	–	–	–	-100.0%	–
Southern African Development Community Secretariat	133.4	77.6	755.0	487.0	54.0%	6.0%	–	–	–	-100.0%	–

## Personnel information

**Table 23.9 Force Employment personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2026		Number and cost <sup>2</sup> 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											
		2024/25			2025/26			2026/27			2027/28			2028/29			2025/26 - 2028/29	2026/27 - 2028/29	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
<b>Force Employment</b>																			
Salary level	2 355	–	1 973	3 671.6	1.9	1 957	3 387.5	1.7	2 291	2 866.3	1.3	2 292	2 858.0	1.2	2 292	2 913.3	1.3	5.4%	100.0%
1 – 6	1 267	–	1 024	428.3	0.4	989	407.6	0.4	1 213	492.7	0.4	1 215	493.2	0.4	1 217	505.6	0.4	7.2%	53.0%
7 – 10	1 010	–	881	571.5	0.6	894	579.7	0.6	999	645.0	0.6	999	653.2	0.7	997	665.7	0.7	3.7%	43.6%
11 – 12	61	–	52	56.9	1.1	57	62.4	1.1	62	67.8	1.1	61	66.9	1.1	61	72.8	1.2	2.3%	2.7%
13 – 16	17	–	16	22.5	1.4	17	23.8	1.4	17	24.1	1.4	17	24.7	1.5	17	25.5	1.5	–	0.7%
Other	–	–	–	2 592.4	–	–	2 314.0	–	–	1 636.8	–	–	1 620.1	–	–	1 643.8	–	–	–

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 over the medium term 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.

### 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 (%)
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million											
Strategic Direction	522.7	893.9	706.1	583.0	3.7%	3.6%	592.7	593.5	612.6	1.7%	3.1%
Infantry Capability	6 888.1	7 305.0	7 520.2	7 189.0	1.4%	38.4%	6 632.3	6 982.3	7 225.5	0.2%	35.5%
Armour Capability	628.3	648.2	668.4	658.8	1.6%	3.5%	687.9	715.6	739.2	3.9%	3.7%
Artillery Capability	631.4	792.4	664.2	660.4	1.5%	3.7%	689.1	716.3	771.6	5.3%	3.7%
Air Defence Artillery Capability	476.2	486.6	500.3	605.7	8.4%	2.8%	522.5	638.3	613.1	0.4%	3.0%
Engineering Capability	1 061.4	1 130.0	1 155.3	1 098.3	1.1%	5.9%	1 146.5	1 191.4	1 232.1	3.9%	6.1%
Operational Intelligence	308.7	324.0	331.5	325.7	1.8%	1.7%	340.8	354.1	365.6	3.9%	1.8%
Command and Control Capability	284.4	312.4	310.3	281.7	-0.3%	1.6%	294.3	306.2	317.7	4.1%	1.6%
Support Capability	4 532.3	4 532.4	5 026.1	5 308.2	5.4%	25.8%	5 266.3	5 456.9	5 586.6	1.7%	27.8%
General Training Capability	709.4	695.9	756.0	730.7	1.0%	3.8%	771.7	792.9	819.1	3.9%	4.1%
Signal Capability	1 689.2	1 781.8	1 746.5	1 734.5	0.9%	9.2%	1 815.7	1 889.8	1 952.7	4.0%	9.7%
<b>Total</b>	<b>17 732.0</b>	<b>18 902.5</b>	<b>19 384.9</b>	<b>19 176.0</b>	<b>2.6%</b>	<b>100.0%</b>	<b>18 759.8</b>	<b>19 637.2</b>	<b>20 235.9</b>	<b>1.8%</b>	<b>100.0%</b>
Change to 2025 Budget estimate							404.4	370.9	104.7		
<b>Economic classification</b>											
<b>Current payments</b>	<b>16 992.8</b>	<b>17 651.6</b>	<b>18 608.6</b>	<b>17 359.5</b>	<b>0.7%</b>	<b>93.9%</b>	<b>17 928.4</b>	<b>18 722.7</b>	<b>19 281.3</b>	<b>3.6%</b>	<b>95.4%</b>
Compensation of employees	14 969.0	15 558.6	16 412.3	15 064.3	0.2%	82.5%	15 766.1	16 504.0	17 035.4	4.2%	84.1%
Goods and services	2 023.8	2 093.0	2 196.4	2 295.2	4.3%	11.4%	2 162.3	2 218.7	2 246.0	-0.7%	11.3%
of which:											
Contractors	44.6	23.1	16.2	137.8	45.7%	0.3%	170.5	162.0	175.8	8.5%	0.9%
Fleet services (including government motor transport)	52.7	27.1	29.8	43.1	-6.5%	0.2%	73.6	61.9	66.1	15.3%	0.3%
Inventory: Clothing material and accessories	168.8	14.1	85.1	63.0	-28.0%	0.4%	153.8	65.3	22.2	-29.4%	0.4%
Inventory: Food and food supplies	766.7	858.4	814.8	832.7	2.8%	4.4%	706.5	954.1	961.0	4.9%	4.5%
Inventory: Fuel, oil and gas	231.6	244.4	235.1	444.3	24.3%	1.5%	430.2	445.8	469.8	1.9%	2.3%
Travel and subsistence	573.7	796.7	840.6	486.2	-5.4%	3.6%	235.2	245.9	258.0	-19.0%	1.3%
<b>Transfers and subsidies</b>	<b>648.2</b>	<b>1 221.5</b>	<b>706.9</b>	<b>1 794.7</b>	<b>40.4%</b>	<b>5.8%</b>	<b>796.3</b>	<b>890.8</b>	<b>928.5</b>	<b>-19.7%</b>	<b>4.5%</b>
Provinces and municipalities	0.0	0.0	0.0	0.0	28.3%	0.0%	0.0	0.0	0.0	-	0.0%
Departmental agencies and accounts	229.6	311.4	468.0	1 514.5	87.5%	3.4%	719.3	797.7	806.7	-18.9%	4.0%
Public corporations and private enterprises	0.4	1.7	1.5	0.0	-67.5%	0.0%	1.1	1.1	1.1	354.4%	0.0%
Households	418.3	908.3	237.4	280.2	-12.5%	2.5%	75.9	92.0	120.6	-24.5%	0.5%
<b>Payments for capital assets</b>	<b>88.8</b>	<b>28.0</b>	<b>67.7</b>	<b>21.7</b>	<b>-37.5%</b>	<b>0.3%</b>	<b>35.0</b>	<b>23.7</b>	<b>26.0</b>	<b>6.2%</b>	<b>0.1%</b>
Buildings and other fixed structures	0.9	0.3	0.7	0.4	-23.8%	0.0%	0.3	0.6	0.9	31.6%	0.0%
Machinery and equipment	87.6	27.7	66.9	21.3	-37.6%	0.3%	29.6	21.3	23.3	3.1%	0.1%
Specialised military assets	-	-	-	-	-	-	1.0	-	-	-	0.0%
Biological assets	-	-	-	-	-	-	4.2	1.8	1.8	-	0.0%
Software and other intangible assets	0.3	-	0.0	0.0	-55.2%	0.0%	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>2.2</b>	<b>1.4</b>	<b>1.7</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>17 732.0</b>	<b>18 902.5</b>	<b>19 384.9</b>	<b>19 176.0</b>	<b>2.6%</b>	<b>100.0%</b>	<b>18 759.8</b>	<b>19 637.2</b>	<b>20 235.9</b>	<b>1.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>30.6%</b>	<b>33.8%</b>	<b>33.4%</b>	<b>32.5%</b>	<b>-</b>	<b>-</b>	<b>32.6%</b>	<b>32.8%</b>	<b>32.8%</b>	<b>-</b>	<b>-</b>

**Table 23.10 Landward Defence expenditure trends and estimates by subprogramme and economic classification (continued)**

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million		2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>		408.8	907.0	234.1	280.2	-11.8%	2.4%	75.9	92.0	120.6	-24.5%	0.5%
Employee social benefits		408.8	907.0	234.1	280.2	-11.8%	2.4%	75.9	92.0	120.6	-24.5%	0.5%
<b>Other transfers to households</b>												
<b>Current</b>		9.5	1.4	3.3	–	-100.0%	–	–	–	–	–	–
Claims against the state		9.5	1.4	3.3	–	-100.0%	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>		229.6	311.4	468.0	1 514.5	87.5%	3.4%	719.3	797.7	806.7	-18.9%	4.0%
Special defence account		229.6	311.4	468.0	1 514.5	87.5%	3.4%	719.3	797.7	806.7	-18.9%	4.0%
<b>Provinces and municipalities</b>												
<b>Provincial agencies and funds</b>												
<b>Current</b>		0.0	0.0	0.0	0.0	28.3%	–	0.0	0.0	0.0	–	0.0%
Vehicle licences		0.0	0.0	0.0	0.0	28.3%	–	0.0	0.0	0.0	–	0.0%
<b>Public corporations and private enterprises</b>												
<b>Other transfers to public corporations</b>												
<b>Current</b>		0.1	1.7	1.2	0.0	-43.6%	–	1.1	1.1	1.1	354.4%	0.0%
Claims against the state		0.1	–	0.0	–	-100.0%	–	–	–	–	–	–
Communication licences		–	–	–	0.0	–	–	0.0	0.0	0.0	-5.9%	0.0%
Armaments Corporation of South Africa		–	1.7	1.1	–	–	–	1.1	1.1	1.1	–	0.0%
<b>Other transfers to private enterprises</b>												
<b>Current</b>		0.3	–	0.4	–	-100.0%	–	–	–	–	–	–
Claims against the state		0.3	–	0.4	–	-100.0%	–	–	–	–	–	–

## Personnel information

**Table 23.11 Landward Defence personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2026		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment										Average growth rate (%)	Average: Salary level/ Total (%)							
		Actual		Revised estimate		Medium-term expenditure estimate														
Number of funded posts	Number of posts additional to the establishment	2024/25		2025/26		2026/27		2027/28		2028/29		2025/26 - 2028/29	2026/27 - 2028/29							
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost									
<b>Landward Defence</b>		<b>35 105</b>		<b>35 152</b>	<b>16 412.3</b>	<b>0.5</b>	<b>36 609</b>	<b>15 064.3</b>	<b>0.4</b>	<b>37 298</b>	<b>15 766.1</b>	<b>0.4</b>	<b>37 801</b>	<b>16 504.0</b>	<b>0.4</b>	<b>37 665</b>	<b>17 035.4</b>	<b>0.5</b>	<b>1.0%</b>	<b>100.0%</b>
1 – 6	26 167	–	26 630	9 360.6	0.4	27 953	9 764.5	0.3	28 413	9 925.0	0.3	28 878	10 337.4	0.4	28 733	10 743.6	0.4	0.9%	76.3%	
7 – 10	8 724	–	8 326	4 785.1	0.6	8 433	4 857.2	0.6	8 664	4 975.9	0.6	8 701	5 173.4	0.6	8 712	5 327.0	0.6	1.1%	23.1%	
11 – 12	179	–	161	160.3	1.0	185	184.8	1.0	184	183.8	1.0	186	198.9	1.1	185	213.2	1.2	–	0.5%	
13 – 16	35	–	35	47.2	1.3	38	50.9	1.3	37	49.6	1.3	36	48.7	1.4	35	50.2	1.4	-2.7%	0.1%	
Other	–	–	–	2 058.9	–	–	206.9	–	–	631.8	–	–	745.7	–	–	701.3	–	–	–	

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 over the medium term by providing:
  - 4 helicopter squadrons and 1 combat support helicopter squadron per year
  - 3 medium transport squadrons (1 VIP squadron, 1 maritime and transport squadron, and 1 light transport 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 (%)
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million					2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Strategic Direction	28.8	31.4	41.3	34.9	6.6%	0.5%	55.7	57.4	59.4	19.4%	0.7%
Operational Direction	184.3	163.6	164.7	145.7	-7.5%	2.3%	143.0	130.6	90.8	-14.6%	1.5%
Helicopter Capability	1 085.4	711.8	639.6	921.5	-5.3%	11.8%	1 127.4	1 159.6	1 234.6	10.2%	14.9%
Transport and Maritime Capability	536.5	1 525.7	520.7	711.7	9.9%	11.6%	630.0	654.1	617.7	-4.6%	8.0%
Air Combat Capability	403.7	597.7	590.7	781.3	24.6%	8.3%	825.7	861.3	908.2	5.1%	11.0%
Operational Support and Intelligence Capability	414.6	424.7	421.4	409.4	-0.4%	5.9%	426.3	443.6	458.0	3.8%	5.6%
Command and Control Capability	430.8	417.3	423.3	420.5	-0.8%	5.9%	467.2	491.0	500.5	6.0%	6.2%
Base Support Capability	2 406.8	2 597.1	2 478.4	2 398.5	-0.1%	34.7%	2 443.3	2 641.6	2 758.2	4.8%	33.1%
Command Post	82.1	112.2	136.8	105.5	8.7%	1.5%	121.0	125.9	130.1	7.2%	1.6%
Training Capability	458.8	461.2	477.5	484.4	1.8%	6.6%	535.9	556.3	575.7	5.9%	7.0%
Technical Support Services	731.5	727.6	821.4	834.6	4.5%	10.9%	794.1	813.8	842.4	0.3%	10.3%
<b>Total</b>	<b>6 763.5</b>	<b>7 770.4</b>	<b>6 715.7</b>	<b>7 247.9</b>	<b>2.3%</b>	<b>100.0%</b>	<b>7 569.5</b>	<b>7 935.3</b>	<b>8 175.7</b>	<b>4.1%</b>	<b>100.0%</b>
Change to 2025 Budget estimate				-			373.4	398.8	300.9		

**Table 23.12 Air Defence expenditure trends and estimates by subprogramme and economic classification (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
	R million	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
<b>Current payments</b>	<b>6 000.7</b>	<b>5 940.8</b>	<b>6 060.2</b>	<b>5 883.9</b>	<b>-0.7%</b>	<b>83.8%</b>	<b>6 144.0</b>	<b>6 384.0</b>	<b>6 421.1</b>	<b>3.0%</b>	<b>80.0%</b>
Compensation of employees	4 312.9	4 315.7	4 425.1	4 531.3	1.7%	61.7%	4 742.4	4 959.9	5 115.7	4.1%	62.6%
Goods and services	1 687.8	1 625.1	1 635.1	1 352.6	-7.1%	22.1%	1 401.6	1 424.1	1 305.4	-1.2%	17.4%
of which:											
Contractors	921.4	802.2	794.1	734.9	-7.3%	11.4%	712.3	653.1	503.9	-11.8%	7.9%
Fleet services (including government motor transport)	15.7	29.0	24.9	49.3	46.6%	0.4%	55.2	54.3	50.5	0.8%	0.7%
Inventory: Food and food supplies	112.8	160.4	145.0	83.3	-9.6%	1.8%	147.4	240.5	276.6	49.2%	2.8%
Inventory: Fuel, oil and gas	182.3	199.6	193.1	138.7	-8.7%	2.5%	128.5	115.8	76.6	-18.0%	1.4%
Travel and subsistence	139.0	203.0	209.6	64.8	-22.5%	2.2%	79.0	84.4	91.4	12.2%	1.1%
Operating payments	73.7	66.2	58.7	50.1	-12.1%	0.9%	84.6	88.6	96.0	24.2%	1.1%
<b>Transfers and subsidies</b>	<b>719.5</b>	<b>1 768.5</b>	<b>591.1</b>	<b>1 287.7</b>	<b>21.4%</b>	<b>15.3%</b>	<b>1 356.6</b>	<b>1 496.4</b>	<b>1 698.4</b>	<b>9.7%</b>	<b>19.2%</b>
Provinces and municipalities	0.0	0.0	–	0.0	51.8%	0.0%	0.0	0.0	0.0	19.7%	0.0%
Departmental agencies and accounts	502.8	1 456.6	462.5	1 198.3	33.6%	12.7%	1 325.5	1 461.6	1 657.1	11.4%	18.8%
Public corporations and private enterprises	0.0	0.0	–	0.0	–	0.0%	–	–	–	-100.0%	–
Households	216.8	312.0	128.6	89.4	-25.6%	2.6%	31.2	34.9	41.3	-22.7%	0.5%
<b>Payments for capital assets</b>	<b>42.5</b>	<b>60.7</b>	<b>63.3</b>	<b>76.3</b>	<b>21.5%</b>	<b>0.9%</b>	<b>68.9</b>	<b>54.8</b>	<b>56.2</b>	<b>-9.7%</b>	<b>0.8%</b>
Buildings and other fixed structures	0.6	2.2	0.8	0.8	14.5%	0.0%	0.6	–	–	-100.0%	0.0%
Machinery and equipment	42.0	57.9	62.5	75.4	21.6%	0.8%	68.3	54.8	56.2	-9.3%	0.8%
Biological assets	–	0.6	–	0.1	–	0.0%	–	–	–	-100.0%	–
<b>Payments for financial assets</b>	<b>0.8</b>	<b>0.4</b>	<b>1.2</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>6 763.5</b>	<b>7 770.4</b>	<b>6 715.7</b>	<b>7 247.9</b>	<b>2.3%</b>	<b>100.0%</b>	<b>7 569.5</b>	<b>7 935.3</b>	<b>8 175.7</b>	<b>4.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>11.7%</b>	<b>13.9%</b>	<b>11.6%</b>	<b>12.3%</b>	<b>–</b>	<b>–</b>	<b>13.1%</b>	<b>13.3%</b>	<b>13.2%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	216.5	311.5	128.2	89.4	-25.5%	2.6%	31.2	34.9	41.3	-22.7%	0.5%
Employee social benefits	216.5	311.5	128.2	89.4	-25.5%	2.6%	31.2	34.9	41.3	-22.7%	0.5%
<b>Other transfers to households</b>											
<b>Current</b>	0.3	0.4	0.3	–	-100.0%	–	–	–	–	–	–
Claims against the state	0.3	0.4	0.3	–	-100.0%	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	502.8	1 456.6	462.5	1 198.3	33.6%	12.7%	1 325.5	1 461.6	1 657.1	11.4%	18.8%
Communication licences	–	–	0.0	–	–	–	–	–	–	–	–
Special defence account	502.8	1 456.6	462.5	1 198.3	33.6%	12.7%	1 325.5	1 461.6	1 657.1	11.4%	18.8%
<b>Provinces and municipalities</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	0.0	0.0	–	0.0	51.8%	–	0.0	0.0	0.0	19.7%	0.0%
Vehicle licences	0.0	0.0	–	0.0	51.8%	–	0.0	0.0	0.0	19.7%	0.0%
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	0.0	0.0	–	0.0	–	–	–	–	–	-100.0%	–
Communication licences	0.0	0.0	–	0.0	–	–	–	–	–	-100.0%	–

## Personnel information

**Table 23.13 Air Defence personnel numbers and cost by salary level<sup>1</sup>**

Air Defence	Number of posts estimated for 31 March 2026	Number of posts additional to the funded posts	Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average Salary level/ Total (%)
			Actual			Revised estimate			Medium-term expenditure estimate							
			2024/25	2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29							
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
<b>Salary level</b>	<b>9 095</b>	–	<b>8 710</b>	<b>4 425.1</b>	<b>0.5</b>	<b>9 039</b>	<b>4 531.3</b>	<b>0.5</b>	<b>9 321</b>	<b>4 742.4</b>	<b>0.5</b>	<b>9 521</b>	<b>4 959.9</b>	<b>0.5</b>	<b>1.9%</b>	<b>100.0%</b>
1 – 6	4 433	–	4 345	1 450.9	0.3	4 751	1 529.0	0.3	4 945	1 623.4	0.3	5 138	1 793.4	0.3	2.8%	53.7%
7 – 10	4 420	–	4 141	2 642.5	0.6	4 057	2 584.7	0.6	4 143	2 634.7	0.6	4 152	2 694.4	0.6	0.9%	43.9%
11 – 12	216	–	202	218.8	1.1	206	225.1	1.1	206	225.1	1.1	204	229.9	1.1	–	2.2%
13 – 16	26	–	22	36.1	1.6	25	40.8	1.6	27	44.0	1.6	27	44.6	1.7	2.6%	0.3%
Other	–	–	–	76.8	–	–	151.6	–	–	215.3	–	–	198.1	–	–	–

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 over the medium term 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
  - ongoing hydrographic survey capabilities 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 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 (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Maritime Direction	878.1	868.8	864.8	860.5	-0.7%	18.7%	920.0	970.8	1 012.4	5.6%	18.3%
Maritime Combat Capability	1 525.6	875.4	945.1	964.2	-14.2%	23.2%	1 194.8	1 242.1	1 279.8	9.9%	23.5%
Maritime Logistics Support Capability	972.6	1 494.0	1 552.3	1 859.0	24.1%	31.6%	1 591.9	1 657.6	1 708.8	-2.8%	31.3%
Maritime Human Resources and Training Capability	513.3	504.6	506.6	642.0	7.7%	11.7%	657.1	682.7	704.0	3.1%	12.9%
Base Support Capability	773.1	634.4	658.2	686.3	-3.9%	14.8%	713.0	741.8	764.1	3.6%	14.0%
<b>Total</b>	<b>4 662.6</b>	<b>4 377.3</b>	<b>4 527.1</b>	<b>5 011.9</b>	<b>2.4%</b>	<b>100.0%</b>	<b>5 076.8</b>	<b>5 294.9</b>	<b>5 469.1</b>	<b>3.0%</b>	<b>100.0%</b>
Change to 2025 Budget estimate							91.0	90.5	31.0		

**Table 23.14 Maritime Defence expenditure trends and estimates by subprogramme and economic classification (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28			2028/29
	2022/23 - 2025/26	2026/27 - 2028/29	2026/27 - 2028/29									
R million												
<b>Current payments</b>	<b>3 228.9</b>	<b>3 174.9</b>	<b>3 468.0</b>	<b>3 751.6</b>	<b>5.1%</b>	<b>73.3%</b>	<b>3 820.3</b>	<b>3 999.8</b>	<b>4 119.9</b>	<b>3.2%</b>	<b>75.4%</b>	
Compensation of employees	2 603.4	2 570.1	2 737.9	2 811.0	2.6%	57.7%	2 940.0	3 076.9	3 175.4	4.1%	58.0%	
Goods and services	625.6	604.8	730.1	940.6	14.6%	15.6%	880.3	922.9	944.4	0.1%	17.3%	
of which:												
Contractors	195.6	196.3	234.9	418.1	28.8%	5.6%	312.0	325.8	323.2	-8.2%	6.1%	
Inventory: Food and food supplies	96.2	83.3	114.2	73.6	-8.5%	2.0%	88.5	89.3	89.3	6.6%	1.7%	
Inventory: Materials and supplies	55.8	9.4	7.5	51.3	-2.8%	0.7%	46.7	54.6	53.5	1.4%	1.0%	
Inventory: Other supplies	25.1	33.5	43.7	47.8	24.0%	0.8%	48.6	54.2	54.7	4.6%	1.0%	
Travel and subsistence	80.7	145.0	179.1	75.2	-2.3%	2.6%	100.9	102.5	95.3	8.2%	1.9%	
Operating payments	29.5	0.6	5.6	58.3	25.6%	0.5%	56.4	59.0	59.2	0.5%	1.1%	
<b>Transfers and subsidies</b>	<b>1 295.1</b>	<b>1 089.2</b>	<b>991.4</b>	<b>1 238.7</b>	<b>-1.5%</b>	<b>24.8%</b>	<b>1 240.2</b>	<b>1 278.4</b>	<b>1 334.8</b>	<b>2.5%</b>	<b>24.3%</b>	
Provinces and municipalities	0.0	0.0	0.0	0.0	26.0%	0.0%	0.0	0.0	0.0	3.2%	0.0%	
Departmental agencies and accounts	738.2	622.5	613.5	798.4	2.6%	14.9%	835.4	865.0	917.7	4.8%	16.5%	
Public corporations and private enterprises	340.2	351.2	355.4	366.3	2.5%	7.6%	371.6	382.2	397.5	2.8%	7.3%	
Households	216.8	115.5	22.5	74.0	-30.1%	2.3%	33.2	31.1	19.6	-35.8%	0.5%	
<b>Payments for capital assets</b>	<b>138.3</b>	<b>112.9</b>	<b>67.6</b>	<b>21.6</b>	<b>-46.1%</b>	<b>1.8%</b>	<b>16.3</b>	<b>16.8</b>	<b>14.4</b>	<b>-12.6%</b>	<b>0.3%</b>	
Buildings and other fixed structures	98.6	0.1	4.4	-	-100.0%	0.6%	-	-	-	-	-	
Machinery and equipment	35.0	100.6	57.5	19.1	-18.2%	1.1%	11.9	12.3	9.8	-20.0%	0.2%	
Specialised military assets	-	5.3	-	1.9	-	0.0%	2.3	2.4	2.5	10.2%	0.0%	
Software and other intangible assets	4.7	6.9	5.6	0.6	-50.0%	0.1%	2.1	2.1	2.1	53.2%	0.0%	
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>4 662.6</b>	<b>4 377.3</b>	<b>4 527.1</b>	<b>5 011.9</b>	<b>2.4%</b>	<b>100.0%</b>	<b>5 076.8</b>	<b>5 294.9</b>	<b>5 469.1</b>	<b>3.0%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>8.0%</b>	<b>7.8%</b>	<b>7.8%</b>	<b>8.5%</b>	<b>-</b>	<b>-</b>	<b>8.8%</b>	<b>8.8%</b>	<b>8.9%</b>	<b>-</b>	<b>-</b>	
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	216.5	115.5	22.5	74.0	-30.1%	2.3%	33.2	31.1	19.6	-35.8%	0.5%	
Employee social benefits	216.5	115.5	22.5	74.0	-30.1%	2.3%	33.2	31.1	19.6	-35.8%	0.5%	
<b>Other transfers to households</b>												
<b>Current</b>	0.3	0.1	-	-	-100.0%	-	-	-	-	-	-	
Claims against the state	0.3	0.1	-	-	-100.0%	-	-	-	-	-	-	
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	738.2	622.5	613.5	798.4	2.6%	14.9%	835.4	865.0	917.7	4.8%	16.5%	
Special defence account	738.2	622.5	613.5	798.4	2.6%	14.9%	835.4	865.0	917.7	4.8%	16.5%	
<b>Provinces and municipalities</b>												
<b>Provincial agencies and funds</b>												
<b>Current</b>	0.0	0.0	0.0	0.0	26.0%	-	0.0	0.0	0.0	3.2%	0.0%	
Vehicle licences	0.0	0.0	0.0	0.0	26.0%	-	0.0	0.0	0.0	3.2%	0.0%	
<b>Public corporations and private enterprises</b>												
<b>Other transfers to public corporations</b>												
<b>Current</b>	340.2	351.2	355.4	366.3	2.5%	7.6%	371.6	382.2	397.5	2.8%	7.3%	
Armaments Corporation of South Africa	340.2	351.2	355.4	366.3	2.5%	7.6%	371.6	382.2	397.5	2.8%	7.3%	

## Personnel information

**Table 23.15 Maritime Defence personnel numbers and cost by salary level<sup>1</sup>**

Salary level	Number of posts estimated for 31 March 2026	Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average Salary level/ Total (%)				
		Actual			Revised estimate			Medium-term expenditure estimate											
		2024/25			2025/26			2026/27		2027/28		2028/29							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
5 988	-	5 700	2 737.9	0.5	6 039	2 811.0	0.5	6 228	2 940.0	0.5	6 328	3 076.9	0.5	6 383	3 175.4	0.5	1.9%	100.0%	
1-6	3 474	-	3 309	1 167.1	0.4	3 668	1 157.9	0.3	3 643	1 198.5	0.3	3 738	1 234.8	0.3	3 795	1 329.7	0.4	1.1%	59.0%
7-10	2 352	-	2 235	1 368.9	0.6	2 211	1 352.4	0.6	2 405	1 476.6	0.6	2 408	1 478.2	0.6	2 405	1 509.5	0.6	2.8%	38.1%
11-12	142	-	136	139.0	1.0	141	145.1	1.0	158	161.5	1.0	160	163.5	1.0	161	166.6	1.0	4.5%	2.5%
13-16	20	-	20	27.4	1.4	19	26.0	1.4	22	30.1	1.4	22	30.1	1.4	22	30.5	1.4	5.0%	0.3%
Other	-	-	-	35.6	-	-	129.7	-	-	73.4	-	-	170.4	-	-	139.2	-	-	-

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 over the medium term by providing:
  - a health support capability of 5 medical battalion groups and 1 specialist medical battalion group for deployed and contingency forces
  - 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 provides 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 a 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 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 (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Strategic Direction	271.3	392.7	317.3	274.2	0.3%	5.1%	306.4	318.2	326.8	6.0%	4.7%
Mobile Military Health Support	189.2	221.9	230.9	217.5	4.7%	3.5%	227.5	236.7	244.7	4.0%	3.5%
Area Military Health Service	2 300.7	2 223.3	2 208.8	2 451.7	2.1%	37.7%	2 500.6	2 591.7	2 658.1	2.7%	38.4%
Specialist/Tertiary Health Service	2 433.4	2 446.5	2 533.3	2 592.2	2.1%	41.0%	2 577.2	2 762.2	2 928.0	4.1%	40.9%
Military Health Product Support Capability	371.4	334.7	292.1	398.5	2.4%	5.7%	309.3	355.8	357.4	-3.6%	5.1%
Military Health Training Capability	413.5	413.3	447.1	408.8	-0.4%	6.9%	482.7	499.5	515.0	8.0%	7.4%
<b>Total</b>	<b>5 979.6</b>	<b>6 032.3</b>	<b>6 029.5</b>	<b>6 342.8</b>	<b>2.0%</b>	<b>100.0%</b>	<b>6 403.7</b>	<b>6 764.2</b>	<b>7 029.9</b>	<b>3.5%</b>	<b>100.0%</b>
Change to 2025 Budget estimate				–			(18.8)	(39.6)	(79.2)		

**Table 23.16 Military Health Support expenditure trends and estimates by subprogramme and economic classification (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
	R million	2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29				
<b>Current payments</b>	<b>5 685.3</b>	<b>5 647.9</b>	<b>5 794.4</b>	<b>6 170.8</b>	<b>2.8%</b>	<b>95.5%</b>	<b>6 321.2</b>	<b>6 633.7</b>	<b>6 890.7</b>	<b>3.7%</b>	<b>98.3%</b>
Compensation of employees	4 204.8	4 239.9	4 413.9	4 466.5	2.0%	71.1%	4 669.8	4 882.1	5 036.8	4.1%	72.2%
Goods and services	1 480.5	1 408.0	1 380.5	1 704.3	4.8%	24.5%	1 651.4	1 751.6	1 853.9	2.8%	26.0%
<i>of which:</i>											
Laboratory services	78.3	67.4	64.7	68.7	-4.3%	1.1%	71.9	72.2	75.1	3.0%	1.1%
Agency and support/outsourced services	723.5	663.6	674.2	728.8	0.2%	11.4%	692.5	694.9	665.0	-3.0%	10.2%
Inventory: Food and food supplies	115.9	88.8	80.2	112.1	-1.1%	1.6%	108.8	113.2	117.7	1.6%	1.7%
Inventory: Medical supplies	58.6	54.9	55.4	166.9	41.7%	1.4%	120.9	125.7	177.5	2.1%	2.1%
Inventory: Medicine	219.0	228.8	187.2	320.1	13.5%	3.9%	285.0	328.6	390.3	6.8%	5.0%
Travel and subsistence	86.4	132.1	134.6	61.5	-10.7%	1.7%	93.5	121.6	125.2	26.7%	1.7%
<b>Transfers and subsidies</b>	<b>141.5</b>	<b>247.7</b>	<b>102.5</b>	<b>78.8</b>	<b>-17.7%</b>	<b>2.3%</b>	<b>38.2</b>	<b>40.5</b>	<b>43.1</b>	<b>-18.2%</b>	<b>0.6%</b>
Provinces and municipalities	0.0	0.0	0.0	0.0	-20.6%	0.0%	0.0	0.0	0.0	14.5%	0.0%
Public corporations and private enterprises	-	0.1	0.1	0.0	-	0.0%	0.0	0.0	0.0	-41.5%	0.0%
Non-profit institutions	0.1	0.1	0.1	0.2	18.1%	0.0%	0.2	0.3	0.3	26.0%	0.0%
Households	141.4	247.6	102.2	78.6	-17.8%	2.3%	38.0	40.2	42.8	-18.3%	0.6%
<b>Payments for capital assets</b>	<b>151.3</b>	<b>135.1</b>	<b>131.3</b>	<b>93.3</b>	<b>-14.9%</b>	<b>2.1%</b>	<b>44.3</b>	<b>90.0</b>	<b>96.1</b>	<b>1.0%</b>	<b>1.1%</b>
Buildings and other fixed structures	-	0.4	0.3	-	-	0.0%	1.9	2.0	2.0	-	0.0%
Machinery and equipment	151.3	134.8	130.9	93.2	-14.9%	2.1%	42.3	88.0	94.0	0.3%	1.1%
Biological assets	-	-	-	0.0	-	0.0%	0.0	0.0	0.0	3.8%	0.0%
Software and other intangible assets	-	-	0.1	-	-	0.0%	-	-	0.0	-	0.0%
<b>Payments for financial assets</b>	<b>1.4</b>	<b>1.5</b>	<b>1.3</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5 979.6</b>	<b>6 032.3</b>	<b>6 029.5</b>	<b>6 342.8</b>	<b>2.0%</b>	<b>100.0%</b>	<b>6 403.7</b>	<b>6 764.2</b>	<b>7 029.9</b>	<b>3.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>10.3%</b>	<b>10.8%</b>	<b>10.4%</b>	<b>10.7%</b>	<b>-</b>	<b>-</b>	<b>11.1%</b>	<b>11.3%</b>	<b>11.4%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	141.3	246.3	101.8	78.6	-17.7%	2.3%	38.0	40.2	42.8	-18.3%	0.6%
Employee social benefits	141.3	246.3	101.8	78.6	-17.7%	2.3%	38.0	40.2	42.8	-18.3%	0.6%
<b>Other transfers to households</b>											
<b>Current</b>	0.2	1.3	0.5	-	-100.0%	-	-	-	-	-	-
Claims against the state	0.2	1.3	0.5	-	-100.0%	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	0.0	0.0	0.0	0.0	-20.6%	-	0.0	0.0	0.0	14.5%	0.0%
Vehicle licences	0.0	0.0	0.0	0.0	-20.6%	-	0.0	0.0	0.0	14.5%	0.0%
<b>Non-profit institutions</b>											
<b>Current</b>	0.1	0.1	0.1	0.2	18.1%	-	0.2	0.3	0.3	26.0%	0.0%
St John Ambulance Brigade	0.1	0.1	0.1	0.2	18.1%	-	0.2	0.3	0.3	26.0%	0.0%
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	-	-	0.1	0.0	-	-	0.0	0.0	0.0	-41.5%	0.0%
Communication licences	-	-	0.1	0.0	-	-	0.0	0.0	0.0	-41.5%	0.0%
<b>Other transfers to private enterprises</b>											
<b>Current</b>	-	0.1	-	-	-	-	-	-	-	-	-
Claims against the state	-	0.1	-	-	-	-	-	-	-	-	-

## Personnel information

**Table 23.17 Military Health Support personnel numbers and cost by salary level<sup>1</sup>**

Salary level	Number of posts estimated for 31 March 2026	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average Salary level/ Total (%)			
			Actual		Revised estimate		Medium-term expenditure estimate												
			2024/25	Unit cost	2025/26	Unit cost	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29								
<b>Military Health Support</b>	<b>6 861</b>	<b>-</b>	<b>6 735</b>	<b>4 413.9</b>	<b>0.7</b>	<b>6 910</b>	<b>4 466.5</b>	<b>0.6</b>	<b>7 120</b>	<b>4 669.8</b>	<b>0.7</b>	<b>7 198</b>	<b>4 882.1</b>	<b>0.7</b>	<b>7 211</b>	<b>5 036.8</b>	<b>0.7</b>	<b>1.4%</b>	<b>100.0%</b>
1 - 6	2 520	-	2 576	877.8	0.3	2 696	899.0	0.3	2 845	970.8	0.3	2 915	1 002.4	0.3	2 921	1 046.3	0.4	2.7%	40.3%
7 - 10	3 333	-	3 194	1 981.4	0.6	3 201	2 001.4	0.6	3 255	2 032.2	0.6	3 262	2 037.7	0.6	3 268	2 089.9	0.6	0.7%	45.5%
11 - 12	709	-	677	763.4	1.1	721	812.2	1.1	711	803.3	1.1	711	803.3	1.1	713	837.6	1.2	-0.4%	9.9%
13 - 16	299	-	288	619.4	2.2	292	633.0	2.2	309	660.9	2.1	310	662.9	2.1	309	669.2	2.2	1.9%	4.3%
Other	-	-	-	172.0	-	-	120.9	-	-	202.6	-	-	375.8	-	-	393.8	-	-	-

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 (%)
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million											
Operations	584.0	299.0	312.7	320.1	-18.2%	31.2%	333.4	348.1	354.3	3.4%	27.0%
Defence Intelligence Support Services	530.0	884.9	1 059.9	872.6	18.1%	68.8%	903.3	936.9	963.2	3.4%	73.0%
<b>Total</b>	<b>1 114.0</b>	<b>1 183.9</b>	<b>1 372.6</b>	<b>1 192.6</b>	<b>2.3%</b>	<b>100.0%</b>	<b>1 236.7</b>	<b>1 285.0</b>	<b>1 317.6</b>	<b>3.4%</b>	<b>100.0%</b>
Change to 2025 Budget estimate				–			(3.7)	(7.5)	(33.0)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>501.7</b>	<b>826.3</b>	<b>1 047.2</b>	<b>856.1</b>	<b>19.5%</b>	<b>66.4%</b>	<b>886.3</b>	<b>922.9</b>	<b>948.4</b>	<b>3.5%</b>	<b>71.8%</b>
Compensation of employees	479.6	705.9	834.9	707.2	13.8%	56.1%	740.2	772.3	794.3	3.9%	60.1%
Goods and services	22.1	120.4	212.3	148.8	88.7%	10.4%	146.1	150.6	154.1	1.2%	11.7%
of which:											
<i>Inventory: Food and food supplies</i>	4.1	7.5	9.1	6.2	14.3%	0.6%	7.9	8.5	8.7	12.4%	0.7%
<i>Inventory: Fuel, oil and gas</i>	3.3	3.6	7.2	10.3	46.3%	0.5%	7.2	8.0	8.1	-7.6%	0.6%
<i>Operating leases</i>	–	30.8	81.0	41.3	–	3.2%	33.5	37.0	36.7	-3.9%	2.8%
<i>Property payments</i>	0.4	3.8	7.3	15.1	226.7%	0.5%	8.1	6.5	7.3	-21.5%	0.6%
<i>Travel and subsistence</i>	7.3	30.3	34.1	21.2	42.4%	1.9%	28.6	30.4	30.5	12.8%	2.3%
<i>Operating payments</i>	–	25.2	51.8	17.9	–	2.0%	26.6	27.2	27.8	15.7%	2.1%
<b>Transfers and subsidies</b>	<b>612.1</b>	<b>356.2</b>	<b>318.2</b>	<b>333.5</b>	<b>-18.3%</b>	<b>33.3%</b>	<b>340.1</b>	<b>355.8</b>	<b>364.4</b>	<b>3.0%</b>	<b>27.6%</b>
Provinces and municipalities	0.0	0.0	0.0	0.0	18.6%	0.0%	0.0	0.0	0.0	–	0.0%
Departmental agencies and accounts	584.0	299.0	312.7	320.1	-18.2%	31.2%	333.4	348.1	354.3	3.4%	27.0%
Households	28.1	57.1	5.5	13.4	-21.8%	2.1%	6.7	7.7	10.0	-9.2%	0.6%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>1.3</b>	<b>7.2</b>	<b>3.1</b>	<b>252.1%</b>	<b>0.2%</b>	<b>10.3</b>	<b>6.2</b>	<b>4.8</b>	<b>15.8%</b>	<b>0.6%</b>
Machinery and equipment	0.1	1.3	7.2	3.1	252.1%	0.2%	10.3	6.2	4.8	15.8%	0.6%
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>1 114.0</b>	<b>1 183.9</b>	<b>1 372.6</b>	<b>1 192.6</b>	<b>2.3%</b>	<b>100.0%</b>	<b>1 236.7</b>	<b>1 285.0</b>	<b>1 317.6</b>	<b>3.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>–</b>	<b>–</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	28.0	57.1	5.5	13.4	-21.8%	2.1%	6.7	7.7	10.0	-9.2%	0.6%
Employee social benefits	28.0	57.1	5.5	13.4	-21.8%	2.1%	6.7	7.7	10.0	-9.2%	0.6%
<b>Other transfers to households</b>											
<b>Current</b>	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Claims against the state	0.0	–	–	–	-100.0%	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	584.0	299.0	312.7	320.1	-18.2%	31.2%	333.4	348.1	354.3	3.4%	27.0%
Special defence account	584.0	299.0	312.7	320.1	-18.2%	31.2%	333.4	348.1	354.3	3.4%	27.0%
<b>Provinces and municipalities</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	0.0	0.0	0.0	0.0	18.6%	–	0.0	0.0	0.0	–	0.0%
Vehicle licences	0.0	0.0	0.0	0.0	18.6%	–	0.0	0.0	0.0	–	0.0%

## Personnel information

**Table 23.19 Defence Intelligence personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2026		Number and cost <sup>2</sup> 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											
		2024/25			2025/26			2026/27			2027/28			2028/29			2025/26 - 2028/29	2026/27 - 2028/29	
Defence Intelligence		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	1 057	–	999	834.9	0.8	854	707.2	0.8	918	740.2	0.8	895	772.3	0.9	904	794.3	0.9	1.9%	100.0%
1 – 6	263	–	213	99.1	0.5	214	99.8	0.5	260	123.0	0.5	235	109.6	0.5	245	117.8	0.5	4.6%	27.2%
7 – 10	668	–	669	540.0	0.8	519	415.1	0.8	531	423.4	0.8	532	424.2	0.8	529	436.2	0.8	0.6%	58.6%
11 – 12	96	–	88	119.8	1.4	92	125.3	1.4	97	132.1	1.4	98	133.2	1.4	100	137.8	1.4	2.8%	10.9%
13 – 16	30	–	29	50.3	1.7	29	50.3	1.7	30	52.0	1.7	30	52.0	1.7	30	52.7	1.8	1.1%	3.3%
Other	–	–	–	25.8	–	–	16.7	–	–	9.7	–	–	53.4	–	–	49.9	–	–	–

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:
  - 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 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 reported 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: Expenditure/ Total (%)		Medium-term expenditure estimate			Average: Expenditure/ Total (%)	
	2022/23	2023/24	2024/25		2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
R million											
Joint Logistics Services	3 903.7	3 551.3	3 253.3	4 145.6	2.0%	51.8%	4 299.9	4 477.7	4 656.8	4.0%	54.0%
Command and Management Information Systems	1 158.3	918.5	989.7	1 147.8	-0.3%	14.7%	1 213.3	1 260.2	1 286.7	3.9%	15.1%
Military Police	826.2	854.8	790.0	815.3	-0.4%	11.5%	855.6	894.9	923.6	4.2%	10.8%
Technology Development	133.5	316.0	634.5	353.6	38.4%	5.0%	369.5	289.1	298.6	-5.5%	3.8%
Departmental Support	1 239.6	1 257.6	1 165.6	1 237.8	–	17.1%	1 296.4	1 352.2	1 392.5	4.0%	16.3%
<b>Total</b>	<b>7 261.3</b>	<b>6 898.2</b>	<b>6 833.0</b>	<b>7 700.1</b>	<b>2.0%</b>	<b>100.0%</b>	<b>8 034.7</b>	<b>8 274.1</b>	<b>8 558.2</b>	<b>3.6%</b>	<b>100.0%</b>
Change to 2025 Budget estimate				–			(17.1)	(13.1)	(101.0)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>4 878.2</b>	<b>4 452.9</b>	<b>4 659.7</b>	<b>5 726.7</b>	<b>5.5%</b>	<b>68.7%</b>	<b>5 994.2</b>	<b>6 229.1</b>	<b>6 454.9</b>	<b>4.1%</b>	<b>75.1%</b>
Compensation of employees	3 070.9	2 957.0	3 045.6	3 363.4	3.1%	43.3%	3 528.8	3 694.9	3 816.1	4.3%	44.4%
Goods and services	1 807.4	1 495.9	1 614.1	2 363.4	9.4%	25.4%	2 465.4	2 534.2	2 638.8	3.7%	30.7%
of which:						–					–
Audit costs: External	76.6	83.0	78.9	92.7	6.6%	1.2%	96.4	100.3	104.3	4.0%	1.2%
Computer services	666.9	553.6	542.6	816.8	7.0%	9.0%	894.0	894.7	896.5	3.2%	10.8%
Contractors	84.9	96.1	82.8	77.8	-2.9%	1.2%	106.5	115.0	121.2	15.9%	1.4%
Agency and support/outsourced services	297.3	144.9	35.7	164.1	-18.0%	2.2%	174.6	175.1	175.4	2.3%	2.1%
Property payments	20.2	15.5	103.8	521.2	195.5%	2.3%	549.2	600.4	679.5	9.2%	7.4%
Travel and subsistence	164.9	178.6	232.1	138.5	-5.6%	2.5%	143.9	134.2	135.8	-0.7%	1.7%
<b>Transfers and subsidies</b>	<b>1 436.5</b>	<b>1 817.6</b>	<b>1 792.4</b>	<b>1 522.6</b>	<b>2.0%</b>	<b>22.9%</b>	<b>1 577.3</b>	<b>1 556.4</b>	<b>1 606.0</b>	<b>1.8%</b>	<b>19.1%</b>
Provinces and municipalities	0.1	0.1	0.1	0.1	15.1%	0.0%	0.1	0.1	0.1	1.4%	0.0%
Departmental agencies and accounts	141.6	372.5	663.1	380.2	39.0%	5.4%	414.2	341.0	347.2	-3.0%	4.4%
Public corporations and private enterprises	1 128.6	1 083.6	1 033.3	1 087.6	-1.2%	15.1%	1 139.9	1 189.2	1 222.7	4.0%	14.3%
Households	166.2	361.4	95.9	54.7	-31.0%	2.4%	23.1	26.1	36.1	-13.0%	0.3%
<b>Payments for capital assets</b>	<b>946.3</b>	<b>627.4</b>	<b>375.8</b>	<b>450.7</b>	<b>-21.9%</b>	<b>8.4%</b>	<b>463.2</b>	<b>488.6</b>	<b>497.3</b>	<b>3.3%</b>	<b>5.8%</b>
Buildings and other fixed structures	614.3	483.9	85.4	374.8	-15.2%	5.4%	362.1	361.2	363.8	-1.0%	4.4%
Machinery and equipment	268.1	125.8	290.4	75.7	-34.4%	2.6%	101.1	127.3	133.4	20.8%	1.5%
Software and other intangible assets	63.9	17.7	–	0.3	-84.2%	0.3%	0.1	0.1	0.1	-24.2%	0.0%
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.2</b>	<b>5.1</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>7 261.3</b>	<b>6 898.2</b>	<b>6 833.0</b>	<b>7 700.1</b>	<b>2.0%</b>	<b>100.0%</b>	<b>8 034.7</b>	<b>8 274.1</b>	<b>8 558.2</b>	<b>3.6%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	12.5%	12.3%	11.8%	13.0%	–	–	13.9%	13.8%	13.9%	–	–

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

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
		2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million		2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>		164.1	360.4	94.3	54.7	-30.7%	2.3%	23.1	26.1	36.1	-13.0%	0.3%
Employee social benefits		164.1	360.4	94.3	54.7	-30.7%	2.3%	23.1	26.1	36.1	-13.0%	0.3%
<b>Other transfers to households</b>												
<b>Current</b>		2.1	1.0	1.7	-	-100.0%	-	-	-	-	-	-
Claims against the state		2.1	1.0	1.7	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>		141.6	372.5	663.1	380.2	39.0%	5.4%	414.2	341.0	347.2	-3.0%	4.4%
Claims against the state		0.2	47.0	-	-	-100.0%	0.2%	-	-	-	-	-
Special defence account		135.4	319.6	657.1	366.4	39.3%	5.2%	400.2	326.6	336.2	-2.8%	4.3%
Castle Control Board		6.0	6.0	6.0	5.0	-5.9%	0.1%	4.0	4.0	-	-100.0%	0.0%
Independent Communications Authority of South Africa		-	-	-	8.8	-	-	10.0	10.5	10.9	7.4%	0.1%
<b>Provinces and municipalities</b>												
<b>Provincial agencies and funds</b>												
<b>Current</b>		0.1	0.1	0.1	0.1	15.1%	-	0.1	0.1	0.1	1.4%	0.0%
Vehicle licences		0.1	0.1	0.1	0.1	15.1%	-	0.1	0.1	0.1	1.4%	0.0%
<b>Public corporations and private enterprises</b>												
<b>Other transfers to public corporations</b>												
<b>Current</b>		1 128.6	1 083.6	1 033.3	1 087.6	-1.2%	15.1%	1 139.9	1 189.2	1 222.7	4.0%	14.3%
Communication licences		-	-	-	0.0	-	-	0.0	0.0	0.0	-	0.0%
Armaments Corporation of South Africa		1 128.6	1 083.6	1 033.3	1 087.6	-1.2%	15.1%	1 139.9	1 189.2	1 222.7	4.0%	14.3%

## Personnel information

**Table 23.21 General Support personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2026		Number and cost <sup>2</sup> 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										
		2024/25		2025/26		2026/27		2027/28		2028/29		2025/26 - 2028/29	2026/27 - 2028/29					
General Support		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	6 442	5 823	3 045.6	0.5	6 059	3 363.4	0.6	6 781	3 528.8	0.5	6 831	3 694.9	0.5	6 829	3 816.1	0.6	4.1%	100.0%
1 – 6	3 515	3 098	1 147.5	0.4	3 123	1 154.1	0.4	3 731	1 358.5	0.4	3 781	1 380.8	0.4	3 776	1 388.8	0.4	6.5%	55.2%
7 – 10	2 754	2 575	1 497.2	0.6	2 760	1 616.7	0.6	2 864	1 674.1	0.6	2 864	1 673.8	0.6	2 865	1 673.8	0.6	1.2%	42.0%
11 – 12	148	128	133.3	1.0	150	156.6	1.0	160	167.1	1.0	160	167.1	1.0	162	169.1	1.0	2.6%	2.4%
13 – 16	25	22	30.8	1.4	26	34.6	1.3	26	34.6	1.3	26	34.6	1.3	26	34.6	1.3	-	0.4%
Other	-	-	236.7	-	-	401.3	-	-	294.5	-	-	438.6	-	-	549.8	-	-	-

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		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Percentage of capital requirements from the department converted into orders placed per year	Management of defence matériel acquisition	Enhanced peace and security in Africa	100%	97.1%	100%	95%	95%	95%	95%
Percentage of technology requirements executed per year	Management of strategic facilities: Research and development		51.7%	84.5%	63.4%	95%	95%	95%	95%
Value of defence industrial participation credits awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R26.6m	R1.9m	R1.2m	R1.2m	R1.6m	R1.6m	R1.6m

## Entity overview

The Armaments Corporation of South Africa, which is guided by the prescripts of the Armaments Corporation of South Africa 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.

Over the medium term, the corporation will continue to focus on meeting the department's requirements in terms of defence matériel, defence technology, research and development analysis, and testing and evaluation. Accordingly, it plans to ensure that the procurement of capital assets for the defence force over the MTEF period is cost-efficient and meets its operational needs. To sustain the percentage of the department's capital requirements converted into placed orders at 95 per cent in each year over the medium term, the corporation has allocated R874.5 million over the next 3 years.

The corporation also plans to offer services related to operational research, comprehensive testing and the evaluation of defence systems and capabilities across military and civilian environments. Accordingly, it aims to maintain the execution of technology requirements to meet contractual milestones at 95 per cent over the period ahead. As such, projected expenditure on managing strategic research facilities is estimated to be R1.8 billion over the next 3 years.

Expenditure is set to increase at an average annual rate of 2.7 per cent, from R2.9 billion in 2025/26 to R3.1 billion in 2028/29, with spending on goods and services constituting an estimated 49.8 per cent (R4.4 billion) of total expenditure over the period ahead. The corporation is set to derive 53.2 per cent (R4.7 billion) of its revenue over the MTEF period through transfers from the department, increasing at an average annual rate of 3.7 per cent, from R1.5 billion in 2025/26 to R1.6 billion in 2028/29. As part of the corporation's efforts to enhance its long-term sustainability, it aims to improve other revenue streams, such as the commercialisation of intellectual property, commercial income from strategic facilities and the brokering of defence-sector deals in Africa. As a result, non-tax revenue streams are expected to increase at an average annual rate of 1.6 per cent, from R1.4 billion in 2025/26 to R1.5 billion in 2028/29. Total revenue is expected to increase in line with expenditure over the medium term.

## Programmes/Objectives/Activities

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

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million					2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Administration	682.6	718.1	683.6	994.9	13.4%	38.2%	955.2	930.5	984.8	-0.3%	32.4%
Quality assurance	109.4	116.2	120.2	117.6	2.4%	5.8%	131.5	137.3	146.5	7.6%	4.7%
Management of defence matériel acquisition	224.3	235.8	251.3	254.7	4.3%	12.0%	279.1	288.2	307.2	6.4%	9.9%
Logistics support	47.5	71.0	30.9	29.5	-14.7%	2.2%	32.4	35.4	38.2	9.0%	1.2%
Management of strategic facilities: Dockyard	231.6	275.1	285.4	887.6	56.5%	20.9%	850.6	962.5	976.1	3.2%	31.5%
Management of strategic facilities: Research and development	325.2	323.2	470.1	567.5	20.4%	20.9%	565.9	598.8	633.3	3.7%	20.3%
<b>Total</b>	<b>1 620.5</b>	<b>1 739.4</b>	<b>1 841.5</b>	<b>2 851.7</b>	<b>20.7%</b>	<b>100.0%</b>	<b>2 814.7</b>	<b>2 952.7</b>	<b>3 086.0</b>	<b>2.7%</b>	<b>100.0%</b>

## 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 (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29		
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>527.3</b>	<b>680.0</b>	<b>582.0</b>	<b>1 397.8</b>	<b>38.4%</b>	<b>37.8%</b>	<b>1 302.1</b>	<b>1 380.2</b>	<b>1 464.6</b>	<b>1.6%</b>	<b>46.8%</b>	
Sale of goods and services other than capital assets	296.1	404.6	385.3	1 152.8	57.3%	26.5%	1 030.6	1 092.4	1 158.0	0.1%	37.1%	
Other non-tax revenue	231.3	275.3	196.7	245.0	1.9%	11.2%	271.5	287.8	306.6	7.8%	9.8%	
<b>Transfers received</b>	<b>1 241.8</b>	<b>1 210.3</b>	<b>1 345.2</b>	<b>1 454.0</b>	<b>5.4%</b>	<b>62.2%</b>	<b>1 512.6</b>	<b>1 572.5</b>	<b>1 621.4</b>	<b>3.7%</b>	<b>53.2%</b>	
<b>Total revenue</b>	<b>1 769.2</b>	<b>1 890.3</b>	<b>1 927.2</b>	<b>2 851.7</b>	<b>17.3%</b>	<b>100.0%</b>	<b>2 814.7</b>	<b>2 952.7</b>	<b>3 086.0</b>	<b>2.7%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	<b>1 620.5</b>	<b>1 737.7</b>	<b>1 836.9</b>	<b>2 851.7</b>	<b>20.7%</b>	<b>99.9%</b>	<b>2 814.7</b>	<b>2 952.7</b>	<b>3 086.0</b>	<b>2.7%</b>	<b>100.0%</b>	
Compensation of employees	1 020.7	1 060.4	1 162.2	1 272.4	7.6%	56.1%	1 318.3	1 378.9	1 442.3	4.3%	46.8%	
Goods and services	469.4	543.3	534.4	1 481.4	46.7%	37.6%	1 403.7	1 472.7	1 533.8	1.2%	49.8%	
Depreciation	92.0	94.2	92.8	98.0	2.1%	4.7%	92.8	101.1	109.9	3.9%	3.4%	
Interest, dividends and rent on land	38.5	39.8	47.5	-	-100.0%	1.6%	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>-</b>	<b>1.7</b>	<b>4.5</b>	<b>-</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total expenses</b>	<b>1 620.5</b>	<b>1 739.4</b>	<b>1 841.5</b>	<b>2 851.7</b>	<b>20.7%</b>	<b>100.0%</b>	<b>2 814.7</b>	<b>2 952.7</b>	<b>3 086.0</b>	<b>2.7%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>148.6</b>	<b>150.9</b>	<b>85.7</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cash flow statement</b>												
<b>Cash flow from operating activities</b>	<b>126.5</b>	<b>81.2</b>	<b>599.9</b>	<b>459.8</b>	<b>53.8%</b>	<b>100.0%</b>	<b>241.7</b>	<b>102.4</b>	<b>(82.8)</b>	<b>-156.5%</b>	<b>100.0%</b>	
<b>Receipts</b>												
<b>Non-tax receipts</b>	<b>488.1</b>	<b>532.0</b>	<b>363.9</b>	<b>1 349.9</b>	<b>40.4%</b>	<b>32.2%</b>	<b>1 245.9</b>	<b>1 320.7</b>	<b>1 401.5</b>	<b>1.3%</b>	<b>44.8%</b>	
Sales of goods and services other than capital assets	338.0	437.7	190.7	1 152.8	50.5%	25.0%	1 030.6	1 092.4	1 158.0	0.1%	37.1%	
Other tax receipts	150.0	94.3	173.2	197.1	9.5%	7.2%	215.3	228.3	243.5	7.3%	7.8%	
<b>Transfers received</b>	<b>1 241.6</b>	<b>1 210.3</b>	<b>1 345.2</b>	<b>1 453.9</b>	<b>5.4%</b>	<b>61.9%</b>	<b>1 512.6</b>	<b>1 572.5</b>	<b>1 621.3</b>	<b>3.7%</b>	<b>53.2%</b>	
<b>Financial transactions in assets and liabilities</b>	<b>18.7</b>	<b>21.1</b>	<b>412.7</b>	<b>47.9</b>	<b>36.8%</b>	<b>5.9%</b>	<b>56.2</b>	<b>59.5</b>	<b>63.1</b>	<b>9.6%</b>	<b>2.0%</b>	
<b>Total receipts</b>	<b>1 748.4</b>	<b>1 763.4</b>	<b>2 121.8</b>	<b>2 851.7</b>	<b>17.7%</b>	<b>100.0%</b>	<b>2 814.7</b>	<b>2 952.7</b>	<b>3 085.9</b>	<b>2.7%</b>	<b>100.0%</b>	
<b>Payment</b>												
<b>Current payments</b>	<b>1 621.0</b>	<b>1 682.0</b>	<b>1 519.9</b>	<b>2 391.8</b>	<b>13.8%</b>	<b>100.0%</b>	<b>2 573.0</b>	<b>2 850.2</b>	<b>3 168.8</b>	<b>9.8%</b>	<b>100.0%</b>	
Compensation of employees	1 057.8	1 174.7	1 299.9	1 272.4	6.4%	66.6%	1 318.3	1 378.9	1 442.3	4.3%	48.2%	
Goods and services	563.3	507.2	220.1	1 119.5	25.7%	33.4%	1 254.7	1 471.3	1 726.4	15.5%	51.8%	
<b>Transfers and subsidies</b>	<b>0.9</b>	<b>0.3</b>	<b>2.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total payments</b>	<b>1 621.9</b>	<b>1 682.2</b>	<b>1 521.9</b>	<b>2 391.8</b>	<b>13.8%</b>	<b>100.0%</b>	<b>2 573.0</b>	<b>2 850.2</b>	<b>3 168.8</b>	<b>9.8%</b>	<b>100.0%</b>	
<b>Net cash flow from investing activities</b>	<b>74.4</b>	<b>337.8</b>	<b>(810.4)</b>	<b>(682.8)</b>	<b>-309.4%</b>	<b>100.0%</b>	<b>(341.0)</b>	<b>(156.3)</b>	<b>(156.3)</b>	<b>-38.8%</b>	<b>100.0%</b>	
Acquisition of property, plant, equipment and intangible assets	(103.4)	(57.4)	(84.4)	(412.5)	58.6%	60.8%	(574.1)	(243.5)	(202.9)	-21.1%	156.1%	
Acquisition of software and other intangible assets	(6.0)	(18.1)	(17.4)	(70.4)	127.8%	10.3%	(66.9)	(62.8)	(53.4)	-8.8%	28.0%	
Proceeds from the sale of property, plant, equipment and intangible assets	0.7	-	-	-	-100.0%	-0.1%	-	-	-	-	-	
Other flows from investing activities	183.0	413.3	(708.7)	(200.0)	-203.0%	28.9%	300.0	150.0	100.0	-179.4%	-84.2%	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>200.9</b>	<b>418.9</b>	<b>(210.5)</b>	<b>(223.0)</b>	<b>-203.5%</b>	<b>100.0%</b>	<b>(99.3)</b>	<b>(53.8)</b>	<b>(239.2)</b>	<b>2.4%</b>	<b>100.0%</b>	
<b>Statement of financial position</b>												
Carrying value of assets	1 272.1	1 258.2	1 417.9	1 674.1	9.6%	35.9%	2 259.2	2 702.7	2 979.8	21.2%	64.5%	
<i>of which:</i>												
<b>Acquisition of assets</b>	<b>(103.4)</b>	<b>(57.4)</b>	<b>(84.4)</b>	<b>(412.5)</b>	<b>58.6%</b>	<b>100.0%</b>	<b>(574.1)</b>	<b>(243.5)</b>	<b>(202.9)</b>	<b>-21.1%</b>	<b>100.0%</b>	
Investments	6.2	9.6	11.8	0.1	-74.8%	0.2%	0.1	0.1	0.1	-	-	
Inventory	15.8	20.7	17.6	16.9	2.2%	0.5%	16.2	15.5	14.8	-4.2%	0.4%	
Receivables and prepayments	497.7	504.7	717.2	688.5	11.4%	15.4%	660.9	641.1	615.5	-3.7%	15.6%	
Cash and cash equivalents	666.5	1 085.4	874.9	874.1	9.5%	22.3%	736.4	640.3	371.2	-24.8%	14.2%	
Taxation	22.1	22.0	0.3	-	-100.0%	0.3%	-	-	-	-	-	
Derivatives financial instruments	1 058.8	650.5	1 382.2	900.0	-5.3%	25.5%	450.0	100.0	100.0	-51.9%	5.3%	
<b>Total assets</b>	<b>3 539.2</b>	<b>3 551.2</b>	<b>4 421.9</b>	<b>4 153.6</b>	<b>5.5%</b>	<b>100.0%</b>	<b>4 122.8</b>	<b>4 099.7</b>	<b>4 081.5</b>	<b>-0.6%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	956.2	1 113.0	1 223.0	1 012.9	1.9%	27.5%	1 023.0	1 032.3	1 041.2	0.9%	25.2%	
Capital and reserves	1 619.1	1 613.2	1 747.0	1 738.2	2.4%	42.9%	1 729.3	1 720.5	1 711.7	-0.5%	42.0%	
Capital reserve fund	75.0	75.0	75.0	75.0	-	1.9%	75.0	75.0	75.0	-	1.8%	
Deferred income	45.8	39.8	36.4	23.3	-20.1%	0.9%	13.5	8.7	5.7	-37.6%	0.2%	
Trade and other payables	385.5	263.0	860.9	827.4	29.0%	14.9%	786.0	746.7	709.4	-5.0%	18.2%	
Taxation	6.1	7.5	19.7	-	-100.0%	0.2%	-	-	-	-	-	
Provisions	424.8	411.0	429.5	476.9	3.9%	11.1%	495.9	516.5	538.5	4.1%	12.6%	
Derivatives financial instruments	26.9	28.9	30.3	-	-100.0%	0.5%	-	-	-	-	-	
<b>Total equity and liabilities</b>	<b>3 539.2</b>	<b>3 551.2</b>	<b>4 421.9</b>	<b>4 153.6</b>	<b>5.5%</b>	<b>100.0%</b>	<b>4 122.8</b>	<b>4 099.7</b>	<b>4 081.5</b>	<b>-0.6%</b>	<b>100.0%</b>	

## Personnel information

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

Number of posts estimated for 31 March 2026			Number and cost <sup>1</sup> 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 posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						2025/26 - 2028/29			2026/27 - 2028/29					
			2024/25		2025/26		2026/27		2027/28		2028/29												
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Armaments Corporation of South Africa			1 565	1 565		1 541	1 162.2	0.8	1 565	1 272.4	0.8	1 545	1 318.3	0.9	1 545	1 378.9	0.9	1 545	1 442.3	0.9	-0.4%	100.0%	
Salary level	1 565	1 565	1 541	1 162.2	0.8	1 565	1 272.4	0.8	1 545	1 318.3	0.9	1 545	1 378.9	0.9	1 545	1 442.3	0.9						
1 – 6	260	260	281	60.3	0.2	260	59.1	0.2	280	62.2	0.2	280	65.0	0.2	280	68.0	0.2				2.5%	18.1%	
7 – 10	802	802	774	423.6	0.5	802	464.4	0.6	774	475.9	0.6	774	497.8	0.6	774	520.7	0.7				-1.2%	50.1%	
11 – 12	191	191	214	226.0	1.1	191	203.8	1.1	193	222.5	1.2	193	232.7	1.2	193	243.4	1.3				0.3%	12.5%	
13 – 16	299	299	265	428.1	1.6	299	501.2	1.7	283	504.4	1.8	283	527.6	1.9	283	551.9	2.0				-1.8%	18.3%	
17 – 22	13	13	7	24.1	3.4	13	43.8	3.4	15	53.3	3.6	15	55.8	3.7	15	58.3	3.9				4.9%	1.0%	

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		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Gross revenue generated per year	Increased public profile and positive perception across all sectors of the community	Social cohesion and nation building	R10.8m	R10.9m	R11.6m	R11.4m	R12m	R12.8m	R13.5m
Number of visitors to the Castle of Good Hope per year	Maximising the tourist potential of the Castle of Good Hope		73 765	102 326	137 296	170 000	180 000	190 000	200 000
Number of interns hosted at the Castle of Good Hope per year	Increased public profile and positive perception across all sectors of the community	Increased employment and work opportunities	18	13	26	14	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 in Cape Town. 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).

Over the period ahead, the board intends to maximise the castle's heritage tourism potential and enhance its accessibility to a wider audience. This entails implementing a strategy to optimise revenue with the goal of ensuring that it becomes self-sustaining over the medium term. Key to this is providing a comprehensive array of visitor services, including the introduction of an enhanced script for tour guides that integrates tangible and intangible heritage to enrich visitors' experience. Efforts will also be directed towards improving museum curation and exhibitions, rebranding castle media (physical and electronic), upgrading the information centre and website, and upgrading the curio shop to support the development of young and women entrepreneurs.

Expenditure is expected to increase at an average annual rate of 6 per cent, from R11.4 million in 2025/26 to R13.5 million in 2028/29, with spending on compensation of employees accounting for an estimated 65.7 per cent (R25.2 million) of the board's total expenditure over the period ahead. As the board is not expected to be able to fully sustain its operations through self-generated revenue within the next 3 years, the department will supplement its income with an additional R8 million over the MTEF period. Revenue is projected to increase in line with expenditure.

## Programmes/Objectives/Activities

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

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Administration	7.4	7.7	9.2	9.2	7.6%	84.5%	9.8	10.4	11.0	6.0%	81.2%
Ensure the preservation, interpretation and showcasing of the castle's history	0.6	1.0	1.3	1.5	32.7%	11.2%	1.6	1.7	1.8	6.1%	13.2%
Maximising the tourist potential of the Castle of Good Hope	0.0	0.0	0.1	0.2	110.0%	0.8%	0.2	0.2	0.3	6.0%	1.9%
Increased public profile and positive perception across all sectors of the community	0.3	0.3	0.4	0.4	15.1%	3.5%	0.4	0.5	0.5	6.3%	3.7%
<b>Total</b>	<b>8.4</b>	<b>9.0</b>	<b>11.1</b>	<b>11.4</b>	<b>10.8%</b>	<b>100.0%</b>	<b>12.0</b>	<b>12.8</b>	<b>13.5</b>	<b>6.0%</b>	<b>100.0%</b>

## 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											
	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>5.2</b>	<b>4.9</b>	<b>5.6</b>	<b>6.4</b>	<b>7.3%</b>	<b>49.0%</b>	<b>8.0</b>	<b>8.8</b>	<b>13.5</b>	<b>28.6%</b>	<b>79.1%</b>
Sale of goods and services other than capital assets	4.4	4.2	4.5	5.4	7.1%	41.2%	6.4	6.8	10.9	26.1%	62.8%
Other non-tax revenue	0.7	0.8	1.1	0.9	8.6%	7.8%	1.7	1.9	2.7	41.6%	16.4%
<b>Transfers received</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>5.0</b>	<b>-5.9%</b>	<b>51.0%</b>	<b>4.0</b>	<b>4.0</b>	<b>-</b>	<b>-100.0%</b>	<b>20.9%</b>
<b>Total revenue</b>	<b>11.2</b>	<b>10.9</b>	<b>11.6</b>	<b>11.4</b>	<b>0.6%</b>	<b>100.0%</b>	<b>12.0</b>	<b>12.8</b>	<b>13.5</b>	<b>6.0%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>8.4</b>	<b>9.0</b>	<b>11.1</b>	<b>11.4</b>	<b>10.8%</b>	<b>100.0%</b>	<b>12.0</b>	<b>12.8</b>	<b>13.5</b>	<b>6.0%</b>	<b>100.0%</b>
Compensation of employees	5.6	6.3	7.3	7.4	9.7%	66.9%	7.9	8.4	8.9	6.4%	65.7%
Goods and services	2.2	2.4	3.4	3.5	16.8%	29.1%	3.8	3.9	4.1	5.6%	30.7%
Depreciation	0.5	0.3	0.4	0.4	-6.3%	4.1%	0.4	0.5	0.5	2.2%	3.6%
<b>Total expenses</b>	<b>8.4</b>	<b>9.0</b>	<b>11.1</b>	<b>11.4</b>	<b>10.8%</b>	<b>100.0%</b>	<b>12.0</b>	<b>12.8</b>	<b>13.5</b>	<b>6.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>2.8</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cash flow statement</b>											
<b>Cash flow from operating activities</b>	<b>2.8</b>	<b>2.5</b>	<b>1.2</b>	<b>1.6</b>	<b>-17.2%</b>	<b>100.0%</b>	<b>2.3</b>	<b>2.5</b>	<b>0.9</b>	<b>-18.0%</b>	<b>100.0%</b>
<b>Receipts</b>											
<b>Non-tax receipts</b>	<b>4.3</b>	<b>4.7</b>	<b>5.4</b>	<b>5.7</b>	<b>10.0%</b>	<b>46.3%</b>	<b>6.8</b>	<b>7.3</b>	<b>11.6</b>	<b>26.2%</b>	<b>71.0%</b>
Sales of goods and services other than capital assets	4.1	4.3	4.8	5.4	10.2%	42.8%	6.4	6.8	10.8	25.8%	66.6%
Other tax receipts	0.3	0.3	0.6	0.3	6.4%	3.5%	0.4	0.5	0.8	32.8%	4.4%
<b>Transfers received</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>5.0</b>	<b>-5.9%</b>	<b>52.9%</b>	<b>4.0</b>	<b>4.0</b>	<b>-</b>	<b>-100.0%</b>	<b>22.2%</b>
<b>Financial transactions in assets and liabilities</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>47.4%</b>	<b>0.8%</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>57.6%</b>	<b>6.8%</b>
<b>Total receipts</b>	<b>10.4</b>	<b>10.7</b>	<b>11.5</b>	<b>11.0</b>	<b>1.8%</b>	<b>100.0%</b>	<b>11.5</b>	<b>12.1</b>	<b>12.5</b>	<b>4.4%</b>	<b>100.0%</b>
<b>Payment</b>											
<b>Current payments</b>	<b>7.6</b>	<b>8.2</b>	<b>10.2</b>	<b>9.4</b>	<b>7.4%</b>	<b>100.0%</b>	<b>9.2</b>	<b>9.6</b>	<b>11.6</b>	<b>7.4%</b>	<b>100.0%</b>
Compensation of employees	5.7	6.3	7.2	6.9	6.6%	73.7%	7.1	7.2	8.1	5.6%	73.7%
Goods and services	1.9	1.9	3.0	2.5	9.9%	26.3%	2.1	2.4	3.5	11.9%	26.3%
<b>Total payments</b>	<b>7.6</b>	<b>8.2</b>	<b>10.2</b>	<b>9.4</b>	<b>7.4%</b>	<b>100.0%</b>	<b>9.2</b>	<b>9.6</b>	<b>11.6</b>	<b>7.4%</b>	<b>100.0%</b>
<b>Net cash flow from investing activities</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>4.9%</b>	<b>100.0%</b>	<b>(0.2)</b>	<b>(1.6)</b>	<b>(1.9)</b>	<b>102.2%</b>	<b>100.0%</b>
Acquisition of property, plant, equipment and intangible assets	(0.2)	(0.1)	(0.0)	(0.2)	4.9%	58.8%	(0.2)	(1.6)	(1.9)	102.2%	100.0%
Acquisition of software and other intangible assets	-	(0.4)	-	-	-	41.5%	-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets	-	0.0	-	-	-	-0.3%	-	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2.6</b>	<b>1.9</b>	<b>1.2</b>	<b>1.4</b>	<b>-19.4%</b>	<b>100.0%</b>	<b>2.1</b>	<b>0.9</b>	<b>(1.0)</b>	<b>-190.0%</b>	<b>100.0%</b>

**Table 23.28 Castle Control Board statements of financial performance, cash flow and financial position (continued)**

Statement of financial position				Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
Audited outcome			Medium-term expenditure estimate								
R million	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Carrying value of assets	2.5	2.7	2.4	5.2	28.3%	30.4%	5.5	6.2	6.4	7.1%	56.5%
of which:											
Acquisition of assets	(0.2)	(0.1)	(0.0)	(0.2)	4.9%	100.0%	(0.2)	(1.6)	(1.9)	102.2%	100.0%
Inventories	0.0	0.0	0.0	0.1	166.8%	0.2%	0.1	0.1	0.1	12.0%	0.7%
Receivables and prepayments	0.6	0.5	0.2	0.4	-10.5%	4.1%	0.3	0.2	0.2	-19.0%	2.1%
Cash and cash equivalents	6.2	8.1	9.3	4.1	-12.8%	65.4%	3.8	4.5	4.8	5.3%	40.7%
<b>Total assets</b>	<b>9.2</b>	<b>11.3</b>	<b>12.0</b>	<b>9.8</b>	<b>2.0%</b>	<b>100.0%</b>	<b>9.6</b>	<b>11.0</b>	<b>11.5</b>	<b>5.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	8.5	10.4	11.0	9.1	2.5%	92.1%	8.9	10.1	10.6	5.2%	92.5%
Trade and other payables	0.4	0.5	0.6	0.4	-1.4%	4.3%	0.4	0.4	0.4	3.8%	3.6%
Provisions	0.4	0.4	0.4	0.3	-7.9%	3.6%	0.3	0.5	0.5	18.0%	3.9%
<b>Total equity and liabilities</b>	<b>9.2</b>	<b>11.3</b>	<b>12.0</b>	<b>9.8</b>	<b>2.0%</b>	<b>100.0%</b>	<b>9.6</b>	<b>11.0</b>	<b>11.5</b>	<b>5.6%</b>	<b>100.0%</b>

## Personnel information

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

Number of posts estimated for 31 March 2026		Number and cost <sup>1</sup> 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 posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2024/25		2025/26		2026/27		2027/28		2028/29		2025/26 - 2028/29	2026/27 - 2028/29						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
<b>Castle Control Board</b>																			
Salary level	30	30	60	7.3	0.1	30	7.4	0.2	28	7.9	0.3	27	8.4	0.3	26	8.9	0.3	-4.7%	100.0%
1 – 6	26	26	56	5.7	0.1	26	5.0	0.2	24	5.3	0.2	22	4.9	0.2	21	5.3	0.3	-6.9%	82.7%
7 – 10	3	3	3	0.5	0.2	3	1.2	0.4	3	1.3	0.4	4	2.1	0.5	4	2.2	0.5	10.1%	13.6%
11 – 12	1	1	1	1.1	1.1	1	1.2	1.2	1	1.3	1.3	1	1.4	1.4	1	1.5	1.5	-	3.7%

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		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Revenue generated through the aerospace programme per year	Aerospace	An enabling environment for investment and improved competitiveness through structural reforms	R281.2m	R111m	R206m	R251m	R266.1m	R274m	R282.1m
Weighting of personnel costs on total objective costs in the aerospace programme per year	Aerospace		14.6% (R70.2m/ R481.4m)	78.8% (R170m/ R215.8m)	44.2% (R107.4m/ R243m)	46%	97%	97%	97%
Revenue generated through the aviation programme per year	Aviation		R476m	R619m	R664m	R776m	R822m	R911m	R956m
Weighting of personnel costs to total objective costs in the aviation programme per year	Aviation		10.8% (R45.1m/ R419.1m)	61.9% (R347.3m/ R561.4m)	55.8% (R271m/ R486m)	65%	52%	51%	53%
Revenue generated through the land solutions programme per year	Land solutions		R288m	R1.1bn	R1.3bn	R1.5bn	R1.6bn	R1.7bn	R1.8bn
Weighting of personnel costs to total objective costs in the land solutions programme per year	Land solutions		47.1% (R560.7m/ R1.2b)	44.1% (R295.8m/ R671.1m)	30.2% (R309.5m/ R1bn)	33%	28%	25%	25%
Revenue generated through the integrated systems solutions programme per year	Integrated systems solutions		- <sup>1</sup>	R125m	R185m	R300m	R318m	R335m	R345m
Weighting of personnel costs to total objective costs in the integrated systems solutions programme per year	Integrated systems solutions		- <sup>1</sup>	59.9% (R63.8m/ R106.5m)	61.9% (R90.9m/ R146.9m)	63%	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 government as its sole shareholder. The company operates in the military aerospace and landward defence environment by providing strategic defence equipment. As part of the national macro organisation of government, oversight of Denel shifted from the abolished Department of Public Enterprises to the Department of Defence.

Over the medium term, Denel will continue implementing its turnaround plan, which includes the rollout of a new operating model, organisational restructuring and the optimisation of its cost structure. The plan requires funding of R5.2 billion, of which the company committed to raise R1.8 billion through the disposal of non-core assets. The remaining R3.4 billion was allocated to Denel in March 2023 through the Special Appropriation Act (2022). This capital injection was intended to support the implementation of the turnaround plan, settle legacy obligations and address liquidity constraints to sustain operations and execute the existing order pipeline. An independent review will be undertaken over the next 3 years at an estimated cost of R10 million to assess the entity's implementation of the plan and determine its long-term sustainability. The review will focus on the company's strategy, capability gaps, operations, funding model and balance sheet optimisation, including its capital structure and asset base, among other things.

Expenditure is projected to increase at an average annual rate of 7.2 per cent, from R3.1 billion in 2025/26 to R3.8 billion in 2028/29, driven by an anticipated improvement in business activity and the intensified implementation of the turnaround plan. Spending on goods and services accounts for 49.2 per cent (R5.4 billion) of the entity's total budget over the period ahead. The company expects to generate 87.3 per cent (R8.9 billion) of its revenue over the medium term from the sale of defence and security equipment and related services. Revenue is expected to increase at an average annual rate of 15.6 per cent, from R2.5 billion in 2025/26 to R3.9 billion in 2028/29, also reflecting progress in implementing the turnaround plan.

## Programmes/Objectives/Activities

**Table 23.31 DENEL expenditure trends and estimates by programme/objective/activity**

	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25	2025/26				2026/27	2027/28	2028/29		
R million						2022/23 - 2025/26					2025/26 - 2028/29	2026/27 - 2028/29
Administration	383.7	305.5	370.5	431.6	4.0%	14.8%	631.7	666.8	748.6	20.1%	18.8%	
Missiles	481.4	215.8	243.0	238.3	-20.9%	11.7%	242.8	254.9	266.4	3.8%	7.0%	
Aviation	419.1	561.4	486.0	672.0	17.0%	21.3%	702.5	737.6	770.8	4.7%	20.3%	
Land solutions	1 189.9	671.1	1 024.6	1 553.2	9.3%	44.2%	1 636.6	1 718.4	1 795.7	5.0%	47.3%	
Munitions	324.8	–	–	–	-100.0%	3.2%	–	–	–	–	–	
Integrated systems solutions	–	106.5	146.9	219.3	–	4.7%	231.0	242.6	253.5	4.9%	6.7%	
<b>Total</b>	<b>2 798.8</b>	<b>1 860.3</b>	<b>2 271.0</b>	<b>3 114.5</b>	<b>3.6%</b>	<b>100.0%</b>	<b>3 444.5</b>	<b>3 620.3</b>	<b>3 834.9</b>	<b>7.2%</b>	<b>100.0%</b>	

## 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				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome							2022/23 - 2025/26				
R million	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>2 730.8</b>	<b>1 517.0</b>	<b>1 737.0</b>	<b>2 524.0</b>	<b>-2.6%</b>	<b>100.0%</b>	<b>2 575.2</b>	<b>3 704.7</b>	<b>3 898.7</b>	<b>15.6%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	1 469.0	1 434.0	1 612.0	2 120.0	13.0%	78.0%	2 156.9	3 277.0	3 450.0	17.6%	87.3%
Other non-tax revenue	1 261.8	83.0	125.0	404.0	-31.6%	22.0%	418.3	427.7	448.7	3.6%	12.7%
<b>Total revenue</b>	<b>2 730.8</b>	<b>1 517.0</b>	<b>1 737.0</b>	<b>2 524.0</b>	<b>-2.6%</b>	<b>100.0%</b>	<b>2 575.2</b>	<b>3 704.7</b>	<b>3 898.7</b>	<b>15.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>2 787.3</b>	<b>1 860.3</b>	<b>2 271.0</b>	<b>3 114.5</b>	<b>3.8%</b>	<b>99.9%</b>	<b>3 444.5</b>	<b>3 620.3</b>	<b>3 834.9</b>	<b>7.2%</b>	<b>100.0%</b>
Compensation of employees	849.5	974.5	885.9	1 353.3	16.8%	40.5%	1 593.7	1 660.6	1 787.1	9.7%	46.3%
Goods and services	1 411.2	844.2	1 253.5	1 578.5	3.8%	50.6%	1 693.1	1 794.1	1 874.9	5.9%	49.2%
Depreciation	71.9	41.6	31.5	33.9	-22.1%	1.8%	-	-	-	-100.0%	-
Interest, dividends and rent on land	454.7	-	100.1	148.7	-31.1%	7.0%	157.7	165.5	173.0	5.2%	4.6%
<b>Transfers and subsidies</b>	<b>11.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>2 798.8</b>	<b>1 860.3</b>	<b>2 271.0</b>	<b>3 114.5</b>	<b>3.6%</b>	<b>100.0%</b>	<b>3 444.5</b>	<b>3 620.3</b>	<b>3 834.9</b>	<b>7.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(68.0)</b>	<b>(343.3)</b>	<b>(534.0)</b>	<b>(590.5)</b>	<b>105.5%</b>		<b>(869.3)</b>	<b>84.4</b>	<b>63.8</b>	<b>-147.6%</b>	
<b>Cash flow statement</b>											
<b>Receipts</b>											
<b>Payment</b>											
<b>Net cash flow from investing activities</b>	<b>(49.0)</b>	<b>350.7</b>	<b>(252.6)</b>	<b>(112.2)</b>	<b>31.8%</b>	<b>100.0%</b>	<b>(31.3)</b>	<b>(31.0)</b>	<b>-</b>	<b>-100.0%</b>	<b>100.0%</b>
Acquisition of property, plant, equipment and intangible assets	(59.0)	(145.3)	(252.6)	(112.2)	23.9%	902.1%	(31.3)	(31.0)	-	-100.0%	100.0%
Proceeds from the sale of property, plant, equipment and intangible assets	10.0	496.0	-	-	-100.0%	-802.1%	-	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>(342.0)</b>	<b>(130.0)</b>	<b>(15.0)</b>	<b>-</b>	<b>100.0%</b>	<b>(15.0)</b>	<b>(15.0)</b>	<b>-</b>	<b>-100.0%</b>	<b>100.0%</b>
Borrowing activities	-	(266.0)	(115.0)	-	-	78.2%	-	-	-	-	-
Repayment of finance leases	-	(76.0)	(15.0)	(15.0)	-	21.8%	(15.0)	(15.0)	-	-100.0%	100.0%
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(49.0)</b>	<b>8.7</b>	<b>(382.6)</b>	<b>(127.2)</b>	<b>37.4%</b>	<b>100.0%</b>	<b>(46.3)</b>	<b>(46.0)</b>	<b>-</b>	<b>-100.0%</b>	<b>100.0%</b>
<b>Statement of financial position</b>											
Carrying value of assets of which:	985.1	1 535.0	1 843.2	2 011.3	26.9%	16.8%	2 099.3	2 188.0	1 777.0	-4.0%	18.8%
<b>Acquisition of assets</b>	<b>(59.0)</b>	<b>(145.3)</b>	<b>(252.6)</b>	<b>(112.2)</b>	<b>23.9%</b>	<b>100.0%</b>	<b>(31.3)</b>	<b>(31.0)</b>	<b>-</b>	<b>-100.0%</b>	<b>100.0%</b>
Investments	1 213.8	2 512.0	2 630.0	2 751.0	31.4%	24.0%	2 876.0	3 004.4	2 725.0	-0.3%	26.6%
Inventory	1 872.8	1 878.7	1 718.7	1 591.1	-5.3%	18.6%	1 464.4	1 338.8	2 817.0	21.0%	17.4%
Receivables and prepayments	1 203.1	1 509.3	1 485.6	1 481.8	7.2%	15.0%	1 492.4	1 513.5	3 465.0	32.7%	20.0%
Cash and cash equivalents	3 748.1	1 474.0	1 258.8	1 218.9	-31.2%	20.3%	1 448.3	1 601.0	2 019.0	18.3%	15.7%
Non-current assets held for sale	955.6	-	-	-	-100.0%	2.5%	-	-	-	-	-
Taxation	420.5	87.7	90.3	93.0	-39.5%	1.8%	95.8	98.7	60.0	-13.6%	0.8%
Finance lease receivable	-	114.0	123.0	123.0	-	0.9%	59.0	59.0	112.0	-3.1%	0.7%
<b>Total assets</b>	<b>10 399.0</b>	<b>9 110.7</b>	<b>9 149.6</b>	<b>9 270.0</b>	<b>-3.8%</b>	<b>100.0%</b>	<b>9 535.3</b>	<b>9 803.3</b>	<b>12 975.0</b>	<b>11.9%</b>	<b>100.0%</b>
Capital and reserves	(12 196.5)	(12 720.9)	(12 560.4)	(12 305.7)	0.3%	-131.3%	(11 886.4)	(11 435.5)	(12 862.0)	1.5%	-112.0%
Capital reserve fund	15 204.0	15 204.0	15 204.0	15 204.0	-	160.3%	15 204.0	15 204.0	15 205.0	-	141.2%
Borrowings	280.3	115.4	0.4	0.4	-88.7%	1.0%	0.4	0.4	164.0	640.1%	0.5%
Finance lease	251.0	235.1	220.1	205.1	-6.5%	2.4%	190.1	175.1	226.0	3.3%	1.8%
Deferred income	3 882.9	4 042.6	4 289.8	4 187.2	2.5%	43.2%	4 063.9	3 910.6	3 053.0	-10.0%	34.1%
Trade and other payables	2 345.6	1 781.4	1 531.4	1 500.8	-13.8%	18.9%	1 470.8	1 441.4	3 364.0	30.9%	19.4%
Taxation	119.3	2.3	-	-	-100.0%	0.3%	-	-	-	-	-
Provisions	512.6	450.8	464.3	478.2	-2.3%	5.0%	492.6	507.4	878.0	22.4%	5.8%
Derivatives financial instruments	-	-	-	-	-	-	-	-	2 947.0	-	9.1%
<b>Total equity and liabilities</b>	<b>10 399.0</b>	<b>9 110.7</b>	<b>9 149.6</b>	<b>9 270.0</b>	<b>-3.8%</b>	<b>100.0%</b>	<b>9 535.3</b>	<b>9 803.3</b>	<b>12 975.0</b>	<b>11.9%</b>	<b>100.0%</b>

**Personnel information**

**Table 23.33 DENEL personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2026		Number and cost <sup>1</sup> 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 posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2024/25			2025/26			2026/27			2027/28			2028/29			2025/26 - 2028/29	2026/27 - 2028/29	
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	1 791	885.9	0.5	1 791	1 353.3	0.8	1 791	1 593.7	0.9	1 791	1 660.6	0.9	1 791	1 787.1	1.0	-	100.0%
1 – 6	596	596	596	101.1	0.2	596	116.5	0.2	596	123.5	0.2	596	130.9	0.2	596	136.8	0.2	-	33.3%
7 – 10	906	906	906	349.1	0.4	906	431.0	0.5	906	456.9	0.5	906	484.3	0.5	906	506.1	0.6	-	50.6%
11 – 12	268	268	268	260.3	1.0	268	335.5	1.3	268	355.7	1.3	268	377.0	1.4	268	394.0	1.5	-	15.0%
13 – 16	20	20	20	171.5	8.6	20	465.9	23.3	20	653.1	32.7	20	663.5	33.2	20	745.2	37.3	-	1.1%
17 – 22	1	1	1	4.0	4.0	1	4.3	4.3	1	4.5	4.5	1	4.8	4.8	1	5.0	5.0	-	0.1%

1. Rand million.