

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**665. Mr S J F Marais (DA) to ask the Minister of Defence and Military Veterans:**

What (a) are the details of the remuneration increases for the management at Armscor since 1 April 2017 and (b) were the reasons for the increases? NW739E

**RESPONSE**

Armscor implemented an efficient structure in order to respond to the objective of the Armscor Act, respond to the demands of the Department of Defence, to be cost effective and to achieve its Turnaround Strategy. A benchmarking study with similar organisations and state owned enterprises such as Council for Scientific and Industrial Research (CSIR), South African Nuclear Energy Corporation (NECSA) was undertaken.

The restructuring of the executive management took into consideration the delegation and accountability by streamlining and strengthening the executive decision making to create fewer executive committee members with broader spans of control. Price Waterhouse Coopers (PWC) benchmarked the recommended remuneration and approval by the Board of Directors was obtained. No budgets were increased to fund new salaries and market benchmarks placed the salaries at the lower pay scale quartile which is below midpoint for executive management.