

BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

VOTE 27: Communications



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2013

National Treasury

Republic of South Africa

27 February 2013



ISBN: 978-0-621-41454-7

RP: 343/2012

The Estimates of National Expenditure 2013 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Communications

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim.....	1
Mandate	1
Strategic goals.....	1
Programme purposes	2
Selected performance indicators	2
The national development plan	3
Expenditure estimates	3
Personnel information	4
Expenditure trends.....	5
Departmental receipts.....	6
Programme 1: Administration	7
Programme 2: ICT International Affairs and Trade.....	9
Programme 3: Policy, Research and Capacity Development.....	11
Programme 4: Broadcasting and Communication Regulation and Support	14
Programme 5: ICT Infrastructure Support.....	17
Public entities and other agencies	19
Additional tables.....	36

Vote 27

Communications

Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	216.1	214.7	0.2	1.1	208.3	217.1
International Affairs	33.3	16.6	16.2	0.5	36.8	39.0
Policy, Research and Capacity Development	84.4	82.9	–	1.5	98.0	101.6
Broadcasting and Communications Regulation and Support	1 129.3	125.9	1 002.2	1.1	1 129.7	1 176.5
ICT Infrastructure Support	580.9	44.7	535.3	0.9	125.5	58.3
Total expenditure estimates	2 043.9	484.8	1 554.0	5.2	1 598.4	1 592.5
Executive authority	Minister of Communications					
Accounting officer	Director General of Communications					
Website address	www.doc.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

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

Mandate

The department is mandated to: ensure that ICT policies are developed to create conditions for accelerated and sustained growth of the South African economy and the development of robust, reliable, secure and affordable ICT infrastructure; contribute to the development of an inclusive information society that is aimed at establishing South Africa as an advanced information based society; contribute to building an ICT skills base in the country, ensuring equitable prosperity and global competitiveness; strengthen the capacity of the Independent Communications Authority of South Africa to regulate the sector in the public interest and ensure growth and stability; enhance the capacity of and exercise oversight over state owned enterprises; and fulfil South Africa's continental and international responsibilities in the ICT field.

The mandate is derived from the following legislation:

- the Electronic Communications Act (2006)
- the Electronic Communications and Transactions Act (2002)
- the Broadcasting Act (1999)
- the Independent Communications Authority of South Africa Act (2000)
- the Sentech Act (1996)
- the Postal Services Act (1998)
- the South African Post Office SOC Ltd Act (2011)
- the South African Postbank Limited Act (2010).

Strategic goals

The department's strategic goals over the medium term are to:

- enable the maximisation of investment in the ICT sector and create new, competitive business opportunities for the growth of the ICT industry
- ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure
- accelerate the socioeconomic development of South Africans
- facilitate the building of an inclusive information society through partnerships with business, civil society and the three spheres of government
- improve departmental performance and enhance the role of ICT state owned entities as the delivery arms of government
- contribute to the global ICT agenda, prioritising Africa's development.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic support to the ministry and overall management of the department.

Programme 2: International Affairs and Trade

Purpose: Ensure alignment between South Africa's international activities and agreements in the field of ICT and South Africa's foreign policy.

Programme 3: Policy, Research and Capacity Development

Purpose: Develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for the accelerated and shared growth of the economy. Develop strategies that increase the uptake and use of ICTs by the majority of the South African population in order to bridge the digital divide.

Programme 4: Broadcasting and Communication Regulation and Support

Purpose: Oversee and manage government's shareholding interest in the ICT public entities. Facilitate growth and development of small, medium and micro enterprises (SMMEs) in the ICT sector.

Programme 5: Infrastructure Support

Purpose: Promote investment in robust, reliable, secure and affordable ICT infrastructure that supports the provision of a multiplicity of applications and services.

Selected performance indicators

Table 27.1 Communications

Indicator	Programme	Outcome to which it contributes	Past		Current		Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of ICT position papers developed for international engagements per year	International Affairs and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	5	8	5	5	5	5	5
Rand reduction in per minute cost of mobile phones (wholesale interconnection rate per minute) per year ¹	Policy, Research and Capacity Development		-1	R0.89	R0.73	R0.56	R0.4	R0.4	R0.4
Rand reduction in per minute cost for fixed line (public access) phones per year ¹	Policy, Research and Capacity Development		-1	R0.21	R0.2	R0.15	R0.12	R0.12	R0.12
Number of community radio stations provided with broadcasting infrastructure per year	Policy, Research and Capacity Development		39	15	7	5	5	5	5
Number of young people participating in the national youth information society and development programme per year	Policy, Research and Capacity Development		502	944	500	500	500	500	500

Table 27.1 Communications (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of e-cooperatives established to increase entry of youth owned small enterprises in to the ICT sector per year ²	Policy, Research and Capacity Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	71	40	- ²	60	60	- ²	- ²
Number of provinces for which provincial cultural heritage content is captured in the national digital repository per year ³	Policy, Research and Capacity Development		- ³	4	- ³	3	2	- ³	- ³
Number of jobs created through ICT related projects per year ⁴	Policy, Research and Capacity Development		- ⁴	- ⁴	- ⁴	17 322 (20%)	34 644 (40%)	34 644 (40%)	- ⁴
Number of ICT small, medium and micro enterprise hubs created in each province per year ⁵	Broadcasting and Communications Regulation and Support		- ⁵	- ⁵	- ⁵	- ⁵	2	2	2
Number of set top boxes produced per year ⁶	Broadcasting and Communications Regulation and Support		- ⁶	- ⁶	- ⁶	- ⁶	2 016 000	1 500 000	1 500 000
Percentage of broadband penetration per year ⁷	ICT Infrastructure Support		- ⁷	2%	- ⁷	7%	10%	15%	- ⁷

1. The project started in 2010/11, so no historical data is available.

2. No performance to report in 2011/12 due to reprioritisation within the department. In addition, no projections are provided for 2014/15 and 2015/16, as the department does not foresee performance, due to funding issues.

3. No performance to report in 2011/12 due to reprioritisation within the department. In addition, no projections are provided for 2014/15 and 2015/16, as the project is under review.

4. No historical data is available, as this is a new performance indicator. In addition, data is currently unavailable to make a projection for 2015/16.

5. No historical data, as funds were reprioritised from this project.

6. No historical data, as this is a new performance indicator.

7. Project began in 2010/11, as such no historical data is available. In addition, information on broadband penetration is not available for the 2011/12 and a projection for 2015/16 is not available due to a lack of information on this indicator.

The national development plan

The national development plan recommends developing a coordinated and enabling ICT strategy and plan that cuts across government departments and sectors to improve e-literacy, intensify competition in the ICT sector, and provide clarity on the roles and functions of the state to prevent unintended policy outcomes. The plan also calls for a full policy review on the ICT sector, which has not been done since 1995.

The department has therefore prioritised certain key policy initiatives, the most significant of which is a comprehensive review of policies for telecommunications, postal services, broadcasting and IT. The department expects that this process will lead to the development of an integrated national ICT policy framework for South Africa. The Electronic Communications Amendment Bill will also be introduced, which is important for ensuring the sector's continued dynamism. The department also plans to support national broadband objectives through the development of a broadband master plan, which will include the review of the broadband policy, and the development of a broadband strategy, implementation plan and business case with a funding model. The broadband master plan will ensure that the roles and responsibilities of key stakeholders in the sector are clearly defined.

Expenditure estimates

Table 27.2 Communications

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
R million													
Administration	163.2	145.6	156.2	197.0	197.0	6.5%	9.2%	216.1	208.3	217.1	3.3%	12.2%	
International Affairs	44.6	35.2	41.6	41.0	41.0	-2.7%	2.3%	33.3	36.8	39.0	-1.7%	2.2%	
Policy, Research and Capacity Development	77.9	95.3	104.8	107.9	107.9	11.5%	5.4%	84.4	98.0	101.6	-2.0%	5.7%	
Broadcasting and Communications Regulation and Support	1 713.5	1 041.4	1 052.6	1 073.6	1 073.6	-14.4%	68.0%	1 129.3	1 129.7	1 176.5	3.1%	65.4%	
ICT Infrastructure Support	302.7	108.9	436.7	235.5	235.5	-8.0%	15.1%	580.9	125.5	58.3	-37.2%	14.5%	
Total	2 301.9	1 426.5	1 792.0	1 655.0	1 655.0	-10.4%	100.0%	2 043.9	1 598.4	1 592.5	-1.3%	100.0%	
Change to 2012 Budget estimate				(57.3)	(57.3)			101.6	(325.6)	(420.0)			

Table 27.2 Communications (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2012/13	2013/14		
	R million											
Current payments	432.0	321.0	377.1	421.0	421.0	-0.9%	21.6%	484.8	508.4	525.8	7.7%	28.2%
Compensation of employees	129.6	145.1	151.6	184.5	184.5	12.5%	8.5%	195.0	207.6	220.2	6.1%	11.7%
Goods and services	302.4	175.6	225.5	236.5	236.5	-7.9%	13.1%	289.8	300.8	305.6	8.9%	16.4%
of which:												
Administration fees	1.4	1.0	2.5	1.5	1.5	2.4%	0.1%	1.6	1.7	1.8	6.1%	0.1%
Advertising	13.8	7.4	9.1	51.2	51.2	54.6%	1.1%	65.8	46.3	46.6	-3.1%	3.0%
Assets less than the capitalisation threshold	0.9	0.6	1.0	4.9	4.9	75.2%	0.1%	4.0	5.4	5.6	4.5%	0.3%
Audit cost: External	6.5	3.3	6.2	2.2	2.2	-29.9%	0.3%	2.2	2.6	2.7	6.9%	0.1%
Bursaries: Employees	0.3	0.4	0.4	0.6	0.6	26.8%	0.0%	0.6	0.7	0.8	5.4%	0.0%
Catering: Departmental activities	2.8	1.5	2.2	1.5	1.5	-18.3%	0.1%	1.5	1.7	1.8	5.8%	0.1%
Communication	8.1	5.9	4.9	6.0	6.0	-9.7%	0.3%	5.2	6.3	6.6	3.4%	0.3%
Computer services	2.5	6.1	3.3	3.2	3.2	8.2%	0.2%	1.9	2.2	3.1	-0.5%	0.2%
Consultants and professional services: Business and advisory services	42.1	34.6	57.1	71.9	71.9	19.5%	2.9%	83.3	89.7	87.3	6.7%	4.8%
Consultants and professional services: Infrastructure and planning	-	-	-	0.1	0.1	0.0%		0.1	0.1	0.1	5.1%	0.0%
Consultants and professional services: Legal costs	0.6	3.3	1.2	2.8	2.8	66.8%	0.1%	2.5	2.7	2.9	0.5%	0.2%
Contractors	86.8	4.4	14.0	3.1	3.1	-67.0%	1.5%	15.2	16.3	16.9	75.8%	0.7%
Agency and support / outsourced services	22.0	1.6	0.0	0.7	0.7	-68.0%	0.3%	27.5	29.3	30.5	248.6%	1.3%
Entertainment	0.1	0.1	0.1	0.5	0.5	48.4%	0.0%	0.5	0.5	0.6	5.5%	0.0%
Fleet services (including government motor transport)	-	0.7	0.6	0.5	0.5	0.0%		0.6	0.6	0.6	9.8%	0.0%
Inventory: Fuel, oil and gas	0.5	0.1	0.0	0.0	0.0	-68.5%	0.0%	0.0	0.0	0.0	5.9%	0.0%
Inventory: Other consumables	0.2	0.1	0.2	0.3	0.3	6.8%	0.0%	0.2	0.2	0.2	-6.4%	0.0%
Inventory: Stationery and printing	6.8	4.9	5.4	6.1	6.1	-3.8%	0.3%	5.0	6.2	6.3	1.3%	0.3%
Operating leases	34.0	41.2	38.4	31.7	31.7	-2.3%	2.0%	28.7	31.2	32.7	1.0%	1.8%
Property payments	11.6	10.6	9.3	10.9	10.9	-2.1%	0.6%	10.7	11.4	12.0	3.2%	0.7%
Transport provided: Departmental activity	-	-	0.0	0.6	0.6	0.0%		0.6	0.6	0.7	5.2%	0.0%
Travel and subsistence	27.5	25.5	35.8	22.7	22.7	-6.3%	1.6%	19.3	25.5	25.7	4.2%	1.4%
Training and development	5.8	4.4	10.8	6.5	6.5	3.6%	0.4%	7.9	10.3	10.0	15.6%	0.5%
Operating payments	23.0	15.1	14.7	1.6	1.6	-58.5%	0.8%	0.0	3.0	3.8	32.7%	0.1%
Venues and facilities	4.9	2.8	8.1	5.5	5.5	3.9%	0.3%	4.8	5.9	6.2	4.0%	0.3%
Interest and rent on land	0.0	0.3	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Transfers and subsidies	1 859.6	1 102.3	1 410.1	1 229.1	1 229.1	-12.9%	78.1%	1 554.0	1 084.5	1 061.1	-4.8%	71.5%
Provinces and municipalities	0.1	0.0	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Departmental agencies and accounts	377.2	430.5	692.7	775.4	775.4	27.2%	31.7%	773.4	771.4	807.1	1.3%	45.4%
Higher education institutions	0.1	-	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
Foreign governments and international organisations	0.0	0.0	0.0	16.2	16.2	1291.4%	0.2%	16.2	16.2	16.2		0.9%
Public corporations and private enterprises	1 477.6	668.0	713.2	433.6	433.6	-33.5%	45.9%	764.4	297.0	237.8	-18.1%	25.1%
Non-profit institutions	0.3	3.7	4.0	3.9	3.9	128.2%	0.2%	-	-	-	-100.0%	0.1%
Households	4.3	0.1	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	10.2	2.4	2.6	4.9	4.9	-21.7%	0.3%	5.2	5.5	5.7	5.4%	0.3%
Machinery and equipment	6.4	2.3	2.4	4.8	4.8	-8.8%	0.2%	5.2	5.5	5.7	5.8%	0.3%
Software and other intangible assets	3.8	0.1	0.2	0.1	0.1	-74.3%	0.1%	-	-	-	-100.0%	0.0%
Payments for financial assets	0.1	0.7	2.1	-	-	-100.0%	0.0%	-	-	-	-	-
Total	2 301.9	1 426.5	1 792.0	1 655.0	1 655.0	-10.4%	100.0%	2 043.9	1 598.4	1 592.5	-1.3%	100.0%

Personnel information

Table 27.3 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2011/12	Unit Cost	2012/13	2012/13	Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
Communications																			
Salary level	302	-	302	151.6	0.5	302	161.6	0.5	338	195.0	0.6	338	207.6	0.6	338	220.2	0.7	3.8%	100.0%
1 - 6	35	-	33	4.4	0.1	35	4.9	0.1	42	6.5	0.2	42	6.9	0.2	42	7.3	0.2	6.3%	12.2%
7 - 10	115	-	116	28.4	0.2	115	30.3	0.3	129	36.6	0.3	129	39.0	0.3	129	41.3	0.3	3.9%	38.1%

Table 27.3 Details of approved establishment and personnel numbers according to salary level¹ (continued)

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment									Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate			Average growth rate (%)	Salary level/total: Average (%)							
		2011/12		2012/13		2013/14		2014/15		2015/16									
													2012/13 - 2015/16						
11 – 12	65	–	64	37.9	0.6	65	40.4	0.6	73	49.3	0.7	73	52.5	0.7	73	55.6	0.8	3.9%	21.6%
13 – 16	87	–	89	80.8	0.9	87	86.1	1.0	94	102.6	1.1	94	109.3	1.2	94	115.9	1.2	2.6%	28.0%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on the digital terrestrial television awareness campaign, expediting the rollout of infrastructure for digital terrestrial television by providing a subsidy scheme for set top boxes, and accelerating access to ICT by coordinating the participation of the government in specialised ICT agencies. In order to achieve this more effectively, in 2012/13 the department implemented a new budget structure, derived from an organisational review that began in 2009/10. As a result, the former *Presidential National Commission* programme was merged into the *Policy, Research and Capacity Development* programme and the *ICT Infrastructure Support* programme was restructured, leaving only broadband and digital terrestrial television related activities, including capital transfers to Sentech, in the programme. The new organisational structure was approved by the minister in September 2012.

The significant decrease in transfers and subsidies to public corporations and private enterprises between 2009/10 and 2012/13 was due to the final transfers made in 2009/10 to Telkom and Sentech for infrastructure for the 2010 FIFA World Cup, as well as a once-off allocation of funds to the South African Broadcasting Corporation in 2009/10 for immediate liquidity requirements. Over the same period, transfers to departmental agencies and accounts increased significantly due to additional allocations in 2012/13 to fund office equipment and relocation costs for the Independent Communications Authority of South Africa and the adjusted allocation for the 2013 Africa Cup of Nations. In addition, transfers to the Universal Service and Access Agency over this period for the set top box subsidy scheme were not made as a result of delays the department experienced in finalising the decision on digital terrestrial television standards. Delays in implementing the 112 emergency call centre project and broadband which emanated from the departmental bid adjudication committee in approving the tender as well as delays in finalising the broadband study also contributed to the decreased expenditure between 2009/10 and 2012/13. This accounts for the significant decline in expenditure on agency support and outsourced services over the period.

Expenditure on advertising increased significantly between 2009/10 and 2012/13 due to the digital terrestrial television awareness campaign, which was launched in 2012/13. Spending on this campaign also explains the increase in expenditure on consultants over this period, as consultants continue to be employed to assist the department in developing and rolling out the campaign through various media channels. Spending on advertising is expected to increase marginally due to funds being reprioritised from other programmes to the *Administration* programme for the digital terrestrial television awareness campaign.

Expenditure on transfers and subsidies to public corporations and private enterprises is expected to increase significantly in 2013/14 due to the allocation of additional funds to Sentech to expedite the rollout of digital terrestrial television infrastructure to ensure that the project launches on time. Expenditure on goods and services is expected to increase over the medium term due to the use of outsourced services for to the design, implementation and operation of the 112 emergency call centres and DTT awareness campaign.

Cabinet approved baseline reductions of R611.1 million over the medium term have been effected. The reductions were made mainly in expenditure relating to broadband and non-core goods and services.

The department had an establishment of 302 posts, all of which were filled at the end of September 2012.

Infrastructure spending

R801.9 million over the medium term has been allocated for the broadcasting digital migration project. Of this, R202.9 million was allocated to the South African Broadcasting Corporation for the digital library and a digital

playout centre. Sentech is allocated R605.1 million over the medium term, which includes an additional R277 million in 2013/14 for expediting the rollout of the digital terrestrial television infrastructure and R6 million to cater for ICT infrastructure for the 2014 African Nations Championship. Funding for broadband has been put on hold while a broadband strategy and rollout plan is being finalised.

Departmental receipts

Table 27.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R thousand													
Departmental receipts	1 344 790	1 528 347	2 321 086	2 181 585	2 730 213	26.6%	62.0%	2 929 281	2 994 078	3 042 781	3.7%	99.8%	
Sales of goods and services produced by department	871 878	531 258	899 729	1 060 161	1 060 161	6.7%	26.3%	928 651	975 080	1 023 605	-1.2%	34.0%	
Sales by market establishments	–	70	98	117 280	117 280	–	0.9%	123	129	136	-89.5%	1.0%	
of which:													
Rent received	–	70	98	117 280	117 280	–	0.9%	123	129	136	-89.5%	1.0%	
Administration fees	862 949	523 545	891 500	934 258	934 258	2.7%	25.1%	921 524	967 600	1 015 759	2.8%	32.8%	
of which:													
Cellular network licence fees	481 096	287 439	1 040	1 668	1 668	-84.9%	6.0%	1 185	1 244	1 306	-7.8%	–	
Private radio stations licences	202 159	109 144	382 562	394 891	394 891	25.0%	8.5%	410 530	431 057	452 610	4.7%	14.4%	
Private television licences	130 452	91 322	116 586	123 628	123 628	-1.8%	3.6%	128 524	134 950	141 698	4.7%	4.5%	
Telecommunication service licences	30 951	17 315	372 193	394 525	394 525	133.6%	6.4%	360 207	378 217	397 128	0.2%	13.1%	
Post office licence fees	18 291	18 325	19 119	19 546	19 546	2.2%	0.6%	21 078	22 132	23 017	5.6%	0.7%	
Other sales	8 929	7 643	8 131	8 623	8 623	-1.2%	0.3%	7 004	7 351	7 710	-3.7%	0.3%	
of which:													
Telephone equipment licences	8 874	7 356	7 920	8 400	8 400	-1.8%	0.3%	6 839	7 181	7 540	-3.5%	0.3%	
Unreserved postal service fees	27	172	150	159	159	80.6%	–	107	107	107	-12.4%	–	
Commission on insurance	25	31	34	36	36	12.9%	–	30	35	35	-0.9%	–	
Cryptography Law annual fees	–	79	1	25	25	–	–	25	25	25	–	–	
Other	3	5	26	3	3	–	–	3	3	3	–	–	
Sales of scrap, waste, arms and other used current goods	–	–	–	36	–	–	–	–	–	–	–	–	
of which:													
Sales tender documents	–	–	–	36	–	–	–	–	–	–	–	–	
Transfers received	2 340	86	–	–	–	-100.0%	–	–	–	–	–	–	
Interest, dividends and rent on land	469 777	996 294	1 420 768	1 120 758	1 669 422	52.6%	35.6%	2 000 363	2 018 717	2 018 895	6.5%	65.8%	
Interest	3 920	2 466	2 492	2 701	2 701	-11.7%	0.1%	2 651	4 455	4 633	19.7%	0.1%	
Dividends	465 857	993 828	1 418 276	1 118 057	1 666 721	52.9%	35.5%	1 997 712	2 014 262	2 014 262	6.5%	65.7%	
of which:													
Telkom dividend	238 105	258 810	300 219	–	–	-100.0%	6.2%	330 991	347 541	347 541	–	8.8%	
Vodacom dividend	227 752	735 018	1 118 057	1 118 057	1 666 721	94.1%	29.3%	1 666 721	1 666 721	1 666 721	–	56.9%	
Transactions in financial assets and liabilities	795	709	589	630	630	-7.5%	–	267	281	281	-23.6%	–	
Extraordinary receipts	4 481 173	366 509	8 427	3 500	6 499	-88.7%	38.0%	5 000	5 000	5 000	-8.4%	0.2%	
of which:													
Proceeds from sale of Telkom's share in Vodacom	3 933 903	–	–	–	–	-100.0%	30.8%	–	–	–	–	–	
Special dividends from Telkom	538 323	362 333	–	–	–	-100.0%	7.0%	–	–	–	–	–	
Departmental agencies and accounts	8 947	4 176	8 427	3 500	6 499	-10.1%	0.2%	5 000	5 000	5 000	-8.4%	0.2%	
Total	5 825 963	1 894 856	2 329 513	2 185 085	2 736 712	-22.3%	100.0%	2 934 281	2 999 078	3 047 781	3.7%	100.0%	

Programme 1: Administration

Expenditure estimates

Table 27.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Ministry	3 047	3 318	3 622	3 669	6.4%	2.1%	3 871	4 103	4 292	5.4%	1.9%
Departmental Management	33 266	34 147	41 828	34 797	1.5%	21.8%	35 329	38 422	40 212	4.9%	17.7%
Internal Audit	1 679	3 374	3 199	3 557	28.4%	1.8%	3 735	4 510	5 718	17.1%	2.1%
Corporate Services	50 898	41 078	45 272	88 322	20.2%	34.1%	104 844	88 578	90 835	0.9%	44.4%
Financial Management	68 117	50 609	55 100	58 856	-4.8%	35.1%	60 050	63 955	66 897	4.4%	29.8%
Office Accommodation	6 193	13 089	7 171	7 808	8.0%	5.2%	8 237	8 731	9 133	5.4%	4.0%
Total	163 200	145 615	156 192	197 009	6.5%	100.0%	216 066	208 299	217 087	3.3%	100.0%
Change to 2012 Budget estimate				44 413			57 000	39 000	40 000		
Economic Classification											
Current payments	157 761	143 638	152 951	195 702	7.4%	98.2%	214 695	206 846	215 567	3.3%	99.3%
Compensation of employees	53 037	54 627	58 595	74 486	12.0%	36.4%	78 114	82 801	87 610	5.6%	38.5%
Goods and services	104 724	88 695	94 341	121 216	5.0%	61.8%	136 581	124 045	127 957	1.8%	60.8%
of which:											
Administration fees	753	442	1 129	1 098	13.4%	0.5%	1 153	1 223	1 279	5.2%	0.6%
Advertising	7 298	3 625	5 436	49 108	88.8%	9.9%	64 906	45 323	45 568	-2.5%	24.4%
Assets less than the capitalisation threshold	449	253	327	2 219	70.3%	0.5%	2 335	2 582	2 700	6.8%	1.2%
Audit cost: External	3 594	3 174	5 574	2 243	-14.5%	2.2%	2 171	2 619	2 740	6.9%	1.2%
Bursaries: Employees	28	128	177	152	75.7%	0.1%	197	275	288	23.7%	0.1%
Catering: Departmental activities	955	624	1 638	690	-10.3%	0.6%	724	768	803	5.2%	0.4%
Communication	2 873	2 345	1 973	2 115	-9.7%	1.4%	2 215	2 409	2 521	6.0%	1.1%
Computer services	815	204	76	69	-56.1%	0.2%	73	77	81	5.5%	-
Consultants and professional services: Business and advisory services	24 674	8 206	2 015	3 478	-48.0%	5.8%	1 905	4 358	6 081	20.5%	1.9%
Consultants and professional services: Infrastructure and planning	-	-	-	105	-	-	110	117	122	5.1%	0.1%
Consultants and professional services: Legal costs	567	3 027	1 146	1 869	48.8%	1.0%	1 964	1 982	2 074	3.5%	0.9%
Contractors	3 942	2 412	2 352	2 251	-17.0%	1.7%	2 459	2 527	2 643	5.5%	1.2%
Agency and support / outsourced services	312	6	37	210	-12.4%	0.1%	221	234	245	5.3%	0.1%
Entertainment	68	51	49	254	55.2%	0.1%	267	282	295	5.1%	0.1%
Fleet services (including government motor transport)	-	657	517	474	-	0.2%	498	528	552	5.2%	0.2%
Inventory: Fuel, oil and gas	446	15	-	16	-67.0%	0.1%	17	18	19	5.9%	-
Inventory: Materials and supplies	7	9	38	4	-17.0%	-	4	4	4	-	-
Inventory: Medical supplies	2	1	-	23	125.7%	-	24	25	26	4.2%	-
Inventory: Other consumables	203	85	144	139	-11.9%	0.1%	146	154	161	5.0%	0.1%
Inventory: Stationery and printing	4 391	3 245	3 817	3 273	-9.3%	2.2%	2 936	3 141	3 091	-1.9%	1.5%
Operating leases	29 700	38 822	36 297	26 519	-3.7%	19.8%	27 188	28 742	30 064	4.3%	13.4%
Property payments	8 940	8 211	7 470	10 904	6.8%	5.4%	10 651	11 444	11 971	3.2%	5.4%
Transport provided: Departmental activity	-	-	-	570	-	0.1%	598	634	664	5.2%	0.3%
Travel and subsistence	10 609	11 063	17 220	7 681	-10.2%	7.0%	7 924	8 249	8 128	1.9%	3.8%
Training and development	2 410	510	2 752	2 619	2.8%	1.3%	2 755	3 027	2 383	-3.1%	1.3%
Operating payments	218	626	2 318	621	41.8%	0.6%	652	691	722	5.2%	0.3%
Venues and facilities	1 470	954	1 839	2 512	19.6%	1.0%	2 488	2 612	2 732	2.8%	1.2%
Interest and rent on land	-	316	15	-	-	-	-	-	-	-	-
Transfers and subsidies	377	351	377	236	-14.5%	0.2%	249	264	276	5.4%	0.1%
Provinces and municipalities	104	6	7	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	118	125	225	236	26.0%	0.1%	249	264	276	5.4%	0.1%
Foreign governments and international organisations	3	5	6	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	125	78	49	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	-	-	15	-	-	-	-	-	-	-	-
Households	27	137	75	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	4 980	918	743	1 071	-40.1%	1.2%	1 122	1 189	1 244	5.1%	0.6%
Machinery and equipment	4 980	918	743	1 071	-40.1%	1.2%	1 122	1 189	1 244	5.1%	0.6%
Payments for financial assets	82	708	2 121	-	-100.0%	0.4%	-	-	-	-	-
Total	163 200	145 615	156 192	197 009	6.5%	100.0%	216 066	208 299	217 087	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	7.1%	10.2%	8.7%	11.9%			10.6%	13.0%	13.6%		

Table 27.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Details of transfers and subsidies											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	29	-	-	-	-	-	-	-	-
Public Corporations and Private Enterprise	-	-	29	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	27	137	75	-	-100.0%	-	-	-	-	-	-
Households	13	137	75	-	-100.0%	-	-	-	-	-	-
Natural House of Traditional Leaders	14	-	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	118	125	225	236	26.0%	0.1%	249	264	276	5.4%	0.1%
Information Systems, Electronics and Communication Technologies Authority	118	125	225	236	26.0%	0.1%	249	264	276	5.4%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	125	78	20	-	-100.0%	-	-	-	-	-	-
Public Corporations and Private Enterprise	125	-	20	-	-100.0%	-	-	-	-	-	-
Mohlaba & Moshwana	-	78	-	-	-	-	-	-	-	-	-
Non-profit institutions											
Current	-	-	15	-	-	-	-	-	-	-	-
Non-profit institution	-	-	15	-	-	-	-	-	-	-	-
Higher education institutions											
Current	-	-	-	-	-	-	-	-	-	-	-
ICT Performance for FET Colleges	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations											
Current	3	5	6	-	-100.0%	-	-	-	-	-	-
Foreign Government and International Organisations	3	5	6	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	4	6	7	-	-100.0%	-	-	-	-	-	-
Vehicle licences	4	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities	-	6	7	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial agencies and funds											
Current	100	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities	100	-	-	-	-100.0%	-	-	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on providing strategic support to the ministry and overall management to the department, and support for the implementation of digital terrestrial television through awareness campaigns, which accounts for the significant spending projected over the medium term on advertising and in the *Corporate Services* subprogramme.

Funds were reprioritised from spending on the 112 emergency call centre project, which was delayed, in other programmes to this programme in 2012/13. The reprioritisation increased spending on advertising and in the *Corporate Services* subprogramme significantly in 2012/13. Expenditure on consultants increased significantly in 2009/10 and 2012/13 to provide for the service providers who assisted the department in developing the digital terrestrial television campaign and conducting the organisational review, which began in 2009/10. The review resulted in the increase in expenditure on compensation of employees between 2009/10 and 2012/13, mainly for the appointment of additional staff in the *Internal Audit* subprogramme.

Programme 2: ICT International Affairs and Trade

Objectives

- Support the African Agenda through active participation and the implementation of multilateral and bilateral ICT programmes to promote development on the continent by:
 - developing and implementing programmes of cooperation on ICT, broadcasting digital migration, business relations and training with strategic partners by March 2014
 - developing and lobbying the South Africa and Africa position paper at the Universal Postal Union Council of Administration by December 2013
 - facilitating the development and implementation of bilateral programmes with countries of the north and south by March 2014
 - reviewing, monitoring and implementing existing trade and investment programmes for the ICT sector by 2015/16.
- Foster trade and investment opportunities for the ICT sector in South Africa by developing and implementing 2 strategic ICT trade and investment programmes focused on domestic electronics manufacturing by March 2014.

Subprogrammes

- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations. In 2012/13, R3.9 million was used for transfers to international organisations for membership fees; an agreement was reached on the final version of the South Africa-India ICT memorandum of understanding, and approval was obtained for the draft South Africa-Brazil ICT memorandum of understanding; several workshops, in which position papers were developed, were held as part of preparations for the 2012 World Conference on International Telecommunications, the 2012 World Telecommunications Standardisation Assembly and the 2012 Universal Postal Union Congress; and South African position papers for establishing an African Union centre for ICT were developed and approved.
- *ICT Trade/Partnerships* develops and advances the country's interests in international trade forums through participation in World Trade Organisation ICT related initiatives and other international trade agreements such as the South Africa-European Union trade agreement and bilateral agreements with counterpart countries. In 2012/13, an agreement was reached with the Department of Trade and Industry on sharing a platform during the International ICT Expo, and R16.2 million was used for payments of membership fees to international ICT organisations and participation in multilateral forums.

Expenditure estimates

Table 27.6 International Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R thousand												
International Affairs	9 096	12 345	16 720	15 991	20.7%	33.3%	11 957	12 416	13 264	-6.0%	35.7%	
ICT Trade/Partnerships	35 504	22 878	24 892	25 055	-11.0%	66.7%	21 314	24 401	25 782	1.0%	64.3%	
Total	44 600	35 223	41 612	41 046	-2.7%	100.0%	33 271	36 817	39 046	-1.7%	100.0%	
Change to 2012 Budget estimate				3 000			(5 099)	(2 945)	(2 545)			
Economic classification												
Current payments	44 320	31 689	37 829	20 491	-22.7%	82.7%	16 573	20 087	22 290	2.8%	52.9%	
Compensation of employees	9 462	10 075	11 826	10 853	4.7%	26.0%	11 944	13 027	14 161	9.3%	33.3%	
Goods and services	34 858	21 614	26 003	9 638	-34.9%	56.7%	4 629	7 060	8 129	-5.5%	19.6%	
of which:												
Administration fees	55	78	356	42	-8.6%	0.3%	44	46	49	5.3%	0.1%	
Advertising	717	826	280	193	-35.4%	1.2%	215	141	157	-6.7%	0.5%	
Assets less than the capitalisation threshold	61	8	8	415	89.5%	0.3%	236	262	275	-12.8%	0.8%	
Bursaries: Employees	–	–	–	66	–	–	69	73	76	4.8%	0.2%	
Catering: Departmental activities	607	464	263	119	-41.9%	0.9%	125	133	139	5.3%	0.3%	
Communication	1 979	496	527	792	-26.3%	2.3%	834	784	821	1.2%	2.2%	
Computer services	9	6	11	–	-100.0%	–	–	–	–	–	–	
Consultants and professional services: Business and advisory services	1 457	64	283	583	-26.3%	1.5%	412	437	457	-7.8%	1.3%	

Table 27.6 International Affairs (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R thousand											
Contractors	1 220	631	394	453	-28.1%	1.7%	484	421	448	-0.4%	1.2%
Agency and support / outsourced services	88	-	-	-	-100.0%	0.1%	-	-	-	-	-
Entertainment	9	3	8	47	73.5%	-	49	52	54	4.7%	0.1%
Inventory: Fuel, oil and gas	18	8	4	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	-	1	-	1	-	-	1	1	1	-	-
Inventory: Other consumables	-	2	2	2	-	-	2	2	2	-	-
Inventory: Stationery and printing	95	204	91	106	3.7%	0.3%	112	119	125	5.6%	0.3%
Operating leases	1 284	815	980	3 265	36.5%	3.9%	278	295	308	-54.5%	2.8%
Property payments	10	-	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	4 433	3 467	5 399	2 958	-12.6%	10.0%	3 135	2 903	3 042	0.9%	8.0%
Training and development	57	6	38	83	13.3%	0.1%	87	92	96	5.0%	0.2%
Operating payments	22 552	14 401	12 004	-	-100.0%	30.1%	(1 954)	804	1 540	-	0.3%
Venues and facilities	207	134	5 355	513	35.3%	3.8%	500	495	539	1.7%	1.4%
Transfers and subsidies	160	3 500	3 704	20 046	400.4%	16.9%	16 161	16 161	16 161	-6.9%	45.6%
Foreign governments and international organisations	-	-	-	16 161	-	9.9%	16 161	16 161	16 161	-	43.0%
Non-profit institutions	-	3 500	3 700	3 885	-	6.8%	-	-	-	-100.0%	2.6%
Households	160	-	4	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	120	34	79	509	61.9%	0.5%	537	569	595	5.3%	1.5%
Machinery and equipment	120	34	79	509	61.9%	0.5%	537	569	595	5.3%	1.5%
Total	44 600	35 223	41 612	41 046	-2.7%	100.0%	33 271	36 817	39 046	-1.7%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	2.5%	2.3%	2.5%			1.6%	2.3%	2.5%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	160	-	4	-	-100.0%	0.1%	-	-	-	-	-
Households	6	-	4	-	-100.0%	-	-	-	-	-	-
ICT Trade/Partnerships	154	-	-	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions											
Current	-	3 500	3 700	3 885	-	6.8%	-	-	-	-100.0%	2.6%
New Partnership for Africa's Development E-Africa Commission	-	3 500	3 700	3 885	-	6.8%	-	-	-	-100.0%	2.6%
Foreign governments and international organisations											
Current	-	-	-	16 161	-	9.9%	16 161	16 161	16 161	-	43.0%
Universal Postal Union	-	-	-	3 555	-	2.2%	3 555	3 555	3 555	-	9.5%
International Telecommunications Unions	-	-	-	10 826	-	6.7%	10 826	10 826	10 826	-	28.8%
African Telecommunications Union	-	-	-	710	-	0.4%	710	710	710	-	1.9%
Pan African Postal Union	-	-	-	680	-	0.4%	680	680	680	-	1.8%
Organisational Economic Corporation Development	-	-	-	109	-	0.1%	109	109	109	-	0.3%
Commonwealth Telecommunication Organisation	-	-	-	281	-	0.2%	281	281	281	-	0.7%

Expenditure trends

The spending focus over the medium term will be on paying membership fees to international organisations within the communications sector; participating in the global discourse within the United Nations system on telecommunications, postal services, information society and green technology; participating in engagements that result in e-skills development initiatives for young South Africans and employment creation projects; and pursuing bilateral engagement with countries of the South and the North. To this end, the department will submit 5 ICT position papers for international engagements each year over the medium term.

Expenditure on transfers to foreign governments and international organisations increased significantly between 2009/10 and 2012/13 as the department had incorrectly classified payments to international organisations as operating payments, instead of as transfers and subsidies. This was corrected in 2012/13. Expenditure on consultants decreased over the same period due to the once-off allocation for consultants to help the department organise the World Telecommunications Standardisation Assembly in 2010/11.

To give effect to the Cabinet approved budget reductions, the department terminated transfers to the New Partnership for Africa's Development e-Africa Commission over the medium term to yield R13 million. This amount was reprioritised to the *Administration* programme in 2012/13 to provide for the digital terrestrial

television awareness campaign.

Programme 3: Policy, Research and Capacity Development

Objectives

- Create an enabling environment for the growth of the ICT sector through policy and legislative reform by:
 - publishing the Green Paper on National Integrated ICT Policy by March 2014
 - publishing the White Paper on National Integrated ICT Policy by 2014/15
 - drafting the National Integrated ICT Bill by 2015/16
 - introducing the South African Postbank Limited Amendment Bill to Parliament for enactment by September 2013
 - introducing the South African Post Office SOC Ltd Amendment Bill to Parliament for enactment by September 2013
 - introducing the Electronic Communications Amendment Bill to Parliament for enactment by June 2013
 - introducing the Independent Communications Authority of South Africa Amendment Bill to Parliament for enactment by September 2013
 - introducing the South African Broadcasting Company Bill to Parliament for enactment by September 2013.
- Contribute to rural development through increasing universal access and services to ICTs by facilitating the implementation of relevant ICT rural development initiatives in 61 identified sites by March 2014.
 - Increase e-skills capacity in South Africa for employability in the knowledge economy by hosting the second national e-skill summit by September 2013.

Subprogrammes

- *ICT Policy Development* is discussed in more detail below.
- *Economic and Market Analysis* conducts economic analyses of the broadcasting, telecommunications, postal and IT sectors to determine trends and make growth projections; undertakes market research to explore areas that require policy intervention; and is responsible for the reduction of the cost to communicate. In 2012/13, the process of conducting a market study with specific focus on voice, SMS and data prices began.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy. In 2012/13, a global benchmarking exercise was conducted with countries in Europe, Asia, North and South America and the Brazil-Russia-India-China-South Africa (BRICS) group of countries on the establishment of a global ICT research council, for which a report has been completed.
- *Information Society Development* supports the effective and efficient functioning of the information society; and the development of institutional mechanisms, such as the inter-ministerial committee on information society and development, the information society and development intergovernmental relations forum, the forum of South African directors general for information society and development, and the intergovernmental relations forum technical committee. In 2012/13, the first ICT Indaba was held in Cape Town and a declaration was signed by government ministers to ensure the implementation of its outcomes, and a draft programme of action was developed in line with the indaba's outcomes to ensure the declaration is implemented.
- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society. In 2012/13, the final national e-skills curriculum development framework and instructional design guidelines were developed, and a draft model to support e-skills in rural and peri-urban communities was developed.

Expenditure estimates

Table 27.7 Policy, Research and Capacity Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
ICT Policy Development	23 276	25 377	23 456	35 276	14.9%	27.8%	27 877	31 054	29 886	-5.4%	31.7%
Economic and Market Analysis	107	784	1 321	2 814	197.4%	1.3%	1 234	1 295	1 355	-21.6%	1.7%
Research	4 236	4 660	4 632	8 106	24.2%	5.6%	7 377	8 540	8 933	3.3%	8.4%
Information Society Development	33 386	34 539	50 039	49 614	14.1%	43.4%	34 392	42 862	46 402	-2.2%	44.2%
Capacity Development	16 902	29 982	25 354	12 053	-10.7%	21.8%	13 518	14 278	15 027	7.6%	14.0%
Total	77 907	95 342	104 802	107 863	11.5%	100.0%	84 398	98 029	101 603	-2.0%	100.0%
Change to 2012 Budget estimate				7 642			(13 296)	(10 642)	(12 066)		
Economic Classifications											
Current payments	77 251	94 544	102 955	106 506	11.3%	98.8%	82 886	96 882	100 403	-1.9%	98.7%
Compensation of employees	37 784	50 133	51 252	56 241	14.2%	50.6%	59 617	63 175	67 565	6.3%	62.9%
Goods and services	39 467	44 411	51 703	50 265	8.4%	48.2%	23 269	33 707	32 838	-13.2%	35.7%
of which:											
Administration fees	501	363	785	189	-27.7%	0.5%	235	254	266	12.1%	0.2%
Advertising	5 603	2 066	582	1 651	-33.5%	2.6%	459	604	631	-27.4%	0.9%
Assets less than the capitalisation threshold	125	97	604	340	39.6%	0.3%	341	360	377	3.5%	0.4%
Audit cost: External	-	130	-	-	-	-	-	-	-	-	-
Bursaries: Employees	114	172	105	169	14.0%	0.1%	84	89	93	-18.1%	0.1%
Catering: Departmental activities	1 082	423	187	347	-31.6%	0.5%	286	418	437	8.0%	0.4%
Communication	1 582	1 851	1 290	1 746	3.3%	1.7%	1 253	1 659	1 736	-0.2%	1.6%
Computer services	312	2 768	413	100	-31.6%	0.9%	120	268	280	40.9%	0.2%
Consultants and professional services:	9 040	20 591	18 432	32 352	53.0%	20.8%	10 155	11 778	9 854	-32.7%	16.4%
Business and advisory services	-	302	26	450	-	0.2%	-	-	-	-100.0%	0.1%
Consultants and professional services:	-	302	26	450	-	0.2%	-	-	-	-100.0%	0.1%
Legal costs	-	-	-	-	-	-	-	-	-	-	-
Contractors	1 055	1 119	11 084	179	-44.6%	3.5%	428	502	526	43.2%	0.4%
Agency and support / outsourced services	6	-	-	100	155.4%	-	105	113	118	5.7%	0.1%
Entertainment	38	41	49	108	41.6%	0.1%	119	125	131	6.6%	0.1%
Fleet services (including government motor transport)	-	-	-	-	-	-	70	73	76	-	0.1%
Inventory: Materials and supplies	2	3	2	7	51.8%	-	14	14	14	26.0%	-
Inventory: Other consumables	20	12	10	99	70.4%	-	17	17	17	-44.4%	-
Inventory: Stationery and printing	1 890	823	1 095	1 453	-8.4%	1.4%	616	1 368	1 443	-0.2%	1.2%
Operating leases	2 199	1 240	728	1 274	-16.6%	1.4%	529	1 236	1 304	0.8%	1.1%
Property payments	250	36	7	-	-100.0%	0.1%	-	-	-	-	-
Transport provided: Departmental activity	-	-	1	-	-	-	-	-	-	-	-
Travel and subsistence	9 910	7 157	7 904	5 315	-18.8%	7.8%	3 085	6 870	7 209	10.7%	5.7%
Training and development	2 987	3 644	7 350	3 097	1.2%	4.4%	4 337	6 445	6 742	29.6%	5.3%
Operating payments	141	9	277	-	-100.0%	0.1%	10	50	52	-	-
Venues and facilities	2 610	1 564	771	1 289	-21.0%	1.6%	1 006	1 464	1 532	5.9%	1.4%
Rental and hiring	-	-	1	-	-	-	-	-	-	-	-
Transfers and subsidies	180	235	445	-	-100.0%	0.2%	-	-	-	-	-
Higher education institutions	78	-	100	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations	3	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	-	3	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	223	300	-	-	0.1%	-	-	-	-	-
Households	99	9	45	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	476	563	1 402	1 357	41.8%	1.0%	1 512	1 147	1 200	-4.0%	1.3%
Machinery and equipment	465	563	1 402	1 357	42.9%	1.0%	1 512	1 147	1 200	-4.0%	1.3%
Software and other intangible assets	11	-	-	-	-100.0%	-	-	-	-	-	-
Total	77 907	95 342	104 802	107 863	11.5%	100.0%	84 398	98 029	101 603	-2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	3.4%	6.7%	5.8%	6.5%			4.1%	6.1%	6.4%		

Table 27.7 Policy, Research and Capacity Development (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Details of transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	3	-	-	-	-	-	-	-	-	-
Transfers and subsidies: Private enterprises	-	3	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	99	9	45	-	-100.0%	-	-	-	-	-	-
Households	99	9	45	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	-	223	300	-	-	0.1%	-	-	-	-	-
NPI	-	50	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	173	300	-	-	0.1%	-	-	-	-	-
Higher education institutions											
Current	78	-	100	-	-100.0%	-	-	-	-	-	-
Universities and Technikons	78	-	100	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	3	-	-	-	-100.0%	-	-	-	-	-	-
Foreign government and international organisations	3	-	-	-	-100.0%	-	-	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on providing support to improve the functioning of information society and promoting the development and use of ICTs through the *Information Society Development* subprogramme; the migration to digital television, and the review of ICT policies and legislation through the *ICT Policy Development* subprogramme, which is discussed in further detail below.

Expenditure on compensation of employees increased significantly between 2009/10 and 2012/13 due to additional funding for improved conditions of service and the hiring of additional personnel. This also explains the increase in spending in the *Information Society Development* programme, which also increased due to the hosting of the ICT Indaba in 2012/13. Expenditure on consultants also increased significantly between 2009/10 and 2012/13 as consultants were appointed to support the department in the policy and legislative making process, mostly with regard to the proposed transaction between Telkom and Korea Telecom.

To give effect to the Cabinet approved budget reductions of R26.5 million over the medium term, the department has implemented cost saving measures in expenditure on consultants and other non-core goods and services. This accounts for the significant decrease in expenditure on consultants and other goods and services items over the medium term.

Subprogramme: ICT Policy Development

This subprogramme drafts legislation, regulations, policies and guidelines; and reviews and monitors their implementation to govern the broadcasting, telecommunications, postal and IT sectors. In 2012/13, the borrowing, lending and investment policies related to the South African Postbank Limited Act (2010) were submitted to Parliament; the ICT policy colloquium, which aimed to develop an integrated ICT policy framework, was hosted; and a draft memorandum of incorporation for the incorporation of Postbank as a subsidiary of the South African Post Office was developed and reviewed by the Postbank working committee.

Expenditure estimates

Table 27.8 ICT Policy Development

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand	2009/10	2010/11	2011/12	2012/13	2009/10	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
Current payments	23 164	25 104	23 398	34 920	14.7%	99.3%	27 713	30 882	29 706	-5.2%	99.3%
Compensation of employees	10 746	17 476	15 179	15 394	12.7%	54.8%	17 178	18 386	19 215	7.7%	56.5%
Goods and services	12 418	7 628	8 219	19 526	16.3%	44.5%	10 535	12 496	10 491	-18.7%	42.7%
of which:											
Administration fees	82	182	329	15	-43.2%	0.6%	-	-	-	-100.0%	-
Advertising	4 685	975	178	1 301	-34.8%	6.6%	-	-	-	-100.0%	1.0%
Assets less than the capitalisation threshold	10	65	7	25	35.7%	0.1%	-	-	-	-100.0%	-
Audit cost: External	-	130	-	-	-	0.1%	-	-	-	-	-
Bursaries: Employees	14	99	81	16	4.6%	0.2%	-	-	-	-100.0%	-
Catering: Departmental activities	321	189	45	5	-75.0%	0.5%	-	-	-	-100.0%	-
Communication	396	697	414	252	-14.0%	1.6%	197	207	217	-4.9%	0.7%
Computer services	8	5	-	-	-100.0%	-	-	-	-	-	-
Consultants and professional services:	1 211	228	2 373	16 992	141.2%	19.4%	9 068	9 134	6 973	-25.7%	34.0%
Business and advisory services	-	302	26	-	-	0.3%	-	-	-	-	-
Consultants and professional services:	-	302	26	-	-	0.3%	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-	-	-
Contractors	652	399	36	-	-100.0%	1.0%	-	-	-	-	-
Agency and support / outsourced services	6	-	-	-	-100.0%	-	-	-	-	-	-
Entertainment	9	13	12	70	98.1%	0.1%	63	66	69	-0.5%	0.2%
Inventory: Materials and supplies	-	1	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	3	6	-	15	71.0%	-	-	-	-	-100.0%	-
Inventory: Stationery and printing	619	300	209	95	-46.5%	1.1%	32	33	35	-28.3%	0.2%
Operating leases	250	216	118	20	-56.9%	0.6%	-	-	-	-100.0%	-
Travel and subsistence	3 377	2 799	3 617	450	-48.9%	9.5%	891	2 758	2 885	85.8%	5.6%
Training and development	79	246	252	40	-20.3%	0.6%	42	44	46	4.8%	0.1%
Operating payments	29	8	-	-	-100.0%	-	-	-	-	-	-
Venues and facilities	667	768	522	230	-29.9%	2.0%	242	254	266	5.0%	0.8%
Transfers and subsidies	4	10	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	-	3	-	-	-	-	-	-	-	-	-
Households	4	7	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	108	263	58	356	48.8%	0.7%	164	172	180	-20.3%	0.7%
Machinery and equipment	108	263	58	356	48.8%	0.7%	164	172	180	-20.3%	0.7%
Total	23 276	25 377	23 456	35 276	14.9%	100.0%	27 877	31 054	29 886	-5.4%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	29.9%	26.6%	22.4%	32.7%			33.0%	31.7%	29.4%		

Expenditure trends

The spending focus over the medium term will be on continuing to implement the Electronic Communications Act (2005), the Independent Communications Authority of South Africa Act (2000) and the South African Postbank Limited Act (2010); and monitoring the implementation of the broadcasting digital migration policy. The department will also enact the national integrated ICT legislation over this period and introduce the South African Postbank Limited Amendment Bill to Parliament for enactment by September 2013. This accounts for the significant spending on consultants and compensation of employees over the medium term as these activities require specialised skills and support. The consultants assist the department in the policy and legislative development processes.

Spending on compensation of employees increased significantly between 2009/10 and 2012/13 following the organisational review implemented in 2012/13, which saw the *Information Society Development* subprogramme in the former *Presidential National Commission* programme being merged into this subprogramme.

To give effect to the Cabinet approved budget reductions of R26.5 million, the department has reduced expenditure on consultants over the medium term.

Programme 4: Broadcasting and Communication Regulation and Support

Objectives

- Strengthen the performance of all 6 public entities in the ICT sector by:
 - analysing and reporting on their quarterly and annual performance reports against their corporate strategic plans

- analysing their expenditure patterns against financial allocations and projections on an ongoing basis.
- Promote good governance and legislative compliance in all 6 public entities reporting to the department by continuously monitoring and enforcing compliance with applicable legislation through the analysis of reports by relevant entities.
- Ensure the effectiveness and efficiency of all 6 public entities by facilitating the alignment of all corporate strategic plans to reflect the outputs and outcomes as outlined in government priorities and mandates, annually.
- Accelerate socioeconomic development through facilitating the growth and development of ICT SMMEs and improving their sustainability by:
 - establishing 3 ICT incubation hubs in identified provinces by March 2014
 - delivering export readiness interventions to 15 SMMEs by March 2014
 - facilitating participation of 1 000 SMMEs in the broadcasting digital migration value chain by March 2014
 - enabling the production of 5 million set top boxes by 2015/16.

Subprogrammes

- *Public Entity Oversight* provides oversight on state owned enterprises by managing government's shareholder interests in public enterprises. This includes facilitating entities' corporate plans and ensuring that planning cycles are aligned with and comply with guidelines. In 2012/13, R1 billion was transferred to public entities, the development of budgets for entities over the medium term were facilitated along with engagements to discuss entities' additional funding requests, and quarterly reports were analysed and feedback was given to the entities.
- *Small Medium and Micro Enterprise Development* facilitates the growth and development of ICT SMMEs. This entails developing ICT hubs to facilitate the capacity building of ICT SMMEs in underserved provinces, developing ICT portals to facilitate access to business and tender opportunities by SMMEs in all provinces, building the capacity of ICT SMMEs to compete in export markets, and facilitating the involvement of SMMEs in the set top box manufacturing value chain. In 2012/13, 25 ICT business linkages were facilitated from an assessment of 35 participating companies in collaboration with ICT incubation hubs, and export training and technical support was given to the participating companies.
- *ICT Support* administers and manages the transfers to the .za domain and hosts the 112 emergency call centre programme.

Expenditure estimates

Table 27.9 Broadcasting and Communications Regulation and Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Public Entity Oversight	1 676 646	1 030 723	1 019 286	1 047 617	-14.5%	97.8%	1 007 136	1 003 473	1 050 047	0.1%	91.1%
Small Medium and Micro Enterprise Development	4 753	3 731	13 278	18 785	58.1%	0.8%	9 388	10 011	10 471	-17.7%	1.1%
ICT Support	32 111	6 947	20 084	7 232	-39.2%	1.4%	112 774	116 262	115 990	152.2%	7.8%
Total	1 713 510	1 041 401	1 052 648	1 073 634	-14.4%	100.0%	1 129 298	1 129 746	1 176 508	3.1%	100.0%
Change to 2012 Budget estimate				(198 204)			(347 304)	(210 805)	(225 709)		

Table 27.9 Broadcasting and Communications Regulation and Support (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R thousand											
Economic classification											
Current payments	114 357	13 997	35 741	29 581	-36.3%	4.0%	125 921	130 251	130 631	64.1%	9.2%
Compensation of employees	6 045	6 357	7 105	11 121	22.5%	0.6%	11 723	12 194	13 255	6.0%	1.1%
Goods and services	108 312	7 640	28 636	18 460	-44.6%	3.3%	114 198	118 057	117 376	85.3%	8.2%
of which:											
Administration fees	8	50	74	64	100.0%	-	67	71	75	5.4%	-
Advertising	47	614	2 796	161	50.7%	0.1%	170	180	189	5.5%	-
Assets less than the capitalisation threshold	136	60	-	260	24.1%	-	274	291	304	5.3%	-
Audit cost: External	2 923	-	-	-	-100.0%	0.1%	-	-	-	-	-
Bursaries: Employees	121	9	40	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	34	24	47	166	69.6%	-	175	186	193	5.2%	-
Communication	361	270	287	349	-1.1%	-	368	389	407	5.3%	-
Computer services	12	15	1	41	50.6%	-	43	115	48	5.4%	-
Consultants and professional services: Business and advisory services	2 972	3 070	23 343	13 284	64.7%	0.9%	70 096	70 894	68 443	72.7%	4.9%
Consultants and professional services: Legal costs	40	-	-	-	-100.0%	-	-	-	-	-	-
Contractors	80 013	-	8	7	-95.6%	1.6%	11 637	12 455	12 903	1126.1%	0.8%
Agency and support / outsourced services	20 265	1 638	-	410	-72.8%	0.5%	27 190	28 940	30 147	318.9%	1.9%
Entertainment	5	7	11	35	91.3%	-	37	39	42	6.3%	-
Inventory: Fuel, oil and gas	6	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other consumables	2	3	-	24	128.9%	-	26	28	30	7.7%	-
Inventory: Stationery and printing	107	115	136	400	55.2%	-	423	452	467	5.3%	-
Operating leases	79	80	71	124	16.2%	-	131	139	145	5.4%	-
Property payments	786	293	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	258	1 153	1 291	1 576	82.8%	0.1%	1 661	1 803	1 829	5.1%	0.2%
Training and development	26	122	459	294	124.5%	-	310	334	344	5.4%	-
Operating payments	-	-	1	931	-	-	1 237	1 360	1 422	15.2%	0.1%
Venues and facilities	111	117	71	334	44.4%	-	353	381	388	5.1%	-
Transfers and subsidies	1 598 871	1 027 181	1 016 691	1 042 981	-13.3%	96.0%	1 002 246	998 290	1 044 626	0.1%	90.7%
Departmental agencies and accounts	377 088	430 342	692 449	775 191	27.2%	46.6%	773 126	771 122	806 847	1.3%	69.3%
Public corporations and private enterprises	1 217 454	596 837	324 242	267 790	-39.6%	49.3%	229 120	227 168	237 779	-3.9%	21.3%
Non-profit institutions	327	-	-	-	-100.0%	-	-	-	-	-	-
Households	4 002	2	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	282	223	216	1 072	56.1%	-	1 131	1 205	1 251	5.3%	0.1%
Machinery and equipment	282	200	30	1 072	56.1%	-	1 131	1 205	1 251	5.3%	0.1%
Software and other intangible assets	-	23	186	-	-	-	-	-	-	-	-
Total	1 713 510	1 041 401	1 052 648	1 073 634	-14.4%	100.0%	1 129 298	1 129 746	1 176 508	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	74.4%	73.0%	58.7%	64.9%			55.3%	70.7%	73.9%		
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	2	2	-	-	-100.0%	-	-	-	-	-	-
Households	2	2	-	-	-100.0%	-	-	-	-	-	-
Capital	4 000	-	-	-	-100.0%	0.1%	-	-	-	-	-
Sentech: 2010 FIFA World Cup	4 000	-	-	-	-100.0%	0.1%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	377 088	430 342	692 449	775 191	27.2%	46.6%	773 126	771 122	806 847	1.3%	69.3%
Independent Communications Authority of South Africa	269 607	290 923	313 378	405 797	14.6%	26.2%	390 661	376 221	393 619	-1.0%	34.7%
National Electronic Media Institute of South Africa	29 059	32 602	33 473	34 116	5.5%	2.6%	35 746	37 859	39 601	5.1%	3.3%
Universal Service and Access Agency of South Africa	33 495	66 704	83 168	59 801	21.3%	5.0%	60 090	65 376	68 452	4.6%	5.6%
Universal Service and Access Fund	36 427	38 613	40 930	43 977	6.5%	3.3%	45 046	49 988	52 380	6.0%	4.2%
Universal Service and Access Fund .za Domain Name Authority	-	-	220 000	230 000	-	9.2%	240 000	240 000	251 040	3.0%	21.3%
Meraka Institute	1 500	1 500	1 500	1 500	-	0.1%	1 583	1 678	1 755	5.4%	0.1%
Meraka Institute	7 000	-	-	-	-100.0%	0.1%	-	-	-	-	-

Table 27.9 Broadcasting and Communications Regulation and Support (continued)

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Details of transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1 217 454	596 837	324 242	267 790	-39.6%	49.3%	229 120	227 168	237 779	-3.9%	21.3%
South African Post Office	383 092	306 077	180 442	51 965	-48.6%	18.9%	-	-	-	-100.0%	1.2%
South African Broadcasting Corporation: Channel Africa	36 694	38 896	41 230	43 292	5.7%	3.3%	44 673	47 413	49 640	4.7%	4.1%
South African Broadcasting Corporation: Public broadcaster	429 885	230 014	84 907	154 152	-29.0%	18.4%	89 055	97 199	101 785	-12.9%	9.8%
Telkom: 2010 FIFA World Cup	350 000	-	-	-	-100.0%	7.2%	-	-	-	-	-
South African Broadcasting Corporation: Digital migration project	-	-	-	-	-	-	76 000	62 000	64 852	-	4.5%
South African Broadcasting Corporation: Community radio stations	12 783	6 850	7 663	8 381	-13.1%	0.7%	8 842	9 373	9 804	5.4%	0.8%
South African Broadcasting Corporation: Programme productions	5 000	15 000	10 000	10 000	26.0%	0.8%	10 550	11 183	11 698	5.4%	1.0%
Non-profit institutions											
Current	327	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit organisations	327	-	-	-	-100.0%	-	-	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on continuing to strengthen the department's ability to exercise oversight over the public entities and facilitating the growth and development of ICT SMMEs. This will provide for the creation of 2 ICT SMME hubs in each province per year over the medium term.

Expenditure on transfers to public corporations and private enterprises decreased significantly between 2009/10 and 2012/13 due to a once-off allocation of funds to the South African Broadcasting Corporation in 2009/10 for liquidity requirements, the conclusion of transfer payments to Telkom and Sentech for 2010 FIFA World Cup ICT infrastructure, and the final allocation to the South African Post Office in 2012/13 for universal access. This accounts for the decrease in spending in the *Public Entity Oversight* subprogramme over the same period. Transfers to departmental agencies and accounts increased significantly between 2009/10 and 2012/13 due to additional allocations in 2012/13 to fund office equipment and relocation costs for the Independent Communications Authority of South Africa.

Spending on goods and services, particularly on consultants, increased significantly between 2009/10 and 2012/13, following a change to the department's budget structure in 2012/13. This resulted in expenditure for the 112 emergency call centres being moved from the *ICT Infrastructure Support* programme to this programme. The department also reduced spending on goods and services, particularly consultants, by R47 million over the medium term to give effect to the Cabinet approved reductions. The reductions and funds realised from delaying the implementation of the 112 emergency cell centres were reprioritised in 2012/13 to the *Administration* programme to provide for the awareness campaign for digital terrestrial television. In spite of the delay, spending on consultants, contractors, and agency support and outsourced services is expected to increase significantly over the medium term due as consultants, contractors and service providers will be implementing the 112 emergency call centre project.

Programme 5: ICT Infrastructure Support

Objectives

- Increase access to digital broadcasting services in all South African households that own television sets by facilitating and monitoring the infrastructure rollout of the digital terrestrial television by 2015/16.
- Support and enable the provision of a multiplicity of ICT applications and services through the modernisation and deployment of ICT infrastructure by developing and implementing the national broadband master plan by March 2014.

- Monitor the implementation of the Electronic Communications Transactions Act (2002) over the medium term.
- Complete the broadcasting digital migration project by 2015/16 through the facilitation of transfers to Sentech in order to rollout the digital infrastructure.

Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the ICT infrastructure broadband strategy and implementation plan, and ensures that broadband goals are achieved. In 2012/13, a report on baseline data on broadband coverage, penetration, speed and cost was developed, and the recommendations have been incorporated into the revised broadband strategy; a broadband workshop was held with relevant stakeholders on broadband interventions; and a broadband market study was conducted to inform the development of a funding model.
- *Digital Terrestrial Television* is responsible for making transfers to Sentech to roll out ICT infrastructure for the migration of signal distribution from analogue to digital. This subprogramme's total budget is transferred in full to Sentech. This subprogramme has no staff complement.

Expenditure estimates

Table 27.10 ICT Infrastructure Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10	2012/13	2013/14	2014/15	2015/16	2012/13	2015/16
R thousand												
Broadband	42 676	37 896	47 800	69 638	17.7%	18.3%	45 580	55 731	58 295	-5.8%	22.9%	
Digital Terrestrial Television	260 019	71 000	388 900	165 834	-13.9%	81.7%	535 304	69 805	-	-100.0%	77.1%	
Total	302 695	108 896	436 700	235 472	-8.0%	100.0%	580 884	125 536	58 295	-37.2%	100.0%	
Change to 2012 Budget estimate				85 834			410 304	(140 195)	(219 660)			
Economic classification												
Current payments	38 337	37 179	47 638	68 756	21.5%	17.7%	44 720	54 372	56 864	-6.1%	22.5%	
Compensation of employees	23 267	23 891	22 802	31 816	11.0%	9.4%	33 597	36 402	37 576	5.7%	13.9%	
Goods and services	15 040	13 288	24 836	36 940	34.9%	8.3%	11 123	17 970	19 288	-19.5%	8.5%	
of which:												
Administration fees	55	44	191	81	13.8%	-	86	90	94	5.1%	-	
Advertising	184	258	5	75	-25.9%	-	79	83	87	5.1%	-	
Assets less than the capitalisation threshold	143	149	53	1 682	127.4%	0.2%	776	1 863	1 949	5.0%	0.6%	
Audit cost: External	-	-	666	-	-	0.1%	-	-	-	-	-	
Bursaries: Employees	52	66	99	255	69.9%	-	269	282	295	5.0%	0.1%	
Catering: Departmental activities	103	11	37	192	23.1%	-	203	213	223	5.1%	0.1%	
Communication	1 282	945	867	950	-9.5%	0.4%	537	1 052	1 100	5.0%	0.4%	
Computer services	1 351	3 109	2 845	2 956	29.8%	0.9%	1 622	1 779	2 713	-2.8%	0.9%	
Consultants and professional services: Business and advisory services	3 920	2 707	13 025	22 160	78.1%	3.9%	781	2 273	2 503	-51.7%	2.8%	
Consultants and professional services: Legal costs	-	-	-	500	-	-	528	754	789	16.4%	0.3%	
Contractors	601	249	174	225	-27.9%	0.1%	238	399	417	22.8%	0.1%	
Agency and support / outsourced services	1 289	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Entertainment	25	8	9	30	6.3%	-	32	33	35	5.3%	-	
Fleet services (including government motor transport)	-	-	35	-	-	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	42	28	-	-	-100.0%	-	-	-	-	-	-	
Inventory: Materials and supplies	4	-	-	2	-20.6%	-	2	2	3	14.5%	-	
Inventory: Medical supplies	-	4	-	-	-	-	-	-	-	-	-	
Inventory: Other consumables	8	1	1	20	35.7%	-	21	22	23	4.8%	-	
Inventory: Stationery and printing	350	498	298	850	34.4%	0.2%	898	1 142	1 195	12.0%	0.4%	
Operating leases	730	268	310	507	-11.4%	0.2%	535	832	870	19.7%	0.3%	
Property payments	1 636	2 065	1 862	-	-100.0%	0.5%	-	-	-	-	-	
Travel and subsistence	2 334	2 694	3 953	5 120	29.9%	1.3%	3 507	5 672	5 445	2.1%	2.0%	
Training and development	355	117	229	400	4.1%	0.1%	422	443	463	5.0%	0.2%	
Operating payments	78	67	73	95	6.8%	-	100	105	110	5.0%	-	
Venues and facilities	498	-	104	840	19.0%	0.1%	487	931	974	5.1%	0.3%	
Interest and rent on land	30	-	-	-	-100.0%	-	-	-	-	-	-	
Transfers and subsidies	260 024	71 056	388 904	165 834	-13.9%	81.7%	535 304	69 805	-	-100.0%	77.1%	
Provinces and municipalities	1	-	-	-	-100.0%	-	-	-	-	-	-	
Public corporations and private enterprises	260 019	71 055	388 900	165 834	-13.9%	81.7%	535 304	69 805	-	-100.0%	77.1%	
Households	4	1	4	-	-100.0%	-	-	-	-	-	-	
Payments for capital assets	4 334	661	158	882	-41.2%	0.6%	860	1 359	1 431	17.5%	0.5%	
Machinery and equipment	522	586	158	817	16.1%	0.2%	860	1 359	1 431	20.5%	0.4%	
Software and other intangible assets	3 812	75	-	65	-74.3%	0.4%	-	-	-	-100.0%	-	
Total	302 695	108 896	436 700	235 472	-8.0%	100.0%	580 884	125 536	58 295	-37.2%	100.0%	
Proportion of total programme expenditure to vote expenditure	13.1%	7.6%	24.4%	14.2%			28.4%	7.9%	3.7%			

Table 27.10 ICT Infrastructure Support (continued)

	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Details of transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	55	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	55	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	4	1	4	-	-100.0%	-	-	-	-	-	-
Households	4	1	4	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	260 019	71 000	388 900	165 834	-13.9%	81.7%	535 304	69 805	-	-100.0%	77.1%
Sentech: Digitisation	160 019	71 000	268 900	165 834	1.2%	61.4%	423 304	69 805	-	-100.0%	65.9%
Sentech: African Nations Championship	-	-	-	-	-	-	6 000	-	-	-	0.6%
Sentech: Digital Terrestrial Television (Dual Illumination)	100 000	-	120 000	-	-100.0%	20.3%	106 000	-	-	-	10.6%
Provinces and municipalities											
Provinces											
Provincial agencies and funds											
Current	1	-	-	-	-100.0%	-	-	-	-	-	-
Provincial and local government	1	-	-	-	-100.0%	-	-	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on increasing transfer payments to Sentech to continue network expansion in rolling out digital terrestrial television infrastructure in preparation for the launch of commercial digital terrestrial television. The allocations will enable Sentech to complete the rollout of the infrastructure required for the migration from analogue to digital by 2014/15.

Transfers to Sentech increased significantly between 2009/10 and 2012/13, as funding was made available for digitisation in support of government's target to switch off the analogue signal in December 2013. However, Sentech had to extend the delivery date as a result of the technical standards review being delayed. Additional funding of R283 million is made available to Sentech in 2013/14, R171 million of which is for the rollout of digital terrestrial television infrastructure in time for the commercial launch of digital terrestrial television, R106 million for dual illumination, and R6 million for ICT infrastructure for the 2014 African Nations Championship.

Expenditure on consultants increased significantly between 2009/10 and 2012/13 for service providers who assisted the department develop the report on baseline data on broadband coverage, penetration, speed and cost, and implementing a testing centre for set top boxes.

Expenditure is expected to decrease significantly over the medium term the funding for broadband is placed on hold to allow more work to be done on the broadband strategy and subsequent implementation plan. The delay has allowed the department to give effect to the Cabinet approved budget reductions of R854.4 million over the medium term in this programme. The projected decline in expenditure over this period is also attributable to the reduction in allocations to Sentech as the entity concludes the rollout of digital terrestrial television infrastructure.

Public entities and other agencies

Sentech

Mandate and goals

Sentech Limited is a state owned enterprise established in terms of the Sentech Act (1996) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). Its mandate is to provide broadcasting signal distribution for broadcasting licensees.

The entity's strategic goals over the medium term are to:

- align its strategic roadmap with shareholder programmes to enable the development of open access government participation in the communications industry through infrastructure based investment
- continue working to support and realise government's ICT vision and goals including innovation in broadcasting and media services, and content management and distribution
- create solutions that enhance the customer experience and are in line with government's mandate of access to communication services for all citizens
- repackage social responsibility interventions and create community social investment ICT programmes that improve lives, create value and are sustainable.

Selected performance indicators

Table 27.11 Sentech

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage household coverage of digital television transmission infrastructure ¹	Migrate to digital television	- ¹	60%	70%	80%	96%	100%	100%
Terrestrial analogue television (measured by percentage availability)	Provide reliable broadcasting signals	100%	100%	100%	100%	100%	100%	100%
Digital terrestrial television (measured by percentage availability)	Migrate to digital television	99%	99%	100%	100%	100%	100%	100%
Number of new radio transmitters switched on per year ²	Increase access to information through listenership	10	10	10	10	21	21	21
Number of new television transmitters switched on per year ⁴	Use increase access to information through viewership	10	90 ³	10	10	280	- ⁴	- ⁴

1. Transmission started in 2009/10 and reporting thereof started in 2010/11.

2. The increase in radio transmitters is caused by market demand and the mandate to support the community radio stations.

3. 2010 FIFA World Cup accounts for fluctuations in the number of new television transmitters switched on per year.

4. The increase is due to a large increase in the demand for this service that is expected in 2013/14, as well as switching on of all transmitters that were not switched on in previous years. The project will also be completed in 2013/14.

Programmes/activities/objectives

Table 27.12 Sentech

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
Providing signal distribution services	845 630	764 103	740 436	824 841	-0.8%	100.0%	942 466	913 042	1 023 186	7.4%	100.0%
Total expense	845 630	764 103	740 436	824 841	-0.8%	100.0%	942 466	913 042	1 023 186	7.4%	100.0%

Expenditure estimates

Table 27.13 Sentech

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
Revenue											
Non-tax revenue	895 252	900 762	874 712	965 285	2.5%	97.6%	962 816	1 036 435	1 105 189	4.6%	100.0%
Sale of goods and services other than capital assets	827 842	801 801	812 585	880 531	2.1%	89.2%	960 116	1 035 085	1 103 989	7.8%	97.7%
of which:											
Sales by market establishment	827 842	801 801	812 585	880 531	2.1%	89.2%	960 116	1 035 085	1 103 989	7.8%	97.7%
Other non-tax revenue	67 410	98 961	62 127	84 754	7.9%	8.4%	2 700	1 350	1 200	-75.8%	2.3%
Transfers received	51 368	36 260	-	-	-100.0%	2.3%	-	-	-	-	-
Total revenue	950 757	937 022	874 712	965 285	0.5%	100.0%	962 816	1 036 435	1 105 189	4.6%	100.0%

Table 27.13 Sentech (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Expenses	741 977	702 714	682 453	766 277	1.1%	91.2%	913 243	913 042	978 186	8.5%	96.4%
Current expenses	225 479	230 878	265 664	291 697	9.0%	32.0%	341 548	369 882	394 091	10.5%	37.7%
Compensation of employees	420 250	351 186	339 795	418 469	-0.1%	48.1%	514 711	474 743	504 338	6.4%	51.7%
Goods and services	84 296	99 846	58 528	51 643	-15.1%	9.3%	54 750	67 300	77 300	14.4%	6.7%
Depreciation	11 952	20 804	18 466	4 469	-28.0%	1.8%	2 234	1 117	2 457	-18.1%	0.3%
Interest, dividends and rent on land											
Total expenses	845 630	764 103	740 436	824 841	-0.8%	100.0%	942 466	913 042	1 023 186	7.4%	100.0%
Surplus/(Deficit)	105 127	172 919	134 276	140 444	10.1%		20 350	123 393	82 003	-16.4%	
Statement of financial position											
Carrying value of assets	569 907	499 168	506 808	601 267	1.8%	29.8%	650 415	683 115	635 815	1.9%	47.0%
of which:											
Acquisition of assets	269 865	67 103	82 956	689 272	36.7%	15.1%	590 415	512 936	466 305	-12.2%	40.2%
Inventory	8 462	7 315	7 491	7 732	-3.0%	0.4%	3 866	3 479	2 784	-28.9%	0.3%
Receivables and prepayments	74 385	31 408	41 235	32 584	-24.1%	2.5%	35 842	37 426	39 397	6.5%	2.7%
Cash and cash equivalents	977 525	1 135 800	1 605 937	1 279 209	9.4%	67.0%	573 683	473 701	637 511	-20.7%	49.9%
Defined benefit plan assets	1 600	1 300	1 300	1 170	-9.9%	0.1%	1 404	1 685	1 854	16.6%	0.1%
Taxation	-	11 476	322	-	-	0.2%	-	-	-	-	-
Total assets	1 631 879	1 686 467	2 163 093	1 921 962	5.6%	100.0%	1 265 210	1 199 407	1 317 360	-11.8%	100.0%
Accumulated surplus/(deficit)	43 435	216 354	350 629	453 767	118.6%	13.8%	474 117	597 510	679 513	14.4%	40.6%
Capital and reserves	498 716	529 294	558 446	584 611	5.4%	29.5%	462 520	318 495	321 680	-18.1%	29.5%
Capital reserve fund	701 877	638 432	889 294	550 000	-7.8%	37.6%	4 500	2 500	1 500	-86.0%	7.3%
Borrowings	83 177	64 731	45 429	23 935	-34.0%	3.1%	-	-	-	-100.0%	0.3%
Trade and other payables	128 120	85 036	105 014	140 543	3.1%	6.3%	143 353	144 787	159 266	4.3%	10.7%
Taxation	56 974	10 643	2 653	14 293	-36.9%	1.2%	13 907	14 053	15 458	2.6%	1.0%
Provisions	119 580	141 977	211 628	154 813	9.0%	8.4%	166 813	122 062	139 943	-3.3%	10.5%
Total equity and liabilities	1 631 879	1 686 467	2 163 093	1 921 962	5.6%	100.0%	1 265 210	1 199 407	1 317 360	-11.8%	100.0%

Personnel information

Table 27.14 Sentech

Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level 1 - 6	569	144	551	265.7	0.5	566	291.7	0.5	611	341.5	0.6	630	369.9	0.6	650	394.1	0.6	4.7%	100.0%
7 - 10	40	-	45	5.4	0.1	40	5.4	0.1	40	5.5	0.1	40	5.5	0.1	40	5.5	0.1	-	6.5%
13 - 16	203	63	119	47.6	0.4	140	60.2	0.4	161	72.5	0.5	170	86.7	0.5	170	91.8	0.5	6.7%	26.1%
	326	81	387	212.7	0.5	386	226.1	0.6	410	263.6	0.6	420	277.7	0.7	440	296.8	0.7	4.5%	67.4%

1. Rand million.

Expenditure trends

Sentech derives commercial revenue from terrestrial television services, terrestrial FM and AM radio services, satellite linking, facility rentals sales, and the sale of satellite decoders. The entity also receives transfers from the department for digital terrestrial television and to provide for the dual illumination period.

The spending focus over the medium term will be on investing in capital assets to expand the network to new sites in areas that were previously not covered and preparing for the launch of the commercial digital terrestrial television. Sentech has been allocated additional funding of R277 million in 2013/14 to expedite the rollout of the digital terrestrial television project, of which R171 million will be spent on digitisation and R106 million on dual illumination.

Expenditure decreased between 2009/10 and 2012/13 as unprofitable products were discontinued, such as the carrier of carriers business, which led to decreased expenditure on goods and services over this period. Expenditure on compensation of employees increased to R291.7 million in 2012/13 as new employees were appointed and to provide for improved conditions of service. Spending is expected to increase to R1 billion over the medium term, mainly due to higher operational expenditure for human resource development, operations

maintenance and expenses related to digital terrestrial television. As a result of the higher expenditure on maintenance, expenditure on goods and services is expected to increase to R504.3 million.

As at 30 September 2012, the entity had a total funded establishment of 569 posts. The number of filled posts increased from 551 in 2011/12 to 566 in 2012/13 as the new organisational structure was implemented following the approval of the new operating model in 2011/12. The number of filled posts is expected to increase to 650 over the medium term. As at 30 September 2012, 3 posts were vacant due to natural attrition. The vacancies were mostly at the skilled and middle management levels, but are not expected to affect service delivery.

Expenditure on consultants was equivalent to 4.9 per cent of expenditure on compensation of employees in 2012/13, as the entity lacked personnel capacity in certain areas.

South African Broadcasting Corporation

Mandate and goals

The South African Broadcasting Corporation is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). Its mandate is set out in its charter and in the Broadcasting Act (1999), which requires it to provide radio and television broadcasting services to South Africa.

The corporation's strategic goals over the medium term are to:

- ensure access of its services to all citizens throughout the country
- inform, educate and entertain and provide services in all official languages
- reflect both the unity and diverse cultural and multilingual nature of South Africa and all of its cultures and regions, to audiences
- provide programming for children, women, youth and people with disabilities broadcast national, developmental and minority sports
- develop talent and showcase South African content
- provide independent news of high quality standards
- ensure the financial sustainability of the corporation through the cost effective use of budgets and resources
- implement the digital content strategy
- conclude the government guarantee deliverable
- complete the digital migration and multi-channel offering.

Selected performance indicators

Table 27.15 South African Broadcasting Corporation

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of operational expenditure: Digital terrestrial television per year ¹	Digital terrestrial migration	R6m	- ¹	- ¹	R515m	R1.57bn	R2.4bn	R2.42bn
Local content as a percentage of total public broadcasting service television per year	Local content delivery	65%	75%	75%	75%	75%	75%	75%
Local content as a percentage of total public commercial broadcasting service television	Local content delivery	35%	35%	35%	35%	35%	35%	35%
Local content as a percentage of total public broadcasting service radio	Local content delivery	65%	70%	70%	70%	70%	70%	70%
Local content as a percentage of total public commercial broadcasting service radio	Local content delivery	40%	45%	45%	45%	45%	45%	45%
Number of low power television transmitters switched on per year ²	Universal access transmitter rollout	430	426	300	300	300	367	- ²
Number of low power radio transmitters switched on per year ²	Universal access transmitter rollout	105	105	100	100	100	100	- ²

1. No data in 2010/11 and 2011/12 as the project was delayed and the amounts reflected in the previous year were incorrect.

2. No data is available for 2015/16 as the projects will be completed in 2014/15.

Programmes/activities/objectives

Table 27.16 South African Broadcasting Corporation

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16			
Three TV stations and programme content	2 016 614	1 478 085	1 450 759	2 358 335	5.4%	31.3%	2 434 554	2 703 272	2 781 918	5.7%	34.4%
18 radio stations	599 483	696 387	835 193	829 973	11.5%	12.8%	881 411	988 250	1 024 296	7.3%	12.5%
News	553 616	505 974	542 083	627 986	4.3%	9.6%	575 258	697 754	762 564	6.7%	8.9%
Sport	516 093	716 323	486 213	668 416	9.0%	10.3%	695 050	767 718	787 017	5.6%	9.8%
Technical facilities	754 253	789 023	844 332	1 001 401	9.9%	14.6%	948 236	1 101 120	1 158 093	5.0%	14.1%
Revenue and administrative support	938 780	1 279 692	1 231 754	1 541 525	18.0%	21.4%	1 378 741	1 544 670	1 612 974	1.5%	20.4%
Total expense	5 378 839	5 465 484	5 390 334	7 027 636	9.3%	100.0%	6 913 250	7 802 784	8 126 862	5.0%	100.0%

Expenditure estimates

Table 27.17 South African Broadcasting Corporation

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16			
Revenue											
Non-tax revenue	4 052 717	4 683 679	5 242 884	5 897 637	13.3%	88.5%	6 120 298	6 399 019	6 621 241	3.9%	92.2%
Sale of goods and services other than capital assets	3 942 701	4 617 517	5 161 505	5 833 748	14.0%	87.1%	6 087 706	6 358 845	6 588 240	4.1%	91.5%
of which:											
Administrative fees	903 130	911 777	931 967	972 596	2.5%	16.7%	985 776	1 016 256	1 047 004	2.5%	14.8%
Sales by market establishment	3 039 571	3 705 740	4 229 538	4 861 152	16.9%	70.3%	5 101 930	5 342 589	5 541 236	4.5%	76.7%
Other non-tax revenue	110 016	66 162	81 379	63 889	-16.6%	1.5%	32 592	40 174	33 001	-19.8%	0.6%
Transfers received	831 368	629 194	490 943	513 262	-14.9%	11.3%	536 603	536 621	539 984	1.7%	7.8%
Total revenue	4 886 366	5 336 213	5 733 827	6 410 899	9.5%	100.0%	6 656 901	6 935 640	7 161 225	3.8%	100.0%
Expenses											
Current expenses	5 375 879	5 372 258	5 305 591	7 023 476	9.3%	99.2%	6 908 850	7 798 114	8 121 912	5.0%	99.9%
Compensation of employees	1 753 484	1 481 870	1 576 045	1 693 599	-1.2%	28.3%	1 455 365	1 850 325	2 081 263	7.1%	23.6%
Goods and services	3 243 468	3 499 533	3 361 496	4 927 148	15.0%	64.2%	5 046 924	5 547 842	5 667 357	4.8%	71.0%
Depreciation	253 924	272 913	266 143	288 463	4.3%	4.7%	318 794	373 293	373 293	9.0%	4.5%
Interest, dividends and rent on land	125 003	117 942	101 907	114 266	-2.9%	2.0%	87 767	26 654	-	-100.0%	0.8%
Transfers and subsidies	-	60 025	74 882	4 160	-	0.6%	4 400	4 670	4 950	6.0%	0.1%
Total expenses	5 378 839	5 465 484	5 390 334	7 027 636	9.3%	100.0%	6 913 250	7 802 784	8 126 862	5.0%	100.0%
Surplus/(Deficit)	(492 473)	(129 271)	343 493	(616 737)	7.8%		(256 349)	(867 144)	(965 637)	16.1%	
Carrying value of assets	1 816 423	1 657 389	1 495 979	1 970 867	2.8%	34.7%	2 081 805	2 303 634	2 521 105	8.6%	38.2%
of which:											
Acquisition of assets	409 676	115 164	105 058	527 000	8.8%	5.6%	570 045	605 122	590 764	3.9%	9.9%
Investments	358 184	853 828	1 095 045	1 346 502	55.5%	17.8%	996 057	580 241	59 549	-64.6%	12.6%
Inventory	902 265	932 483	866 805	1 233 885	11.0%	19.5%	1 664 819	1 604 410	1 706 236	11.4%	26.7%
Receivables and prepayments	1 127 073	961 050	1 034 886	981 014	-4.5%	20.7%	1 046 353	1 155 147	1 091 696	3.6%	18.4%
Cash and cash equivalents	114 529	108 753	217 732	200 000	20.4%	3.2%	200 000	200 000	184 916	-2.6%	3.4%
Defined benefit plan assets	285 819	226 633	155 277	82 872	-33.8%	3.9%	9 649	-	-	-100.0%	0.4%
Derivatives financial instruments	13 320	5 374	-	19 828	14.2%	0.2%	35 755	9 092	9 092	-22.9%	0.3%
Total assets	4 617 613	4 745 510	4 865 724	5 834 968	8.1%	100.0%	6 034 438	5 852 524	5 572 594	-1.5%	100.0%
Accumulated surplus/(deficit)	1 062 985	848 199	1 115 780	1 626 086	15.2%	22.9%	2 140 681	2 462 625	2 104 999	9.0%	35.8%
Capital and reserves	2 119	2 455	3 142	3 147	14.1%	0.1%	3 147	3 147	3 147	-	0.1%
Capital reserve fund	450 959	507 167	435 710	364 277	-6.9%	8.9%	337 777	317 677	251 740	-11.6%	5.4%
Borrowings	1 302 893	1 179 145	788 390	798 439	-15.1%	20.7%	410 189	12 724	12 537	-75.0%	5.2%
Finance lease	47 479	167 661	389 031	1 137	-71.2%	3.1%	1 137	1 137	1 137	-	0.0%
Deferred income	219 806	130 346	122 828	82 828	-27.8%	2.9%	82 828	82 828	82 828	-	1.4%
Trade and other payables	740 606	990 297	932 770	1 499 011	26.5%	20.4%	1 668 948	1 549 630	1 629 045	2.8%	27.3%
Taxation	23 860	57 198	62 988	-	-100.0%	0.8%	-	-	-	-	-
Provisions	739 517	835 658	992 966	1 362 109	22.6%	19.3%	1 287 731	1 316 177	1 375 832	0.3%	23.0%
Derivatives financial instruments	27 390	27 390	27 391	97 934	52.9%	0.9%	102 000	106 579	111 329	4.4%	1.8%
Total equity and liabilities	4 617 614	4 745 516	4 870 996	5 834 968	8.1%	100.0%	6 034 438	5 852 524	5 572 594	-1.5%	100.0%

Personnel information

Table 27.18 South African Broadcasting Corporation

Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual 2011/12			Revised estimate 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16					
								Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Salary level	3 717	–	3 717	1 576.0	0.4	3 717	1 693.6	0.5	3 021	1 455.4	0.5	3 657	1 850.3	0.5	3 881	2 081.3	0.5	1.4%	100.0%
1 – 6	500	–	500	409.3	0.8	500	387.8	0.8	402	333.3	0.8	486	423.7	0.9	516	476.6	0.9	7.1%	13.3%
7 – 10	599	–	599	328.4	0.5	599	348.3	0.6	488	299.3	0.6	591	380.6	0.6	627	428.1	0.7	7.1%	16.1%
13 – 16	2 618	–	2 618	838.4	0.3	2 618	957.4	0.4	2 130	822.7	0.4	2 580	1 046.0	0.4	2 737	1 176.6	0.4	7.1%	70.5%

1. Rand million.

Expenditure trends

Revenue in the South African Broadcasting Corporation is generated mainly from television licences, advertising and sponsorships, and allocations from the department. Revenue is expected to increase to R7.2 billion over the medium term due to an increase in advertising revenue in line with the new multichannel environment created by the expected rollout of digital terrestrial television.

The spending focus over the medium term will be on rebuilding the corporation's financial position, adopting good governance and realigning the organisation's operating model with the requirements of digital broadcasting. The latter explains why operational expenditure related to digital terrestrial television is projected to increase to R2.4 billion by 2015/16.

The increase in expenditure between 2009/10 and 2012/13 was due to higher signal distribution costs and higher revenue collection costs as the corporation attempted to improve liquidity. The deficit increased from R492 million in 2009/10 to R617 million in 2012/13. Expenditure is expected to increase to R8.1 billion over the medium term, due to the rollout of additional low power transmitters, higher marketing costs to promote revised channel and radio schedules, and increased investment in content. Television licence collection costs are also projected to increase in view of the annual increase in the number of registered licence holders.

The corporation had a funded establishment of 3 717 posts, all of which were filled at the end of September 2012. The number of filled posts is expected to increase to 3 881 over the medium term due to the requirements for implementing digital terrestrial television and the organisation's strategy to expand regional content and thus contribute to job creation.

Consultants are used to provide business advisory services, including those related to the development of the corporation's turnaround strategy. Expenditure on consultants was approximately 5.8 per cent of expenditure on compensation of employees in 2012/13.

South African Post Office

Mandate and goals

The South African Post Office is a schedule 2 public entity in terms of the Public Finance Management Act (1999). It is a government business enterprise established to provide postal and related services to the public, and derives its mandate from the South African Post Office SOC Ltd Act (2011) and the South African Postbank Limited Act (2010). The Postal Services Act (1998) grants it an exclusive mandate to conduct postal services. This act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations and the financial services activities of Postbank.

The entity's strategic goals over the medium term are to:

- drive operational excellence to achieve quality at benchmark costs
- continue implementing universal service obligations
- implement the second and third phases of the IT network upgrade

- ensure digital business growth
- continue the corporatisation of Postbank through applying for a banking licence and upgrading banking systems
- review the labour model within the organisation.

Selected performance indicators

Table 27.19 South African Post Office

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new post offices per year	Rollout of new post office points of presence	64	20 ¹	50	50	50	50	50
Number of post office service points per year ²	The number of post office access points	2 467	2 487	2 537	2 497	2 547	2 597	5 647
Number of new addresses delivered as part of the address expansion programme per year	Rollout of new addresses for citizens	1 645 945	1 646 000	1 195 690	1 195 690	1 195 690	1 195 690	1 195 690
Total value of Postbank depositors' funds	The value of funds held for depositors at Postbank	R3.7bn	R4bn	R4.3bn	R4.5bn	R4.8bn	R5.1bn	R5.4bn

1. The decrease is due to budget cuts.

2. The number of service points decreased by 40, from 2 487 in 2010/11 to 2 447 in 2011/12, due to the closure of 84 retail postal agencies, as the host businesses and mines that have closed in the trading areas. 5 post offices closed due to the landlords not wishing to renew the expired leases for these offices. However, 13 new post offices and 36 new retail postal agencies were opened.

Programmes/activities/objectives

Table 27.20 South African Post Office

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Provide postal and related services	5 643 613	6 211 784	6 123 805	6 294 076	3.7%	100.0%	6 599 416	6 961 014	7 206 440	4.6%	100.0%
Total expense	5 643 613	6 211 784	6 123 805	6 294 076	3.7%	100.0%	6 599 416	6 961 014	7 206 440	4.6%	100.0%

Expenditure estimates

Table 27.21 South African Post Office

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	5 553 653	6 023 463	6 101 218	6 105 297	3.2%	96.2%	6 389 023	6 782 394	7 192 997	5.6%	98.0%
Sale of goods and services other than capital assets	4 894 680	5 576 062	5 700 797	5 835 390	6.0%	89.0%	5 823 923	6 189 120	6 570 139	4.0%	90.5%
of which:											
Sales by market establishment	4 894 680	5 576 062	5 700 797	5 835 390	6.0%	89.0%	5 823 923	6 189 120	6 570 139	4.0%	90.5%
Other non-tax revenue	658 973	447 401	400 421	269 907	-25.7%	7.2%	565 100	593 274	622 858	32.1%	7.5%
Transfers received	383 092	306 077	180 442	51 965	-48.6%	3.8%	205 000	252 000	24 000	-22.7%	2.0%
Total revenue	5 936 745	6 329 540	6 281 660	6 157 262	1.2%	100.0%	6 594 023	7 034 394	7 216 997	5.4%	100.0%
Expenses											
Current expenses	5 561 506	6 142 780	6 031 534	6 294 076	4.2%	99.0%	6 599 416	6 961 014	7 202 334	4.6%	100.0%
Compensation of employees	2 961 875	3 095 374	3 228 309	3 340 514	4.1%	52.0%	3 496 903	3 707 517	3 930 648	5.6%	53.5%
Goods and services	2 335 921	2 779 509	2 558 121	2 626 804	4.0%	42.4%	2 849 721	2 986 866	2 990 459	4.4%	42.3%
Depreciation	176 639	235 211	212 705	294 066	18.5%	3.8%	175 920	185 538	195 681	-12.7%	3.2%
Interest, dividends and rent on land	87 071	32 686	32 399	32 692	-27.9%	0.8%	76 872	81 093	85 546	37.8%	1.0%
Total expenses	5 643 613	6 211 784	6 123 805	6 294 076	3.7%	100.0%	6 599 416	6 961 014	7 206 440	4.6%	100.0%
Surplus/(Deficit)	293 132	117 756	157 855	(136 814)	-177.6%		(5 393)	73 380	10 557	-142.6%	
Statement of financial position											
Carrying value of assets	1 152 728	1 360 927	1 269 267	1 274 996	3.4%	12.8%	1 366 357	1 423 262	1 470 780	4.9%	13.1%
of which:											
Acquisition of assets	122 127	186 698	105 895	250 000	27.0%	1.7%	325 000	353 000	274 000	3.1%	2.8%
Investments	3 753 698	2 332 653	4 115 654	4 527 219	6.4%	37.5%	4 979 941	5 477 935	6 025 729	10.0%	49.6%
Inventory	48 326	47 448	61 293	69 471	12.9%	0.6%	66 693	65 359	64 705	-2.3%	0.6%
Receivables and prepayments	569 394	625 655	527 699	764 731	10.3%	6.3%	805 259	849 515	896 512	5.4%	7.8%
Cash and cash equivalents	3 528 581	4 756 214	3 277 157	2 633 909	-9.3%	36.1%	2 214 527	1 683 271	1 166 615	-23.8%	18.3%
Non-current assets held for sale	-	-	201	-	-	0.0%	-	-	-	-	-
Taxation	363 558	285 866	317 229	277 625	-8.6%	3.2%	266 520	261 190	258 578	-2.3%	2.5%
Derivatives financial instruments	-	688 380	503	751 639	-	3.5%	808 361	869 621	934 781	7.5%	8.0%
Total assets	9 416 285	10 097 143	9 569 003	10 299 590	3.0%	100.0%	10 507 658	10 630 153	10 817 700	1.6%	100.0%

Table 27.21 South African Post Office (continued)

Statement of financial position	Audited outcome				Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
	R thousand											
Accumulated surplus/(deficit)	1 301 579	1 602 540	1 761 247	1 624 433	7.7%	15.6%	1 544 040	1 514 420	1 524 977	-2.1%	14.7%	
Capital and reserves	954 375	951 802	950 950	951 584	-0.1%	9.5%	951 566	951 557	951 553	-0.0%	9.0%	
Capital reserve fund	249 040	237 458	94 602	27 329	-52.1%	1.5%	-	-	-	-100.0%	0.1%	
Finance lease	30 872	51 714	60 302	80 421	37.6%	0.6%	43 170	42 739	42 311	-19.3%	0.5%	
Deferred income	320 848	346 726	345 718	337 281	1.7%	3.4%	333 908	327 230	323 957	-1.3%	3.1%	
Trade and other payables	5 146 292	5 615 697	5 918 811	5 786 499	4.0%	55.9%	6 410 782	6 583 057	6 787 618	5.5%	60.5%	
Taxation	160 787	28 862	9 238	18 691	-51.2%	0.6%	18 504	18 134	17 952	-1.3%	0.2%	
Provisions	1 252 492	1 253 692	1 226 370	1 473 352	5.6%	13.0%	1 205 688	1 193 016	1 169 332	-7.4%	12.0%	
Derivatives financial instruments	-	8 652	8 329	-	-	0.0%	-	-	-	-	-	
Total equity and liabilities	9 416 285	10 097 143	10 375 567	10 299 590	3.0%	100.0%	10 507 658	10 630 153	10 817 700	1.6%	100.0%	

Personnel information

Table 27.22 South African Post Office

Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	22 451	718	15 895	3 228.3	0.2	21 733	3 340.5	0.2	22 451	3 476.9	0.2	22 451	3 685.5	0.2	22 451	3 906.6	0.2	1.1%	100.0%
1 - 6	22 223	694	15 691	3 040.9	0.2	21 529	3 135.9	0.1	22 223	3 263.1	0.1	22 223	3 460.7	0.2	22 223	3 670.3	0.2	1.1%	99.0%
7 - 10	159	14	143	116.9	0.8	145	131.1	0.9	159	136.8	0.9	159	143.7	0.9	159	151.1	1.0	4.8%	0.7%
11 - 12	45	8	38	62.8	1.7	37	65.0	1.8	45	67.8	1.5	45	71.3	1.6	45	74.9	1.7	4.8%	0.2%
13 - 16	24	2	23	7.7	0.3	22	8.4	0.4	24	9.2	0.4	24	9.8	0.4	24	10.4	0.4	7.2%	0.1%

1. Rand million.

Expenditure trends

The South African Post Office generates revenue from the provision of postal, courier and banking services, and from financial transaction fees. The post office also received a government subsidy, which came to an end in 2012/13, to fund the universal services obligations and investment in infrastructure. Revenue increased only slightly between 2009/10 and 2012/13 as a result of difficult trading conditions, declining mail volumes and lower interest rates. Revenue is expected to grow to R7.2 billion over the medium term, and due to expected increases in postal and courier services.

The spending focus over the medium term will be on continuing to provide for universal access obligations by creating 50 new post office points of presence per year, increasing the number of addresses to allow wider access to postal and financial services in under-serviced areas, and continuing with the corporatisation of Postbank. This accounts for upward adjustments to performance indicators relating to the number of service points, new post offices, and growth in Postbank depositor funds.

The increase in expenditure between 2009/10 and 2012/13 was due to higher utility costs as a result of Eskom's electricity tariff increases, and higher maintenance and property costs due to the increase in the number of retail outlets. Spending on compensation of employees is expected to increase to R3.9 billion over the medium term to provide for improved conditions of service.

The entity had a funded establishment of 22 451 posts, 718 of which were vacant as at 30 September 2012. The number of filled posts increased from 15 895 in 2011/12 to 21 733 in 2012/13, mainly at the skilled and semi-skilled levels. In 2013/14, filled positions are expected to grow to 22 451 as demand for postal and financial services recovers.

Expenditure on consultants was equivalent to 0.8 per cent of expenditure on compensation of employees in 2012/13. Consultants provide specialised skills related to technology, communication, financial services and the Postbank corporatisation.

Independent Communications Authority of South Africa

Mandate and goals

The Independent Communications Authority of South Africa was established in terms of the Independent Communications Authority of South Africa Act (2000), as amended, and is listed as a schedule 1 public entity in terms of the Public Finance Management Act (1999). The authority makes regulations and issues communications licences in terms of the Electronic Communications Act (2005) and Postal Services Act (1998). Enabling legislation also empowers the authority to monitor and enforce licensee compliance with licence terms and conditions; and 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 authority's strategic goals over the medium term are to:

- focus on the transformation of the ICT sector to ensure the provision of broadband services
- optimise the use of the radio frequency spectrum to support the widest variety of services
- promote the protection of consumers and accessibility for persons with disabilities
- promote the development of public, community and commercial broadcasting services in the context of digital migration
- ensure compliance with legislation and regulations
- strengthen and modernise the authority
- enhance competition in the ICT sector.

Selected performance indicators

Table 27.23 The Independent Communications Authority of South Africa

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Number of frequency bands monitored year	Ensure that the country's ICT sector standards or practices are aligned to the International Telecommunication Union and also ensure that the country strives to achieve millennium development goals for ICT access within the set time frames	2	4	4	4	4	4	4
Number of applications closed per year (equipment type approvals) ¹	Ensure that the country's ICT sector standards or practices are aligned to the International Telecommunication Union and also ensure that the country strives to achieve millennium development goals for ICT access within the set time frames	- ¹	2 000	2 223	2 000	2 000	2 000	2 000
Number of applications closed per year (spectrum licensing) ¹	Issuing licences	- ¹	3 040	3 344	3 680	4 048	4 700	4 800
Percentage of consumer complaints resolved (consumer affairs)	Ensure that the country's ICT sector standards or practices are aligned to the International Telecommunication Union and also ensure that the country strives to achieve millennium development goals for ICT access within the set timeframes	66%	64%	67%	70%	74%	100%	100%
Number of people who participated in public awareness campaigns per year (public awareness)	Ensure that the country's ICT sector standards or practices are aligned to the International Telecommunication Union and also ensure that the country strives to achieve millennium development goals for ICT access within the set time frames	540	672	705	740	760	760	790
Number of inspections and sealing of electronic equipment per year	Ensure that the country's ICT sector standards or practices are aligned to the International Telecommunication Union and also ensure that the country strives to achieve millennium development goals for ICT access within the set time frames	1 406	920	1 012	1 113	1 225	1 200	1 350
Number of pre-assigned spectrum licences processed per year	Issuing licences	1 260	1 350	1 485	1 634	1 797	1 700	1 800
Number of tariff lodgements per year (markets and competition)	Issuing licences	52	55	52	55	72	70	70
Number of licences issued per year (class broadcasting services, class electronic communications services, electronic communications network services and unreserved)	Issuing licences	189	25	30	35	35	40	45

Table 27.23 The Independent Communications Authority of South Africa (continued)

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of numbering applications, and interconnection, and facilities leasing agreements approved per year (markets and competition)	Ensuring compliance of key sectoral players including the mobile phone operators, television operators and television signal distributors	410	420	428	435	445	450	460

1. No data was available for 2009/10, as there was still a policy review taking place on licence fees and equipment type approvals. The applications that were received in 2009/10 were not completed and closed in that same year. Reporting started in 2010/11.

Programmes/activities/objectives

Table 27.24 Independent Communications Authority of South Africa

Indicator	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
R thousand											
Issuing of licences	161 753	105 149	93 566	158 757	-0.6%	39.5%	140 706	117 965	129 183	-6.6%	34.4%
Conducting inspections and ensure compliance with regulations	14 272	85 300	85 739	99 217	90.9%	21.0%	89 547	89 786	91 098	-2.8%	23.3%
Optimise the use of the radio frequency spectrum to support the widest variety of services	17 126	18 900	18 887	21 860	8.5%	5.8%	22 742	23 822	24 364	3.7%	5.9%
Develop and implement regulations to give effect to the ministerial policy directives	19 980	21 500	22 035	29 147	13.4%	7.0%	26 188	27 432	28 056	-1.3%	7.0%
Strengthen and modernise the organisation	57 087	60 150	62 958	77 867	10.9%	19.5%	74 431	77 967	78 817	0.4%	19.5%
Promote competition	19 986	19 085	18 822	10 931	-18.2%	5.4%	19 677	20 465	22 048	26.3%	4.6%
Promote the protection of consumers and accessibility for disabled persons	-	-	10 859	13 319	-	1.7%	22 078	24 291	25 066	23.5%	5.4%
Total expense	290 204	310 084	312 867	411 097	12.3%	100.0%	395 369	381 728	398 631	-1.0%	100.0%

Expenditure estimates

Table 27.25 Independent Communications Authority of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
R thousand											
Revenue											
Non-tax revenue	15 827	5 908	6 985	5 300	-30.6%	2.8%	4 707	5 507	5 012	-1.8%	1.3%
Sale of goods and services other than capital assets	5	7	7	-	-100.0%	0.0%	12	-	-	-	0.0%
of which:											
Administrative fees	5	7	7	-	-100.0%	0.0%	12	-	-	-	0.0%
Other non-tax revenue	15 823	5 901	6 978	5 300	-30.6%	2.7%	4 695	5 507	5 012	-1.8%	1.3%
Transfers received	269 607	290 923	313 378	405 797	14.6%	97.2%	390 661	376 221	393 619	-1.0%	98.7%
Total revenue	285 434	296 831	320 363	411 097	12.9%	100.0%	395 368	381 728	398 631	-1.0%	100.0%
Expenses											
Current expenses	290 204	310 084	312 867	411 097	12.3%	100.0%	395 368	378 464	398 631	-1.0%	99.8%
Compensation of employees	159 040	170 959	186 210	196 544	7.3%	54.3%	206 072	217 406	232 624	5.8%	53.8%
Goods and services	123 492	119 713	118 433	197 553	17.0%	41.8%	173 246	146 193	145 880	-9.6%	41.7%
Depreciation	7 665	19 406	7 994	17 000	30.4%	3.9%	16 050	14 865	20 127	5.8%	4.3%
Interest, dividends and rent on land	6	6	231	-	-100.0%	0.0%	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	3 264	-	-	0.2%
Total expenses	290 204	310 084	312 867	411 097	12.3%	100.0%	395 368	381 728	398 631	-1.0%	100.0%
Surplus/(Deficit)	(4 770)	(13 253)	7 496	-	-100.0%	-	-	-	-	-	-
Statement of financial position											
Carrying value of assets	92 917	100 374	99 410	155 410	18.7%	42.3%	210 410	207 517	202 317	9.2%	83.8%
of which:											
Acquisition of assets	23 221	22 436	25 367	45 000	24.7%	11.4%	72 000	15 000	11 800	-36.0%	15.8%
Receivables and prepayments	502 270	7 603	8 548	12 820	-70.6%	21.8%	14 400	13 000	12 500	-0.8%	5.8%
Cash and cash equivalents	81 144	41 110	45 551	23 735	-33.6%	14.5%	25 500	23 000	23 500	-0.3%	10.5%
Derivatives financial instruments	-	898 483	-	-	-	21.4%	-	-	-	-	-
Total assets	676 331	1 047 570	153 509	191 965	-34.3%	100.0%	250 310	243 517	238 317	7.5%	100.0%
Accumulated surplus/(deficit)	121 661	112 554	119 097	155 944	8.6%	30.6%	215 430	213 077	211 097	10.6%	85.8%
Finance lease	23	-	1 411	920	243.7%	0.2%	680	440	220	-37.9%	0.3%
Trade and other payables	554 647	22 991	15 652	35 101	-60.1%	26.0%	34 200	30 000	27 000	-8.4%	13.9%
Provisions	-	6 610	9 154	-	-	0.4%	-	-	-	-	-
Managed funds (e.g. poverty alleviation fund)	-	905 417	801 163	-	-	42.8%	-	-	-	-	-
Total equity and liabilities	676 331	1 047 571	946 478	191 965	-34.3%	100.0%	250 310	243 517	238 317	7.5%	100.0%

Personnel information

Table 27.26 Independent Communications Authority of South Africa

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	359	–	355	186.2	0.5	359	196.0	0.5	364	206.1	0.6	365	217.4	0.6	381	232.6	0.6	2.0%	100.0%	
7 – 10	71	–	69	18.7	0.3	71	20.6	0.3	74	20.9	0.3	74	21.9	0.3	84	23.5	0.3	5.8%	10.2%	
11 – 12	212	–	210	97.1	0.5	212	103.2	0.5	214	107.4	0.5	214	112.8	0.5	220	120.7	0.5	1.2%	52.1%	
13 – 16	75	–	75	68.3	0.9	75	70.4	0.9	75	75.4	1.0	76	80.2	1.1	76	85.8	1.1	0.4%	36.6%	
17 – 22	1	–	1	2.1	2.1	1	1.9	1.9	1	2.3	2.3	1	2.4	2.4	1	2.6	2.6	–	1.1%	

1. Rand million.

Expenditure trends

The Independent Communications Authority of South Africa derives its revenue mainly through transfers from the department and other sources, such as finance income from interest earned on cash and bid handling fees. Transfers received increased to R405.8 million in 2012/13 to accommodate higher operational expenses. Total revenue is expected to increase to R398.6 million in 2015/16 due to the increase in transfers received to fund improved conditions of service and the office relocation.

The spending focus over the medium term will be on enhancing regulatory capacity, improving access to broadband services and optimising the use of the radio frequency spectrum to extend access to affordable ICT services to all South Africans. In order to ensure effective compliance with the legislation, regulations and licence terms and conditions, the authority will procure equipment for monitoring the activities of licensees who provide postal and broadcasting services by 2013/14. The authority will also acquire customer relations management and spectrum management tools to ensure the optimal use of spectrum by license holders. In addition, hand held spectrum analysers will be bought and test equipment upgrades made in order to support digital technology.

The increase in expenditure between 2009/10 and 2012/13 is mainly due to funding made available in 2012/13 for projects relating to digital terrestrial television, the provision of broadband services and additional commercial radio services, and broadcasting the 2013 African Cup of Nations soccer tournament.

Over the medium term, expenditure is expected to increase to R398.6 million largely due to the relocation of the head office. The decrease in expenditure on goods and services is due to funds being reprioritised towards capital assets to procure equipment for monitoring the activities of licensees who provide postal and broadcasting services. R31.9 million, the equivalent of 16.3 per cent of the allocation for spending on compensation of employees, is allocated for spending on consultants in 2012/13. Consultants are used to provide specialised skills and capacity related to the development of the two-phased proposal on frequency migration strategy to inform the roadmap for the licensing of spectrum to support the broadband 2020 vision. In addition, consultants are to be used to assist in finalising licensing additional broadcasting services by 2013/14 to promote competition by enabling new entrants to participate in the broadcasting sector and remove bottlenecks to competition.

The entity expects to realise savings of R2.5 million each year over the MTEF period by moving its head office to a less expensive premises and bringing in international training facilitators instead of sending personnel overseas. In addition, savings of R360 000 have been realised in communication costs since the organisation introduced the voice over internet protocol system in 2008/09.

As at 30 September 2012, the entity had a funded establishment of 359 posts, all of which were filled. The number of filled posts increased from 355 in 2011/12 to 359 in 2012/13. The authority is currently undertaking an organisational review, which may change the projected number of posts for the medium term.

National Electronic Media Institute of South Africa

Mandate and goals

The National Electronic Media Institute of South Africa was established as a non-profit institute of education by the Department of Communications in terms of the Companies Act (1973) and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Formed as part of a government initiative in 1998 in response to the White Paper on Broadcasting Policy, the institute's main purpose is to train previously disadvantaged individuals, particularly women, to equip them with the necessary skills to play significant roles in the constantly changing broadcasting environment. The institute offers hands-on training in the electronic media, including content design and production, technical operations and content transmission.

The institute's ongoing activities include offering national certificates and short courses in the areas of television production, animation and radio production. The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines.

Selected performance indicators

Table 27.27 National Electronic Media Institute of South Africa

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of learners trained in the following programmes per year:	Recruit and train learners in the electronic media sphere; and promote the institute as the training institute of choice in the ICT sector, especially for creative media and broadcasting							
- Television production		35	23	35	35	35	35	35
- Radio production		24	19	25	25	25	25	25
- Graphic design ¹		13	40	40	-1	-1	-1	-1
Number of special projects offered per year:	Establish a sustainable digital content development hub, and provide advanced multimedia skills and enhance local content generation							
- Television production ²		-2	40	40	-2	-2	-2	-2

1. The institute is undergoing restructuring. New programmes and special projects will be created, and some of the existing programmes and special projects will be absorbed into others. Thus no projections are available due to this restructuring.

2. Project began in 2010/11. No projections are available due to the restructuring of programmes and projects.

Programmes/activities/objectives

Table 27.28 National Electronic Media Institute of South Africa

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Technology and research and development excellence	10 742	6 199	8 546	10 234	-1.6%	21.2%	10 799	25 893	12 159	5.9%	36.4%
Financial viability and institutional sustainability	10 387	11 453	12 677	14 112	10.8%	28.9%	1 906	2 001	2 093	-47.1%	11.4%
Organisational effectiveness	4 560	4 979	5 943	6 823	14.4%	13.2%	8 373	8 603	8 637	8.2%	20.0%
Stakeholders engagement	3 659	4 387	2 848	3 411	-2.3%	8.6%	3 304	2 997	3 960	5.1%	8.4%
Expanded reach	11 387	12 399	11 099	12 050	1.9%	28.1%	13 165	626	13 098	2.8%	23.8%
Total expense	40 735	39 417	41 113	46 630	4.6%	100.0%	37 547	40 120	39 947	-5.0%	100.0%

Expenditure Estimates

Table 27.29 National Electronic Media Institute of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Revenue											
Non-tax revenue	7 204	2 525	2 203	12 514	20.2%	15.0%	1 801	2 261	346	-69.8%	9.5%
Sale of goods and services other than capital assets	5 962	1 940	1 973	12 514	28.0%	13.6%	1 551	2 001	66	-82.6%	9.0%
of which:											
Sales by market establishment	5 962	1 940	1 973	12 514	28.0%	13.6%	1 551	2 001	66	-82.6%	9.0%
Other non-tax revenue	1 242	585	230	-	-100.0%	1.4%	250	260	280	-	0.5%
Transfers received	29 059	32 602	33 473	34 116	5.5%	85.0%	35 746	37 859	39 601	5.1%	90.5%
Total revenue	36 263	35 127	35 676	46 630	8.7%	100.0%	37 547	40 120	39 947	-5.0%	100.0%

Table 27.29 National Electronic Media Institute of South Africa (continued)

Statement of financial performance		Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
		2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand												
Expenses												
Current expenses		40 735	39 417	41 113	46 630	4.6%	100.0%	37 547	40 120	39 947	-5.0%	100.0%
Compensation of employees		11 722	11 905	14 040	27 322	32.6%	37.9%	16 723	14 441	11 720	-24.6%	42.1%
Goods and services		26 115	24 703	24 398	16 970	-13.4%	55.6%	18 347	23 196	25 630	14.7%	51.8%
Depreciation		2 866	2 808	2 675	2 338	-6.6%	6.4%	2 477	2 483	2 597	3.6%	6.1%
Interest, dividends and rent on land		32	-	-	-	-100.0%	0.0%	-	-	-	-	-
Total expenses		40 735	39 417	41 113	46 630	4.6%	100.0%	37 547	40 120	39 947	-5.0%	100.0%
Surplus/(Deficit)		(4 472)	(4 290)	(5 437)	-	-100.0%		-	-	-	-	
Carrying value of assets		7 420	7 619	5 246	4 096	-18.0%	33.8%	8 463	8 912	9 295	31.4%	57.9%
<i>of which:</i>												
Acquisition of assets		4 956	3 185	340	900	-43.4%	12.0%	2 500	5 000	-	-100.0%	15.0%
Investments		-	-	133	-	-	0.2%	-	-	-	-	-
Inventory		-	-	-	120	-	0.2%	-	-	-	-100.0%	0.2%
Receivables and prepayments		2 425	3 673	2 912	3 243	10.2%	17.9%	2 800	2 900	300	-54.8%	16.5%
Cash and cash equivalents		15 762	4 287	9 794	7 000	-23.7%	47.9%	2 277	2 345	2 353	-30.5%	25.4%
Total assets		25 607	15 579	18 085	14 459	-17.3%	100.0%	13 540	14 157	11 948	-6.2%	100.0%
Accumulated surplus/(deficit)		13 693	9 403	3 966	3 966	-33.8%	40.8%	3 966	3 966	3 966	-	29.5%
Capital reserve fund		-	-	7 627	2 797	-	15.4%	-	-	-	-100.0%	4.8%
Finance lease		3 000	-	-	-	-100.0%	2.9%	-	-	-	-	-
Deferred income		-	-	-	3 398	-	5.9%	6 000	3 304	897	-35.9%	24.7%
Trade and other payables		6 884	4 079	3 433	2 495	-28.7%	22.3%	1 809	4 895	5 002	26.1%	26.8%
Provisions		2 030	2 097	2 539	1 803	-3.9%	12.0%	1 765	1 992	2 083	4.9%	14.3%
Derivatives financial instruments		-	-	520	-	-	0.7%	-	-	-	-	-
Total equity and liabilities		25 607	15 579	18 085	14 459	-17.3%	100.0%	13 540	14 157	11 948	-6.2%	100.0%

Personnel information

Table 27.30 National Electronic Media Institute of South Africa

Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number					
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
Number of funded posts	Number of vacant posts	2011/12		2012/13			2013/14		2014/15		2015/16		2012/13 - 2015/16						
		Number	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Unit Cost					
Salary level	81	5	32	14.0	0.4	81	27.3	0.3	74	16.7	0.2	74	14.4	0.2	74	11.7	0.2	-3.0%	100.0%
1 - 6	4	-	5	0.9	0.2	5	0.8	0.2	4	0.9	0.2	4	0.9	0.2	4	1.0	0.2	-7.2%	5.6%
7 - 10	68	5	14	4.9	0.3	63	17.2	0.3	62	9.3	0.2	62	7.9	0.1	62	7.1	0.1	-0.5%	82.3%
11 - 12	5	-	4	0.7	0.2	6	3.3	0.6	4	1.9	0.5	4	2.0	0.5	4	2.1	0.5	-12.6%	5.9%
13 - 16	4	-	9	7.6	0.8	7	6.0	0.9	4	4.6	1.2	4	3.6	0.9	4	1.5	0.4	-17.0%	6.2%

1. Rand million.

Expenditure trends

The National Electronic Media Institute of South Africa derives revenue from government allocations, student fees and other revenue derived from training and partnerships.

The spending focus over the medium term will be on repositioning the institute and improving courses on offer by designing skills programmes that target women and members of the disabled community, and developing and delivering programmes customised to the needs of community television and radio. The curriculum for all programmes will be reviewed over the medium term, which in some instances will result in a decrease number of students being recruited for full time programmes.

Expenditure on compensation of employees increased significantly between 2009/10 and 2012/13, as the institute reprioritised funds from non-essential items to provide for additional staff employed over this period. In 2009/10, the institute completed a job evaluation and job grading process as part of its objective to attract and retain staff. The process resulted in the institute appointing additional staff members on a part time basis. However, this has turned out to be more expensive, so staff will now be appointed on a permanent basis and the number of part-time lecturers reduced.

The institute expects to realise savings of R372 0000, R742 000 and R1.2 million over the medium term as it implements cost saving measures to reduce spending on advertising, repairs and maintenance, and board costs. The measures include opting to advertise in the Government Gazette and newspapers with lower advertising rates, and ensuring that the meetings for different board committees are scheduled on the same day.

As at 30 September 2012, the entity had an establishment of 81 posts, all of which were funded and none were vacant. The number of filled posts increased from 32 in 2011/12 to 81 in 2012/13 due to the filling of critical vacant posts over the period. The number of filled posts is expected to decrease over the medium term as the entity reduces the number of part time lecturers.

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

Mandate and goals

The Universal Service and Access Agency of South Africa was established in terms of section 80 of the Electronic Communications Act (2005) as a statutory body and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Its sole mandate is to promote universal service and access to electronic communications services, electronic communications network services and broadcasting services.

The agency's strategic goals over the medium term are to:

- provide thought leadership on universal services and access throughout South Africa
- facilitate interventions to ensure affordable and equitable access to and use of ICT
- ensure the effective and efficient administration of the Universal Service and Access Fund
- enhance the strategic and operational capacity of the agency.

Selected performance indicators

Table 27.31 Universal Service and Access Agency of South Africa and Universal Service and Access Fund

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of access centres handed over and fully functional ¹	Handover of existing access centres	34	- ¹					
Number of new ICT access facilities deployed in underserved areas ²	Rapid deployment of access centres	- ^{2,3}	- ²	44	75	- ²	- ²	- ²
Number of under-served areas covered with broadband infrastructure ^{2,3}	Broadband infrastructure in under-served areas	- ³	1	1	- ²	2	2	2
Number of poor television-owning households subsidised (for purchase of set top boxes as part of broadcasting digital migration) ³	Broadcasting digital migration	- ³	- ³	- ³	290 000	300 000	300 000	313 800
Number of schools with internet connectivity per year	E-connectivity	107	89	20	30	30	20	20

1. No data was available in 2010/11 as the reviewed and operational cyber labs could not be handed over to municipalities due to ongoing consultations with various key stakeholders. No projections are available, as all projects were put on hold due to a forensic audit of the entity.

2. The project is put on hold pending a forensic audit of the entity.

3. No historical data, as the project only started in 2012/13.

Programmes/activities/objectives

Table 27.32 Universal Service and Access Agency of South Africa

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
General operational expenditure	30 338	69 075	76 163	56 107	22.7%	100.0%	60 090	65 376	68 452	6.9%	100.0%
Total expense	30 338	69 075	76 163	56 107	22.7%	100.0%	60 090	65 376	68 452	6.9%	100.0%

Expenditure estimates

Table 27.33 Universal Service and Access Agency of South Africa

Statement of financial performance											
R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Revenue											
Non-tax revenue	195	404	14	-	-100.0%	0.3%	-	-	-	-	-
<i>Other non-tax revenue</i>	195	404	14	-	-100.0%	0.3%	-	-	-	-	-
Transfers received	33 495	66 704	83 168	59 801	21.3%	99.7%	60 090	65 376	68 452	4.6%	100.0%
Total revenue	33 690	67 108	83 182	59 801	21.1%	100.0%	60 090	65 376	68 452	4.6%	100.0%
Expenses											
Current expenses	30 338	69 075	76 163	59 801	25.4%	100.0%	60 090	65 376	68 452	4.6%	100.0%
Compensation of employees	17 742	25 216	35 440	34 123	24.4%	49.6%	35 810	37 752	39 085	4.6%	57.9%
Goods and services	11 672	42 532	37 418	25 541	29.8%	48.0%	20 936	24 314	25 906	0.5%	38.1%
Depreciation	889	1 301	3 288	100	-51.7%	2.3%	3 299	3 253	3 402	224.0%	3.9%
Interest, dividends and rent on land	35	26	17	37	1.9%	0.1%	45	57	59	16.8%	0.1%
Total expenses	30 338	69 075	76 163	59 801	25.4%	100.0%	60 090	65 376	68 452	4.6%	100.0%
Surplus/(Deficit)	3 352	(1 967)	7 019	-	-100.0%		-	-	-	-	-

Personnel information

Table 27.34 Universal Service and Access Agency of South Africa

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment													Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
65	1	64	31.7	0.5	64	30.4	0.5	64	32.0	0.5	64	33.8	0.5	64	34.9	0.5	-	100.0%	
1-6	2	-	2	0.2	0.1	2	0.1	0.1	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	-	3.1%
7-10	28	-	28	7.3	0.3	28	6.9	0.2	28	7.4	0.3	28	7.9	0.3	28	8.2	0.3	-	43.8%
11-12	14	-	14	6.1	0.4	14	6.4	0.5	14	6.7	0.5	14	7.1	0.5	14	7.3	0.5	-	21.9%
13-16	21	1	20	18.2	0.9	20	16.9	0.8	20	17.7	0.9	20	18.6	0.9	20	19.2	1.0	-	31.3%

1. Rand million.

Expenditure trends

The Universal Service and Access Agency of South Africa receives its revenue mainly through a transfer from the department. The increase in revenue between 2009/10 and 2012/13 was due to an increase in transfers for building capacity and work on the broadcasting digital migration project.

The spending focus over the medium term will be on meeting universal access obligations by enhancing the effectiveness of interventions and projects subsidised by the Universal Service and Access Fund, including the e-connectivity project, and providing subsidies for set top boxes as part of the digital terrestrial television

migration. The e-connectivity project relates to schools where centres with computers are built to give learners access to internet connectivity. This entails purchasing computers, servers and printers, as well as paying for internet connectivity. In addition, there will be a review of the agency in order to inform a re-positioning of the entity.

Expenditure on compensation of employees and the related goods and services increased between 2009/10 and 2012/13 due to a new structure that was developed and implemented in 2010/11. Reductions of R4 million over the medium term have been effected, which accounts for the relatively slower growth in spending over the period. The reductions are to be effected on spending on various items, such as compensation of employees, catering, communication, and travel and subsistence.

As at 30 September 2012, the entity had an establishment of 65 posts, all of which were funded and 1 was vacant due to natural attrition. R1.6 million has been allocated for expenditure on consultants over the medium term mainly to provide IT support for certain computer applications used by the agency. Expenditure on consultants was equivalent to 4.4 per cent of expenditure on compensation of employees in 2012/13.

Expenditure estimates

Table 27.35 Universal Service and Access Fund

	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Handover of existing access centres	12 677	14 007	1 105	–	-100.0%	27.1%	–	–	–	–	–
Rapid deployment of access centres	–	17 551	3 056	31 285	–	26.4%	21 418	14 157	11 753	-27.8%	6.9%
Broadband infrastructure in underserved areas	–	13 500	–	–	–	6.6%	21 575	32 250	36 881	–	7.7%
Broadcasting digital migration	–	–	–	230 000	–	21.0%	240 000	240 000	251 040	3.0%	83.4%
E-connectivity	6 760	3 804	215	7 000	1.2%	11.5%	–	–	–	-100.0%	0.6%
Universal Service and Access Fund manual	–	1 788	14	2 850	–	1.2%	–	–	–	-100.0%	0.3%
Project costs	1 815	622	719	2 842	16.1%	6.2%	2 195	3 683	3 890	11.0%	1.1%
Total expense	21 252	51 272	5 109	273 977	134.5%	100.0%	285 188	290 090	303 564	3.5%	100.0%
Revenue											
Non-tax revenue	208	161	214	212	0.6%	0.3%	142	102	144	-12.1%	0.1%
<i>Other non-tax revenue</i>	208	161	214	212	0.6%	0.3%	142	102	144	-12.1%	0.1%
Transfers received	36 427	38 613	260 930	273 977	95.9%	99.7%	285 046	289 988	303 420	3.5%	99.9%
Total revenue	36 635	38 774	261 144	274 189	95.6%	100.0%	285 188	290 090	303 564	3.5%	100.0%
Expenses											
Current expenses	21 252	2 410	733	5 692	-35.5%	30.3%	3 252	3 581	3 746	-13.0%	1.4%
Goods and services	21 252	2 410	733	5 692	-35.5%	30.3%	3 252	3 581	3 746	-13.0%	1.4%
Transfers and subsidies	–	48 862	4 376	268 285	–	69.7%	281 936	286 509	299 818	3.8%	98.6%
Total expenses	21 252	51 272	5 109	273 977	134.5%	100.0%	285 188	290 090	303 564	3.5%	100.0%
Surplus/(Deficit)	15 383	(12 498)	256 035	212	-76.0%		–	–	–	-100.0%	

Expenditure trends

The Universal Service and Access Agency is responsible for managing the Universal Service and Access Fund, which receives contributions from licensed telecommunications providers and broadcasters that are used to fulfil universal access obligations in underserved areas. Revenue increased substantially between 2009/10 in 2012/13, at an average annual rate of 96.1 per cent, due to increased transfers for the entity to continue the rapid deployment of access centres across the country in order to extend access to ICT infrastructure in under-served areas. Revenue is expected to continue increasing over the medium term following an increase in transfers related to the digital migration programme, in preparation for the rollout of set top box subsidies to low income households.

The spending focus over the medium term will be on extending access to digital terrestrial television by rolling out set top boxes to low income households. This will be done by providing a subsidy to these households to purchase the boxes, and accounts for the large increase in transfers paid over the medium term. The focus over

the medium term will also be on the connectivity project for schools and clinics as well as connectivity devices. Funds have therefore been reprioritised towards this project.

The fund mainly provides subsidies to facilitate the rollout of ICT infrastructure and connectivity. In 2012/13, a service provider was appointed to assist in the quantification of access gaps in the ICT sector.

Additional tables

Table 27.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2011/12		2011/12	2012/13			2012/13
Administration	148 505	149 685	156 192	152 596	44 413	197 009	197 009
International Affairs	40 890	41 390	41 612	38 046	3 000	41 046	41 046
Policy, Research and Capacity Development	111 727	112 767	104 802	100 221	7 642	107 863	107 863
Broadcasting and Communications Regulation and Support	1 147 069	1 147 069	1 424 774	1 106 004	(32 370)	1 073 634	1 073 634
ICT Infrastructure Support	440 921	551 954	64 574	315 472	(80 000)	235 472	235 472
Total	1 889 112	2 002 865	1 791 954	1 712 339	(57 315)	1 655 024	1 655 024
Economic classification							
Current payments	585 237	589 090	377 114	475 512	(54 476)	421 036	421 036
Compensation of employees	171 673	173 213	151 580	182 875	1 642	184 517	184 517
Goods and services	413 564	415 877	225 519	292 637	(56 118)	236 519	236 519
Interest and rent on land	–	–	15	–	–	–	–
Transfers and subsidies	1 299 616	1 409 516	1 410 121	1 131 936	97 161	1 229 097	1 229 097
Provinces and municipalities	–	–	7	–	–	–	–
Departmental agencies and accounts	692 674	692 674	692 674	759 427	16 000	775 427	775 427
Higher education institutions	–	–	100	–	–	–	–
Foreign governments and international organisations	–	–	6	–	16 161	16 161	16 161
Public corporations and private enterprises	603 242	713 142	713 191	368 624	65 000	433 624	433 624
Non-profit institutions	3 700	3 700	4 015	3 885	–	3 885	3 885
Households	–	–	128	–	–	–	–
Payments for capital assets	4 259	4 259	2 598	104 891	(100 000)	4 891	4 891
Buildings and other fixed structures	–	–	–	100 000	(100 000)	–	–
Machinery and equipment	4 259	4 259	2 412	4 826	–	4 826	4 826
Software and other intangible assets	–	–	186	65	–	65	65
Payments for financial assets	–	–	2 121	–	–	–	–
Total	1 889 112	2 002 865	1 791 954	1 712 339	(57 315)	1 655 024	1 655 024

Table 27.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	129 595	145 083	151 580	184 517	194 995	207 599	220 167
Training expenditure (R thousand)	8 950	5 083	10 828	6 493	7 911	10 341	10 028
Training spend as percentage of compensation	6.9%	3.5%	7.1%	3.5%	4.1%	5.0%	4.6%
Total number trained (headcount)	173	155	190	217			
<i>of which:</i>							
Employees receiving bursaries (headcount)	41	44	53	53			
Internships (headcount)	35	41	18	30			
Households receiving bursaries (R thousand)	–	–	–	–	1 000	1 075	1 125

Table 27.C Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R thousand Foreign In cash													
	Inspire Programme	Policy, Research and Capacity Development	24 months	520 750	Compensation of employees	To cater for remuneration of the project manager on Inspire Programme	-	-	-	280 750	-	-	-
Total				520 750			-	-	-	280 750	-	-	-

Table 27.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate					
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16			
R thousand													
Departmental infrastructure													
Broadband services infrastructure in under-serviced and rural areas	Access and backhaul broadband infrastructure in all provinces	Construction	535 000	-	-	-	-	-	-	-	-	-	-
Infrastructure transfers to other spheres, agencies and departments													
Sentech: Digitisation of terrestrial television network	Efficient use of spectrum, broadcast digital dividend, multiple channel possibilities and new content generation	Design	1 534 862	260 019	71 000	388 900	165 834	579 304	69 805	-	-	-	-
Telkom 2010	2010 FIFA World Cup access network infrastructure between stadiums and the international broadcast centre	Handed over	350 000	350 000	-	-	-	-	-	-	-	-	-
Sentech: 2010	2010 FIFA World Cup satellite back-up links between stadiums and the international broadcast centre	Handed over	300 000	200 000	100 000	120 000	-	-	-	-	-	-	-
Universal Service and Access Agency and Fund	Subsidiary of ICT infrastructure to promote universal access and services	Various	55 000	10 000	20 000	25 000	-	-	-	-	-	-	-
South African Broadcasting Corporation: Digital migration project	Efficient use of spectrum, broadcast digital dividend, multiple channel possibilities and new content generation	Various	138 000	-	-	-	-	76 000	62 000	64 852	-	-	-
Total			2 912 862	820 019	191 000	533 900	165 834	655 304	131 805	64 852	-	-	-

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA