

# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

TELECOMMUNICATIONS AND  
POSTAL SERVICES



VOTE 32



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# **Estimates of National Expenditure**

## **2016**

**National Treasury**

**Republic of South Africa**

24 February 2016



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The 2016 Estimates of National Expenditure 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](http://www.treasury.gov.za).

Compared to the abridged version of the 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on 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.

# Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.



# **Telecommunications and Postal Services**

**National Treasury  
Republic of South Africa**



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# Vote 32

## Telecommunications and Postal Services

### Budget summary

R million	2016/17					2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Administration	193.3	190.6	–	2.8	–	205.6	217.2
International Affairs and Trade	44.7	20.8	23.4	0.5	–	46.8	49.5
Policy, Research and Capacity Development	95.6	95.0	–	0.7	–	93.9	96.4
ICT Enterprise Development and Oversight	891.8	39.8	201.4	0.6	650.0	260.2	279.6
ICT Infrastructure Support	1 191.9	362.2	829.4	0.4	–	1 029.7	1 108.5
<b>Total expenditure estimates</b>	<b>2 417.4</b>	<b>708.3</b>	<b>1 054.1</b>	<b>5.0</b>	<b>650.0</b>	<b>1 636.3</b>	<b>1 751.1</b>

Executive authority Minister of Telecommunications and Postal Services  
Accounting officer Director General of Telecommunications and Postal Services  
Website address [www.dtps.gov.za](http://www.dtps.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.*

### Vote purpose

*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 of Telecommunications and Postal Services is mandated to develop ICT policies that create conditions for accelerated and sustained shared growth of the South African economy, and to ensure the development of robust, reliable, secure and affordable ICT infrastructure. This is to contribute to the development of an inclusive information society in which information and ICT tools are key drivers of economic and societal development. The Electronic Communications Act (2005) mandates the Minister of Telecommunications and Postal Services to draft policies in order to fulfil South Africa's obligations under bilateral, multilateral, and international treaties and conventions; set guidelines for the determination of certain licence fees by the Independent Communications Authority of South Africa; promote universal service and electronic communications services in under-served areas; promote the participation of small business in the ICT sector; and enhance the capacity of state owned enterprises and exercise oversight over them. The department also contributes to building an ICT skills base in the country to ensure equitable prosperity and global competitiveness.

In addition to the Electronic Communications Act (2005), the department's mandate is derived from the following legislation:

- the Electronic Communications and Transactions Act (2002)
- the Sentech Act (1996)
- the Postal Services Act (1998)
- the South Africa Post Office SOC Ltd Act (2011)
- the South African Postbank Limited Act (2010)
- the State Information Technology Agency Act (1998)
- the Broadband Infracore Act (2007).

## Selected performance indicators

**Table 32.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	3	3	5	5	5	5
Number of identified government institutions connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		-1	-1	-1	1 296	1 293	313	1 552
Number of identified schools connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		-1	-1	-1	972	1 507	887	2 048

1. No historical data is available as these are new indicators introduced in 2015/16.

## Expenditure analysis

Information and communications technologies are a key driver of socioeconomic development and an important tool for improving productivity and efficiency. The national development plan aims to accelerate the creation of a connected society and an inclusive knowledge economy (an economy in which growth is dependent on information), and the Department of Telecommunications and Postal Services contributes to realising these goals by ensuring accessibility to affordable ICT. Over the medium term, the department will focus on the ongoing rollout of the department's broadband policy, supporting the rollout of broadcasting digital migration, tabling the ICT white paper, and establishing the Ikamva eSkills Institute. The department also supports the turnaround of the South African Post Office.

The key focus for the department over the medium term will be the ongoing rollout of South Africa Connect, the department's broadband policy. The emphasis is on ensuring connectivity in under-serviced areas, prioritising schools, health facilities and other government institutions. Increased funding of R500 million is allocated over the medium term for this purpose, which accounts for the average annual growth of 94.2 per cent in the budget for consultants in the *ICT Infrastructure Support* programme. The department projects that 4 442 schools and 3 158 government institutions will be connected over the medium term.

As South Africa migrates to digital broadcasting, the Department of Telecommunications and Postal Services will continue to support the Department of Communications in the rollout of broadcasting digital migration. The South African Post Office has been tasked with the distribution of set top boxes and antennae to identified qualifying households, and receives an increase of R480 million in the *ICT Infrastructure Support* programme over the medium term for this purpose. Sentech will also be preparing to migrate digital signals, and receives an increase of R113 million in the *ICT Infrastructure Support* programme.

The national integrated ICT policy review process has made significant progress, and the department expects to table the White Paper on the National Integrated ICT Policy and the draft National Integrated ICT Bill in Parliament in 2016/17. This work is budgeted for in the *ICT Policy Development* subprogramme in the *Policy Research and Capacity Development* programme. It also expects to develop 15 ICT position papers for international engagements over the medium term, funded in the *International Affairs and Trade* programme.

The merger of the National Electronic Media Institute of South Africa, the eSkills Institute, and the Institute of Satellite Software Applications to form the Ikamva National eSkills Institute was initiated to address the overlap, duplication and gaps in e-skills development within and between government departments, the education sector, business and civil society. The Ikamva National e-Skills Institute is aimed at developing the local e-skills required by South Africa's ICT sector, and it will also develop ICT user skills by training people how to use electronic devices, how to use the internet, and how to access public services online. While the merger proceeds, the department is finalising the institute's founding legislation. The process of establishing the institute is supported by increased funding of R126.4 million over the medium term transferred to the National Electronic Media Institute of South Africa in the *ICT Enterprise Development and Oversight* programme.

To ensure the growth and sustainability of the postal sector, the department will support the implementation of a strategic turnaround plan by the South African Post Office. An additional R650 million is allocated in 2016/17 for the recapitalisation of the entity, which accounts for the large increase in the budget of the *ICT Enterprise Development and Oversight* programme in that year.

## Expenditure trends

**Table 32.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. International Affairs and Trade														
3. Policy, Research and Capacity Development														
4. ICT Enterprise Development and Oversight														
5. ICT Infrastructure Support														
Programme														
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
Programme 1	152.6	197.0	199.4	216.1	216.1	201.2	216.4	230.4	225.3	173.7	180.3	180.3	106.3%	97.9%
Programme 2	38.0	41.0	41.5	33.3	33.3	38.5	36.8	36.8	42.5	43.4	43.4	43.4	109.5%	107.4%
Programme 3	100.2	107.9	114.3	84.4	89.4	88.3	98.0	121.0	72.9	105.6	105.6	105.6	98.1%	89.9%
Programme 4	1 106.0	1 073.6	218.8	708.1	761.1	176.5	719.2	742.4	247.6	447.9	447.9	447.9	36.6%	36.1%
Programme 5	315.5	235.5	443.9	1 002.0	1 272.2	1 196.9	523.0	1 106.0	979.8	642.8	628.0	428.0	122.8%	94.0%
<b>Total</b>	<b>1 712.3</b>	<b>1 655.0</b>	<b>1 017.9</b>	<b>2 043.9</b>	<b>2 372.1</b>	<b>1 701.5</b>	<b>1 593.4</b>	<b>2 236.7</b>	<b>1 568.1</b>	<b>1 413.3</b>	<b>1 405.3</b>	<b>1 205.3</b>	<b>81.2%</b>	<b>71.6%</b>
Change to 2015 Budget estimate											(8.1)			
Economic classification														
<b>Current payments</b>	<b>475.5</b>	<b>421.0</b>	<b>402.2</b>	<b>484.8</b>	<b>760.0</b>	<b>744.9</b>	<b>503.4</b>	<b>524.7</b>	<b>398.9</b>	<b>679.7</b>	<b>671.6</b>	<b>471.6</b>	<b>94.1%</b>	<b>84.9%</b>
Compensation of employees	182.9	184.5	148.2	195.0	195.0	158.5	204.6	204.6	175.5	191.8	198.5	198.5	87.9%	87.0%
Goods and services of which:	292.6	236.5	254.0	289.8	565.0	586.4	298.8	320.1	223.4	487.9	473.1	273.1	97.6%	83.8%
Administrative fees	1.5	1.5	2.6	1.6	1.6	2.1	1.7	1.7	1.5	1.8	1.8	1.8	121.2%	121.0%
Advertising	7.0	51.2	39.9	65.8	65.8	49.6	46.3	46.3	1.5	7.6	7.6	7.6	77.8%	57.7%
Minor assets	4.9	4.9	0.4	4.0	4.0	0.4	5.6	5.6	0.3	5.6	5.6	5.6	33.4%	33.4%
Audit costs: External	2.2	2.2	14.7	2.2	2.2	10.5	2.6	2.6	14.6	2.7	2.7	2.7	434.3%	434.3%
Bursaries: Employees	0.6	0.6	0.3	0.6	0.6	0.4	0.7	0.7	0.6	0.8	0.8	0.8	74.7%	74.7%
Catering: Departmental activities	1.5	1.5	3.5	1.5	1.5	3.4	1.7	1.7	1.1	1.8	1.8	1.8	150.4%	150.2%
Communication	6.0	6.0	5.3	5.2	5.3	5.3	6.3	6.3	5.2	6.5	6.5	6.5	93.1%	92.9%
Computer services	3.2	3.2	3.4	1.9	2.2	3.4	2.5	2.5	9.5	3.4	3.4	3.4	179.1%	174.3%
Consultants: Business and advisory services	156.9	71.9	71.7	83.3	396.4	410.1	86.3	81.3	49.1	95.9	81.2	81.2	144.9%	97.0%
Infrastructure and planning services	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	0.1	26.9%	26.9%
Legal services	2.8	2.8	0.5	2.5	2.5	2.1	2.7	2.7	8.6	2.0	2.0	2.0	131.4%	131.4%
Contractors	3.3	3.1	2.4	15.2	4.2	4.0	16.6	16.6	2.3	17.2	17.2	17.2	49.6%	63.0%
Agency and support/outsourced services	0.7	0.7	0.9	27.5	0.8	0.1	29.3	52.5	23.2	230.0	230.0	30.0	18.9%	19.1%
Entertainment	0.5	0.5	0.2	0.5	0.5	0.4	0.6	0.6	0.3	0.6	0.6	0.6	66.9%	66.6%
Fleet services (including government motor transport)	0.5	0.5	0.6	0.6	0.6	1.9	0.6	0.6	1.5	0.7	0.7	0.7	197.4%	197.4%
Inventory: Clothing material and accessories	-	-	-	-	-	0.0	-	-	0.1	-	-	-	-	-
Inventory: Other supplies	-	0.3	0.1	0.2	0.2	0.0	0.2	0.2	-	0.2	0.2	0.2	46.1%	32.4%
Consumable supplies	0.3	-	-	-	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	79.6%	272.6%
Consumables:	6.1	6.1	6.3	5.0	5.1	4.5	6.4	6.9	5.5	6.4	6.4	6.4	95.2%	92.7%
Stationery, printing and office supplies														
Operating leases	29.7	31.7	38.4	28.7	28.7	38.0	31.2	31.2	46.4	42.7	42.7	42.7	125.1%	123.2%
Rental and hiring	-	-	-	-	-	2.1	-	-	0.7	-	-	-	-	-
Property payments	12.3	10.9	10.9	10.7	10.7	9.8	11.4	11.4	11.7	12.0	12.0	12.0	95.8%	98.7%
Transport provided: Departmental activity	0.6	0.6	-	0.6	0.6	-	0.6	0.6	-	0.7	0.7	0.7	26.9%	26.9%
Travel and subsistence	22.8	22.7	37.9	19.3	18.7	28.6	25.2	25.2	27.9	28.7	28.7	28.7	128.2%	129.2%
Training and development	6.5	6.5	4.6	7.9	7.9	2.2	10.9	10.9	6.8	11.9	11.9	11.9	68.5%	68.5%
Operating payments	16.8	1.6	5.1	0.0	0.0	1.3	3.1	3.1	2.4	3.0	3.0	3.0	51.7%	153.7%
Venues and facilities	6.0	5.5	4.3	4.8	4.8	5.9	5.9	8.4	2.4	5.3	5.3	5.3	81.4%	74.5%

**Table 32.2 Vote expenditure trends by programme and economic classification**

Economic classification	2012/13			2013/14			2014/15			2015/16			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
<b>Transfers and subsidies</b>	<b>1 131.9</b>	<b>1 229.1</b>	<b>609.5</b>	<b>1 554.0</b>	<b>1 607.0</b>	<b>953.5</b>	<b>1 084.5</b>	<b>1 704.5</b>	<b>1 158.5</b>	<b>728.6</b>	<b>728.6</b>	<b>728.6</b>	<b>76.7%</b>	<b>65.5%</b>
Departmental agencies and accounts	759.4	775.4	369.4	773.4	788.4	395.9	771.4	1 322.4	995.4	597.4	597.4	597.4	81.3%	67.7%
Higher education institutions	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	16.2	21.4	16.2	16.2	20.9	16.2	16.2	23.7	22.2	22.2	22.2	161.8%	124.8%
Public corporations and private enterprises	368.6	433.6	217.8	764.4	802.4	535.4	297.0	366.0	138.8	109.0	109.0	109.0	65.0%	58.5%
Non-profit institutions	3.9	3.9	0.3	-	-	0.4	-	-	0.1	-	-	-	21.3%	21.3%
Households	-	-	0.5	-	-	1.0	-	-	0.4	-	-	-	-	-
<b>Payments for capital assets</b>	<b>104.9</b>	<b>4.9</b>	<b>5.9</b>	<b>5.2</b>	<b>5.2</b>	<b>2.5</b>	<b>5.5</b>	<b>7.5</b>	<b>10.3</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>19.7%</b>	<b>105.1%</b>
Buildings and other fixed structures	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	4.8	4.8	5.5	5.2	5.2	2.4	5.5	5.5	10.1	5.1	5.1	5.1	112.5%	112.5%
Software and other intangible assets	0.1	0.1	0.4	-	-	0.1	-	2.0	0.2	-	-	-	992.3%	31.2%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 712.3</b>	<b>1 655.0</b>	<b>1 017.9</b>	<b>2 043.9</b>	<b>2 372.1</b>	<b>1 701.5</b>	<b>1 593.4</b>	<b>2 236.7</b>	<b>1 568.1</b>	<b>1 413.3</b>	<b>1 405.3</b>	<b>1 205.3</b>	<b>81.2%</b>	<b>71.6%</b>

## Expenditure estimates

**Table 32.3 Vote expenditure estimates by programme and economic classification**

Programmes									
1. Administration									
2. International Affairs and Trade									
3. Policy, Research and Capacity Development									
4. ICT Enterprise Development and Oversight									
5. ICT Infrastructure Support									
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	180.3	-2.9%	14.7%	193.3	205.6	217.2	6.4%	11.4%	
Programme 2	43.4	1.9%	3.0%	44.7	46.8	49.5	4.5%	2.6%	
Programme 3	105.6	-0.7%	6.9%	95.6	93.9	96.4	-3.0%	5.6%	
Programme 4	447.9	-25.3%	19.9%	891.8	260.2	279.6	-14.5%	26.8%	
Programme 5	428.0	22.0%	55.5%	1 191.9	1 029.7	1 108.5	37.3%	53.6%	
<b>Total</b>	<b>1 205.3</b>	<b>-10.0%</b>	<b>100.0%</b>	<b>2 417.4</b>	<b>1 636.3</b>	<b>1 751.1</b>	<b>13.3%</b>	<b>100.0%</b>	
Change to 2015 Budget estimate				871.7	361.0	401.8			
Economic classification									
<b>Current payments</b>	<b>471.6</b>	<b>3.9%</b>	<b>36.7%</b>	<b>708.3</b>	<b>822.0</b>	<b>1 139.6</b>	<b>34.2%</b>	<b>44.8%</b>	
Compensation of employees	198.5	2.5%	12.4%	213.7	217.1	226.8	4.6%	12.2%	
Goods and services	273.1	4.9%	24.3%	494.6	604.9	912.8	49.5%	32.6%	
of which:									
Administrative fees	1.8	7.2%	0.1%	1.9	2.0	2.1	5.4%	0.1%	
Advertising	7.6	-47.1%	1.8%	7.7	7.7	8.1	2.3%	0.4%	
Minor assets	5.6	4.6%	0.1%	5.9	6.2	6.6	5.4%	0.3%	
Audit costs: External	2.7	6.9%	0.8%	2.9	3.0	3.2	5.6%	0.2%	
Bursaries: Employees	0.8	7.4%	0.0%	0.8	0.9	0.9	5.5%	0.0%	
Catering: Departmental activities	1.8	6.1%	0.2%	1.7	1.8	1.9	2.4%	0.1%	
Communication	6.5	2.8%	0.4%	6.5	6.8	11.6	21.6%	0.4%	
Computer services	3.4	2.6%	0.4%	3.6	3.8	4.0	5.2%	0.2%	
Consultants: Business and advisory services	81.2	4.1%	11.1%	76.7	176.8	455.4	77.7%	11.3%	
Infrastructure and planning services	0.1	5.1%	0.0%	0.1	-	-	-100.0%	0.0%	
Legal services	2.0	-10.2%	0.2%	2.1	2.3	2.4	5.3%	0.1%	

Table 32.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Contractors	17.2	76.7%	0.5%	4.5	4.7	4.9	-34.1%	0.4%
Agency and support/outourced services	30.0	246.8%	1.0%	268.7	272.1	287.9	112.4%	12.3%
Entertainment	0.6	7.4%	0.0%	0.6	0.7	0.7	6.0%	0.0%
Fleet services (including government motor transport)	0.7	16.4%	0.1%	0.8	0.8	0.9	5.5%	0.0%
Inventory: Other supplies	0.2	-6.4%	0.0%	0.2	0.3	0.3	5.3%	0.0%
Consumable supplies	0.1	-	0.0%	0.1	0.1	0.1	3.6%	0.0%
Consumables: Stationery, printing and office supplies	6.4	1.8%	0.4%	6.8	7.2	7.6	5.9%	0.4%
Operating leases	42.7	10.4%	3.0%	44.6	46.6	49.3	4.9%	2.6%
Rental and hiring	-	-	0.1%	-	-	-	-	-
Property payments	12.0	3.2%	0.8%	12.6	13.3	14.1	5.5%	0.7%
Transport provided: Departmental activity	0.7	5.2%	0.0%	0.7	0.7	0.8	5.4%	0.0%
Travel and subsistence	28.7	8.2%	2.2%	23.7	25.1	26.6	-2.6%	1.5%
Training and development	11.9	22.2%	0.5%	12.4	12.9	13.7	4.9%	0.7%
Operating payments	3.0	21.5%	0.2%	3.2	3.4	3.6	6.6%	0.2%
Venues and facilities	5.3	-0.9%	0.3%	5.5	5.8	6.1	4.5%	0.3%
<b>Transfers and subsidies</b>	<b>728.6</b>	<b>-16.0%</b>	<b>62.8%</b>	<b>1 054.1</b>	<b>809.0</b>	<b>605.9</b>	<b>-6.0%</b>	<b>45.6%</b>
Departmental agencies and accounts	597.4	-8.3%	42.9%	790.8	491.5	520.0	-4.5%	34.2%
Foreign governments and international organisations	22.2	11.2%	1.6%	23.4	24.5	26.0	5.4%	1.4%
Public corporations and private enterprises	109.0	-36.9%	18.2%	240.0	293.0	60.0	-18.0%	10.0%
<b>Payments for capital assets</b>	<b>5.1</b>	<b>1.1%</b>	<b>0.4%</b>	<b>5.0</b>	<b>5.3</b>	<b>5.6</b>	<b>3.2%</b>	<b>0.3%</b>
Machinery and equipment	5.1	1.6%	0.4%	4.6	4.9	5.1	0.3%	0.3%
Software and other intangible assets	-	-100.0%	0.0%	0.4	0.4	0.5	-	0.0%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>650.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.3%</b>
<b>Total</b>	<b>1 205.3</b>	<b>-10.0%</b>	<b>100.0%</b>	<b>2 417.4</b>	<b>1 636.3</b>	<b>1 751.1</b>	<b>13.3%</b>	<b>100.0%</b>

## Personnel information

Table 32.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total

Programmes		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of posts estimated for 31 March 2016														Average growth rate (%)	Salary level/Total: Average (%)				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2014/15		2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Telecommunications and Postal Services</b>																			
<b>Salary level</b>	<b>305</b>	-	<b>300</b>	<b>175.5</b>	<b>0.6</b>	<b>312</b>	<b>198.5</b>	<b>0.6</b>	<b>337</b>	<b>213.7</b>	<b>0.6</b>	<b>337</b>	<b>234.2</b>	<b>0.7</b>	<b>337</b>	<b>254.0</b>	<b>0.8</b>	<b>2.6%</b>	<b>100.0%</b>
1 - 6	26	-	28	6.9	0.2	26	6.1	0.2	26	7.4	0.3	26	8.1	0.3	26	8.8	0.3	-	7.9%
7 - 10	111	-	112	40.3	0.4	114	36.7	0.3	126	38.6	0.3	128	40.7	0.3	128	47.1	0.4	3.9%	37.5%
11 - 12	65	-	65	37.4	0.6	69	43.1	0.6	76	48.1	0.6	74	51.0	0.7	74	55.1	0.7	2.4%	22.1%
13 - 16	99	-	91	84.3	0.9	99	105.6	1.1	105	112.0	1.1	105	123.8	1.2	105	134.2	1.3	2.0%	31.3%
Other	4	-	4	6.7	1.7	4	6.9	1.7	4	7.7	1.9	4	10.5	2.6	4	8.8	2.2	-	1.2%
<b>Programme</b>	<b>305</b>	-	<b>300</b>	<b>175.5</b>	<b>0.6</b>	<b>312</b>	<b>198.5</b>	<b>0.6</b>	<b>337</b>	<b>213.7</b>	<b>0.6</b>	<b>337</b>	<b>234.2</b>	<b>0.7</b>	<b>337</b>	<b>254.0</b>	<b>0.8</b>	<b>2.6%</b>	<b>100.0%</b>
Programme 1	155	-	152	85.4	0.6	158	77.6	0.5	167	92.3	0.6	167	100.0	0.6	167	105.4	0.6	1.9%	49.8%
Programme 2	17	-	19	12.6	0.7	19	13.3	0.7	19	13.0	0.7	19	13.5	0.7	19	14.3	0.8	-	5.7%
Programme 3	81	-	76	45.3	0.6	83	68.4	0.8	87	57.0	0.7	87	63.8	0.7	87	70.6	0.8	1.6%	26.0%
Programme 4	28	-	25	16.9	0.7	28	20.0	0.7	36	31.3	0.9	36	34.5	1.0	36	39.0	1.1	8.7%	10.3%
Programme 5	24	-	28	15.4	0.5	24	19.1	0.8	28	20.1	0.7	28	22.4	0.8	28	24.8	0.9	5.3%	8.2%
<b>Reduction</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17.1)</b>	<b>-</b>	<b>-</b>	<b>(27.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>305</b>	-	<b>300</b>	<b>175.5</b>	<b>0.6</b>	<b>312</b>	<b>198.5</b>	<b>0.6</b>	<b>337</b>	<b>213.7</b>	<b>0.6</b>	<b>-</b>	<b>217.1</b>	<b>-</b>	<b>-</b>	<b>226.8</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

2. The department's compensation of employees budget has been reduced by R44.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Departmental receipts

Table 32.5 Departmental receipts by economic classification

R thousand	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16					2012/13 - 2015/16	2016/17	2017/18		
<b>Departmental receipts</b>	<b>1 668 613</b>	<b>1 710 048</b>	<b>1 670 224</b>	<b>27 633 930</b>	<b>27 633 930</b>	<b>154.9%</b>	<b>98.8%</b>	<b>508 093</b>	<b>508 103</b>	<b>508 112</b>	<b>-73.6%</b>	<b>100.0%</b>	
<b>Sales of goods and services produced by department</b>	<b>170</b>	<b>123</b>	<b>57</b>	<b>55</b>	<b>55</b>	<b>-31.4%</b>	<b>-</b>	<b>58</b>	<b>60</b>	<b>61</b>	<b>3.5%</b>	<b>-</b>	
Sales by market establishments	117	65	-	-	-	-100.0%	-	-	-	-	-	-	
of which:													
Market establishment: non-residential buildings	117	65	-	-	-	-100.0%	-	-	-	-	-	-	
Administrative fees	9	8	6	5	5	-17.8%	-	6	7	7	11.9%	-	
of which:													
Cryptography fees	9	8	6	5	5	-17.8%	-	6	7	7	11.9%	-	
Other sales	44	50	51	50	50	4.4%	-	52	53	54	2.6%	-	
of which:													
Commission on insurance	44	50	51	50	50	4.4%	-	52	53	54	2.6%	-	
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
of which:													
Sales tender documents	36	-	-	-	-	-100.0%	-	-	-	-	-	-	
<b>Transfers received</b>	<b>-</b>	<b>-</b>	<b>728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Interest, dividends and rent on land</b>	<b>1 667 467</b>	<b>1 708 937</b>	<b>1 667 734</b>	<b>2 165 531</b>	<b>2 165 531</b>	<b>9.1%</b>	<b>21.8%</b>	<b>507 383</b>	<b>507 384</b>	<b>507 385</b>	<b>-38.4%</b>	<b>12.6%</b>	
Interest	746	807	1 013	1 900	1 900	36.6%	-	120	121	122	-60.0%	-	
Dividends	1 666 721	1 708 130	1 666 721	2 163 631	2 163 631	9.1%	21.8%	507 263	507 263	507 263	-38.3%	12.6%	
of which:													
Vodacom shares	1 666 721	1 708 130	1 666 721	1 656 368	1 656 368	-0.2%	20.3%	-	-	-	-100.0%	5.7%	
Telkom shares	-	-	-	507 263	507 263	-	1.5%	507 263	507 263	507 263	-	7.0%	
<b>Transactions in financial assets and liabilities</b>	<b>940</b>	<b>988</b>	<b>1 705</b>	<b>25 468 344</b>	<b>25 468 344</b>	<b>2903.5%</b>	<b>77.0%</b>	<b>652</b>	<b>659</b>	<b>666</b>	<b>-97.0%</b>	<b>87.4%</b>	
<b>National Revenue Fund receipts</b>	<b>381 560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
of which:													
2010 FIFA close-up project	381 560	-	-	-	-	-100.0%	1.2%	-	-	-	-	-	
<b>Total</b>	<b>2 050 173</b>	<b>1 710 048</b>	<b>1 670 224</b>	<b>27 633 930</b>	<b>27 633 930</b>	<b>138.0%</b>	<b>100.0%</b>	<b>508 093</b>	<b>508 103</b>	<b>508 112</b>	<b>-73.6%</b>	<b>100.0%</b>	

## Programme 1: Administration

### Programme purpose

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

### Expenditure trends and estimates

Table 32.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand												
Ministry	3 629	3 668	4 056	4 292		5.8%	1.9%	4 575	4 863	5 145	6.2%	2.4%
Departmental Management	33 333	35 315	65 781	36 513		3.1%	21.2%	42 474	46 568	48 763	10.1%	21.9%
Internal Audit	5 450	3 828	5 708	8 218		14.7%	2.9%	7 978	8 343	8 912	2.7%	4.2%
Corporate Services	87 940	89 109	70 163	52 261		-15.9%	37.1%	53 626	57 440	60 830	5.2%	28.1%
Financial Management	63 508	63 279	73 577	69 932		3.3%	33.5%	75 067	78 306	82 848	5.8%	38.4%
Office Accommodation	5 521	6 037	6 016	9 133		18.3%	3.3%	9 617	10 098	10 684	5.4%	5.0%
<b>Total</b>	<b>199 381</b>	<b>201 236</b>	<b>225 301</b>	<b>180 349</b>		<b>-3.3%</b>	<b>100.0%</b>	<b>193 337</b>	<b>205 618</b>	<b>217 182</b>	<b>6.4%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				6 699				14 773	17 425	18 074		

Table 32.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
<b>Current payments</b>	<b>193 406</b>	<b>199 013</b>	<b>214 349</b>	<b>178 655</b>	<b>-2.6%</b>	<b>97.4%</b>	<b>190 557</b>	<b>202 681</b>	<b>214 059</b>	<b>6.2%</b>	<b>98.7%</b>
Compensation of employees	65 426	63 956	85 357	77 610	5.9%	36.3%	92 349	100 047	105 352	10.7%	47.1%
Goods and services	127 957	135 051	128 992	101 045	-7.6%	61.2%	98 208	102 634	108 707	2.5%	51.6%
of which:											
Administrative fees	1 131	742	838	1 244	3.2%	0.5%	1 307	1 373	1 458	5.4%	0.7%
Advertising	35 459	46 309	1 143	6 352	-43.6%	11.1%	6 433	6 321	6 687	1.7%	3.2%
Minor assets	158	314	163	2 885	163.3%	0.4%	3 026	3 179	3 363	5.2%	1.6%
Audit costs: External	4 652	4 497	14 591	2 740	-16.2%	3.3%	2 885	3 046	3 222	5.6%	1.5%
Bursaries: Employees	153	46	195	258	19.0%	0.1%	273	288	305	5.7%	0.1%
Catering: Departmental activities	1 572	2 896	598	665	-24.9%	0.7%	699	734	776	5.3%	0.4%
Communication	2 757	2 302	2 787	2 323	-5.5%	1.3%	2 455	2 570	2 719	5.4%	1.3%
Computer services	3 133	656	9 460	381	-50.5%	1.7%	385	404	427	3.9%	0.2%
Consultants: Business and advisory services	4 501	3 242	3 553	6 290	11.8%	2.2%	4 604	4 888	5 287	-5.6%	2.6%
Infrastructure and planning services	-	-	-	122	-	-	128	-	-	-100.0%	-
Legal services	541	2 071	8 602	1 254	32.3%	1.5%	1 317	1 383	1 463	5.3%	0.7%
Contractors	1 780	3 447	1 914	2 903	17.7%	1.2%	3 043	3 106	3 286	4.2%	1.5%
Agency and support/outsourced services	611	80	3	245	-26.3%	0.1%	258	271	287	5.4%	0.1%
Entertainment	77	217	209	305	58.2%	0.1%	319	346	366	6.3%	0.2%
Fleet services (including government motor transport)	470	1 618	1 270	552	5.5%	0.5%	581	614	650	5.6%	0.3%
Inventory: Clothing material and accessories	-	5	32	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	6	4	5	19	46.8%	-	20	21	22	5.0%	-
Inventory: Materials and supplies	36	59	8	4	-51.9%	-	4	4	4	-	-
Inventory: Medical supplies	2	3	-	26	135.1%	-	27	28	30	4.9%	-
Inventory: Other supplies	65	-	-	161	35.3%	-	169	178	188	5.3%	0.1%
Consumable supplies	-	86	108	50	-	-	50	53	56	3.8%	-
Consumables: Stationery, printing and office supplies	3 479	2 846	3 760	3 157	-3.2%	1.6%	3 420	3 593	3 802	6.4%	1.8%
Operating leases	36 581	36 837	45 381	39 994	3.0%	19.7%	41 586	43 370	45 886	4.7%	21.4%
Rental and hiring	-	1 851	197	-	-	0.3%	-	-	-	-	-
Property payments	10 868	9 489	11 693	11 971	3.3%	5.5%	12 605	13 283	14 053	5.5%	6.5%
Transport provided: Departmental activity	-	-	-	664	-	0.1%	700	735	778	5.4%	0.4%
Travel and subsistence	15 557	13 230	16 884	10 871	-11.3%	7.0%	6 263	6 818	7 213	-12.8%	3.9%
Training and development	1 490	885	2 976	2 923	25.2%	1.0%	2 964	3 203	3 389	5.1%	1.6%
Operating payments	2 045	990	1 380	772	-27.7%	0.6%	810	854	904	5.4%	0.4%
Venues and facilities	833	329	1 242	1 914	32.0%	0.5%	1 877	1 971	2 086	2.9%	1.0%
Interest and rent on land	23	6	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>301</b>	<b>428</b>	<b>1 677</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	5	9	9	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	-	4	1 199	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises	-	47	17	-	-	-	-	-	-	-	-
Non-profit institutions	11	300	110	-	-100.0%	0.1%	-	-	-	-	-
Households	285	68	342	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>5 331</b>	<b>1 240</b>	<b>8 912</b>	<b>1 694</b>	<b>-31.8%</b>	<b>2.1%</b>	<b>2 780</b>	<b>2 937</b>	<b>3 123</b>	<b>22.6%</b>	<b>1.3%</b>
Machinery and equipment	4 962	1 168	8 708	1 694	-30.1%	2.1%	2 380	2 537	2 673	16.4%	1.2%
Software and other intangible assets	369	72	204	-	-100.0%	0.1%	400	400	450	-	0.2%
<b>Payments for financial assets</b>	<b>343</b>	<b>555</b>	<b>363</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>199 381</b>	<b>201 236</b>	<b>225 301</b>	<b>180 349</b>	<b>-3.3%</b>	<b>100.0%</b>	<b>193 337</b>	<b>205 618</b>	<b>217 182</b>	<b>6.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>19.6%</b>	<b>11.8%</b>	<b>14.4%</b>	<b>12.8%</b>	<b>-</b>	<b>-</b>	<b>8.0%</b>	<b>12.6%</b>	<b>12.4%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>285</b>	<b>68</b>	<b>342</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee ex-gratia payment	216	42	-	-	-100.0%	-	-	-	-	-	-
Households	69	26	342	-	-100.0%	0.1%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>-</b>	<b>4</b>	<b>1 199</b>	<b>-</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Information Systems, Electronics and Telecommunication Technologies Sector	-	-	1 199	-	-	0.1%	-	-	-	-	-
Education and Training Authority	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	4	-	-	-	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal agencies and funds</b>											
<b>Current</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	5	9	9	-	-100.0%	-	-	-	-	-	-

**Table 32.6 Administration expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	2015/16 - 2018/19
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Current	-	-	14	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	14	-	-	-	-	-	-	-	-
<b>Non-profit institutions</b>											
Current	11	300	110	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institution	11	300	110	-	-100.0%	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
Current	-	47	3	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	47	3	-	-	-	-	-	-	-	-

## Personnel information

**Table 32.7 Administration personnel numbers and cost by salary level<sup>1</sup> and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19	2015/16 - 2018/19	
<b>Administration</b>																			
Salary level	155	-	152	85.4	0.6	158	77.6	0.5	167	92.3	0.6	167	100.0	0.6	167	105.4	0.6	1.9%	100.0%
1 - 6	13	-	17	4.7	0.3	13	2.8	0.2	13	3.9	0.3	13	4.3	0.3	13	4.7	0.4	-	7.9%
7 - 10	69	-	67	27.0	0.4	73	22.9	0.3	81	23.4	0.3	81	24.5	0.3	81	28.0	0.3	3.5%	48.0%
11 - 12	35	-	34	21.9	0.6	37	21.3	0.6	37	23.3	0.6	37	24.6	0.7	37	26.3	0.7	-	22.5%
13 - 16	34	-	30	25.1	0.8	31	23.7	0.8	32	34.0	1.1	32	36.0	1.1	32	37.6	1.2	1.1%	19.3%
Other	4	-	4	6.7	1.7	4	6.9	1.7	4	7.7	1.9	4	10.5	2.6	4	8.8	2.2	-	2.4%
<b>Total</b>	<b>155</b>	<b>-</b>	<b>152</b>	<b>85.4</b>	<b>0.6</b>	<b>158</b>	<b>77.6</b>	<b>0.5</b>	<b>167</b>	<b>92.3</b>	<b>0.6</b>	<b>167</b>	<b>100.0</b>	<b>0.6</b>	<b>167</b>	<b>105.4</b>	<b>0.6</b>	<b>-</b>	<b>-</b>

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

2. Rand million.

## Programme 2: International Affairs and Trade

### Programme purpose

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

### Objectives

- Facilitate broadband connectivity that provides secure and affordable access by all citizens to education, health and other government services and stimulates economic development by:
  - developing an international engagement strategy for broadband to facilitate access to technical assistance, funding and investment opportunities by March 2017
  - enhancing sub-regional cooperation on ICT policies, regulations and coordination focusing on broadband through international forums by March 2017
  - facilitating the adoption of digital object architecture technology and best practice solutions for the business model, in collaboration with international partners, to improve internet technologies by March 2019
  - developing 5 position papers to advance South African ICT policies and programmes, focusing on forefront technology in telecommunications and postal services, and advancing the information society and emerging technologies by March 2017.
- Ensure that citizens have access to government services through ICT by:
  - facilitating and developing e-government programmes through strategic partnerships with selected countries by March 2019

- establishing relationships with donor coordinators to enhance coherence in policy approach by March 2019.

## Subprogrammes

- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations.
- *ICT Trade/Partnership* 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 (EU) trade agreement and bilateral agreements with counterpart countries.

## Expenditure trends and estimates

**Table 32.8 International Affairs and Trade expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand											
International Affairs	11 803	11 539	13 125	14 264	6.5%	30.6%	15 084	14 533	17 141	6.3%	33.1%
ICT Trade/Partnership	29 742	27 007	29 361	29 183	-0.6%	69.4%	29 626	32 269	32 397	3.5%	66.9%
<b>Total</b>	<b>41 545</b>	<b>38 546</b>	<b>42 486</b>	<b>43 447</b>	<b>1.5%</b>	<b>100.0%</b>	<b>44 710</b>	<b>46 802</b>	<b>49 538</b>	<b>4.5%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				-			(1 103)	(1 379)	(1 438)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>20 082</b>	<b>17 318</b>	<b>18 739</b>	<b>20 733</b>	<b>1.1%</b>	<b>46.3%</b>	<b>20 799</b>	<b>21 696</b>	<b>22 976</b>	<b>3.5%</b>	<b>46.7%</b>
Compensation of employees	9 273	10 279	12 586	13 324	12.8%	27.4%	13 000	13 508	14 315	2.4%	29.3%
Goods and services	10 809	7 039	6 153	7 409	-11.8%	18.9%	7 799	8 188	8 661	5.3%	17.4%
of which:											
Administrative fees	347	275	197	41	-50.9%	0.5%	42	43	45	3.2%	0.1%
Advertising	52	9	172	157	44.5%	0.2%	165	173	183	5.2%	0.4%
Minor assets	2	25	13	275	416.1%	0.2%	290	305	322	5.4%	0.6%
Bursaries: Employees	-	-	-	76	-	-	80	84	89	5.4%	0.2%
Catering: Departmental activities	1 160	82	49	139	-50.7%	0.9%	147	155	164	5.7%	0.3%
Communication	456	375	409	761	18.6%	1.2%	801	840	889	5.3%	1.8%
Computer services	6	2	2	-	-100.0%	-	-	-	-	-	-
Consultants: Business and advisory services	139	-	67	457	48.7%	0.4%	481	505	534	5.3%	1.1%
Contractors	18	221	22	448	192.0%	0.4%	472	496	525	5.4%	1.1%
Entertainment	6	21	10	54	108.0%	0.1%	57	60	63	5.3%	0.1%
Fleet services (including government motor transport)	-	24	80	-	-	0.1%	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	1	-	-	1	1	1	-	-
Inventory: Other supplies	-	-	-	2	-	-	2	2	2	-	-
Consumable supplies	-	1	3	-	-	-	-	-	-	-	-
Consumables: Stationery, printing and office supplies	363	133	337	110	-32.8%	0.6%	115	120	127	4.9%	0.3%
Operating leases	368	129	113	308	-5.8%	0.6%	325	342	362	5.5%	0.7%
Rental and hiring	-	17	334	-	-	0.2%	-	-	-	-	-
Property payments	-	117	1	-	-	0.1%	-	-	-	-	-
Travel and subsistence	6 993	4 857	3 840	2 405	-29.9%	10.9%	2 532	2 659	2 813	5.4%	5.6%
Training and development	36	111	157	96	38.7%	0.2%	101	106	112	5.3%	0.2%
Operating payments	44	2	138	1 540	227.1%	1.0%	1 621	1 702	1 801	5.4%	3.6%
Venues and facilities	819	638	209	539	-13.0%	1.3%	567	595	629	5.3%	1.3%
<b>Transfers and subsidies</b>	<b>21 383</b>	<b>20 902</b>	<b>23 764</b>	<b>22 194</b>	<b>1.2%</b>	<b>53.2%</b>	<b>23 363</b>	<b>24 532</b>	<b>25 954</b>	<b>5.4%</b>	<b>52.1%</b>
Foreign governments and international organisations	21 383	20 902	23 724	22 194	1.2%	53.1%	23 363	24 532	25 954	5.4%	52.1%
Households	-	-	40	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>80</b>	<b>326</b>	<b>(17)</b>	<b>520</b>	<b>86.6%</b>	<b>0.5%</b>	<b>548</b>	<b>574</b>	<b>608</b>	<b>5.3%</b>	<b>1.2%</b>
Machinery and equipment	80	326	(17)	520	86.6%	0.5%	548	574	608	5.3%	1.2%
<b>Total</b>	<b>41 545</b>	<b>38 546</b>	<b>42 486</b>	<b>43 447</b>	<b>1.5%</b>	<b>100.0%</b>	<b>44 710</b>	<b>46 802</b>	<b>49 538</b>	<b>4.5%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	4.1%	2.3%	2.7%	3.1%	-	-	1.8%	2.9%	2.8%	-	-

**Table 32.8 International Affairs and Trade expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
Audited outcome			2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16	2018/19	
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>			40								
Households			40								
<b>Foreign governments and international organisations</b>											
<b>Current</b>	21 383	20 902	23 724	22 194	1.2%	53.1%	23 363	24 532	25 954	5.4%	52.1%
Universal Postal Union	7 380	4 667	5 314	4 723	-13.8%	13.3%	4 979	5 228	5 531	5.4%	11.1%
International Telecommunications Union	12 450	14 212	16 204	14 764	5.8%	34.7%	15 535	16 312	17 258	5.3%	34.6%
African Telecommunications Union	708	853	927	986	11.7%	2.1%	1 039	1 091	1 154	5.4%	2.3%
Pan-African Postal Union	733	754	861	908	7.4%	2.0%	955	1 003	1 061	5.3%	2.1%
Organisation for Economic Cooperation and Development	112	416		437	57.4%	0.6%	459	482	510	5.3%	1.0%
Commonwealth Telecommunications Organisation			418	376		0.5%	396	416	440	5.4%	0.9%

## Personnel information

**Table 32.9 International Affairs and Trade personnel numbers and cost by salary level' and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost
<b>International Affairs and Trade</b>		<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>		
<b>Salary level</b>	<b>17</b>	<b>19</b>	<b>12.6</b>	<b>0.7</b>	<b>19</b>	<b>13.3</b>	<b>0.7</b>	<b>19</b>	<b>13.0</b>	<b>0.7</b>	<b>19</b>	<b>13.5</b>	<b>0.7</b>	<b>19</b>	<b>14.3</b>	<b>0.8</b>		
1-6	1	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3		5.3%
7-10	8	9	2.9	0.3	7	2.3	0.3	8	2.9	0.4	8	3.1	0.4	8	3.6	0.5	4.6%	40.8%
11-12					1	0.7	0.7	1	0.6	0.6	1	0.6	0.6	1	0.7	0.7		5.3%
13-16	8	9	9.5	1.1	10	10.1	1.0	9	9.3	1.0	9	9.5	1.1	9	9.7	1.1	-3.5%	48.7%
<b>Total</b>	<b>17</b>	<b>19</b>	<b>12.6</b>	<b>0.7</b>	<b>19</b>	<b>13.3</b>	<b>0.7</b>	<b>19</b>	<b>13.0</b>	<b>0.7</b>	<b>19</b>	<b>13.5</b>	<b>0.7</b>	<b>19</b>	<b>14.3</b>	<b>0.8</b>		

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

2. Rand million.

## Programme 3: Policy, Research and Capacity Development

### Programme 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 ICT by the majority of the South African population in order to bridge the digital divide.

### Objectives

- Create a stable policy and regulatory environment that contributes to socioeconomic development through the development of integrated ICT legislation by March 2017.
- Promote the transformation of the ICT sector through ICT small, medium and micro enterprise (SMME) development and the implementation of the ICT Broad Based Black Economic Empowerment (BEE) Sector Code through operationalising the ICT BEE Charter Council by March 2017.
- Develop and implement the strategy on philatelic products through implementing and monitoring the philatelic strategy, and the annual and commemorative stamp programme, by March 2019.
- Reform the postal sector through the amendment of the South African Post Office SOC Ltd Act (2011) and the Postal Services Act (1998) by:
  - developing and tabling the Postal Services Amendment Bill in Cabinet by March 2017
  - developing and tabling the South African Post Office SOC Ltd Amendment Bill in Cabinet by March 2017.
- Ensure an inclusive information society by implementing the information society and development programme through:

- implementing the digital opportunities programme focusing on women, youth, people with disabilities and children by March 2018
- implementing the digital awareness plan for communities by March 2018
- coordinating the development of an e-skills cloud platform to facilitate the hosting of e-skills content and initiatives by March 2018
- developing the national e-strategy by March 2017.
- Ensure that citizens have access to services through ICTs by monitoring and evaluating the implementation of e-services by March 2019.

## Subprogrammes

- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the telecommunications, postal and IT sectors, to ensure broad based economic development within the ICT sector.
- *Economic and Market Analysis* conducts economic analyses of the telecommunications, postal and IT sectors to determine trends and make growth projections. This subprogramme also undertakes market research to explore areas that require policy intervention, and is responsible for the reduction of the cost to communicate.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy.
- *Information Society Development* supports the effective and efficient functioning of the information society; and the development and management of institutional mechanisms such as the interministerial 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. This subprogramme also involves building partnerships between business, civil society and the three spheres of government.
- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society.

## Expenditure trends and estimates

**Table 32.10 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
ICT Policy Development	36 830	21 841	14 981	28 262	-8.4%	26.7%	22 844	24 414	29 550	1.5%	26.8%
Economic and Market Analysis	1 870	8 314	6 162	5 855	46.3%	5.8%	4 739	4 824	5 173	-4.0%	5.3%
Research	5 086	6 001	4 021	5 433	2.2%	5.4%	6 001	6 577	6 958	8.6%	6.4%
Information Society Development	52 389	43 307	35 137	53 501	0.7%	48.4%	51 601	48 930	45 838	-5.0%	51.0%
Capacity Development	18 120	8 787	12 609	12 527	-11.6%	13.7%	10 433	9 197	8 872	-10.9%	10.5%
<b>Total</b>	<b>114 295</b>	<b>88 250</b>	<b>72 910</b>	<b>105 578</b>	<b>-2.6%</b>	<b>100.0%</b>	<b>95 618</b>	<b>93 942</b>	<b>96 391</b>	<b>-3.0%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				-			(16 231)	(24 206)	(28 609)		

**Table 32.10 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
<b>Current payments</b>	<b>113 659</b>	<b>86 814</b>	<b>72 221</b>	<b>104 483</b>	<b>-2.8%</b>	<b>99.0%</b>	<b>94 964</b>	<b>93 230</b>	<b>95 639</b>	<b>-2.9%</b>	<b>99.2%</b>
Compensation of employees	55 591	52 086	45 321	68 435	7.2%	58.1%	56 978	53 491	53 595	-7.8%	59.4%
Goods and services	58 068	34 728	26 900	36 048	-14.7%	40.9%	37 986	39 739	42 044	5.3%	39.8%
of which:											
Administrative fees	966	361	277	361	-28.0%	0.5%	380	398	421	5.3%	0.4%
Advertising	4 263	2 024	–	781	-43.2%	1.9%	823	864	914	5.4%	0.9%
Minor assets	211	32	77	412	25.0%	0.2%	434	456	482	5.4%	0.5%
Bursaries: Employees	106	259	413	167	16.4%	0.2%	176	185	196	5.5%	0.2%
Catering: Departmental activities	510	308	423	587	4.8%	0.5%	460	483	511	-4.5%	0.5%
Communication	1 570	1 526	1 304	1 874	6.1%	1.6%	1 987	2 087	2 208	5.6%	2.1%
Computer services	228	66	3	280	7.1%	0.2%	295	310	328	5.4%	0.3%
Consultants: Business and advisory services	26 576	20 294	13 223	9 450	-29.2%	18.3%	11 195	11 761	12 443	9.6%	11.5%
Legal services	–	–	1	–	–	–	–	–	–	–	–
Contractors	447	73	306	526	5.6%	0.4%	555	583	617	5.5%	0.6%
Agency and support/outsourced services	309	45	–	118	-27.4%	0.1%	124	130	138	5.4%	0.1%
Entertainment	60	65	24	141	33.0%	0.1%	149	157	166	5.6%	0.2%
Fleet services (including government motor transport)	84	212	88	196	32.6%	0.2%	206	216	229	5.3%	0.2%
Inventory: Clothing material and accessories	–	12	87	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	5	1	2	14	40.9%	–	14	14	14	–	–
Inventory: Other supplies	7	2	–	17	34.4%	–	18	19	20	5.6%	–
Consumable supplies	–	17	17	3	–	–	3	3	3	–	–
Consumables: Stationery, printing and office supplies	1 910	1 012	987	1 472	-8.3%	1.4%	1 549	1 626	1 721	5.3%	1.6%
Operating leases	1 245	813	656	1 374	3.3%	1.1%	1 646	1 729	1 829	10.0%	1.7%
Rental and hiring	–	97	179	–	–	0.1%	–	–	–	–	–
Property payments	47	178	–	–	-100.0%	0.1%	–	–	–	–	–
Travel and subsistence	11 717	6 013	3 645	8 609	-9.8%	7.9%	7 803	8 182	8 656	0.2%	8.5%
Training and development	2 528	692	3 597	8 022	46.9%	3.9%	8 437	8 717	9 222	4.8%	8.8%
Operating payments	3 012	298	842	112	-66.6%	1.1%	118	124	132	5.6%	0.1%
Venues and facilities	2 267	328	749	1 532	-12.2%	1.3%	1 614	1 695	1 794	5.4%	1.7%
<b>Transfers and subsidies</b>	<b>210</b>	<b>994</b>	<b>45</b>	<b>–</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Higher education institutions	100	–	–	–	-100.0%	–	–	–	–	–	–
Foreign governments and international organisations	40	66	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises	–	–	10	–	–	–	–	–	–	–	–
Non-profit institutions	8	99	–	–	-100.0%	–	–	–	–	–	–
Households	62	829	35	–	-100.0%	0.2%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>426</b>	<b>442</b>	<b>644</b>	<b>1 095</b>	<b>37.0%</b>	<b>0.7%</b>	<b>654</b>	<b>712</b>	<b>752</b>	<b>-11.8%</b>	<b>0.8%</b>
Machinery and equipment	426	442	644	1 095	37.0%	0.7%	654	712	752	-11.8%	0.8%
<b>Total</b>	<b>114 295</b>	<b>88 250</b>	<b>72 910</b>	<b>105 578</b>	<b>-2.6%</b>	<b>100.0%</b>	<b>95 618</b>	<b>93 942</b>	<b>96 391</b>	<b>-3.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>11.2%</b>	<b>5.2%</b>	<b>4.6%</b>	<b>7.5%</b>	<b>–</b>	<b>–</b>	<b>4.0%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
Current	62	69	35	–	-100.0%	–	–	–	–	–	–
Households	62	69	35	–	-100.0%	–	–	–	–	–	–
<b>Households</b>											
<b>Social benefits</b>											
Current	–	760	–	–	–	0.2%	–	–	–	–	–
Households	–	760	–	–	–	0.2%	–	–	–	–	–
<b>Non-profit institutions</b>											
Current	8	99	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	8	99	–	–	-100.0%	–	–	–	–	–	–
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
Current	–	–	10	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	10	–	–	–	–	–	–	–	–
<b>Foreign governments and international organisations</b>											
Current	40	66	–	–	-100.0%	–	–	–	–	–	–
Households	40	66	–	–	-100.0%	–	–	–	–	–	–
<b>Higher education institutions</b>											
Current	100	–	–	–	-100.0%	–	–	–	–	–	–
Universities and technikons	100	–	–	–	-100.0%	–	–	–	–	–	–

## Personnel information

**Table 32.11 Policy, Research and Capacity Development personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup> budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost	
Policy, Research and Capacity Development		81	-	76	45.3	0.6	83	68.4	0.8	87	57.0	0.7	87	63.8	0.7	87	70.6	0.8	1.6%	100.0%
Salary level																				
1 – 6	10	-	6	1.2	0.2	10	2.5	0.3	10	2.6	0.3	10	2.8	0.3	10	3.1	0.3	-	11.6%	
7 – 10	23	-	22	6.3	0.3	23	8.0	0.3	25	8.1	0.3	25	8.8	0.4	25	9.4	0.4	2.8%	28.5%	
11 – 12	18	-	19	10.2	0.5	18	13.5	0.8	20	12.8	0.6	20	14.1	0.7	20	15.7	0.8	3.6%	22.7%	
13 – 16	30	-	29	27.6	1.0	32	44.3	1.4	32	33.5	1.0	32	38.0	1.2	32	42.4	1.3	-	37.2%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(10.3)	-	-	(17.0)	-	-	-	
Total	81	-	76	45.3	0.6	83	68.4	0.8	87	57.0	0.7	-	53.5	-	-	53.6	-	-	-	

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

2. This programme's compensation of employees budget has been reduced by R27.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 4: ICT Enterprise Development and Oversight

### Programme purpose

Oversee and manage government's shareholding interest in the ICT public entities and state owned companies. Facilitate growth and development of small, medium and micro enterprises in the ICT sector.

### Objectives

- Promote the transformation of the ICT sector through ICT SMME development and the implementation of the ICT BEE Sector Code by:
  - facilitating and monitoring the implementation of the ICT SMME support programme by March 2017
  - facilitating the corporatisation of Postbank by March 2017.
- Conduct proactive and stringent oversight to improve the performance and sustainability of state owned entities by:
  - monitoring the performance and compliance of state owned entities by March 2017
  - facilitating the alignment of state owned entities' business cases with rationalised mandates by March 2017.

### Subprogrammes

- Public Entity Oversight* provides oversight over state owned enterprises by managing government's shareholder interests in public enterprises. This includes facilitating enterprises' corporate plans and ensuring that planning cycles are aligned with and comply with guidelines.
- Small, Medium and Micro Enterprise Development* facilitates the growth and development of ICT SMMEs. This subprogramme hosts an e-commerce platform and will produce content that covers the agriculture, tourism, and arts and craft sectors.
- ICT Support* administers and manages the transfers to the .za domain and hosts the 112 emergency call centre programme.

## Expenditure trends and estimates

Table 32.12 ICT Enterprise Development and Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R thousand												
Public Entity Oversight	195 023	163 042	239 528	437 460		30.9%	94.9%	870 952	238 474	255 250	-16.4%	95.9%
Small, Medium and Micro Enterprise Development	15 786	7 123	2 078	3 504		-39.5%	2.6%	13 605	14 073	16 185	66.5%	2.5%
ICT Support	7 992	6 358	6 001	6 925		-4.7%	2.5%	7 244	7 670	8 115	5.4%	1.6%
<b>Total</b>	<b>218 801</b>	<b>176 523</b>	<b>247 607</b>	<b>447 889</b>		<b>27.0%</b>	<b>100.0%</b>	<b>891 801</b>	<b>260 217</b>	<b>279 550</b>	<b>-14.5%</b>	<b>100.0%</b>
Change to 2015								696 626	47 640	54 644		
Budget estimate												
<b>Economic classification</b>												
<b>Current payments</b>	<b>27 309</b>	<b>20 570</b>	<b>43 792</b>	<b>31 054</b>		<b>4.4%</b>	<b>11.3%</b>	<b>39 765</b>	<b>40 168</b>	<b>46 738</b>	<b>14.6%</b>	<b>8.4%</b>
Compensation of employees	8 917	9 488	16 871	20 046		31.0%	5.1%	31 269	31 101	36 973	22.6%	6.4%
Goods and services	18 392	11 082	26 921	11 008		-15.7%	6.2%	8 496	9 067	9 765	-3.9%	2.0%
of which:												
Administrative fees	78	31	53	77		-0.4%	-	82	86	91	5.7%	-
Advertising	2	881	153	189		355.5%	0.1%	199	210	222	5.5%	-
Minor assets	2	8	5	100		268.4%	-	117	135	143	12.7%	-
Audit costs: External	-	5 961	-	-		-	0.5%	-	-	-	-	-
Bursaries: Employees	-	36	1	-		-	-	-	-	-	-	-
Catering: Departmental activities	64	48	23	193		44.5%	-	203	214	226	5.4%	-
Communication	259	303	340	409		16.5%	0.1%	432	455	481	5.6%	0.1%
Computer services	2	11	1	48		188.4%	-	51	54	57	5.9%	-
Consultants: Business and advisory services	15 698	1 872	968	5 730		-28.5%	2.2%	2 871	3 100	3 454	-15.5%	0.8%
Contractors	1	2	94	7		91.3%	-	7	7	7	-	-
Agency and support/outourced services	-	-	23 230	-		-	2.1%	25	29	31	-	-
Entertainment	11	16	10	52		67.8%	-	56	60	63	6.6%	-
Fleet services (including government motor transport)	-	23	33	-		-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	30		-	-	32	34	36	6.3%	-
Consumable supplies	-	1	4	-		-	-	-	-	-	-	-
Consumables: Stationery, printing and office supplies	286	311	270	474		18.3%	0.1%	501	530	561	5.8%	0.1%
Operating leases	34	79	137	145		62.2%	-	153	161	170	5.4%	-
Rental and hiring	-	85	-	-		-	-	-	-	-	-	-
Property payments	-	26	9	-		-	-	-	-	-	-	-
Travel and subsistence	1 259	1 290	1 474	2 395		23.9%	0.6%	2 493	2 592	2 742	4.6%	0.5%
Training and development	403	67	58	349		-4.7%	0.1%	369	391	413	5.8%	0.1%
Operating payments	41	-	5	422		117.5%	-	497	578	612	13.2%	0.1%
Venues and facilities	252	31	53	388		15.5%	0.1%	408	431	456	5.5%	0.1%
<b>Transfers and subsidies</b>	<b>191 459</b>	<b>155 884</b>	<b>203 225</b>	<b>416 262</b>		<b>29.5%</b>	<b>88.6%</b>	<b>201 401</b>	<b>219 383</b>	<b>232 108</b>	<b>-17.7%</b>	<b>56.9%</b>
Departmental agencies and accounts	191 359	155 882	203 223	416 262		29.6%	88.6%	201 401	219 383	232 108	-17.7%	56.9%
Public corporations and private enterprises	-	-	2	-		-	-	-	-	-	-	-
Non-profit institutions	100	-	-	-		-100.0%	-	-	-	-	-	-
Households	-	2	-	-		-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>33</b>	<b>69</b>	<b>590</b>	<b>573</b>		<b>158.9%</b>	<b>0.1%</b>	<b>635</b>	<b>666</b>	<b>704</b>	<b>7.1%</b>	<b>0.1%</b>
Machinery and equipment	33	69	590	573		158.9%	0.1%	635	666	704	7.1%	0.1%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>650 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34.6%</b>
<b>Total</b>	<b>218 801</b>	<b>176 523</b>	<b>247 607</b>	<b>447 889</b>		<b>27.0%</b>	<b>100.0%</b>	<b>891 801</b>	<b>260 217</b>	<b>279 550</b>	<b>-14.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>21.5%</b>	<b>10.4%</b>	<b>15.8%</b>	<b>31.9%</b>		<b>-</b>	<b>-</b>	<b>36.9%</b>	<b>15.9%</b>	<b>16.0%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	-	2	-	-		-	-	-	-	-	-	-
Employee ex-gratia payment	-	2	-	-		-	-	-	-	-	-	-

**Table 32.12 ICT Enterprise Development and Oversight expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>191 359</b>	<b>155 882</b>	<b>203 223</b>	<b>416 262</b>	<b>29.6%</b>	<b>88.6%</b>	<b>201 401</b>	<b>219 383</b>	<b>232 108</b>	<b>-17.7%</b>	<b>56.9%</b>
National Electronic Media Institute of South Africa	34 116	50 746	37 859	36 601	2.4%	14.6%	77 200	85 785	90 761	35.4%	15.4%
Universal Service and Access Agency of South Africa	59 801	60 090	65 376	66 429	3.6%	23.1%	69 045	75 684	80 074	6.4%	15.5%
Universal Service and Access Fund	43 977	45 046	49 988	52 380	6.0%	17.5%	55 156	57 914	61 273	5.4%	12.1%
South African Post Office	51 965	-	50 000	64 852	7.7%	15.3%	-	-	-	-100.0%	3.5%
Universal Service and Access Agency of South Africa: Broadcasting digital migration project management	-	-	-	196 000	-	18.0%	-	-	-	-100.0%	10.4%
.za Domain Name Authority	1 500	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Capital</b>	-	-	2	-	-	-	-	-	-	-	-
Household	-	-	2	-	-	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-profit organisations	100	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

**Table 32.13 ICT Enterprise Development and Oversight personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup> budget reductions and aggregate baseline total**

ICT Enterprise Development and Oversight	Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Total</b>	<b>28</b>	<b>-</b>	<b>25</b>	<b>16.9</b>	<b>0.7</b>	<b>28</b>	<b>20.0</b>	<b>0.7</b>	<b>36</b>	<b>31.3</b>	<b>0.9</b>	<b>36</b>	<b>34.5</b>	<b>1.0</b>	<b>36</b>	<b>39.0</b>	<b>1.1</b>	<b>8.7%</b>	<b>100.0%</b>
1-6	2	-	2	0.5	0.2	2	0.5	0.3	2	0.6	0.3	2	0.6	0.3	2	0.6	0.3	-	5.9%
7-10	6	-	7	2.2	0.3	6	2.1	0.3	7	2.6	0.4	7	2.1	0.3	7	3.2	0.5	5.3%	19.9%
11-12	6	-	6	3.5	0.6	7	3.6	0.5	9	6.3	0.7	9	6.6	0.7	9	7.2	0.8	8.7%	25.0%
13-16	14	-	10	10.6	1.1	13	13.8	1.1	18	21.8	1.2	18	25.1	1.4	18	28.0	1.6	11.5%	49.3%
<b>Reduction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.4)</b>	<b>-</b>	<b>-</b>	<b>(2.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>28</b>	<b>-</b>	<b>25</b>	<b>16.9</b>	<b>0.7</b>	<b>28</b>	<b>20.0</b>	<b>0.7</b>	<b>36</b>	<b>31.3</b>	<b>0.9</b>	<b>36</b>	<b>34.5</b>	<b>1.0</b>	<b>36</b>	<b>39.0</b>	<b>1.1</b>	<b>8.7%</b>	<b>100.0%</b>

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

2. This programme's compensation of employees budget has been reduced by R5.4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 5: ICT Infrastructure Support

### Programme purpose

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

### Objectives

- Increase access to broadband through the digital development and digital future pillars in line with South Africa Connect (the national broadband policy and strategy) by:
  - implementing phase 1 of the digital development programme, which is focused on providing connectivity, to 2 800 of 5 803 sites or identified government institutions by March 2017
  - implementing phase 2 of the digital development programme, which is focused on providing connectivity, to 1 797 of 35 211 sites by March 2019
  - establishing the wholesale open access network through developing the implementation plan for wholesale open access network(s) by March 2018.

- Improve security by establishing cyber security institutional capacity by:
  - establishing a fully fledged cyber security hub by March 2019
  - facilitating and monitoring the implementation of the cyber security awareness plan by March 2019.
- Create an effective national spectrum framework to ensure that citizens realise socioeconomic benefits from the use of the radio spectrum by finalising the South African positions and proposals for the World Radiocommunication Conference 2019 in line with the participation plan and framework by March 2019.

## Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the broadband policy, strategy and implementation plan for the establishment of a cybersecurity hub, and ensuring that goals for broadband are achieved.
- *Digital Terrestrial Television* is responsible for supporting the conversion from analogue to digital television transmission technology, with the ultimate goal of releasing valuable frequency spectrum from next generation mobile broadband and other applications.

## Expenditure trends and estimates

**Table 32.14 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R thousand												
Broadband	47 000	415 668	49 969	271 494	79.4%	24.1%	362 562	464 629	760 585	41.0%	47.0%	
Digital Terrestrial Television	396 864	781 239	929 805	356 496	-3.5%	75.9%	829 384	565 098	347 880	-0.8%	53.0%	
<b>Total</b>	<b>443 864</b>	<b>1 196 907</b>	<b>979 774</b>	<b>627 990</b>	<b>12.3%</b>	<b>100.0%</b>	<b>1 191 946</b>	<b>1 029 727</b>	<b>1 108 465</b>	<b>20.9%</b>	<b>100.0%</b>	
Change to 2015 Budget estimate				(14 774)			177 677	321 507	359 167			
<b>Economic classification</b>												
<b>Current payments</b>	<b>47 724</b>	<b>421 143</b>	<b>49 832</b>	<b>336 651</b>	<b>91.8%</b>	<b>26.3%</b>	<b>362 211</b>	<b>464 262</b>	<b>760 212</b>	<b>31.2%</b>	<b>48.6%</b>	
Compensation of employees	8 967	22 674	15 381	19 072	28.6%	2.0%	20 117	18 947	16 607	-4.5%	1.9%	
Goods and services	38 757	398 469	34 451	317 579	101.6%	24.3%	342 094	445 315	743 605	32.8%	46.7%	
of which:												
Administrative fees	101	680	127	94	-2.4%	-	99	104	110	5.4%	-	
Advertising	164	391	-	87	-19.0%	-	92	97	103	5.8%	-	
Minor assets	-	65	8	1 949	-	0.1%	2 050	2 153	2 278	5.3%	0.2%	
Audit costs: External	10 003	-	-	-	-100.0%	0.3%	-	-	-	-	-	
Bursaries: Employees	-	41	27	295	-	-	311	327	346	5.5%	-	
Catering: Departmental activities	218	89	27	223	0.8%	-	235	247	261	5.4%	-	
Communication	269	843	350	1 100	59.9%	0.1%	816	849	5 344	69.4%	0.2%	
Computer services	-	2 681	-	2 713	-	0.2%	2 857	3 000	3 174	5.4%	0.3%	
Consultants: Business and advisory services	24 829	384 649	31 244	59 231	33.6%	15.4%	57 573	156 571	433 668	94.2%	17.9%	
Legal services	-	-	-	789	-	-	831	873	924	5.4%	0.1%	
Contractors	153	244	-	13 313	343.1%	0.4%	439	461	488	-66.8%	0.4%	
Agency and support/outsourced services	-	-	-	229 667	-	7.1%	268 289	271 703	287 462	7.8%	26.7%	
Entertainment	7	52	44	35	71.0%	-	37	39	41	5.4%	-	
Fleet services (including government motor transport)	-	71	-	-	-	-	-	-	-	-	-	
Inventory: Materials and supplies	-	-	-	3	-	-	3	3	3	-	-	
Inventory: Other supplies	1	-	-	23	184.4%	-	24	25	26	4.2%	-	
Consumable supplies	-	14	4	-	-	-	-	-	-	-	-	
Consumables: Stationery, printing and office supplies	238	236	180	1 195	71.2%	0.1%	1 258	1 321	1 398	5.4%	0.1%	
Operating leases	161	173	108	870	75.5%	-	916	962	1 018	5.4%	0.1%	
Rental and hiring	-	48	30	-	-	-	-	-	-	-	-	
Property payments	-	3	-	-	-	-	-	-	-	-	-	
Travel and subsistence	2 349	3 176	2 067	4 445	23.7%	0.4%	4 634	4 869	5 151	5.0%	0.5%	
Training and development	104	430	52	463	64.5%	-	488	512	542	5.4%	0.1%	
Operating payments	-	59	34	110	-	-	116	122	129	5.5%	-	
Venues and facilities	160	4 524	149	974	82.6%	0.2%	1 026	1 077	1 139	5.4%	0.1%	
<b>Transfers and subsidies</b>	<b>396 113</b>	<b>775 337</b>	<b>929 809</b>	<b>290 160</b>	<b>-9.9%</b>	<b>73.6%</b>	<b>829 384</b>	<b>565 098</b>	<b>347 880</b>	<b>6.2%</b>	<b>51.4%</b>	
Departmental agencies and accounts	230 000	240 000	791 000	181 160	-7.6%	44.4%	589 384	272 098	287 880	16.7%	33.6%	
Public corporations and private enterprises	165 834	535 304	138 805	109 000	-13.1%	29.2%	240 000	293 000	60 000	-18.0%	17.7%	
Non-profit institutions	198	-	-	-	-100.0%	-	-	-	-	-	-	
Households	81	33	4	-	-100.0%	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>27</b>	<b>427</b>	<b>133</b>	<b>1 179</b>	<b>252.1%</b>	<b>0.1%</b>	<b>351</b>	<b>367</b>	<b>373</b>	<b>-31.9%</b>	<b>0.1%</b>	
Machinery and equipment	27	427	133	1 179	252.1%	0.1%	351	367	373	-31.9%	0.1%	
<b>Total</b>	<b>443 864</b>	<b>1 196 907</b>	<b>979 774</b>	<b>627 990</b>	<b>12.3%</b>	<b>100.0%</b>	<b>1 191 946</b>	<b>1 029 727</b>	<b>1 108 465</b>	<b>20.9%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>43.6%</b>	<b>70.3%</b>	<b>62.5%</b>	<b>44.7%</b>	<b>-</b>	<b>-</b>	<b>49.3%</b>	<b>62.9%</b>	<b>63.3%</b>	<b>-</b>	<b>-</b>	

**Table 32.14 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies											
	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
<b>Households</b>											
<b>Other transfers to households</b>											
Current	81	-	4	-	-100.0%	-	-	-	-	-	-
Employee ex-gratia payment	81	-	-	-	-100.0%	-	-	-	-	-	-
Households	-	-	4	-	-	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	230 000	240 000	791 000	181 160	-7.6%	44.4%	589 384	272 098	287 880	16.7%	33.6%
Universal Service and Access Fund: Broadcasting digital migration	230 000	240 000	791 000	181 160	-7.6%	44.4%	589 384	272 098	287 880	16.7%	33.6%
<b>Households</b>											
<b>Social benefits</b>											
Current	-	33	-	-	-	-	-	-	-	-	-
Households	-	33	-	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Current	-	-	-	-	-	-	240 000	240 000	-	-	12.1%
South African Post Office: Broadcasting digital migration	-	-	-	-	-	-	240 000	240 000	-	-	12.1%
<b>Capital</b>	165 834	535 304	138 805	109 000	-13.1%	29.2%	-	53 000	60 000	-18.0%	5.6%
Sentech	165 834	423 304	69 805	-	-100.0%	20.3%	-	-	-	-	-
Sentech: African Nations Championship	-	6 000	-	-	-	0.2%	-	-	-	-	-
Sentech: Digital terrestrial television (dual illumination)	-	106 000	69 000	109 000	-	8.7%	-	-	-	-100.0%	2.8%
Sentech: Migration of digital signals	-	-	-	-	-	-	-	53 000	60 000	-	2.9%
<b>Non-profit institutions</b>											
Current	198	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	198	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

**Table 32.15 ICT Infrastructure Support personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup> budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost			
<b>ICT Infrastructure Support</b>																			
Salary level	24	-	28	15.4	0.5	24	19.1	0.8	28	20.1	0.7	28	22.4	0.8	28	24.8	0.9	5.3%	100.0%
1-6	-	-	2	0.3	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7-10	5	-	7	1.9	0.3	5	1.5	0.3	5	1.5	0.3	7	2.2	0.3	7	2.9	0.4	11.9%	22.2%
11-12	6	-	6	1.7	0.3	6	4.0	0.7	9	5.2	0.6	7	5.0	0.7	7	5.4	0.8	5.3%	26.9%
13-16	13	-	13	11.4	0.9	13	13.6	1.0	14	13.4	1.0	14	15.2	1.1	14	16.5	1.2	2.5%	50.9%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(3.4)	-	-	(8.1)	-	-	-
<b>Total</b>	<b>24</b>	<b>-</b>	<b>28</b>	<b>15.4</b>	<b>0.5</b>	<b>24</b>	<b>19.1</b>	<b>0.8</b>	<b>28</b>	<b>20.1</b>	<b>0.7</b>	<b>-</b>	<b>18.9</b>	<b>-</b>	<b>-</b>	<b>16.6</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

2. This programme's compensation of employees budget has been reduced by R11.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Entities

### South African Post Office

#### Mandate

The South African Post Office is a schedule 2 public entity established in terms of the Public Finance Management Act (1999). It is a government business enterprise and is required to provide postal and related services to the public. It 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, and 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.

## Selected performance indicators

**Table 32.16 South African Post Office performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new points of presence per year <sup>1</sup>	Mail, retail and e-business	Outcome 6: An efficient, competitive and responsive economic infrastructure network	50	50	11	— <sup>3</sup>	— <sup>3</sup>	— <sup>3</sup>	— <sup>3</sup>
Total number of points of presence <sup>2</sup>	Mail, retail and e-business		2 486	2 486	2 448	2 324	2 224	2 099	2 050
Number of new addresses as part of the address expansion per year <sup>3</sup>	Mail, retail and e-business	Outcome 11: Create a better South Africa, a better Africa and a better World	1.2 million	1.2 million	500 109	500 000 <sup>1</sup>	500 000 <sup>1</sup>	500 000 <sup>1</sup>	500 000 <sup>1</sup>

1. The South African Post Office is in negotiations with the regulator about reducing or suspending targets due to poor trading conditions.

2. The number of South African Post Office service points for 2013/14 was 2 486 due to the closure of 50 retail postal agencies as the host businesses and mines have closed in these trading areas.

3. The reduction in targets for the points of presence and rollout of street addresses from 2014/15 to 2018/19 is due to the sustainability challenges faced by the South African Post Office.

## Expenditure analysis

The focus of the South African Post Office over the medium term will be on implementing its revised business operating model, corporate plan, and strategic turnaround plan. This will stabilise business operations and engagements with stakeholders to improve and strengthen the organisation's position as the national provider of postal and related services. It will aim to adapt to the rapidly changing environment, increase productivity, and improve business operations and financial performance while delivering on government's social mandate of providing postal services to areas that were traditionally neglected.

Over the medium term, the organisation will focus on continuing to provide for access to postal and related services, and increasing the number of addresses to allow wider access to postal and financial services in under-serviced areas. The organisation expects to roll out 1.5 million community addresses over the medium term to allow both new communities and existing communities without street or postal addresses to receive mail. It also plans to maintain 2 050 points of presence (which include post offices, mobile units and retail postal agencies) by 2018/19 to meet government's social mandate. The organisation will also continue with the restructuring and corporatisation of Postbank to meet South African Reserve Bank requirements so that it can operate as a bank. Expenditure in the Postbank programme is expected to grow at an average annual rate of 9.5 per cent over the medium term from R328.8 million in 2015/16 to R431.5 million in 2018/19.

To allow the organisation to attract funding and improve revenue, R650 million is allocated in 2016/17 for the recapitalisation of the Post Office. In addition, the organisation has been tasked with managing the distribution of set top boxes and antennae for the broadcasting digital migration project, and receives an additional R480 million from the Department of Telecommunications and Postal Services over the medium term for this. The Universal Service and Access Agency of South Africa is also expected to contribute an additional R146 million.

As the organisation continues to reduce costs through improved efficiencies such as streamlining its operations, transport and property portfolios, and managing the cost of its retail branches by closing some branches based on a needs analysis, expenditure is projected to decrease at an average annual rate of 0.8 per cent from R6.9 billion to R6.7 billion over the medium term. This decrease is particularly evident in the logistics programme (in which expenditure is expected to decline at an average annual rate of 9.3 per cent from R695.6 million in 2015/16 to R518.2 million in 2018/19) and the mail, retail and e-business programme (in which expenditure is expected to decline at an average annual rate of 3.3 per cent from R4.4 billion in 2015/16 to R3.9 billion in 2018/19). The logistics programme is still expected to account for 8.1 per cent of the organisation's total expenditure over the medium term to cover the costs of vehicles, fuel, staff, and other operational expenses.

As the turnaround plan is implemented, compensation of employees is expected to decrease at an average annual rate of 3.2 per cent, from R4.2 billion in 2015/16 to R3.8 billion in 2018/19, with the number of personnel expected to decline from 21 297 to 18 590 over this period. The reduction in the number of personnel will not affect the organisation's performance due to improved efficiencies.

The organisation generates its revenue from the provision of postal and courier services, and from interest income and financial transaction fees. Revenue is expected to grow over the medium term at an average annual rate of 3 per cent as the organisation focuses on increasing revenue opportunities in the government sector and

the unreserved market, as per the turnaround plan. Further initiatives to restore profitability by increasing revenue sources and reducing costs include scaling up non-banking services to drive retail sales; increasing parcel revenue from small, medium and micro enterprises; and growing the e-business offering. The implementation of the corporate and turnaround plans are expected to result in a projected surplus of R554.4 million in 2017/18 and R692.4 million in 2018/19. The projected surplus will be used to fund capital projects and working capital, pay creditors, and repay loans.

## Programmes/objectives/activities

**Table 32.17 South African Post Office expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
						2012/13 - 2015/16						
Administration	1 822 430	1 691 666	2 143 061	1 519 128		-5.9%	26.5%	1 673 409	1 770 470	1 850 930	6.8%	25.8%
Logistics	671 047	659 155	581 102	695 555		1.2%	9.7%	458 542	487 468	518 231	-9.3%	8.1%
Postbank	137 702	148 832	187 269	328 751		33.7%	3.0%	383 511	406 787	431 482	9.5%	5.9%
Mail, retail and e-business	3 872 674	4 086 517	4 127 521	4 359 063		4.0%	60.8%	3 695 942	3 915 823	3 944 551	-3.3%	60.2%
<b>Total</b>	<b>6 503 853</b>	<b>6 586 170</b>	<b>7 038 953</b>	<b>6 902 497</b>		<b>2.0%</b>	<b>100.0%</b>	<b>6 211 404</b>	<b>6 580 548</b>	<b>6 745 194</b>	<b>-0.8%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 32.18 South African Post Office statements of historical financial performance**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>6 127 603</b>	<b>6 135 025</b>	<b>6 389 023</b>	<b>6 033 545</b>	<b>6 859 077</b>	<b>5 406 618</b>	<b>6 871 204</b>	<b>6 719 984</b>	92.6%
Sale of goods and services other than capital assets	5 553 178	5 689 545	5 823 923	5 784 095	6 323 975	5 134 110	6 525 261	5 618 570	91.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	5 553 178	5 689 545	5 823 923	5 784 095	6 323 975	5 134 110	6 525 261	5 618 570	91.7%
Other non-tax revenue	574 425	445 480	565 100	249 450	535 102	272 508	345 943	1 101 414	102.4%
<b>Transfers received</b>	<b>51 965</b>	<b>51 965</b>	<b>205 000</b>	<b>-</b>	<b>-</b>	<b>135 305</b>	<b>64 852</b>	<b>64 852</b>	78.3%
<b>Total revenue</b>	<b>6 179 568</b>	<b>6 218 699</b>	<b>6 594 023</b>	<b>6 179 499</b>	<b>6 859 077</b>	<b>5 541 923</b>	<b>6 936 056</b>	<b>6 800 043</b>	93.1%
<b>Expenses</b>									
<b>Current expenses</b>	<b>6 233 803</b>	<b>6 503 853</b>	<b>6 599 416</b>	<b>6 585 332</b>	<b>7 221 954</b>	<b>6 477 544</b>	<b>7 617 007</b>	<b>6 902 497</b>	95.7%
Compensation of employees	3 071 252	3 529 159	3 496 903	3 537 402	4 045 598	3 649 946	4 188 684	4 152 795	100.5%
Goods and services	2 902 176	2 720 935	2 849 721	2 804 893	2 905 321	2 606 981	3 175 970	2 505 910	89.9%
Depreciation	177 705	172 749	175 920	166 928	199 101	142 688	159 948	151 786	89.0%
Interest, dividends and rent on land	82 670	81 010	76 872	76 109	71 934	77 929	92 405	92 006	101.0%
<b>Total expenses</b>	<b>6 257 612</b>	<b>6 503 853</b>	<b>6 599 416</b>	<b>6 586 170</b>	<b>7 222 345</b>	<b>7 038 953</b>	<b>7 618 194</b>	<b>6 902 497</b>	97.6%
<b>Surplus/(Deficit)</b>	<b>(78 044)</b>	<b>(285 154)</b>	<b>(5 393)</b>	<b>(406 671)</b>	<b>(363 268)</b>	<b>(1 497 030)</b>	<b>(682 138)</b>	<b>(102 454)</b>	

## Statements of estimates of financial performance and position

**Table 32.19 South African Post Office statements of estimates of financial performance**

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>6 719 984</b>	<b>3.1%</b>	<b>98.2%</b>	<b>5 830 195</b>	<b>6 894 976</b>	<b>7 437 546</b>	<b>3.4%</b>	<b>97.9%</b>
Sale of goods and services other than capital assets	5 618 570	-0.4%	90.1%	5 590 272	6 743 109	7 276 288	9.0%	91.8%
<i>of which:</i>								
<i>Sales by market establishment</i>	5 618 570	-0.4%	90.1%	5 590 272	6 743 109	7 276 288	9.0%	91.8%
Other non-tax revenue	1 101 414	35.2%	8.1%	239 923	151 867	161 258	-47.3%	6.1%
<b>Transfers received</b>	<b>64 852</b>	<b>7.7%</b>	<b>1.1%</b>	<b>240 000</b>	<b>240 000</b>	<b>-</b>	<b>-100.0%</b>	<b>2.1%</b>
<b>Total revenue</b>	<b>6 800 043</b>	<b>3.0%</b>	<b>100.0%</b>	<b>6 070 195</b>	<b>7 134 976</b>	<b>7 437 546</b>	<b>3.0%</b>	<b>100.0%</b>

**Table 32.19 South African Post Office statements of estimates of financial performance**

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
<b>Expenses</b>		<b>6 902 497</b>	<b>2.0%</b>	<b>98.0%</b>	<b>6 211 404</b>	<b>6 580 548</b>	<b>6 745 194</b>	<b>-0.8%</b>	<b>-</b>
Current expenses		6 902 497	2.0%	98.0%	6 211 404	6 580 548	6 745 194	-0.8%	-
Compensation of employees		4 152 795	5.6%	55.0%	3 305 196	3 523 570	3 767 932	-3.2%	55.7%
Goods and services		2 505 910	-2.7%	39.4%	2 502 827	2 589 727	2 480 882	-0.3%	38.2%
Depreciation		151 786	-4.2%	2.4%	162 093	216 406	228 598	14.6%	2.9%
Interest, dividends and rent on land		92 006	4.3%	1.2%	241 288	250 845	267 782	42.8%	3.2%
<b>Total expenses</b>		<b>6 902 497</b>	<b>2.0%</b>	<b>100.0%</b>	<b>6 211 404</b>	<b>6 580 548</b>	<b>6 745 194</b>	<b>-0.8%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>		<b>(102 454)</b>	<b>-</b>	<b>-</b>	<b>(141 209)</b>	<b>554 428</b>	<b>692 352</b>	<b>-289.1%</b>	<b>-</b>

## Personnel information

**Table 32.20 South African Post Office personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	2015/16 - 2018/19
South African Post Office		Number	Cost		Unit Cost	Number		Cost	Unit Cost		Number	Cost		Unit Cost	Number	Cost	Unit Cost		
Salary level	21 297	21 297	22 671	3 649.9	0.2	21 297	4 152.8	0.2	19 773	3 305.2	0.2	18 590	3 523.6	0.2	18 590	3 767.9	0.2	-3.2%	100.0%
1 - 6	12 690	12 690	13 509	1 400.7	0.1	12 690	1 593.5	0.1	11 782	1 267.6	0.1	11 076	1 350.5	0.1	11 074	1 443.2	0.1	-3.2%	59.6%
7 - 10	8 593	8 593	9 147	2 228.8	0.2	8 593	2 535.7	0.3	7 976	2 016.4	0.3	7 499	2 149.1	0.3	7 501	2 297.8	0.3	-3.2%	40.3%
13 - 16	11	11	12	13.0	1.1	11	14.6	1.3	12	13.5	1.1	12	15.3	1.3	12	17.6	1.5	6.5%	0.1%
17 - 22	3	3	3	7.4	2.5	3	9.0	3.0	3	7.7	2.6	3	8.7	2.9	3	9.3	3.1	1.2%	0.0%

1. Rand million.

## National Electronic Media Institute of South Africa

### Mandate

The National Electronic Media Institute of South Africa was established as a non-profit institute of education under the former Department of Communications in terms of the Companies Act (1973) and is listed as a schedule 3 A public entity in terms of the Public Finance Management Act (1999). The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines. The institute is also mandated to train previously disadvantaged individuals, particularly women, and to equip them with necessary skills to play significant roles in the broadcasting environment.

In 2014, the National Electronic Media Institute of South Africa, e-Skills Institute and the Institute of Space and Software Applications merged to form the National Integrated e-Skills Institute. The merger was to consolidate electronic media support institutions into a single organisation, to improve coordination, avoid duplication, and to ultimately improve outcomes in the sector.

### Selected performance indicators

**Table 32.21 National Electronic Media Institute of South Africa performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of national e-skills curriculum competency frameworks reviewed per year	E-astuteness development	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- <sup>1</sup>	- <sup>1</sup>	1	1	1	1	1
Number of e-literacy learners trained per year	E-astuteness development		- <sup>1</sup>	- <sup>1</sup>	1 250	2 000	3 000	4 500	5 700
Number of sector users trained per year	E-astuteness development		- <sup>1</sup>	- <sup>1</sup>	625	1 050	1 300	2 500	3 300
Number of non-degree research projects commissioned per year	Knowledge for innovation		- <sup>1</sup>	- <sup>1</sup>	6	9	5	7	9
Number of postgraduate research projects funded per year	Knowledge for innovation		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	2	6	10	15

1. No historical data is available as these are new indicators.

## Expenditure analysis

The National Electronic Media Institute of South Africa aims to deliver the national development plan's vision of promoting e-literacy programmes. This will stimulate demand and ICT skills development by building e-skills and e-astuteness among various stakeholders, and thereby leverage digital opportunities. These stakeholders include individuals, communities, entrepreneurs, government and businesses. Through its activities, the institute will also work towards outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium term strategic framework.

Over the medium term, the institute will focus on establishing the Ikamva National e-Skills Institute. This will allow the institute to expand on its deliverables by commissioning 21 non-degree research projects, funding 31 postgraduate research projects, and training 13 200 e-literacy learners and 7 100 sector users over the medium term. As a result, expenditure on goods and services is expected to increase at an average annual rate of 25.6 per cent over the medium term, from R31.2 million in 2015/16 to R61.7 million in 2018/19. This is due to the establishment of the institute, and this is linked to the expected growth in the e-astuteness, multi-stakeholder collaboration and knowledge for innovation programmes. Total expenditure is expected to grow at an average annual rate of 19.6 per cent, from R53.3 million in 2015/16 to R91.1 million in 2018/19, with the main cost drivers being compensation of employees and property rentals. The establishment of the new entity is expected to drive an increase in the number of personnel from 42 to 53 over the medium term. In line with this increase, expenditure on compensation of employees is set to grow at an average annual rate of 9.4 per cent over the medium term, accounting for a projected 31.7 per cent of total expenditure.

The institute is funded mostly through government allocations, student fees, and other revenue derived from training and partnerships. Additional allocations of R40 million in 2016/17, R42 million in 2017/18 and R44.4 million in 2018/19 have been made available by the Department of Telecommunications and Postal Services. Total revenue is expected to increase at an average annual rate of 21.5 per cent over the medium term, from R53.3 million in 2015/16 to R95.5 million in 2018/19, with total transfers of R253.7 million from the department accounting for 87.8 per cent of total revenue.

## Programmes/objectives/activities

**Table 32.22 National Electronic Media Institute of South Africa expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	41 814	28 534	21 993	31 372	-9.1%	67.5%	42 610	47 706	42 911	11.0%	52.5%
Multi- Stakeholder collaboration	-	-	666	2 000	-	1.3%	4 624	5 247	5 878	43.2%	5.4%
E-astuteness development	-	13 895	24 156	15 291	-	27.5%	22 185	23 755	26 590	20.3%	27.7%
Knowledge for innovation	-	-	2 630	3 021	-	2.7%	11 780	12 780	13 780	65.8%	12.3%
Aggregation framework	-	-	497	1 600	-	1.0%	1 500	1 500	1 936	6.6%	2.1%
<b>Total</b>	<b>41 814</b>	<b>42 429</b>	<b>49 942</b>	<b>53 284</b>	<b>8.4%</b>	<b>100.0%</b>	<b>82 699</b>	<b>90 988</b>	<b>91 095</b>	<b>19.6%</b>	<b>100.0%</b>

## Statements of historical financial performance

**Table 32.23 National Electronic Media Institute of South Africa statements of historical financial performance**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
<b>Revenue</b>									
<b>Non-tax revenue</b>	12 515	6 723	1 801	4 257	260	15 286	1 013	16 683	275.5%
Sale of goods and services other than capital assets	12 515	6 228	1 551	3 089	-	14 042	313	13 833	258.7%
of which:									
Sales by market establishment	12 515	6 228	1 551	3 089	-	14 042	313	13 833	258.7%
Other non-tax revenue	-	495	250	1 168	260	1 244	700	2 850	475.8%
<b>Transfers received</b>	34 116	34 116	35 746	38 732	37 859	37 859	39 601	36 601	100.0%
<b>Total revenue</b>	<b>46 631</b>	<b>40 839</b>	<b>37 547</b>	<b>42 989</b>	<b>38 119</b>	<b>53 145</b>	<b>40 614</b>	<b>53 284</b>	<b>116.8%</b>

**Table 32.23 National Electronic Media Institute of South Africa statements of historical financial performance**

Statement of financial performance									
	2012/13		2013/14		2014/15		2015/16		Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
<b>Expenses</b>									
<b>Current expenses</b>	<b>46 631</b>	<b>41 814</b>	<b>37 547</b>	<b>42 429</b>	<b>38 119</b>	<b>49 942</b>	<b>40 695</b>	<b>53 284</b>	<b>115.0%</b>
Compensation of employees	28 445	16 930	16 723	18 481	21 738	17 222	21 180	21 180	83.8%
Goods and services	15 848	22 930	18 347	22 591	14 597	31 644	18 586	31 175	160.8%
Depreciation	2 338	1 954	2 477	1 357	1 784	1 076	929	929	70.6%
<b>Total expenses</b>	<b>46 631</b>	<b>41 814</b>	<b>37 547</b>	<b>42 429</b>	<b>38 119</b>	<b>49 942</b>	<b>40 695</b>	<b>53 284</b>	<b>115.0%</b>
Surplus/(Deficit)	-	(975)	-	560	-	3 203	(81)	-	

## Statements of estimates of financial performance

**Table 32.24 National Electronic Media Institute of South Africa statements of estimates of financial performance**

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>16 683</b>	<b>35.4%</b>	<b>21.6%</b>	<b>5 499</b>	<b>5 203</b>	<b>4 770</b>	<b>-34.1%</b>	<b>12.2%</b>	
Sale of goods and services other than capital assets	13 833	30.5%	18.7%	1 244	1 073	1 135	-56.5%	7.5%	
of which:									
Sales by market establishment	13 833	30.5%	18.7%	1 244	1 073	1 135	-56.5%	7.5%	
Other non-tax revenue	2 850	79.2%	2.9%	4 255	4 130	3 635	8.4%	4.7%	
<b>Transfers received</b>	<b>36 601</b>	<b>2.4%</b>	<b>78.4%</b>	<b>77 200</b>	<b>85 785</b>	<b>90 761</b>	<b>35.4%</b>	<b>87.8%</b>	
<b>Total revenue</b>	<b>53 284</b>	<b>9.3%</b>	<b>100.0%</b>	<b>82 699</b>	<b>90 988</b>	<b>95 531</b>	<b>21.5%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>53 284</b>	<b>8.4%</b>	<b>100.0%</b>	<b>82 699</b>	<b>90 988</b>	<b>91 095</b>	<b>19.6%</b>	<b>-</b>	
Compensation of employees	21 180	7.8%	39.6%	23 558	25 739	27 734	9.4%	31.7%	
Goods and services	31 175	10.8%	57.5%	57 700	63 718	61 742	25.6%	66.5%	
Depreciation	929	-22.0%	2.9%	1 441	1 531	1 619	20.3%	1.7%	
<b>Total expenses</b>	<b>53 284</b>	<b>8.4%</b>	<b>100.0%</b>	<b>82 699</b>	<b>90 988</b>	<b>91 095</b>	<b>19.6%</b>	<b>-</b>	
Surplus/(Deficit)	-	(1)		-	-	4 436	-		

## Personnel information

**Table 32.25 National Electronic Media Institute of South Africa personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
National Electronic Media Institute of South Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	42	46	39	17.2	0.4	42	21.2	0.5	48	23.6	0.5	52	25.7	0.5	53	27.7	0.5	9.4%	100.0%
1 - 6	4	4	4	0.7	0.2	4	0.7	0.2	4	0.7	0.2	4	0.8	0.2	4	0.8	0.2	3.5%	8.3%
7 - 10	28	32	28	10.5	0.4	28	10.9	0.4	34	13.2	0.4	38	14.8	0.4	39	16.1	0.4	13.8%	71.0%
11 - 12	6	6	5	3.9	0.8	6	4.7	0.8	6	4.7	0.8	6	5.0	0.8	6	5.3	0.9	4.3%	12.4%
13 - 16	4	4	2	2.1	1.1	4	4.8	1.2	4	4.9	1.2	4	5.2	1.3	4	5.5	1.4	4.4%	8.3%

1. Rand million.

## Sentech

### Mandate

Sentech was established as a state owned enterprise to provide common carrier broadcasting signal distribution services to licensed broadcasters in South Africa, and is listed as a schedule 3 B public entity in the Public Finance Management Act (1999). In 2002, the company's mandate was expanded to provide an international voice gateway and common carrier multimedia services in accordance with government's imperative to liberalise the telecommunications sector.

## Selected performance indicators

**Table 32.26 Sentech performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections	
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of household coverage of digital television infrastructure per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	80%	82%	85%	85%	85%	85%
Percentage availability of digital terrestrial television per year	Attain digital terrestrial television network		100%	100%	100%	100%	100%	100%
Number of new television transmitters switched on per year	Attain digital terrestrial television network		10	280	16	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of schools connected to communication network services per year	Administration		25	9	14	14	14	14
Number of very small aperture terminals (VSAT) installed per year	Administration		25	137	135	225	300	300
Percentage of network availability according to service level agreement requirements across all platforms	Administration		- <sup>2</sup>	- <sup>2</sup>	99.8%	99.8%	99.8%	99.8%

1. The project ended in 2014/15.

2. No historical data is available as this indicator was introduced in 2014/15.

## Expenditure analysis

Sentech's focus over the medium term will be on providing and operating communications network services that enable all broadcasting and content services to be accessible to all South Africans. In line with its mandate and vision, the organisation is committed to being a world class provider of sustainable communications network infrastructure and services in South Africa. This is evident in its focus on expanding the radio network; rolling out digital terrestrial television; launching an improved digital media service that will allow content to be stored, processed and prepared for distribution across any number of content distribution platforms; and maintaining existing networks to deliver quality services. This also supports the national development plan's vision of ICT as a critical enabler of economic activity that improves productivity and efficiency through enhanced communication and flow of information, as well as outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework.

Over the medium term, Sentech will strive to maintain the quality of its services to meet the target of 99.8 per cent network availability across all platforms. To achieve this, the organisation will invest in human resource development and operations maintenance to address potential weaknesses that could affect its overall efficiency and effectiveness, and this will increase secondary operating expenses to support the business. Due to the maintenance work required for digital equipment, expenditure on goods and services is expected to increase at an average annual rate of 6.8 per cent over the medium term, from R583.1 million in 2015/16 to R710.9 million in 2018/19. This expenditure will also allow digital television infrastructure to cover 85 per cent of households by the end of the medium term. As digital terrestrial television capital projects are concluded, expenditure in the attain digital terrestrial television network programme is expected to decline at an average annual rate of 7.2 per cent over the medium term, from R131.2 million in 2015/16 to R104.9 million in 2018/19.

To meet its medium term targets of facilitating 42 schools being connected to broadband services, including equipment such as computers, laptops, and connection points, and the installation of 900 very small aperture terminals (VSATs) to enable internet connections in areas where other means are not practical, expenditure in the administration programme is set to increase by 6.6 per cent over the medium term. For Sentech to meet its medium term objectives, the number of personnel is expected to increase from 539 to 549 over the medium term, as some temporary positions are phased out and replaced with permanent posts. Expenditure on compensation of employees is set to increase at an average annual rate of 4.8 per cent over the medium term, from R366.9 million in 2015/16 to R421.9 million in 2018/19, due to salary increases, new recruitments, and gratuity payments in the form of incentives.

Sentech derives an average of 85 per cent of its revenue from its product portfolio of broadcasting signal distribution solutions (television and radio services), and 6 per cent from government and enterprise solutions, which comprise facility leasing and VSAT services. An additional source of funding is government grants for digital migration. Revenue from digital television services is expected to grow by 3.1 per cent over the medium term as the country migrates from analogue to digital transmission. In addition, R113 million over the medium term is allocated for the migration of digital signals.

## Programmes/objectives/activities

Table 32.27 Sentech expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
R thousand	651 609	725 963	881 423	940 588	13.0%	83.2%	964 027	1 026 064	1 140 185	6.6%	88.5%
Administration	322 628	89 349	107 708	131 169	-25.9%	16.8%	139 039	147 382	104 945	-7.2%	11.5%
Attain digital terrestrial television network											
<b>Total</b>	<b>974 237</b>	<b>815 312</b>	<b>989 131</b>	<b>1 071 757</b>	<b>3.2%</b>	<b>100.0%</b>	<b>1 103 066</b>	<b>1 173 446</b>	<b>1 245 130</b>	<b>5.1%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 32.28 Sentech statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Budget		Audited outcome		Budget estimate		Outcome/Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>994 352</b>	<b>886 579</b>	<b>954 845</b>	<b>938 969</b>	<b>928 441</b>	<b>1 046 835</b>	<b>1 137 464</b>	<b>1 132 073</b>	<b>99.7%</b>
Sale of goods and services other than capital assets	985 352	830 886	952 807	892 767	895 807	1 002 262	1 130 130	1 110 733	96.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	985 352	830 886	952 807	892 767	895 807	1 002 262	1 130 130	1 110 733	96.8%
Other non-tax revenue	9 000	55 693	2 038	46 202	32 634	44 573	7 334	21 340	329.0%
<b>Transfers received</b>	<b>23 988</b>	<b>68 224</b>	<b>-</b>	<b>89 349</b>	<b>106 000</b>	<b>107 708</b>	<b>109 000</b>	<b>95 614</b>	<b>151.0%</b>
<b>Total revenue</b>	<b>1 018 340</b>	<b>954 803</b>	<b>954 845</b>	<b>1 028 318</b>	<b>1 034 441</b>	<b>1 154 543</b>	<b>1 246 464</b>	<b>1 227 687</b>	<b>102.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>889 691</b>	<b>915 418</b>	<b>913 243</b>	<b>803 801</b>	<b>882 637</b>	<b>946 049</b>	<b>1 011 117</b>	<b>1 011 117</b>	<b>99.5%</b>
Compensation of employees	297 289	276 447	341 548	328 266	379 705	360 386	366 939	366 939	96.1%
Goods and services	500 461	417 971	514 711	404 059	437 773	503 597	583 103	583 103	93.7%
Depreciation	88 441	27 970	54 750	48 374	64 209	71 297	60 576	60 576	77.7%
Interest, dividends and rent on land	3 500	193 030	2 234	23 102	950	10 769	500	500	3 165.4%
<b>Total expenses</b>	<b>925 713</b>	<b>974 237</b>	<b>942 466</b>	<b>815 312</b>	<b>939 089</b>	<b>989 131</b>	<b>1 071 757</b>	<b>1 071 757</b>	<b>99.3%</b>
<b>Surplus/(Deficit)</b>	<b>92 627</b>	<b>(19 434)</b>	<b>12 379</b>	<b>213 006</b>	<b>95 352</b>	<b>165 412</b>	<b>174 707</b>	<b>155 931</b>	
<b>Statement of financial position</b>									
Carrying value of assets	695 045	544 184	650 415	602 409	680 287	633 461	1 005 933	931 369	89.4%
<i>of which:</i>									
<i>Acquisition of assets</i>	(145 864)	(457 073)	(913 790)	(290 493)	(69 270)	(314 327)	(213 374)	(300 000)	101.5%
Inventory	26 520	65 739	3 866	71 666	8 529	62 066	3 610	83 169	664.6%
Receivables and prepayments	83 997	60 495	35 842	39 832	32 812	60 437	37 023	66 491	119.8%
Cash and cash equivalents	1 709 835	1 560 260	573 683	1 077 430	830 169	889 704	321 301	544 529	118.5%
Defined benefit plan assets	-	-	1 404	-	1 750	-	-	-	-
Taxation	-	3 737	-	50 401	-	72 918	-	50 401	-
<b>Total assets</b>	<b>2 515 397</b>	<b>2 234 415</b>	<b>1 265 210</b>	<b>1 841 738</b>	<b>1 553 547</b>	<b>1 718 586</b>	<b>1 367 867</b>	<b>1 675 958</b>	<b>111.5%</b>
Accumulated surplus/(deficit)	388 361	366 490	474 117	579 546	681 511	744 958	599 714	953 339	123.4%
Capital and reserves	1 505 096	586 654	462 520	586 654	593 051	586 654	576 438	586 655	74.8%
Capital reserve fund	260 836	160 074	4 500	366 020	27 000	176 154	500	-	239.8%
Borrowings	23 935	40 917	-	-	-	-	-	4 873	191.3%
Trade and other payables	205 180	239 374	143 353	142 482	33 739	139 638	189 215	63 949	102.4%
Taxation	-	7 992	13 907	38 207	4 858	56 489	500	67 143	881.5%
Provisions	131 989	211 503	166 813	113 013	213 388	14 693	1 500	-	66.0%
Derivatives financial instruments	-	621 411	-	15 816	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>2 515 397</b>	<b>2 234 415</b>	<b>1 265 210</b>	<b>1 841 738</b>	<b>1 553 547</b>	<b>1 718 586</b>	<b>1 367 867</b>	<b>1 675 958</b>	<b>111.5%</b>

## Statements of estimates of financial performance and position

Table 32.29 Sentech statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>1 132 073</b>	<b>8.5%</b>	<b>91.8%</b>	<b>1 185 545</b>	<b>1 217 942</b>	<b>1 287 199</b>	<b>4.4%</b>	<b>95.9%</b>	
Sale of goods and services other than capital assets	1 110 733	10.2%	87.8%	1 177 377	1 195 020	1 262 901	4.4%	94.4%	
<i>of which:</i>									
<i>Sales by market establishment</i>	1 110 733	10.2%	87.8%	1 177 377	1 195 020	1 262 901	4.4%	94.4%	
Other non-tax revenue	21 340	-27.4%	4.0%	8 168	22 922	24 297	4.4%	1.5%	
<b>Transfers received</b>	<b>95 614</b>	<b>11.9%</b>	<b>8.2%</b>	<b>-</b>	<b>53 000</b>	<b>60 000</b>	<b>-14.4%</b>	<b>4.1%</b>	
<b>Total revenue</b>	<b>1 227 687</b>	<b>8.7%</b>	<b>100.0%</b>	<b>1 185 545</b>	<b>1 270 942</b>	<b>1 347 199</b>	<b>3.1%</b>	<b>100.0%</b>	

**Table 32.29 Sentech statements of estimates of financial performance and position**

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
<b>Expenses</b>									
<b>Current expenses</b>		<b>1 011 117</b>	<b>3.4%</b>	<b>95.6%</b>	<b>1 071 065</b>	<b>1 135 530</b>	<b>1 204 940</b>	<b>6.0%</b>	<b>-</b>
Compensation of employees		366 939	9.9%	34.8%	386 078	397 974	421 852	4.8%	34.3%
Goods and services		583 103	11.7%	49.4%	620 777	669 494	710 941	6.8%	56.2%
Depreciation		60 576	29.4%	5.4%	64 210	68 063	72 146	6.0%	5.8%
Interest, dividends and rent on land		500	-86.3%	5.9%	-	-	-	-100.0%	0.0%
<b>Total expenses</b>		<b>1 071 757</b>	<b>3.2%</b>	<b>100.0%</b>	<b>1 103 066</b>	<b>1 173 445</b>	<b>1 245 130</b>	<b>5.1%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>		<b>155 931</b>	<b>(3)</b>		<b>82 479</b>	<b>97 497</b>	<b>102 069</b>	<b>-13.2%</b>	
<b>Statement of financial position</b>									
Carrying value of assets		931 369	19.6%	37.4%	1 165 772	1 246 240	1 321 014	12.4%	64.3%
of which:									
Acquisition of assets		(300 000)	-13.1%	-18.1%	(300 000)	(150 000)	(159 000)	-19.1%	-12.8%
Inventory		83 169	8.2%	3.9%	83 169	83 169	88 159	2.0%	4.7%
Receivables and prepayments		66 491	3.2%	3.1%	70 480	74 709	79 191	6.0%	4.0%
Cash and cash equivalents		544 529	-29.6%	53.1%	382 031	389 832	413 222	-8.8%	24.1%
Taxation		50 401	138.0%	2.5%	50 401	50 401	53 425	2.0%	2.8%
<b>Total assets</b>		<b>1 675 958</b>	<b>-9.1%</b>	<b>100.0%</b>	<b>1 751 853</b>	<b>1 844 350</b>	<b>1 955 011</b>	<b>5.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		953 339	37.5%	37.0%	1 035 629	1 133 126	1 201 114	8.0%	59.7%
Capital and reserves		586 655	0.0%	31.8%	586 655	586 655	621 854	2.0%	33.0%
Borrowings		4 873	-50.8%	0.5%	4 873	4 873	5 165	2.0%	0.3%
Trade and other payables		63 949	-35.6%	7.6%	57 554	52 554	55 707	-4.5%	3.2%
Taxation		67 143	103.3%	2.4%	67 143	67 143	71 171	2.0%	3.8%
<b>Total equity and liabilities</b>		<b>1 675 958</b>	<b>-9.1%</b>	<b>100.0%</b>	<b>1 751 853</b>	<b>1 844 350</b>	<b>1 955 011</b>	<b>9.4%</b>	<b>100.0%</b>

## Personnel information

**Table 32.30 Sentech personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit	2015/16		Unit	2016/17		Unit	2017/18		Unit			2018/19		Unit	
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2015/16 - 2018/19		
<b>Sentech</b>																			
Salary level	539	539	539	360.4	0.7	539	366.9	0.7	549	386.1	0.7	549	398.0	0.7	549	421.9	0.8	4.8%	100.0%
7 – 10	103	103	101	25.1	0.2	103	24.7	0.2	108	32.2	0.3	108	36.2	0.3	108	42.2	0.4	19.6%	19.5%
11 – 12	403	403	403	286.6	0.7	403	292.9	0.7	408	300.1	0.7	408	305.6	0.7	408	316.8	0.8	2.7%	74.4%
13 – 16	32	32	34	45.2	1.3	32	45.7	1.4	32	49.9	1.6	32	52.1	1.6	32	58.6	1.8	8.7%	5.9%
17 – 22	1	1	1	3.5	3.5	1	3.7	3.7	1	3.9	3.9	1	4.1	4.1	1	4.2	4.2	4.7%	0.2%

1. Rand million.

## State Information Technology Agency

### Mandate

The State Information Technology Agency is governed by the State Information Technology Agency Act (1998), as amended and is listed as a schedule 3 A public entity. The agency is responsible for the provision of IT services to government. The act separates the agency's services into mandatory services, which are services that it must provide; and non-mandatory services, which are services that it may provide. Mandatory services include the provision and maintenance of transversal information systems and data processing or associated services for the transversal systems. The act mandates the agency to consolidate and coordinate government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities and enhanced interoperability of systems.

## Selected performance indicators

**Table 32.31 State Information Technology Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of projects timeously, successfully and satisfactorily delivered within budget per year	Administration	Entity mandate	-1	-1	80%	85%	90%	95%	95%
Bandwidth capacity maintained at below 75% per year	Business operations		-1	-1	75%	75%	75%	75%	75%

1. No historical data is available as these indicators were introduced in 2014/15.

## Expenditure analysis

The State Information Technology Agency is tasked with consolidating and coordinating government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities, and the enhanced interoperability of systems. To deliver on this, the agency's focus over the medium term will be on embarking on an infrastructure modernisation programme that entails upgrading the agency's central data centre to consolidate all government data and disaster recovery systems in a safe and central place, investigating the building of an additional data centre, and exploring the development of disaster recovery capabilities.

Modernising technology within the agency's data centres will allow it to implement, provide and support systems used by government, and enable government to consolidate its ICT investments. This is expected to allow the organisation to complete 95 per cent of its projects effectively by 2018/19, on time and within budget, and allow for bandwidth capacity to be maintained at less than 75 per cent per year over the medium term. Expenditure in the business operations programme is therefore expected to grow at an average annual rate of 8.4 per cent over the medium term, from R4.6 billion in 2015/16 to R5.8 billion in 2018/19.

As the agency upgrades its ICT infrastructure, it expects an increase in its client base. These upgrades will result in various efficiency benefits such as reducing the duplication of functions and providing capacity for syndicated disaster recovery, and will drive an expected increase in expenditure on goods and services at an average annual rate of 9.1 per cent, from R3.5 billion in 2015/16 to R4.6 billion in 2018/19. To support this investment in and modernisation of infrastructure, assets of R1.7 billion are expected to be acquired over the medium term, while the carrying value of assets is expected to increase to R2.8 billion in 2018/19. Total expenditure is projected to grow at an average annual rate of 5.6 per cent, from R6.2 billion in 2015/16 to R7.3 billion in 2018/19.

The agency plans to align its organisational structure with its business optimisation strategy to increase capacity in order to ensure growth, encourage learning and innovation through research and development, and ensure efficiency. The agency employs 3 320 personnel, and this number is expected to increase to 3 351 over the medium term as it requires qualified technicians to provide services to the expected new clients. However, expenditure on compensation of employees is expected to decrease at an average annual rate of 0.6 per cent over the medium term, due to a planned reduction in the payment of bonuses.

The agency generates revenue from funds received for IT services rendered, as stipulated in service level agreements entered into with departments and organs of state. These services include data processing, transversal systems (ICT solutions), information system security, procurement, and disaster recovery planning. Revenue is expected to grow by an average annual rate of 5.9 per cent over the medium term from R5.7 billion in 2015/16 to R6.8 billion in 2018/19.

## Programmes/objectives/activities

Table 32.32 State Information Technology Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	816 243	981 799	1 323 712	1 604 489	25.3%	22.6%	1 282 859	1 278 944	1 440 753	-3.5%	21.3%
Business operations	3 255 927	3 849 400	4 145 798	4 560 576	11.9%	77.4%	5 016 633	5 518 297	5 815 824	8.4%	78.7%
<b>Total</b>	<b>4 072 170</b>	<b>4 831 199</b>	<b>5 469 510</b>	<b>6 165 065</b>	<b>14.8%</b>	<b>100.0%</b>	<b>6 299 492</b>	<b>6 797 241</b>	<b>7 256 577</b>	<b>5.6%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 32.33 State Information Technology Agency statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Outcome/Budget Average (%) 2012/13 - 2015/16
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>5 683 014</b>	<b>4 471 285</b>	<b>5 716 619</b>	<b>4 876 620</b>	<b>5 267 764</b>	<b>5 574 334</b>	<b>5 787 393</b>	<b>5 676 863</b>	91.7%
Sale of goods and services other than capital assets	5 584 731	4 283 035	5 635 000	4 692 013	5 182 473	5 539 874	5 700 720	5 592 317	91.0%
<i>of which:</i>									
Sales by market establishment	5 584 731	4 283 035	5 635 000	4 692 013	5 182 473	5 539 874	5 700 720	5 592 317	91.0%
Other non-tax revenue	98 283	188 250	81 619	184 607	85 292	34 460	86 673	84 546	139.8%
<b>Total revenue</b>	<b>5 683 014</b>	<b>4 471 285</b>	<b>5 716 619</b>	<b>4 876 620</b>	<b>5 267 764</b>	<b>5 574 334</b>	<b>5 787 393</b>	<b>5 676 863</b>	<b>91.7%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>5 528 882</b>	<b>3 892 741</b>	<b>5 515 941</b>	<b>4 809 307</b>	<b>4 987 099</b>	<b>5 391 000</b>	<b>6 127 392</b>	<b>6 127 392</b>	<b>91.3%</b>
Compensation of employees	2 179 846	1 413 723	1 670 620	1 354 680	1 463 125	1 983 237	2 354 577	2 354 577	92.7%
Goods and services	3 167 530	2 365 077	3 714 823	3 408 095	3 262 452	3 146 241	3 532 586	3 532 586	91.0%
Depreciation	181 506	80 501	130 498	23 196	261 523	261 522	240 229	240 229	74.4%
Interest, dividends and rent on land	-	33 441	-	23 336	-	-	-	-	-
<b>Total expenses</b>	<b>5 572 039</b>	<b>4 072 170</b>	<b>5 572 131</b>	<b>4 831 199</b>	<b>5 065 609</b>	<b>5 469 510</b>	<b>6 165 065</b>	<b>6 165 065</b>	<b>91.8%</b>
<b>Surplus/(Deficit)</b>	<b>110 975</b>	<b>399 116</b>	<b>144 488</b>	<b>45 421</b>	<b>202 155</b>	<b>104 824</b>	<b>(377 672)</b>	<b>(488 202)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	1 888 186	605 500	2 559 026	721 307	2 954 023	905 698	3 141 407	1 583 015	36.2%
<i>of which:</i>									
Acquisition of assets	(1 055 200)	(216 093)	(1 793 000)	(356 004)	(1 538 000)	(266 506)	(1 151 000)	(1 151 000)	35.9%
Inventory	60 000	-	60 000	-	-	-	-	-	-
Receivables and prepayments	815 032	1 109 027	667 534	1 164 190	873 821	1 163 347	949 904	973 109	133.4%
Cash and cash equivalents	202 250	1 508 853	153 491	1 630 153	165 636	1 539 405	70 264	875 073	938.7%
Taxation	50 000	83 913	50 000	180 879	50 000	117 393	50 000	115 000	248.6%
<b>Total assets</b>	<b>3 015 468</b>	<b>3 307 293</b>	<b>3 490 051</b>	<b>3 696 529</b>	<b>4 043 480</b>	<b>3 725 843</b>	<b>4 211 575</b>	<b>3 546 197</b>	<b>96.7%</b>
Accumulated surplus/(deficit)	1 277 923	1 913 871	1 723 353	1 959 292	2 030 907	2 103 581	2 379 962	2 200 455	110.3%
Capital and reserves	627 334	627 335	627 334	627 335	627 335	627 336	627 335	627 333	100.0%
Trade and other payables	953 957	641 100	948 760	1 000 635	1 045 321	867 480	984 609	569 756	78.3%
Taxation	14 151	-	42 646	-	179 308	-	71 898	-	-
Provisions	142 103	124 988	147 958	109 267	160 609	127 446	147 772	148 653	85.3%
<b>Total equity and liabilities</b>	<b>3 015 468</b>	<b>3 307 293</b>	<b>3 490 051</b>	<b>3 696 529</b>	<b>4 043 480</b>	<b>3 725 843</b>	<b>4 211 575</b>	<b>3 546 197</b>	<b>96.7%</b>

## Statements of estimates of financial performance and position

Table 32.34 State Information Technology Agency statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19	
				2016/17	2017/18	2018/19			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>5 676 863</b>	<b>8.3%</b>	<b>100.0%</b>	<b>5 868 196</b>	<b>6 308 277</b>	<b>6 751 208</b>	<b>5.9%</b>	<b>100.0%</b>	
Sale of goods and services other than capital assets	5 592 317	9.3%	97.5%	5 795 531	6 201 219	6 635 304	5.9%	98.5%	
<i>of which:</i>									
Sales by market establishment	5 592 317	9.3%	97.5%	5 795 531	6 201 219	6 635 304	5.9%	98.5%	
Other non-tax revenue	84 546	-23.4%	2.5%	72 665	107 058	115 904	11.1%	1.5%	
<b>Total revenue</b>	<b>5 676 863</b>	<b>8.3%</b>	<b>100.0%</b>	<b>5 868 196</b>	<b>6 308 277</b>	<b>6 751 208</b>	<b>5.9%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>6 127 392</b>	<b>16.3%</b>	<b>98.3%</b>	<b>6 257 857</b>	<b>6 761 083</b>	<b>7 214 099</b>	<b>5.6%</b>	<b>-</b>	
Compensation of employees	2 354 577	18.5%	34.3%	2 212 690	2 289 687	2 310 128	-0.6%	34.7%	
Goods and services	3 532 586	14.3%	60.9%	3 780 616	4 180 859	4 584 882	9.1%	60.5%	
Depreciation	240 229	44.0%	2.8%	264 551	290 537	319 089	9.9%	4.2%	
<b>Total expenses</b>	<b>6 165 065</b>	<b>14.8%</b>	<b>100.0%</b>	<b>6 299 492</b>	<b>6 797 241</b>	<b>7 256 577</b>	<b>5.6%</b>	<b>-</b>	
<b>Surplus/(Deficit)</b>	<b>(488 202)</b>	<b>(2)</b>	<b>(2)</b>	<b>(431 296)</b>	<b>(488 964)</b>	<b>(505 369)</b>	<b>1.2%</b>	<b>-</b>	

**Table 32.34 State Information Technology Agency statements of estimates of financial performance and position**

Statement of financial position		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand									
Carrying value of assets	1 583 015		37.8%	26.7%	1 456 117	2 886 646	2 837 353	21.5%	54.3%
of which:									
Acquisition of assets	(1 151 000)		74.6%	-13.9%	(600 000)	(600 000)	(500 000)	-24.3%	-18.8%
Receivables and prepayments	973 109		-4.3%	30.9%	1 069 679	887 671	930 142	-1.5%	25.0%
Cash and cash equivalents	875 073		-16.6%	38.9%	843 087	584 699	591 446	-12.2%	19.0%
Taxation	115 000		11.1%	3.5%	40 000	50 000	50 000	-24.2%	1.7%
<b>Total assets</b>	<b>3 546 197</b>		<b>2.4%</b>	<b>100.0%</b>	<b>3 408 883</b>	<b>4 409 016</b>	<b>4 408 941</b>	<b>7.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	2 200 455		4.8%	57.3%	2 068 889	2 762 461	2 850 836	9.0%	62.5%
Capital and reserves	627 333		-0.0%	17.6%	627 335	627 335	627 335	0.0%	16.1%
Trade and other payables	569 756		-3.9%	21.5%	552 114	615 714	422 895	-9.5%	14.0%
Taxation	-		-	-	-	165 722	270 091	-	2.5%
Provisions	148 653		6.0%	3.6%	160 545	237 784	237 784	17.0%	4.9%
<b>Total equity and liabilities</b>	<b>3 546 197</b>		<b>2.4%</b>	<b>100.0%</b>	<b>3 408 883</b>	<b>4 409 016</b>	<b>4 408 941</b>	<b>16.5%</b>	<b>100.0%</b>

## Personnel information

**Table 32.35 State Information Technology Agency personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
State Information Technology Agency		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	3 320	3 320	2 985	1 983.2	0.7	3 320	2 354.6	0.7	3 351	2 212.7	0.7	3 351	2 289.7	0.7	3 351	2 310.1	0.7	-0.6%	100.0%
1 - 6	1 106	1 106	985	441.5	0.4	1 106	524.1	0.5	1 106	492.5	0.4	1 106	509.6	0.5	1 106	514.2	0.5	-0.6%	33.1%
7 - 10	1 386	1 386	1 233	647.1	0.5	1 386	768.3	0.6	1 386	722.0	0.5	1 386	747.1	0.5	1 386	753.8	0.5	-0.6%	41.5%
11 - 12	592	592	555	559.5	1.0	592	664.3	1.1	623	624.2	1.0	623	646.0	1.0	623	651.7	1.0	-0.6%	18.4%
13 - 16	216	216	192	296.6	1.5	216	347.5	1.6	216	326.4	1.5	216	337.9	1.6	216	339.0	1.6	-0.8%	6.5%
17 - 22	20	20	20	38.5	1.9	20	50.4	2.5	20	47.5	2.4	20	49.1	2.5	20	51.3	2.6	0.6%	0.6%

1. Rand million

## Universal Service and Access Agency of South Africa

### Mandate

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 3 A 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.

### Expenditure analysis

The focus of the Universal Service and Access Agency over the medium term will be on promoting universal access to electronic communication and broadcasting services by ensuring the full utilisation of the Universal Service and Access Fund, as well as providing a platform to ensure the implementation of the fund's projects. This will entail providing managerial support to the fund for its projects, and the distribution of set top boxes and antennae for the broadband digital migration project. The agency will also roll out broadband projects over the medium term in support of the South Africa Connect broadband policy, the first phase of which envisages providing schools, clinics and other government institutions with broadband connectivity.

The fund has 63 funded posts, all of which are filled. The main cost driver in the organisation is compensation of employees, which is expected to increase at an average annual rate of 6.3 per cent, from R41.2 million in 2015/16 to R49.4 million in 2018/19, as a result of annual increases.

The agency's main source of revenue is transfers from the Department of Telecommunications and Postal Services, and total revenue in 2018/19 is expected to amount to R80.1 million. An allocation from the department of R196 million for distribution and project management costs related to the broadcasting digital migration project accounts for the large increase in revenue in 2015/16 to R262.4 million. Of this amount, R146 million will be paid to the South African Post Office, as it is tasked with managing the distribution of set

top boxes and antennae, and the installation process. This allocation is also responsible for the decline in total expenditure over the medium term, as it was appropriated in 2015/16.

## Programmes/objectives/activities

**Table 32.36 Universal Service and Access Agency of South Africa expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
R thousand											
Administration	60 477	63 048	64 286	262 429	63.1%	100.0%	69 045	75 684	80 074	-32.7%	100.0%
<b>Total</b>	<b>60 477</b>	<b>63 048</b>	<b>64 286</b>	<b>262 429</b>	<b>63.1%</b>	<b>100.0%</b>	<b>69 045</b>	<b>75 684</b>	<b>80 074</b>	<b>-32.7%</b>	<b>100.0%</b>

## Statements of historical financial performance

**Table 32.37 Universal Service and Access Agency of South Africa statements of historical financial performance**

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15	Budget estimate	2015/16	
R thousand									
<b>Revenue</b>									
Non-tax revenue	-	395	-	612	-	-	29	-	3 472.4%
Other non-tax revenue	-	395	-	612	-	-	29	-	3 472.4%
Transfers received	59 801	59 801	60 090	60 090	65 376	65 376	69 037	262 429	176.0%
<b>Total revenue</b>	<b>59 801</b>	<b>60 196</b>	<b>60 090</b>	<b>60 702</b>	<b>65 376</b>	<b>65 376</b>	<b>69 066</b>	<b>262 429</b>	<b>176.4%</b>
<b>Expenses</b>									
Current expenses	58 033	60 477	60 090	63 048	65 376	64 286	262 429	262 429	101.0%
Compensation of employees	29 475	33 421	35 810	38 991	38 522	39 692	39 307	41 161	107.1%
Goods and services	27 050	23 754	20 936	24 057	26 854	24 594	223 061	221 207	98.6%
Depreciation	1 422	3 194	3 299	-	-	-	-	-	67.7%
Interest, dividends and rent on land	86	108	45	-	-	-	61	61	88.0%
<b>Total expenses</b>	<b>58 033</b>	<b>60 477</b>	<b>60 090</b>	<b>63 048</b>	<b>65 376</b>	<b>64 286</b>	<b>262 429</b>	<b>262 429</b>	<b>101.0%</b>
Surplus/(Deficit)	1 768	(281)	-	(2 346)	-	1 090	(193 363)	-	

## Statements of estimates of financial performance

**Table 32.38 Universal Service and Access Agency of South Africa statements of estimates of financial performance**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R thousand								
<b>Revenue</b>								
Transfers received	262 429	63.7%	99.6%	69 045	75 684	80 074	-32.7%	100.0%
<b>Total revenue</b>	<b>262 429</b>	<b>63.4%</b>	<b>100.0%</b>	<b>69 045</b>	<b>75 684</b>	<b>80 074</b>	<b>-32.7%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	262 429	63.1%	100.0%	69 045	75 684	80 074	-32.7%	-
Compensation of employees	41 161	7.2%	48.6%	43 461	46 685	49 393	6.3%	50.5%
Goods and services	221 207	110.4%	50.0%	25 519	28 931	30 681	-48.2%	49.4%
Interest, dividends and rent on land	61	-17.3%	0.1%	65	68	-	-100.0%	0.1%
<b>Total expenses</b>	<b>262 429</b>	<b>63.1%</b>	<b>100.0%</b>	<b>69 045</b>	<b>75 684</b>	<b>80 074</b>	<b>-32.7%</b>	<b>-</b>
Surplus/(Deficit)	-	(1)		-	-	-	-	

## Personnel information

**Table 32.39 Universal Service and Access Agency of South Africa personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19						
Universal Service and Access Agency of South Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19	
Salary level	63	63	39.7	0.6	63	41.2	0.7	63	43.5	0.7	63	46.7	0.7	63	49.4	0.8	6.3%	100.0%
1 – 6	2	2	0.2	0.1	2	0.2	0.1	2	0.3	0.1	2	0.3	0.1	2	0.3	0.1	5.6%	3.2%
7 – 10	29	29	7.4	0.3	29	12.8	0.4	29	13.3	0.5	29	14.4	0.5	29	15.6	0.5	6.8%	46.0%
11 – 12	20	20	14.3	0.7	20	14.5	0.7	20	15.4	0.8	20	16.7	0.8	20	17.3	0.9	6.1%	31.7%
13 – 16	12	12	17.8	1.5	12	13.6	1.1	12	14.5	1.2	12	15.3	1.3	12	16.2	1.3	5.9%	19.0%

1. Rand million.

## Universal Service and Access Fund

### Mandate

The Universal Service and Access Fund was established in terms of section 89 (1) of the Electronic Communications Act (2005). The fund's mandate is to make payments for subsidies towards the provision of ICT equipment or services, as well as the construction or extension of electronic communications and broadcasting networks for needy person in under-serviced areas. The fund is managed by the Universal Service and Access Agency of South Africa and is financed by contributions from all telecommunications licensees, except community broadcasting licensees.

### Selected performance indicators

**Table 32.40 Universal Service and Access Fund performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of under-serviced areas covered with broadband infrastructure per year	Broadband infrastructure in under-serviced areas	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- <sup>1</sup>	2	2	2	2	2	2
Number of new ICT access facilities with internet deployed in under-serviced areas and schools per year	Rapid deployment of access centres	Outcome 1: Quality basic education	104	71	286	3	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>
Number of poor television owning households subsidised for broadcasting digital migration per year	Broadcasting digital migration programme	Outcome 7: Comprehensive rural development and land reform	- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>	392 923	181 399	191 920

1. The target is low due to delays in project implementation.

2. There will be no new facilities rolled out over the medium term.

3. There is no output due to delays in the finalisation of the digital migration policy.

### Expenditure analysis

Over the medium term, the Universal Service and Access Fund will focus on the rollout of subsidies to identified households for the broadcasting digital migration project, and support the South Africa Connect broadband policy, in line with the national development plan's vision of improving flows of communication and information.

The fund will focus on subsidising an estimated 766 242 households in support of the broadcasting digital migration process over the medium term. This will enable qualifying households to acquire set top boxes and antennae, and pay for installation costs, thereby enabling them to receive digital signals once the switchover from analogue to digital transmission takes place. Expenditure is expected to increase at an average annual rate of 14.3 per cent, from R233.5 million in 2015/16 to R349.2 million in 2018/19. Expenditure in the broadcasting digital migration programme is set to increase at an average annual rate of 16.7 per cent from R181.2 million in 2015/16 to R287.9 million in 2018/19, accounting for a projected 83.5 per cent of total expenditure over the same period.

The fund expects to roll out 6 broadband projects per year in municipalities in under-serviced areas in support of South Africa Connect, giving rise to an average annual growth of 5.7 per cent in the broadband infrastructure in under-serviced areas programme from R30.9 million in 2015/16 to R36.5 million in 2018/19. Other projects include providing schools in under-serviced areas with educational devices to access and make use of their connectivity, and resuscitating old internet access centres by upgrading old equipment and providing high speed connections.

The fund's main source of revenue is from transfers from the Department of Telecommunications and Postal Services, and total revenue is expected to grow from R233.5 million in 2015/16 to R349.2 million in 2018/19. As stipulated in section 88 (1) of the Electronic Communications Act (2005), funding is used exclusively for the payment of subsidies to assist needy persons with the costs of provision of broadcasting and electronic communication services; to assist broadcasting and electronic communication network service licensees to build or extend electronic communications networks in under-serviced areas; and to assist schools and further education and training institutions with the procurement of broadcasting and electronic communications services, and access to electronic communications networks.

The fund has no personnel as it is managed by the Universal Service and Access Agency of South Africa.

## Programmes/objectives/activities

**Table 32.41 Universal Service and Access Fund expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	527	722	705	3 581	89.4%	1.1%	3 746	3 522	3 726	1.3%	1.1%
Handover of existing access centres	4 003	2 985	3 257	-	-100.0%	4.3%	-	-	-	-	-
Broadband infrastructure in under-serviced areas	-	9 823	36 833	30 937	-	18.9%	32 634	34 527	36 529	5.7%	9.8%
E-connectivity	-	6 285	13 510	-	-	6.6%	-	-	-	-	-
Rapid deployment of access centres	36 279	58 077	9 037	17 862	-21.0%	43.7%	18 776	19 865	21 017	5.6%	5.7%
Development of standard operating manual and national strategy	2 710	3 557	-	-	-100.0%	2.6%	-	-	-	-	-
Broadcasting digital migration programme	-	-	9 664	181 160	-	22.7%	589 384	272 098	287 880	16.7%	83.5%
<b>Total</b>	<b>43 519</b>	<b>81 449</b>	<b>73 006</b>	<b>233 540</b>	<b>75.1%</b>	<b>100.0%</b>	<b>644 540</b>	<b>330 012</b>	<b>349 152</b>	<b>14.3%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 32.42 Universal Service and Access Fund statements of historical financial performance and position**

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%) 2012/13 - 2015/16
	2012/13	2013/14	2014/15	2015/16	2012/13	2013/14	2014/15	2015/16			
R thousand											
<b>Revenue</b>											
Non-tax revenue	212	10 679	142	24 155	102	50 997	48	-			17 030.0%
Other non-tax revenue	212	10 679	142	24 155	102	50 997	48	-			17 030.0%
Transfers received	273 977	273 977	285 046	285 046	289 988	840 988	603 827	233 540			112.4%
<b>Total revenue</b>	<b>274 189</b>	<b>284 656</b>	<b>285 188</b>	<b>309 201</b>	<b>290 090</b>	<b>891 985</b>	<b>603 875</b>	<b>233 540</b>			<b>118.3%</b>
<b>Expenses</b>											
Current expenses	274 189	7 240	3 252	7 264	3 683	3 962	3 581	3 581			7.7%
Goods and services	274 189	7 240	3 252	7 264	3 683	3 962	3 581	3 581			7.7%
Transfers and subsidies	-	36 279	281 936	74 185	286 407	69 044	237 022	229 959			50.8%
<b>Total expenses</b>	<b>274 189</b>	<b>43 519</b>	<b>285 188</b>	<b>81 449</b>	<b>290 090</b>	<b>73 006</b>	<b>240 603</b>	<b>233 540</b>			<b>39.6%</b>
Surplus/(Deficit)	-	241 137	-	227 752	-	818 979	363 272	-			
<b>Statement of financial position</b>											
Receivables and prepayments	431	3 279	-	1 598	-	-	600	30			475.9%
Cash and cash equivalents	987	506 390	-	763 634	-	1 597 745	500 000	1 597 745			891.3%
<b>Total assets</b>	<b>1 418</b>	<b>509 669</b>	<b>-</b>	<b>765 232</b>	<b>-</b>	<b>1 597 745</b>	<b>500 600</b>	<b>1 597 775</b>			<b>890.5%</b>
Accumulated surplus/(deficit)	-	497 889	-	756 755	-	1 575 715	200 600	1 297 775			2 057.9%
Trade and other payables	1 418	11 780	-	8 477	-	22 030	300 000	300 000			113.6%
<b>Total equity and liabilities</b>	<b>1 418</b>	<b>509 669</b>	<b>-</b>	<b>765 232</b>	<b>-</b>	<b>1 597 745</b>	<b>500 600</b>	<b>1 597 775</b>			<b>890.5%</b>

## Statements of estimates of financial performance and position

### Table 32.43 Universal Service and Access Fund statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
<b>Revenue</b>								
Transfers received	233 540	-5.2%	95.7%	644 540	330 012	349 153	14.3%	100.0%
<b>Total revenue</b>	<b>233 540</b>	<b>-6.4%</b>	<b>100.0%</b>	<b>644 540</b>	<b>330 012</b>	<b>349 153</b>	<b>14.3%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	3 581	-20.9%	8.1%	3 746	3 522	3 726	1.3%	-
Goods and services	3 581	-20.9%	8.1%	3 746	3 522	3 726	1.3%	1.1%
Transfers and subsidies	229 959	85.1%	91.9%	608 160	326 490	345 426	14.5%	98.9%
<b>Total expenses</b>	<b>233 540</b>	<b>75.1%</b>	<b>100.0%</b>	<b>611 906</b>	<b>330 012</b>	<b>349 152</b>	<b>14.3%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1)</b>		<b>32 634</b>	<b>-</b>	<b>1</b>	<b>-</b>	
<b>Statement of financial position</b>								
Receivables and prepayments	30	-79.1%	0.2%	40	50	54	21.3%	0.0%
Cash and cash equivalents	1 597 745	46.7%	99.8%	1 597 745	1 597 745	1 597 745	-	100.0%
<b>Total assets</b>	<b>1 597 775</b>	<b>46.4%</b>	<b>100.0%</b>	<b>1 597 785</b>	<b>1 597 795</b>	<b>1 597 799</b>	<b>0.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	1 297 775	37.6%	94.1%	1 517 785	1 547 795	1 544 299	6.0%	92.4%
Trade and other payables	300 000	194.2%	5.9%	80 000	50 000	53 500	-43.7%	7.6%
<b>Total equity and liabilities</b>	<b>1 597 775</b>	<b>46.4%</b>	<b>100.0%</b>	<b>1 597 785</b>	<b>1 597 795</b>	<b>1 597 799</b>	<b>-37.7%</b>	<b>100.0%</b>

## Additional table

Table 32.A Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
<b>Departmental infrastructure</b>										
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
South Africa Connect: Phase 1 of digital development plan	Connection of schools and government institutions to broadband	Construction	6 565 000	-	384 867	-	226 664	450 250	563 627	890 518
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Sentech: Digitisation of terrestrial television network	Efficient use of spectrum, achievement of broadcast digital dividend, achievement of multiple channel possibilities and generation of new content	Design	1 534 862	-	423 304	-	-	-	-	-
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
Sentech: Migration of digital signals	Efficient use of spectrum, achievement of broadcast digital dividend, achievement of multiple channel possibilities and generation of new content	Design	113 000	-	-	-	-	-	53 000	60 000
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
South Africa Connect: Phase 1 of digital development plan	Efficient use of spectrum, achievement of broadcast digital dividend, achievement of multiple channel possibilities and generation of new content	Various	138 000	-	76 000	-	-	-	-	-
<b>Total</b>			<b>8 350 862</b>	<b>-</b>	<b>884 171</b>	<b>-</b>	<b>226 664</b>	<b>450 250</b>	<b>616 627</b>	<b>950 518</b>





# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA