

◀ 2020 ▶ BUDGET

VOTE
30

COMMUNICATIONS
AND DIGITAL
TECHNOLOGIES



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2020

**National Treasury
Republic of South Africa**



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The 2020 Estimates of National Expenditure is 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 at www.treasury.gov.za. Compared to the abridged Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities, transfers and subsidies and information on programme specific personnel expenditure.

Foreword

The Estimates of National Expenditure (ENE) publications remain an integral part of the annual budgeting process. In light of the prevailing economic climate, which requires careful consideration around the management of public funds, it has become necessary to focus our efforts on reprioritising existing government resources to areas where the most value can be derived for the benefit of all South Africans. To alleviate fiscal pressures, reductions have been effected on the baseline budgets of departments and public entities. The budgets unpacked in this document reflect the outcome of a robust negotiation process, which was led by a committee of senior officials in central government departments under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, the budgetary proposals emanating from these negotiations and consultations were considered and approved by Cabinet.

The abridged ENE provides a comprehensive account of the priorities, spending plans and service delivery commitments of the 41 national government votes, and for selected public entities. The e-publications for each vote, which are available on National Treasury's website, contain further details on goods and services, transfers and subsidies, other public entities, and lower-level spending information on service delivery. In addition, the Vulekamali online portal serves as a transparent, user-friendly source of information that includes supplementary detailed data as contained in the ENE publications. The portal is a valuable resource for anyone to learn about how government compiles its budget and spends public funds.

The Open Budget Survey, which is published biannually by the International Budget Partnership, assesses and ranks countries based on the availability of 8 key budget documents and the comprehensiveness of the data presented in these documents. In the latest survey, published in 2017, South Africa ranked joint first out of 102 countries with a score of 89 per cent. The next survey is expected to be published in 2020/21 and hopefully South Africa will retain that first position.

All information presented in the ENE publications and Vulekamali promotes a culture of public engagement, accountability in state institutions, and the appropriate spending of public funds to achieve the outcomes as envisaged in the National Development Plan.

A special thanks is extended to all contributors and government colleagues who assisted in making this possible, especially the political leadership shown by the executive and the spirited efforts of the National Treasury team.



Dondo Mogajane
Director-General: National Treasury

Introduction

Estimates of National Expenditure publications

Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2020 MTEF period is from 2020/21 to 2022/23.

The ENE publications contain detailed information regarding the allocations set out in the Appropriation Bill, for the current financial year. Government's proposed spending plans for the full MTEF period, are shown. Information on how government institutions have spent their budgets in previous years is also included. Explanations are provided on how institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes to which their spending is expected to lead. Tables present non-financial performance indicators and targets, departmental receipts, and detailed expenditure trends and estimates by programme, subprogramme and economic classification, and programme personnel data tables for each vote and all entities. Brief explanatory narratives set out the institution's purpose (and that of its programmes), mandate, programme-level objectives and descriptions of subprogrammes. An in-depth narrative analyses the institution's expected expenditure over the MTEF period.

Additional data tables containing information on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure spending and information at the level of site service delivery, where applicable, are available on the National Treasury website and the Vulekamali online portal.

A separate 2020 ENE Overview publication is also available on the National Treasury website and summarises the ENE information across all votes. The 2020 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Communications and Digital Technologies

National Treasury

Republic of South Africa



Contents

Budget summary.....	1
Vote purpose	1
Mandate	1
Selected performance indicators	2
Expenditure analysis.....	2
Expenditure trends and estimates	3
Transfers and subsidies expenditure trends and estimates.....	4
Personnel information.....	5
Departmental receipts.....	5
Programme 1: Administration	6
Programme 2: ICT International Relations and Affairs.....	7
Programme 3: ICT Policy Development and Research	9
Programme 4: ICT Enterprise and Public Entity Oversight	11
Programme 5: ICT Infrastructure Development and Support	13
Programme 6: ICT Information Society and Capacity Development.....	15
Entities	17

Vote 30

Communications and Digital Technologies

Budget summary

R million	2020/21				2021/22	2022/23
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	313.7	283.9	0.0	29.7	336.8	346.4
ICT International Relations and Affairs	60.8	27.5	32.7	0.6	60.9	63.4
ICT Policy Development and Research	69.8	69.4	–	0.4	61.3	64.7
ICT Enterprise and Public Entity Oversight	1 750.2	43.0	1 706.7	0.5	1 764.6	1 734.8
ICT Infrastructure Development and Support	1 127.5	283.8	843.4	0.4	1 620.0	358.0
ICT Information Society and Capacity Development	72.5	72.3	–	0.2	74.9	75.6
Total expenditure estimates	3 394.5	780.0	2 582.8	31.8	3 918.6	2 643.0
Executive authority	Minister of Communications and Digital Technologies					
Accounting officer	Director-General of Communications and Digital Technologies					
Website	www.doc.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available at www.treasury.gov.za. These publications provide more comprehensive coverage of vote-specific information, particularly about transfers and subsidies, personnel and other public institutions. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

Vote purpose

Create an enabling environment for inclusive growth in the ICT sector by developing policies and legislation that promote infrastructure investment and socioeconomic development.

Mandate

The Department of Communications and Digital Technologies is mandated to enable South Africa's digital transformation to achieve digital inclusion and economic growth by creating an enabling policy and regulatory environment. This is done through the implementation of the 2016 National Integrated ICT Policy White Paper, which provides for the participation of multiple stakeholders for inclusive digital transformation; interventions to reinforce competition and facilitate innovation across the value chain; measures to address issues raised by ICT and convergence; and the establishment of a new national postal policy framework. It also provides for policies to address the digital divide and affordable access, supply-side issues and infrastructure rollout, and demand-side issues to facilitate inclusivity. The department derives its mandate from a number of acts and policies. Key among these are the:

- Broadcasting Act (1999), as amended, which establishes broadcasting policy in South Africa
- Electronic Communications Act (2005), as amended, which provides the legal framework for convergence in the broadcasting, broadcasting signal distribution, and telecommunications sectors. It also allows for the granting of new licences and social obligations; the control of the radio frequency spectrum; and the regulation of electronic communication network services, electronic communication services, and broadcasting services
- Film and Publications Act (1996), as amended, which provides for the classification of certain films and publications, and establishes the Film and Publication Board and Tribunal
- Independent Communications Authority of South Africa Act (2000), which establishes the regulator in the sector
- Postal Services Act (1998), as amended, which makes provision for the regulation of postal services.

Selected performance indicators

Table 30.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of approved country position papers to support the digital economy per year	International Relations and Affairs	Priority 1: Economic transformation and job creation	– ¹	– ¹	– ¹	– ¹	3	2	2
Number of broadband connections to government facilities sustained per year	ICT Infrastructure Development and Support		– ¹	– ¹	266	570	970	970	970

1. No historical data available.

Expenditure analysis

Chapter 4 of the National Development Plan recognises that access to high-speed ICT is a key enabler for inclusive economic growth. The work of the Department of Communications and Digital Technologies is integral to the realisation of this recognition, and gives it effect through the department's contribution to priority 1 (economic transformation and job creation) of government's 2019-2024 medium-term strategic framework.

A priority for the department over the medium term is to develop and revise policies, strategies and legislation to align with the objectives of the 2016 National Integrated ICT Policy White Paper, taking into consideration developments necessitated by the fourth industrial revolution. As such, over the MTEF period, the department will focus on rolling out the South Africa Connect broadband policy, implementing the broadcasting digital migration policy, and submitting new bills to Parliament.

Cabinet has approved reductions to the department's baseline of R146.1 million over the medium term. Of this amount, R72.5 million is on Sentech's migration of digital signals project, as it is fully funded; R23 million on non-core goods and services items such as catering, and travel and subsistence; and R19.5 million on subsidy allocations to the South African Post Office.

The department is expected to spend a total of R10 billion over the medium term, of which R7.3 billion (57.8 per cent) is earmarked to be transferred to public entities. As the entities within the department's portfolio are responsible for many of the deliverables emanating from these policies, the department will devote considerable attention to exercising its oversight role through signing shareholders compacts and governance agreements, analysing performance reports, and approving strategic and annual performance plans. Spending on compensation of employees is expected to amount to R1.1 billion over this period.

Rolling out broadband through South Africa Connect

The department will continue to provide broadband connectivity to government buildings over the medium term by implementing the digital development pillar of the South Africa Connect broadband policy. By 2022/23, a targeted 970 government buildings will be connected in the pilot phase, resulting in projected expenditure of R739 million over the medium term in the *ICT Infrastructure Development and Support* programme. The business case for the second phase, which aims to connect government buildings throughout the country, will be developed over the medium term.

Migrating towards digital broadcasting

The new model for the implementation of broadcasting digital migration over the medium term includes the provision of vouchers to indigent households for devices that will allow analogue televisions to receive digital signals, and compensation to the South African Post Office for the costs of administering the voucher and distribution systems. To subsidise the provision of these vouchers, R1.6 billion over the medium term is allocated to the Universal Services Access Fund, and R275 million is allocated to the Universal Service and Access Agency of South Africa to compensate the post office for the administration of the project. A further R100 million is allocated to Sentech in 2021/22 for dual illumination, which will allow the entity to operate both analogue and digital signals until digital migration is fully implemented. As a result, spending in the *Broadcasting Digital Migration* subprogramme in the *ICT Infrastructure Development and Support* programme is expected to increase from R312.8 million in 2019/20 to R1.4 billion in 2021/22.

Implementing the 2016 National Integrated ICT Policy White Paper

It is envisaged that a number of bills required for the implementation of the 2016 National Integrated ICT Policy White Paper will be developed and submitted to Parliament over the medium term. These include the Digital Development Fund Bill, State IT Company Bill, State ICT Infrastructure Company Bill, Digital Transformation Bill, and Audio-visual Content Bill. This will allow for, among other things, the rationalisation of state-owned ICT companies for greater efficiency, and ensure that communities and individuals have access to ICT services and skills for the digital economy. To achieve this, expenditure in the *ICT Policy Development and Research* programme is expected to increase from R48.6 million in 2019/20 to R64.7 million in 2022/23 at an average annual rate of 10 per cent.

Expenditure trends and estimates

Table 30.2 Vote expenditure trends and estimates by programme and economic classification

Programmes											
1. Administration											
2. ICT International Relations and Affairs											
3. ICT Policy Development and Research											
4. ICT Enterprise and Public Entity Oversight											
5. ICT Infrastructure Development and Support											
6. ICT Information Society and Capacity Development											
Programme											
R million	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Programme 1	268.8	274.9	294.2	325.6	6.6%	6.1%	313.7	336.8	346.4	2.1%	8.4%
Programme 2	46.9	50.6	84.9	57.6	7.1%	1.3%	60.8	60.9	63.4	3.3%	1.5%
Programme 3	33.6	35.9	38.4	48.6	13.1%	0.8%	69.8	61.3	64.7	10.0%	1.6%
Programme 4	1 516.6	4 636.5	3 933.0	4 679.1	45.6%	77.3%	1 750.2	1 764.6	1 734.8	-28.2%	63.1%
Programme 5	897.9	630.9	411.2	597.7	-12.7%	13.3%	1 127.5	1 620.0	358.0	-15.7%	23.5%
Programme 6	57.3	55.2	64.9	65.5	4.5%	1.3%	72.5	74.9	75.6	4.9%	1.8%
Total	2 821.2	5 684.1	4 826.6	5 774.1	27.0%	100.0%	3 394.5	3 918.6	2 643.0	-22.9%	100.0%
Change to 2019 Budget estimate				3 202.1			670.5	1 279.1	(95.2)		
Economic classification											
Current payments	458.7	464.9	643.6	747.7	17.7%	12.1%	780.0	824.7	852.2	4.5%	20.4%
Compensation of employees	270.7	283.2	292.5	321.9	5.9%	6.1%	348.3	371.0	386.8	6.3%	9.1%
Goods and services ¹	188.0	181.7	351.1	425.8	31.3%	6.0%	431.7	453.8	465.4	3.0%	11.3%
<i>of which:</i>											
Computer services	6.0	6.3	7.9	17.8	43.9%	0.2%	197.5	10.3	10.5	-16.2%	1.5%
Consultants: Business and advisory services	8.9	26.0	113.8	216.9	189.8%	1.9%	39.3	222.2	225.8	1.3%	4.5%
Agency and support/outsourced services	0.1	0.0	6.4	4.4	329.7%	0.1%	0.7	20.5	23.7	74.7%	0.3%
Operating leases	42.1	34.8	42.6	40.0	-1.7%	0.8%	28.9	47.5	46.5	5.1%	1.0%
Property payments	12.1	12.7	10.3	15.3	8.1%	0.3%	14.3	15.7	16.3	2.3%	0.4%
Travel and subsistence	45.0	46.4	58.1	51.0	4.2%	1.0%	57.1	57.6	58.8	4.8%	1.4%
Transfers and subsidies¹	1 699.3	1 506.0	1 227.2	1 803.0	2.0%	32.6%	2 582.8	3 078.6	1 774.8	-0.5%	58.7%
Provinces and municipalities	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0	16.7%	0.0%
Departmental agencies and accounts	1 250.3	817.2	786.1	817.9	-13.2%	19.2%	1 587.6	2 137.2	974.3	6.0%	35.1%
Foreign governments and international organisations	26.1	26.0	28.5	30.0	4.7%	0.6%	32.7	31.6	32.8	3.0%	0.8%
Public corporations and private enterprises	422.1	659.8	391.3	924.6	29.9%	12.6%	962.5	909.8	767.7	-6.0%	22.7%
Non-profit institutions	0.0	-	-	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Households	0.7	3.0	21.3	30.5	256.0%	0.3%	-	-	-	-100.0%	0.2%
Payments for capital assets	13.1	12.8	7.0	23.3	21.2%	0.3%	31.8	15.2	16.0	-11.9%	0.5%
Machinery and equipment	8.9	6.8	5.3	9.8	3.3%	0.2%	16.9	7.3	7.5	-8.3%	0.3%
Software and other intangible assets	4.2	6.0	1.7	13.5	47.6%	0.1%	14.8	8.0	8.4	-14.6%	0.3%
Payments for financial assets	650.1	3 700.3	2 948.7	3 200.0	70.1%	55.0%	-	-	-	-100.0%	20.3%
Total	2 821.2	5 684.1	4 826.6	5 774.1	27.0%	100.0%	3 394.5	3 918.6	2 643.0	-22.9%	100.0%

1. Tables that detail expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.

Transfers and subsidies expenditure trends and estimates

Table 30.3 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 250 328	817 248	786 094	817 936	-13.2%	58.9%	1 587 582	2 137 164	974 282	6.0%	59.7%
Independent Communications Authority of South Africa	373 071	430 383	443 961	476 645	8.5%	27.6%	477 721	504 186	522 929	3.1%	21.4%
Film and Publication Board	86 472	91 684	94 577	99 373	4.7%	6.0%	103 978	109 731	113 772	4.6%	4.6%
National Electronic Media Institute of South Africa	77 200	85 785	90 761	95 347	7.3%	5.6%	99 195	104 651	109 712	4.8%	4.4%
Universal Service and Access Agency of South Africa	69 045	75 684	80 074	82 949	6.3%	4.9%	264 881	188 677	96 037	5.0%	6.8%
Universal Service and Access Fund	55 156	54 614	57 781	37 017	-12.4%	3.3%	63 086	66 556	69 766	23.5%	2.6%
Universal Service and Access Fund: Broadcasting digital migration	589 384	79 098	18 940	26 605	-64.4%	11.5%	578 721	1 163 363	62 066	32.6%	19.8%
Households											
Social benefits											
Current	517	2 335	2 286	891	19.9%	0.1%	-	-	-	-100.0%	-
Households	517	2 335	2 286	891	19.9%	0.1%	-	-	-	-100.0%	-
Provinces and municipalities											
Municipal bank accounts											
Current	-	14	13	17	-	-	19	26	27	16.7%	-
Vehicle licences	-	14	13	17	-	-	19	26	27	16.7%	-
Households											
Other transfers to households											
Current	158	700	18 966	29 573	472.0%	0.8%	-	-	-	-100.0%	0.3%
Claims against the state	-	-	18 940	29 573	-	0.8%	-	-	-	-100.0%	0.3%
Households	158	700	26	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	5	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the State	5	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	422 098	413 766	187 421	673 643	16.9%	27.2%	697 848	740 036	767 657	4.5%	31.2%
Claims against the state	5	-	-	-	-100.0%	-	-	-	-	-	-
South African Broadcasting Corporation: Channel Africa	52 271	54 885	58 068	61 320	5.5%	3.6%	63 399	66 886	69 371	4.2%	2.8%
South African Broadcasting Corporation: Public broadcaster	107 180	105 947	115 669	123 246	4.8%	7.2%	127 424	134 432	139 429	4.2%	5.7%
South African Broadcasting Corporation: Community radio stations	10 324	-	-	-	-100.0%	0.2%	-	-	-	-	-
South African Broadcasting Corporation: Programme productions	12 318	12 934	13 684	14 450	5.5%	0.9%	14 940	15 761	16 337	4.2%	0.7%
South African Post Office	-	-	-	474 627	-	7.6%	492 085	522 957	542 520	4.6%	22.0%
South African Post Office: Broadcasting digital migration	240 000	240 000	-	-	-100.0%	7.7%	-	-	-	-	-
Capital	-	246 000	203 900	250 934	-	11.2%	264 630	169 746	-	-100.0%	7.4%
Sentech: Migration of digital signals	-	53 000	-	58 440	-	1.8%	60 586	69 746	-	-100.0%	2.0%
Sentech: Dual illumination costs relating to the digital migration project	-	193 000	203 900	192 494	-	9.5%	204 044	100 000	-	-100.0%	5.4%
Foreign governments and international organisations											
Current	26 136	25 964	28 538	30 025	4.7%	1.8%	32 724	31 632	32 806	3.0%	1.4%
Organisation for Economic Cooperation and Development	166	158	200	186	3.9%	-	198	600	622	49.5%	-
Universal Postal Union	5 960	5 522	6 311	6 443	2.6%	0.4%	7 044	6 602	6 847	2.0%	0.3%
International Telecommunication Union	17 581	16 816	17 077	18 829	2.3%	1.1%	20 584	19 969	20 710	3.2%	0.9%
African Telecommunications Union	1 044	1 006	988	1 114	2.2%	0.1%	1 186	1 357	1 407	8.1%	0.1%
Pan-African Postal Union	1 033	1 031	1 061	1 142	3.4%	0.1%	1 215	1 247	1 294	4.3%	0.1%
Commonwealth Telecommunications Organisation	352	426	440	462	9.5%	-	493	518	536	5.1%	-
DONA Foundation	-	1 005	1 007	1 108	-	0.1%	1 214	1 339	1 390	7.9%	0.1%
Smart Africa Alliance	-	-	1 454	741	-	-	790	-	-	-100.0%	-
Total	1 699 242	1 506 027	1 227 218	1 803 019	2.0%	100.0%	2 582 803	3 078 604	1 774 772	-0.5%	100.0%

Personnel information

Table 30.4 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Medium-term expenditure estimate															Average growth rate (%)	Average: Salary level/ Total (%)	
		Actual			Revised estimate			2020/21			2021/22			2022/23					
		2018/19	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23												
Communications and Digital Technologies		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	347	6	360	292.5	0.8	382	314.9	0.8	395	348.3	0.9	395	371.0	0.9	389	386.8	1.0	0.6%	100.0%
1 – 6	35	1	34	10.9	0.3	34	8.0	0.2	34	8.5	0.3	34	9.2	0.3	35	10.0	0.3	1.0%	8.8%
7 – 10	123	3	125	59.2	0.5	130	51.7	0.4	132	56.2	0.4	132	60.3	0.5	130	63.3	0.5	–	33.6%
11 – 12	77	–	80	73.9	0.9	87	83.9	1.0	96	98.1	1.0	96	104.3	1.1	93	107.2	1.2	2.2%	23.8%
13 – 16	109	2	105	141.0	1.3	119	163.8	1.4	121	177.5	1.5	121	188.8	1.6	119	197.5	1.7	–	30.7%
Other	3	–	16	7.5	0.5	12	7.6	0.6	12	7.9	0.7	12	8.4	0.7	12	8.9	0.7	–	3.1%
Programme	347	6	360	292.5	0.8	382	314.9	0.8	395	348.3	0.9	395	371.0	0.9	389	386.8	1.0	0.6%	100.0%
Programme 1	195	–	204	153.7	0.8	214	154.5	0.7	214	162.6	0.8	214	173.4	0.8	211	181.0	0.9	-0.5%	54.6%
Programme 2	15	–	16	17.1	1.1	17	16.7	1.0	17	17.9	1.1	17	19.0	1.1	17	20.1	1.2	–	4.4%
Programme 3	24	–	33	24.2	0.7	30	30.3	1.0	39	42.3	1.1	39	45.0	1.2	39	47.9	1.2	9.1%	9.4%
Programme 4	32	1	15	21.4	1.4	30	29.1	1.0	34	35.7	1.1	34	38.0	1.1	34	40.4	1.2	4.3%	8.5%
Programme 5	28	5	39	33.8	0.9	38	39.3	1.0	38	41.9	1.1	38	44.5	1.2	37	46.1	1.2	-0.9%	9.7%
Programme 6	53	–	53	42.3	0.8	53	45.0	0.8	53	47.9	0.9	53	51.0	1.0	51	51.4	1.0	-1.3%	13.5%

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

2. Rand million.

Departmental receipts

Table 30.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2016/17	2017/18	2018/19					2019/20	2020/21	2021/22		
Departmental receipts	833 990	1 143 331	751 780	601 130	601 130	-10.3%	100.0%	665 485	665 118	664 713	3.4%	100.0%
Sales of goods and services produced by department	112	108	111	166	166	14.0%	–	55	55	60	-28.8%	–
Sales by market establishments	50	41	111	76	76	15.0%	–	–	–	–	-100.0%	–
of which:												
Market Establishment: Rental Parking (covered and open)	50	41	111	76	76	15.0%	–	–	–	–	-100.0%	–
Administrative fees	4	4	–	26	26	86.6%	–	6	6	5	-42.3%	–
of which:												
Cryptography fees	4	4	–	5	5	7.7%	–	6	6	5	–	–
Accreditation electric signature fee	–	–	–	20	20	–	–	–	–	–	-100.0%	–
Cryptography registration fee	–	–	–	1	1	–	–	–	–	–	-100.0%	–
Other sales	58	63	–	64	64	3.3%	–	49	49	55	-4.9%	–
of which:												
Commission on insurance	58	63	–	64	64	3.3%	–	49	49	55	-4.9%	–
Transfers received	–	–	26 000	–	–	–	0.8%	377	–	–	–	–
Interest, dividends and rent on land	833 316	1 141 994	724 910	602 568	602 568	-10.2%	99.2%	664 598	664 608	664 638	3.3%	100.0%
Interest	2 503	295 391	2 019	2 568	2 568	0.9%	9.1%	120	130	160	-60.4%	0.1%
Dividends	830 813	846 603	722 891	600 000	600 000	-10.3%	90.1%	664 478	664 478	664 478	3.5%	99.9%
of which:												
Vodacom shares	–	–	32	–	–	–	–	32	32	32	–	–
Telkom shares	830 813	846 603	722 859	600 000	600 000	-10.3%	90.1%	664 446	664 446	664 446	3.5%	99.9%
Sales of capital assets	–	713	52	19	19	–	–	15	15	15	-7.6%	–
Transactions in financial assets and liabilities	562	516	707	(1 623)	(1 623)	-242.4%	–	440	440	–	-100.0%	–
Total	833 990	1 143 331	751 780	601 130	601 130	-10.3%	100.0%	665 485	665 118	664 713	3.4%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 30.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Ministry	8.4	8.6	7.9	6.6	-7.6%	2.7%	7.5	8.1	9.0	10.7%	2.4%
Departmental Management	87.8	83.8	82.0	71.5	-6.6%	27.9%	79.2	88.9	88.6	7.4%	24.8%
Internal Audit	4.8	6.5	7.5	13.0	39.3%	2.7%	11.5	10.8	11.2	-4.7%	3.5%
Corporate Services	80.4	87.5	108.2	132.6	18.1%	35.1%	112.5	112.7	118.4	-3.7%	36.0%
Financial Management	82.2	85.6	79.5	82.3	-	28.3%	71.8	81.2	84.2	0.8%	24.2%
Office Accommodation	5.2	2.8	9.2	19.7	55.8%	3.2%	31.1	35.3	34.9	20.9%	9.1%
Total	268.8	274.9	294.2	325.6	6.6%	100.0%	313.7	336.8	346.4	2.1%	100.0%
Change to 2019				(4.6)			(3.2)	(4.5)	(5.0)		
Budget estimate											
Economic classification											
Current payments	260.1	261.5	266.2	281.8	2.7%	91.9%	283.9	323.9	332.9	5.7%	92.4%
Compensation of employees	138.4	146.4	153.7	154.5	3.7%	51.0%	162.6	173.4	181.0	5.4%	50.8%
Goods and services ¹	121.7	115.1	112.5	127.3	1.5%	41.0%	121.3	150.5	152.0	6.1%	41.7%
<i>of which:</i>											
<i>Audit costs: External</i>	7.3	8.0	6.0	6.0	-6.5%	2.3%	7.5	7.5	7.8	9.5%	2.2%
<i>Computer services</i>	5.7	4.7	6.0	8.5	14.0%	2.1%	12.9	10.0	10.2	6.2%	3.1%
<i>Legal services</i>	6.7	7.6	6.4	6.8	0.8%	2.4%	6.2	10.8	11.9	20.4%	2.7%
<i>Operating leases</i>	41.2	33.8	40.3	38.9	-1.9%	13.2%	27.8	46.2	45.1	5.1%	11.9%
<i>Property payments</i>	11.7	11.9	10.3	15.3	9.2%	4.2%	14.3	15.7	16.3	2.3%	4.7%
<i>Travel and subsistence</i>	23.2	26.4	20.0	18.2	-7.9%	7.5%	20.4	27.3	27.2	14.4%	7.0%
Transfers and subsidies¹	0.3	1.9	21.1	30.2	343.7%	4.6%	0.0	0.0	0.0	-90.4%	2.3%
Provinces and municipalities	0.0	0.0	0.0	0.0	-	-	0.0	0.0	0.0	16.7%	-
Departmental agencies and accounts	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.3	1.9	21.1	30.2	373.3%	4.6%	-	-	-	-100.0%	2.3%
Payments for capital assets	8.4	11.2	5.3	13.6	17.7%	3.3%	29.7	12.9	13.4	-0.5%	5.3%
Machinery and equipment	4.5	5.2	3.5	6.6	13.4%	1.7%	15.0	5.0	5.1	-8.3%	2.4%
Software and other intangible assets	3.8	6.0	1.7	7.0	22.5%	1.6%	14.7	7.9	8.3	5.8%	2.9%
Payments for financial assets	0.1	0.3	1.7	-	-100.0%	0.2%	-	-	-	-	-
Total	268.8	274.9	294.2	325.6	6.6%	100.0%	313.7	336.8	346.4	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	9.5%	4.8%	6.1%	5.6%	-	-	9.2%	8.6%	13.1%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.3	1.3	2.1	0.6	36.6%	0.4%	-	-	-	-100.0%	-
Households	0.3	1.3	2.1	0.6	36.6%	0.4%	-	-	-	-100.0%	-
Other transfers to households											
Current	0.0	0.7	19.0	29.6	854.6%	4.2%	-	-	-	-100.0%	2.2%
Claims against the state	-	-	18.9	29.6	-	4.2%	-	-	-	-100.0%	2.2%
Households	0.0	0.7	0.0	-	-100.0%	0.1%	-	-	-	-	-

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 30.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Administration	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
			2018/19			2019/20			2020/21		2021/22		2022/23				2019/20 - 2022/23		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	195	–	204	153.7	0.8	214	154.5	0.7	214	162.6	0.8	214	173.4	0.8	211	181.0	0.9	-0.5%	100.0%
1–6	25	–	23	7.5	0.3	24	5.5	0.2	24	5.9	0.2	24	6.3	0.3	25	7.0	0.3	1.4%	11.4%
7–10	82	–	82	40.2	0.5	85	34.6	0.4	86	37.3	0.4	86	40.1	0.5	84	41.6	0.5	-0.4%	40.0%
11–12	42	–	44	40.5	0.9	47	43.2	0.9	49	47.9	1.0	49	50.9	1.0	48	53.0	1.1	0.7%	22.6%
13–16	43	–	39	57.8	1.5	46	63.6	1.4	43	63.6	1.5	43	67.7	1.6	42	70.4	1.7	-3.0%	20.4%
Other	3	–	16	7.5	0.5	12	7.6	0.6	12	7.9	0.7	12	8.4	0.7	12	8.9	0.7	–	5.6%

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

2. Rand million.

Programme 2: ICT International Relations and Affairs

Programme purpose

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

Objectives

- Advance South Africa's ICT interests in regional and international forums to secure partnerships for economic growth and development by:
 - developing 3 position papers focusing on: the World Telecommunications Standardisation Assembly; the Brazil-Russia-India-China-South Africa group of countries (BRICS) agenda and action plan; and the Pan-African Postal Union and 2020 Universal Postal Union to support the digital economy by March 2021.
 - developing and advancing South Africa's position to support the digital economy at relevant international forums on an ongoing basis.
 - developing strategic partnerships to promote the digital economy on an ongoing basis.

Subprogrammes

- *Programme Management for ICT International Relations and Affairs* provides for the overall management of the programme.
- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations. It leads South Africa's ICT interests and advances strategic programmes in African bilateral forums and the BRICS forum.
- *ICT Trade/Partnership* develops and advances South Africa's interests in international and multilateral trade forums by participating in the World Trade Organisation's ICT-related initiatives and other international trade agreements such as the South Africa-European Union trade agreement and bilateral agreements with counterpart countries. This subprogramme also makes payments for international membership fees.

Expenditure trends and estimates

Table 30.8 ICT International Relations and Affairs expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R million											
Programme Management for International Relations and Affairs	–	–	–	–	–	–	2.9	3.1	3.5	–	3.9%
International Affairs	13.4	12.5	14.8	13.8	0.9%	22.7%	14.8	16.0	16.0	5.0%	25.0%
ICT Trade/Partnership	33.5	38.1	70.0	43.8	9.3%	77.3%	43.1	41.9	44.0	0.1%	71.1%
Total	46.9	50.6	84.9	57.6	7.1%	100.0%	60.8	60.9	63.4	3.3%	100.0%
Change to 2019 Budget estimate				(0.8)			2.8	0.7	0.4		
Economic classification											
Current payments	20.3	24.6	55.9	27.1	10.1%	53.3%	27.5	28.7	30.0	3.5%	46.7%
Compensation of employees	12.7	17.0	17.1	16.7	9.4%	26.5%	17.9	19.0	20.1	6.5%	30.3%
Goods and services ¹	7.5	7.6	38.8	10.4	11.3%	26.8%	9.7	9.7	9.9	-1.7%	16.3%
of which:											
Administrative fees	0.2	0.1	0.2	0.2	-4.7%	0.3%	0.2	0.2	0.3	9.1%	0.4%
Minor assets	0.0	0.0	0.2	0.2	330.9%	0.2%	0.2	0.3	0.3	8.6%	0.4%
Contractors	0.1	0.8	0.2	0.4	54.5%	0.6%	0.9	0.2	0.2	-18.8%	0.7%
Operating leases	0.1	0.1	0.1	0.3	75.4%	0.2%	0.3	0.3	0.3	2.1%	0.5%
Travel and subsistence	4.3	4.8	7.7	5.6	8.9%	9.3%	4.7	5.2	5.4	-1.4%	8.6%
Venues and facilities	1.4	1.2	25.4	2.7	23.9%	12.8%	2.2	2.3	2.3	-6.1%	3.9%
Transfers and subsidies¹	26.3	26.0	28.5	30.0	4.6%	46.2%	32.7	31.6	32.8	3.0%	52.4%
Foreign governments and international organisations	26.1	26.0	28.5	30.0	4.7%	46.1%	32.7	31.6	32.8	3.0%	52.4%
Non-profit institutions	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.1	0.0	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.4	0.0	0.4	0.5	8.6%	0.6%	0.6	0.6	0.6	4.0%	1.0%
Machinery and equipment	0.4	0.0	0.4	0.5	8.6%	0.6%	0.6	0.6	0.6	4.0%	1.0%
Total	46.9	50.6	84.9	57.6	7.1%	100.0%	60.8	60.9	63.4	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.7%	0.9%	1.8%	1.0%	–	–	1.8%	1.6%	2.4%	–	–
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	0.1	0.0	–	–	-100.0%	–	–	–	–	–	–
Households	0.1	0.0	–	–	-100.0%	–	–	–	–	–	–
Foreign governments and international organisations											
Current	26.1	26.0	28.5	30.0	4.7%	46.1%	32.7	31.6	32.8	3.0%	52.4%
Universal Postal Union	6.0	5.5	6.3	6.4	2.6%	10.1%	7.0	6.6	6.8	2.0%	11.1%
International Telecommunication Union	17.6	16.8	17.1	18.8	2.3%	29.3%	20.6	20.0	20.7	3.2%	33.0%
African Telecommunications Union	1.0	1.0	1.0	1.1	2.2%	1.7%	1.2	1.4	1.4	8.1%	2.1%
Pan-African Postal Union	1.0	1.0	1.1	1.1	3.4%	1.8%	1.2	1.2	1.3	4.3%	2.0%
Organisation for Economic Cooperation and Development	0.2	0.2	0.2	0.2	3.9%	0.3%	0.2	0.6	0.6	49.5%	0.7%
Commonwealth Telecommunications Organisation	0.4	0.4	0.4	0.5	9.5%	0.7%	0.5	0.5	0.5	5.1%	0.8%
DONA Foundation	–	1.0	1.0	1.1	–	1.3%	1.2	1.3	1.4	7.9%	2.1%
Smart Africa Alliance	–	–	1.5	0.7	–	0.9%	0.8	–	–	-100.0%	0.6%

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 30.9 ICT International Relations and Affairs personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
			2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23	
ICT International Relations and Affairs																			
Salary level	15	–	16	17.1	1.1	17	16.7	1.0	17	17.9	1.1	17	19.0	1.1	17	20.1	1.2	–	100.0%
7 – 10	6	–	7	3.7	0.5	7	3.0	0.4	7	3.2	0.5	7	3.4	0.5	7	3.6	0.5	–	41.2%
13 – 16	9	–	9	13.5	1.5	10	13.7	1.4	10	14.7	1.5	10	15.6	1.6	10	16.5	1.6	–	58.8%

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

2. Rand million.

Programme 3: ICT Policy Development and Research

Programme purpose

Develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for accelerated and shared economic growth. Develop strategies that increase the adoption and use of ICT by the majority of South Africans to bridge the digital divide.

Objectives

- Improve access to and the affordability of ICT by developing the Digital Development Fund Bill by March 2021.
- Promote the growth and sustainability of small, medium and micro enterprises (SMMEs) in the ICT sector by facilitating the implementation and monitoring of the ICT SMME development strategy over the medium term.
- Enable digital transformation and inclusion by:
 - developing the digital transformation policy by March 2022 and the Digital Transformation Bill by March 2023
 - submitting the Electronic Communications Amendment Bill to Parliament by March 2023
 - submitting the data and cloud policy to Cabinet by March 2021
 - developing and facilitating the implementation plan for the digital economy master plan by March 2021
 - developing the implementation plan for the fourth industrial revolution country plan by March 2021; and facilitating, monitoring and reporting on its implementation on an ongoing basis.

Subprogrammes

- *Programme Management for ICT Policy Development and Research* provides for the overall management of the programme.
- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the telecommunications, postal and IT sectors to ensure broad-based economic development.
- *Economic and Market Analysis* conducts economic analyses of the telecommunications, postal and IT sectors to determine trends and make projections. This subprogramme also conducts market research to explore areas that require policy intervention, and is responsible for reducing the cost of communication.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy.
- *Small, Medium and Micro Enterprise* facilitates the growth and development of SMMEs in the ICT sector.
- *Broadcasting Policy* drafts legislation, regulations, policy, strategies and guidelines that govern audiovisual media sectors.
- *Media Policy* conducts research and develops print media and communications policies.

Expenditure trends and estimates

Table 30.10 ICT Policy Development and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R million											
Programme Management for ICT	–	–	–	–	–	–	2.8	2.9	3.4	–	3.7%
Policy Development and Research											
ICT Policy Development	12.5	10.0	12.8	17.9	12.8%	34.0%	19.1	20.9	22.5	7.8%	32.9%
Economic and Market Analysis	3.5	8.7	4.6	8.2	33.0%	15.9%	6.0	7.9	8.3	0.4%	12.4%
Research	6.9	6.9	7.2	7.1	0.7%	17.9%	10.0	11.7	11.1	16.4%	16.3%
Small Medium and Micro Enterprise	4.4	4.4	5.2	5.0	4.2%	12.2%	5.2	5.5	5.7	4.5%	8.7%
Broadcasting Policy	6.3	5.8	8.6	10.5	18.4%	19.9%	13.4	12.4	13.8	9.6%	20.5%
Presidential Commission on 4IR	–	–	–	–	–	–	13.4	–	–	–	5.5%
Total	33.6	35.9	38.4	48.6	13.1%	100.0%	69.8	61.3	64.7	10.0%	100.0%
Change to 2019 Budget estimate				(12.3)			10.5	(1.8)	(2.3)		
Economic classification											
Current payments	33.1	35.5	38.2	48.3	13.4%	99.0%	69.4	61.1	64.5	10.1%	99.6%
Compensation of employees	25.1	23.1	24.2	34.3	11.0%	68.2%	42.3	45.0	47.9	11.7%	69.3%
Goods and services ¹	8.0	12.4	14.0	14.0	20.4%	30.9%	27.1	16.1	16.7	6.0%	30.2%
of which:											
Communication	1.6	0.6	2.0	0.8	-22.4%	3.1%	0.7	0.9	1.0	8.2%	1.3%
Consultants: Business and advisory services	1.4	6.7	1.6	2.3	17.2%	7.6%	14.7	3.4	3.6	16.2%	9.8%
Consumables: Stationery, printing and office supplies	1.1	1.0	1.3	1.1	0.4%	2.9%	0.7	1.2	1.2	3.6%	1.7%
Travel and subsistence	1.9	2.5	4.9	5.6	43.3%	9.6%	5.9	6.3	6.4	4.7%	9.9%
Training and development	0.4	0.3	0.4	0.7	17.4%	1.1%	0.5	0.6	0.6	-2.4%	1.0%
Venues and facilities	0.6	0.4	1.0	1.0	20.8%	1.9%	0.6	1.0	1.0	1.1%	1.5%
Transfers and subsidies ¹	0.1	0.3	–	–	-100.0%	0.2%	–	–	–	–	–
Households	0.1	0.3	–	–	-100.0%	0.2%	–	–	–	–	–
Payments for capital assets	0.5	0.1	0.2	0.3	-12.5%	0.7%	0.4	0.2	0.2	-12.0%	0.4%
Machinery and equipment	0.5	0.1	0.2	0.3	-12.5%	0.7%	0.4	0.2	0.2	-12.0%	0.4%
Total	33.6	35.9	38.4	48.6	13.1%	100.0%	69.8	61.3	64.7	10.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	0.6%	0.8%	0.8%	–	–	2.1%	1.6%	2.4%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.1	0.3	–	–	-100.0%	0.2%	–	–	–	–	–
Households	0.1	0.3	–	–	-100.0%	0.2%	–	–	–	–	–

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 30.11 ICT Policy Development and Research personnel numbers and cost by salary level¹

ICT Policy Development and Research	Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/ Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
Salary level	24	–	33	24.2	0.7	30	30.3	1.0	39	42.3	1.1	39	45.0	1.2	39	47.9	1.2	9.1%	100.0%
7 – 10	7	–	9	5.2	0.6	8	3.1	0.4	9	3.9	0.4	9	4.2	0.5	9	4.5	0.5	4.0%	23.8%
11 – 12	5	–	9	5.7	0.6	9	9.1	1.0	14	14.8	1.1	14	15.7	1.1	14	16.7	1.2	15.9%	34.7%
13 – 16	12	–	15	13.3	0.9	13	18.1	1.4	16	23.6	1.5	16	25.1	1.6	16	26.7	1.7	7.2%	41.5%

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

2. Rand million.

Programme 4: ICT Enterprise and Public Entity Oversight

Programme purpose

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

Objectives

- Improve the performance of state-owned entities through proactive oversight by monitoring and evaluating the service delivery performance and compliance of public entities against strategic plans and relevant prescripts on an ongoing basis.
- Improve the impact of public entity service delivery and their market responsiveness by:
 - submitting the State ICT Infrastructure Company Bill to Cabinet for approval by March 2021
 - submitting the State IT Company Bill to Cabinet for approval by March 2021.

Subprogrammes

- *Programme Management for ICT Enterprise and Public Entity Oversight* provides for the overall management of the programme.
- *Regulatory Institutions* monitors the implementation of policies, and provides guidance on and oversight of the governance matters of regulatory institutions. This subprogramme makes transfers to the Independent Communications Authority of South Africa and the Film and Publication Board.
- *Universal Service and Access* makes transfers to the South African Broadcasting Corporation, the Universal Service and Access Agency of South Africa, the Universal Service and Access Fund, and the South African Post Office to provide subsidies for the fulfilment of their universal service and access mandates.
- *ICT Skills Development* makes transfers to and provides oversight of the National Electronic Media Institute of South Africa for the provision of skills development programmes.

Expenditure trends and estimates

Table 30.12 ICT Enterprise and Public Entity Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Programme Management for ICT Enterprise and Public Entity Oversight	4.1	3.4	2.5	7.5	21.8%	0.1%	9.2	9.0	9.3	7.7%	0.4%
Regulatory Institutions	464.7	528.0	545.8	560.3	6.4%	14.2%	590.6	623.6	646.7	4.9%	24.4%
Universal Services and Access	970.5	4 019.2	3 293.9	4 016.0	60.5%	83.3%	1 051.2	1 027.4	969.0	-37.7%	71.1%
ICT Skills Development	77.2	85.8	90.8	95.3	7.3%	2.4%	99.2	104.7	109.7	4.8%	4.1%
Total	1 516.6	4 636.5	3 933.0	4 679.1	45.6%	100.0%	1 750.2	1 764.6	1 734.8	-28.2%	100.0%
Change to 2019 Budget estimate				2 967.6			(102.6)	(186.9)	(378.4)		

Table 30.12 ICT Enterprise and Public Entity Oversight expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Current payments	23.1	24.0	31.0	37.9	17.9%	0.8%	43.0	50.2	54.3	12.8%	1.9%
Compensation of employees	19.9	20.0	21.4	32.1	17.2%	0.6%	35.7	38.0	40.4	8.0%	1.5%
Goods and services ¹	3.2	4.0	9.6	5.8	21.6%	0.2%	7.2	12.2	13.9	33.9%	0.4%
of which:											
Communication	0.4	0.5	0.7	0.5	9.2%	–	0.5	0.7	0.7	17.2%	–
Consultants: Business and advisory services	0.0	–	–	1.0	378.7%	–	–	6.1	7.6	97.2%	0.1%
Consumables: Stationery, printing and office supplies	0.2	0.3	0.2	0.3	21.5%	–	0.4	0.3	0.4	8.2%	–
Travel and subsistence	1.0	1.6	2.1	2.3	30.7%	–	3.5	2.7	3.0	8.9%	0.1%
Training and development	0.1	0.3	0.1	0.2	47.4%	–	0.3	0.5	0.5	32.1%	–
Venues and facilities	1.1	0.1	3.4	0.3	-34.4%	–	0.1	1.1	0.9	40.4%	–
Transfers and subsidies¹	843.1	911.9	954.6	1 441.0	19.6%	28.1%	1 706.7	1 713.8	1 679.9	5.2%	65.9%
Departmental agencies and accounts	660.9	738.2	767.2	767.3	5.1%	19.9%	1 008.9	973.8	912.2	5.9%	36.9%
Public corporations and private enterprises	182.1	173.8	187.4	673.6	54.7%	8.2%	697.8	740.0	767.7	4.5%	29.0%
Households	0.1	0.0	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.3	0.5	0.4	0.2	-10.2%	–	0.5	0.5	0.7	39.5%	–
Machinery and equipment	0.3	0.5	0.4	0.2	-10.2%	–	0.5	0.5	0.7	39.5%	–
Payments for financial assets	650.0	3 700.0	2 947.0	3 200.0	70.1%	71.1%	–	–	–	-100.0%	32.2%
Total	1 516.6	4 636.5	3 933.0	4 679.1	45.6%	100.0%	1 750.2	1 764.6	1 734.8	-28.2%	100.0%
Proportion of total programme expenditure to vote expenditure	53.8%	81.6%	81.5%	81.0%	–	–	51.6%	45.0%	65.6%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.1	–	0.1	–	-100.0%	–	–	–	–	–	–
Households	0.1	–	0.1	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	660.9	738.2	767.2	767.3	5.1%	19.9%	1 008.9	973.8	912.2	5.9%	36.9%
Independent Communications Authority of South Africa	373.1	430.4	444.0	452.6	6.7%	11.5%	477.7	504.2	522.9	4.9%	19.7%
Film and Publication Board	86.5	91.7	94.6	99.4	4.7%	2.5%	104.0	109.7	113.8	4.6%	4.3%
National Electronic Media Institute of South Africa	77.2	85.8	90.8	95.3	7.3%	2.4%	99.2	104.7	109.7	4.8%	4.1%
Universal Service and Access Agency of South Africa	69.0	75.7	80.1	82.9	6.3%	2.1%	264.9	188.7	96.0	5.0%	6.4%
Universal Service and Access Fund	55.2	54.6	57.8	37.0	-12.4%	1.4%	63.1	66.6	69.8	23.5%	2.4%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	182.1	173.8	187.4	673.6	54.7%	8.2%	697.8	740.0	767.7	4.5%	29.0%
South African Broadcasting Corporation: Channel Africa	52.3	54.9	58.1	61.3	5.5%	1.5%	63.4	66.9	69.4	4.2%	2.6%
South African Broadcasting Corporation: Public broadcaster	107.2	105.9	115.7	123.2	4.8%	3.1%	127.4	134.4	139.4	4.2%	5.3%
South African Broadcasting Corporation: Community radio stations	10.3	–	–	–	-100.0%	0.1%	–	–	–	–	–
South African Broadcasting Corporation: Programme productions	12.3	12.9	13.7	14.5	5.5%	0.4%	14.9	15.8	16.3	4.2%	0.6%
South African Post Office	–	–	–	474.6	–	3.2%	492.1	523.0	542.5	4.6%	20.5%

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 30.13 ICT Enterprise and Public Entity Oversight personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
ICT Enterprise and Public Entity Oversight			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	32	1	15	21.4	1.4	30	29.1	1.0	34	35.7	1.1	34	38.0	1.1	34	40.4	1.2	4.3%	100.0%
7 – 10	8	1	4	1.5	0.4	8	2.7	0.3	8	2.9	0.4	8	3.1	0.4	8	3.3	0.4	–	24.2%
11 – 12	9	–	4	7.3	1.8	9	8.7	1.0	11	11.2	1.0	11	11.9	1.1	11	12.6	1.1	6.9%	31.8%
13 – 16	15	–	7	12.5	1.8	13	17.7	1.4	15	21.7	1.4	15	23.1	1.5	15	24.5	1.6	4.9%	43.9%

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

2. Rand million.

Programme 5: ICT Infrastructure Development and 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 secure digital infrastructure by:
 - revising the national radio frequency plan in line with the outcomes of the 2019 world radiocommunication conference and commencing with preparations for the 2023 world radiocommunication conference by March 2021
 - monitoring and sustaining the provision of broadband services to 970 connected government facilities over the medium term
 - establishing 5 additional computer security incident response teams for the sector over the medium term
 - coordinating and monitoring the installation of 900 000 set-top boxes as part of the broadcasting digital migration programme by March 2021
 - coordinating and monitoring the provincial switch-off of analogue transmission in 3 provinces by March 2021.

Subprogrammes

- *Programme Management for ICT Infrastructure Development and Support* provides for the overall management of the programme.
- *Broadband* is responsible for developing and facilitating the implementation of the broadband policy, strategy and rollout plan for South Africa Connect, and ensures that the programme achieves its broadband goals.
- *ICT Support* is responsible for projects related to authentication, digital object architecture and internet governance.
- *Broadcasting Digital Migration* manages broadcasting digital migration with the aim of migrating from analogue to digital broadcasting. It provides transfers to the Universal Service and Access Fund and Sentech for the implementation of broadcasting digital migration.

Expenditure trends and estimates

Table 30.14 ICT Infrastructure Development and Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2016/17	2019/20	2020/21	2021/22	2022/23	2019/20	2022/23
R million											
Programme Management for ICT Infrastructure Development and Support	–	–	–	–	–	–	3.3	3.7	4.1	–	0.3%
Broadband	26.9	39.3	143.8	267.5	115.0%	18.8%	224.9	253.3	260.7	-0.9%	27.2%
ICT Support	8.1	7.5	8.6	17.3	28.9%	1.6%	9.5	10.0	10.4	-15.6%	1.3%
Broadcasting Digital Migration	862.9	584.1	258.8	312.8	-28.7%	79.5%	889.8	1 353.0	82.7	-35.8%	71.2%
Total	897.9	630.9	411.2	597.7	-12.7%	100.0%	1 127.5	1 620.0	358.0	-15.7%	100.0%
Change to 2019 Budget estimate				4.6			503.1	1 199.7	8.5		
Economic classification											
Current payments	65.3	64.5	187.7	287.8	64.0%	23.9%	283.8	286.5	295.5	0.9%	31.2%
Compensation of employees	37.2	37.2	33.8	39.3	1.9%	5.8%	41.9	44.5	46.1	5.4%	4.6%
Goods and services ¹	28.1	27.4	153.9	248.5	106.7%	18.0%	242.0	242.0	249.4	0.1%	26.5%
<i>of which:</i>											
Advertising	3.1	1.5	7.4	5.4	20.5%	0.7%	14.9	1.2	2.3	-25.4%	0.6%
Computer services	0.2	1.6	1.7	9.2	262.3%	0.5%	184.5	0.2	0.2	-72.5%	5.2%
Consultants: Business and advisory services	0.8	12.0	105.6	202.5	540.4%	12.6%	8.0	201.6	204.1	0.3%	16.6%
Agency and support/outsourced services	–	–	3.7	1.7	–	0.2%	0.5	18.8	21.9	134.2%	1.2%
Travel and subsistence	11.6	7.5	17.8	14.9	8.8%	2.0%	18.1	12.2	12.7	-5.1%	1.6%
Venues and facilities	0.1	0.2	2.3	3.1	186.2%	0.2%	2.3	2.8	2.9	-2.0%	0.3%
Transfers and subsidies¹	829.5	565.7	223.0	301.8	-28.6%	75.7%	843.4	1 333.1	62.1	-41.0%	68.6%
Departmental agencies and accounts	589.4	79.1	18.9	50.6	-55.9%	29.1%	578.7	1 163.4	62.1	7.0%	50.1%
Public corporations and private enterprises	240.0	486.0	203.9	250.9	1.5%	46.5%	264.6	169.7	–	-100.0%	18.5%
Households	0.1	0.6	0.1	0.2	21.5%	–	–	–	–	-100.0%	–
Payments for capital assets	3.1	0.7	0.6	8.1	38.2%	0.5%	0.4	0.4	0.4	-62.6%	0.3%
Machinery and equipment	2.7	0.7	0.6	1.6	-15.4%	0.2%	0.3	0.3	0.3	-41.5%	0.1%
Software and other intangible assets	0.4	0.0	–	6.5	157.4%	0.3%	0.1	0.1	0.1	-75.4%	0.2%
Payments for financial assets	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Total	897.9	630.9	411.2	597.7	-12.7%	100.0%	1 127.5	1 620.0	358.0	-15.7%	100.0%
Proportion of total programme expenditure to vote expenditure	31.8%	11.1%	8.5%	10.4%	–	–	33.2%	41.3%	13.5%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.1	0.6	0.1	0.2	24.3%	–	–	–	–	-100.0%	–
Households	0.1	0.6	0.1	0.2	24.3%	–	–	–	–	-100.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	589.4	79.1	18.9	50.6	-55.9%	29.1%	578.7	1 163.4	62.1	7.0%	50.1%
Independent Communications Authority of South Africa	–	–	–	24.0	–	0.9%	–	–	–	-100.0%	0.6%
Universal Service and Access Fund: Broadcasting digital migration	589.4	79.1	18.9	26.6	-64.4%	28.1%	578.7	1 163.4	62.1	32.6%	49.4%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	240.0	240.0	–	–	-100.0%	18.9%	–	–	–	–	–
South African Post Office: Broadcasting digital migration	240.0	240.0	–	–	-100.0%	18.9%	–	–	–	–	–
Capital	–	246.0	203.9	250.9	–	27.6%	264.6	169.7	–	-100.0%	18.5%
Sentech: Migration of digital signals	–	53.0	–	58.4	–	4.4%	60.6	69.7	–	-100.0%	5.1%
Sentech: Dual illumination costs relating to the digital migration project	–	193.0	203.9	192.5	–	23.2%	204.0	100.0	–	-100.0%	13.4%

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 30.15 ICT Infrastructure Development and Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
			2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost
ICT Infrastructure Development and Support			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23	
Salary level	28	5	39	33.8	0.9	38	39.3	1.0	38	41.9	1.1	38	44.5	1.2	37	46.1	1.2	-0.9%	100.0%
1-6	2	1	3	0.7	0.2	2	0.5	0.3	2	0.5	0.3	2	0.6	0.3	2	0.6	0.3	-	5.3%
7-10	6	2	8	2.1	0.3	8	3.2	0.4	8	3.4	0.4	8	3.7	0.5	8	3.9	0.5	-	21.2%
11-12	9	-	11	9.8	0.9	10	10.4	1.0	10	11.1	1.1	10	11.8	1.2	9	11.3	1.3	-3.5%	25.8%
13-16	11	2	17	21.1	1.2	18	25.2	1.4	18	26.8	1.5	18	28.5	1.6	18	30.2	1.7	-	47.7%

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

2. Rand million.

Programme 6: ICT Information Society and Capacity Development

Programme purpose

Develop and implement strategies to build capabilities to bridge the digital divide.

Objective

- Contribute towards building a digital society by developing information society strategies and programmes over the medium term.

Subprogrammes

- Programme Management for ICT Information Society and Capacity Development* provides for the overall management of the programme.
- Information Society Development* supports the promotion of digital society by facilitating the uptake and use of digital technologies. This includes the development of institutional mechanisms, intergovernmental relations forums/fora.
- Capacity Development* facilitates capacity-building interventions to develop digital and future skills towards the creation of a digital society.

Expenditure trends and estimates

Table 30.16 ICT Information Society and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Programme Management for ICT Information Society and Capacity Development	-	-	-	-	-	-	2.9	3.1	3.5	-	3.3%
Information Society Development	47.8	46.2	55.6	56.3	5.6%	84.8%	59.7	61.4	61.3	2.9%	82.7%
Capacity Development	9.5	9.0	9.3	9.2	-1.0%	15.2%	9.9	10.5	10.9	5.7%	14.0%
Total	57.3	55.2	64.9	65.5	4.5%	100.0%	72.5	74.9	75.6	4.9%	100.0%
Change to 2019 Budget estimate				0.6			2.3	0.1	(0.5)		

Table 30.16 ICT Information Society and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R million											
Current payments	56.9	54.8	64.6	65.0	4.5%	99.3%	72.3	74.3	75.0	4.9%	99.3%
Compensation of employees	37.4	39.6	42.3	45.0	6.3%	67.7%	47.9	51.0	51.4	4.5%	67.7%
Goods and services ¹	19.4	15.2	22.3	19.9	0.9%	31.6%	24.4	23.3	23.6	5.7%	31.6%
of which:											
Catering: Departmental activities	0.3	0.4	0.6	0.6	22.7%	0.8%	1.1	0.8	0.8	7.7%	1.1%
Communication	0.9	0.9	0.8	0.7	-7.3%	1.4%	0.5	0.9	0.9	9.9%	1.0%
Consultants: Business and advisory services	4.3	6.5	4.6	5.8	10.4%	8.7%	7.1	6.0	5.7	-0.7%	8.5%
Agency and support/outsourced services	–	–	–	–	–	–	–	1.2	1.3	–	0.9%
Travel and subsistence	2.9	3.6	5.6	4.4	14.3%	6.8%	4.4	3.9	4.0	-2.9%	5.8%
Training and development	7.5	0.4	6.7	5.9	-7.9%	8.4%	7.1	7.1	7.3	7.7%	9.5%
Transfers and subsidies¹	0.0	0.2	–	0.0	7.2%	0.1%	–	–	–	-100.0%	–
Public corporations and private enterprises	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.0	0.2	–	0.0	15.1%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.4	0.3	0.3	0.5	3.0%	0.6%	0.2	0.6	0.6	10.3%	0.7%
Machinery and equipment	0.4	0.3	0.3	0.5	2.4%	0.6%	0.2	0.6	0.6	11.0%	0.7%
Software and other intangible assets	–	–	–	0.0	–	–	–	–	–	-100.0%	–
Total	57.3	55.2	64.9	65.5	4.5%	100.0%	72.5	74.9	75.6	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	1.0%	1.3%	1.1%	–	–	2.1%	1.9%	2.9%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.0	0.1	–	0.0	52.6%	0.1%	–	–	–	-100.0%	–
Households	0.0	0.1	–	0.0	52.6%	0.1%	–	–	–	-100.0%	–

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 30.17 ICT Information Society and Capacity Development personnel numbers and cost by salary level¹

ICT Information Society and Capacity Development	Salary level	Number of posts estimated for 31 March 2020	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
					Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
					2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		2019/20 - 2022/23
					Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost	
		53	–	–	53	42.3	0.8	53	45.0	0.8	53	47.9	0.9	53	51.0	1.0	51	51.4	1.0	-1.3%	100.0%
	1–6	8	–	–	8	2.6	0.3	8	2.0	0.2	8	2.1	0.3	8	2.3	0.3	8	2.4	0.3	–	15.2%
	7–10	14	–	–	15	6.4	0.4	14	5.2	0.4	14	5.5	0.4	14	5.9	0.4	14	6.3	0.5	–	26.7%
	11–12	12	–	–	12	10.5	0.9	12	12.4	1.0	12	13.2	1.1	12	14.0	1.2	11	13.6	1.2	-2.9%	22.4%
	13–16	19	–	–	18	22.8	1.3	19	25.5	1.3	19	27.1	1.4	19	28.8	1.5	18	29.1	1.6	-1.8%	35.7%

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

2. Rand million.

Entities

Sentech

Selected performance indicators

Table 30.18 Sentech performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage availability of digital terrestrial television per year	Attain digital terrestrial television network	Priority 1: Economic transformation and job creation	99% (1.01 million hours/ 1.02 million hours)	99% (1.01 million hours/ 1.02 million hours)	99.9% (1.01 million hours/ 1.02 million hours)	99.9%	100%	100%	100%
Number of broadband sites connected in support of the Internet for All project per year	Administration		- ¹	- ¹	6	6	6	6	6

1. No historical data available.

Entity overview

Sentech was established in terms of the Sentech Act (1996) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). It is responsible for providing broadcasting signal distribution services to licensed television and radio broadcasters.

Over the medium term, the entity will focus on creating new revenue streams through acquisitions and the formation of strategic partnerships. It aims to build a wireless broadband business, and invest in technologies to enhance the performance of its connectivity services to existing and future clients. The entity considers these investments key to enhancing connectivity, and has set aside R445.8 million over the medium term for the acquisition of assets.

Total expenditure is set to increase from R1.2 billion in 2019/20 to R1.3 billion in 2022/23 at an average annual rate of 3.6 per cent. Spending on goods and services, mostly for satellite rental and other operating costs, accounts for an estimated 45.6 per cent (R1.7 billion) of total expenditure over the medium term. As the entity employs many skilled technical personnel, expenditure on compensation of employees constitutes an estimated 40.9 per cent (R1.6 billion) of total spending over this period.

The entity expects to generate 98.1 per cent (R4 billion) of its revenue over the MTEF period through services rendered to customers, mostly for the provision of signal for television and radio broadcasting services; and the rest from the department through project-specific funding for dual illumination, which is the operation of both analogue and digital signals. Total revenue is expected to increase at an average annual rate of 3 per cent, from R1.3 billion in 2019/20 to R1.4 billion in 2022/23.

Programmes/Objectives/Activities

Table 30.19 Sentech Limited expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	1 202.4	1 129.9	1 200.7	1 041.8	-4.7%	90.0%	1 057.7	1 112.6	1 166.5	3.8%	87.3%
Attain digital terrestrial television network	89.8	134.9	130.6	150.3	18.7%	10.0%	158.2	166.4	158.8	1.8%	12.7%
Total	1 292.2	1 264.9	1 331.3	1 192.2	-2.6%	100.0%	1 215.8	1 279.0	1 325.3	3.6%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 30.20 Sentech Limited statements of historical financial performance, cash flow and financial position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
R million	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Revenue									
Non-tax revenue	1 221.8	1 297.0	1 307.9	1 417.4	1 473.2	1 621.2	1 428.2	1 304.5	103.8%
Sale of goods and services other than capital assets	1 197.8	1 142.8	1 275.8	1 349.6	1 289.6	1 399.1	1 354.1	1 264.6	100.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>1 197.8</i>	<i>1 142.8</i>	<i>1 275.8</i>	<i>1 349.6</i>	<i>1 289.6</i>	<i>1 399.1</i>	<i>1 354.1</i>	<i>1 264.6</i>	<i>100.8%</i>
Other non-tax revenue	24.0	154.2	32.1	67.8	183.6	222.0	74.1	39.9	154.2%
Transfers received	2.8	100.0	246.0	-	203.9	-	250.9	-	14.2%
Total revenue	1 224.6	1 397.0	1 553.9	1 417.4	1 677.1	1 621.2	1 679.1	1 304.5	93.6%
Expenses									
Current expenses	1 195.4	1 302.2	1 297.8	1 212.4	1 483.1	1 294.5	1 583.2	1 148.5	89.2%
Compensation of employees	386.3	410.0	426.0	415.9	468.8	453.1	477.0	476.2	99.8%
Goods and services	727.2	784.5	771.5	693.3	900.2	751.9	1 001.6	548.4	81.7%
Depreciation	82.0	103.5	100.2	99.1	114.1	85.6	104.6	123.9	102.8%
Interest, dividends and rent on land	-	4.2	-	4.2	0.1	4.0	-	0.1	11 855.1%
Total expenses	1 203.6	1 292.2	1 345.4	1 264.9	1 525.0	1 331.3	1 592.6	1 192.2	89.7%
Surplus/(Deficit)	21.0	104.9	208.5	152.5	152.2	289.9	86.6	112.3	
Cash flow statement									
Cash flow from operating activities	90.8	133.5	47.1	(96.8)	231.0	97.5	38.3	200.5	82.2%
Receipts									
Non-tax receipts	1 221.8	1 471.6	1 280.1	1 404.2	1 313.8	1 459.6	1 381.0	1 304.5	108.5%
Sales of goods and services other than capital assets	1 197.8	1 407.2	1 248.0	1 349.6	1 289.6	1 399.1	1 361.8	1 264.6	106.3%
<i>Sales by market establishment</i>	<i>1 197.8</i>	<i>1 407.2</i>	<i>1 248.0</i>	<i>1 349.6</i>	<i>1 289.6</i>	<i>1 399.1</i>	<i>1 361.8</i>	<i>1 264.6</i>	<i>106.3%</i>
Other tax receipts	24.0	64.4	32.1	54.6	24.2	60.5	19.2	39.9	220.5%
Total receipts	1 221.8	1 471.6	1 280.1	1 404.2	1 313.8	1 459.6	1 381.0	1 304.5	108.5%
Payment									
Current payments	1 122.9	1 315.0	1 185.3	1 466.5	1 040.9	1 314.4	1 298.8	1 060.3	110.9%
Compensation of employees	383.5	410.0	398.0	415.9	400.9	453.1	413.3	476.2	110.0%
Goods and services	739.4	904.8	787.4	1 046.5	639.9	857.4	885.4	584.1	111.2%
Interest and rent on land	-	0.3	-	4.2	0.1	4.0	0.1	0.1	3 931.0%
Total payments	1 131.1	1 338.2	1 233.0	1 500.9	1 082.8	1 362.2	1 342.7	1 104.0	110.8%
Net cash flow from investing activities	(552.0)	(274.6)	(405.0)	(110.2)	(175.4)	(78.5)	(213.4)	(200.8)	49.4%
Acquisition of property, plant, equipment and intangible assets	(552.0)	(274.6)	(405.0)	(110.2)	(175.4)	(78.5)	(213.4)	(200.8)	49.4%
Net cash flow from financing activities	-	91.2	246.0	215.8	203.9	177.3	250.9	250.9	104.9%
Deferred income	-	91.2	246.0	215.8	203.9	177.3	250.9	250.9	104.9%
Net increase/(decrease) in cash and cash equivalents	(461.2)	(49.9)	(111.9)	8.8	259.5	196.3	75.9	250.6	
Statement of financial position									
Carrying value of assets	1 081.3	946.5	1 163.6	954.4	941.4	1 043.3	958.3	1 042.2	96.2%
Acquisition of assets	(552.0)	(274.6)	(405.0)	(110.2)	(175.4)	(78.5)	(213.4)	(200.8)	49.4%
Inventory	47.8	80.3	63.9	82.3	58.8	66.4	54.2	84.0	139.3%
Receivables and prepayments	22.1	43.1	58.8	297.9	119.5	400.8	149.8	94.6	238.8%
Cash and cash equivalents	507.3	907.4	812.3	916.1	1 170.7	1 112.4	1 059.0	1 286.9	119.0%
Taxation	-	18.1	-	12.7	-	16.2	-	-	-
Total assets	1 658.6	1 995.4	2 098.6	2 263.5	2 290.4	2 639.2	2 221.3	2 507.6	113.7%
Accumulated surplus/(deficit)	927.0	1 023.7	1 164.9	1 176.3	1 314.1	1 358.0	1 299.9	1 449.7	106.4%
Capital and reserves	586.7	743.8	743.8	743.8	743.8	851.9	743.8	743.8	109.4%
Deferred income	-	10.2	9.3	94.3	54.9	130.4	-	122.8	557.0%
Trade and other payables	88.4	133.1	112.0	146.5	118.3	150.2	118.3	88.7	118.7%
Taxation	56.5	40.6	68.6	53.1	40.6	76.5	40.6	53.1	108.2%
Provisions	-	44.1	-	49.6	18.7	72.2	18.7	49.6	575.5%
Total equity and liabilities	1 658.6	1 995.4	2 098.6	2 263.5	2 290.4	2 639.2	2 221.3	2 507.6	113.7%

Statements of estimates of financial performance, cash flow and financial position**Table 30.21 Sentech Limited statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	
R million								
Revenue								
Non-tax revenue	1 304.5	0.2%	98.2%	1 293.5	1 360.7	1 426.0	3.0%	100.0%
Sale of goods and services other than capital assets	1 264.6	3.4%	90.1%	1 273.5	1 339.7	1 404.0	3.5%	98.1%
<i>Sales by market establishment</i>	1 264.6	3.4%	90.1%	1 273.5	1 339.7	1 404.0	3.5%	98.1%
Other non-tax revenue	39.9	-36.3%	8.1%	20.0	21.0	22.0	-18.0%	1.9%
Total revenue	1 304.5	-2.3%	100.0%	1 293.5	1 360.7	1 426.0	3.0%	100.0%
Current expenses								
Total expenses	1 148.5	-4.1%	97.6%	1 185.6	1 247.2	1 292.0	4.0%	97.2%
Compensation of employees	476.2	5.1%	34.6%	500.0	525.0	550.7	5.0%	40.9%
Goods and services	548.4	-11.2%	54.5%	555.4	585.5	598.0	2.9%	45.6%
Depreciation	123.9	6.2%	8.2%	130.2	136.7	143.3	5.0%	10.6%
Interest, dividends and rent on land	0.1	-76.0%	0.2%	0.1	0.1	0.1	5.0%	0.0%
Total expenses	1 192.2	-2.6%	100.0%	1 215.8	1 279.0	1 325.3	3.6%	100.0%
Surplus/(Deficit)	112.3			77.7	81.7	100.7		
Cash flow statement								
Cash flow from operating activities	200.5	14.5%	292.3%	4.6	87.7	485.3	14.9%	293.9%
Receipts								
Non-tax receipts	1 304.5	-3.9%	100.0%	1 371.0	1 439.5	1 508.6	5.0%	100.0%
Sales of goods and services other than capital assets	1 264.6	-3.5%	96.1%	1 329.1	1 395.5	1 462.5	5.0%	96.9%
<i>Sales by market establishment</i>	1 264.6	-3.5%	96.1%	1 329.1	1 395.5	1 462.5	5.0%	96.9%
Other tax receipts	39.9	-14.8%	3.9%	41.9	44.0	46.1	5.0%	3.1%
Total receipts	1 304.5	-3.9%	100.0%	1 371.0	1 439.5	1 508.6	5.0%	100.0%
Current payments								
Total payment	1 104.0	-6.2%	100.0%	1 336.4	1 351.8	1 023.3	-2.5%	100.0%
Compensation of employees	476.2	5.1%	34.6%	500.0	525.0	550.7	5.0%	43.1%
Goods and services	584.1	-13.6%	66.5%	836.2	795.0	439.2	-9.1%	54.0%
Interest and rent on land	0.1	-38.6%	0.2%	0.1	0.1	0.1	5.0%	0.0%
Net cash flow from investing activities	(200.8)	-9.9%	100.0%	(216.8)	(229.0)	-	-100.0%	-
Acquisition of property, plant, equipment and intangible assets	(200.8)	-9.9%	100.0%	(216.8)	(229.0)	-	-100.0%	-
Net cash flow from financing activities	250.9	40.1%	100.0%	264.6	169.7	-	-100.0%	-
Deferred Income	250.9	40.1%	100.0%	264.6	169.7	-	-100.0%	-
Net increase/(decrease) in cash and cash equivalents	250.6	-271.3%	100.0%	52.3	28.5	485.3	24.6%	100.0%
Statement of financial position								
Carrying value of assets	1 042.2	3.3%	42.7%	1 061.7	1 053.8	1 104.3	2.0%	41.7%
Acquisition of assets	(200.8)	-9.9%	-7.4%	(216.8)	(229.0)	-	-100.0%	-6.4%
Inventory	84.0	1.5%	3.4%	84.8	85.6	89.8	2.3%	3.4%
Receivables and prepayments	94.6	29.9%	8.6%	95.5	96.5	101.1	2.3%	3.8%
Cash and cash equivalents	1 286.9	12.4%	44.9%	1 340.3	1 269.5	1 330.4	1.1%	51.1%
Total assets	2 507.6	7.9%	100.0%	2 582.4	2 505.4	2 625.6	1.5%	100.0%
Accumulated surplus/(deficit)	1 449.7	12.3%	53.1%	1 527.3	1 609.1	1 686.3	5.2%	61.4%
Capital and reserves	743.8	-	33.0%	743.8	743.8	779.5	1.6%	29.5%
Deferred income	122.8	129.1%	3.6%	142.1	-	-	-100.0%	2.6%
Trade and other payables	88.7	-12.6%	5.6%	66.5	49.9	52.3	-16.2%	2.5%
Taxation	53.1	9.4%	2.3%	53.1	53.1	55.6	1.6%	2.1%
Provisions	49.6	4.0%	2.3%	49.6	49.6	52.0	1.6%	2.0%
Total equity and liabilities	2 507.6	7.9%	100.0%	2 582.4	2 505.4	2 625.6	1.5%	100.0%

Personnel information

Table 30.22 Sentech Limited personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual 2018/19			Revised estimate 2019/20			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		Number	Cost	Unit cost	Number	Cost	Unit cost	2020/21		2021/22		2022/23							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23		
Sentech Limited																			
Salary level	533	533	533	453.1	0.9	533	476.2	0.9	536	500.0	0.9	542	525.0	1.0	545	550.7	1.0	5.0%	100.0%
7 – 10	97	97	97	49.6	0.5	97	52.1	0.5	97	54.3	0.6	99	57.0	0.6	99	60.3	0.6	5.0%	18.2%
11 – 12	310	310	310	229.3	0.7	310	241.1	0.8	310	252.6	0.8	312	266.1	0.9	315	278.8	0.9	5.0%	57.8%
13 – 16	115	115	115	147.6	1.3	115	155.1	1.3	118	165.7	1.4	120	173.1	1.4	120	181.5	1.5	5.4%	21.9%
17 – 22	11	11	11	26.6	2.4	11	27.9	2.5	11	27.4	2.5	11	28.8	2.6	11	30.2	2.7	2.6%	2.0%

1. Rand million

South African Broadcasting Corporation

Selected performance indicators

Table 30.23 South African Broadcasting Corporation performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past				Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Number of strategic partnerships concluded per year	Administration	Entity mandate	-1	-1	-1	3	4	5	5	
Number of provincial programmes broadcast across the corporation's television channels per year	Local content delivery: Television	Priority 5: Social cohesion and safe communities	1	1	10	12	14	16	16	
Number of public broadcasting radio stations (excluding Radio 2000) achieving full compliance with the regulator's specified genre quotas per year	Local content delivery: Radio		-1	-1	-1	14	14	14	14	

1. No historical data available.

Entity overview

The South African Broadcasting Corporation is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). Its mandate is set out in its charter and in the Broadcasting Act (1999), which requires the corporation to provide South Africans with radio and television broadcasting services. It is also required to provide a wide range of programming that displays South African talent in educational and entertainment programmes; offer a diversity of views and a variety of news, information and analysis; and advance national and public interests.

Over the medium term, the corporation will focus on finalising and implementing its turnaround strategy, which aims to invest in new and compelling content to attract audiences, and thereby attract advertisers and increase revenue. An amount of R3.2 billion was allocated to the corporation in the 2019 Adjusted Estimates of National Expenditure for the strategy. To contribute towards nation building and greater diversity, the corporation also plans to spend R2 billion over the medium term to broadcast all sporting codes of national interest and acquire sports rights.

Total expenditure is expected to increase from R8 billion in 2019/20 to R8.9 billion in 2022/23 at an average annual rate of 3.4 per cent. Of this amount, 36.9 per cent (R9.6 billion) is earmarked for spending on goods and services, largely for programme, film and sports rights; and 34.9 per cent (R8.6 billion) for spending on compensation of employees.

The corporation expects to generate 97.3 per cent of its revenue over the medium term through licence fees, commercial revenue from advertising, and sport sponsorship across television, radio and online platforms. Total revenue is expected to increase from R7.4 billion in 2019/20 to an estimated R8.5 billion in 2022/23 at an average annual rate of 4.4 per cent. The corporation is set to receive transfers from the department amounting to R648 million over the medium term to subsidise various functions, including public broadcasting, programme

productions, and support for Channel Africa.

The entity has experienced significant financial challenges over the past three financial years due to a decrease in viewership, listenership and revenue, and projects deficits of R302 million in 2020/21, R194 million in 2021/22 and R446 million in 2022/23 over the medium term.

Programmes/Objectives/Activities

Table 30.24 South African Broadcasting Corporation Limited expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	1 661.3	1 748.1	1 571.6	2 295.0	11.4%	24.2%	2 114.3	1 942.4	2 149.4	-2.2%	25.4%
Local content delivery: Television	2 604.4	2 269.2	2 129.9	2 580.4	-0.3%	31.9%	2 734.6	2 898.0	3 045.3	5.7%	33.6%
Local content delivery: Radio	747.7	925.8	867.0	763.8	0.7%	11.1%	808.9	856.7	904.4	5.8%	9.9%
Universal access transmitter rollout news	905.1	808.7	818.0	894.3	-0.4%	11.4%	943.4	999.5	1 058.1	5.8%	11.6%
Sports of national interest and mandate	887.3	674.8	725.0	606.7	-11.9%	9.7%	632.0	669.9	705.1	5.1%	7.8%
Digital terrestrial migration and technology	909.0	835.4	847.9	909.1	0.0%	11.7%	936.5	991.5	1 046.9	4.8%	11.6%
Total	7 714.7	7 261.9	6 959.4	8 049.4	1.4%	100.0%	8 169.8	8 358.0	8 909.1	3.4%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 30.25 South African Broadcasting Corporation Limited statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Revenue									
Non-tax revenue	9 032.4	6 560.7	7 358.0	6 443.6	7 242.9	6 289.6	7 550.3	7 245.6	85.1%
Sale of goods and services other than capital assets	8 317.8	6 298.4	6 887.2	5 894.4	6 797.3	5 821.8	7 087.3	6 646.0	84.8%
of which:									
Administrative fees	1 147.0	915.1	1 055.0	941.4	1 072.0	968.2	1 074.1	984.3	87.6%
Sales by market establishment	7 170.8	5 383.3	5 832.2	4 953.0	5 725.3	4 853.7	6 013.2	5 661.7	84.3%
Other non-tax revenue	714.7	262.3	470.8	549.2	445.5	467.8	463.0	599.6	89.7%
Transfers received	233.0	253.5	233.4	196.7	187.4	187.4	199.0	199.0	98.1%
Total revenue	9 265.5	6 737.8	7 591.3	6 640.3	7 430.3	6 477.0	7 749.3	7 444.6	85.2%
Expenses									
Current expenses	9 255.7	7 726.1	7 440.8	7 287.5	7 764.2	6 959.4	7 914.2	8 049.4	92.7%
Compensation of employees	2 999.8	3 117.6	2 983.9	3 127.9	2 821.1	2 858.5	2 979.1	3 069.7	103.3%
Goods and services	6 005.3	3 830.1	4 178.2	3 525.7	4 667.2	2 175.8	4 645.4	2 813.2	63.3%
Depreciation	237.5	765.3	233.3	618.5	271.2	1 875.2	286.4	2 164.9	527.4%
Interest, dividends and rent on land	13.1	13.1	45.5	15.4	4.6	49.8	3.2	1.6	120.1%
Transfers and subsidies	6.4	(11.4)	(5.0)	(25.5)	-	-	1.6	-	-1 239.4%
Total expenses	9 262.1	7 714.7	7 435.8	7 261.9	7 764.2	6 959.4	7 915.8	8 049.4	92.6%
Surplus/(Deficit)	3.4	(976.9)	155.5	(621.7)	(333.9)	(482.4)	(166.5)	(604.8)	
Cash flow statement									
Cash flow from operating activities	188.5	(722.7)	(350.5)	31.9	3.9	(74.2)	326.0	(2 201.5)	-1 765.8%
Receipts									
Non-tax receipts	8 938.8	7 560.2	7 358.0	6 542.9	7 242.9	4 723.0	7 550.3	3 386.0	71.4%
Sales of goods and services other than capital assets	8 885.3	7 103.7	6 887.2	6 090.1	6 797.3	6 289.6	7 087.3	7 245.6	90.1%
Administrative fees	1 147.0	915.1	1 055.0	941.4	1 072.0	968.2	1 074.1	984.3	87.6%
Sales by market establishment	7 738.3	6 188.6	5 832.2	5 148.7	5 725.3	4 853.7	6 013.2	5 661.7	86.3%
Other sales	-	-	-	-	-	467.8	-	599.6	-
Other tax receipts	53.5	456.5	470.8	452.7	445.5	(1 566.5)	463.0	(3 859.6)	-315.2%
Transfers received	233.0	253.5	271.2	173.8	187.4	187.4	199.0	199.0	91.4%
Total receipts	9 171.8	7 737.3	7 629.2	6 716.6	7 430.3	4 910.5	7 749.3	3 585.0	71.8%

Table 30.25 South African Broadcasting Corporation Limited statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Payment									
Current payments	8 904.4	7 773.5	7 892.6	6 654.9	7 426.4	4 984.6	7 423.3	5 786.5	79.6%
Compensation of employees	2 951.2	3 117.6	2 983.9	3 145.1	2 701.2	2 858.5	2 979.1	3 069.7	105.0%
Goods and services	5 942.4	4 642.7	4 863.3	3 494.4	4 720.6	2 076.3	4 440.9	2 715.2	64.7%
Interest and rent on land	10.8	13.1	45.5	15.4	4.6	49.8	3.2	1.6	124.5%
Transfers and subsidies	78.9	686.5	87.1	29.8	-	-	-	-	431.5%
Total payments	8 983.3	8 460.0	7 979.7	6 684.7	7 426.4	4 984.6	7 423.3	5 786.5	81.5%
Net cash flow from investing activities	(423.6)	(311.6)	(240.0)	(145.1)	(350.0)	(145.2)	(350.0)	(451.4)	77.2%
Acquisition of property, plant, equipment and intangible assets	(432.2)	(300.7)	(240.0)	(143.6)	(350.0)	(138.7)	(350.0)	(451.4)	75.4%
Acquisition of software and other intangible assets	-	(12.8)	-	(1.5)	-	(11.9)	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets	8.5	1.9	-	-	-	5.3	-	-	84.8%
Net cash flow from financing activities	82.2	234.9	508.8	162.0	533.5	161.5	223.0	3 367.6	291.4%
Deferred income	-	181.7	199.2	173.8	187.4	180.1	199.0	183.3	122.8%
Borrowing activities	82.2	-	323.6	-	426.7	(3.4)	141.1	(2.5)	-0.6%
Repayment of finance leases	-	53.1	(14.0)	(11.8)	(80.6)	(15.2)	(117.1)	(13.2)	-6.1%
Other flows from financing activities	-	-	-	-	-	-	-	3 200.0	-
Net increase/(decrease) in cash and cash equivalents	(152.9)	(799.4)	(81.7)	48.8	187.4	(57.9)	199.0	714.6	
Statement of financial position									
Carrying value of assets	1 812.2	1 790.2	1 873.8	1 708.5	1 774.3	1 637.3	1 714.2	1 952.2	98.8%
<i>Acquisition of assets</i>	<i>(432.2)</i>	<i>(300.7)</i>	<i>(240.0)</i>	<i>(143.6)</i>	<i>(350.0)</i>	<i>(138.7)</i>	<i>(350.0)</i>	<i>(451.4)</i>	<i>75.4%</i>
Investments	158.7	4.7	10.9	-	4.8	-	4.8	-	2.6%
Inventory	786.2	773.8	841.5	612.6	862.8	523.8	909.2	1 219.9	92.1%
Receivables and prepayments	1 476.9	860.6	894.0	900.0	965.9	998.6	1 059.7	955.4	84.5%
Cash and cash equivalents	900.0	81.7	0.0	130.5	317.9	72.6	601.0	373.2	36.2%
Defined benefit plan assets	-	1 333.7	1 600.5	852.9	1 333.7	2 049.9	1 333.7	852.9	119.2%
Derivatives financial instruments	13.8	9.7	-	12.2	11.9	10.6	13.2	12.2	114.5%
Total assets	5 148.0	4 854.3	5 220.7	4 216.8	5 271.3	5 292.8	5 635.8	5 365.7	92.7%
Accumulated surplus/(deficit)	2 001.3	2 057.8	2 287.9	668.7	1 340.2	1 446.6	1 276.6	(742.6)	49.7%
Capital and reserves	11.8	8.1	10.2	10.1	10.0	8.9	12.0	10.2	85.1%
Capital reserve fund	270.7	328.6	368.2	352.6	265.7	318.4	147.1	3 409.9	419.3%
Borrowings	32.2	-	330.2	-	1 333.6	-	1 405.5	-	-
Finance lease	-	56.5	43.3	44.6	30.1	29.4	16.8	16.8	163.5%
Deferred income	106.0	84.3	103.0	65.8	56.0	82.8	58.5	39.1	84.1%
Trade and other payables	737.3	746.3	768.0	1 132.9	401.5	1 635.2	882.1	818.3	155.4%
Taxation	-	19.8	(112.8)	97.0	19.9	96.9	-	-	-230.1%
Provisions	1 961.3	1 525.5	1 402.0	1 605.4	1 786.9	1 388.4	1 819.7	1 614.5	88.0%
Derivatives financial instruments	27.4	27.4	20.8	239.6	27.4	285.9	17.4	199.3	809.1%
Total equity and liabilities	5 148.0	4 854.3	5 220.7	4 216.8	5 271.3	5 292.8	5 635.8	5 365.7	92.7%

Statements of estimates of financial performance, cash flow and financial position**Table 30.26 South African Broadcasting Corporation Limited statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate							
R million	2019/20	2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23
Revenue								
Non-tax revenue	7 245.6	3.4%	97.2%	7 661.8	7 946.8	8 238.5	4.4%	97.3%
Sale of goods and services other than capital assets	6 646.0	1.8%	90.4%	7 071.9	7 332.1	7 599.6	4.6%	89.7%
<i>Administrative fees</i>	984.3	2.5%	14.0%	994.1	1 004.1	1 014.1	1.0%	12.5%
<i>Sales by market establishment</i>	5 661.7	1.7%	76.4%	6 077.8	6 328.0	6 585.5	5.2%	77.2%
Other non-tax revenue	599.6	31.7%	6.9%	589.8	614.7	638.9	2.1%	7.7%
Transfers received	199.0	-7.7%	3.1%	205.8	217.1	225.1	4.2%	2.7%
Total revenue	7 444.6	3.4%	100.0%	7 867.5	8 163.9	8 463.6	4.4%	100.0%
Current expenses	8 049.4	1.4%	100.1%	8 169.8	8 358.0	8 905.6	3.4%	100.0%
Compensation of employees	3 069.7	-0.5%	40.7%	2 848.5	2 735.3	3 001.8	-0.7%	34.9%
Goods and services	2 813.2	-9.8%	41.1%	3 026.0	3 190.1	3 349.6	6.0%	36.9%
Depreciation	2 164.9	41.4%	18.1%	2 294.3	2 431.5	2 553.1	5.7%	28.2%
Interest, dividends and rent on land	1.6	-50.9%	0.3%	1.0	1.1	1.2	-9.6%	0.0%
Transfers and subsidies	-	-100.0%	-0.1%	-	-	3.5	-	0.0%
Total expenses	8 049.4	1.4%	100.0%	8 169.8	8 358.0	8 909.1	3.4%	100.0%
Surplus/(Deficit)	(604.8)			(302.3)	(194.1)	(445.5)		
Cash flow statement								
Cash flow from operating activities	(2 201.5)	45.0%	352.8%	426.5	480.0	139.8	35.0%	386.7%
Receipts								
Non-tax receipts	3 386.0	-23.5%	96.4%	5 993.3	6 081.4	6 196.8	22.3%	96.2%
Sale of goods and services other than capital assets	7 245.6	0.7%	128.2%	7 661.8	7 946.8	8 238.5	4.4%	145.3%
<i>Administrative fees</i>	984.3	2.5%	18.3%	994.1	1 004.1	1 014.1	1.0%	18.8%
<i>Sales by market establishment</i>	5 661.7	-2.9%	103.4%	6 077.8	6 328.0	6 585.5	5.2%	114.9%
<i>Other sales</i>	599.6	-	6.6%	589.8	614.7	638.9	2.1%	11.5%
Other tax receipts	(3 859.6)	-303.7%	-31.7%	(1 668.5)	(1 865.4)	(2 041.7)	-19.1%	-49.1%
Transfers received	199.0	-7.7%	3.8%	205.8	217.1	182.1	-2.9%	3.8%
Total receipts	3 585.0	-22.6%	100.0%	6 199.1	6 298.5	6 378.8	21.2%	100.0%
Current payments	5 786.5	-9.4%	84.0%	5 772.6	5 818.4	6 239.1	2.5%	100.0%
Compensation of employees	3 069.7	-0.5%	40.7%	2 848.5	2 735.3	3 001.8	-0.7%	49.4%
Goods and services	2 715.2	-16.4%	43.0%	2 923.1	3 082.0	3 236.1	6.0%	50.6%
Interest and rent on land	1.6	-50.9%	0.3%	1.0	1.1	1.2	-9.6%	0.0%
Total payment	5 786.5	-11.9%	100.0%	5 772.6	5 818.4	6 239.1	2.5%	100.0%
Net cash flow from investing activities	(451.4)	13.2%	100.0%	(167.9)	(325.1)	(400.0)	-4.0%	100.0%
Acquisition of property, plant, equipment and intangible assets	(451.4)	14.5%	97.7%	(167.9)	(324.4)	(400.0)	-4.0%	99.9%
Acquisition of software and other intangible assets	-	-100.0%	3.3%	-	(0.7)	-	-	0.1%
Net cash flow from financing activities	3 367.6	142.9%	100.0%	192.8	213.2	221.2	-59.6%	100.0%
Deferred income	183.3	0.3%	75.4%	205.8	217.1	225.1	7.1%	78.9%
Borrowing Activities	(2.5)	-	-0.5%	-	-	-	-100.0%	-0.0%
Repayment of finance leases	(13.2)	-162.9%	1.4%	(12.9)	(3.9)	(3.9)	-33.4%	-2.7%
Other flows from financing activities	3 200.0	-	23.8%	-	-	-	-100.0%	23.8%
Net increase/(decrease) in cash and cash equivalents	714.6	-196.3%	100.0%	451.4	368.2	(39.0)	-137.9%	100.0%
Statement of financial position								
Carrying value of assets	1 952.2	2.9%	36.2%	1 941.0	2 077.6	2 290.8	5.5%	38.4%
<i>Acquisition of assets</i>	<i>(451.4)</i>	<i>14.5%</i>	<i>-5.2%</i>	<i>(167.9)</i>	<i>(324.4)</i>	<i>(400.0)</i>	<i>-4.0%</i>	<i>-6.2%</i>
Inventory	1 219.9	16.4%	15.8%	1 182.6	1 209.8	1 243.7	0.6%	22.6%
Receivables and prepayments	955.4	3.5%	18.9%	1 017.9	1 058.3	1 128.9	5.7%	19.4%
Cash and cash equivalents	373.2	65.9%	3.3%	234.4	59.6	79.2	-40.3%	3.5%
Defined benefit plan assets	852.9	-13.8%	25.6%	852.9	852.9	852.9	-	15.9%
Derivatives financial instruments	12.2	8.2%	0.2%	12.2	12.2	12.2	-	0.2%
Total assets	5 365.7	3.4%	100.0%	5 241.0	5 270.4	5 607.7	1.5%	100.0%
Accumulated surplus/(deficit)	(742.6)	-171.2%	17.9%	(931.6)	(1 174.9)	(1 725.7)	32.5%	-21.2%
Capital and reserves	10.2	7.9%	0.2%	10.2	10.2	10.2	-	0.2%
Capital reserve fund	3 409.9	118.1%	21.2%	3 402.3	3 404.2	3 413.1	0.0%	63.5%
Finance lease	16.8	-33.2%	0.8%	3.9	-	-	-100.0%	0.1%
Deferred income	39.1	-22.6%	1.4%	39.1	39.1	39.1	-	0.7%
Trade and other payables	818.3	3.1%	22.1%	874.9	1 134.2	1 983.7	34.3%	22.2%
Provisions	1 614.5	1.9%	31.5%	1 661.1	1 679.5	1 703.5	1.8%	31.0%
Derivatives financial instruments	199.3	93.8%	3.8%	181.0	178.1	183.8	-2.7%	3.5%
Total equity and liabilities	5 365.7	3.4%	100.0%	5 241.0	5 270.4	5 607.7	1.5%	100.0%

Personnel information

Table 30.27 South African Broadcasting Corporation Limited personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual 2018/19			Revised estimate 2019/20			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		Number	Cost	Unit cost	Number	Cost	Unit cost	2020/21		2021/22		2022/23						
South African Broadcasting Corporation Limited		3 245	2 858.5	0.9	3 245	3 069.7	0.9	3 245	2 848.5	0.9	3 245	2 735.3	0.8	3 245	3 001.8	0.9	-0.7%	100.0%
Salary level		3 245	2 858.5	0.9	3 245	3 069.7	0.9	3 245	2 848.5	0.9	3 245	2 735.3	0.8	3 245	3 001.8	0.9	-0.7%	100.0%
1 – 6	55	55	540.4	9.8	55	640.2	11.6	55	144.0	2.6	55	138.2	2.5	55	151.7	2.8	-38.1%	1.7%
7 – 10	2 169	2 169	1 241.9	0.6	2 169	1 301.1	0.6	2 169	1 448.3	0.7	2 169	1 390.8	0.6	2 169	1 526.3	0.7	5.5%	66.8%
11 – 12	784	784	731.8	0.9	784	766.5	1.0	784	853.3	1.1	784	819.4	1.0	784	899.2	1.1	5.5%	24.2%
13 – 16	226	226	308.3	1.4	226	323.7	1.4	226	360.4	1.6	226	346.1	1.5	226	379.8	1.7	5.5%	7.0%
17 – 22	11	11	36.1	3.3	11	38.2	3.5	11	42.5	3.9	11	40.8	3.7	11	44.8	4.1	5.5%	0.3%

1. Rand million.

South African Post Office

Selected performance indicators

Table 30.28 South African Post Office performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current		Projections	
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total number of points of presence	Post office operations	Entity mandate	2 222	2 209	2 180	2 000	2 000	2 000	2 000
Number of new addresses rolled out per year as part of the address expansion programme	Post office operations		241 416	656 002	589 156	500 000	500 000	500 000	500 000

Entity overview

The South African Post Office was established to provide postal and related services to the public, and is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). It derives its mandate from the Postal Services Act (1998), the South African Post Office SOC Ltd Act (2011) and the South African Postbank Limited Act (2010). The Postal Services Act grants the post office an exclusive mandate to conduct postal services in the reserved sector for items such as letters, postcards and parcels less than 1 kilogram, and makes provision for the regulation of postal services and the operational functions of the entity, including its universal service obligations.

Over the medium term, the post office will focus on providing universal access to postal and related services, stabilising its financial position, optimising its personnel to ensure operational effectiveness, and distributing social grants on behalf of the South African Social Security Agency.

The post office is allocated R1.6 billion over the MTEF period to subsidise its universal service obligations to provide accessible and affordable postal services in underserved areas. This allocation is expected to allow the entity to maintain 2 000 points of presence, including post offices, retail postal agencies and mobile units, over the medium term.

As the work of the post office is labour intensive, expenditure on compensation of employees accounts for a projected 50.1 per cent (R11.5 billion) of total expenditure over the medium term. Other significant spending over the medium term is on transport and IT to support an expected increase in revenue in the courier and e-commerce sectors. Total expenditure over the MTEF period is expected to increase at an average annual rate of 4.5 per cent, from R7.2 billion in 2019/20 to R8.2 billion in 2022/23.

The post office generates revenue by providing postal and courier services, and through income earned from interest and fees for financial transactions. Total revenue is expected to increase from R6.8 billion in 2019/20 to R8.9 billion in 2022/23 at an average annual rate of 9.2 per cent due to potential revenue opportunities from government and the unreserved market. These opportunities include courier services, in which the post office competes with the private sector.

Programmes/Objectives/Activities**Table 30.29 South African Post Office Limited expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	1 850.5	1 421.1	1 115.1	1 627.6	-4.2%	23.1%	1 970.8	2 009.3	2 049.2	8.0%	25.1%
Logistics	113.0	50.5	35.7	41.6	-28.3%	0.9%	40.0	42.5	43.4	1.4%	0.6%
Postbank	301.9	398.6	706.4	1 008.8	49.5%	9.0%	1 073.1	1 421.7	1 548.3	15.3%	16.5%
Post Office Operations	4 044.6	4 169.4	4 729.3	4 542.7	3.9%	67.0%	4 101.2	4 344.9	4 600.9	0.4%	57.8%
Total	6 310.0	6 039.6	6 586.5	7 220.7	4.6%	100.0%	7 185.0	7 818.4	8 241.7	4.5%	100.0%

Statements of historical financial performance, cash flow and financial position**Table 30.30 South African Post Office Limited statements of historical financial performance, cash flow and financial position**

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%)
	Budget	2016/17	Budget	2017/18	Budget	2018/19	Budget estimate	2019/20	
Revenue									
Non-tax revenue	6 596.8	5 083.2	6 667.3	4 795.3	4 975.4	5 486.8	6 368.2	6 368.2	88.3%
Sale of goods and services other than capital assets	6 397.5	4 626.3	6 493.7	4 579.3	4 881.1	5 027.1	5 942.4	5 942.4	85.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	6 397.5	4 626.3	6 493.7	4 579.3	4 881.1	5 027.1	5 942.4	5 942.4	85.1%
Other non-tax revenue	199.3	456.8	173.7	216.0	94.2	459.7	425.8	425.8	174.5%
Transfers received	240.0	240.0	240.0	240.0	-	-	474.6	474.6	100.0%
Total revenue	6 836.8	5 323.2	6 907.3	5 035.3	4 975.4	5 486.8	6 842.8	6 842.8	88.8%
Expenses									
Current expenses	7 984.7	6 290.3	6 820.7	6 039.4	6 198.4	6 586.1	7 149.5	7 220.7	92.8%
Compensation of employees	3 914.2	3 560.4	3 488.2	3 396.9	3 603.4	3 749.8	4 001.7	3 784.1	96.6%
Goods and services	3 561.2	2 194.8	2 699.2	2 070.3	2 114.5	2 521.1	2 693.6	2 982.4	88.3%
Depreciation	204.5	142.3	150.7	145.3	136.6	177.0	325.6	325.6	96.7%
Interest, dividends and rent on land	304.8	392.8	482.7	426.9	343.9	138.2	128.7	128.7	86.2%
Total expenses	7 984.7	6 310.0	6 820.7	6 039.6	6 198.4	6 586.5	7 149.5	7 220.7	92.9%
Surplus/(Deficit)	(1 147.9)	(986.9)	86.6	(1 004.3)	(1 223.0)	(1 099.7)	(306.7)	(377.9)	
Cash flow statement									
Cash flow from operating activities	(497.9)	(1 734.2)	3 786.6	(240.2)	(2 010.2)	(1 477.3)	(723.6)	(52.3)	-631.5%
Receipts									
Non-tax receipts	6 596.8	5 083.2	6 667.3	4 795.3	4 975.4	5 486.8	6 368.2	6 368.2	88.3%
Sales of goods and services other than capital assets	6 397.5	4 626.3	6 493.7	4 579.3	4 881.1	5 027.1	5 942.4	5 942.4	85.1%
<i>Sales by market establishment</i>	6 397.5	4 626.3	6 493.7	4 579.3	4 881.1	5 027.1	5 942.4	5 942.4	85.1%
Other tax receipts	199.3	456.8	173.7	216.0	94.2	459.7	425.8	425.8	174.5%
Transfers received	890.0	240.0	3 940.0	240.0	-	-	474.6	474.6	18.0%
Total receipts	7 486.8	5 323.2	10 607.3	5 035.3	4 975.4	5 486.8	6 842.8	6 842.8	75.8%
Payment									
Current payments	7 984.7	7 057.4	6 820.7	5 275.3	6 985.6	6 963.7	7 566.3	6 895.1	89.2%
Compensation of employees	3 914.2	3 560.4	3 367.2	3 396.9	3 603.4	3 749.8	4 001.7	3 784.1	97.3%
Goods and services	3 765.7	3 104.2	2 971.0	1 451.5	3 038.3	3 075.7	3 176.3	2 982.4	82.0%
Interest and rent on land	304.8	392.8	482.5	426.9	343.9	138.2	388.4	128.7	71.5%
Total payments	7 984.7	7 057.4	6 820.7	5 275.5	6 985.6	6 964.1	7 566.3	6 895.1	89.2%
Net cash flow from investing activities	(900.0)	(395.3)	(58.3)	3.8	(892.0)	1 474.8	(1 606.0)	(3 566.8)	71.9%
Acquisition of property, plant, equipment and intangible assets	(500.0)	(17.2)	(38.3)	(34.0)	(16.1)	(119.0)	(856.0)	(856.0)	72.8%
Acquisition of software and other intangible assets	(400.0)	(37.1)	(20.0)	(10.1)	(581.1)	(66.9)	(323.0)	(323.0)	33.0%
Other flows from investing activities	-	(340.9)	-	47.9	(294.7)	1 660.7	(427.0)	(2 387.8)	141.3%
Net cash flow from financing activities	1 433.0	3 529.4	(3 647.0)	399.3	2 651.8	2 948.2	907.3	398.7	540.9%
Borrowing activities	2 700.0	2 700.0	(2 700.0)	(3 300.7)	(400.0)	(400.3)	-	-	250.2%
Other flows from financing activities	(1 267.0)	829.4	(947.0)	3 700.0	3 051.8	3 348.5	907.3	398.7	474.3%
Net increase/(decrease) in cash and cash equivalents	35.1	1 399.9	81.3	162.9	(250.4)	2 945.6	(1 422.3)	(3 220.4)	

Table 30.30 South African Post Office Limited statements of historical financial performance, cash flow and financial position

Statement of financial position	Audited		Audited		Audited		Budget		Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	Budget estimate	Revised estimate	
R million	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Carrying value of assets	1 962.6	2 733.9	2 831.7	2 715.4	3 044.8	2 737.2	3 899.2	3 899.2	103.0%
Acquisition of assets	(500.0)	(17.2)	(38.3)	(34.0)	(16.1)	(119.0)	(856.0)	(856.0)	72.8%
Investments	5 502.4	5 966.5	6 064.5	6 969.6	6 320.0	5 368.4	6 809.6	6 742.7	101.4%
Inventory	74.8	70.0	69.3	61.5	65.2	63.3	69.1	52.7	88.9%
Receivables and prepayments	574.6	408.7	400.2	481.8	454.5	1 714.6	467.4	467.4	162.0%
Cash and cash equivalents	2 790.9	4 055.5	4 536.8	3 241.2	3 992.4	6 186.9	2 570.2	3 607.9	123.0%
Total assets	10 905.2	13 234.5	13 902.5	13 469.5	13 876.9	16 070.3	13 815.5	14 769.9	109.6%
Accumulated surplus/(deficit)	(2 274.5)	(2 236.4)	(3 561.7)	(3 433.2)	(4 943.7)	(4 618.8)	(5 250.5)	(4 853.9)	94.5%
Capital and reserves	1 578.1	3 137.8	6 956.7	6 848.0	9 795.0	9 805.2	9 795.0	9 803.7	105.2%
Borrowings	3 850.2	3 701.0	1 000.0	400.3	–	–	–	–	84.6%
Finance lease	–	11.0	10.1	4.2	3.1	2.9	–	–	137.0%
Deferred income	266.1	223.6	240.9	212.7	238.2	178.9	250.1	350.3	97.0%
Trade and other payables	5 825.2	6 776.1	7 545.6	7 462.7	7 088.4	8 615.3	7 222.5	7 798.7	110.7%
Taxation	–	–	–	18.6	–	18.8	–	–	–
Provisions	1 660.1	1 621.4	1 710.8	1 956.2	1 696.0	1 792.9	1 798.3	1 671.2	102.6%
Derivatives financial instruments	–	–	–	–	–	275.0	–	–	–
Total equity and liabilities	10 905.2	13 234.5	13 902.5	13 469.5	13 876.9	16 070.3	13 815.5	14 769.9	109.6%

Statements of estimates of financial performance, cash flow and financial position**Table 30.31 South African Post Office Limited statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2019/20	2020/21	2021/22		
R million								
Revenue								
Non-tax revenue	6 368.2	7.8%	95.9%	7 308.3	7 957.4	8 366.8	9.5%	93.6%
Sale of goods and services other than capital assets	5 942.4	8.7%	89.1%	7 062.2	7 676.2	8 103.6	10.9%	89.7%
<i>Sales by market establishment</i>	5 942.4	8.7%	89.1%	7 062.2	7 676.2	8 103.6	10.9%	89.7%
Other non-tax revenue	425.8	-2.3%	6.9%	246.1	281.2	263.2	-14.8%	3.9%
Transfers received	474.6	25.5%	4.1%	492.1	523.0	542.5	4.6%	6.4%
Total revenue	6 842.8	8.7%	100.0%	7 800.3	8 480.4	8 909.3	9.2%	100.0%
Current expenses	7 220.7	4.7%	99.9%	7 013.5	7 667.5	8 101.7	3.9%	98.5%
Compensation of employees	3 784.1	2.1%	55.5%	3 527.2	3 845.8	4 086.1	2.6%	50.1%
Goods and services	2 982.4	10.8%	37.2%	3 042.7	3 259.3	3 402.4	4.5%	41.7%
Depreciation	325.6	31.8%	3.0%	239.6	299.5	344.5	1.9%	4.0%
Interest, dividends and rent on land	128.7	-31.1%	4.3%	204.0	262.9	268.8	27.8%	2.8%
Total expenses	7 220.7	4.6%	100.0%	7 185.0	7 818.4	8 241.7	4.5%	100.0%
Surplus/(Deficit)	(377.9)			615.3	661.9	667.6		
Cash flow statement								
Cash flow from operating activities	(52.3)	-68.9%	274.1%	1 031.9	1 117.1	1 204.5	31.3%	273.1%
Receipts								
Non-tax receipts	6 368.2	7.8%	95.9%	7 308.3	7 957.4	8 366.8	9.5%	93.6%
Sales of goods and services other than capital assets	5 942.4	8.7%	89.1%	7 062.2	7 676.2	8 103.6	10.9%	89.7%
<i>Sales by market establishment</i>	5 942.4	8.7%	89.1%	7 062.2	7 676.2	8 103.6	10.9%	89.7%
Other tax receipts	425.8	-2.3%	6.9%	246.1	281.2	263.2	-14.8%	3.9%
Transfers received	474.6	25.5%	4.1%	492.1	523.0	542.5	4.6%	6.4%
Total receipts	6 842.8	8.7%	100.0%	7 800.3	8 480.4	8 909.3	9.2%	100.0%
Current payments	6 895.1	-0.8%	100.1%	6 596.9	7 212.3	7 564.8	3.1%	98.4%
Compensation of employees	3 784.1	2.1%	55.5%	3 527.2	3 845.8	4 086.1	2.6%	53.1%
Goods and services	2 982.4	-1.3%	40.3%	2 865.7	3 103.6	3 210.0	2.5%	42.4%
Interest and rent on land	128.7	-31.1%	4.3%	204.0	262.9	268.8	27.8%	3.0%
Total payment	6 895.1	-0.8%	100.0%	6 768.5	7 363.3	7 704.8	3.8%	100.0%
Net cash flow from investing activities	(3 566.8)	108.2%	100.0%	(1 637.4)	(1 281.2)	(1 027.5)	-34.0%	100.0%
Acquisition of property, plant, equipment and intangible assets	(856.0)	267.5%	-219.0%	(910.0)	(700.0)	(485.0)	-17.3%	45.4%
Acquisition of software and other intangible assets	(323.0)	105.7%	-63.2%	(459.5)	(300.0)	(247.2)	-8.5%	21.1%
Other flows from investing activities	(2 387.8)	91.3%	382.2%	(267.8)	(281.2)	(295.3)	-50.2%	33.5%
Net cash flow from financing activities	398.7	-51.7%	100.0%	285.4	296.0	319.6	-7.1%	100.0%
Other flows from financing activities	398.7	-21.7%	290.9%	285.4	296.0	319.6	-7.1%	100.0%
Net increase/(decrease) in cash and cash equivalents	(3 220.4)	-232.0%	100.0%	(320.0)	131.9	496.7	-153.6%	100.0%

Table 30.31 South African Post Office Limited statements of estimates of financial performance, cash flow and financial position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
				2019/20	2016/17 - 2019/20	2020/21			2021/22	2022/23
				2019/20	2016/17 - 2019/20	2020/21			2021/22	2022/23
R million										
Carrying value of assets	3 899.2	12.6%	21.1%	3 848.2	4 447.5	4 737.1	6.7%	27.9%		
Acquisition of assets	(856.0)	267.5%	-1.7%	(910.0)	(700.0)	(485.0)	-17.3%	-4.9%		
Investments	6 742.7	4.2%	44.0%	5 970.1	6 322.5	6 693.9	-0.2%	42.5%		
Inventory	52.7	-9.0%	0.4%	71.1	75.4	79.9	14.9%	0.5%		
Receivables and prepayments	467.4	4.6%	5.1%	896.4	866.3	797.1	19.5%	5.0%		
Cash and cash equivalents	3 607.9	-3.8%	29.4%	3 416.6	3 548.5	4 036.5	3.8%	24.1%		
Total assets	14 769.9	3.7%	100.0%	14 202.5	15 260.2	16 344.5	3.4%	100.0%		
Accumulated surplus/(deficit)	(4 853.9)	29.5%	-26.0%	(5 177.6)	(4 515.6)	(3 848.0)	-7.4%	-30.6%		
Capital and reserves	9 803.7	46.2%	50.5%	9 805.2	9 805.2	9 805.2	0.0%	64.9%		
Deferred income	350.3	16.1%	1.7%	193.5	201.3	209.3	-15.8%	1.6%		
Trade and other payables	7 798.7	4.8%	53.3%	7 397.1	7 688.7	7 995.8	0.8%	51.0%		
Taxation	-	-	0.1%	18.8	18.8	18.8	-	0.1%		
Provisions	1 671.2	1.0%	12.3%	1 965.4	2 061.8	2 163.4	9.0%	13.0%		
Total equity and liabilities	14 769.9	3.7%	100.0%	14 202.5	15 260.2	16 344.5	3.4%	100.0%		

Personnel information

Table 30.32 South African Post Office Limited personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ 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 (%)	Average: Salary level/ Total (%)						
		2018/19		2019/20			2020/21		2021/22		2022/23				2019/20 - 2022/23					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost				Unit cost				
South African Post Office Limited		16 904	18 337	18 359	3 749.8	0.2	16 904	3 784.1	0.2	15 122	3 527.2	0.2	15 564	3 845.8	0.2	15 576	4 086.1	0.3	2.6%	100.0%
1 – 6	13 782	15 637	15 649	2 634.5	0.2	13 782	2 492.9	0.2	12 293	2 361.4	0.2	12 638	2 571.1	0.2	12 639	2 725.5	0.2	3.0%	81.3%	
7 – 10	2 980	2 556	2 562	955.4	0.4	2 980	1 125.7	0.4	2 700	1 012.6	0.4	2 790	1 104.5	0.4	2 794	1 172.5	0.4	1.4%	17.8%	
11 – 12	87	98	105	92.3	0.9	87	79.2	0.9	76	69.7	0.9	81	79.0	1.0	86	88.7	1.0	3.9%	0.5%	
13 – 16	49	40	39	54.3	1.4	49	67.6	1.4	47	64.9	1.4	49	71.5	1.5	51	78.4	1.5	5.1%	0.3%	
17 – 22	6	6	4	13.4	3.3	6	18.6	3.1	6	18.6	3.1	6	19.7	3.3	6	20.9	3.5	4.0%	0.0%	

State Information Technology Agency

Selected performance indicators

Table 30.33 State Information Technology Agency performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of e-government services implemented per year	Business operations	Priority 6: A capable, ethical and developmental state	28	23	55	80	100	100	100
Percentage of projects timeously, successfully and satisfactorily delivered within budget per year	Business operations		90% (851/941)	86% (787/920)	85% (799/935)	95%	100%	100%	100%

Entity overview

The State Information Technology Agency is governed by the State Information Technology Agency Act (1998), as amended, and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The State Information Technology Agency Act mandates the agency to provide IT, information systems and related services to and on behalf of government departments and organs of state. The agency is required to maintain secure information systems and execute its functions according to approved policies and standards.

Over the medium term, the agency will focus on delivering and operationalising an integrated digital ecosystem for government by migrating government data to cloud services. This is expected to enable greater accessibility and the integration of data from different sources, thereby improving policy analysis and decision-making. The implementation of the government digital transformation strategy will entail facilitating the acquisition of ICT skills and the modernisation of government infrastructure.

An estimated 65 per cent (R15 billion) of total expenditure over the medium term is earmarked for spending on

goods and services, mostly for the provision of IT services. Total expenditure is projected to increase from R6.8 billion in 2019/20 to R8.1 billion in 2022/23 at an average annual rate of 6.1 per cent. As the agency is dependent on skilled personnel to provide its services, expenditure on compensation of employees accounts for an estimated R6.7 billion (28.9 per cent) of total expenditure over the period ahead.

The entity generates its revenue by providing ICT infrastructure and services to government departments and organs of state. Total revenue is projected to increase from R7 billion in 2019/20 to R8.3 billion in 2022/23 at an average annual rate of 6 per cent.

Programmes/Objectives/Activities

Table 30.34 State Information Technology Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Administration	954.8	1 141.5	1 039.9	1 585.7		18.4%	19.9%	1 680.8	1 781.7	1 888.6	6.0%	23.2%
Business operations	4 661.9	4 574.9	4 300.2	5 230.8		3.9%	80.1%	5 565.8	5 899.8	6 253.8	6.1%	76.8%
Total	5 616.7	5 716.4	5 340.0	6 816.5		6.7%	100.0%	7 246.7	7 681.5	8 142.4	6.1%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 30.35 State Information Technology Agency statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%)
	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21	2021/22		
Revenue									
Non-tax revenue	6 464.0	5 777.6	6 441.5	5 943.2	6 279.9	5 203.0	6 781.7	7 001.8	92.1%
Sale of goods and services other than capital assets	6 395.4	5 680.8	6 360.7	5 758.7	6 204.6	5 027.3	6 701.0	6 921.1	91.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	6 395.4	5 680.8	6 360.7	5 758.7	6 204.6	5 027.3	6 701.0	6 921.1	91.1%
Other non-tax revenue	68.5	96.8	80.9	184.5	75.2	175.7	80.7	80.7	176.1%
Total revenue	6 464.0	5 777.6	6 441.5	5 943.2	6 279.9	5 238.5	6 781.7	7 001.8	92.3%
Expenses									
Current expenses	6 290.7	5 532.5	6 184.6	5 648.6	6 111.3	5 268.2	6 515.4	6 740.3	92.4%
Compensation of employees	2 245.5	1 786.6	1 774.2	1 753.3	1 876.9	1 839.3	1 924.4	1 971.2	94.0%
Goods and services	3 780.6	3 521.8	4 191.4	3 675.2	4 008.9	3 236.2	4 328.3	4 408.3	91.0%
Depreciation	264.6	174.5	219.0	220.1	225.5	192.7	262.7	360.8	97.6%
Interest, dividends and rent on land	–	49.7	–	–	–	–	–	–	–
Total expenses	6 328.6	5 616.7	6 252.3	5 716.4	6 183.1	5 340.0	6 591.6	6 816.5	92.6%
Surplus/(Deficit)	135.4	160.8	189.2	226.9	96.8	(101.5)	190.1	185.4	
Cash flow statement									
Cash flow from operating activities	816.2	234.7	642.4	520.9	571.1	(160.4)	647.2	597.0	44.5%
Receipts									
Non-tax receipts	6 442.6	6 297.8	6 829.1	6 753.3	6 235.9	5 369.3	6 647.0	6 976.6	97.1%
Sales of goods and services other than capital assets	6 395.4	6 235.1	6 779.2	6 690.6	6 183.1	5 295.6	6 591.6	6 921.1	96.9%
<i>Sales by market establishment</i>	6 395.4	6 235.1	6 779.2	6 690.6	6 183.1	5 295.6	6 591.6	6 921.1	96.9%
Other tax receipts	47.2	62.6	49.9	62.7	52.8	73.7	55.4	55.4	124.0%
Total receipts	6 442.6	6 390.2	6 829.1	6 778.8	6 235.9	5 369.3	6 647.0	6 976.6	97.6%
Payment									
Current payments	5 554.6	6 155.5	6 094.4	6 257.9	5 664.7	5 474.6	5 999.8	6 379.6	104.1%
Compensation of employees	1 782.0	1 786.6	1 742.4	1 753.3	1 876.9	1 839.3	1 924.4	1 971.2	100.3%
Goods and services	3 772.6	4 368.4	4 352.1	4 504.1	3 787.8	3 635.3	4 075.4	4 408.3	105.8%
Interest and rent on land	–	0.5	–	0.5	–	–	–	–	–
Total payments	5 626.5	6 155.5	6 186.7	6 257.9	5 664.7	5 529.8	5 999.8	6 379.6	103.6%
Net cash flow from investing activities	(496.2)	(203.9)	(545.7)	(99.1)	(201.6)	(271.5)	(400.0)	(500.0)	65.4%
Acquisition of property, plant, equipment and intangible assets	(208.8)	(32.8)	(260.7)	(90.2)	(158.4)	(120.6)	(226.4)	(326.4)	66.7%
Net cash flow from financing activities	–	–	–	–	–	–	–	–	–
Other flows from financing activities	–	–	–	–	–	–	–	–	–
Net increase/(decrease) in cash and cash equivalents	320.0	30.8	96.7	421.8	369.5	(432.0)	247.2	97.0	

Table 30.35 State Information Technology Agency statements of historical financial performance, cash flow and financial position

Statement of financial position									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2016/17 - 2019/20
R million	2016/17		2017/18		2018/19		2019/20		
Carrying value of assets	1 950.6	1 271.1	1 657.6	1 166.6	1 174.2	1 094.4	1 425.3	1 369.9	79.0%
Inventory	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	1 117.7	1 183.3	1 209.1	1 605.1	1 221.8	1 173.2	1 043.4	1 672.6	122.7%
Defined benefit plan assets	-	-	-	-	-	-	-	-	-
Taxation	202.7	215.3	205.1	112.4	1.1	206.6	1.2	194.5	177.7%
Derivatives financial instruments	-	-	-	-	-	-	-	-	-
Total assets	4 075.1	3 916.5	4 153.5	4 149.1	4 446.0	4 432.5	4 539.5	4 392.0	98.1%
Finance lease	-	-	-	-	-	-	-	-	-
Trade and other payables	1 009.4	1 067.7	991.5	1 090.0	1 089.0	1 503.5	1 193.2	1 115.2	111.5%
Benefits payable	-	-	-	-	-	-	-	-	-
Provisions	150.9	114.3	125.7	97.7	107.4	69.2	118.2	118.2	79.5%
Total equity and liabilities	4 075.1	3 916.5	4 153.5	4 149.1	4 446.0	4 432.5	4 539.5	4 392.0	98.1%

Statements of estimates of financial performance, cash flow and financial position**Table 30.36 State Information Technology Agency statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	2019/20	2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23	
Revenue								
Non-tax revenue	7 001.8	6.6%	99.8%	7 427.2	7 873.7	8 340.3	6.0%	100.0%
Sale of goods and services other than capital assets	6 921.1	6.8%	97.5%	7 336.4	7 776.6	8 243.2	6.0%	98.8%
<i>Sales by market establishment</i>	6 921.1	6.8%	97.5%	7 336.4	7 776.6	8 243.2	6.0%	98.8%
Other non-tax revenue	80.7	-5.9%	2.3%	90.8	97.1	97.1	6.4%	1.2%
Total revenue	7 001.8	6.6%	100.0%	7 427.2	7 873.7	8 340.3	6.0%	100.0%
Current expenses	6 740.3	6.8%	98.7%	7 167.4	7 598.2	8 054.1	6.1%	98.9%
Compensation of employees	1 971.2	3.3%	31.5%	2 089.5	2 214.9	2 347.8	6.0%	28.9%
Goods and services	4 408.3	7.8%	63.1%	4 695.5	4 978.0	5 364.9	6.8%	65.0%
Depreciation	360.8	27.4%	4.0%	382.4	405.4	341.4	-1.8%	5.0%
Total expenses	6 816.5	6.7%	100.0%	7 246.7	7 681.5	8 142.4	6.1%	100.0%
Surplus/(Deficit)	185.4			180.5	192.2	197.9		
Cash flow statement								
Cash flow from operating activities	597.0	36.5%	296.6%	512.0	543.2	427.3	17.7%	298.8%
Receipts								
Non-tax receipts	6 976.6	3.5%	99.5%	7 394.7	7 839.3	8 243.2	5.7%	100.0%
Sales of goods and services other than capital assets	6 921.1	3.5%	98.5%	7 336.4	7 776.6	8 243.2	6.0%	99.4%
<i>Sales by market establishment</i>	6 921.1	3.5%	98.5%	7 336.4	7 776.6	8 243.2	6.0%	99.4%
Other tax receipts	55.4	-4.0%	1.0%	58.3	62.7	-	-100.0%	0.6%
Total receipts	6 976.6	3.0%	100.0%	7 394.7	7 839.3	8 243.2	5.7%	100.0%
Current payments	6 379.6	1.2%	103.8%	6 785.0	7 192.9	7 712.7	6.5%	99.0%
Compensation of employees	1 971.2	3.3%	31.5%	2 089.5	2 214.9	2 347.8	6.0%	30.4%
Goods and services	4 408.3	0.3%	72.3%	4 695.5	4 978.0	5 364.9	6.8%	68.5%
Total payment	6 379.6	1.2%	100.0%	6 882.8	7 296.0	7 815.9	7.0%	100.0%
Net cash flow from investing activities	(500.0)	34.9%	100.0%	(550.0)	(600.0)	(600.0)	6.3%	100.0%
Acquisition of property, plant, equipment and intangible assets	(326.4)	115.0%	54.2%	(336.4)	(386.4)	(386.4)	5.8%	63.8%
Net cash flow from financing activities	-	-	-	-	-	-	-	-
Other flows from financing activities	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	97.0	46.5%	100.0%	(38.0)	(56.8)	(172.7)	-221.2%	100.0%
Statement of financial position								
Inventory	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Cash and cash equivalents	1 672.6	12.2%	33.4%	1 716.8	1 750.6	1 731.1	1.2%	36.5%
Defined benefit plan assets	-	-	-	-	-	-	-	-
Taxation	194.5	-3.3%	4.3%	104.9	111.7	59.1	-32.8%	2.5%
Derivatives financial instruments	-	-	-	-	-	-	-	-
Total assets	4 392.0	3.9%	100.0%	4 571.4	4 925.4	4 999.6	4.4%	100.0%
Finance lease	-	-	-	-	-	-	-	-
Benefits payable	-	-	-	-	-	-	-	-
Provisions	118.2	1.1%	2.4%	130.0	143.0	157.3	10.0%	2.9%
Total equity and liabilities	4 392.0	3.9%	100.0%	4 571.4	4 925.4	4 999.6	4.4%	100.0%

Personnel information

Table 30.37 State Information Technology Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020			Number and cost ¹ 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 (%)	Average: Salary level/Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
Agency			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
State Information Technology Agency	3 220	3 220	3 220	1 839.3	0.6	3 220	1 971.2	0.6	3 220	2 089.5	0.6	3 220	2 214.9	0.7	3 220	2 347.8	0.7	6.0%	100.0%
Salary level																			
1 – 6	280	280	280	48.1	0.2	280	51.6	0.2	280	54.7	0.2	280	58.0	0.2	280	61.4	0.2	6.0%	8.7%
7 – 10	1 986	1 986	1 986	850.2	0.4	1 986	911.2	0.5	1 986	965.9	0.5	1 986	1 023.9	0.5	1 986	1 085.3	0.5	6.0%	61.7%
11 – 12	591	591	591	503.0	0.9	591	539.1	0.9	591	571.5	1.0	591	605.8	1.0	591	642.1	1.1	6.0%	18.4%
13 – 16	354	354	354	410.3	1.2	354	439.8	1.2	354	466.2	1.3	354	494.1	1.4	354	523.8	1.5	6.0%	11.0%
17 – 22	9	9	9	27.5	3.1	9	29.5	3.3	9	31.3	3.5	9	33.2	3.7	9	35.2	3.9	6.0%	0.3%

1. Rand million.

Broadband Infraco

Selected performance indicators

Table 30.38 Broadband Infraco performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Network performance rebates paid as a percentage of gross revenue per year	Network operations		0.1% (1/100)	0.2% (2/100)	0.2% (2/100)	0.3%	0.3%	0.3%	0.3%
Average time taken to restore connectivity after core network faults per year	Network operations	Priority 1: Economic transformation and job creation	6.1 hours	7.5 hours	5.9 hours	7.5 hours	7 hours	7 hours	7 hours
Number of government sites connected to the Broadband Infraco network for phase 1 of the South Africa Connect broadband policy per year	Network operations		-1	166	258	400	933	1 730	1 709

1. No historical data available.

Entity overview

Broadband Infraco was established in terms of the Broadband Infraco Act (2007) to provide ICT infrastructure and broadband capacity in South Africa. This entails: expanding the availability and affordability of access to electronic communications, including but not limited to underdeveloped and underserved areas; ensuring that the bandwidth requirements for specific projects of national interest are met; and enabling the state to provide affordable access to electronic communications networks and services. The entity is owned by government and the Industrial Development Corporation, and is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999).

Over the medium term, the entity will continue to provide long-haul connectivity and various broadband communications services to its clients, including mobile operators, internet service providers and state-owned companies; expand its available long-distance network infrastructure; and provide available capacity to the private sector. It will also focus on connecting government facilities as part of the South Africa Connect broadband policy. The increased availability of the entity's infrastructure through initiatives such as South Africa Connect is expected to lead to the acquisition of new clients and thereby significantly increase the affordability of its services over the medium term. As the entity gears up for the full implementation of South Africa Connect, total expenditure is expected to increase from R653.2 million in 2019/20 to R1.3 billion in 2022/23 at an average annual rate of 26.1 per cent.

The entity generates revenue mainly by providing connectivity infrastructure services to customers. Total revenue is projected to increase from R562.1 million in 2019/20 to R1.5 billion in 2022/23, at an average annual rate of 38.2 per cent, due to a projected increase in revenue as a result of projects such as South Africa Connect.

Programmes/Objectives/Activities**Table 30.39 Broadband Infraco Limited expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	159.4	177.4	209.5	153.3	-1.3%	28.6%	230.1	234.6	248.8	17.5%	22.6%
Network Operations	451.2	408.5	399.0	499.9	3.5%	71.4%	641.0	855.4	1 060.8	28.5%	77.4%
Total	610.5	585.9	608.5	653.2	2.3%	100.0%	871.1	1 090.0	1 309.6	26.1%	100.0%

Statements of historical financial performance, cash flow and financial position**Table 30.40 Broadband Infraco Limited statements of historical financial performance**

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2016/17 - 2019/20
	Budget	2016/17	Budget	2017/18	Budget	2018/19			
Revenue									
Tax revenue	457.3	-	-	-	-	-	-	-	-
Non-tax revenue	5.1	486.1	492.3	472.4	536.4	593.8	651.1	562.1	125.5%
Sale of goods and services other than capital assets	-	479.9	492.0	468.8	536.4	589.4	651.1	562.1	125.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	-	479.9	492.0	468.8	536.4	589.4	651.1	562.1	125.0%
Other non-tax revenue	5.1	6.2	0.2	3.6	-	4.4	-	-	267.2%
Total revenue	462.4	483.1	492.3	472.4	536.4	593.8	651.1	562.1	98.6%
Expenses									
Current expenses	614.6	610.5	541.6	585.9	644.2	608.2	684.2	653.2	98.9%
Compensation of employees	142.5	100.1	116.8	102.0	119.9	105.2	125.3	126.1	85.9%
Goods and services	313.7	261.8	259.2	238.7	293.9	233.8	362.7	357.3	88.8%
Depreciation	144.4	163.8	154.0	151.0	187.2	163.0	177.6	149.7	94.6%
Interest, dividends and rent on land	14.0	84.9	11.6	94.1	43.3	106.3	18.7	20.0	348.8%
Total expenses	614.6	610.5	541.6	585.9	644.2	608.5	684.2	653.2	98.9%
Surplus/(Deficit)	(152.2)	(127.5)	(49.4)	(113.5)	(107.8)	(14.7)	(33.1)	(91.1)	

Statements of estimates of financial performance, cash flow and financial position**Table 30.41 Broadband Infraco Limited statements of estimates financial performance**

Statement of financial performance									
R million	Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23	
				2020/21	2021/22	2022/23			
Revenue									
Non-tax revenue	562.1	5.0%	100.2%	807.9	1 135.0	1 483.1	38.2%	100.0%	
Sale of goods and services other than capital assets	562.1	5.4%	99.5%	807.9	1 135.0	1 483.1	38.2%	100.0%	
<i>Sales by market establishment</i>	562.1	5.4%	99.5%	807.9	1 135.0	1 483.1	38.2%	100.0%	
Total revenue	562.1	5.2%	100.0%	807.9	1 135.0	1 483.1	38.2%	100.0%	
Current expenses	653.2	2.3%	100.0%	871.1	1 090.0	1 309.6	26.1%	100.0%	
Compensation of employees	126.1	8.0%	17.6%	136.9	145.9	167.5	9.9%	15.3%	
Goods and services	357.3	10.9%	44.2%	463.1	634.1	842.3	33.1%	57.6%	
Depreciation	149.7	-2.9%	25.6%	182.2	225.0	214.5	12.7%	20.2%	
Interest, dividends and rent on land	20.0	-38.3%	12.6%	88.9	85.0	85.2	62.2%	6.9%	
Total expenses	653.2	2.3%	100.0%	871.1	1 090.0	1 309.6	26.1%	100.0%	
Surplus/(Deficit)	(91.1)			(63.2)	45.0	173.5			

Personnel information**Table 30.42 Broadband Infraco Limited personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual 2018/19			Revised estimate 2019/20			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		Number	Cost	Unit cost	Number	Cost	Unit cost	2020/21		2021/22		2022/23							
Broadband Infraco Limited		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23		
Salary level	186	186	151	105.2	0.7	182	126.1	0.7	186	136.9	0.7	186	145.9	0.8	201	167.5	0.8	9.9%	100.0%
7 – 10	134	134	102	49.1	0.5	130	56.4	0.4	134	63.4	0.5	134	68.4	0.5	143	77.4	0.5	11.1%	71.7%
11 – 12	30	30	28	25.0	0.9	30	30.0	1.0	30	31.7	1.1	30	33.4	1.1	33	38.5	1.2	8.7%	16.3%
13 – 16	18	18	17	22.8	1.3	18	27.6	1.5	18	29.1	1.6	18	30.7	1.7	21	37.4	1.8	10.6%	9.9%
17 – 22	4	4	4	8.3	2.1	4	12.1	3.0	4	12.7	3.2	4	13.4	3.4	4	14.1	3.5	5.3%	2.1%

1. Rand million.

Film and Publication Board**Selected performance indicators****Table 30.43 Film and Publication Board performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of convergence surveys conducted per year	Industry compliance	Entity mandate	1 000	3 000	0	3 000	3 000	9 000	1 000
Number of unregistered distributors identified per year	Industry compliance		2 848	3 789	2 447	2 000	2 000	2 000	2 500
Number of raids conducted in provinces per year	Industry compliance		24	93	130	24	24	48	60
Number of inspections conducted on existing distributors per year	Industry compliance		6 000	8 118	7 926	6 000	6 000	6 000	7 000
Number of stakeholder relations strategies developed and implemented per year	Public awareness and education		4	4	3	4	4	4	4

Entity overview

The Film and Publication Board was established in terms of the Films and Publications Act (1996), as amended, and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Its mandate is to regulate the creation, production, possession and distribution of certain publications and films by classifying them; imposing age restrictions on content; and rendering the exploitative use of children in pornographic publications, films or online material punishable.

To ensure that distributors comply with the Films and Publications Act, over the medium term, the board will review its classification guidelines to ensure they remain relevant, and aims to conduct 19 000 inspections of distributors of content and 132 provincial raids. As this work is labour intensive, spending on compensation of employees accounts for an estimated 53.1 per cent (R197.2 million) of the board's total estimated expenditure over the medium term. Total expenditure is expected to increase from R110.4 million in 2019/20 to R129.1 million in 2022/23 at an average annual rate of 5.4 per cent. The board expects to derive 88.8 per cent (R327.5 million) of its revenue over the medium term through transfers from the department.

Programmes/Objectives/Activities**Table 30.44 Film and Publication Board expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	58.8	64.6	72.6	79.2	10.4%	70.5%	83.9	89.6	92.8	5.4%	71.8%
Industry compliance	10.3	10.6	7.0	12.3	6.2%	10.3%	13.6	14.0	15.2	7.5%	11.5%
Public awareness and education	6.6	6.2	2.9	4.4	-12.7%	5.2%	4.7	5.0	5.4	7.3%	4.0%
Online and mobile content regulation	12.0	9.7	10.5	11.4	-1.8%	11.3%	11.5	11.6	11.6	0.7%	9.6%
Partnerships and collaboration	2.4	1.8	3.3	3.2	9.7%	2.7%	3.6	3.8	4.1	9.2%	3.1%
Total	90.0	92.8	96.3	110.4	7.0%	100.0%	117.2	124.0	129.1	5.4%	100.0%

Statements of historical financial performance, cash flow and financial position**Table 30.45 Film and Publication Board statements of historical financial performance**

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2016/17 - 2019/20	
Revenue									
Non-tax revenue	7.8	7.9	7.8	8.6	8.9	8.8	11.0	11.0	102.3%
of which:									
Other non-tax revenue	7.8	7.9	7.8	8.6	8.9	8.8	11.0	11.0	102.3%
Transfers received	86.5	86.5	91.7	91.7	94.6	94.6	99.4	99.4	100.0%
Total revenue	94.3	94.3	99.5	100.3	103.5	103.4	110.4	110.4	100.2%
Expenses									
Current expenses	98.2	90.0	99.5	92.8	103.5	96.3	110.4	110.4	94.6%
Compensation of employees	45.2	46.5	51.0	53.2	52.2	57.9	58.2	58.2	104.5%
Goods and services	53.0	40.8	48.5	37.1	51.2	35.9	52.2	52.2	81.0%
Depreciation	-	2.7	-	2.5	-	2.4	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	0.1	-	-	-
Total expenses	98.2	90.0	99.5	92.8	103.5	96.3	110.4	110.4	94.6%
Surplus/(Deficit)	(4.0)	4.3	-	7.5	-	7.2	-	-	-

Statements of estimates of financial performance, cash flow and financial position**Table 30.46 Film and Publication Board statements of estimates financial performance**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23	
Revenue									
Non-tax revenue	11.0	11.8%	8.9%	13.2	14.3	15.4	11.9%	11.2%	
Other non-tax revenue	11.0	11.8%	8.9%	13.2	14.3	15.4	11.9%	11.2%	
Transfers received	99.4	4.7%	91.1%	104.0	109.7	113.8	4.6%	88.8%	
Total revenue	110.4	5.4%	100.0%	117.2	124.0	129.1	5.4%	100.0%	
Current expenses	110.4	7.0%	100.0%	117.2	124.0	129.1	5.4%	100.0%	
Compensation of employees	58.2	7.7%	55.5%	62.1	67.2	67.9	5.3%	53.1%	
Goods and services	52.2	8.5%	42.5%	55.1	56.8	61.3	5.5%	46.9%	
Total expenses	110.4	7.0%	100.0%	117.2	124.0	129.1	5.4%	100.0%	
Surplus/(Deficit)	-	-	-	-	-	-	-	-	

Personnel information

Table 30.47 Film and Publication Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ 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 (%)	Average: Salary level/Total (%)				
		2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost	
Film and Publication Board		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23		
Salary level	107	107	102	57.9	0.6	104	58.2	0.6	107	62.1	0.6	112	67.2	0.6	106	67.9	0.6	5.3%	100.0%
1 – 6	15	15	15	2.0	0.1	15	2.0	0.1	15	2.2	0.1	15	2.3	0.2	15	2.5	0.2	7.3%	14.0%
7 – 10	70	70	67	33.8	0.5	68	32.9	0.5	71	35.5	0.5	73	38.4	0.5	70	39.8	0.6	6.5%	65.7%
11 – 12	17	17	15	15.1	1.0	16	15.0	0.9	16	15.8	1.0	19	17.4	0.9	16	16.2	1.0	2.6%	15.6%
13 – 16	5	5	5	7.1	1.4	5	8.3	1.7	5	8.7	1.7	5	9.1	1.8	5	9.5	1.9	4.7%	4.7%

1. Rand million.

Independent Communications Authority of South Africa

Selected performance indicators

Table 30.48 Independent Communications Authority of South Africa performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Access to high-demand spectrum from 566.695 megahertz (MHz) to 958 MHz per year	Licensing	Priority 1: Economic transformation and job creation	810 MHz	850 MHz	958 MHz	958 MHz	958 MHz	958 MHz	958 MHz
Number of community television licences issued per year	Licensing	Entity mandate	– ¹	– ¹	– ¹	– ¹	14	13	13
Number of tariff analysis reports produced per year	Policy research and analysis	Priority 1: Economic transformation and job creation	3	3	2	2	2	2	2
Number of broadcasting licencees monitored per year	Compliance and consumer affairs	Entity mandate	69	71	60	65	70	75	85
Percentage of consumer complaints resolved per year	Compliance and consumer affairs		92% (4 324/ 4 700)	93% (5 706/ 6 115)	94% (7 896/ 8 360)	85%	85%	85%	85%
Number of economic communications network service licencees monitored per year	Compliance and consumer affairs		94	100	60	65	70	75	85

1. No historical data available.

Entity overview

The Independent Communications Authority of South Africa was established by the Independent Communications Authority of South Africa Act (2000) to regulate the South African communications, broadcasting and postal services sectors. The authority is listed as a schedule 1 public entity in terms of the Public Finance Management Act (1999). It derives its mandate from the Electronic Communications Act (2005) to license and regulate electronic communications and broadcasting services, and the Postal Services Act (1998) to license and regulate the postal services sector.

Over the medium term, the authority will focus on increasing internet access by licensing the international mobile telecommunications spectrum by 2021/22, increasing access to wireless broadband services, protecting consumers against unfair practices by service providers, increasing competition in the telecommunications and broadcasting sectors, and developing a framework for dynamic spectrum management. The authority also plans to implement television regulations to enable the provision of broadband services in the 470-694 MHz band, and increase its capability to monitor quality of service through the implementation of a system to manage network performance.

As the authority requires personnel with highly specialised skills to conduct this work, spending on compensation of employees accounts for an estimated 71.5 per cent (R1.1 billion) of total expenditure over the medium term.

Total expenditure is projected to increase from R519.2 million in 2019/20 to R539.6 million in 2022/23 at an average annual rate of 1.3 per cent. The authority expects to derive 96.6 per cent (R1.5 billion) of its projected revenue over the MTEF period through transfers from the department.

Programmes/Objectives/Activities

Table 30.49 The Independent Communications Authority of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	315.4	270.8	278.8	276.0	-4.4%	60.5%	258.9	270.3	279.8	0.5%	52.4%
Licensing	47.4	52.5	53.8	82.7	20.4%	12.3%	62.7	67.0	69.6	-5.6%	13.6%
Engineering and technology	16.2	18.3	22.7	19.1	5.8%	4.0%	20.5	21.9	23.4	6.9%	4.1%
Policy research and analysis	20.7	22.5	29.5	24.6	5.9%	5.1%	26.3	28.1	30.1	7.0%	5.3%
Compliance and consumer affairs	29.7	31.0	27.7	27.9	-2.0%	6.2%	29.8	31.9	34.0	6.9%	6.0%
Regions	-	69.6	75.1	88.9	-	11.9%	94.8	101.1	102.7	5.0%	18.7%
Total	429.4	464.7	487.6	519.2	6.5%	100.0%	493.0	520.3	539.6	1.3%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 30.50 The Independent Communications Authority of South Africa statements of historical financial performance

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2019/20 - 2019/20	
Revenue									
Non-tax revenue	11.0	24.4	27.0	19.4	19.8	14.9	20.9	20.9	101.1%
<i>of which:</i>									
Other non-tax revenue	11.0	24.4	27.0	19.4	19.8	14.9	20.9	20.9	101.1%
Transfers received	414.5	431.4	430.4	432.2	444.0	444.8	452.6	476.6	102.5%
Total revenue	425.5	455.8	457.4	451.6	463.8	459.7	473.6	497.6	102.4%
Expenses									
Current expenses	414.5	429.4	458.0	464.7	472.6	487.6	473.6	519.2	104.5%
Compensation of employees	242.3	244.8	285.2	290.2	308.5	306.4	315.9	333.9	102.0%
Goods and services	155.7	167.2	154.7	157.4	144.1	162.6	137.7	168.2	110.7%
Depreciation	16.5	17.3	18.2	17.2	20.0	18.5	20.0	17.1	93.8%
Interest, dividends and rent on land	-	0.1	-	0.0	0.0	0.0	0.0	0.0	1939.9%
Total expenses	414.5	429.4	458.0	464.7	472.6	487.6	473.6	519.2	104.5%
Surplus/(Deficit)	11.0	26.4	(0.6)	(13.2)	(8.8)	(27.9)	-	(21.7)	

Statements of estimates of financial performance, cash flow and financial position

Table 30.51 The Independent Communications Authority of South Africa statements of estimates financial performance

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2019/20	2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23		
Revenue									
Non-tax revenue	20.9	-5.0%	4.3%	15.2	16.1	16.7	-7.3%	3.4%	
Other non-tax revenue	20.9	-5.0%	4.3%	15.2	16.1	16.7	-7.3%	3.4%	
Transfers received	476.6	3.4%	95.7%	477.7	504.2	522.9	3.1%	96.6%	
Total revenue	497.6	3.0%	100.0%	493.0	520.3	539.6	2.7%	100.0%	
Current expenses	519.2	6.5%	100.0%	493.0	520.3	539.6	1.3%	100.0%	
Compensation of employees	333.9	10.9%	61.7%	357.3	382.3	409.1	7.0%	71.5%	
Goods and services	168.2	0.2%	34.6%	117.7	119.1	110.8	-13.0%	24.9%	
Depreciation	17.1	-0.3%	3.7%	17.9	18.8	19.8	5.0%	3.6%	
Interest, dividends and rent on land	0.0	-57.4%	0.0%	0.0	0.0	0.0	4.6%	0.0%	
Total expenses	519.2	6.5%	100.0%	493.0	520.3	539.6	1.3%	100.0%	
Surplus/(Deficit)	(21.7)			-	-	-			

Personnel information

Table 30.52 The Independent Communications Authority of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ 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 (%)	Average: Salary level/Total (%)				
		2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost	2019/20 - 2022/23
The Independent Communications Authority 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	416	416	400	306.4	0.8	416	333.9	0.8	416	357.3	0.9	416	382.3	0.9	416	409.1	1.0	7.0%	100.0%
1 – 6	27	27	26	5.0	0.2	27	5.4	0.2	27	5.8	0.2	27	6.2	0.2	27	6.6	0.2	7.0%	6.5%
7 – 10	209	209	200	111.3	0.6	209	121.3	0.6	209	129.8	0.6	209	138.9	0.7	209	148.6	0.7	7.0%	50.2%
11 – 12	118	118	112	99.0	0.9	118	107.9	0.9	118	115.5	1.0	118	123.6	1.0	118	132.2	1.1	7.0%	28.4%
13 – 16	61	61	61	88.1	1.4	61	96.0	1.6	61	102.7	1.7	61	109.9	1.8	61	117.6	1.9	7.0%	14.7%
17 – 22	1	1	1	3.0	3.0	1	3.3	3.3	1	3.5	3.5	1	3.8	3.8	1	4.0	4.0	7.0%	0.2%

1. Rand million.

National Electronic Media Institute of South Africa

Selected performance indicators

Table 30.53 National Electronic Media Institute of South Africa performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of e-literacy learners trained per year	e-Astuteness development	Priority 2: Education, skills and health	3 000	4 408	4 884	4 465	5 000	8 000	8 000
Number of sector users trained per year	e-Astuteness development		789	1 776	4 445	2 500	3 000	3 200	3 500
Number of ICT practitioners certified as competently trained per year	e-Astuteness development		599	768	812	800	900	1 000	1 000
Number of non-degree research papers and postgraduate research initiatives funded per year	Knowledge for innovation		5	7	8	3	3	3	3

Entity overview

The National Electronic Media Institute of South Africa was established as a non-profit educational institute in terms of the Companies Act (1973), and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Its mandate is to enhance the market readiness of students in various broadcasting disciplines and support the development of e-skills for South Africans.

Over the medium term, the institute will focus on implementing the operating model for the iKamva National e-Skills Institute, the new entity to be formed through the merger with the Institute for Satellite and Software Applications. The bill that will govern the merger process is undergoing the parliamentary legislative process for approval. The institute will also focus on implementing its e-skills agenda in collaboration with government, education, business and civil society, and continue to train and fund learners and sector users in a wide range of competencies in broadcasting, e-skills and e-literacy.

Spending on goods and services accounts for an estimated 35.7 per cent (R111.3 million) of total spending over the medium term, mostly on property rental, internal and external audit fees, cleaning and security services, IT services and insurance. Transfers and subsidies to higher education institutions to fund e-skills projects account for an estimated 29.5 per cent (R92.6 million) of total estimated expenditure over this period. Spending on compensation of employees is projected to increase from R32.7 million in 2019/20 to R41.3 million in 2022/23 at an average annual rate of 8.1 per cent, in line with the new organisational structure for the new iKamva National e-Skills Institute. Total expenditure is expected to increase from R95.3 million in 2019/20 to R109.7 million in 2022/23 at an average annual rate of 4.8 per cent.

The institute is set to derive all (R313.6 million) of its revenue over the medium term through transfers from the department.

Programmes/Objectives/Activities**Table 30.54 National Electronic Media Institute of South Africa expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	39.8	68.2	52.4	52.3	9.5%	59.7%	57.4	57.6	75.7	13.1%	59.2%
Multi-stakeholder collaboration	0.0	5.2	1.4	13.5	607.5%	5.1%	12.5	13.7	18.1	10.4%	14.1%
e-Astuteness development	13.3	16.1	48.1	9.8	-9.5%	23.8%	10.5	14.2	6.3	-13.8%	10.0%
Knowledge for innovation	6.6	12.8	-	12.1	22.1%	9.0%	12.7	12.7	6.1	-20.1%	10.8%
Aggregation framework	-	1.5	-	7.7	-	2.4%	6.2	6.5	3.4	-23.7%	5.9%
Total	59.8	103.8	101.9	95.3	16.8%	100.0%	99.2	104.7	109.7	4.8%	100.0%

Statements of historical financial performance, cash flow and financial position**Table 30.55 National Electronic Media Institute of South Africa statements of historical financial performance**

Statement of financial performance

R million	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Revenue									
Non-tax revenue	5.5	7.8	5.2	8.6	4.1	4.6	4.1	-	110.5%
Sale of goods and services other than capital assets	1.2	6.6	1.1	-	-	0.0	-	-	284.9%
of which:									
Sales by market establishment	1.2	6.6	1.1	-	-	0.0	-	-	284.9%
Other non-tax revenue	4.3	1.2	4.1	8.6	4.1	4.5	4.1	-	86.1%
Transfers received	77.2	50.5	85.8	90.4	107.6	94.8	110.2	95.3	86.9%
Total revenue	82.7	58.2	91.0	99.0	111.7	99.4	114.3	95.3	88.0%
Expenses									
Current expenses	82.7	46.5	93.0	103.8	71.5	101.9	68.8	68.0	101.3%
Compensation of employees	23.6	20.5	27.8	21.8	30.8	22.4	32.7	32.7	84.9%
Goods and services	57.7	24.6	63.7	80.4	40.7	78.3	36.1	35.2	110.2%
Depreciation	1.4	1.4	1.5	1.5	-	1.2	-	-	139.7%
Transfers and subsidies	-	13.3	-	-	40.2	-	45.5	27.4	47.4%
Total expenses	82.7	59.8	93.0	103.8	111.7	101.9	114.3	95.3	89.8%
Surplus/(Deficit)	-	(1.5)	(2.0)	(4.8)	-	(2.5)	-	-	

Statements of estimates of financial performance, cash flow and financial position**Table 30.56 National Electronic Media Institute of South Africa statements of estimates financial performance**

Statement of financial performance

R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2019/20	2020/21	2021/22		
Revenue								
Transfers received	95.3	23.6%	93.3%	99.2	104.7	109.7	4.8%	100.0%
Total revenue	95.3	17.9%	100.0%	99.2	104.7	109.7	4.8%	100.0%
Current expenses	68.0	13.5%	87.3%	65.4	66.2	89.3	9.5%	70.5%
Compensation of employees	32.7	16.9%	27.9%	34.3	33.5	41.3	8.1%	34.7%
Goods and services	35.2	12.7%	58.1%	31.0	32.5	47.8	10.7%	35.7%
Depreciation	-	-100.0%	1.3%	0.1	0.1	0.1	-	0.1%
Transfers and subsidies	27.4	27.4%	12.7%	33.8	38.4	20.4	-9.3%	29.5%
Total expenses	68.0	16.8%	100.0%	65.4	66.2	89.3	9.5%	70.5%
Surplus/(Deficit)	-			-	-	-		

Personnel information

Table 30.57 National Electronic Media Institute of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual 2018/19			Revised estimate 2019/20			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		Number	Cost	Unit cost	Number	Cost	Unit cost	2020/21		2021/22		2022/23							
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	2019/20 - 2022/23		
Salary level	40	40	40	22.4	0.6	40	32.7	0.8	40	34.3	0.9	40	33.5	0.8	40	41.3	1.0	8.1%	100.0%
1-6	7	7	7	1.4	0.2	7	1.5	0.2	7	1.6	0.2	7	1.7	0.2	7	2.2	0.3	14.7%	17.5%
11-12	30	30	30	16.7	0.6	30	25.4	0.8	30	26.5	0.9	30	26.7	0.9	30	32.4	1.1	8.5%	75.0%
13-16	3	3	3	4.4	1.5	3	5.9	2.0	3	6.2	2.1	3	5.2	1.7	3	6.7	2.2	4.4%	7.5%

1. Rand million.

Universal Service and Access Agency of South Africa

Entity overview

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

The agency is set to receive additional one-off allocations of R178 million in 2020/21 and R97 million in 2021/22 for distribution and administration costs related to the new implementation model for the broadcasting digital migration programme. These allocations will be paid to the South African Post Office. Total expenditure is expected to increase from R83.8 million in 2019/20 to R96.8 million in 2022/23 at an average annual rate of 4.9 per cent.

The agency expects to derive 99.4 per cent (R549.6 million) of its total revenue over the medium term through transfers from the department.

Programmes/Objectives/Activities

Table 30.58 Universal Service and Access Agency of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	147.0	164.3	105.1	83.8	-17.1%	100.0%	265.7	189.4	96.8	4.9%	100.0%
Total	147.0	164.3	105.1	83.8	-17.1%	100.0%	265.7	189.4	96.8	4.9%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 30.59 Universal Service and Access Agency of South Africa statements of historical financial performance

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%) 2016/17 - 2019/20
	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	
Revenue									
Non-tax revenue	–	10.7	–	4.4	1.0	1.8	0.9	0.9	937.9%
of which:									
Other non-tax revenue	–	10.7	–	4.4	1.0	1.8	0.9	0.9	937.9%
Transfers received	69.0	69.0	75.7	75.7	80.1	80.1	82.9	82.9	100.0%
Total revenue	69.0	79.7	75.7	80.1	81.1	81.9	83.8	83.8	105.1%
Expenses									
Current expenses	69.0	147.0	75.7	164.3	81.1	105.1	83.8	83.8	161.5%
Compensation of employees	43.5	42.1	47.4	44.4	51.3	47.8	53.9	53.3	95.7%
Goods and services	25.5	101.8	28.3	103.7	29.8	57.3	30.0	30.5	258.4%
Depreciation	–	3.1	–	16.2	–	–	–	–	–
Interest, dividends and rent on land	0.1	–	–	–	–	–	–	–	–
Total expenses	69.0	147.0	75.7	164.3	81.1	105.1	83.8	83.8	161.5%
Surplus/(Deficit)	–	(67.3)	–	(84.2)	–	(23.2)	–	–	(84.2)

Statements of estimates of financial performance, cash flow and financial position**Table 30.60 Universal Service and Access Agency of South Africa statements of estimates financial performance**

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2019/20				2016/17 - 2019/20	2020/21	2021/22		
Revenue									
Non-tax revenue	0.9	-56.1%	5.6%	0.8	0.7	0.7	-6.3%	0.6%	
Other non-tax revenue	0.9	-56.1%	5.6%	0.8	0.7	0.7	-6.3%	0.6%	
Transfers received	82.9	6.3%	94.4%	264.9	188.7	96.0	5.0%	99.4%	
Total revenue	83.8	1.7%	100.0%	265.7	189.4	96.8	4.9%	100.0%	
Current expenses									
Compensation of employees	53.3	8.2%	41.2%	58.2	62.3	66.2	7.5%	46.7%	
Goods and services	30.5	-33.1%	55.8%	207.5	127.1	30.6	0.0%	53.3%	
Total expenses	83.8	-17.1%	100.0%	265.7	189.4	96.8	4.9%	100.0%	
Surplus/(Deficit)	-			-	-	-			

Personnel information**Table 30.61 Universal Service and Access Agency of South Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020		Number and cost ¹ 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 (%)	Average: Salary level/Total (%)			
		2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
Agency of South Africa	60	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	60	59	47.8	0.8	60	53.3	0.9	60	58.2	1.0	60	62.3	1.0	60	66.2	1.1	7.5%	100.0%
1-6	2	2	0.3	0.1	2	0.3	0.1	2	0.3	0.2	2	0.3	0.2	2	0.4	0.2	7.5%	3.3%
7-10	24	24	11.0	0.5	24	12.2	0.5	24	13.3	0.6	24	14.2	0.6	24	15.1	0.6	7.4%	40.0%
11-12	15	15	13.4	0.9	15	14.7	1.0	15	16.1	1.1	15	17.2	1.1	15	18.3	1.2	7.4%	25.0%
13-16	19	19	23.2	1.3	19	26.1	1.4	19	28.5	1.5	19	30.6	1.6	19	32.5	1.7	7.6%	31.7%

1. Rand million.

Universal Service and Access Agency Fund**Selected performance indicators****Table 30.62 Universal Service and Access Fund performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections	
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of underserved areas provided with broadband infrastructure per year	Broadband infrastructure in underserved areas	Priority 5: Social cohesion and safe communities	2	1	2	-1	-1	-1
Number of public access sites in targeted municipal areas with end-point electronic communications infrastructure installed per year	Rapid deployment of access centres		295	275	200	200	200	200
Number of new sites provided with internet connectivity per year	Rapid deployment of access centres		- ²	609	275	300	330	330

1. No projection available.

2. No historical data available.

Entity overview

The Universal Service and Access Fund was established in terms of section 89(1) of the Electronic Communications Act (2005), and is listed as a schedule 3A public entity in the Public Finance Management Act (1999). The fund's sole mandate is to make is to subsidise ICT equipment and services, as well as electronic communications and broadcasting networks for needy people in underserved areas. The fund is managed by the Universal Service and Access Agency of South Africa.

Transfers and subsidies, mostly for implementing projects related to broadcasting digital migration in 2020/21 and 2021/22, and providing and maintaining sites with internet connectivity, account for an estimated

98.1 per cent (R2.2 billion) of total expenditure over the medium term. Total expenditure is expected to increase from R128.6 million in 2019/20 to R141.8 million in 2022/23 at an average annual rate of 3.3 per cent.

The fund derives its revenue through transfers from the department, and is set to receive additional one-off allocations amounting to R1.6 billion over the medium term for broadcasting digital migration. These allocations will be used to provide vouchers to low-income households for devices that will allow analogue televisions to receive digital signals once the analogue signal is switched off.

Programmes/Objectives/Activities

Table 30.63 Universal Service and Access Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	1.5	0.8	4.9	3.9	37.4%	1.6%	4.2	4.4	5.3	10.6%	1.9%
Broadband infrastructure in under-served areas	17.8	27.0	32.4	-	-100.0%	8.6%	-	-	-	-	-
Broadband infrastructure and connectivity to underserved areas	11.7	1.0	0.5	98.1	103.2%	22.2%	158.9	182.2	76.1	-8.1%	41.2%
Broadcasting digital migration programme	65.3	369.3	320.7	26.6	-25.9%	67.7%	578.7	1 163.4	60.4	31.4%	56.9%
Total	96.3	398.1	358.5	128.6	10.1%	100.0%	741.8	1 349.9	141.8	3.3%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 30.64 Universal Service and Access Fund statements of historical financial performance

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%) 2016/17 - 2019/20
	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20		
Revenue									
Non-tax revenue	-	108.7	-	105.7	80.0	82.4	50.0	65.0	278.3%
of which:									
Other non-tax revenue	-	108.7	-	105.7	80.0	82.4	50.0	65.0	278.3%
Transfers received	644.5	644.5	133.7	133.7	76.7	76.7	87.6	63.6	97.5%
Total revenue	644.5	753.2	133.7	239.4	156.7	159.1	137.6	128.6	119.4%
Expenses									
Current expenses	3.7	1.5	3.5	0.8	3.7	4.9	3.9	3.9	75.1%
Goods and services	3.7	1.5	3.5	0.8	3.7	4.9	3.9	3.9	75.1%
Transfers and subsidies	640.8	94.8	110.3	397.3	153.0	353.6	133.7	124.7	93.5%
Total expenses	644.5	96.3	113.8	398.1	156.7	358.5	137.6	128.6	93.2%
Surplus/(Deficit)	-	656.9	19.9	(158.7)	-	(199.4)	-	-	

Statements of estimates of financial performance, cash flow and financial position

Table 30.65 Universal Service and Access Fund statements of estimates financial performance

Statement of financial performance								
R million	Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20	Medium-term estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
				2020/21	2021/22	2022/23		
Revenue								
Non-tax revenue	65.0	-15.8%	40.2%	100.0	120.0	10.0	-46.4%	20.0%
Other non-tax revenue	65.0	-15.8%	40.2%	100.0	120.0	10.0	-46.4%	20.0%
Transfers received	63.6	-53.8%	59.8%	641.8	1 229.9	131.8	27.5%	80.0%
Total revenue	128.6	-44.5%	100.0%	741.8	1 349.9	141.8	3.3%	100.0%
Current expenses								
Goods and services	3.9	37.4%	1.6%	4.2	4.4	5.3	10.6%	1.9%
Transfers and subsidies	124.7	9.6%	98.4%	737.7	1 345.5	136.5	3.1%	98.1%
Total expenses	128.6	10.1%	100.0%	741.8	1 349.9	141.8	3.3%	100.0%
Surplus/(Deficit)	-			-	-	-		

◀ 2020 ▶
BUDGET

ESTIMATES OF NATIONAL
EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA