

Vote 24

Communications

Budget summary

| R thousand | 2008/09 | | | | 2009/10 | 2010/11 |
|-------------------------------------|------------------------------------|------------------|-------------------------|-----------------------------|------------------|------------------|
| | Total to be appropriated | Current payments | Transfers and subsidies | Payments for capital assets | Total | Total |
| MTEF allocation | | | | | | |
| Administration | 146 810 | 144 195 | 113 | 2 502 | 155 504 | 163 380 |
| ICT International Affairs and Trade | 41 249 | 37 126 | 3 200 | 923 | 46 904 | 49 932 |
| ICT Policy Development | 91 992 | 53 596 | 37 060 | 1 336 | 95 670 | 180 124 |
| ICT Enterprise Development | 1 321 466 | 17 258 | 1 303 760 | 448 | 1 273 284 | 1 235 148 |
| ICT Infrastructure Development | 90 476 | 81 008 | 7 500 | 1 968 | 100 620 | 108 732 |
| Presidential National Commission | 31 612 | 30 631 | – | 981 | 34 660 | 36 623 |
| Total expenditure estimates | 1 723 605 | 363 814 | 1 351 633 | 8 158 | 1 706 642 | 1 773 939 |
| Executive authority | Minister of Communications | | | | | |
| Accounting officer | Director-General of Communications | | | | | |
| Website address | www.doc.gov.za | | | | | |

Aim

Develop information and communication technology (ICT) policies and legislation that create conditions for accelerated and shared sustainable economic growth and that positively impact on the wellbeing of all South Africans.

Programme purposes, objectives and measures

Programme 1: Administration

Purpose: Provide strategic support and overall management for the department.

Programme 2: ICT International Affairs and Trade

Purpose: Give effect to South Africa's foreign policy on ICT related matters, prioritising Africa's development. Establish a dynamic, effective and mutually beneficial multi-stakeholder partnership in the ICT sector that is reflective of, and responsive to, South Africa's policy priorities.

Objectives and measures:

- Strengthen South-South co-operation by facilitating the implementation of memoranda of understanding by organising and participating in the India-Brazil-South Africa and South Africa-South Korea working groups in 2008/09.
- Support the African Agenda by co-ordinating the active participation of the South African government in specialised ICT agencies in line with the meeting schedules provided by these bodies.
- Facilitate the ratification by Parliament of agreements with the International Telecommunications Union (ITU), the ITU plenipotentiary conference of 2006, and the Universal Postal Union congress of 2009.
- Signal South Africa's commitment to standardising technologies by hosting and participating in the World Telecommunications Standardisation Assembly in October 2008.

- Support implementation of the New Partnership for Africa's Development (NEPAD), especially the Uhurunet submarine cable, Umojanet terrestrial cable, the NEPAD e-schools initiative and the NEPAD e-Africa cable.

Programme 3: ICT Policy Development

Purpose: Develop ICT policies and legislation that support the development of an ICT sector that creates conditions for the accelerated and shared growth of the economy. Develop strategies that increase the uptake and usage of ICTs by the majority of the South African population, thus bridging the digital divide.

Objectives and measures:

- Contribute to the reduction of the cost of telecommunications by developing and implementing a programme of action to benchmark South Africa's telecommunications costs, availability, usage and quality with comparable countries by March 2009.
- Contribute to socioeconomic development of all communities by developing policy guidelines on the rollout of the national postal address system (NPAS) by March 2009.
- Improve access to and modernise broadcasting services in South Africa by facilitating the implementation of the broadcasting digital migration policy so that the digital signal switch-on occurs on 1 November 2008 and analogue switch-off on 1 November 2011.

Programme 4: ICT Enterprise Development

Purpose: Oversee and manage government's shareholding interests, in public entities, in a manner that improves the capacity of the state to deliver on its mandate, and support the speedy attainment of national goals and priorities. Ensure, through the use of ICTs, the development of the small, medium and micro enterprises (SMME) sector.

Objectives and measures:

- Contribute to meeting universal service and access objectives by monitoring the progress of the SA Post Office's rollout of 85 new branches and 81 upgrades or relocations by March 2009.
- Improve broadcasting services in South Africa by overseeing Sentech's rollout of 175 digital ready transmitters by March 2009.
- Monitor corporate governance in line with the King II report by reviewing all five public entities before the beginning of the financial year.
- Align the business and investment plans of public entities with the strategic objectives of the Department of Communications by producing yearly oversight reports before the beginning of the financial year.
- Contribute to improved financial management within the department by ensuring that all public entities reporting to the Ministry of Communications receive unqualified annual audits from the auditor-general.
- Encourage the use of ICTs by SMMEs by developing 10 000 e-commerce websites by 2010/11.

Programme 5: ICT Infrastructure Development

Purpose: Ensure the development of robust, reliable and affordable ICT infrastructure that supports and enables the provision of a multiplicity of applications and services to meet the needs of South Africa and its citizens.

Objectives and measures:

- Facilitate the efficient and effective use of the radio frequency spectrum by developing a national frequency strategy and phased implementation plan, taking into account decisions of the ITU's world radio communication conference, by March 2009.
- Contribute to increased access, speed, uptake and usage of broadband by developing a comprehensive broadband strategy and phased implementation plan by March 2009.

- Support the implementation of a national information society and development plan to provide connectivity for education, health and government offices by developing an integrated ICT infrastructure plan and initiating phased implementation by March 2009.
- Ensure the fulfilment of government ICT guarantees for the 2010 FIFA World Cup by co-ordinating specific deliverables of all stakeholders and relevant public entities by January 2010.

Programme 6: Presidential National Commission

Purpose: Provide timely and informed advice to the president on all matters related to the development of an inclusive information society. Facilitate the development of an integrated information society in South Africa by promoting the realisation of the country's vision for an information society.

Objectives and measures:

- Co-ordinate the building of an information society in South Africa by facilitating and monitoring the implementation of 40 identified projects of the information society and development (ISAD) plan.
- Ensure alignment of South Africa's information society programmes with the outcomes of the World Summit on Information Society by facilitating the implementation of the programmes of the Forum of South African Directors-General (FOSAD) ISAD cluster by March 2009.
- Measure the impact of the implementation of the ISAD plan by publishing the annual e-Barometer, which measures the improvement in ICT connectivity in various sectors, starting in March 2009.

Strategic overview and key policy developments: 2004/05 – 2010/11

The main objective of the Department of Communications is to create a favourable ICT environment that ensures South Africa has the capacity to advance its socioeconomic development goals and become a global leader in harnessing ICTs. To achieve this, the department will continue to strengthen the regulatory framework of the ICT environment and create an enabling environment for modernising ICT infrastructure for better performance at affordable prices for all South Africans. To help it achieve its mandate effectively, during 2007/08 the budget structure was changed to realign dispersed functions to its 2007-2010 strategic plan as well as to address technological convergence in the ICT sector.

Key challenges for the department include: meeting the universal service and access obligations, providing ICT infrastructure, and ensuring an effective and reliable regulatory environment for the industry.

Key policy developments

Electronic Communications Act (2005)

Promulgated in 2006, the objectives of the act, among others, are to: promote open and fair competition in the sector; facilitate the convergence of telecommunications, broadcasting, information technology and other services; and promote the interest of consumers in relation to the price, quality and variety of electronic communications services in the country.

The minister has issued various policy directives to the Independent Communications Authority of South Africa (ICASA) to develop and implement relevant regulations within the ICT sector.

Postal services

The Postal Services Amendment Act was assented to by the president in March 2007. The act provides for: the transfer of the Postal Regulator to ICASA; ministerial policies and policy directives that allow for the extension of the exclusivity of the Post Office in defined areas; the issuing of new postal service licences to independent operators in other areas; and fees and charges for reserved postal services subject to approval by the minister.

Local loop unbundling

In 2007, the minister issued policy directions to ICASA to unbundle the local loop by November 2011. Presently, the local loop, which is the final connection between homes and businesses and their relevant exchanges, is owned by Telkom. Unbundling entails opening up the access of this network to other service providers. This will increase innovation, increase quantity and improve quality of services, offer customers a choice of service providers, and expand the number of available business opportunities.

e-Education

The Presidential National Commission and the Department of Education spearheaded the establishment of the e-education subcommittee, in line with the national information society and development plan (ISAD) to ensure a co-ordinated and integrated approach to implementing ICTs in education nationally. The subcommittee is made up of members of government departments that play an important role in education.

Recent achievements

Institutional mechanisms for building the information society

In February 2007, Cabinet approved the ISAD plan as a framework for building an inclusive information society in South Africa. The plan aims to establish South Africa as an advanced information society in which ICT is a key driver of economic and social development. Cabinet also approved the following institutional mechanisms for building an information society in South Africa: a ministerial ISAD committee, a Forum of South African Directors-general (FOSAD) ISAD cluster, and the ISAD intergovernmental relations forum.

Broadcasting digital migration

The broadcasting digital migration policy was developed and the implementation plan drafted. The establishment of Digital Dzonga, a body to oversee the rollout of digital migration in South Africa, was announced by the minister in May 2007. The terms of reference were approved and the process for nominating the board is under way.

Cabinet approved both the switch-on date for the digital TV signal and the switch-off date for the analogue signal. Dual illumination will involve broadcasts of the current channels on both analogue and digital signals. Cabinet's decision on dual illumination will be supported by a communications strategy on the switch-over.

The technical specifications of set-top-boxes, which serve to bridge the gap between digital and analogue transmission, are being drafted by the national working group on digitisation. An incentive programme has been developed to assist the estimated 4.5 million households that cannot afford a set top box.

Infrastructure projects

Crucial to increasing access, uptake and usage of ICTs, is the existence of robust, reliable and affordable ICT broadband infrastructure. To this end, the department participated in the development of the New Partnership for Africa's Development (NEPAD) ICT broadband infrastructure network for the African continent. The department has also been a signatory in a number of inter-country protocols related to the establishment of the NEPAD broadband infrastructure network.

2010 FIFA World Cup

The department is responsible for ensuring that appropriate ICT infrastructure is in place for the 2010 FIFA World Cup and has provided leadership in the ICT sector's preparations in collaboration with its state owned enterprises, Telkom and the local organising committee (LOC). The department has already engaged the host cities about stadium and non-stadium requirements. Current engagements focus mainly on legacy projects emanating from the 2010 FIFA World Cup requirements. The department is actively participating in the IT&T workgroup, which was formulated by the local organising committee.

After Cabinet's approval of Johannesburg as the location for the 2010 FIFA World Cup international broadcasting centre (IBC), an IBC working committee has been established with the LOC and the City of Johannesburg. The department is also actively participating in the national telecommunications infrastructure committee meeting with FIFA and National Treasury to monitor and report back on the provision of the national infrastructure.

Cabinet approved the retention of sufficient spectrum to provide public channels for education, health, government services, regional TV, sports, SMME, and youth.

The youth ISAD programme was launched with three projects targeting young people: e-co-operatives, the national digital repository for cultural heritage, and youth e-literacy. To date, 42 youth owned e-co-operative enterprises have been registered and have played a critical role in developing municipal websites in Mpumalanga. 450 unemployed matriculants have been trained in ICT skills and deployed in health centres and schools to assist with ICT related projects.

Selected performance indicators

| Indicators | Annual performance | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Past | | | Current | Projected | | |
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Number of Dinaledi schools with ICT connectivity | - | - | - | - | 250 | 500 | - |
| Percentage of public broadcasting infrastructure digitised as per Sentech's plan in terms of digital coverage of population | - | - | - | - | 50% | 80% | 100% |
| Number of reports on corporate governance of public entities | - | - | - | 3 | 2 | 5 | 5 |
| Number of stadiums with 100% ICT infrastructure coverage in fulfilment of ICT guarantees for the 2010 FIFA World Cup | - | - | - | - | 5 | 10 | |
| Percentage of World Summit on Information Society targets met (to be achieved by 2015) | - | - | - | - | 10% | 25% | 50% |
| Percentage of unqualified audit reports from five state owned entities | 100% | 80% | 80% | 100% | 100% | 100% | 100% |
| Percentage operational submarine cable | - | - | - | - | 25% | 50% | 100% |
| Number of post offices rolled out to promote universal service and access objectives | | | | | | | |
| - new branches | 23 | 28 | 70 | 30 | 85 | 100 | 100 |
| - upgrades and relocations | 29 | 20 | 48 | 25 | 81 | 100 | 100 |
| Number of new addresses rolled out | 844 584 | 2 293 290 | 1 899 954 | 1 707 500 | 1 800 000 | 1 800 000 | 1 800 000 |

Expenditure estimates

Table 24.1 Communications

| Programme | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|----------------------------------------|------------------|------------------|------------------|------------------------|------------------|----------------------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | |
| R thousand | | | | | | | | |
| 1. Administration | 76 076 | 122 410 | 160 915 | 141 367 | 141 367 | 146 810 | 155 504 | 163 380 |
| 2. ICT International Affairs and Trade | 21 888 | 47 166 | 39 592 | 34 190 | 24 290 | 41 249 | 46 904 | 49 932 |
| 3. ICT Policy Development | 93 819 | 68 692 | 77 310 | 86 832 | 53 336 | 91 992 | 95 670 | 180 124 |
| 4. ICT Enterprise Development | 1 377 962 | 705 437 | 960 833 | 1 568 186 | 1 568 186 | 1 321 466 | 1 273 284 | 1 235 148 |
| 5. ICT Infrastructure Development | 74 790 | 68 311 | 57 598 | 65 762 | 65 762 | 90 476 | 100 620 | 108 732 |
| 6. Presidential National Commission | 9 501 | 22 409 | 23 349 | 28 146 | 28 146 | 31 612 | 34 660 | 36 623 |
| Total | 1 654 036 | 1 034 425 | 1 319 597 | 1 924 483 | 1 881 087 | 1 723 605 | 1 706 642 | 1 773 939 |
| Change to 2007 Budget estimate | | | | 500 950 | 457 554 | 246 711 | 189 401 | 165 635 |

Table 24.1 Communications (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|-----------------------------------------------------|------------------|------------------|------------------|------------------------|------------------|----------------------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | | 2008/09 | 2009/10 | 2010/11 |
| Economic classification | | | | | | | | |
| Current payments | 220 047 | 268 359 | 304 257 | 312 639 | 287 243 | 363 814 | 394 299 | 421 417 |
| Compensation of employees | 68 849 | 88 362 | 99 010 | 103 614 | 98 218 | 127 897 | 135 268 | 143 305 |
| Goods and services | 151 185 | 179 892 | 196 837 | 209 025 | 189 025 | 235 917 | 259 031 | 278 112 |
| <i>of which:</i> | | | | | | | | |
| Communication | 7 391 | 7 264 | 7 414 | 8 081 | 8 081 | 8 714 | 9 443 | 9 976 |
| Computer services | 2 280 | 1 800 | 4 847 | 2 532 | 2 532 | 2 692 | 2 879 | 3 045 |
| Consultants, contractors and special services | 47 638 | 60 188 | 39 928 | 62 241 | 46 241 | 66 980 | 72 659 | 80 715 |
| Inventory | 3 231 | 6 813 | 28 850 | 3 859 | 3 859 | 4 104 | 4 380 | 4 610 |
| Maintenance, repairs and running costs | 4 390 | 8 320 | 7 073 | 6 817 | 6 817 | 9 783 | 11 399 | 13 646 |
| Operating leases | 18 277 | 18 724 | 20 737 | 16 167 | 16 167 | 17 406 | 18 685 | 19 690 |
| Travel and subsistence | 23 673 | 27 170 | 28 929 | 31 549 | 31 549 | 31 151 | 32 152 | 36 039 |
| Municipal services | 896 | 968 | 1 134 | 1 480 | 1 480 | 1 314 | 1 439 | 1 583 |
| Financial transactions in assets and liabilities | 13 | 105 | 8 410 | – | – | – | – | – |
| Transfers and subsidies | 1 430 824 | 754 601 | 1 006 493 | 1 604 301 | 1 586 301 | 1 351 633 | 1 303 260 | 1 342 904 |
| Provinces and municipalities | 241 | 323 | 63 | 6 | 6 | – | – | – |
| Departmental agencies and accounts | 248 345 | 217 052 | 273 501 | 310 565 | 310 565 | 331 073 | 360 206 | 395 867 |
| Universities and technikons | 200 | 100 | – | – | – | – | – | – |
| Public corporations and private enterprises | 1 181 745 | 536 026 | 728 854 | 1 290 330 | 1 272 330 | 1 017 360 | 940 054 | 943 537 |
| Foreign governments and international organisations | – | – | 1 439 | 1 400 | 1 400 | 700 | – | – |
| Non-profit institutions | 200 | 100 | 2 100 | 2 000 | 2 000 | 2 500 | 3 000 | 3 500 |
| Households | 93 | 1 000 | 536 | – | – | – | – | – |
| Payments for capital assets | 3 165 | 11 465 | 8 847 | 7 543 | 7 543 | 8 158 | 9 083 | 9 618 |
| Machinery and equipment | 3 125 | 8 844 | 8 311 | 7 543 | 7 543 | 8 158 | 9 083 | 9 618 |
| Software and other intangible assets | 40 | 2 621 | 536 | – | – | – | – | – |
| Total | 1 654 036 | 1 034 425 | 1 319 597 | 1 924 483 | 1 881 087 | 1 723 605 | 1 706 642 | 1 773 939 |

Expenditure trends

Expenditure increased from R1.6 billion in 2004/05 to R1.9 billion in 2007/08, at an average annual rate of 5.2 per cent, largely driven by the transfer payments to the public entities. During 2007/08, the department implemented changes to its budget structure to re-align it with its strategic plans. Moreover, the department changed the names of its programmes and subprogrammes for improved clarity and relevance. Programmes affected by these changes include: *Administration, ICT International Affairs and Trade, ICT Policy Development, ICT Enterprise Development, ICT Infrastructure Development* and the *Presidential National Commission*.

The decrease in spending between 2004/05 and 2005/06 was mainly due to the once-off allocation of R750 million to the SA Post Office for the recapitalisation of the Postbank. The increase between 2006/07 and 2007/08 of 45.8 per cent is due to an additional allocation of R500 million in 2004/05 to Sentech for the national wireless broadband network. In addition, expenditure on goods and services and capital assets increase between 2005/06 and 2006/07 due to the refurbishment of the offices and purchase of new equipment.

Over the medium term, expenditure is set to decrease to R1.8 billion in 2010/11, at a negative average growth annual rate of 2.7 per cent. The decrease is caused by the lower 2010 FIFA World Cup allocation of R200 million in 2008/09 decreasing to R100 million in 2009/10 as the implementation of ICT infrastructure according to FIFA guidelines nears completion.

The 2008 Budget also provides for further allocations of R150 million in 2010/11 for Sentech's digitisation.

In line with the request from National Treasury, the department has identified efficiency savings of R5.5 million in 2008/09, R8 million in 2009/10 and R10.1 million in 2010/11 in the following programmes:

- *Administration*– R3.9 million in 2008/09, R5.6 million in 2009/10 and R7.1 million in 2010/11
- *ICT Policy Development* programme – R1.6 million in 2008/09, R2.3 million in 2009/10 and R3 million in 2010/11.

Savings have been identified under goods and services in consultancy services, travel and subsistence as well as venues and facilities over the medium term. The department will reduce the number of delegations sent on international trips, workshops, meetings and conferences. Spending on consultancy services will be reduced by developing strategies and frameworks internally where possible.

The department's expenditure on infrastructure is limited to transfers to its public entities, which undertake infrastructure development as part of their mandates.

Sentech received funding of R21 million for the development of the East African submarine system (EASSy) during 2007/08. Expenditure on digitising infrastructure through Sentech amounted to R100 million in 2006/07, R125 million in 2007/08 and increased to R150 million over the medium term.

An additional amount of R500 million was allocated to Sentech for the national wireless broadband network during 2007/08. R300 million over the first two years of the MTEF period was allocated to fund the ICT infrastructure related projects for the 2010 FIFA World Cup.

Departmental receipts

Most receipts under goods and services relate to administration fees collected by the Independent Communications Authority of South Africa (ICASA) from telecommunications operators and SA Post Office licence fees, and are paid into the National Revenue Fund. The large increase of R1.5 billion in 2004/05 to R3.1 billion in 2005/06 emanated from an increase in ordinary and special dividends received from Telkom SA Ltd. Over the medium term, dividend receipts from Telkom are expected to stabilise at around R1.1 billion.

Interest is projected to decrease by 11.9 per cent over the MTEF period, from R1.9 billion in 2007/08 to R1.3 billion in 2010/11. The revenue on financial transactions in assets and liabilities is projected to increase from 2007/08 onwards. The increase in 2006/07 was mainly due to the write-off of fraud debts and the termination of the sale of Capital Radio.

Table 24.2 Departmental receipts

| R thousand | Audited outcome | | | Estimate | Medium-term receipts estimate | | |
|----------------------------------------------------|------------------|------------------|------------------|------------------|-------------------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Departmental receipts | 1 524 300 | 2 143 642 | 2 613 835 | 3 239 780 | 3 233 618 | 3 407 569 | 3 588 012 |
| Sales of goods and services produced by department | 1 247 694 | 1 311 954 | 1 568 098 | 1 371 660 | 2 088 773 | 2 205 211 | 2 325 972 |
| Transfers received | 3 700 | 110 | 360 | 840 | – | – | – |
| Fines, penalties and forfeits | – | – | 962 | – | – | – | – |
| Interest, dividends and rent on land | 272 455 | 830 977 | 1 038 619 | 1 866 657 | 1 144 191 | 1 201 672 | 1 261 319 |
| Sales of capital assets | – | 20 | 20 | – | – | – | – |
| Financial transactions in assets and liabilities | 451 | 581 | 5 776 | 623 | 654 | 686 | 721 |
| Direct exchequer receipts | | | | | | | |
| Special restructuring proceeds | – | 1 035 240 | 828 190 | – | – | – | – |
| Total | 1 524 300 | 3 178 882 | 3 442 025 | 3 239 780 | 3 233 618 | 3 407 569 | 3 588 012 |

Programme 1: Administration

Purpose: Provide strategic support and overall management for the department.

Expenditure estimates

Table 24.3 Administration

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|-----------------------------------------------------------------------------|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| R thousand | | | | | | | |
| Minister ¹ | 791 | 837 | 885 | 951 | 1 019 | 1 072 | 1 127 |
| Deputy Minister ² | 533 | 625 | 654 | 703 | 790 | 832 | 874 |
| Management | 17 668 | 29 901 | 32 181 | 33 144 | 40 091 | 42 224 | 43 901 |
| Operations | 52 987 | 86 625 | 110 621 | 101 335 | 99 249 | 105 101 | 110 547 |
| Property Management | 4 097 | 4 422 | 16 574 | 5 234 | 5 661 | 6 275 | 6 931 |
| Total | 76 076 | 122 410 | 160 915 | 141 367 | 146 810 | 155 504 | 163 380 |
| Change to 2007 Budget estimate | | | | 41 727 | 37 529 | 38 948 | 48 404 |
| 1. Payable as from 1 April 2007. Salary: R761 053. Car allowance: R190 262. | | | | | | | |
| 2. Payable as from 1 April 2007. Salary: R590 459. Car allowance: R147 614. | | | | | | | |
| Economic classification | | | | | | | |
| Current payments | 74 021 | 113 391 | 153 296 | 137 738 | 144 195 | 152 737 | 160 465 |
| Compensation of employees | 26 812 | 41 406 | 47 940 | 50 993 | 54 936 | 57 477 | 60 742 |
| Goods and services | 47 196 | 71 880 | 105 297 | 86 745 | 89 259 | 95 260 | 99 723 |
| of which: | | | | | | | |
| Communication | 2 928 | 3 062 | 3 075 | 3 420 | 3 613 | 3 834 | 4 056 |
| Computer services | 1 903 | 1 543 | 3 628 | 2 010 | 2 123 | 2 252 | 2 381 |
| Consultants, contractors and special services | 6 059 | 14 284 | 7 397 | 10 116 | 7 979 | 7 392 | 8 147 |
| Inventory | 1 878 | 5 267 | 26 006 | 2 661 | 2 807 | 2 952 | 3 099 |
| Maintenance, repairs and running costs | 1 489 | 1 318 | 2 257 | 5 352 | 5 592 | 6 354 | 7 107 |
| Operating leases | 10 080 | 11 523 | 18 679 | 11 812 | 12 623 | 13 426 | 14 117 |
| Travel and subsistence | 5 961 | 8 492 | 8 876 | 11 510 | 9 341 | 8 176 | 10 016 |
| Municipal services | 896 | 968 | 1 134 | 1 480 | 1 314 | 1 439 | 1 583 |
| Financial transactions in assets and liabilities | 13 | 105 | 59 | – | – | – | – |
| Transfers and subsidies | 593 | 1 343 | 508 | 111 | 113 | 118 | 125 |
| Provinces and municipalities | 100 | 155 | 27 | 6 | – | – | – |
| Departmental agencies and accounts | – | – | – | 105 | 113 | 118 | 125 |
| Universities and technikons | 200 | 100 | – | – | – | – | – |
| Non-profit institutions | 200 | 100 | – | – | – | – | – |
| Households | 93 | 988 | 481 | – | – | – | – |
| Payments for capital assets | 1 462 | 7 676 | 7 111 | 3 518 | 2 502 | 2 649 | 2 790 |
| Machinery and equipment | 1 422 | 7 392 | 6 994 | 3 518 | 2 502 | 2 649 | 2 790 |
| Software and other intangible assets | 40 | 284 | 117 | – | – | – | – |
| Total | 76 076 | 122 410 | 160 915 | 141 367 | 146 810 | 155 504 | 163 380 |
| Details of major transfers and subsidies | | | | | | | |
| Current | 200 | 100 | – | – | – | – | – |
| University of Witwatersrand | 200 | 100 | – | – | – | – | – |
| Nonprofit institutions | | | | | | | |
| Current | 200 | 100 | – | – | – | – | – |
| ISPA, Space Resource Centre | 200 | 100 | – | – | – | – | – |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | – | 795 | – | – | – | – | – |
| Leave gratuity | – | 795 | – | – | – | – | – |

Expenditure trends

Expenditure increased from R76.1 million in 2004/05 to R141.4 million in 2007/08, at an average annual rate of 22.9 per cent. Expenditure rises steadily over the medium term to R163.4 million, at an average annual rate of 4.9 per cent

During 2007/08, part of the *Financial Management* subprogramme under the previous *Finance and Shareholder Management* on the previous budget structure was moved to the *Operations* subprogramme of

Administration, to delineate expenditure on financial management functions for the department from that of the public entities.

Between 2006/07 and 2007/08, expenditure decreased from R161 million to R141.4 million due to the refurbishment of the department's head offices and the lower estimate amount for the property management function as calculated by the Department of Public Works.

Programme 2: ICT International Affairs and Trade

Purpose: Give effect to South Africa's foreign policy on ICT related matters, prioritising Africa's development. Establish a dynamic, effective and mutually beneficial multi-stakeholder partnership in the ICT sector that is reflective of, and responsive to, South Africa's policy priorities.

- *International Affairs* is responsible for co-ordinating the functions and responsibilities of the department to meet South Africa's international ICT obligations.
- *ICT Trade/Partnerships* is responsible for developing and advancing national interests in international trade forums through World Trade Organisation ICT-related initiatives and other international trade agreements, as well as for promoting the interests of the South African ICT sector and developing countries through these forums.

Expenditure estimates

Table 24.4 ICT International Affairs and Trade

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|------------------------------------------------------------|-----------------|---------------|---------------|------------------------|----------------------------------|---------------|---------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| R thousand | | | | | | | |
| International Affairs | 7 610 | 25 016 | 27 093 | 28 302 | 22 221 | 25 078 | 26 690 |
| ICT Trade/Partnerships | 4 956 | 6 400 | 4 182 | 5 888 | 19 028 | 21 826 | 23 242 |
| Postal Regulator | 9 322 | 15 750 | 8 317 | – | – | – | – |
| Total | 21 888 | 47 166 | 39 592 | 34 190 | 41 249 | 46 904 | 49 932 |
| Change to 2007 Budget estimate | | | | (18 574) | (15 282) | (16 896) | (7 699) |
| Economic classification | | | | | | | |
| Current payments | 21 066 | 46 823 | 35 945 | 29 818 | 37 126 | 42 576 | 45 024 |
| Compensation of employees | 10 778 | 15 048 | 12 979 | 6 028 | 12 397 | 13 075 | 13 960 |
| Goods and services | 10 288 | 31 775 | 22 966 | 23 790 | 24 729 | 29 501 | 31 064 |
| of which: | | | | | | | |
| Communication | 757 | 857 | 885 | 603 | 773 | 850 | 901 |
| Computer services | 19 | 30 | 147 | 92 | 101 | 111 | 117 |
| Consultants, contractors and special services | 121 | 12 441 | 3 771 | 7 396 | 8 287 | 9 110 | 9 645 |
| Inventory | 208 | 622 | 1 496 | 269 | 386 | 425 | 451 |
| Maintenance, repairs and running costs | 173 | 103 | 111 | 56 | 80 | 88 | 93 |
| Operating leases | 357 | 2 208 | 363 | 357 | 562 | 618 | 655 |
| Travel and subsistence | 5 869 | 8 326 | 7 284 | 5 564 | 5 629 | 6 185 | 6 547 |
| Transfers and subsidies | 28 | 52 | 3 451 | 3 400 | 3 200 | 3 000 | 3 500 |
| Provinces and municipalities | 28 | 50 | 6 | – | – | – | – |
| Foreign governments and international organisations | – | – | 1 439 | 1 400 | 700 | – | – |
| Non-profit institutions | – | – | 2 000 | 2 000 | 2 500 | 3 000 | 3 500 |
| Households | – | 2 | 6 | – | – | – | – |
| Payments for capital assets | 794 | 291 | 196 | 972 | 923 | 1 328 | 1 408 |
| Machinery and equipment | 794 | 291 | 196 | 972 | 923 | 1 328 | 1 408 |
| Total | 21 888 | 47 166 | 39 592 | 34 190 | 41 249 | 46 904 | 49 932 |
| Details of major transfers and subsidies | | | | | | | |
| Foreign governments and international organisations | | | | | | | |
| Current | – | – | 1 439 | 1 400 | 700 | – | – |
| International Telecommunications Union | – | – | 1 439 | 1 400 | 700 | – | – |
| Non-profit institutions | | | | | | | |
| Current | – | – | 2 000 | 2 000 | 2 500 | 3 000 | 3 500 |
| NEPAD e-Africa Commission | – | – | 2 000 | 2 000 | 2 500 | 3 000 | 3 500 |

Expenditure trends

Expenditure in *ICT International Affairs and Trade*, previously known as *Strategic Policy Coordination, Integration and International Affairs*, increased from R21.9 million to R34.2 million, at an average annual rate of 16 per cent between 2004/05 and 2007/08. This increase was due to the department participating in major international events such as the World Summit on the Information Society, the 23rd Universal Postal Union Congress and the Digital Africa Summit.

Also contributing to this increase was a transfer of R3.5 million over a three year period to foreign governments and international organisations, which was allocated in 2006/07 for a joint project between the International Telecommunications Union, the Universal Postal Union and South Africa, for promoting universal ICT service and access in rural and remote areas. This project is expected to end in 2008/09.

The increase of 396 per cent between 2006/07 and 2007/08 on payments for capital assets was due to the refurbishment of offices.

This programme also saw a budget structure change, which led to a shifting of funds. The *Co-ordination and Integration* subprogramme under the previous budget structure focused on two functions: enhancing intergovernmental relations and improving stakeholder management. As part of the budget structure change in 2007/08, the *Coordination and Integration* subprogramme was split into *ICT Trade/Partnership* and *Intergovernmental Relations*. The new *Intergovernmental Relations* subprogramme was moved to the *ICT Policy Development* programme.

Over the medium term, expenditure rises to R50 million at an average annual growth rate of 58 per cent, driven by the department's greater participation in international ICT related fora.

Programme 3: ICT Policy Development

Purpose: Develop ICT policies and legislation that support the development of an ICT sector that creates conditions for the accelerated and shared growth of the economy. Develop strategies that increase the uptake and usage of ICTs by the majority of the South African population, thus bridging the digital divide.

- *ICT Policy Development* is responsible for drafting legislation, regulations, policy and guidelines that will govern the broadcasting, telecommunications, postal and IT sectors, and for ensuring economic development in these sectors and expanded BEE.
- *Economic Analysis, Market Modelling and Research* is responsible for economic analysis of the broadcasting, telecommunications, postal and IT sectors in order to determine trends and make growth projections. The subprogramme also does market research to determine which areas need further development, which in turn informs further policy development.
- *ICT Uptake and Usage* is responsible for ensuring that the ICT industry adheres to and implements policy and legislation and does research to determine the extent to which policies are being implemented in the broadcasting, telecommunications, postal and IT sectors.
- *Intergovernmental Relations* is responsible for building, restoring and maintaining relationships with the three spheres of government.
- *South African Broadcasting Corporation: Community Radio Stations* focuses on extending signal distribution to reach all communities, and extending community multimedia services at selected nodal points.
- *South African Broadcasting Corporation: Programme Production* makes transfers to the SABC and other entities for producing programmes with local content on issues relating to youth, women, children, the disabled, and HIV and Aids for commercial and community radio stations.

Expenditure estimates

Table 24.5 ICT Policy Development

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|------------------------------------------------------------------|-----------------|---------------|---------------|------------------------|----------------------------------|---------------|----------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| R thousand | | | | | | | |
| ICT Policy Development | 58 819 | 24 658 | 31 015 | 33 560 | 33 619 | 34 654 | 36 618 |
| Economic Analysis, Market Modelling and Research | – | 2 601 | 1 603 | 4 643 | 6 056 | 6 782 | 7 238 |
| ICT Uptake and Usage | – | 178 | 278 | 3 643 | 6 683 | 7 020 | 7 721 |
| Intergovernmental Relations | – | – | 5 874 | 8 574 | 8 574 | 9 431 | 9 997 |
| South African Broadcasting Corporation: Community Radio Stations | 6 500 | 10 255 | 10 746 | 11 412 | 12 060 | 12 783 | 13 550 |
| South African Broadcasting Corporation: Programme Production | 28 500 | 31 000 | 27 794 | 25 000 | 25 000 | 25 000 | 105 000 |
| Total | 93 819 | 68 692 | 77 310 | 86 832 | 91 992 | 95 670 | 180 124 |
| Change to 2007 Budget estimate | | | | 8 574 | 10 440 | 11 397 | 92 295 |

Economic classification

| | | | | | | | |
|--------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Current payments | 50 015 | 27 172 | 38 300 | 49 338 | 53 596 | 56 493 | 60 097 |
| Compensation of employees | 10 849 | 6 027 | 10 724 | 16 243 | 17 800 | 18 777 | 19 951 |
| Goods and services | 39 166 | 21 145 | 19 225 | 33 095 | 35 796 | 37 716 | 40 146 |
| <i>of which:</i> | | | | | | | |
| Communication | 2 615 | 2 438 | 2 499 | 1 776 | 1 844 | 2 028 | 2 129 |
| Computer services | 53 | – | – | 57 | 63 | 69 | 73 |
| Consultants, contractors and special services | 8 434 | 5 186 | 4 827 | 8 360 | 8 377 | 8 623 | 9 151 |
| Inventory | 169 | 302 | 328 | 305 | 245 | 270 | 286 |
| Maintenance, repairs and running costs | 38 | 2 | 126 | 137 | 132 | 145 | 154 |
| Operating leases | 4 621 | 1 755 | 113 | 1 601 | 1 592 | 1 751 | 1 856 |
| Travel and subsistence | 6 327 | 2 443 | 3 507 | 6 406 | 7 538 | 8 099 | 8 594 |
| Financial transactions in assets and liabilities | – | – | 8 351 | – | – | – | – |
| Transfers and subsidies | 43 530 | 41 290 | 38 697 | 36 412 | 37 060 | 37 783 | 118 550 |
| Provinces and municipalities | 50 | 27 | 10 | – | – | – | – |
| Public corporations and private enterprises | 43 480 | 41 255 | 38 540 | 36 412 | 37 060 | 37 783 | 118 550 |
| Non-profit institutions | – | – | 100 | – | – | – | – |
| Households | – | 8 | 47 | – | – | – | – |
| Payments for capital assets | 274 | 230 | 313 | 1 082 | 1 336 | 1 394 | 1 477 |
| Machinery and equipment | 274 | 230 | 313 | 1 082 | 1 336 | 1 394 | 1 477 |
| Total | 93 819 | 68 692 | 77 310 | 86 832 | 91 992 | 95 670 | 180 124 |

Details of major transfers and subsidies

| | | | | | | | |
|------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Public corporations and private enterprises | | | | | | | |
| Public corporations | | | | | | | |
| Other transfers | | | | | | | |
| Current | 43 480 | 41 255 | 38 540 | 36 412 | 37 060 | 37 783 | 118 550 |
| South African Broadcasting Corporation: Community Radio Stations | 6 500 | 10 255 | 10 746 | 11 412 | 12 060 | 12 783 | 13 550 |
| South African Broadcasting Corporation: Programme Production | 28 500 | 31 000 | 27 794 | 25 000 | 25 000 | 25 000 | 105 000 |
| South African Post Office: Public Internet Terminals | 8 480 | – | – | – | – | – | – |

Expenditure trends

During 2007/08, the name of this programme was changed from *Policy Unit* to *ICT Policy Development* and was also restructured to accommodate the promulgation of the Electronic Communications Act (2005). The *Telecommunication Policy*, *Postal Policy* and *Multimedia Policy* subprogrammes were merged into *ICT Policy Development*. The *IT Policy* subprogramme became *ICT Uptake and Usage* to better reflect the function of the subprogramme. The name of the *Economic Modelling* subprogramme was changed to *Economic Analysis, Market Modelling and Research*.

Expenditure decreased from R93.8 million in 2004/05 to R86.8 million in 2007/08, at a negative average annual growth rate of 2.5 per cent. The decrease is mainly due to the once-off transfer in 2004/05 of R8.5 million to the SA Post Office for public internet terminals as well as reductions in transfers to *South African Broadcasting Corporation: Programme Production*, which decreased by R31 million from 2005/06 to R25 million in 2007/08.

Spending in *Intergovernmental Relations*, a new subprogramme which fell under the former *Strategic Co-ordination, Integration and International Affairs* (now *ICT International Affairs and Trade*) increases from R5.9 million in 2006/07 to R10 million in 2010/11. The substantive average annual increases between 2006/07 and 2007/08 on *Economic Analysis, Market Modelling and Research* and *ICT Uptake and Usage* of 189.6 per cent and 1210.4 per cent respectively, reflect under-expenditure on the audited expenditure outcome due to vacancies within this subprogramme.

Over the medium term, expenditure in this programme will increase steadily at an average annual growth rate of 27.5 per cent.

Programme 4: ICT Enterprise Development

Purpose: Oversee state owned enterprises (SOE) in a manner that improves the capacity of the state to deliver on its mandate. Manage government's shareholder interests in SOEs and Telkom in a manner that supports the speedy attainment of national goals and priorities. Ensure, through the use of ICTs, the development of the small, medium and micro enterprises (SMME) sector.

- *Public Entity Oversight* oversees state owned enterprises in a manner that improves government's capacity to deliver on its mandate, and manages government's shareholder interests in public enterprises in a manner that supports the speedy attainment of national goals and priorities. This subprogramme is a consolidation of the individual subprogrammes relating to the transfer of funds to public entities. It also includes a financial management component related to public entity oversight.
- *Small Medium and Micro Enterprise Development's* primary focus is to ensure, through the use of ICTs, the development of the small, medium and micro enterprises (SMME) sector.

Expenditure estimates

Table 24.6 ICT Enterprise Development

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|-----------------------------------------------|------------------|----------------|----------------|------------------------|----------------------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| R thousand | | | | | | | |
| Public Entity Oversight | 1 377 962 | 705 437 | 960 833 | 1 563 003 | 1 312 382 | 1 263 214 | 1 224 503 |
| Small Medium and Micro Enterprise Development | – | – | – | 5 183 | 9 084 | 10 070 | 10 645 |
| Total | 1 377 962 | 705 437 | 960 833 | 1 568 186 | 1 321 466 | 1 273 284 | 1 235 148 |
| Change to 2007 Budget estimate | | | | 469 223 | 194 365 | 134 500 | 28 037 |

Economic classification

| | 5 747 | 2 108 | 2 461 | 9 883 | 17 258 | 18 957 | 15 429 |
|-----------------------------------------------|-------|-------|-------|-------|--------|--------|--------|
| Current payments | | | | | | | |
| Compensation of employees | 4 085 | 2 004 | 1 985 | 3 232 | 5 291 | 5 563 | 6 074 |
| Goods and services | 1 662 | 104 | 476 | 6 651 | 11 967 | 13 394 | 9 355 |
| <i>of which:</i> | | | | | | | |
| Communication | 55 | 23 | 23 | 280 | 295 | 309 | 323 |
| Computer services | – | – | – | 32 | 34 | 36 | 38 |
| Consultants, contractors and special services | 9 | – | 29 | 2 488 | 5 312 | 5 773 | 5 036 |
| Inventory | 578 | 13 | 45 | 217 | 229 | 240 | 251 |
| Maintenance, repairs and running costs | – | – | 1 | 6 | 6 | 6 | 7 |
| Operating leases | 3 | 17 | 51 | 97 | 102 | 107 | 112 |
| Travel and subsistence | 548 | 19 | 289 | 679 | 716 | 749 | 782 |

Table 24.6 ICT Enterprise Development (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---------------------------------------------|------------------|----------------|----------------|------------------------|----------------------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Transfers and subsidies | 1 372 122 | 703 329 | 958 316 | 1 557 878 | 1 303 760 | 1 253 859 | 1 219 229 |
| Provinces and municipalities | 12 | 6 | 1 | – | – | – | – |
| Departmental agencies and accounts | 246 845 | 215 552 | 272 001 | 308 960 | 329 460 | 358 588 | 394 242 |
| Public corporations and private enterprises | 1 125 265 | 487 771 | 686 314 | 1 248 918 | 974 300 | 895 271 | 824 987 |
| Payments for capital assets | 93 | – | 56 | 425 | 448 | 468 | 490 |
| Machinery and equipment | 93 | – | 56 | 425 | 448 | 468 | 490 |
| Total | 1 377 962 | 705 437 | 960 833 | 1 568 186 | 1 321 466 | 1 273 284 | 1 235 148 |

Details of major transfers and subsidies

| Departmental agencies and accounts | | | | | | | |
|------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Departmental agencies (non-business entities) | | | | | | | |
| Current | 246 845 | 215 552 | 272 001 | 308 960 | 329 460 | 358 588 | 394 242 |
| Independent Communications Authority of South Africa | 186 928 | 150 489 | 201 538 | 232 475 | 247 272 | 269 607 | 290 923 |
| National Electronic Media Institute of South Africa | 17 803 | 18 163 | 19 199 | 22 658 | 25 303 | 29 059 | 35 302 |
| Universal Service and Access Agency of South Africa | 15 884 | 17 500 | 20 100 | 21 105 | 22 304 | 23 495 | 29 404 |
| Universal Service Fund | 26 230 | 29 400 | 31 164 | 32 722 | 34 581 | 36 427 | 38 613 |
| Public corporations and private enterprises | | | | | | | |
| Public corporations | | | | | | | |
| Subsidies on production or products | | | | | | | |
| Current | 300 000 | 300 000 | 351 439 | 363 800 | 371 600 | 383 092 | 406 077 |
| South African Post Office: Subsidy | 300 000 | 300 000 | 351 439 | 363 800 | 371 600 | 383 092 | 406 077 |
| Public corporations and private enterprises | | | | | | | |
| Public corporations | | | | | | | |
| Other transfers | | | | | | | |
| Current | 825 265 | 180 071 | 234 875 | 239 118 | 252 700 | 262 179 | 268 910 |
| South African Broadcasting Corporation: Channel Africa | 27 865 | 29 616 | 31 393 | 32 962 | 34 834 | 36 694 | 38 896 |
| South African Broadcasting Corporation: Public Broadcaster | 47 400 | 150 455 | 203 482 | 206 156 | 217 866 | 225 485 | 230 014 |
| South African Post Office: Recapitalisation | 750 000 | – | – | – | – | – | – |
| Capital | – | 7 700 | 100 000 | 646 000 | 350 000 | 250 000 | 150 000 |
| Sentech: EASSy | – | – | – | 21 000 | – | – | – |
| Sentech: Digitisation | – | 7 700 | 100 000 | 125 000 | 150 000 | 150 000 | 150 000 |
| Sentech: National Wholesale Broadband Network (NWBN) | – | – | – | 500 000 | – | – | – |
| Sentech: 2010 FIFA World Cup | – | – | – | – | 200 000 | 100 000 | – |

Expenditure trends

The *ICT Enterprise Development* programme accounts for the greater part of the department's vote, taking up 76.7 per cent of the total budget over the medium term. This is due to the transfers and subsidies made to the department's public entities. The *Finance and Shareholder Management* programme was restructured into the *ICT Enterprise Development* programme by consolidating the SOE programmes into the *Public Entity Oversight* subprogramme. A new subprogramme, *SMME Development*, was created to ensure the use of ICT in the development of the small, medium and micro enterprise sector. The *Financial Management* subprogramme budget was spilt into amounts for *Operations* (R25.5 million in 2004/05 and R 29.5 million in 2005/06) and *Public Entities Oversight* (R5.8 million in 2004/05 and R 2.1 million 2005/06).

Expenditure decreased significantly from 2004/05 to 2005/06 due to the once-off allocation of R750 million for the recapitalisation of the Postbank. The significant increase in 2007/08 was due to an additional allocation of R500 million to Sentech for the national wireless broadband network. Sentech is allocated a further R150 million for each year over the MTEF period for digitisation of the signal distribution infrastructure.

The marked increase in expenditure on consultants, contractors and special services of R2.5 million 2007/08 to R5.3 million in 2008/09 was the result of set-up costs for establishing a new SMME directorate within the *SMME Development subprogramme*.

Over the medium term, expenditure decreases to R1.2 billion, at a negative average annual rate of 7.6 per cent due to the ending of transfers to the National Wholesale Broadband Network and the reduction in the 2010 FIFA World Cup allocations for ICT related infrastructure.

Programme 5: ICT Infrastructure Development

Purpose: Ensure the development of robust, reliable and affordable ICT infrastructure that supports and enables the provision of a multiplicity of applications and services to meet the needs of South Africa and its citizenry, especially with respect to efficient and timely service delivery.

This programme was previously known as *Innovative Applications and Research*.

- *Applications and Research* is responsible for: technology research and analysis, applications and content development; analysing the legal environment to promote infrastructure technologies and managing the use of the spectrum;
- *Meraka Institute* does research and develops ICT applications that aim to benefit all citizens.
- *112 Emergency Call Centre* provides a single national emergency number, from which all emergency calls will be routed to the most suitable local response unit.
- *.za Domain Name Authority* is responsible for administering and managing the .za domain name space.

Expenditure estimates

Table 24.7 ICT Infrastructure Development

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|------------------------------------------------------|-----------------|---------------|---------------|------------------------|----------------------------------|----------------|----------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| R thousand | | | | | | | |
| Applications and Research | 32 314 | 44 986 | 28 213 | 35 666 | 58 040 | 65 389 | 78 897 |
| Meraka Institute | 13 000 | 7 000 | 4 000 | 5 000 | 6 000 | 7 000 | – |
| 112 Emergency Call Centre | 27 976 | 14 825 | 23 885 | 23 596 | 24 936 | 26 731 | 28 335 |
| .za Domain Name Authority | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 |
| Total | 74 790 | 68 311 | 57 598 | 65 762 | 90 476 | 100 620 | 108 732 |
| Change to 2007 Budget estimate | | | | – | 17 792 | 19 486 | 2 299 |
| Economic classification | | | | | | | |
| Current payments | 59 755 | 57 097 | 51 301 | 58 644 | 81 008 | 89 955 | 104 920 |
| Compensation of employees | 9 830 | 14 507 | 15 061 | 15 642 | 23 479 | 25 516 | 27 053 |
| Goods and services | 49 925 | 42 590 | 36 240 | 43 002 | 57 529 | 64 439 | 77 867 |
| <i>of which:</i> | | | | | | | |
| <i>Communication</i> | 770 | 647 | 685 | 1 713 | 1 884 | 2 072 | 2 196 |
| <i>Computer services</i> | 215 | 122 | 941 | 233 | 257 | 280 | 297 |
| <i>Consultants, contractors and special services</i> | 32 416 | 20 587 | 19 875 | 28 231 | 31 054 | 34 924 | 41 489 |
| <i>Inventory</i> | 172 | 385 | 423 | 162 | 178 | 196 | 208 |
| <i>Maintenance, repairs and running costs</i> | 2 682 | 6 892 | 4 570 | 1 200 | 3 903 | 4 726 | 6 200 |
| <i>Operating leases</i> | 3 163 | 3 160 | 1 383 | 2 243 | 2 467 | 2 714 | 2 877 |
| <i>Travel and subsistence</i> | 3 856 | 5 208 | 5 011 | 2 724 | 2 996 | 3 297 | 4 115 |
| Transfers and subsidies | 14 532 | 8 558 | 5 514 | 6 500 | 7 500 | 8 500 | 1 500 |
| Provinces and municipalities | 32 | 56 | 12 | – | – | – | – |
| Departmental agencies and accounts | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 |
| Public corporations and private enterprises | 13 000 | 7 000 | 4 000 | 5 000 | 6 000 | 7 000 | – |
| Households | – | 2 | 2 | – | – | – | – |
| Payments for capital assets | 503 | 2 656 | 783 | 618 | 1 968 | 2 165 | 2 312 |
| Machinery and equipment | 503 | 350 | 364 | 618 | 1 968 | 2 165 | 2 312 |
| Software and other intangible assets | – | 2 306 | 419 | – | – | – | – |
| Total | 74 790 | 68 311 | 57 598 | 65 762 | 90 476 | 100 620 | 108 732 |

Table 24.7 ICT Infrastructure Development (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|------------------------------------------------------|-----------------|--------------|--------------|------------------------|----------------------------------|--------------|--------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Details of major transfers and subsidies | | | | | | | |
| Departmental agencies and accounts | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | |
| Current | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 |
| .za Domain Name Authority | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 |
| Public corporations and private enterprises | | | | | | | |
| Public corporations | | | | | | | |
| Other transfers | | | | | | | |
| Current | 13 000 | 7 000 | 4 000 | 5 000 | 6 000 | 7 000 | - |
| Meraka Institute | 13 000 | 7 000 | 4 000 | 5 000 | 6 000 | 7 000 | - |

Expenditure trends

Expenditure decreased at an average annual rate of 4.2 per cent, from R74.8 million in 2004/05 to R65.8 million in 2007/08, mainly due to a reduction in the transfer payment to the Meraka Institute from R13 million to R5 million. The Meraka Institute's funding was not approved during the MTEF process and is therefore ending in 2009/10. The expenditure related to the *112 Emergency Call Centre* subprogramme also decreased between 2004/05 and 2005/06 as the infrastructure installation was completed in the 2004/05 financial year. Thereafter the expenditure is mainly for the functioning of the call centre.

Spending in this programme is expected to increase steadily over the medium term at an average annual rate of 18.2 per cent, reaching R108.7 million in 2010/11 as a result of the expansion of the *Applications and Research* subprogramme, which now houses the *IT Network Infrastructure* for the department and the new chief directorate responsible for co-ordinating the 2010 FIFA world initiatives. The expansion of this subprogramme is also reflected in an increase in compensation of employees, goods and services and capital asset expenditure.

Programme 6: Presidential National Commission

Purpose: Provide timely and informed advice to the president on all matters related to the development of an inclusive information society. Facilitate the development of an integrated information society in South Africa by promoting the realisation of the country's vision for an information society.

- *Policy Planning and Foresight* aims to ascertain that South Africa has proactive and progressive national plans, with sectoral, provincial and local government components.
- *Policy Co-ordination and Integration* makes sure that the national information society and development (ISAD) plan is implemented in a co-ordinated way, and that policies, legislation and programmes are well co-ordinated, integrated, and aligned with development plans,
- *Policy Evaluation and Impact Assessment* assesses whether policies and legislation support or hinder the development of an inclusive information society, and assesses the impact of ICT programmes and projects.
- *Special and Flagship Projects* co-ordinates and develops special programmes to maximise the benefits of the information society for women, children, youth, people with disabilities and poor communities.
- *Communication and Stakeholder Management* ensures that all spheres of government participate in the Presidential National Commission's national ISAD plan.
- *Organisational Excellence* provides responsive, timely and comprehensive strategic administrative support.
- *Research* is responsible for doing organisation specific research to inform strategic decision making aimed at building an inclusive information society.

Expenditure estimates

Table 24.8 Presidential National Commission

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|-----------------------------------------------|-----------------|---------------|---------------|------------------------|----------------------------------|---------------|---------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| R thousand | | | | | | | |
| Policy Planning and Foresight | 9 501 | 7 480 | 7 874 | 4 370 | 3 765 | 4 210 | 4 480 |
| Policy Co-ordination and Integration | – | 9 381 | 2 197 | 4 317 | 4 111 | 4 558 | 4 844 |
| Policy Evaluation and Impact Assessment | – | 5 548 | 2 397 | 4 190 | 3 818 | 4 239 | 4 451 |
| Special and Flagship Projects | – | – | 1 368 | 2 610 | 3 905 | 4 350 | 4 626 |
| Communications and Stakeholder Management | – | – | 1 630 | 2 234 | 3 779 | 4 199 | 4 409 |
| Organisational Excellence | – | – | 7 883 | 10 425 | 8 330 | 8 754 | 9 187 |
| Research | – | – | – | – | 3 904 | 4 350 | 4 626 |
| Total | 9 501 | 22 409 | 23 349 | 28 146 | 31 612 | 34 660 | 36 623 |
| Change to 2007 Budget estimate | | | | – | 1 867 | 1 966 | 2 299 |
| Economic classification | | | | | | | |
| Current payments | 9 443 | 21 768 | 22 954 | 27 218 | 30 631 | 33 581 | 35 482 |
| Compensation of employees | 6 495 | 9 370 | 10 321 | 11 476 | 13 994 | 14 860 | 15 525 |
| Goods and services | 2 948 | 12 398 | 12 633 | 15 742 | 16 637 | 18 721 | 19 957 |
| of which: | | | | | | | |
| Communication | 266 | 237 | 247 | 289 | 305 | 350 | 371 |
| Computer services | 90 | 105 | 131 | 108 | 114 | 131 | 139 |
| Consultants, contractors and special services | 599 | 7 690 | 4 029 | 5 650 | 5 971 | 6 837 | 7 247 |
| Inventory | 226 | 224 | 552 | 245 | 259 | 297 | 315 |
| Maintenance, repairs and running costs | 8 | 5 | 8 | 66 | 70 | 80 | 85 |
| Operating leases | 53 | 61 | 148 | 57 | 60 | 69 | 73 |
| Travel and subsistence | 1 112 | 2 682 | 3 962 | 4 666 | 4 931 | 5 646 | 5 985 |
| Transfers and subsidies | 19 | 29 | 7 | – | – | – | – |
| Provinces and municipalities | 19 | 29 | 7 | – | – | – | – |
| Payments for capital assets | 39 | 612 | 388 | 928 | 981 | 1 079 | 1 141 |
| Machinery and equipment | 39 | 581 | 388 | 928 | 981 | 1 079 | 1 141 |
| Software and other intangible assets | – | 31 | – | – | – | – | – |
| Total | 9 501 | 22 409 | 23 349 | 28 146 | 31 612 | 34 660 | 36 623 |

Expenditure trends

Between 2004/05 and 2007/08, expenditure increased from R9.5 million to R28.1 million, an average annual increase of 43.6 per cent. This is because more subprogrammes were created as part of the expanded mandate of the Presidential National Commission. These are: *Policy Co-ordination and Integration*, *Policy Evaluation and Impact Assessment*, *Special and Flagship Projects*, *Communications and Stakeholder Management* and *Organisation Excellence*. The *Research* subprogramme was created in 2007/08 as part of a budget structure change. This resulted in a larger staff complement, which led to an increase in operational expenditure from R9.5 million in 2004/05 to R28.2 million in 2007/08, at an average annual increase of 43.6 per cent. During 2007/08, the subprogramme known as *Intergovernmental Relations* was changed to *Communication and Stakeholder Management* to reinforce its objectives of facilitating communication and co-ordination among stakeholders in the implementation of the information society and development plan (ISAD).

Programme expenditure is expected to increase to R36.6 million over the medium term at an average rate of 9.2 per cent.

Public entities and agencies

Universal Service and Access Agency of South Africa and the Universal Service and Access Fund

The Universal Service and Access Agency (USAASA) and the Universal Service Fund (USF) were originally established in terms of section 58 of the Telecommunications Act (1996) (Telecoms Act). The primary role of the agency is to promote the goals of universal service and access to information and communications technologies (ICTs) throughout the Republic of South Africa. In order to achieve this mandate, the agency makes recommendations to the minister to determine what constitutes universal access, conducts research into developments within the ICT sector, and monitors and evaluates the progress towards universal access. USAASA is fully funded from funds appropriated by Parliament.

The key priorities of the agency for the period under review are: finalising the definitions of universal service and access for submission to the Minister of Communication; reviewing and advising on all the universal service obligations to be converted into the framework of the Electronic Communications Act; repositioning the agency as the champion of universal service and access through an active marketing and communication programme; establishing a portal for universal service and access; and managing the USF in an effective and sustainable manner.

In terms of section 88 of the act, the money in the USF must be used for payments of subsidies that are currently financed from funds appropriated by Parliament for that purpose. The USF also receives contributions from operators, collected by the Independent Communications Authority of South Africa (ICASA), which, in turn, transfers the funds to the National Revenue Fund. The USF is administered by the agency subject to control and in accordance with the instruction of the Minister of Communications.

