



# VOTE 32

TELECOMMUNICATIONS AND  
POSTAL SERVICES



# BUDGET 2017

ESTIMATES  
OF NATIONAL  
EXPENDITURE



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





# **Estimates of National Expenditure**

## **2017**

**National Treasury**

**Republic of South Africa**

22 February 2017



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The Estimates of National Expenditure 2017 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 on [www.treasury.gov.za](http://www.treasury.gov.za). Compared to the Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

# Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



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



# Introduction

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

The 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 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za) and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.





# **Telecommunications and Postal Services**

**National Treasury  
Republic of South Africa**



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# Vote 32

## Telecommunications and Postal Services

### Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	194.2	186.7	–	7.6	206.3	219.2
International Affairs and Trade	47.8	21.9	25.5	0.4	50.2	53.2
Policy, Research and Capacity Development	90.4	89.8	–	0.6	95.2	101.7
ICT Enterprise Development and Oversight	251.1	33.8	216.1	1.3	265.2	280.5
ICT Infrastructure Support	1 030.7	463.4	565.1	2.2	1 110.7	1 174.1
<b>Total expenditure estimates</b>	<b>1 614.2</b>	<b>795.5</b>	<b>806.7</b>	<b>12.0</b>	<b>1 727.5</b>	<b>1 828.8</b>
Executive authority	Minister of Telecommunications and Postal Services					
Accounting officer	Director General of Telecommunications and Postal Services					
Website address	<a href="http://www.doc.gov.za">www.doc.gov.za</a>					

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

### Vote purpose

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

### Mandate

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

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

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

## Selected performance indicators

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

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of ICT position papers developed for international engagements per year	International Affairs and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	3	5	5	5	4	4	4
Number of identified government institutions connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		-1	-1	0	1 293	2 700	1 718	1 717
Number of identified schools connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		-1	-1	0	1 507	887	2 048	2 048

1. No historical data available.

## Expenditure analysis

The National Development Plan (NDP) envisages that by 2030, the ICT sector will underpin the development of a dynamic and connected information society, and a vibrant knowledge economy that is inclusive and prosperous. Drawing from this vision, the Department of Telecommunications and Postal Services contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework by ensuring that ICT infrastructure and services are accessible, affordable, robust, reliable and secure. Over the medium term, the department will expand and modernise ICT infrastructure by implementing the South Africa Connect broadband policy, coordinating the migration to digital broadcasting, and implementing the legislative framework stemming from the 2016 National Integrated ICT Policy White Paper.

The department oversees state-owned companies within its portfolio to ensure that they grow sustainably, fulfil their mandates and are aligned with broader government objectives. An estimated 41 per cent of the department's total budget will be transferred to these entities over the medium term to cater for operational expenditure and specific projects such as digital migration. Spending in the *Public Entity Oversight* subprogramme in the *ICT Enterprise Development and Oversight* programme is expected to amount to R757 million over the medium term. A once-off sum of R650 million in 2016/17 for the recapitalisation of the South African Post Office resulted in spending in this programme increasing to R886.6 million in that year.

The department will focus on completing a review of its organisational structure over the medium term, in line with its revised mandate, strategic goals and objectives. This review will take into account Cabinet-approved reductions in the budget for compensation of employees over the period.

### Connecting South Africa

The department's broadband policy places emphasis on ensuring connectivity in underserved areas, prioritising schools, health facilities and other government institutions. A key focus of the department over the medium term will be on project managing and coordinating the implementation of the first phase of South Africa Connect broadband policy by rolling out broadband services to an estimated 6 135 government institutions and 4 983 schools. An amount of R1.9 billion is allocated for this in the *ICT Infrastructure Support* programme over the medium term on account of the increased budget for consultants and agency support.

### Coordinating digital migration

South Africa was given until June 2015 to meet the International Telecommunications Union's deadline to switch off analogue transmitters as part of the broadcasting digital migration project. However, the project has been delayed following a court ruling that declared part of the digital migration policy unlawful and invalid, and effectively placed the manufacture of digital terrestrial television set-top boxes on hold. As a result of the delay, Sentech will continue to maintain both the analogue and digital platforms until the issue is resolved. An amount of R193 million has been reprioritised in 2017/18 from the allocation for subsidies for set-top boxes to Sentech to cover dual illumination costs. The South African Post Office is set to receive R240 million in 2017/18 for the distribution of approximately 1.8 million set-top boxes, including registering households qualifying for the subsidy. An amount of R176.4 million is allocated to Sentech for expenditure related to the migration of digital signals over the medium term. Spending on these activities is expected to amount to R1.3 billion over the medium term in the *Digital Terrestrial Television* subprogramme in the *Infrastructure Support* programme.

## Implementing ICT policy

Following Cabinet's approval of the 2016 White Paper National Integrated ICT Policy, the department will focus on the ongoing legislative processes to implement the recommendations of the white paper. The department will also facilitate and coordinate the implementation of the national e-strategy to realise the e-services programme. Finalising a national e-strategy will plan for the digital transformation of South Africa to achieve the ideals of the NDP by prioritising sectoral electronic services such as e-health, e-agriculture and e-education. To give effect to these activities, spending in the *Policy, Research and Capacity Development* programme is expected to amount to R287.2 million over the medium term.

## Expenditure trends

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

Programmes														
1. Administration														
2. International Affairs and Trade														
3. Policy, Research and Capacity Development														
4. ICT Enterprise Development and Oversight														
5. ICT Infrastructure Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	216.1	216.1	201.2	216.4	230.4	225.3	173.7	180.3	221.9	193.3	207.9	205.8	106.8%	102.3%
Programme 2	33.3	33.3	38.5	36.8	36.8	42.5	43.4	43.4	41.5	44.7	45.7	45.5	106.2%	105.6%
Programme 3	84.4	89.4	88.3	98.0	121.0	72.9	105.6	105.6	74.0	95.6	88.8	86.8	83.9%	79.5%
Programme 4	708.1	761.1	176.5	719.2	742.4	247.6	447.9	447.9	489.0	891.8	886.6	886.1	65.0%	63.4%
Programme 5	1 002.0	1 272.2	1 196.9	523.0	1 106.0	979.8	642.8	628.0	473.8	1 191.9	1 188.5	920.6	106.3%	85.1%
<b>Total</b>	<b>2 043.9</b>	<b>2 372.1</b>	<b>1 701.5</b>	<b>1 593.4</b>	<b>2 236.7</b>	<b>1 568.1</b>	<b>1 413.3</b>	<b>1 405.3</b>	<b>1 300.1</b>	<b>2 417.4</b>	<b>2 417.4</b>	<b>2 144.8</b>	<b>89.9%</b>	<b>79.6%</b>
Change to 2016 Budget estimate														
<b>Economic classification</b>														
<b>Current payments</b>	<b>484.8</b>	<b>760.0</b>	<b>744.9</b>	<b>503.4</b>	<b>524.7</b>	<b>398.9</b>	<b>679.7</b>	<b>671.6</b>	<b>412.1</b>	<b>708.3</b>	<b>698.6</b>	<b>426.1</b>	<b>83.4%</b>	<b>74.7%</b>
Compensation of employees	195.0	195.0	158.5	204.6	204.6	175.5	191.8	198.5	181.7	213.7	213.7	209.1	90.0%	89.3%
Goods and services	289.8	565.0	586.4	298.8	320.1	223.4	487.9	473.1	230.4	494.6	484.9	216.9	80.0%	68.2%
<b>Transfers and subsidies</b>	<b>1 554.0</b>	<b>1 607.0</b>	<b>953.5</b>	<b>1 084.5</b>	<b>1 704.5</b>	<b>1 158.5</b>	<b>728.6</b>	<b>728.6</b>	<b>882.0</b>	<b>1 054.1</b>	<b>1 054.1</b>	<b>1 054.1</b>	<b>91.6%</b>	<b>79.5%</b>
Departmental agencies and accounts	773.4	788.4	395.9	771.4	1 322.4	945.4	597.4	597.4	532.6	790.8	790.8	790.8	-	-
Foreign governments and international organisations	16.2	16.2	21.0	16.2	16.2	23.7	22.2	22.2	24.6	23.4	23.4	23.4	119.0%	119.0%
Public corporations and private enterprises	764.4	802.4	535.4	297.0	366.0	188.8	109.0	109.0	324.1	240.0	240.0	240.0	91.3%	84.9%
Non-profit institutions	-	-	0.4	-	-	0.1	-	-	-	-	-	-	-	-
Households	-	-	0.9	-	-	0.4	-	-	0.7	-	-	-	-	-
<b>Payments for capital assets</b>	<b>5.2</b>	<b>5.2</b>	<b>2.5</b>	<b>5.5</b>	<b>7.5</b>	<b>10.3</b>	<b>5.1</b>	<b>5.1</b>	<b>5.5</b>	<b>5.0</b>	<b>14.6</b>	<b>14.6</b>	<b>159.1%</b>	<b>101.7%</b>
Machinery and equipment	5.2	5.2	2.4	5.5	5.5	10.1	5.1	5.1	3.4	4.6	7.7	7.7	116.6%	101.0%
Software and other intangible assets	-	-	0.1	-	2.0	0.2	-	-	2.1	0.4	6.9	6.9	2 308.0%	103.7%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>100.2%</b>	<b>100.2%</b>
<b>Total</b>	<b>2 043.9</b>	<b>2 372.1</b>	<b>1 701.5</b>	<b>1 593.4</b>	<b>2 236.7</b>	<b>1 568.1</b>	<b>1 413.3</b>	<b>1 405.3</b>	<b>1 300.1</b>	<b>2 417.4</b>	<b>2 417.4</b>	<b>2 144.8</b>	<b>89.9%</b>	<b>79.6%</b>

## Expenditure estimates

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

Programmes									
1. Administration									
2. International Affairs and Trade									
3. Policy, Research and Capacity Development									
4. ICT Enterprise Development and Oversight									
5. ICT Infrastructure Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	205.8	-1.6%	12.7%	194.2	206.3	219.2	2.1%	11.3%	
Programme 2	45.5	11.0%	2.5%	47.8	50.2	53.2	5.3%	2.7%	
Programme 3	86.8	-1.0%	4.8%	90.4	95.2	101.7	5.4%	5.1%	
Programme 4	886.1	5.2%	26.8%	251.1	265.2	280.5	-31.8%	23.0%	
Programme 5	920.6	-10.2%	53.2%	1 030.7	1 110.7	1 174.1	8.4%	57.9%	
<b>Total</b>	<b>2 144.8</b>	<b>-3.3%</b>	<b>100.0%</b>	<b>1 614.2</b>	<b>1 727.5</b>	<b>1 828.8</b>	<b>-5.2%</b>	<b>100.0%</b>	
Change to 2016 Budget estimate				(22.1)	(23.6)	(24.9)			
Economic classification									
<b>Current payments</b>	<b>426.1</b>	<b>-17.5%</b>	<b>29.5%</b>	<b>795.5</b>	<b>1 114.8</b>	<b>1 182.1</b>	<b>40.5%</b>	<b>48.1%</b>	
Compensation of employees	209.1	2.4%	10.8%	214.7	224.3	241.4	4.9%	12.2%	
Goods and services	216.9	-27.3%	18.7%	580.8	890.5	940.7	63.1%	35.9%	
<b>Transfers and subsidies</b>	<b>1 054.1</b>	<b>-13.1%</b>	<b>60.3%</b>	<b>806.7</b>	<b>603.5</b>	<b>637.2</b>	<b>-15.4%</b>	<b>42.4%</b>	
Departmental agencies and accounts	790.8	0.1%	39.7%	295.2	516.5	545.4	-11.6%	29.4%	
Foreign governments and international organisations	23.4	13.1%	1.4%	25.5	27.0	28.4	6.7%	1.4%	
Public corporations and private enterprises	240.0	-33.1%	19.2%	486.0	60.0	63.4	-35.8%	11.6%	
<b>Payments for capital assets</b>	<b>14.6</b>	<b>41.5%</b>	<b>0.5%</b>	<b>12.0</b>	<b>9.3</b>	<b>9.6</b>	<b>-13.2%</b>	<b>0.6%</b>	
Machinery and equipment	7.7	14.3%	0.4%	10.6	8.4	8.5	3.2%	0.5%	
Software and other intangible assets	6.9	-	0.1%	1.4	0.9	1.1	-46.1%	0.1%	
<b>Payments for financial assets</b>	<b>650.0</b>	<b>-</b>	<b>9.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>8.9%</b>	
<b>Total</b>	<b>2 144.8</b>	<b>-3.3%</b>	<b>100.0%</b>	<b>1 614.2</b>	<b>1 727.5</b>	<b>1 828.8</b>	<b>-5.2%</b>	<b>100.0%</b>	

## Goods and services expenditure trends and estimates

**Table 32.4 Vote goods and services expenditure trends and estimates**

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R thousand											
Administrative fees	2 089	1 492	1 627	2 094	0.1%	0.5%	1 346	1 478	1 620	-8.2%	0.2%
Advertising	49 614	1 468	3 198	2 594	-62.6%	3.7%	2 368	4 268	3 948	15.0%	0.5%
Minor assets	444	266	479	2 779	84.3%	0.3%	1 269	1 427	1 147	-25.5%	0.2%
Audit costs: External	10 458	14 591	28 067	5 335	-20.1%	3.8%	3 857	3 625	3 906	-9.9%	0.6%
Bursaries: Employees	382	636	513	845	30.3%	0.2%	2 276	2 488	2 477	43.1%	0.3%
Catering: Departmental activities	3 423	1 120	1 969	2 084	-15.2%	0.6%	1 626	1 507	2 047	-0.6%	0.3%
Communication	5 349	5 190	5 182	6 158	4.8%	1.4%	5 566	6 254	6 776	3.2%	0.9%
Computer services	3 416	9 466	5 117	2 525	-9.6%	1.3%	15 587	10 127	10 045	58.5%	1.3%
Consultants: Business and advisory services	410 057	49 055	75 146	21 784	-62.4%	36.5%	435 956	736 800	749 465	225.2%	67.1%
Infrastructure and planning services	-	-	-	128	-	-	-	-	-	-100.0%	-
Legal services	2 071	8 603	6 155	2 998	13.1%	1.3%	4 100	5 855	6 429	29.0%	0.7%
Contractors	3 987	2 336	2 060	4 017	0.3%	0.8%	1 764	2 057	2 572	-13.8%	0.4%
Agency and support/outsourced services	125	23 233	144	317 037	1263.7%	22.3%	6 114	7 363	35 832	-51.7%	12.6%
Entertainment	371	297	494	500	10.5%	0.1%	326	297	355	-10.8%	0.1%
Fleet services (including government motor transport)	1 948	1 471	999	777	-26.4%	0.3%	661	528	568	-9.9%	0.1%
Inventory: Clothing material and accessories	17	119	-	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	4	5	-	20	71.0%	-	21	-	-	-100.0%	-
Inventory: Materials and supplies	60	10	12	25	-25.3%	-	27	44	31	7.4%	-
Inventory: Medical supplies	3	-	-	27	108.0%	-	-	-	-	-100.0%	-
Inventory: Other supplies	2	-	-	234	389.1%	-	23	-	2	-79.6%	-
Consumable supplies	119	136	208	203	19.5%	-	204	245	231	4.4%	-
Consumables: Stationery, printing and office supplies	4 538	5 534	5 186	6 160	10.7%	1.4%	6 603	7 531	7 388	6.2%	1.0%
Operating leases	38 031	46 395	43 180	44 119	5.1%	11.3%	36 352	39 976	41 830	-1.8%	5.6%
Rental and hiring	2 098	740	1 364	510	-37.6%	0.3%	655	576	583	4.6%	0.1%
Property payments	9 813	11 703	10 152	10 725	3.0%	2.8%	13 733	13 538	14 342	10.2%	1.8%
Transport provided: Departmental activity	-	-	-	590	-	-	140	-	-	-100.0%	-
Travel and subsistence	28 566	27 910	33 140	25 342	-3.9%	7.5%	23 758	21 889	28 696	4.2%	3.4%
Training and development	2 185	6 840	2 433	15 708	93.0%	1.8%	9 261	10 424	12 683	-6.9%	1.7%
Operating payments	1 349	2 399	1 325	4 580	50.3%	0.6%	995	2 907	3 171	-11.5%	0.4%
Venues and facilities	5 850	2 402	2 277	5 035	-4.9%	1.0%	6 248	9 271	4 512	-3.6%	0.9%
<b>Total</b>	<b>586 369</b>	<b>223 417</b>	<b>230 427</b>	<b>484 933</b>	<b>-6.1%</b>	<b>100.0%</b>	<b>580 836</b>	<b>890 475</b>	<b>940 656</b>	<b>24.7%</b>	<b>100.0%</b>

## Transfers and subsidies expenditure trends and estimates

Table 32.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
<b>Provinces and municipalities</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	-	-	13	-	-	-	-	-	-	-	-
Provincial and local governments	-	-	13	-	-	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Municipal agencies and funds</b>											
<b>Current</b>	9	9	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities	9	9	-	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	395 886	945 422	532 574	790 785	25.9%	65.8%	295 181	516 496	545 420	-11.6%	69.3%
Information Systems, Electronics and Telecommunication Technologies Education and Training Authority	-	1 199	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4	-	4	-	-100.0%	-	-	-	-	-	-
National Electronic Media Institute of South Africa	50 746	37 859	36 601	77 200	15.0%	5.0%	85 785	90 761	95 844	7.5%	11.3%
Universal Service and Access Agency of South Africa	60 090	65 376	262 429	69 045	4.7%	11.3%	75 684	80 074	84 558	7.0%	10.0%
Universal Service and Access Fund	45 046	49 988	52 380	55 156	7.0%	5.0%	54 614	57 781	61 017	3.4%	7.4%
Universal Service and Access Fund: Broadcasting digital migration	240 000	791 000	181 160	589 384	34.9%	44.5%	79 098	287 880	304 001	-19.8%	40.6%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	20 968	23 724	24 629	23 363	3.7%	2.3%	25 532	26 954	28 408	6.7%	3.4%
Households	66	-	-	-	-100.0%	-	-	-	-	-	-
Universal Postal Union	4 667	5 314	5 446	4 979	2.2%	0.5%	5 228	5 531	5 841	5.5%	0.7%
International Telecommunications Union	14 212	16 204	16 545	15 535	3.0%	1.5%	16 312	17 258	18 224	5.5%	2.2%
African Telecommunications Union	853	927	940	1 039	6.8%	0.1%	1 091	1 154	1 219	5.5%	0.1%
Pan-African Postal Union	754	861	1 071	955	8.2%	0.1%	1 003	1 061	1 120	5.5%	0.1%
Organisation for Economic Cooperation and Development	416	-	185	459	3.3%	-	482	510	539	5.5%	0.1%
Commonwealth Telecommunications Organisation	-	418	442	396	-	-	416	440	465	5.5%	0.1%
Dona Foundation	-	-	-	-	-	-	1 000	1 000	1 000	-	0.1%
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	-	50 014	115 104	240 000	-	10.0%	240 000	-	-	-100.0%	15.5%
Public corporations and private enterprises	-	14	12	-	-	-	-	-	-	-	-
South African Post Office	-	50 000	115 092	-	-	4.1%	-	-	-	-	-
South African Post Office: Broadcasting digital migration	-	-	-	240 000	-	5.9%	240 000	-	-	-100.0%	15.5%
<b>Capital</b>	535 304	138 807	209 000	-	-100.0%	21.8%	246 000	60 000	63 360	-	11.9%
Household	-	2	-	-	-	-	-	-	-	-	-
Sentech	423 304	69 805	-	-	-100.0%	12.2%	-	-	-	-	-
Sentech: African Nations Championship	6 000	-	-	-	-100.0%	0.1%	-	-	-	-	-
Sentech: Dual illumination costs relating to the digital migration project	106 000	69 000	209 000	-	-100.0%	9.5%	193 000	-	-	-	6.2%
Sentech: Migration of digital signals	-	-	-	-	-	-	53 000	60 000	63 360	-	5.7%
<b>Public corporations and private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	47	13	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	47	13	-	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	399	110	-	-	-100.0%	-	-	-	-	-	-
Non-profit institution	399	110	-	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	793	-	438	-	-100.0%	-	-	-	-	-	-
Households	793	-	438	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	139	421	291	-	-100.0%	-	-	-	-	-	-
Employee ex-gratia payment	44	-	-	-	-100.0%	-	-	-	-	-	-
Households	95	421	291	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>953 545</b>	<b>1 158 520</b>	<b>882 049</b>	<b>1 054 148</b>	<b>3.4%</b>	<b>100.0%</b>	<b>806 713</b>	<b>603 450</b>	<b>637 188</b>	<b>-15.4%</b>	<b>100.0%</b>

## Personnel information

**Table 32.6 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

Programmes		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2017		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
Number of funded posts	Number of posts additional to the establishment	2015/16			2016/17			2017/18		2018/19		2019/20		2016/17 - 2019/20					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
<b>Telecommunications and Postal Services</b>																			
<b>Salary level</b>	<b>316</b>	<b>1</b>	<b>278</b>	<b>181.7</b>	<b>0.7</b>	<b>311</b>	<b>209.1</b>	<b>0.7</b>	<b>296</b>	<b>214.7</b>	<b>0.7</b>	<b>284</b>	<b>224.3</b>	<b>0.8</b>	<b>285</b>	<b>241.4</b>	<b>0.8</b>	<b>-2.9%</b>	<b>100.0%</b>
1 – 6	24	–	25	6.3	0.3	24	6.2	0.3	23	5.9	0.3	23	6.4	0.3	23	6.9	0.3	-1.4%	7.9%
7 – 10	109	–	104	40.8	0.4	109	42.8	0.4	101	40.7	0.4	93	40.4	0.4	94	43.8	0.5	-4.8%	33.8%
11 – 12	64	–	58	41.4	0.7	64	45.3	0.7	58	44.6	0.8	54	44.9	0.8	54	48.6	0.9	-5.5%	19.6%
13 – 16	104	1	86	87.4	1.0	105	110.0	1.0	105	118.2	1.1	105	127.0	1.2	105	136.2	1.3	–	35.7%
Other	15	–	5	5.8	1.2	9	4.9	0.5	9	5.2	0.6	9	5.6	0.6	9	5.9	0.7	–	3.1%
<b>Programme</b>	<b>316</b>	<b>1</b>	<b>278</b>	<b>181.7</b>	<b>0.7</b>	<b>311</b>	<b>209.1</b>	<b>0.7</b>	<b>296</b>	<b>214.7</b>	<b>0.7</b>	<b>284</b>	<b>224.3</b>	<b>0.8</b>	<b>285</b>	<b>241.4</b>	<b>0.8</b>	<b>-2.9%</b>	<b>100.0%</b>
Programme 1	151	1	141	86.2	0.6	150	94.2	0.6	138	93.4	0.7	134	98.6	0.7	135	106.2	0.8	-3.5%	47.4%
Programme 2	20	–	15	10.6	0.7	19	13.8	0.7	19	14.5	0.8	18	15.1	0.8	18	16.2	0.9	-1.8%	6.3%
Programme 3	80	–	76	49.4	0.7	80	53.7	0.7	78	56.2	0.7	75	58.8	0.8	75	63.2	0.8	-2.1%	26.2%
Programme 4	37	–	25	17.8	0.7	34	25.6	0.8	33	27.2	0.8	31	28.0	0.9	31	30.1	1.0	-3.0%	11.0%
Programme 5	28	–	21	17.7	0.8	28	21.8	0.8	28	23.4	0.8	26	23.9	0.9	26	25.7	1.0	-2.4%	9.2%

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

2. Rand million.

## Departmental receipts

**Table 32.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
<b>Departmental receipts</b>	<b>1 710 048</b>	<b>1 670 224</b>	<b>26 804 435</b>	<b>559 537</b>	<b>559 537</b>	<b>-31.1%</b>	<b>100.0%</b>	<b>508 090</b>	<b>508 100</b>	<b>508 098</b>	<b>-3.2%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>123</b>	<b>57</b>	<b>52</b>	<b>37</b>	<b>37</b>	<b>-33.0%</b>	<b>–</b>	<b>47</b>	<b>49</b>	<b>49</b>	<b>9.8%</b>	<b>–</b>
Sales by market establishments	65	–	–	–	–	-100.0%	–	–	–	–	–	–
of which:												
Market establishment: Non-residential buildings	65	–	–	–	–	-100.0%	–	–	–	–	–	–
Administrative fees	8	6	5	3	3	-27.9%	–	7	7	7	32.6%	–
of which:												
Cryptography fees	8	6	5	3	3	-27.9%	–	7	7	7	32.6%	–
Other sales	50	51	47	34	34	-12.1%	–	40	42	42	7.3%	–
of which:												
Commission on insurance	50	51	47	34	34	-12.1%	–	40	42	42	7.3%	–
<b>Transfers received</b>	<b>–</b>	<b>728</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Interest, dividends and rent on land</b>	<b>1 708 937</b>	<b>1 667 734</b>	<b>1 335 925</b>	<b>559 240</b>	<b>559 240</b>	<b>-31.1%</b>	<b>17.1%</b>	<b>507 384</b>	<b>507 385</b>	<b>507 383</b>	<b>-3.2%</b>	<b>99.9%</b>
Interest	807	1 013	446	183	183	-39.0%	–	121	122	120	-13.1%	–
Dividends	1 708 130	1 666 721	1 335 479	559 057	559 057	-31.1%	17.1%	507 263	507 263	507 263	-3.2%	99.9%
of which:												
Vodacom shares	1 708 130	1 666 721	828 216	32	32	-97.3%	13.7%	–	–	–	-100.0%	–
Telkom shares	–	–	507 263	559 025	559 025	–	3.5%	507 263	507 263	507 263	-3.2%	99.9%
<b>Sales of capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
<b>Transactions in financial assets and liabilities</b>	<b>988</b>	<b>1 705</b>	<b>25 468 458</b>	<b>160</b>	<b>160</b>	<b>-45.5%</b>	<b>82.8%</b>	<b>659</b>	<b>666</b>	<b>666</b>	<b>60.9%</b>	<b>0.1%</b>
<b>Total</b>	<b>1 710 048</b>	<b>1 670 224</b>	<b>26 804 435</b>	<b>559 537</b>	<b>559 537</b>	<b>-31.1%</b>	<b>100.0%</b>	<b>508 090</b>	<b>508 100</b>	<b>508 098</b>	<b>-3.2%</b>	<b>100.0%</b>



## Programme 1: Administration

### Programme purpose

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

### Expenditure trends and estimates

**Table 32.8 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Ministry	3 668	4 056	4 211	4 358	5.9%	1.9%	4 211	4 350	5 176	5.9%	2.2%
Departmental Management	35 315	65 781	73 332	45 822	9.1%	25.7%	37 325	39 152	41 983	-2.9%	19.8%
Internal Audit	3 828	5 708	5 245	8 121	28.5%	2.7%	5 311	5 729	6 016	-9.5%	3.0%
Corporate Services	89 109	70 163	62 590	69 192	-8.1%	34.0%	66 806	71 760	77 149	3.7%	34.4%
Financial Management	63 279	73 577	70 357	70 794	3.8%	32.5%	70 491	74 622	77 629	3.1%	35.5%
Office Accommodation	6 037	6 016	6 129	9 617	16.8%	3.2%	10 098	10 684	11 282	5.5%	5.0%
<b>Total</b>	<b>201 236</b>	<b>225 301</b>	<b>221 864</b>	<b>207 904</b>	<b>1.1%</b>	<b>100.0%</b>	<b>194 242</b>	<b>206 297</b>	<b>219 235</b>	<b>1.8%</b>	<b>100.0%</b>
Change to 2016				14 567			(11 376)	(10 885)	(12 216)		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>199 013</b>	<b>214 349</b>	<b>217 226</b>	<b>196 624</b>	<b>-0.4%</b>	<b>96.6%</b>	<b>186 668</b>	<b>199 079</b>	<b>212 148</b>	<b>2.6%</b>	<b>96.0%</b>
Compensation of employees	63 956	85 357	86 179	96 366	14.6%	38.8%	93 416	98 579	106 237	3.3%	47.7%
Goods and services <sup>1</sup>	135 051	128 992	131 047	100 258	-9.5%	57.8%	93 252	100 500	105 911	1.8%	48.3%
of which:											
Computer services	656	9 460	5 015	1 595	34.5%	2.0%	8 395	6 936	6 567	60.3%	2.8%
Legal services	2 071	8 602	6 155	2 167	1.5%	2.2%	4 100	5 855	6 429	43.7%	2.2%
Consumables: Stationery, printing and office supplies	2 846	3 760	4 161	4 320	14.9%	1.8%	4 426	5 078	5 444	8.0%	2.3%
Operating leases	36 837	45 381	42 390	41 186	3.8%	19.4%	35 216	38 970	40 707	-0.4%	18.9%
Property payments	9 489	11 693	10 142	10 705	4.1%	4.9%	12 585	12 292	12 972	6.6%	5.9%
Travel and subsistence	13 230	16 884	16 853	10 853	-6.4%	6.8%	8 533	9 917	11 217	1.1%	4.9%
Interest and rent on land	6	-	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>428</b>	<b>1 677</b>	<b>278</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	9	9	13	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	4	1 199	4	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises	47	17	12	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	300	110	-	-	-100.0%	-	-	-	-	-	-
Households	68	342	249	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1 240</b>	<b>8 912</b>	<b>3 918</b>	<b>11 280</b>	<b>108.8%</b>	<b>3.0%</b>	<b>7 574</b>	<b>7 218</b>	<b>7 087</b>	<b>-14.4%</b>	<b>4.0%</b>
Machinery and equipment	1 168	8 708	1 862	4 380	55.4%	1.9%	7 169	6 763	6 612	14.7%	3.0%
Software and other intangible assets	72	204	2 056	6 900	357.6%	1.1%	405	455	475	-59.0%	1.0%
<b>Payments for financial assets</b>	<b>555</b>	<b>363</b>	<b>442</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>201 236</b>	<b>225 301</b>	<b>221 864</b>	<b>207 904</b>	<b>1.1%</b>	<b>100.0%</b>	<b>194 242</b>	<b>206 297</b>	<b>219 235</b>	<b>1.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>11.8%</b>	<b>14.4%</b>	<b>17.1%</b>	<b>8.6%</b>	<b>-</b>	<b>-</b>	<b>12.0%</b>	<b>11.9%</b>	<b>12.0%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>4</b>	<b>1 199</b>	<b>4</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Information Systems, Electronics and Telecommunication Technologies	-	1 199	-	-	-	0.1%	-	-	-	-	-
Education and Training Authority	4	-	4	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>300</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-profit institution	300	110	-	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	-	14	-	-	-	-	-	-	-	-
<b>Other transfers to households</b>											
<b>Current</b>	<b>68</b>	<b>342</b>	<b>235</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee ex-gratia payment	42	-	-	-	-100.0%	-	-	-	-	-	-
Households	26	342	235	-	-100.0%	0.1%	-	-	-	-	-

Table 32.8 Administration expenditure trends and estimates by subprogramme and economic classification

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	–	14	12	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	14	12	–	–	–	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal agencies and funds</b>											
<b>Current</b>	9	9	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities	9	9	–	–	-100.0%	–	–	–	–	–	–
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	47	3	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises	47	3	–	–	-100.0%	–	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial agencies and funds</b>											
<b>Current</b>	–	–	13	–	–	–	–	–	–	–	–
Provincial and local governments	–	–	13	–	–	–	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

Table 32.9 Administration personnel numbers and cost by salary level<sup>1</sup>

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average Salary level/Total (%)					
		2015/16			2016/17			2017/18		2018/19		2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
<b>Administration</b>																			
<b>Salary level</b>	151	1	141	86.2	0.6	150	94.2	0.6	138	93.4	0.7	134	98.6	0.7	135	106.2	0.8	-3.5%	100.0%
1 – 6	12	–	13	2.3	0.2	12	3.0	0.3	11	2.6	0.2	11	2.8	0.3	11	3.0	0.3	-2.9%	8.1%
7 – 10	68	–	65	25.6	0.4	68	27.3	0.4	62	25.6	0.4	59	26.3	0.4	60	28.6	0.5	-4.1%	44.7%
11 – 12	32	–	29	20.2	0.7	32	21.6	0.7	27	19.8	0.7	26	20.7	0.8	26	22.4	0.9	-6.7%	19.9%
13 – 16	34	1	32	33.9	1.1	35	37.9	1.1	35	40.8	1.2	35	43.8	1.3	35	47.0	1.3	–	25.1%
Other	5	–	2	4.2	2.1	3	4.4	1.5	3	4.7	1.6	3	5.0	1.7	3	5.3	1.8	–	2.2%

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

2. Rand million.

## Programme 2: International Affairs and Trade

### Programme purpose

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

### Objective

- Advance South Africa's national ICT interests in regional and international forums to attain partnerships for economic growth and development by:
  - developing a country position on the establishment of the Brazil-Russia-India-China-South Africa group of countries institute for future networks by March 2018
  - developing a country position for the Southern African Development Community focused on the reduction of the cost to communicate for affordable, reliable, accessible and secure ICT infrastructure by March 2018
  - developing a country position for the World Telecommunication Development Conference focused on the development of the internet and digital economy by March 2018

- developing a country position for the Universal Postal Union focused on postal reform, by March 2018
- securing two partnerships for the digital economy towards ICT enterprise development, and small, medium and micro enterprise growth and innovation by March 2018.

## Subprogrammes

- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations.
- *ICT Trade/Partnership* develops and advances the country's interests in international trade forums through participation in 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.

## Expenditure trends and estimates

**Table 32.10 International Affairs and Trade expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20		
R thousand											
International Affairs	11 539	13 125	10 511	14 485	7.9%	29.5%	14 484	17 126	18 284	8.1%	32.7%
ICT Trade/Partnership	27 007	29 361	31 031	31 166	4.9%	70.5%	33 309	33 097	34 927	3.9%	67.3%
<b>Total</b>	<b>38 546</b>	<b>42 486</b>	<b>41 542</b>	<b>45 651</b>	<b>5.8%</b>	<b>100.0%</b>	<b>47 793</b>	<b>50 223</b>	<b>53 211</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2016				941			991	685	613		
Budget estimate											
<b>Economic classification</b>	<b>17 318</b>	<b>18 739</b>	<b>16 490</b>	<b>21 590</b>	<b>7.6%</b>	<b>44.1%</b>	<b>21 891</b>	<b>22 947</b>	<b>24 439</b>	<b>4.2%</b>	<b>46.2%</b>
<b>Current payments</b>											
Compensation of employees	10 279	12 586	10 557	13 941	10.7%	28.2%	14 523	15 078	16 158	5.0%	30.3%
Goods and services <sup>1</sup>	7 039	6 153	5 933	7 649	2.8%	15.9%	7 368	7 869	8 281	2.7%	15.8%
of which:											
Administrative fees	275	197	117	112	-25.9%	0.4%	400	264	306	39.8%	0.5%
Communication	375	409	298	801	28.8%	1.1%	490	915	980	7.0%	1.6%
Travel and subsistence	4 857	3 840	4 967	2 532	-19.5%	9.6%	3 829	2 580	2 803	3.4%	6.0%
Training and development	111	157	6	101	-3.1%	0.2%	256	280	334	49.0%	0.5%
Operating payments	2	138	-	1 621	832.4%	1.0%	-	1 806	1 907	5.6%	2.7%
Venues and facilities	638	209	194	427	-12.5%	0.9%	840	503	208	-21.3%	1.0%
<b>Transfers and subsidies<sup>1</sup></b>	<b>20 902</b>	<b>23 764</b>	<b>24 669</b>	<b>23 363</b>	<b>3.8%</b>	<b>55.1%</b>	<b>25 532</b>	<b>26 954</b>	<b>28 408</b>	<b>6.7%</b>	<b>53.0%</b>
Foreign governments and international organisations	20 902	23 724	24 629	23 363	3.8%	55.1%	25 532	26 954	28 408	6.7%	53.0%
Households	-	40	40	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>326</b>	<b>(17)</b>	<b>383</b>	<b>698</b>	<b>28.9%</b>	<b>0.8%</b>	<b>370</b>	<b>322</b>	<b>364</b>	<b>-19.5%</b>	<b>0.9%</b>
Machinery and equipment	326	(17)	383	698	28.9%	0.8%	370	322	364	-19.5%	0.9%
<b>Total</b>	<b>38 546</b>	<b>42 486</b>	<b>41 542</b>	<b>45 651</b>	<b>5.8%</b>	<b>100.0%</b>	<b>47 793</b>	<b>50 223</b>	<b>53 211</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.3%</b>	<b>2.7%</b>	<b>3.2%</b>	<b>1.9%</b>	<b>-</b>	<b>-</b>	<b>3.0%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>20 902</b>	<b>23 724</b>	<b>24 629</b>	<b>23 363</b>	<b>3.8%</b>	<b>55.1%</b>	<b>25 532</b>	<b>26 954</b>	<b>28 408</b>	<b>6.7%</b>	<b>53.0%</b>
Universal Postal Union	4 667	5 314	5 446	4 979	2.2%	12.1%	5 228	5 531	5 841	5.5%	11.0%
International Telecommunications Union	14 212	16 204	16 545	15 535	3.0%	37.2%	16 312	17 258	18 224	5.5%	34.2%
African Telecommunications Union	853	927	940	1 039	6.8%	2.2%	1 091	1 154	1 219	5.5%	2.3%
Pan-African Postal Union	754	861	1 071	955	8.2%	2.2%	1 003	1 061	1 120	5.5%	2.1%
Organisation for Economic Cooperation and Development	416	-	185	459	3.3%	0.6%	482	510	539	5.5%	1.0%
Commonwealth Telecommunications Organisation	-	418	442	396	-	0.7%	416	440	465	5.5%	0.9%
Dona Foundation	-	-	-	-	-	-	1 000	1 000	1 000	-	1.5%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	40	40	-	-	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

Table 32.11 International Affairs and Trade personnel numbers and cost by salary level<sup>1</sup>

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)		
		2015/16			2016/17			2017/18			2018/19			2019/20					2016/17 - 2019/20	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
International Affairs and Trade		20	–	15	10.6	0.7	19	13.8	0.7	19	14.5	0.8	18	15.1	0.8	18	16.2	0.9	-1.8%	100.0%
Salary level	20	–	15	10.6	0.7	19	13.8	0.7	19	14.5	0.8	18	15.1	0.8	18	16.2	0.9	-1.8%	100.0%	
1 – 6	1	–	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	–	5.4%	
7 – 10	7	–	7	3.0	0.4	7	3.0	0.4	7	3.0	0.4	6	2.7	0.4	6	2.9	0.5	-5.0%	35.1%	
13 – 16	10	–	7	7.3	1.0	10	10.4	1.0	10	11.2	1.1	10	12.0	1.2	10	12.8	1.3	–	54.1%	
Other	2	–	–	–	–	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	–	5.4%	

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

2. Rand million.

## Programme 3: Policy, Research and Capacity Development

### Programme purpose

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

### Objectives

- Develop and implement ICT Policy and legislation aimed at improving access to and the affordability of ICT by:
  - developing, amending and implementing draft ICT legislation in line with the 2016 White Paper on National Integrated ICT Policy by March 2020
  - implementing, monitoring and reviewing the cost to communicate programme implementation plan by March 2020.
- Develop a national e-strategy that will give priority to e-government services by:
  - establishing a national e-skills council by March 2019
  - establishing the rapid deployment coordinating committee by March 2019
  - launching the national ICT forum by March 2018
  - facilitating, monitoring and reviewing the implementation of the national e-strategy by March 2020
  - facilitating, monitoring and evaluating the implementation of the integrated e-services programme by March 2020.

### Subprogrammes

- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the telecommunications, postal and IT sectors, to ensure broad-based economic development within the ICT sector.
- *Economic and Market Analysis* conducts economic analyses of the telecommunications, postal and IT sectors to determine trends and make growth projections. This subprogramme also undertakes market research to explore areas that require policy intervention, and is responsible for the reduction of the cost to communicate.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy.
- *Information Society Development* supports the effective and efficient functioning of the information society; and the development of institutional mechanisms such as the interministerial committee on information society and development, the information society and development intergovernmental relations forum, the

forum of South African directors general for information society and development, and the intergovernmental relations forum technical committee.

- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society.

## Expenditure trends and estimates

**Table 32.12 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
ICT Policy Development	21 841	14 981	14 397	15 507	-10.8%	20.6%	15 273	16 265	17 276	3.7%	17.1%
Economic and Market Analysis	8 314	6 162	4 392	4 861	-16.4%	7.3%	5 353	5 722	6 106	7.9%	5.9%
Research	6 001	4 021	4 183	6 886	4.7%	6.5%	8 354	8 934	9 437	11.1%	8.9%
Information Society Development	43 307	35 137	41 397	51 650	6.0%	52.9%	53 356	55 507	58 636	4.3%	58.3%
Capacity Development	8 787	12 609	9 610	9 877	4.0%	12.6%	8 029	8 752	10 212	1.1%	9.8%
<b>Total</b>	<b>88 250</b>	<b>72 910</b>	<b>73 979</b>	<b>88 781</b>	<b>0.2%</b>	<b>100.0%</b>	<b>90 365</b>	<b>95 180</b>	<b>101 667</b>	<b>4.6%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				(6 837)			(3 577)	(1 211)	(1 194)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>86 814</b>	<b>72 221</b>	<b>73 406</b>	<b>88 127</b>	<b>0.5%</b>	<b>99.0%</b>	<b>89 784</b>	<b>94 618</b>	<b>100 937</b>	<b>4.6%</b>	<b>99.3%</b>
Compensation of employees	52 086	45 321	49 422	55 691	2.3%	62.5%	56 247	58 756	63 206	4.3%	62.2%
Goods and services <sup>1</sup>	34 728	26 900	23 984	32 436	-2.3%	36.4%	33 537	35 862	37 731	5.2%	37.1%
of which:											
Communication	1 526	1 304	1 335	1 654	2.7%	1.8%	2 273	2 156	2 438	13.8%	2.3%
Consultants: Business and advisory services	20 294	13 223	10 122	5 426	-35.6%	15.1%	13 293	16 981	17 124	46.7%	14.0%
Agency and support/outsourced services	45	-	39	124	40.2%	0.1%	1 793	2 042	1 500	129.6%	1.5%
Consumables: Stationery, printing and office supplies	1 012	987	613	666	-13.0%	1.0%	1 305	1 536	981	13.8%	1.2%
Travel and subsistence	6 013	3 645	6 172	5 830	-1.0%	6.7%	4 715	2 281	5 057	-4.6%	4.8%
Training and development	692	3 597	1 274	11 919	158.3%	5.4%	6 750	7 390	7 406	-14.7%	8.9%
<b>Transfers and subsidies<sup>1</sup></b>	<b>994</b>	<b>45</b>	<b>293</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign governments and international organisations	66	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	-	10	-	-	-	-	-	-	-	-	-
Non-profit institutions	99	-	-	-	-100.0%	-	-	-	-	-	-
Households	829	35	293	-	-100.0%	0.4%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>442</b>	<b>644</b>	<b>280</b>	<b>654</b>	<b>14.0%</b>	<b>0.6%</b>	<b>581</b>	<b>562</b>	<b>730</b>	<b>3.7%</b>	<b>0.7%</b>
Machinery and equipment	442	644	280	654	14.0%	0.6%	581	562	730	3.7%	0.7%
<b>Total</b>	<b>88 250</b>	<b>72 910</b>	<b>73 979</b>	<b>88 781</b>	<b>0.2%</b>	<b>100.0%</b>	<b>90 365</b>	<b>95 180</b>	<b>101 667</b>	<b>4.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.2%</b>	<b>4.6%</b>	<b>5.7%</b>	<b>3.7%</b>	<b>-</b>	<b>-</b>	<b>5.6%</b>	<b>5.5%</b>	<b>5.6%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
Current	66	-	-	-	-100.0%	-	-	-	-	-	-
Households	66	-	-	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
Current	99	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	99	-	-	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
Current	760	-	287	-	-100.0%	0.3%	-	-	-	-	-
Households	760	-	287	-	-100.0%	0.3%	-	-	-	-	-
<b>Households</b>											
<b>Other transfers to households</b>											
Current	69	35	6	-	-100.0%	-	-	-	-	-	-
Households	69	35	6	-	-100.0%	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
Current	-	10	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	10	-	-	-	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 32.13 Policy, Research and Capacity Development personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
Policy, Research and Capacity Development		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20	
Salary level	80	-	76	49.4	0.7	80	53.7	0.7	78	56.2	0.7	75	58.8	0.8	75	63.2	0.8		-2.1%
1 – 6	9	-	9	3.1	0.3	9	2.3	0.3	9	2.5	0.3	9	2.7	0.3	9	2.9	0.3	-	11.7%
7 – 10	23	-	22	8.1	0.4	23	8.5	0.4	22	8.4	0.4	20	8.1	0.4	20	8.7	0.4	-4.6%	27.6%
11 – 12	16	-	17	13.1	0.8	16	11.9	0.7	15	12.1	0.8	14	12.2	0.9	14	13.2	0.9	-4.4%	19.2%
13 – 16	30	-	25	23.5	0.9	30	30.8	1.0	30	33.1	1.1	30	35.6	1.2	30	38.2	1.3	-	39.0%
Other	2	-	3	1.6	0.5	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	-	2.6%

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 Development and Oversight

### Programme purpose

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

### Objective

- Improve the performance of state-owned companies through proactive and stringent oversight by:
  - facilitating the establishment of the ICT sector regulator by March 2020
  - facilitating the establishment of the digital development fund by March 2020
  - implementing the recommendations of the state-owned companies rationalisation report by March 2020
  - facilitating the licensing of Postbank by March 2018
  - developing the iNesi Bill by March 2018
  - monitoring and evaluating performance and compliance of state-owned companies against strategic plans and relevant prescripts, and developing quarterly state-owned company reports on an ongoing basis.

### Subprogrammes

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

### Expenditure trends and estimates

**Table 32.14 ICT Enterprise Development and 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Public Entity Oversight	163 042	239 528	480 088	873 028		74.9%	97.6%	238 592	251 875	266 540	-32.7%	96.8%
Small, Medium and Micro Enterprise Development	7 123	2 078	2 545	5 759		-6.8%	1.0%	4 789	5 071	5 346	-2.4%	1.2%
ICT Support	6 358	6 001	6 326	7 821		7.1%	1.5%	7 734	8 207	8 660	3.5%	1.9%
<b>Total</b>	<b>176 523</b>	<b>247 607</b>	<b>488 959</b>	<b>886 608</b>		<b>71.3%</b>	<b>100.0%</b>	<b>251 115</b>	<b>265 153</b>	<b>280 546</b>	<b>-31.9%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				(5 193)				(9 102)	(14 397)	(15 398)		

Table 32.14 ICT Enterprise Development and 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	20 570	43 792	21 887	34 072	18.3%	6.7%	33 766	35 916	38 471	4.1%	8.4%
<b>Current payments</b>											
Compensation of employees	9 488	16 871	17 841	26 076	40.1%	3.9%	27 160	27 997	30 104	4.9%	6.6%
Goods and services <sup>1</sup>	11 082	26 921	4 046	7 996	-10.3%	2.8%	6 606	7 919	8 367	1.5%	1.8%
of which:											
Bursaries: Employees	36	1	123	-	-100.0%	-	351	372	332	-	0.1%
Communication	303	340	431	432	12.6%	0.1%	570	639	671	15.8%	0.1%
Consultants: Business and advisory services	1 872	968	806	2 251	6.3%	0.3%	2 146	2 455	2 845	8.1%	0.6%
Consumables: Stationery, printing and office supplies	311	270	185	521	18.8%	0.1%	267	316	324	-14.6%	0.1%
Travel and subsistence	1 290	1 474	1 459	2 493	24.6%	0.4%	1 764	1 889	1 825	-9.9%	0.5%
Training and development	67	58	36	369	76.6%	-	717	849	894	34.3%	0.2%
<b>Transfers and subsidies<sup>1</sup></b>	<b>155 884</b>	<b>203 225</b>	<b>466 643</b>	<b>201 401</b>	<b>8.9%</b>	<b>57.1%</b>	<b>216 083</b>	<b>228 616</b>	<b>241 419</b>	<b>6.2%</b>	<b>52.7%</b>
Departmental agencies and accounts	155 882	153 223	351 410	201 401	8.9%	47.9%	216 083	228 616	241 419	6.2%	52.7%
Public corporations and private enterprises	-	50 002	115 092	-	-	9.2%	-	-	-	-	-
Households	2	-	141	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>69</b>	<b>590</b>	<b>424</b>	<b>1 135</b>	<b>154.3%</b>	<b>0.1%</b>	<b>1 266</b>	<b>621</b>	<b>656</b>	<b>-16.7%</b>	<b>0.2%</b>
Machinery and equipment	69	590	424	1 135	154.3%	0.1%	1 266	621	656	-16.7%	0.2%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>650 000</b>	<b>-</b>	<b>36.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>38.6%</b>
<b>Total</b>	<b>176 523</b>	<b>247 607</b>	<b>488 959</b>	<b>886 608</b>	<b>71.3%</b>	<b>100.0%</b>	<b>251 115</b>	<b>265 153</b>	<b>280 546</b>	<b>-31.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>10.4%</b>	<b>15.8%</b>	<b>37.6%</b>	<b>36.7%</b>	<b>-</b>	<b>-</b>	<b>15.6%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>155 882</b>	<b>153 223</b>	<b>351 410</b>	<b>201 401</b>	<b>8.9%</b>	<b>47.9%</b>	<b>216 083</b>	<b>228 616</b>	<b>241 419</b>	<b>6.2%</b>	<b>52.7%</b>
National Electronic Media Institute of South Africa	50 746	37 859	36 601	77 200	15.0%	11.2%	85 785	90 761	95 844	7.5%	20.8%
Universal Service and Access Agency of South Africa	60 090	65 376	262 429	69 045	4.7%	25.4%	75 684	80 074	84 558	7.0%	18.4%
Universal Service and Access Fund	45 046	49 988	52 380	55 156	7.0%	11.3%	54 614	57 781	61 017	3.4%	13.6%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Household	-	-	137	-	-	-	-	-	-	-	-
<b>Other transfers to households</b>											
<b>Current</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee ex-gratia payment	2	-	4	-	-100.0%	-	-	-	-	-	-
Household	-	-	4	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>-</b>	<b>50 000</b>	<b>115 092</b>	<b>-</b>	<b>-</b>	<b>9.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
South African Post Office	-	50 000	115 092	-	-	9.2%	-	-	-	-	-
<b>Capital</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Household	-	2	-	-	-	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

Table 32.15 ICT Enterprise Development and Oversight personnel numbers and cost by salary level<sup>1</sup>

ICT Enterprise Development and Oversight	Number of posts estimated for 31 March 2017	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2015/16	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20											
Salary level	37	-	25	17.8	0.7	34	25.6	0.8	33	27.2	0.8	31	28.0	0.9	31	30.1	1.0	-3.0%	100.0%
1-6	2	-	2	0.5	0.3	2	0.6	0.3	2	0.6	0.3	2	0.6	0.3	2	0.7	0.3	-	6.2%
7-10	6	-	5	1.9	0.4	6	2.0	0.3	5	1.7	0.3	4	1.5	0.4	4	1.6	0.4	-12.6%	14.7%
11-12	8	-	6	3.8	0.6	8	5.8	0.7	8	6.2	0.8	7	5.9	0.8	7	6.4	0.9	-4.4%	23.3%
13-16	17	-	12	11.6	1.0	17	17.2	1.0	17	18.5	1.1	17	19.9	1.2	17	21.3	1.3	-	52.7%
Other	4	-	-	-	-	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	-	3.1%

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 Support

### Programme purpose

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

### Objective

- Coordinate broadband connectivity through contributing to the achievement of 100 per cent population coverage by:
  - managing the rollout of phase 1 of the broadband connectivity implementation plan towards connecting 2 700 identified sites by March 2018
  - establishing a cybersecurity hub by March 2020.

### Subprogrammes

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

### Expenditure trends and estimates

Table 32.16 ICT Infrastructure Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Broadband	415 668	49 969	83 540	359 084	-4.8%	23.7%	465 593	762 800	806 784	31.0%	53.2%
Digital Terrestrial Television	781 239	929 805	390 213	829 384	2.0%	76.3%	565 098	347 880	367 361	-23.8%	46.8%
<b>Total</b>	<b>1 196 907</b>	<b>979 774</b>	<b>473 753</b>	<b>1 188 468</b>	<b>-0.2%</b>	<b>100.0%</b>	<b>1 030 691</b>	<b>1 110 680</b>	<b>1 174 145</b>	<b>-0.4%</b>	<b>100.0%</b>
Change to 2016				(3 478)			964	2 215	3 274		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>421 143</b>	<b>49 832</b>	<b>83 111</b>	<b>358 233</b>	<b>-5.3%</b>	<b>23.8%</b>	<b>463 433</b>	<b>762 215</b>	<b>806 060</b>	<b>31.0%</b>	<b>53.1%</b>
Compensation of employees	22 674	15 381	17 694	21 639	-1.5%	2.0%	23 360	23 890	25 694	5.9%	2.1%
Goods and services	398 469	34 451	65 417	336 594	-5.5%	21.7%	440 073	738 325	780 366	32.4%	51.0%
of which:											
Computer services	2 681	–	94	857	-31.6%	0.1%	7 172	3 031	3 438	58.9%	0.3%
Consultants: Business and advisory services	384 649	31 244	59 891	9 262	-71.1%	12.6%	416 872	714 004	727 954	328.4%	41.5%
Agency and support/outsource services	–	–	–	316 600	–	8.2%	4 277	5 098	34 025	-52.5%	8.0%
Property payments	3	–	–	–	-100.0%	–	1 148	1 246	1 370	–	0.1%
Travel and subsistence	3 176	2 067	3 689	3 634	4.6%	0.3%	4 917	5 222	7 794	29.0%	0.5%
Venues and facilities	4 524	149	34	826	-43.3%	0.1%	2 220	5 758	1 379	18.6%	0.2%
<b>Transfers and subsidies<sup>1</sup></b>	<b>775 337</b>	<b>929 809</b>	<b>390 166</b>	<b>829 384</b>	<b>2.3%</b>	<b>76.2%</b>	<b>565 098</b>	<b>347 880</b>	<b>367 361</b>	<b>-23.8%</b>	<b>46.8%</b>
Departmental agencies and accounts	240 000	791 000	181 160	589 384	34.9%	46.9%	79 098	287 880	304 001	-19.8%	28.0%
Public corporations and private enterprises	535 304	138 805	209 000	240 000	-23.5%	29.3%	486 000	60 000	63 360	-35.8%	18.9%
Households	33	4	6	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>427</b>	<b>133</b>	<b>476</b>	<b>851</b>	<b>25.8%</b>	<b>–</b>	<b>2 160</b>	<b>585</b>	<b>724</b>	<b>-5.2%</b>	<b>0.1%</b>
Machinery and equipment	427	133	476	851	25.8%	–	1 210	110	121	-47.8%	0.1%
Software and other intangible assets	–	–	–	–	–	–	950	475	603	–	–
<b>Total</b>	<b>1 196 907</b>	<b>979 774</b>	<b>473 753</b>	<b>1 188 468</b>	<b>-0.2%</b>	<b>100.0%</b>	<b>1 030 691</b>	<b>1 110 680</b>	<b>1 174 145</b>	<b>-0.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	70.3%	62.5%	36.4%	49.2%	–	–	63.9%	64.3%	64.2%	–	–



Table 32.16 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19			2019/20
	R thousand											
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	240 000	791 000	181 160	589 384	34.9%	46.9%	79 098	287 880	304 001	-19.8%	28.0%	
Universal Service and Access Fund: Broadcasting digital migration	240 000	791 000	181 160	589 384	34.9%	46.9%	79 098	287 880	304 001	-19.8%	28.0%	
Households												
Social benefits												
Current	33	-	-	-	-100.0%	-	-	-	-	-	-	
Households	33	-	-	-	-100.0%	-	-	-	-	-	-	
Households												
Other transfers to households												
Current	-	4	6	-	-	-	-	-	-	-	-	
Households	-	4	6	-	-	-	-	-	-	-	-	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	-	-	-	240 000	-	6.3%	240 000	-	-	-100.0%	10.7%	
South African Post Office: Broadcasting digital migration	-	-	-	240 000	-	6.3%	240 000	-	-	-100.0%	10.7%	
Capital	535 304	138 805	209 000	-	-100.0%	23.0%	246 000	60 000	63 360	-	8.2%	
Sentech	423 304	69 805	-	-	-100.0%	12.8%	-	-	-	-	-	
Sentech: African Nations Championship	6 000	-	-	-	-100.0%	0.2%	-	-	-	-	-	
Sentech: Dual illumination costs relating to the digital migration project	106 000	69 000	209 000	-	-100.0%	10.0%	193 000	-	-	-	4.3%	
Sentech: Migration of digital signals	-	-	-	-	-	-	53 000	60 000	63 360	-	3.9%	

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

Table 32.17 ICT Infrastructure Support personnel numbers and cost by salary level<sup>1</sup>

ICT Infrastructure Support	Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Salary level	28	-	21	17.7	0.8	28	21.8	0.8	28	23.4	0.8	26	23.9	0.9	26	25.7	1.0	-2.4%	100.0%
1-6	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7-10	5	-	5	2.2	0.4	5	2.0	0.4	5	2.0	0.4	4	1.8	0.5	4	1.9	0.5	-7.2%	16.7%
11-12	8	-	6	4.2	0.7	8	6.0	0.7	8	6.5	0.8	7	6.2	0.9	7	6.7	1.0	-4.4%	27.8%
13-16	13	-	10	11.2	1.1	13	13.6	1.0	13	14.6	1.1	13	15.7	1.2	13	16.9	1.3	-	48.1%
Other	2	-	-	-	-	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	-	7.4%

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

2. Rand million.

## Entities<sup>1</sup>

### South African Post Office

#### Mandate

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

<sup>1</sup> This section has been compiled with the latest available information from the entities concerned.

## Selected performance indicators

**Table 32.18 South African Post Office performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of points of presence	Mail, retail and e-business	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2 486	2 448	2 368	2 357	2 357	2 357	2 357
Number of new addresses per year as part of the address expansion programme per year	Mail, retail and e-business	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	1 195 690	500 109	500 000	500 000	500 000	500 000	500 000

### Expenditure analysis

To meet the demands of government's social mandate to provide postal services to areas that were historically neglected, the South African Post Office will continue to focus on providing universal access to postal and related services. The entity will also implement a turnaround strategy and revenue growth plan to improve productivity and return to consistent delivery standards to restore customer confidence.

Over the medium term the organisation will increase the number of addresses to allow for wider access to postal and financial services in the underserved areas. The organisation expects to roll out 1.5 million community addresses over the medium term to enable both new communities and existing communities without street or postal addresses to receive mail and to have a verifiable address. It also plans to maintain the 2 357 points of presence per annum (which include post offices, mobile units and retail postal agencies). Spending on these activities is allocated to the mail, retail and e-business programme, which is projected to spend R5.8 billion by 2019/20.

The post office will finalise the process of converting Postbank into an independent commercial company to meet South African Reserve Bank requirements to operate as a bank by 2017/18. The process entails obtaining a license to operate and registering Postbank with the Companies and Intellectual Property Commission as a state-owned company. Expenditure in the programme for Postbank is expected to increase over the medium term from R383.5 million in 2016/17 to R616.5 million in 2019/20, at an average annual rate of 17.1 per cent, with the main cost drivers being compensation of employees, interest, depreciation and information technology costs.

The post office is tasked with managing the distribution of subsidised set-top boxes and antennae to 5 million qualifying households for the broadcasting digital migration project and will receive R240 million over the medium term for this purpose. It will also distribute subsidies to 5 million qualifying households.

Over the medium term, the South African Post Office will continue to implement the turnaround strategy and revenue growth plan. The plan calls for growth in and the diversification of revenue streams in financial services for underserved areas and e-commerce. The post office will also reduce its funded establishment from 21 798 in 2016/17 to 19 632 posts over the medium term as part of the turnaround plan. The reduction in personnel is not anticipated to affect the organisation's performance. Expenditure over the medium term is projected to increase by 3.8 per cent from R8 billion in 2016/17 to R8.9 billion in 2019/20. The main cost drivers in operating expenditure are compensation of employees (which comprises 47.8 per cent of total expenditure over the medium term) and to a lesser extent, transport and property costs. Property costs are expected to decrease as contracts are terminated and renegotiated as the network of branches is rebalanced over the next three years.

The organisation generates its revenue from the provision of postal services, courier services, as well as from interest income and financial transaction fees. Revenue growth over the medium term is forecasted at 18.3 per cent due to increased revenue opportunities in the government sector and the unreserved market, expanding services such as the renewal of motor vehicle licenses and reacquisition of clients that were lost during the period of the strike in 2014/15. The most substantial growth in revenues is expected to come from logistics and parcels because of reforms to improve operations; and the wider range of services offered at the Courier Freight Group, a wholly owned subsidiary of the post office. The projected surplus for the 2017/18 is R514 million and will be used to fund operations and capital investments.

**Programmes/objectives/activities****Table 32.19 South African Post Office expenditure trends and estimates by programme/objective/activity**

	Audited outcome				Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administration	1 691 666	2 080 531	1 565 370	2 528 140	14.3%	28.3%	2 013 836	2 403 500	2 469 841	-0.8%	28.3%	
Logistics	659 155	427 248	262 575	326 983	-20.8%	6.2%	41 182	43 645	46 124	-47.9%	1.4%	
Postbank	148 832	180 345	169 643	383 511	37.1%	3.1%	556 966	619 053	616 531	17.1%	6.5%	
Mail, Retail and E- Business	4 086 517	4 259 779	4 020 107	4 746 070	5.1%	62.4%	5 021 253	5 614 331	5 802 007	6.9%	63.7%	
<b>Total</b>	<b>6 586 170</b>	<b>6 947 903</b>	<b>6 017 695</b>	<b>7 984 704</b>	<b>6.6%</b>	<b>100.0%</b>	<b>7 633 237</b>	<b>8 680 529</b>	<b>8 934 503</b>	<b>3.8%</b>	<b>100.0%</b>	

**Statements of historical financial performance and position****Table 32.20 South African Post Office statements of historical financial performance and position**

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%) 2013/14 - 2016/17
	Budget	2013/14	Budget	2014/15	Budget	2015/16	Budget estimate	2016/17	
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>6 389 023</b>	<b>6 033 545</b>	<b>6 859 077</b>	<b>5 391 134</b>	<b>6 719 984</b>	<b>4 838 066</b>	<b>5 830 195</b>	<b>6 596 799</b>	<b>88.6%</b>
Sale of goods and services other than capital assets	5 823 923	5 784 095	6 323 975	5 123 831	5 618 570	4 730 779	5 590 272	6 397 461	94.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	5 823 923	5 784 095	6 323 975	5 123 831	5 618 570	4 730 779	5 590 272	6 397 461	94.3%
<i>Postal services and Courier services</i>	4 960 531	4 783 974	5 314 940	4 022 469	4 475 683	3 589 671	4 388 954	4 750 966	89.6%
<i>Financial services (Retail and Post Bank)</i>	863 392	646 034	712 338	666 315	656 581	651 088	686 104	1 131 281	106.0%
<i>Postbank interest revenue</i>	-	354 087	296 697	435 047	486 306	490 020	515 214	515 214	138.2%
Other non-tax revenue	565 100	249 450	535 102	267 303	1 101 414	107 287	239 923	199 338	33.7%
<b>Transfers received</b>	<b>205 000</b>	<b>-</b>	<b>-</b>	<b>135 305</b>	<b>64 852</b>	<b>64 852</b>	<b>240 000</b>	<b>240 000</b>	<b>86.3%</b>
<b>Total revenue</b>	<b>6 594 023</b>	<b>6 179 499</b>	<b>6 859 077</b>	<b>5 526 439</b>	<b>6 800 043</b>	<b>4 902 918</b>	<b>6 070 195</b>	<b>6 836 799</b>	<b>89.1%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>6 599 416</b>	<b>6 585 332</b>	<b>7 221 954</b>	<b>6 388 897</b>	<b>6 902 497</b>	<b>6 017 625</b>	<b>6 211 404</b>	<b>7 984 704</b>	<b>100.2%</b>
Compensation of employees	3 496 903	3 537 402	4 045 598	3 634 111	4 152 795	3 476 167	3 305 196	3 914 210	97.1%
Goods and services	2 849 721	2 804 893	2 905 321	2 527 978	2 505 910	2 209 594	2 502 827	3 561 233	103.2%
Depreciation	175 920	166 928	199 101	148 879	151 786	165 192	162 093	204 487	99.5%
Interest, dividends and rent on land	76 872	76 109	71 934	77 929	92 006	166 672	241 288	304 774	129.7%
<b>Total expenses</b>	<b>6 599 416</b>	<b>6 586 170</b>	<b>7 222 345</b>	<b>6 947 903</b>	<b>6 902 497</b>	<b>6 017 695</b>	<b>6 211 404</b>	<b>7 984 704</b>	<b>102.2%</b>
<b>Surplus/(Deficit)</b>	<b>(5 393)</b>	<b>(406 671)</b>	<b>(363 268)</b>	<b>(1 421 464)</b>	<b>(102 454)</b>	<b>(1 114 777)</b>	<b>(141 209)</b>	<b>(1 147 905)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	1 366 357	1 466 911	1 345 941	1 419 846	2 050 069	1 240 171	1 412 321	1 962 556	98.6%
<i>of which:</i>									
<i>Acquisition of assets</i>	(176 400)	(192 407)	(263 765)	(121 863)	(530 174)	(45 791)	(204 401)	(900 000)	107.3%
Investments	5 788 302	4 327 081	5 580 820	4 521 807	4 589 324	5 509 804	5 363 278	5 502 384	93.1%
Inventory	66 693	77 389	48 840	67 845	69 844	54 784	61 231	74 765	111.4%
Receivables and prepayments	805 259	574 478	584 384	372 124	522 338	426 287	505 242	574 619	80.6%
Cash and cash equivalents	2 214 527	4 050 086	2 876 755	3 413 931	4 342 020	2 885 035	3 708 412	2 790 881	100.0%
Taxation	266 520	800 682	379 850	-	735 855	-	-	-	57.9%
<b>Total assets</b>	<b>10 507 658</b>	<b>11 296 627</b>	<b>10 816 590</b>	<b>9 795 553</b>	<b>12 309 450</b>	<b>10 116 081</b>	<b>11 050 484</b>	<b>10 905 205</b>	<b>94.2%</b>
Accumulated surplus/(deficit)	1 544 040	1 589 214	937 179	53 432	(1 241)	(1 078 974)	(1 027 783)	(2 274 533)	-117.8%
Capital and reserves	951 566	746 545	1 450 862	758 731	1 806 577	937 003	1 584 731	1 578 140	69.4%
Capital reserve fund	-	85 305	-	-	-	-	-	-	-
Borrowings	-	350 350	-	78 729	1 200 000	1 229 413	1 520 000	3 850 170	202.5%
Finance lease	43 170	4 044	80 646	3 729	4 450	6 141	3 168	-	10.6%
Deferred income	333 908	284 848	340 885	268 997	346 579	258 635	268 325	266 143	83.6%
Trade and other payables	6 410 782	6 284 619	6 812 340	7 030 777	7 264 911	7 190 755	7 120 649	5 825 209	95.4%
Taxation	18 504	244 287	911	-	-	-	-	-	1 258.2%
Provisions	1 205 688	1 707 415	1 193 767	1 601 121	1 688 174	1 573 108	1 581 394	1 660 076	115.4%
Derivatives financial instruments	-	-	-	37	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>10 507 658</b>	<b>11 296 627</b>	<b>10 816 590</b>	<b>9 795 553</b>	<b>12 309 450</b>	<b>10 116 081</b>	<b>11 050 484</b>	<b>10 905 205</b>	<b>94.2%</b>

### Statements of estimates of financial performance and position

Table 32.21 South African Post Office statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>6 596 799</b>	<b>3.0%</b>	<b>97.6%</b>	<b>7 907 323</b>	<b>11 011 820</b>	<b>11 323 981</b>	<b>19.7%</b>	<b>98.4%</b>
Sale of goods and services other than capital assets	6 397 461	3.4%	94.1%	7 603 660	10 688 880	10 992 532	19.8%	95.3%
<i>of which:</i>								
Sales by market establishment	6 397 461	3.4%	94.1%	7 603 660	10 688 880	10 992 532	19.8%	95.3%
Postal services and Courier services	4 750 966	-0.2%	73.2%	5 302 103	6 820 331	6 969 994	19.8%	49.0%
Financial services (Retail and Post Bank)	1 131 281	20.5%	13.1%	1 620 951	3 097 086	3 152 296	19.8%	49.0%
Postbank interest revenue	515 214	13.3%	7.8%	680 606	771 463	870 242	19.8%	49.0%
Other non-tax revenue	199 338	-7.2%	3.5%	303 663	322 940	331 449	18.5%	3.1%
<b>Transfers received</b>	<b>240 000</b>	<b>-</b>	<b>1.8%</b>	<b>240 000</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.6%</b>
<b>Total revenue</b>	<b>6 836 799</b>	<b>3.4%</b>	<b>100.0%</b>	<b>8 147 323</b>	<b>11 011 820</b>	<b>11 323 981</b>	<b>18.3%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>7 984 704</b>	<b>6.6%</b>	<b>98.0%</b>	<b>7 633 237</b>	<b>8 680 529</b>	<b>8 934 503</b>	<b>3.8%</b>	<b>126.3%</b>
Compensation of employees	3 914 210	3.4%	53.2%	3 738 929	3 995 873	4 230 331	2.6%	47.8%
Goods and services	3 561 233	8.3%	40.1%	3 259 798	3 918 874	3 875 449	2.9%	44.0%
Depreciation	204 487	7.0%	2.5%	151 969	244 993	267 212	9.3%	2.6%
Interest, dividends and rent on land	304 774	58.8%	2.2%	482 541	520 789	561 511	22.6%	5.6%
<b>Total expenses</b>	<b>7 984 704</b>	<b>6.6%</b>	<b>100.0%</b>	<b>7 633 237</b>	<b>8 680 529</b>	<b>8 934 503</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(1 147 905)</b>	<b>0</b>		<b>514 086</b>	<b>2 331 291</b>	<b>2 389 478</b>	<b>-227.7%</b>	
<b>Statement of financial position</b>								
Carrying value of assets	1 962 556	10.2%	14.4%	1 525 901	1 798 451	1 982 424	0.3%	13.7%
<i>of which:</i>								
Acquisition of assets	(900 000)	67.2%	-2.9%	(513 102)	(610 401)	(593 607)	-13.0%	-5.1%
Investments	5 502 384	8.3%	47.3%	5 877 046	6 220 943	6 697 787	6.8%	45.4%
Inventory	74 765	-1.1%	0.7%	61 555	65 249	69 163	-2.6%	0.5%
Receivables and prepayments	574 619	0.0%	4.6%	621 451	840 982	864 718	14.6%	5.3%
Cash and cash equivalents	2 790 881	-11.7%	31.2%	3 928 948	5 838 510	7 105 277	36.5%	35.1%
<b>Total assets</b>	<b>10 905 205</b>	<b>-1.2%</b>	<b>100.0%</b>	<b>12 014 901</b>	<b>14 764 135</b>	<b>16 719 369</b>	<b>15.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	(2 274 533)	-212.7%	-4.2%	(1 703 967)	627 324	3 016 802	-209.9%	-3.2%
Capital and reserves	1 578 140	28.3%	9.5%	1 580 015	1 573 724	1 568 064	-0.2%	11.9%
Borrowings	3 850 170	122.3%	12.8%	3 700 000	3 700 000	2 700 000	-11.2%	26.8%
Finance lease	-	-100.0%	0.0%	6 900	7 314	7 753	-	0.0%
Deferred income	266 143	-2.2%	2.6%	296 084	319 772	345 355	9.1%	2.3%
Trade and other payables	5 825 209	-2.5%	63.0%	6 339 006	6 605 674	7 007 443	6.4%	48.2%
Provisions	1 660 076	-0.9%	15.6%	1 796 863	1 930 327	2 073 952	7.7%	13.9%
<b>Total equity and liabilities</b>	<b>10 905 205</b>	<b>-1.2%</b>	<b>100.0%</b>	<b>12 014 901</b>	<b>14 764 135</b>	<b>16 719 369</b>	<b>15.3%</b>	<b>100.0%</b>

### Personnel information

Table 32.22 South African Post Office personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20				Unit cost			
South African Post Office		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
Salary level	21 798	21 798	20 781	3 476.2	0.2	21 798	3 914.2	0.2	19 632	3 738.9	0.2	19 632	3 995.9	0.2	19 632	4 230.3	0.2	2.6%	100.0%
1 – 6	13 532	13 532	12 900	1 444.5	0.1	13 532	1 633.1	0.1	12 183	1 557.3	0.1	12 183	1 670.8	0.1	12 183	1 769.8	0.1	2.7%	62.1%
7 – 10	8 253	8 253	7 868	2 004.3	0.3	8 253	2 252.2	0.3	7 436	2 150.9	0.3	7 436	2 292.6	0.3	7 436	2 426.0	0.3	2.5%	37.9%
13 – 16	5	5	5	9.2	1.8	5	9.7	1.9	5	10.3	2.1	5	10.9	2.2	5	11.6	2.3	6.0%	0.0%
17 – 22	8	8	8	18.1	2.3	8	19.2	2.4	8	20.4	2.5	8	21.6	2.7	8	22.9	2.9	6.0%	0.0%

1. Rand million.

### State Information Technology Agency

#### Mandate

The State Information Technology Agency is governed by the State Information Technology Agency Act (1998) and is listed as a schedule 3A public entity. The act mandates the agency to consolidate and

coordinate government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities and enhanced interoperability of systems. It also separates the agency's services into mandatory services, which are services that it must provide, and non-mandatory services, which are services that it may provide. Mandatory services include the provision and maintenance of transversal information systems and data processing or associated services for the transversal systems.

### Selected performance indicators

**Table 32.23 State Information Technology Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of e-government services implemented per year	Business operations	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- <sup>1</sup>	75	24	75	75	75	75
Percentage of projects timeously, successfully and satisfactorily delivered within budget	Business operations		- <sup>1</sup>	80% (583/ 728)	85% (809/ 955)	90%	85%	90%	95%
Bandwidth capacity maintained at below 75% per year	Business operations		- <sup>1</sup>	75%	75%	75%	75%	75%	75%

1. No historical data available.

### Expenditure analysis

The State Information Technology Agency contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework by ensuring the expansion, modernisation, access and affordability of the country's ICT infrastructure. The agency's focus over the medium term will be on collaborating with the Department of Telecommunications and Postal Services in the implementation of phase 1 of the South Africa Connect programme, which intends to provide broadband connectivity to 6 135 government institutions and 4 983 for schools across eight district municipalities.

Furthermore, the agency will by 2019/20 implement 75 e-services, which provide access to government services online. It will also work with National Treasury in driving supply chain reforms by rolling out g-commerce components to 33 per cent of government departments. The agency will also upgrade and invest in ICT infrastructure through the consolidation and modernisation programme. To plan for this, a business case is expected to be approved and the tender awarded by 2017/18 for implementation. These activities are in the business operations programme, increasing at an average annual rate of 5.6 per cent.

The agency intends to spend R1.5 billion on its capital expenditure plan to upgrade its internal ICT infrastructure and build internal capacity. In addition, the projected surpluses of R845 million over the medium term will be used for business re-engineering. The total compensation budget is projected to decrease to R2.1 billion in 2019/20 from R2.2 billion in 2016/17, at an average annual rate of 2.3 per cent. The agency has 3 280 staff members in 2016/17 which will be reduced to 3 257 in 2019/20 because of natural attrition and vacant posts that will not be filled.

### Programmes/objectives/activities

**Table 32.24 State Information Technology Agency expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	981 799	1 323 712	1 132 453	1 155 538	5.6%	20.5%	1 186 356	1 257 537	1 257 543	2.9%	17.8%
Business operations	3 849 400	4 145 798	4 710 313	5 173 077	10.4%	79.5%	5 423 341	5 748 741	6 092 666	5.6%	82.2%
<b>Total</b>	<b>4 831 199</b>	<b>5 469 510</b>	<b>5 842 766</b>	<b>6 328 615</b>	<b>9.4%</b>	<b>100.0%</b>	<b>6 609 697</b>	<b>7 006 278</b>	<b>7 350 209</b>	<b>5.1%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 32.25 State Information Technology Agency statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
<b>Revenue</b>									
<b>Non-tax revenue</b>	5 716 619	4 876 620	5 267 764	5 574 334	5 676 863	5 685 497	5 868 196	6 463 994	100.3%
Sale of goods and services other than capital assets	5 635 000	4 692 013	5 182 473	5 539 874	5 592 317	5 458 603	5 795 531	6 395 449	99.5%
<i>of which:</i>									
<i>Sales by market establishment</i>	5 635 000	4 692 013	5 182 473	5 539 874	5 592 317	5 458 603	5 795 531	6 395 449	99.5%
Other non-tax revenue	81 619	184 607	85 292	34 460	84 546	226 894	72 665	68 545	158.7%
<b>Total revenue</b>	5 716 619	4 876 620	5 267 764	5 574 334	5 676 863	5 685 497	5 868 196	6 463 994	100.3%
<b>Expenses</b>									
<b>Current expenses</b>	5 515 941	4 809 307	4 987 099	5 391 000	6 127 392	5 792 080	6 257 857	6 290 709	97.4%
Compensation of employees	1 670 620	1 354 680	1 463 125	1 983 237	2 354 577	1 743 829	2 212 690	2 245 542	95.1%
Goods and services	3 714 823	3 408 095	3 262 452	3 146 241	3 532 586	3 836 447	3 780 616	3 780 616	99.2%
Depreciation	130 498	23 196	261 523	261 522	240 229	167 817	264 551	264 551	80.0%
Interest, dividends and rent on land	-	23 336	-	-	-	43 987	-	-	-
<b>Total expenses</b>	5 572 131	4 831 199	5 065 609	5 469 510	6 165 065	5 842 766	6 299 492	6 328 615	97.3%
<b>Surplus/(Deficit)</b>	144 488	45 421	202 155	104 824	(488 202)	(157 269)	(431 296)	135 379	
<b>Statement of financial position</b>									
Carrying value of assets	2 559 026	721 307	2 954 023	905 698	1 583 015	1 171 185	1 456 117	1 950 579	55.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	(1 793 000)	(356 004)	(1 538 000)	(254 394)	(1 151 000)	(511 416)	(600 000)	(496 189)	31.8%
Investments	-	-	-	-	-	13 724	-	-	-
Inventory	60 000	-	-	-	-	-	-	-	-
Receivables and prepayments	667 534	1 164 190	873 821	1 163 347	973 109	1 067 323	1 069 679	804 075	117.2%
Cash and cash equivalents	153 491	1 630 153	165 636	1 539 405	875 073	1 152 486	843 087	1 117 742	267.0%
Taxation	50 000	180 879	50 000	117 393	115 000	387 462	40 000	202 668	348.4%
<b>Total assets</b>	3 490 051	3 696 529	4 043 480	3 725 843	3 546 197	3 792 180	3 408 883	4 075 064	105.5%
Accumulated surplus/(deficit)	1 723 353	1 959 292	2 030 907	2 103 581	2 200 455	1 946 312	2 068 889	2 287 406	103.4%
Capital and reserves	627 334	627 335	627 335	627 336	627 333	627 334	627 335	627 335	100.0%
Trade and other payables	948 760	1 000 635	1 045 321	867 480	569 756	1 095 906	552 114	1 009 434	127.5%
Taxation	42 646	-	179 308	-	-	-	-	-	-
Provisions	147 958	109 267	160 609	127 446	148 653	122 628	160 545	150 889	82.6%
<b>Total equity and liabilities</b>	3 490 051	3 696 529	4 043 480	3 725 843	3 546 197	3 792 180	3 408 883	4 075 064	105.5%

## Statements of estimates of financial performance and position

Table 32.26 State Information Technology Agency statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
<b>Revenue</b>									
<b>Non-tax revenue</b>	6 463 994	9.8%	100.0%	6 851 697	7 262 653	7 697 645	6.0%	100.0%	
Sale of goods and services other than capital assets	6 395 449	10.9%	97.6%	6 779 176	7 185 926	7 617 082	6.0%	98.9%	
<i>of which:</i>									
<i>Sales by market establishment</i>	6 395 449	10.9%	97.6%	6 779 176	7 185 926	7 617 082	6.0%	98.9%	
Other non-tax revenue	68 545	-28.1%	2.4%	72 521	76 727	80 563	5.5%	1.1%	
<b>Total revenue</b>	6 463 994	9.8%	100.0%	6 851 697	7 262 653	7 697 645	6.0%	100.0%	
<b>Expenses</b>									
<b>Current expenses</b>	6 290 709	9.4%	99.2%	6 541 937	6 934 493	7 274 404	5.0%	117.4%	
Compensation of employees	2 245 542	18.3%	32.4%	2 070 541	2 030 522	2 095 811	-2.3%	31.1%	
Goods and services	3 780 616	3.5%	63.4%	4 180 859	4 584 882	4 841 635	8.6%	63.6%	
Depreciation	264 551	125.1%	3.1%	290 537	319 089	336 957	8.4%	4.4%	
<b>Total expenses</b>	6 328 615	9.4%	100.0%	6 609 697	7 006 278	7 350 209	5.1%	100.0%	
<b>Surplus/(Deficit)</b>	135 379	-		242 000	256 375	347 436	36.9%		
<b>Statement of financial position</b>									
Carrying value of assets	1 950 579	39.3%	30.6%	2 168 374	2 242 894	2 355 039	6.5%	47.6%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(496 189)	11.7%	-10.5%	(545 742)	(442 270)	(500 000)	0.3%	-10.9%	
Receivables and prepayments	804 075	-11.6%	27.6%	911 867	962 524	947 650	5.6%	19.8%	
Cash and cash equivalents	1 117 742	-11.8%	35.8%	1 214 396	1 484 228	1 558 439	11.7%	29.2%	
Taxation	202 668	3.9%	5.8%	141 601	129 160	135 618	-12.5%	3.4%	
<b>Total assets</b>	4 075 064	3.3%	100.0%	4 436 238	4 818 806	4 996 746	7.0%	100.0%	
Accumulated surplus/(deficit)	2 287 406	5.3%	54.2%	2 606 099	2 879 555	3 059 277	10.2%	59.0%	
Capital and reserves	627 335	-0.0%	16.4%	627 335	627 335	627 335	0.0%	13.8%	
Trade and other payables	1 009 434	0.3%	26.0%	1 043 164	1 090 753	1 132 791	3.9%	23.4%	
Taxation	-	-	-	-	52 264	-	-	0.3%	
Provisions	150 889	11.4%	3.3%	159 640	168 899	177 344	5.5%	3.6%	
<b>Total equity and liabilities</b>	4 075 064	3.3%	100.0%	4 436 238	4 818 806	4 996 747	7.0%	100.0%	



## Personnel information

Table 32.27 State Information Technology Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment											Number							
Number of funded posts	Number of posts on approved establishment	Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20								
State Information Technology Agency		3 280	3 280	3 350	1 743.8	0.5	3 280	2 245.5	0.7	3 257	2 070.5	0.6	3 257	2 030.5	0.6	3 257	2 095.8	0.6	-2.3%	100.0%
Salary level																				
1 – 6	322	322	322	41.7	0.1	322	54.6	0.2	317	50.4	0.2	317	49.4	0.2	317	51.0	0.2	-2.3%	9.8%	
7 – 10	1 933	1 933	2 008	710.6	0.4	1 933	910.7	0.5	1 915	839.7	0.4	1 915	823.5	0.4	1 915	850.0	0.4	-2.3%	58.8%	
11 – 12	749	749	744	663.1	0.9	749	849.6	1.1	749	783.4	1.0	749	768.2	1.0	749	792.9	1.1	-2.3%	23.0%	
13 – 16	269	269	269	310.6	1.2	269	407.2	1.5	269	375.5	1.4	269	368.2	1.4	269	380.1	1.4	-2.3%	8.2%	
17 – 22	7	7	7	17.9	2.6	7	23.4	3.3	7	21.6	3.1	7	21.2	3.0	7	21.8	3.1	-2.3%	0.2%	

1. Rand million.

## National Electronic Media Institute of South Africa

### Mandate

The National Electronic Media Institute of South Africa was established as a non-profit institute for education 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). The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines. Its mandate was expanded to include e-skills human capacity development in South Africa and is accordingly responsible for the implementation of e-skills programmes (including broadcasting) in collaboration with its partners.

The process to re-establish the entity as the iKamva National e-Skills Institute is currently underway, following the merger with other electronic media support institutions into a single organisation. The rationale for the merger was to consolidate electronic media support institutions into a single organisation to improve coordination, avoid duplication and improve outcomes in the sector. The new entity will provide additional e-skills programmes undertaken through the collaborative laboratories, which are responsible for one or more of the identified e-skills priority areas located within higher learning institutions across different provinces. The identified e-skills priority areas include government e-enablement, creative new media industries, e-inclusion and social innovation, knowledge-based economy and e-literacy, ICT for rural development, e-health, e-tourism and e-agriculture.

### Selected performance indicators

Table 32.28 National Electronic Media Institute of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past		Current	Projections			
			2013/14	2014/15		2015/16	2016/17	2017/18	2018/19
Number of national e-skills curriculum competency frameworks reviewed per year	e-Astuteness development	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-1	1	1	1	1	1	1
Number of e-literacy learners trained per year	e-Astuteness development		-1	1 250	2 000	3 000	3 000	4 465	8 000
Number of sector users trained per year	e-Astuteness development		-1	625	1 050	1 300	1 300	2 000	2 500
Number of non-degree research projects commissioned per year	Knowledge for innovation		-1	6	9	5	8	10	13

1. No historical data available.

### Expenditure analysis

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

Over the medium term, the institute will focus on finalising the process of integrating the three skills development components by merging with e-skills Institute, and the Institute for Space and Software Applications to establish the iKamva National e-Skills Institute. The new institution's functions will include

coordinating the development of and promoting the use of e-skills in the country; identifying the e-skills demands and supply needs of the country in collaboration other stakeholders; and working with the Department of Higher Education and Training and other departments on e-skills initiatives. The institute will also strengthen its alignment to the South Africa Connect programme and the 2016 White Paper on National Integrated ICT Policy through initiatives such as e-skills training programmes. The process to table the new entity's founding legislation is underway. The establishment of the new entity is expected to increase the number of personnel over the medium term, from 40 in 2015/16 to 43 in 2019/20. In line with this increase, expenditure on compensation of employees is set to grow from R23.6 million in 2016/17 to R29.8 million in 2019/20 at an average annual rate of 8.1 per cent.

Transfers from the department in 2016/17 increased to provide for the establishment of the e-skills institute and for e-readiness programmes targeting rural and peri-urban communities. This will result in 15 465 e-literacy learners and 5 800 sector users receiving training over the medium term. Mainly because of reprioritised funding from the department, total revenue is expected to increase from R82.7 million in 2016/17 to R100.9 million in 2019/20, at an average annual rate of 6.8 per cent.

The institute will also establish innovative research networks focusing on e-skills with links to universities locally and internationally. As a result, the multi-stakeholder collaboration programme will increase from R4.6 million in 2016/17 to R6.2 million in 2019/20, at an average annual rate of 10.3 per cent.

### Programmes/objectives/activities

**Table 32.29 National Electronic Media Institute of South Africa expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
Administration	28 534	21 993	31 214	42 610	14.3%	55.4%	47 706	46 803	49 999	5.5%	50.7%
Multi-stakeholder collaboration	–	666	2 000	4 624	–	2.7%	5 247	5 878	6 207	10.3%	5.9%
E-astuteness development	13 895	24 156	15 291	22 185	16.9%	34.2%	23 755	26 590	28 079	8.2%	27.2%
Knowledge for innovation	–	2 630	3 021	11 780	–	6.3%	12 780	13 780	14 552	7.3%	14.3%
Aggregation framework	–	497	1 600	1 500	–	1.5%	1 500	1 936	2 044	10.9%	1.9%
<b>Total</b>	<b>42 429</b>	<b>49 942</b>	<b>53 126</b>	<b>82 699</b>	<b>24.9%</b>	<b>100.0%</b>	<b>90 988</b>	<b>94 987</b>	<b>100 881</b>	<b>6.8%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 32.30 National Electronic Media Institute of South Africa statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
<b>Revenue</b>									
<b>Non-tax revenue</b>	1 801	4 257	260	15 339	16 683	18 576	5 499	5 499	180.1%
Sale of goods and services other than capital assets	1 551	3 089	–	12 143	13 833	11 304	1 244	1 244	167.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	1 551	3 089	–	12 143	13 833	11 304	1 244	1 244	167.1%
Other non-tax revenue	250	1 168	260	3 196	2 850	7 272	4 255	4 255	208.7%
<b>Transfers received</b>	35 746	38 732	37 859	37 859	36 601	36 601	77 200	77 200	101.6%
<b>Total revenue</b>	<b>37 547</b>	<b>42 989</b>	<b>38 119</b>	<b>53 198</b>	<b>53 284</b>	<b>55 177</b>	<b>82 699</b>	<b>82 699</b>	<b>110.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	37 547	42 429	38 119	49 942	53 284	53 126	82 699	82 699	107.8%
Compensation of employees	16 723	18 481	21 738	17 222	21 180	17 890	23 558	23 558	92.7%
Goods and services	18 347	22 591	14 597	31 644	31 175	34 307	57 700	57 700	120.0%
Depreciation	2 477	1 357	1 784	1 076	929	929	1 441	1 441	72.4%
<b>Total expenses</b>	<b>37 547</b>	<b>42 429</b>	<b>38 119</b>	<b>49 942</b>	<b>53 284</b>	<b>53 126</b>	<b>82 699</b>	<b>82 699</b>	<b>107.8%</b>
<b>Surplus/(Deficit)</b>	–	560	–	3 256	–	2 051	–	–	



## Statements of estimates of financial performance and position

Table 32.31 National Electronic Media Institute of South Africa statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R thousand									
<b>Revenue</b>									
Non-tax revenue		5 499	8.9%	19.8%	5 203	4 770	5 037	-2.9%	5.6%
Sale of goods and services other than capital assets		1 244	-26.2%	13.0%	1 073	1 135	1 199	-1.2%	1.3%
of which:									
Sales by market establishment		1 244	-26.2%	13.0%	1 073	1 135	1 199	-1.2%	1.3%
Other non-tax revenue		4 255	53.9%	6.8%	4 130	3 635	3 839	-3.4%	4.3%
Transfers received		77 200	25.8%	80.2%	85 785	90 761	95 844	7.5%	94.4%
<b>Total revenue</b>		<b>82 699</b>	<b>24.4%</b>	<b>100.0%</b>	<b>90 988</b>	<b>95 531</b>	<b>100 881</b>	<b>6.8%</b>	<b>100.0%</b>
<b>Expenses</b>									
Current expenses		82 699	24.9%	100.0%	90 988	94 987	100 881	6.8%	192.6%
Compensation of employees		23 558	8.4%	35.1%	25 739	27 610	29 769	8.1%	28.8%
Goods and services		57 700	36.7%	62.7%	63 718	65 758	69 402	6.3%	69.5%
Depreciation		1 441	2.0%	2.2%	1 531	1 619	1 710	5.9%	1.7%
<b>Total expenses</b>		<b>82 699</b>	<b>24.9%</b>	<b>100.0%</b>	<b>90 988</b>	<b>94 987</b>	<b>100 881</b>	<b>6.8%</b>	<b>100.0%</b>
Surplus/(Deficit)		-	(1)		-	544	-	-	

## Personnel information

Table 32.32 National Electronic Media Institute of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20				2016/17 - 2019/20			
National Electronic Media Institute of South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	44	43	40	17.9	0.4	43	23.6	0.5	43	25.7	0.6	43	27.6	0.6	43	29.8	0.7	8.1%	100.0%
1 - 6	4	3	3	0.5	0.2	3	0.5	0.2	3	0.6	0.2	3	0.6	0.2	3	0.7	0.2	7.6%	7.0%
7 - 10	29	29	27	8.9	0.3	29	12.0	0.4	29	12.9	0.4	29	13.8	0.5	29	14.8	0.5	7.3%	67.4%
11 - 12	7	7	7	5.3	0.8	7	5.8	0.8	7	6.4	0.9	7	6.9	1.0	7	7.5	1.1	8.8%	16.3%
13 - 16	4	4	3	3.3	1.1	4	5.2	1.3	4	5.9	1.5	4	6.3	1.6	4	6.8	1.7	9.2%	9.3%

1. Rand million.

## Sentech

### Mandate

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

### Selected performance indicators

**Table 32.33 Sentech performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Percentage household coverage of digital television infrastructure	Attain digital terrestrial television network	Outcome 6: An efficient, competitive and responsive economic infrastructure network	82% (42.3 million/ 51.7 million)	85% (43.9 million/ 51.7 million)	85% (43.9 million/ 51.7 million)	87.26%	85%	85%	85%
Percentage of network availability according to service level agreement requirements across all platforms)	Attain digital terrestrial television network		99.8% (1.01 million hours/ 1.02 million hours)	99.9% (1.01 million hours/ 1.02 million hours)	99.9% (1.01 million hours/ 1.02 million hours)	99.9%	99.8%	99.8%	99.8%
Number of new television transmitters switched on per year	Attain digital terrestrial television network		280	16	-1	-1	-1	-1	-1
Number of schools connected to communication network services per year	Administration		9	14	-2	-2	-2	-2	-2
Number of Very Small Amateur Terminals (VSATs) installed per year	Administration		137	148	225	-3	-3	-3	-3

1. Project ended in 2014/15.

2. Connections are completed. Going forward, Sentech will only perform maintenance and rehabilitation, which will be done only as a corporate social investment project.

3. Project discontinued due to losses incurred.

### Expenditure analysis

Sentech contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework by expanding, improving access to, and modernising the country's ICT infrastructure. Over the medium term, the company will focus on refurbishing the signal distribution infrastructure that has reached the end of its useful life. The entity will also increase its revenue streams by developing a business case and implementation plan to offer consultancy services, and satisfy demand for on-demand and over-the-top content distribution and consumptions services.

The entity plans to spend R1.5 billion over the medium term to invest in capital expenditure to expand the signal network to new sites and replace obsolete equipment. This will ensure that Sentech maintains the reliability and quality of services to meet the target of 99.8 per cent network availability. Sentech had 567 permanent employees in 2016/17, but plans to reduce the staff complement to 558 in 2019/20 through natural attrition. However, spending on compensation of employees is expected to grow at an average annual rate of 5.2 per cent over the medium term due to inflationary increases.

Sentech derives its revenue from terrestrial television services, terrestrial radio services, satellite linking, facility rentals sales and direct-to-home satellite services. The entity also receives transfers from the department to fund costs relating to the broadcasting digital migration project. These costs include R193 million in 2017/18 for dual-illumination and R176.4 million over the medium term for the migration of digital signals. Total revenue will increase from R1.2 billion in 2016/17 to R1.5 billion in 2019/20, with strong growth of the direct-to-home satellite platform products and additional funding received for the dual-illumination being the main drivers of growth.

### Programmes/objectives/activities

**Table 32.34 Sentech expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administration	725 963	875 175	932 610	1 200 813	18.3%	92.0%	1 251 573	1 220 583	1 288 936	2.4%	99.8%
Attain digital terrestrial television network	89 349	107 708	100 728	2 785	-68.5%	8.0%	2 924	3 070	3 242	5.2%	0.2%
<b>Total</b>	<b>815 312</b>	<b>982 883</b>	<b>1 033 338</b>	<b>1 203 598</b>	<b>13.9%</b>	<b>100.0%</b>	<b>1 254 497</b>	<b>1 223 653</b>	<b>1 292 178</b>	<b>2.4%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 32.35 Sentech statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
<b>Revenue</b>									
<b>Non-tax revenue</b>	954 845	938 969	928 441	1 044 011	1 132 073	1 132 414	1 185 545	1 221 849	103.2%
Sale of goods and services other than capital assets	952 807	892 767	895 807	999 438	1 110 733	1 078 525	1 177 377	1 197 849	100.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	952 807	892 767	895 807	999 438	1 110 733	1 078 525	1 177 377	1 197 849	100.8%
<i>Terrestrial television services</i>	490 503	439 252	516 542	477 295	547 849	555 198	580 720	614 999	97.7%
<i>Terrestrial FM, AM and short wave radio services</i>	356 304	228 639	252 498	252 247	299 096	302 187	317 041	343 567	92.0%
<i>Other</i>	106 000	224 876	126 767	269 896	263 789	221 140	279 616	239 283	123.1%
Other non-tax revenue	2 038	46 202	32 634	44 573	21 340	53 889	8 168	24 000	262.8%
<b>Transfers received</b>	-	89 349	106 000	107 708	95 614	100 728	-	2 785	149.1%
<b>Total revenue</b>	954 845	1 028 318	1 034 441	1 151 719	1 227 687	1 233 142	1 185 545	1 224 634	105.3%
<b>Expenses</b>									
<b>Current expenses</b>	913 243	803 801	882 637	948 031	1 011 117	993 230	1 195 417	1 195 417	98.5%
Compensation of employees	341 548	328 266	379 705	372 201	366 939	368 300	386 310	386 310	98.7%
Goods and services	514 711	404 059	437 773	493 763	583 103	534 217	727 155	727 155	95.4%
Depreciation	54 750	48 374	64 209	71 297	60 576	80 591	81 952	81 952	107.9%
Interest, dividends and rent on land	2 234	23 102	950	10 769	500	10 122	-	-	1 194.2%
<b>Total expenses</b>	942 466	815 312	939 089	982 883	1 071 757	1 033 338	1 203 598	1 203 598	97.1%
<b>Surplus/(Deficit)</b>	12 379	213 006	95 352	168 836	155 931	199 804	(18 052)	21 036	
<b>Statement of financial position</b>									
Carrying value of assets	650 415	602 409	680 287	633 461	931 369	846 351	1 165 772	1 081 271	92.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(913 790)	(290 493)	(69 270)	(314 285)	(300 000)	(194 171)	(300 000)	(552 016)	85.3%
Inventory	3 866	71 666	8 529	62 066	83 169	73 345	83 169	47 838	142.6%
Receivables and prepayments	35 842	39 832	32 812	60 437	66 491	63 811	70 480	22 112	90.5%
Cash and cash equivalents	573 683	1 077 430	830 169	889 704	544 529	957 242	382 031	507 338	147.3%
Defined benefit plan assets	1 404	-	1 750	-	-	-	-	-	-
Taxation	-	50 401	-	72 918	50 401	13 283	50 401	-	135.5%
<b>Total assets</b>	1 265 210	1 841 738	1 553 547	1 718 586	1 675 958	1 954 032	1 751 853	1 658 559	114.8%
Accumulated surplus/(deficit)	474 117	579 546	681 511	718 962	953 339	918 844	1 035 629	926 991	100.0%
Capital and reserves	462 520	586 654	593 051	586 654	586 655	743 759	586 655	586 655	112.3%
Capital reserve fund	4 500	366 020	27 000	-	-	-	-	-	1 162.0%
Borrowings	-	-	-	-	4 873	-	4 873	-	-
Deferred income	-	-	-	176 154	-	76 423	-	-	-
Trade and other payables	143 353	142 482	33 739	139 638	63 949	118 340	57 554	88 424	163.7%
Taxation	13 907	38 207	4 858	46 380	67 143	68 602	67 143	56 489	137.0%
Provisions	166 813	113 013	213 388	50 798	-	28 064	-	-	50.5%
Derivatives financial instruments	-	15 816	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	1 265 210	1 841 738	1 553 547	1 718 586	1 675 958	1 954 032	1 751 853	1 658 559	-

## Statements of estimates of financial performance and position

Table 32.36 Sentech statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
<b>Revenue</b>									
<b>Non-tax revenue</b>	1 221 849	9.2%	93.4%	1 260 241	1 322 629	1 397 773	4.6%	93.7%	
Sale of goods and services other than capital assets	1 197 849	10.3%	89.7%	1 257 741	1 320 629	1 395 773	5.2%	93.1%	
<i>of which:</i>									
<i>Sales by market establishment</i>	1 197 849	10.3%	89.7%	1 257 741	1 320 629	1 395 773	5.2%	93.1%	
<i>Terrestrial television services</i>	614 999	11.9%	44.8%	625 284	689 624	728 864	5.8%	47.9%	
<i>Terrestrial FM, AM and short wave radio services</i>	343 567	14.5%	24.2%	336 064	376 176	397 581	5.0%	26.2%	
<i>Other</i>	239 283	2.1%	20.7%	296 393	254 828	269 328	4.0%	19.0%	
Other non-tax revenue	24 000	-19.6%	3.7%	2 500	2 000	2 000	-56.3%	0.6%	
<b>Transfers received</b>	2 785	-68.5%	6.6%	246 000	60 000	63 360	183.4%	6.3%	
<b>Total revenue</b>	1 224 634	6.0%	100.0%	1 506 241	1 382 629	1 461 133	6.1%	100.0%	
<b>Expenses</b>									
<b>Current expenses</b>	1 195 417	14.1%	97.6%	1 252 262	1 185 163	1 251 532	1.5%	121.5%	
Compensation of employees	386 310	5.6%	36.5%	405 625	425 907	449 757	5.2%	33.5%	
Goods and services	727 155	21.6%	53.0%	760 022	668 311	705 736	-1.0%	57.6%	
Depreciation	81 952	19.2%	6.9%	86 615	90 946	96 038	5.4%	7.1%	
<b>Total expenses</b>	1 203 598	13.9%	100.0%	1 254 496	1 223 653	1 292 178	2.4%	100.0%	
<b>Surplus/(Deficit)</b>	21 036	(1)		251 745	158 976	168 955	100.3%		

**Table 32.36 Sentech statements of estimates of financial performance and position**

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R thousand								
Carrying value of assets	1 081 271	21.5%	44.5%	1 409 726	1 854 008	1 957 832	21.9%	90.0%
of which:								
Acquisition of assets	(552 016)	23.9%	-19.3%	(405 043)	(524 699)	(554 082)	0.1%	-29.3%
Inventory	47 838	-12.6%	3.5%	47 838	47 838	50 517	1.8%	2.8%
Receivables and prepayments	22 112	-17.8%	2.6%	22 112	25 112	26 518	6.2%	1.4%
Cash and cash equivalents	507 338	-22.2%	47.5%	186 627	(162 679)	(171 789)	-169.7%	5.8%
<b>Total assets</b>	<b>1 658 559</b>	<b>-3.4%</b>	<b>100.0%</b>	<b>1 666 303</b>	<b>1 764 279</b>	<b>1 863 079</b>	<b>4.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	926 991	16.9%	–	932 735	1 031 711	1 089 487	5.5%	57.2%
Capital and reserves	586 655	0.0%	–	586 655	586 655	619 508	1.8%	34.3%
Trade and other payables	88 424	-14.7%	–	90 424	89 424	94 432	2.2%	5.2%
Taxation	56 489	13.9%	–	56 489	56 489	59 652	1.8%	3.3%
<b>Total equity and liabilities</b>	<b>1 658 559</b>	<b>-3.4%</b>	<b>–</b>	<b>1 666 303</b>	<b>1 764 279</b>	<b>1 863 079</b>	<b>4.0%</b>	<b>100.0%</b>

## Personnel information

**Table 32.37 Sentech personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
<b>Sentech</b>																			
Salary level	567	541	541	368.3	0.7	567	386.3	0.7	558	405.6	0.7	558	425.9	0.8	558	449.8	0.8	5.2%	100.0%
1 – 6	50	50	50	16.4	0.3	50	17.2	0.3	50	18.1	0.4	50	19.0	0.4	50	19.9	0.4	5.0%	8.9%
7 – 10	380	354	354	206.6	0.6	380	218.5	0.6	374	229.4	0.6	374	240.9	0.6	374	253.0	0.7	5.0%	67.0%
11 – 12	108	108	108	98.3	0.9	108	100.1	0.9	105	105.1	1.0	105	110.4	1.1	105	118.4	1.1	5.8%	18.9%
13 – 16	26	26	26	41.9	1.6	26	43.4	1.7	26	45.6	1.8	26	47.9	1.8	26	50.3	1.9	5.0%	4.6%
17 – 22	3	3	3	5.1	1.7	3	7.1	2.4	3	7.4	2.5	3	7.8	2.6	3	8.2	2.7	5.0%	0.5%

1. Rand million.

## Universal Service and Access Agency of South Africa

### Mandate

The Universal Service and Access Agency of South Africa was established in terms of section 80 of the Electronic Communications Act (2005) as a statutory body, and is listed as a schedule 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 2016 White Paper on National Integrated ICT Policy recommends changes to the mandate and structure of the agency. The agency is responsible for managing the Universal Service and Access Fund.

### Expenditure analysis

The focus of the Universal Service and Access Agency of South Africa over the medium term will be on promoting universal access to electronic communication and broadcasting services by ensuring the full utilisation of the Universal Service and Access Fund. The agency will provide general management support for the implementation of the fund's projects, and the distribution of set-top boxes and antennae for the broadband digital migration project.

The main cost driver in the organisation is compensation of employees, which accounts for 63.5 per cent of total expenditure and is expected to increase at an average annual rate of 8 per cent, from R43.5 million in 2016/17 to R54.7 million in 2019/20, as a result of cost of living increases. The agency will maintain its staff complement at 58 over the medium term.

The agency's main source of revenue is transfers from the Department of Telecommunications and Postal Services, and total revenue is expected to increase from R69 million in 2016/17 to R84.6 million in 2019/20, at an average annual rate of 7 per cent. A once-off additional allocation from the department of R196 million for distribution and project management costs related to the broadcasting digital migration project accounts for the large increase in revenue to R262.4 million in 2015/16.

**Programmes/objectives/activities****Table 32.38 Universal Service and Access Agency of South Africa expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Administration	63 048	65 211	79 987	69 045	3.1%	100.0%	75 684	80 074	84 558	7.0%	100.0%
<b>Total</b>	<b>63 048</b>	<b>65 211</b>	<b>79 987</b>	<b>69 045</b>	<b>3.1%</b>	<b>100.0%</b>	<b>75 684</b>	<b>80 074</b>	<b>84 558</b>	<b>7.0%</b>	<b>100.0%</b>

**Statements of historical financial performance****Table 32.39 Universal Service and Access Agency of South Africa statements of historical financial performance and position**

	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/Budget (%) 2013/14 - 2016/17
	2013/14	2014/15	2013/14	2014/15	2015/16	2016/17	2015/16	2016/17	2016/17	2017/18	2018/19	2019/20	
R thousand													
<b>Revenue</b>													
Non-tax revenue	-	612	-	915	-	8 872	-	-	-	-	-	-	-
Other non-tax revenue	-	612	-	915	-	8 872	-	-	-	-	-	-	-
Transfers received	60 090	60 090	65 376	65 376	262 429	262 429	69 045	69 045					100.0%
<b>Total revenue</b>	<b>60 090</b>	<b>60 702</b>	<b>65 376</b>	<b>66 291</b>	<b>262 429</b>	<b>271 301</b>	<b>69 045</b>	<b>69 045</b>					<b>102.3%</b>
<b>Expenses</b>													
Current expenses	60 090	63 048	65 376	65 211	262 429	79 987	69 045	69 045					60.7%
Compensation of employees	35 810	38 991	38 522	40 035	41 161	38 735	43 461	43 461					101.4%
Goods and services	20 936	24 057	26 854	21 833	221 207	37 940	25 519	25 519					37.1%
Depreciation	3 299	-	-	3 269	-	3 228	-	-					196.9%
Interest, dividends and rent on land	45	-	-	74	61	84	65	65					130.4%
<b>Total expenses</b>	<b>60 090</b>	<b>63 048</b>	<b>65 376</b>	<b>65 211</b>	<b>262 429</b>	<b>79 987</b>	<b>69 045</b>	<b>69 045</b>					<b>60.7%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(2 346)</b>	<b>-</b>	<b>1 080</b>	<b>-</b>	<b>191 314</b>	<b>-</b>	<b>-</b>					

**Statements of estimates of financial performance****Table 32.40 Universal Service and Access Agency of South Africa statements of estimates of financial performance and position**

	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
				2017/18	2018/19	2019/20		
R thousand								
<b>Revenue</b>								
Transfers received	69 045	4.7%	98.6%	75 684	80 074	84 558	7.0%	100.0%
<b>Total revenue</b>	<b>69 045</b>	<b>4.4%</b>	<b>100.0%</b>	<b>75 684</b>	<b>80 074</b>	<b>84 558</b>	<b>7.0%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	69 045	3.1%	100.0%	75 684	80 074	84 558	7.0%	91.8%
Compensation of employees	43 461	3.7%	58.7%	47 429	50 939	54 708	8.0%	63.5%
Goods and services	25 519	2.0%	39.0%	28 255	29 135	29 850	5.4%	36.5%
Interest, dividends and rent on land	65	-	0.1%	-	-	-	-100.0%	0.0%
<b>Total expenses</b>	<b>69 045</b>	<b>3.1%</b>	<b>100.0%</b>	<b>75 684</b>	<b>80 074</b>	<b>84 558</b>	<b>7.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1)</b>		<b>-</b>	<b>-</b>	<b>-</b>		

**Personnel information****Table 32.41 Universal Service and Access Agency of South Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2017			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16	Unit cost		2016/17	Unit cost		2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost					
Universal Service and Access Agency of South Africa			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	61	58	56	38.7	0.7	58	43.5	0.7	58	47.4	0.8	58	50.9	0.9	58	54.7	0.9	8.0%	100.0%
1-6	2	2	2	0.2	0.1	2	0.2	0.1	2	0.3	0.1	2	0.3	0.1	2	0.3	0.1	8.0%	3.4%
7-10	26	24	22	8.3	0.4	24	9.3	0.4	24	10.1	0.4	24	10.9	0.5	24	11.7	0.5	8.0%	41.4%
11-12	14	13	13	8.7	0.7	13	9.8	0.8	13	10.7	0.8	13	11.5	0.9	13	12.3	0.9	8.0%	22.4%
13-16	19	19	19	21.5	1.1	19	24.2	1.3	19	26.4	1.4	19	28.3	1.5	19	30.4	1.6	8.0%	32.8%

1. Rand million.

## Universal Service and Access Fund

### Mandate

The Universal Service and Access Fund was established in terms of section 89(1) of the Electronic Communications Act (2005). The fund's mandate is to make payments for subsidies towards the provision of ICT equipment or services, as well as the construction or extension of electronic communications and broadcasting networks for needy persons in underserved areas. The fund is managed by the Universal Service and Access Agency of South Africa and is financed by contributions from all telecommunications licensees, except community broadcasting licensees. The 2016 White Paper on National Integrated ICT Policy recommends changes to the mandate and structure of the fund.

### Selected performance indicators

**Table 32.42 Universal Service and Access Fund performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of underserved areas covered with broadband infrastructure per year	Broadband infrastructure in underserved areas	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2	2	2	2	1	1	1
Number of new ICT access facilities with internet deployed in underserved areas and schools per year	Rapid deployment of access centres	Outcome 1: Quality basic education	71	406	286	258	259	260	261
Number of poor television-owning households subsidised (for purchase of set-top boxes as part of broadcasting digital migration) per year	Broadcasting digital migration programme	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	-1	-1	-1	58 460	181 399	191 920	191 000

1. No output yet due to delays in the implementation of the broadcasting digital migration project

### Expenditure analysis

Over the medium term, the main focus of the fund will be to provide subsidies to households for set-top boxes and antennae to access digital television broadcasting. The fund will also support the implementation of the South Africa Connect programme through the rollout of broadband infrastructure and connectivity projects. A projected 564 319 households will receive subsidies. Transfers payments for set-top boxes are reduced in 2017/18 due to ongoing litigation. Expenditure in the broadcasting digital migration programme will decrease over the medium term as a result, from R589.4 million in 2016/17 to R304 million in 2019/20, at an average annual rate of 19.8 per cent.

Internet access will be deployed to a total number of 780 ICT access facilities and schools in underserved areas over the medium term. Other projects over the medium term will include the rollout of five broadband projects in municipalities, and providing schools in underserved areas with educational devices to access and make use of digital connectivity. The fund has no personnel.

### Programmes/objectives/activities

**Table 32.43 Universal Service and Access Fund expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	722	705	1 080	3 746	73.1%	1.1%	3 522	3 727	3 936	1.7%	1.3%
Handover of existing access centres	2 985	3 257	–	–	-100.0%	2.1%	–	–	–	–	–
Broadband infrastructure in underserved areas	9 823	33 953	41 720	32 634	49.2%	33.4%	31 227	33 037	34 887	2.3%	11.9%
E-connectivity	6 285	13 510	13 126	–	-100.0%	12.1%	–	–	–	–	–
Rapid deployment of access centres	58 077	9 037	1 241	18 776	-31.4%	22.3%	19 865	21 017	22 194	5.7%	7.5%
Development of standard operating manual and national strategy	3 557	–	–	–	-100.0%	1.1%	–	–	–	–	–
Broadcasting digital migration programme	–	9 664	4 267	589 384	–	28.0%	79 098	287 880	304 001	-19.8%	79.3%
<b>Total</b>	<b>81 449</b>	<b>70 126</b>	<b>61 434</b>	<b>644 540</b>	<b>99.3%</b>	<b>100.0%</b>	<b>133 712</b>	<b>345 661</b>	<b>365 018</b>	<b>-17.3%</b>	<b>100.0%</b>



**Statements of historical financial performance****Table 32.44 Universal Service and Access Fund statements of historical financial performance and position**

Statement of financial performance

R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2013/14 - 2016/17
<b>Revenue</b>									
Non-tax revenue	142	24 155	102	50 997	-	98 452	-	-	71 149.2%
Other non-tax revenue	142	24 155	102	50 997	-	98 452	-	-	71 149.2%
<b>Transfers received</b>	<b>285 046</b>	<b>285 046</b>	<b>289 988</b>	<b>840 988</b>	<b>233 540</b>	<b>233 540</b>	<b>644 540</b>	<b>644 540</b>	<b>137.9%</b>
<b>Total revenue</b>	<b>285 188</b>	<b>309 201</b>	<b>290 090</b>	<b>891 985</b>	<b>233 540</b>	<b>331 992</b>	<b>644 540</b>	<b>644 540</b>	<b>149.8%</b>
<b>Expenses</b>									
Current expenses	3 252	7 264	3 683	3 962	3 581	1 080	3 746	3 746	112.6%
Goods and services	3 252	7 264	3 683	3 962	3 581	1 080	3 746	3 746	112.6%
Transfers and subsidies	281 936	74 185	286 407	66 164	229 959	60 354	640 794	640 794	58.5%
<b>Total expenses</b>	<b>285 188</b>	<b>81 449</b>	<b>290 090</b>	<b>70 126</b>	<b>233 540</b>	<b>61 434</b>	<b>644 540</b>	<b>644 540</b>	<b>59.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>227 752</b>	<b>-</b>	<b>821 859</b>	<b>-</b>	<b>270 558</b>	<b>-</b>	<b>-</b>	

**Statements of estimates of financial performance****Table 32.45 Universal Service and Access Fund statements of estimates of financial performance and position**

Statement of financial performance

R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20
<b>Revenue</b>								
Transfers received	644 540	31.3%	89.2%	133 712	345 661	365 018	-17.3%	100.0%
<b>Total revenue</b>	<b>644 540</b>	<b>27.7%</b>	<b>100.0%</b>	<b>133 712</b>	<b>345 661</b>	<b>365 018</b>	<b>-17.3%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	3 746	-19.8%	4.2%	3 522	3 727	3 936	1.7%	3.6%
Goods and services	3 746	-19.8%	4.2%	3 522	3 727	3 936	1.7%	1.3%
Transfers and subsidies	640 794	105.2%	95.8%	130 190	341 934	361 082	-17.4%	98.7%
<b>Total expenses</b>	<b>644 540</b>	<b>99.3%</b>	<b>100.0%</b>	<b>133 712</b>	<b>345 661</b>	<b>365 018</b>	<b>-17.3%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
<b>Departmental infrastructure</b>										
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
South Africa Connect: Phase 1 of digital development plan	Connection of schools and government institutions to broadband	Construction	6 565 000	384 867	-	-	450 250	411 912	703 619	724 530
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Sentech: Digitisation of terrestrial television network	Efficient use of spectrum; achievement of broadcast digital dividend; achievement of multiple channel possibilities and generation of new content	Design	1 534 862	423 304	-	-	-	-	-	-
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
Sentech: Migration of digital signals	Efficient use of spectrum; achievement of broadcast digital dividend; achievement of multiple channel possibilities and generation of new content	Design	113 000	-	-	-	-	53 000	60 000	-
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
South Africa Connect: Phase 1 of digital development plan	Efficient use of spectrum; achievement of broadcast digital dividend; achievement of multiple channel possibilities and generation of new content	Various	138 000	76 000	-	-	-	-	-	-
<b>Total</b>			<b>8 350 862</b>	<b>884 171</b>	<b>-</b>	<b>-</b>	<b>450 250</b>	<b>464 912</b>	<b>763 619</b>	<b>724 530</b>





# BUDGET 2017

## ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

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National Treasury  
REPUBLIC OF SOUTH AFRICA