Selected performance indicators

| Indicators | Annual performance | | | | | | |
|---------------------------------------------------------------|--------------------|---------|---------|---------|-------------|--------------|--------------|
| | Past | | | Current | Projected | | |
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Number of learners undergoing skills development and training | – | 51 | 69 | 200 | 300 | 500 | 500 |
| Number of telecentres (rehabilitated and new sites) | 90 | 140 | 154 | 154 | 174 | 194 | 214 |
| Number of cyber-labs in schools | 106 | 234 | 234 | 239 | 244 | 254 | 264 |
| Number of community digital hubs | – | 3 | 3 | – | – | – | – |
| Amount of USAL/PUSANO subsidies | – | – | – | – | R15 million | R 15 million | R 15 million |

Expenditure estimates

Table 24.9 Universal Service Agency

| R thousand | Audited outcome | | | Estimated outcome | Medium-term estimate | | |
|------------------------------|-----------------|---------------|---------------|-------------------|----------------------|---------------|---------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Revenue | | | | | | | |
| Non-tax revenue | 520 | 91 | 123 | 53 | – | – | – |
| Other non-tax revenue | 520 | 91 | 123 | 53 | – | – | – |
| Transfers received | 15 884 | 17 500 | 20 100 | 21 105 | 22 304 | 23 495 | 29 404 |
| Total revenue | 16 404 | 17 591 | 20 223 | 21 158 | 22 304 | 23 495 | 29 404 |
| Expenses | | | | | | | |
| Current expense | 18 203 | 17 831 | 18 334 | 21 018 | 22 196 | 23 375 | 29 274 |
| Compensation of employees | 5 927 | 5 995 | 9 060 | 12 657 | 18 292 | 19 354 | 22 532 |
| Goods and services | 11 574 | 11 412 | 8 933 | 7 900 | 3 432 | 3 549 | 6 270 |
| Depreciation | 702 | 424 | 341 | 461 | 472 | 472 | 472 |
| Transfers and subsidies | – | – | 115 | 141 | 108 | 120 | 130 |
| Total expenses | 18 203 | 17 831 | 18 449 | 21 159 | 22 304 | 23 495 | 29 404 |
| Surplus / (Deficit) | (1 799) | (240) | 1 774 | (1) | – | – | – |
| Acquisition of assets | – | 142 | 2 057 | 810 | – | – | 188 |

Table 24.10 Universal Service Fund

| R thousand | Audited outcome | | | Estimated outcome | Medium-term estimate | | |
|----------------------------|-----------------|----------|---------|-------------------|----------------------|---------|---------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Revenue | | | | | | | |
| Non-tax revenue | 4 584 | 3 261 | 2 122 | 2 425 | 2 650 | 2 250 | 2 100 |
| Other non-tax revenue | 4 584 | 3 261 | 2 122 | 2 425 | 2 650 | 2 250 | 2 100 |
| Transfers received | 26 230 | 29 400 | 31 164 | 32 722 | 34 581 | 36 427 | 38 613 |
| Total revenue | 30 814 | 32 661 | 33 286 | 35 147 | 37 231 | 38 677 | 40 713 |
| Expenses | | | | | | | |
| Current expense | 57 873 | 71 415 | 32 320 | 35 147 | 37 231 | 38 677 | 40 713 |
| Goods and services | 57 873 | 71 415 | 32 320 | 35 147 | 37 231 | 38 677 | 40 713 |
| Total expenses | 57 873 | 71 415 | 32 320 | 35 147 | 37 231 | 38 677 | 40 713 |
| Surplus / (Deficit) | (27 059) | (38 754) | 966 | - | - | - | - |

South African Post Office

The South African Post Office Ltd (SAPO) was established in accordance with the Post Office Act (1958) as a government business enterprise to provide postal and related services to the South African public. SAPO was granted an exclusive mandate to conduct postal services in the country by the Postal Services Act (1988). This act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations. It also makes provision for the activities of the Postbank.

The key priorities for the South African Postal Service over the MTEF period is mainly the provision of a universal service at an affordable price and acceptable standard, to ensure financial sustainability, to comply with corporate governance principles and to meet the conditions of their licence agreement.

Key achievements for 2006/07 were: 1.9 million addresses were rolled out, 70 new post offices were opened and the Phuthuma Nathi-investors subscribed for R1.3 billion shares. In the Postbank new accounts grew by 21 per cent and capital growth by 13 per cent, and Mzansi accounts grew by 79 per cent and capital growth by 74 per cent.

SAPO has been through a number of processes that have contributed to transforming the organisation into a more reliable and profit making service provider. These processes include improving inefficiencies, adopting new technologies, getting involved in e-commerce and improving service standards.

| Indicators | Annual performance | | | | | | |
|------------------------------------------------------------------------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Past | | | Current | Projected | | |
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Number of new post offices | 23 | 28 | 70 | 30 | 85 | 85 | 85 |
| Number of post office service points | 2 534 | 2 570 | 2 638 | 2 668 | 2 753 | 2 838 | 2 923 |
| Number of new addresses delivered as part of the address expansion programme | 844 584 | 2 293 290 | 1 899 954 | 1 707 500 | 1 800 000 | 1 800 000 | 1 800 000 |
| Increases in the number of Mzansi account holders | 239 743 | 609 130 | 660 824 | 491 303 | 500 250 | 550 275 | 610 305 |

Expenditure estimates

Table 24.11 SA Post Office Limited

| R thousand | Audited outcome | | | Estimated outcome | Medium-term estimate | | |
|----------------------------------------------------------------|------------------|------------------|------------------|-------------------|----------------------|------------------|-------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Revenue | | | | | | | |
| Non-tax revenue | 5 088 600 | 5 141 990 | 5 220 729 | 5 552 201 | 5 940 902 | 6 355 807 | 6 799 800 |
| Sale of goods and services other than capital assets of which: | | | | | | | |
| Postal and money transfer services | 4 146 959 | 4 400 081 | 4 710 645 | 5 015 176 | 5 369 422 | 5 747 616 | 6 152 493 |
| Other non-tax revenue | 941 641 | 741 909 | 510 084 | 537 025 | 571 481 | 608 191 | 647 307 |
| Transfers received | 300 000 | 300 000 | 351 439 | 363 800 | 371 600 | 383 092 | 406 077 |
| Total revenue | 5 388 600 | 5 441 990 | 5 572 168 | 5 916 001 | 6 312 502 | 6 738 899 | 7 205 877 |
| Expenses | | | | | | | |
| Current expense | 4 353 492 | 4 585 121 | 4 835 239 | 5 143 828 | 5 514 399 | 5 912 293 | 6 339 572 |
| Compensation of employees | 2 290 606 | 2 368 167 | 2 518 702 | 2 680 629 | 2 895 079 | 3 126 685 | 3 376 820 |
| Goods and services | 1 853 483 | 1 979 616 | 2 051 022 | 2 176 443 | 2 307 030 | 2 445 451 | 2 592 178 |
| Depreciation | 131 266 | 161 844 | 171 327 | 185 033 | 203 446 | 223 694 | 245 958 |
| Interest, dividends and rent on land | 78 137 | 75 494 | 94 188 | 101 723 | 108 844 | 116 463 | 124 615 |
| Total expenses | 4 101 957 | 4 821 481 | 4 990 788 | 5 299 523 | 5 677 588 | 6 082 786 | 6 531 038 |
| Surplus / (Deficit) | 1 286 643 | 620 509 | 581 380 | 616 478 | 634 915 | 656 113 | 674 839 |
| Tax payment | (251 535) | 236 360 | 155 549 | 155 695 | 163 189 | 170 493 | 191 466 |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 1 185 375 | 1 153 110 | 1 147 918 | 1 199 954 | 1 320 994 | 1 490 005 | 1 677 362 |
| of which: Acquisition of assets | 199 863 | 129 884 | 168 256 | 237 069 | 324 486 | 392 705 | 433 315 |
| Investments | 130 432 | 461 600 | 315 213 | 283 692 | 255 323 | 229 790 | 206 811 |
| Inventory | 89 523 | 72 120 | 54 366 | 57 628 | 61 086 | 64 751 | 68 636 |
| Receivables and prepayments | 842 155 | 690 269 | 769 512 | 815 684 | 864 626 | 916 503 | 971 493 |
| Cash and cash equivalents | 2 602 538 | 3 289 476 | 4 580 410 | 5 341 605 | 6 082 099 | 6 825 475 | 7 638 030 |
| Total assets | 4 850 023 | 5 666 575 | 6 867 419 | 7 698 562 | 8 584 127 | 9 526 524 | 10 562 332 |
| Capital and reserves | 425 918 | 873 943 | 1 233 119 | 1 614 307 | 2 013 841 | 2 431 255 | 2 900 017 |
| Borrowings | 11 748 | 4 023 | 4 383 | 3 945 | 3 550 | 3 195 | 2 876 |
| Post-retirement benefits | 757 492 | 750 709 | 729 458 | 787 815 | 850 840 | 918 907 | 992 420 |
| Trade and other payables | 3 585 226 | 3 978 014 | 4 831 523 | 5 218 045 | 5 635 488 | 6 086 328 | 6 573 234 |
| Provisions | 69 639 | 59 886 | 68 936 | 74 451 | 80 407 | 86 840 | 93 787 |
| Total equity and liabilities | 4 850 023 | 5 666 575 | 6 867 419 | 7 698 562 | 8 584 127 | 9 526 524 | 10 562 332 |
| Contingent liabilities | 671 254 | 680 857 | 656 420 | 623 599 | 498 879 | 399 103 | 319 283 |

Expenditure trends

Revenue is expected to increase from R5.9 billion in 2007/08 to R 7.2 billion in 2010/11, at an average annual rate of 6.8 per cent. This is mainly driven by revenue received from operations. SAPO also receives a government subsidy, which is used for universal services obligations and investment in infrastructure. Expenditure rises from R4.1 billion in 2004/05 to R6.5 billion in 2010/11, at an average annual rate of 8.1 per cent over the period. SAPO is expected to maintain its surplus over the medium term, thus ensuring long term sustainability.

The Independent Communications Authority of South Africa

The Independent Communications Authority of South Africa (ICASA) was established in terms of the Independent Communication Authority of South Africa Act (2000). The authority makes regulations and issues communication licences in terms of the Electronic Communications Act (2005) and Postal Services Act (1988). In addition to this, it enforces compliance with rules and regulations, protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licensees, and controls and manages the frequency spectrum.

The strategic objectives of ICASA over the medium term include reducing the cost of doing business through better regulation, research and development, promoting BEE, access to basic ICT services, and the liberalisation of the sector.

The highlights for the period under review include the introduction of mobile number portability, ten-digit dialling, a new international dialling code for the country and the licensing a new commercial radio service in the secondary markets.

| Indicators | Annual performance | | | | | | |
|------------------------------------------------------------------------------|--------------------|---------|---------|---------|-----------|---------|---------|
| | Past | | | Current | Projected | | |
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Number of licences – Electronic Communications Act | 65 | 58 | 87 | 45 | – | – | – |
| Number of licences converted in line with the Electronic Communications Act. | – | – | – | – | 1 300 | – | – |
| Number of licences in line with Electronic Communications Act | – | – | – | – | 46 | 74 | 99 |
| Number of licences issued (radio, TV, multimedia) | 49 | 42 | 45 | 180 | 39 | 37 | 62 |
| Number of licences (radio frequency) | 4 337 | 4 514 | 5 700 | 5 800 | 5 850 | 6 500 | 5 600 |
| Number of licences issued (postal and courier service) | | | 175 | 35 | 30 | 65 | 20 |
| Number of regulations issued | 18 | 4 | 5 | 8 | 10 | 6 | 8 |
| Number of spectrum compliance checks completed | 385 | 520 | 661 | 750 | 760 | 1 200 | 670 |

Expenditure estimates

Table 24.12 The Independent Communications Authority of South Africa

| R thousand | Audited outcome | | | Estimated outcome | Medium-term estimate | | |
|------------------------------------------------------|-----------------|----------------|----------------|-------------------|----------------------|----------------|----------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Revenue | | | | | | | |
| Non-tax revenue | 14 487 | 27 994 | 14 237 | 21 784 | 22 798 | 27 176 | 36 383 |
| Sale of goods and services other than capital assets | – | – | 3 | – | – | – | – |
| <i>of which:</i> | | | | | | | |
| Admin fees | – | – | 3 | – | – | – | – |
| Other non-tax revenue | 14 487 | 27 994 | 14 234 | 21 784 | 22 798 | 27 176 | 36 383 |
| Transfers received | 186 928 | 150 489 | 201 538 | 232 475 | 247 272 | 269 607 | 290 923 |
| Total revenue | 201 415 | 178 483 | 215 775 | 254 259 | 270 070 | 296 783 | 327 306 |
| Expenses | | | | | | | |
| Current expense | 219 587 | 177 105 | 179 770 | 255 328 | 269 115 | 295 818 | 326 321 |
| Compensation of employees | 69 333 | 88 541 | 93 696 | 125 070 | 138 000 | 148 350 | 159 476 |
| Goods and services | 91 735 | 82 435 | 78 771 | 118 926 | 117 009 | 127 859 | 144 907 |
| Depreciation | 58 343 | 6 069 | 7 105 | 11 332 | 14 106 | 19 609 | 21 938 |
| Interest, dividends and rent on land | 176 | 60 | 198 | – | – | – | – |
| Transfers and subsidies | – | 1 261 | 947 | 946 | 955 | 965 | 985 |
| Total expenses | 219 587 | 178 366 | 180 717 | 256 274 | 270 070 | 296 783 | 327 306 |
| Surplus / (Deficit) | (18 172) | 117 | 35 058 | (2 015) | – | – | – |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 15 120 | 14 736 | 49 230 | 95 722 | 133 616 | 166 007 | 196 069 |
| <i>of which: Acquisition of assets</i> | <i>5 694</i> | <i>5 682</i> | <i>15 000</i> | <i>57 824</i> | <i>52 000</i> | <i>52 000</i> | <i>52 000</i> |
| Receivables and prepayments | 6 288 | 4 348 | 4 962 | 4 064 | 4 021 | 4 051 | 4 254 |
| Cash and cash equivalents | 101 474 | 97 448 | 79 717 | 43 285 | 44 230 | 44 267 | 44 260 |
| Total assets | 122 882 | 116 532 | 133 909 | 143 071 | 181 867 | 214 325 | 244 583 |
| Capital and reserves | (10 288) | (16 171) | 19 915 | 43 046 | 77 367 | 107 125 | 136 433 |
| Borrowings | – | 22 419 | 20 660 | – | – | – | – |
| Trade and other payables | 121 530 | 100 072 | 85 102 | 87 863 | 92 000 | 94 000 | 94 150 |
| Provisions | 11 640 | 10 212 | 8 232 | 12 162 | 12 500 | 13 200 | 14 000 |
| Total equity and liabilities | 122 882 | 116 532 | 133 909 | 143 071 | 181 867 | 214 325 | 244 583 |

Expenditure trends

Over the MTEF period, the key spending areas will be on licensing, the development of regulation for implementation of the Electronic Communications Act (2005), initiatives and strategies to reduce the cost of communication, facilitating competition and protection, consumer awareness and protection. ICASA will increase its capital expenditure for acquisition of engineering equipment and information technology in order to replace its old monitoring equipment with new technology.

ICASA collects licence fees from all telecommunications, broadcasting and postal operators. This revenue is deposited into the National Revenue Fund. In 2006/07, the authority collected R1,7 billion from communication operators. ICASA received transfers from the Department of Communications to fund its operations. Expenditure allocation over the MTEF is expected to increase from R254 million to R327 million at an average annual rate of 8.8 per cent.

National Electronic Media Institute of South Africa

The mandate of the National Electronic Media Institute of South Africa (NEMISA) is to position the institute as an effective, industry-led and advanced multimedia skills developer and content generator. It strives to apply such skills in the business/production environment both in South Africa and the continent, as well as making NEMISA the South African government's electronic content development centre.

The key priorities over the MTEF period are to:

- Ensure a student profile that reflects the demographics of the country
- Ensure the recruitment and retention of competent professional staff
- Increase efficiency of administration through academic and IT shared services implementation
- Achieve a revenue position that best prepares NEMISA for improved operations
- Expand training and development opportunities to more South Africans
- Strengthen NEMISA's marketing profile and ensure effective communication with the shareholder and relevant stakeholders
- Ensure adequate physical infrastructure that will support the highest levels of training and development
- Strengthen strategic partnerships to ensure industry support for NEMISA's strategic operations.

Selected performance indicators

| Indicators | Annual performance | | | | | | |
|-------------------------------|--------------------|---------|---------|---------|-----------|---------|---------|
| | Past | | | Current | Projected | | |
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Number of students trained | 80 | 60 | 120 | 180 | 350 | 500 | 700 |
| Content productions generated | - | - | - | 10 | 13 | 18 | 20 |

Expenditure allocations for NEMISA increase from R22.7 million in 2007/08 to R81.6 million at an average annual rate of 53.2 per cent. The sharp increase between 2007/08 and 2008/09 was because of the allocation to improve research projects and increase the number of students from historically disadvantaged communities.

Sentech

Sentech Ltd was established in terms of the Sentech Act (1996) and the Sentech Amendment Act (1999), as a common carrier to provide broadcasting signal distribution for broadcasting licensees. Key achievements for the period under review include: the rollout of phase 2 of the migration from analogue to digital terrestrial television (DTT); the compilation of the business plan for the rollout of a national broadband wireless network; finalisation of the strategy and implementation plan for the 2010 FIFA World Cup, including the establishment of a 2nd teleport.

Over the MTEF period, Sentech will focus on rolling out phase 3 of the migration from analogue to digital terrestrial television; achieving the digital switch on by 1 November 2008; phasing out MyWireless, Biznet and international telephony businesses; developing a new strategy for VSAT and continuing the rollout of the 2010 FIFA World Cup infrastructure.

Selected performance indicators

| Indicators | Annual performance | | | | | | |
|-----------------------------------------------------------------------|--------------------|---------|---------|---------|-----------|---------|---------|
| | Past | | | Current | Projected | | |
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Percentage availability of signal distribution for TV transmission | 99.9% | 99.9% | 99.8% | 99.9% | 99.9% | 99.9% | 99.9% |
| Percentage availability of signal distribution for radio transmission | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| Percentage availability of the carrier of carriers | 99.5% | 99.9% | 99.7% | 99.6% | 99.7% | 99.7% | 99.7% |
| Percentage increase in overall revenue growth | 12% | 8% | 9% | – | 30% | (12%) | 19% |
| Percentage increase of revenue growth in multimedia segment | 77% | 22% | 3% | (24%) | 41% | (9%) | 12% |

Expenditure estimates

Table 24.13 Sentech Ltd

| R thousand | Audited outcome | | | Estimated outcome | Medium-term estimate | | |
|------------------------------------------------------|------------------|-----------------|------------------|-------------------|----------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Revenue | | | | | | | |
| Non-tax revenue | 620 524 | 672 362 | 739 380 | 731 674 | 947 548 | 832 737 | 990 498 |
| Sale of goods and services other than capital assets | 4 287 | 5 027 | 4 446 | 8 599 | – | – | – |
| <i>of which:</i> | | | | | | | |
| <i>Sales by market establishments</i> | 4 287 | 5 027 | 4 446 | 8 599 | – | – | – |
| Broadcasting signal revenue | 616 237 | 667 335 | 734 934 | 723 075 | 947 548 | 832 737 | 990 498 |
| Transfers received | – | 7 700 | 100 000 | 625 000 | 350 000 | 250 000 | 150 000 |
| Total revenue | 620 524 | 680 062 | 839 380 | 1 356 674 | 1 297 548 | 1 082 737 | 1 140 498 |
| Expenses | | | | | | | |
| Current expense | 713 739 | 736 348 | 616 880 | 737 655 | 1 006 717 | 745 196 | 854 926 |
| Compensation of employees | 200 319 | 218 588 | 221 922 | 237 331 | 286 576 | 198 127 | 226 503 |
| Goods and services | 425 807 | 411 738 | 272 441 | 399 814 | 615 498 | 425 531 | 486 476 |
| Depreciation | 60 846 | 79 827 | 91 803 | 86 538 | 92 401 | 110 881 | 133 057 |
| Interest, dividends and rent on land | 26 767 | 26 195 | 30 714 | 13 972 | 12 243 | 10 657 | 8 890 |
| Total expenses | 689 314 | 747 684 | 617 666 | 737 655 | 1 006 717 | 745 196 | 854 926 |
| Surplus / (Deficit) | (68 790) | (67 622) | 221 714 | 619 019 | 290 831 | 337 541 | 285 571 |
| Tax payment | (24 425) | 11 336 | 786 | – | – | – | – |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 781 982 | 733 187 | 903 963 | 1 068 515 | 1 386 598 | 1 553 791 | 1 702 665 |
| <i>of which: Acquisition of assets</i> | <i>84 805</i> | <i>36 120</i> | <i>111 656</i> | <i>251 090</i> | <i>410 483</i> | <i>278 074</i> | <i>281 931</i> |
| Investments | 1 256 | – | – | 163 | 163 | 163 | 163 |
| Inventory | 2 529 | 9 173 | 11 357 | 20 380 | 22 418 | 24 660 | 27 126 |
| Loans | 17 988 | 15 503 | 7 963 | 2 800 | 2 500 | 2 500 | 2 500 |
| Receivables and prepayments | 86 305 | 60 149 | 42 610 | 61 184 | 78 943 | 86 768 | 93 404 |
| Cash and cash equivalents | 128 311 | 14 939 | 93 781 | 4 356 | (153 166) | (30 215) | 205 044 |
| Total assets | 1 018 371 | 832 951 | 1 059 674 | 1 157 399 | 1 337 456 | 1 637 667 | 2 030 901 |
| Capital and reserves | 463 956 | 396 559 | 480 839 | 717 970 | 921 500 | 1 240 441 | 1 626 912 |
| Borrowings | 199 967 | 194 191 | 205 576 | 217 858 | 163 858 | 138 272 | 120 920 |
| Post-retirement benefits | 52 121 | 69 328 | 71 469 | 83 469 | 95 469 | 107 469 | 119 469 |
| Trade and other payables | 285 605 | 156 857 | 285 774 | 119 865 | 137 298 | 130 994 | 141 880 |
| Provisions | 16 722 | 16 016 | 16 016 | 18 236 | 19 330 | 20 490 | 21 720 |
| Total equity and liabilities | 1 018 371 | 832 951 | 1 059 674 | 1 157 399 | 1 337 456 | 1 637 667 | 2 030 901 |

Expenditure trends

Sentech projects a pre-tax loss of R5.9 million for 2007/08, which will deteriorate to a pre-tax loss of R59.1 million in 2008/09. Sentech's financial position is expected to improve over the medium term with the company projecting a return to a pre-tax profit of R 87.5 million in 2009/10. This improvement will be the result of the discontinuation of unprofitable products under the multimedia and carrier of carriers licences. Capital and reserves increase by 31.4 per cent over the medium term.

South African Broadcasting Corporation

The South African Broadcasting Corporation (SABC) was established in terms of the Broadcasting Act (1936) as a government enterprise to provide radio and television broadcasting services to South Africa. The SABC is South Africa's national public service broadcaster and operates 17 radio stations and four television stations. In terms of its mandate, the SABC must offer, in all South Africa's official languages, a range of informative, educational and entertainment programmes that showcases South Africa attitudes, opinions, ideas, values, talent and artistic creativity.

Achievements for the period under review include: introducing 2.6 million viewers and listeners to new SABC services who historically did not have access to them, training and/or exposing new talent in the production of local content by commissioning work from new local production houses, increasing the percentage of work commissioned from BEE compliant companies to 55 per cent.

Selected performance indicators

| Indicators | Performance | | | | | | |
|---------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|-----------|---------|---------|
| | Past | | | Current | Projected | | |
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| % Increase in local content delivery | 28 | 25 | 28 | 32 | 25 | 27 | 32 |
| No. of new TV transmitters switched-on | 6 | 8 | 6 | 1 | 316 | 310 | 306 |
| No. of new Radio Transmitters | – | 2 | 6 | – | 119 | 105 | 105 |
| No. of complaints received by Broadcasting Complaints Commission of South Africa against the SABC | – | 147 | 178 | 132 | – | – | – |
| No. of complaints resolved by the SABC | – | 134 | 174 | 127 | – | – | – |

Expenditure estimates

Table 24.14 SA Broadcasting Corporation Limited

| R thousand | Audited outcome | | | Estimated outcome | Medium-term estimate | | |
|------------------------------------------------------|------------------|------------------|------------------|-------------------|----------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Revenue | | | | | | | |
| Non-tax revenue | 3 403 625 | 3 962 339 | 4 294 497 | 4 841 556 | 5 406 793 | 5 950 282 | 6 488 255 |
| Sale of goods and services other than capital assets | 568 194 | 738 720 | 760 070 | 865 001 | 905 397 | 952 206 | 999 816 |
| of which: | | | | | | | |
| Admin fees | 568 194 | 738 720 | 760 070 | 865 001 | 905 397 | 952 206 | 999 816 |
| Advertising revenue | 2 835 431 | 3 223 619 | 3 534 427 | 3 976 555 | 4 501 397 | 4 998 077 | 5 488 439 |
| Transfers received | 75 265 | 180 071 | 234 875 | 239 118 | 252 700 | 262 179 | 268 910 |
| Total revenue | 3 478 890 | 4 142 410 | 4 529 372 | 5 080 674 | 5 659 493 | 6 212 461 | 6 757 165 |
| Expenses | | | | | | | |
| Current expense | 3 162 503 | 3 464 871 | 4 121 174 | 4 674 629 | 5 032 484 | 5 335 179 | 5 661 030 |
| Compensation of employees | 815 775 | 989 791 | 1 079 797 | 1 240 577 | 1 310 022 | 1 404 344 | 1 502 648 |
| Goods and services | 2 200 147 | 1 347 163 | 1 702 256 | 3 269 740 | 3 558 022 | 3 750 786 | 3 967 824 |
| Depreciation | 131 237 | 1 115 784 | 1 322 724 | 153 707 | 152 509 | 166 628 | 175 459 |
| Interest, dividends and rent on land | 15 344 | 12 133 | 16 397 | 10 605 | 11 931 | 13 422 | 15 100 |
| Total expenses | 3 258 656 | 3 627 795 | 4 197 474 | 4 674 629 | 5 130 281 | 5 488 106 | 5 862 615 |
| Surplus / (Deficit) | 220 234 | 514 615 | 331 898 | 406 045 | 529 212 | 724 355 | 894 550 |
| Tax payment | 96 153 | 162 924 | 76 300 | – | 97 797 | 152 927 | 201 585 |

Table 24.14 SA Broadcasting Corporation Limited (continued)

| R thousand | Audited outcome | | | Estimated outcome | Medium-term estimate | | |
|----------------------------------------|------------------|------------------|--------------------|-------------------|----------------------|------------------|------------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 1 156 945 | 1 223 227 | 1 270 997 | 924 781 | 1 537 995 | 1 728 867 | 1 298 408 |
| <i>of which: Acquisition of assets</i> | <i>(825 864)</i> | <i>(817 468)</i> | <i>(1 169 225)</i> | <i>(192 509)</i> | <i>(406 670)</i> | <i>(357 500)</i> | <i>(255 000)</i> |
| Investments | 599 364 | 1 036 335 | 654 063 | 621 209 | 1 551 834 | 1 971 961 | 2 441 790 |
| Inventory | 5 549 | 5 134 | 4 452 | 668 | 8 104 | 8 505 | 8 990 |
| Receivables and prepayments | 816 255 | 896 929 | 909 108 | 898 990 | 1 392 923 | 1 281 799 | 1 697 185 |
| Cash and cash equivalents | 50 742 | 145 894 | 712 115 | 731 966 | 54 722 | 54 722 | 54 722 |
| Total assets | 2 628 855 | 3 307 519 | 3 550 735 | 3 177 614 | 4 545 578 | 5 045 854 | 5 501 095 |
| Capital and reserves | 1 600 244 | 1 983 595 | 2 166 787 | 2 362 480 | 1 816 069 | 2 165 553 | 2 628 721 |
| Borrowings | 56 205 | 46 984 | 58 059 | 39 772 | 38 702 | 38 702 | 38 702 |
| Post-retirement benefits | 252 940 | 319 899 | 335 273 | 323 895 | 651 009 | 671 962 | 697 096 |
| Trade and other payables | 694 559 | 952 041 | 971 616 | 432 467 | 2 039 587 | 2 169 426 | 2 136 365 |
| Provisions | 24 907 | 5 000 | 19 000 | 19 000 | 211 | 211 | 211 |
| Total equity and liabilities | 2 628 855 | 3 307 519 | 3 550 735 | 3 177 614 | 4 545 578 | 5 045 854 | 5 501 095 |

Expenditure trends

Revenue for the SABC increased from R3.5 billion in 2004/05 to R5.1 billion in 2007/08, at an average annual rate of 13.5 per cent. This is largely driven by improvements in operational effectiveness, revenue collection and growth. Expenditure is expected to increase from R4.7 billion in 2007/08 to R5.8 billion in 2010/11. In 2008/09 the SABC will invest at least R50 million in rolling out 300 lower powered transmitters to an estimated 3,6 million people who currently do not receive radio or TV signals. SABC's long term sustainability remains positive as the corporation expects to grow its surplus by 45.7 per cent over the medium term.

Additional tables

Table 24.A Summary of expenditure trends and estimates per programme and economic classification

| Programme | Appropriation | | Audited outcome | Appropriation | | | Revised estimate |
|-----------------------------------------------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|
| | Main | Adjusted | | Main | Additional | Adjusted | |
| | 2006/07 | | 2006/07 | 2007/08 | | | 2007/08 |
| R thousand | | | | | | | |
| 1. Administration | 108 279 | 111 279 | 160 915 | 140 417 | 950 | 141 367 | 141 367 |
| 2. ICT International Affairs and Trade | 42 475 | 46 649 | 45 466 | 44 190 | (10 000) | 34 190 | 24 290 |
| 3. ICT Policy Development | 77 181 | 74 680 | 71 436 | 86 832 | – | 86 832 | 53 336 |
| 4. ICT Enterprise Development | 969 085 | 1 006 524 | 960 833 | 1 058 186 | 510 000 | 1 568 186 | 1 568 186 |
| 5. ICT Infrastructure Development | 58 185 | 58 185 | 57 598 | 65 762 | – | 65 762 | 65 762 |
| 6. Presidential National Commission | 24 989 | 24 989 | 23 349 | 28 146 | – | 28 146 | 28 146 |
| Total | 1 280 194 | 1 322 306 | 1 319 597 | 1 423 533 | 500 950 | 1 924 483 | 1 881 087 |
| Economic classification | | | | | | | |
| Current payments | 304 320 | 309 628 | 304 257 | 321 689 | (9 050) | 312 639 | 287 243 |
| Compensation of employees | 99 597 | 99 597 | 99 010 | 107 914 | (4 300) | 103 614 | 98 218 |
| Goods and services | 204 723 | 206 358 | 196 837 | 213 775 | (4 750) | 209 025 | 189 025 |
| Financial transactions in assets and liabilities | – | 3 673 | 8 410 | – | – | – | – |
| Transfers and subsidies | 968 884 | 1 005 688 | 1 006 493 | 1 094 301 | 510 000 | 1 604 301 | 1 586 301 |
| Provinces and municipalities | 238 | 238 | 63 | 6 | – | 6 | 6 |
| Departmental agencies and accounts | 271 201 | 270 301 | 273 501 | 300 565 | 10 000 | 310 565 | 310 565 |
| Public corporations and private enterprises | 697 445 | 731 710 | 728 854 | 790 330 | 500 000 | 1 290 330 | 1 272 330 |
| Foreign governments and international organisations | – | 1 439 | 1 439 | 1 400 | – | 1 400 | 1 400 |
| Non-profit institutions | – | 2 000 | 2 100 | 2 000 | – | 2 000 | 2 000 |
| Households | – | – | 536 | – | – | – | – |
| Payments for capital assets | 6 990 | 6 990 | 8 847 | 7 543 | – | 7 543 | 7 543 |
| Machinery and equipment | 6 950 | 6 950 | 8 311 | 7 543 | – | 7 543 | 7 543 |
| Software and intangible assets | 40 | 40 | 536 | – | – | – | – |
| Total | 1 280 194 | 1 322 306 | 1 319 597 | 1 423 533 | 500 950 | 1 924 483 | 1 881 087 |

Table 24.B Summary of personnel numbers and compensation of employees

| | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|------------------------------------------------------|-----------------|---------------|---------------|------------------------|-----------------------------------|----------------|----------------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| | | | | | | | |
| A. Permanent and full-time contract employees | | | | | | | |
| Compensation (R thousand) | 57 800 | 88 362 | 99 010 | 102 446 | 126 523 | 133 810 | 141 760 |
| Unit cost (R thousand) | 204 | 259 | 304 | 329 | 357 | 328 | 305 |
| Personnel numbers (head count) | 283 | 341 | 326 | 311 | 354 | 408 | 465 |
| B. Part-time and temporary contract employees | | | | | | | |
| Compensation (R thousand) | 9 880 | – | – | – | – | – | – |
| Unit cost (R thousand) | 430 | – | – | – | – | – | – |
| Personnel numbers (head count) | 23 | – | – | – | – | – | – |
| C. Interns | | | | | | | |
| Compensation of interns | 1 169 | – | – | 1 168 | 1 374 | 1 458 | 1 545 |
| Unit cost (R thousand) | 34 | – | – | 43 | 46 | 49 | 52 |
| Number of interns | 34 | – | – | 27 | 30 | 30 | 30 |
| Total for department | | | | | | | |
| Compensation (R thousand) | 68 849 | 88 362 | 99 010 | 103 614 | 127 897 | 135 268 | 143 305 |
| Unit cost (R thousand) | 202 | 259 | 304 | 307 | 333 | 309 | 290 |
| Personnel numbers (head count) | 340 | 341 | 326 | 338 | 384 | 438 | 495 |

Table 24.C Summary of expenditure on training

| | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|-------------------------------------------------|-----------------|---------|---------|------------------------|-----------------------------------|---------|---------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Compensation of employees (R thousand) | 68 849 | 88 362 | 99 010 | 103 614 | 127 897 | 135 268 | 143 305 |
| Training expenditure (R thousand) | 3 506 | 3 327 | 3 093 | 5 723 | 6 032 | 6 310 | 6 593 |
| Training as percentage of compensation | 5% | 4% | 3% | 6% | 5% | 5% | 5% |
| Total number trained in department (head count) | – | 258 | 284 | 97 | | | |
| <i>of which:</i> | | | | | | | |
| Employees receiving bursaries (head count) | 13 | 17 | 29 | 31 | | | |
| Learnerships trained (head count) | – | 2 | 1 | – | | | |
| Internships trained (head count) | 31 | – | – | 32 | | | |

Table 24.D Summary of expenditure on infrastructure

| Description | Service delivery outputs | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--------------------------------------------------------------------------------------------|--------------------------|----------------|----------------|------------------------|----------------------------------|----------|----------|
| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| R thousand | | | | | | | |
| Mega infrastructure projects or programmes (over R300 million per year) | | | | | | | |
| Sentech - National Wireless Broadband Network | – | – | – | 500 000 | – | – | – |
| Large infrastructure projects or programmes (between R50 and R300 million per year) | | | | | | | |
| SABC digital infrastructure | – | 100 000 | 150 000 | 150 000 | – | – | – |
| Total | – | 100 000 | 150 000 | 650 000 | – | – | – |