



2019
BUDGET
ESTIMATES OF
NATIONAL EXPENDITURE

VOTE
32

**TELECOMMUNICATIONS AND
POSTAL SERVICES**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



**Estimates of
National Expenditure**

2019

National Treasury

Republic of South Africa



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The 2019 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. Compared to this 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 Estimates of National Expenditure (ENE) publications are an integral part of the comprehensive annual budget process. The economic climate has made it necessary to focus on reprioritising existing resources towards areas where the most value can be derived for all South Africans. The budgets shown in this document reflect the outcome of a robust negotiation process, led by a committee of senior officials in central government departments, under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, these decisions are considered and endorsed by Cabinet.

The ENE publications present the detail of national government's expenditure estimates for the three-year 2019 medium-term expenditure framework period, most importantly for 2019/20 allocations contained in the Appropriation Bill, 2019, as tabled by the Minister of Finance, for Parliament's consideration and adoption.

The abridged ENE provides extensive information on the priorities, spending plans and service delivery commitments of all 40 national government votes, as well as for associated government agencies. The e-publications for each vote contain more detail on goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

This information in these chapters ensures that Parliament, the public, civil society, the media, government departments, public entities and the executive can keep state institutions accountable and ensure that public funds are spent to achieve the outcomes for which they were intended. Since its launch in February 2018, the Vulekamali online portal has become the main source of transparent, user-friendly information, including information contained in ENE publications, for anybody who wants to know more about how government compiles its budget and spends public funds. The website, www.vulekamali.gov.za, continues to evolve, and now also provides geospatial information on government's infrastructure projects, which are focal in this year's budget as a key impetus for economic growth. I encourage you to be active citizens and use this information to hold government accountable for obtaining the best possible outcomes with the funds entrusted to it.

I wish to thank the executive for the political leadership shown in the budget process, our government colleagues for all of their efforts and contributions, and my team at the department for working diligently to bring it all together.



Dondo Mogajane
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 2019 MTEF period is from 2019/20 to 2021/22.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives set out the institution's purpose (and that of its programmes), its mandate and programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2019 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2019 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Telecommunications and Postal Services

National Treasury

Republic of South Africa



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Vote 32

Telecommunications and Postal Services

Budget summary

| R million | 2019/20 | | | | 2020/21 | 2021/22 |
|--|----------------|------------------|-------------------------|-----------------------------|----------------|----------------|
| | Total | Current payments | Transfers and subsidies | Payments for capital assets | Total | Total |
| MTEF allocation | | | | | | |
| Administration | 276.8 | 235.9 | 27.4 | 13.6 | 267.8 | 283.7 |
| International Affairs and Trade | 57.1 | 26.7 | 29.8 | 0.5 | 57.6 | 59.8 |
| Policy, Research and Capacity Development | 90.2 | 89.5 | – | 0.7 | 97.2 | 103.6 |
| ICT Enterprise Development and Public Entities Oversight | 744.2 | 30.1 | 713.9 | 0.2 | 784.4 | 829.7 |
| ICT Infrastructure Support | 516.3 | 230.7 | 277.5 | 8.1 | 575.9 | 396.9 |
| Total expenditure estimates | 1 684.6 | 612.8 | 1 048.7 | 23.1 | 1 783.0 | 1 673.8 |

Executive authority Minister of Telecommunications and Postal Services
Accounting officer Director-General of Telecommunications and Postal Services
Website address www.dtps.gov.za

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

Vote purpose

Develop 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 mandate of the Department of Telecommunications and Postal Services is to develop ICT policies that will contribute to an inclusive information society. The department has a responsibility to modernise the economy and economic infrastructure by: facilitating the rollout of ICT infrastructure, applications and services; enabling the rollout of postal and banking services; developing e-strategies to roll out e-government and e-sectoral services; promoting cybersecurity and the security of networks; and promoting universal service and access to electronic communications in underserved areas.

The department also sets guidelines for the determinations of the Independent Communications Authority of South Africa, and oversees and strengthens the capacity of state-owned companies and public entities within its portfolio.

The department derives its legislative mandate from the Electronic Communications Act (2005) and the Electronic Communications and Transactions Act (2002).

Selected performance indicators

Table 32.1 Performance indicators by programme and related outcome

| Indicator | Programme | MTSF outcome | Past | | | Current | Projections | | |
|--|---------------------------------|---|----------------|----------------|----------------|---------|----------------|----------------|----------------|
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Number of ICT position papers developed for international engagements per year | International Affairs and Trade | | 5 | 2 | 4 | 4 | 2 ¹ | 2 ¹ | 2 ¹ |
| Total number of identified connected government institutions maintained as part of the national broadband plan: Digital development (phase 1) per year | ICT Infrastructure Support | Outcome 6: An efficient, competitive and responsive economic infrastructure network | - ² | - ² | - ² | 570 | 570 | 970 | 970 |

1. Targets reduced due to budget reprioritisation and a more focused approach on the international ICT agenda.

2. No historical data available as project commenced in 2018/19.

Expenditure analysis

Chapter 4 of the National Development Plan recognises that ICT is a key enabler of inclusive economic growth that is critical to addressing inequality in South Africa. In response to this, over the medium term, the Department of Telecommunications and Postal Services will focus on: implementing the 2016 White Paper on National Integrated ICT Policy; implementing the South Africa Connect broadband policy; and implementing the rationalisation of its public entities, improving the performance of the entities under the department's portfolio, and promoting innovation and transformation of the ICT sector as a catalyst for economic growth.

The department's budget is expected to decrease at an average annual rate of 25.2 per cent, from R4 billion in 2018/19 to R1.7 billion in 2021/22. This is due to a one-off allocation of R2.9 billion in 2018/19 in the *ICT Enterprise Development and Public Entities Oversight* programme for the recapitalisation of South African Post Office. This allocation also accounts for the 36.3 per cent average annual decrease in expenditure in the programme, from R3.2 billion in 2018/19 to R829.7 million in 2021/22.

The department has a total budget of R5.1 billion over the MTEF period, of which 58.8 per cent is transferred to its entities. Cabinet has approved a budget increase to South African Post Office amounting to R1.5 billion over the MTEF period as a subsidy for universal service obligations. Sentech receives an additional R396.5 million over the same period to cover the costs of dual illumination, which entails simultaneous digital and analogue broadcasting, and R190.5 million to cover the costs of full migration to digital broadcasting.

The department's number of personnel is expected to increase from 290 in 2018/19 to 293 in 2021/22. As such, spending on compensation of employees is projected to increase at an average annual rate of 7.2 per cent, from R224.3 million in 2018/19 to R276.4 million in 2021/22, accounting for R777.3 million of the department's total budget over the period.

Implementing the 2016 White Paper on National Integrated ICT Policy

The department plans to continue with the phased implementation of the 2016 White Paper on National Integrated ICT Policy. In this regard, over the MTEF period, the focus will be on introducing prioritised legislation to Parliament, including the Electronic Communications and Transactions Amendment Bill, the ICT Sector Commission and Tribunal Bill, and the Digital Development Fund Bill. The department will also focus on implementing the ICT small, medium and micro enterprises (SMMEs) development strategy, the national e-strategy and the e-government strategy. Activities related to implementing the white paper are carried out in the *Policy, Research and Capacity Development* programme, spending in which increases at an average annual rate of 6.8 per cent, from R85 million in 2018/19 to R103.6 million in 2021/22.

Implementing the South Africa Connect broadband policy

Over the MTEF period, the department plans to continue increasing access to broadband by implementing phase 1 of the South Africa Connect broadband policy. After delays arising from concerns about the policy's

procurement model, a new model was developed in 2017 in collaboration with the State Information Technology Agency and Broadband Infraco. The department anticipates the implementation of this new model to result in the provision of broadband services at 970 government sites by 2021/22. Related activities are carried out in the *Broadband* subprogramme in the *ICT Infrastructure Support* programme. Spending in the *Broadband* subprogramme increases at an average annual rate of 16.5 per cent, from R162.4 million in 2018/19 to R256.6 million in 2021/22.

Implementing the rationalisation process for public entities

In addition to overseeing and managing government's shareholding interest in the public entities reporting to the Minister of Telecommunications and Postal Services, the department will focus on strengthening these entities to ensure that they support government's developmental objectives and are streamlined for efficient service delivery. To this end, over the medium term, the department plans to continue the process of rationalising the functions of the State Information Technology Agency, Sentech and Broadband Infraco towards the establishment of a state ICT infrastructure company and a state ICT services company. Following Cabinet's approval of the framework to establish these two companies in December 2017, the department is now in the process of developing draft legislation for both companies, which is expected to go to Cabinet for approval in 2019/20, for implementation over the medium term. These activities will be carried out in the *ICT Enterprise Development and Public Entities Oversight* programme, which is allocated R2.4 billion over the MTEF period.

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 Public Entities Oversight | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. ICT Infrastructure Support | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Programme | Annual budget | | | Adjusted appropriation | | | Audited outcome | | | Annual budget | | | Adjusted appropriation | | | Audited outcome | | | Annual budget | | | Adjusted appropriation | | | Audited outcome | | | Average: Outcome/Annual budget (%) | | | Average: Outcome/Adjusted appropriation (%) | | |
| R million | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | | 2015/16 - 2018/19 | | | 2015/16 - 2018/19 | | | 2015/16 - 2018/19 | | | 2015/16 - 2018/19 | | | 2015/16 - 2018/19 | | | 2015/16 - 2018/19 | | | | | |
| Programme 1 | 173.7 | 180.3 | 221.9 | 193.3 | 207.9 | 211.6 | 194.2 | 198.1 | 209.5 | 218.3 | 235.2 | 234.2 | 112.5% | 106.8% | | | | | | | | | | | | | | | | | | | |
| Programme 2 | 43.4 | 43.4 | 41.5 | 44.7 | 45.7 | 46.9 | 47.8 | 50.9 | 50.6 | 52.0 | 80.0 | 80.0 | 116.5% | 99.6% | | | | | | | | | | | | | | | | | | | |
| Programme 3 | 105.6 | 105.6 | 74.0 | 95.6 | 88.8 | 78.5 | 90.4 | 85.5 | 78.5 | 86.0 | 85.0 | 85.0 | 83.7% | 86.6% | | | | | | | | | | | | | | | | | | | |
| Programme 4 | 447.9 | 447.9 | 482.6 | 884.6 | 878.8 | 874.3 | 243.4 | 3 944.1 | 3 941.5 | 250.4 | 3 205.1 | 3 205.1 | 465.6% | 100.3% | | | | | | | | | | | | | | | | | | | |
| Programme 5 | 642.8 | 628.0 | 480.1 | 1 199.2 | 1 196.3 | 864.4 | 1 038.4 | 895.7 | 611.9 | 316.6 | 401.6 | 400.8 | 73.7% | 75.5% | | | | | | | | | | | | | | | | | | | |
| Total | 1 413.3 | 1 405.3 | 1 300.1 | 2 417.4 | 2 417.4 | 2 075.7 | 1 614.2 | 5 174.4 | 4 892.1 | 923.4 | 4 006.9 | 4 005.1 | 192.7% | 94.4% | | | | | | | | | | | | | | | | | | | |
| Change to 2018 Budget estimate | | | | | | | | | | | 3 083.5 | | | | | | | | | | | | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current payments | 679.7 | 671.6 | 412.1 | 708.3 | 698.6 | 358.9 | 795.5 | 655.6 | 372.1 | 403.3 | 541.2 | 540.4 | 65.1% | 65.6% | | | | | | | | | | | | | | | | | | | |
| Compensation of employees | 191.8 | 198.5 | 181.7 | 213.7 | 213.7 | 205.2 | 214.7 | 221.2 | 219.8 | 224.3 | 224.3 | 224.3 | 98.4% | 96.9% | | | | | | | | | | | | | | | | | | | |
| Goods and services | 487.9 | 473.1 | 230.4 | 494.6 | 484.9 | 153.6 | 580.8 | 434.4 | 152.3 | 179.0 | 316.9 | 316.1 | 48.9% | 49.9% | | | | | | | | | | | | | | | | | | | |
| Transfers and subsidies | 728.6 | 728.6 | 882.0 | 1 054.1 | 1 054.1 | 1 057.5 | 806.7 | 806.7 | 808.9 | 498.9 | 497.5 | 497.5 | 105.1% | 105.2% | | | | | | | | | | | | | | | | | | | |
| Departmental agencies and accounts | 597.4 | 597.4 | 532.6 | 790.8 | 790.8 | 790.8 | 295.2 | 295.2 | 295.2 | 266.5 | 247.6 | 247.6 | 95.7% | 96.6% | | | | | | | | | | | | | | | | | | | |
| Foreign governments and international organisations | 22.2 | 22.2 | 24.6 | 23.4 | 23.4 | 26.1 | 25.5 | 25.5 | 26.0 | 28.5 | 27.1 | 27.1 | 104.3% | 105.7% | | | | | | | | | | | | | | | | | | | |
| Public corporations and private enterprises | 109.0 | 109.0 | 324.1 | 240.0 | 240.0 | 240.1 | 486.0 | 486.0 | 486.0 | 203.9 | 203.9 | 203.9 | 120.7% | 120.7% | | | | | | | | | | | | | | | | | | | |
| Households | – | – | 0.7 | – | – | 0.5 | – | – | 1.8 | – | 18.9 | 18.9 | – | 115.7% | | | | | | | | | | | | | | | | | | | |
| Payments for capital assets | 5.1 | 5.1 | 5.5 | 5.0 | 14.6 | 9.3 | 12.0 | 12.0 | 10.7 | 21.3 | 21.3 | 20.3 | 105.9% | 86.4% | | | | | | | | | | | | | | | | | | | |
| Machinery and equipment | 5.1 | 5.1 | 3.4 | 4.6 | 7.7 | 5.1 | 10.6 | 9.1 | 4.7 | 10.1 | 10.1 | 9.1 | 73.7% | 70.0% | | | | | | | | | | | | | | | | | | | |
| Software and other intangible assets | – | – | 2.1 | 0.4 | 6.9 | 4.2 | 1.4 | 3.0 | 6.0 | 11.1 | 11.1 | 11.1 | 181.7% | 111.5% | | | | | | | | | | | | | | | | | | | |
| Payments for financial assets | – | – | 0.4 | 650.0 | 650.0 | 650.0 | – | 3 700.0 | 3 700.3 | – | 2 947.0 | 2 947.0 | 1 122.7% | 100.0% | | | | | | | | | | | | | | | | | | | |
| Total | 1 413.3 | 1 405.3 | 1 300.1 | 2 417.4 | 2 417.4 | 2 075.7 | 1 614.2 | 5 174.4 | 4 892.1 | 923.4 | 4 006.9 | 4 005.1 | 192.7% | 94.4% | | | | | | | | | | | | | | | | | | | |

Expenditure estimates

Table 32.3 Vote expenditure estimates by programme and economic classification

| Programme | | | | | | | | |
|---|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| 1. Administration 2. International Affairs and Trade 3. Policy, Research and Capacity Development 4. ICT Enterprise Development and Public Entities 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 | 2018/19 | 2015/16 - 2018/19 | | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | |
| Programme 1 | 234.2 | 9.1% | 7.1% | 276.8 | 267.8 | 283.7 | 6.6% | 11.6% |
| Programme 2 | 80.0 | 22.6% | 1.8% | 57.1 | 57.6 | 59.8 | -9.2% | 2.8% |
| Programme 3 | 85.0 | -7.0% | 2.6% | 90.2 | 97.2 | 103.6 | 6.8% | 4.1% |
| Programme 4 | 3 205.1 | 92.7% | 69.3% | 744.2 | 784.4 | 829.7 | -36.3% | 60.8% |
| Programme 5 | 400.8 | -13.9% | 19.2% | 516.3 | 575.9 | 396.9 | -0.3% | 20.7% |
| Total | 4 005.1 | 41.8% | 100.0% | 1 684.6 | 1 783.0 | 1 673.8 | -25.2% | 100.0% |
| Change to 2018 Budget estimate | | | | 660.2 | 697.4 | 525.9 | | |
| Economic classification | | | | | | | | |
| Current payments | 540.4 | -7.0% | 13.7% | 612.8 | 660.1 | 701.9 | 9.1% | 27.5% |
| Compensation of employees | 224.3 | 4.2% | 6.8% | 241.4 | 259.5 | 276.4 | 7.2% | 11.0% |
| Goods and services | 316.1 | -12.6% | 6.9% | 371.4 | 400.6 | 425.5 | 10.4% | 16.5% |
| Transfers and subsidies | 497.5 | -11.9% | 26.4% | 1 048.7 | 1 106.1 | 956.5 | 24.3% | 39.5% |
| Provinces and municipalities | 0.0 | - | 0.0% | 0.0 | 0.0 | 0.0 | 20.1% | 0.0% |
| Departmental agencies and accounts | 247.6 | -25.4% | 15.2% | 265.9 | 309.1 | 326.1 | 9.6% | 12.6% |
| Foreign governments and international organisations | 27.1 | 6.9% | 0.8% | 29.8 | 30.5 | 31.6 | 5.3% | 1.3% |
| Public corporations and private enterprises | 203.9 | 23.2% | 10.2% | 725.6 | 766.4 | 598.7 | 43.2% | 25.1% |
| Households | 18.9 | - | 0.2% | 27.4 | - | - | -100.0% | 0.5% |
| Payments for capital assets | 20.3 | 58.8% | 0.4% | 23.1 | 16.8 | 15.4 | -8.8% | 0.8% |
| Machinery and equipment | 9.1 | 21.8% | 0.2% | 9.7 | 8.7 | 7.3 | -7.4% | 0.4% |
| Software and other intangible assets | 11.1 | - | 0.2% | 13.4 | 8.1 | 8.1 | -9.9% | 0.4% |
| Payments for financial assets | 2 947.0 | - | 59.5% | - | - | - | -100.0% | 32.2% |
| Total | 4 005.1 | 41.8% | 100.0% | 1 684.6 | 1 783.0 | 1 673.8 | -25.2% | 100.0% |

Expenditure trends and estimates for significant spending items

Table 32.4 Expenditure trends and estimates for significant spending items

| | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total vote (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total vote (%) |
|--------------|-----------------|---------------|---------------|------------------------|-------------------------|--------------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | | | | |
| Broadband | 83 540 | 26 935 | 39 313 | 162 412 | 24.8% | 2.5% | 221 389 | 244 018 | 256 584 | 16.5% | 9.7% |
| Total | 83 540 | 26 935 | 39 313 | 162 412 | 24.8% | 2.5% | 221 389 | 244 018 | 256 584 | 16.5% | 9.7% |

Goods and services expenditure trends and estimates

Table 32.5 Vote goods and services expenditure trends and estimates

| | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|-----------------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | | | | |
| Administrative fees | 1 627 | 1 445 | 1 355 | 1 629 | - | 0.7% | 1 491 | 1 721 | 1 828 | 3.9% | 0.4% |
| Advertising | 3 198 | 3 312 | 2 120 | 5 473 | 19.6% | 1.7% | 3 176 | 3 877 | 3 985 | -10.0% | 1.1% |
| Minor assets | 479 | 114 | 336 | 1 448 | 44.6% | 0.3% | 1 781 | 1 823 | 2 189 | 14.8% | 0.5% |
| Audit costs: External | 28 067 | 6 499 | 6 962 | 5 379 | -42.3% | 5.5% | 4 850 | 6 314 | 6 319 | 5.5% | 1.5% |
| Bursaries: Employees | 513 | 817 | 1 291 | 2 132 | 60.8% | 0.6% | 2 627 | 2 883 | 1 818 | -5.2% | 0.6% |
| Catering: Departmental activities | 1 969 | 1 794 | 1 771 | 2 549 | 9.0% | 0.9% | 2 853 | 2 951 | 3 096 | 6.7% | 0.8% |
| Communication | 5 182 | 5 714 | 5 245 | 7 082 | 11.0% | 2.7% | 5 061 | 5 434 | 6 526 | -2.7% | 1.6% |
| Computer services | 5 117 | 5 726 | 6 971 | 7 176 | 11.9% | 2.9% | 17 339 | 7 713 | 9 571 | 10.1% | 2.8% |
| Consultants: Business and advisory services | 75 146 | 8 872 | 25 445 | 128 005 | 19.4% | 27.8% | 200 186 | 229 750 | 214 799 | 18.8% | 51.0% |

Table 32.5 Vote goods and services expenditure trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation 2018/19 | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|---|-----------------|----------------|----------------|-----------------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | 2015/16 - 2018/19 | Average: Expenditure/ Total (%) | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | Average: Expenditure/ Total (%) |
| Legal services | 6 155 | 7 454 | 5 074 | 5 000 | -6.7% | 2.8% | 8 476 | 8 360 | 9 829 | 25.3% | 2.1% |
| Contractors | 2 060 | 2 803 | 4 101 | 6 078 | 43.4% | 1.8% | 3 912 | 3 930 | 3 318 | -18.3% | 1.1% |
| Agency and support/outsourced services | 144 | 24 | 3 | 6 802 | 261.5% | 0.8% | 819 | 2 167 | 31 213 | 66.2% | 2.7% |
| Entertainment | 494 | 23 | 50 | 269 | -18.3% | 0.1% | 269 | 281 | 297 | 3.4% | 0.1% |
| Fleet services (including government motor transport) | 999 | 1 194 | 1 159 | 1 571 | 16.3% | 0.6% | 849 | 856 | 1 045 | -12.7% | 0.3% |
| Inventory: Clothing material and accessories | - | - | 23 | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 12 | 20 | - | 30 | 35.7% | - | 1 | - | - | -100.0% | - |
| Consumable supplies | 208 | 225 | 178 | 444 | 28.8% | 0.1% | 478 | 519 | 551 | 7.5% | 0.1% |
| Consumables: Stationery, printing and office supplies | 5 186 | 6 197 | 4 826 | 5 680 | 3.1% | 2.6% | 5 002 | 5 211 | 5 373 | -1.8% | 1.4% |
| Operating leases | 43 180 | 41 922 | 34 434 | 39 870 | -2.6% | 18.7% | 39 002 | 42 687 | 46 768 | 5.5% | 11.1% |
| Rental and hiring | 1 364 | 489 | 1 014 | 1 480 | 2.8% | 0.5% | 614 | 698 | 682 | -22.8% | 0.2% |
| Property payments | 10 152 | 12 064 | 12 350 | 10 320 | 0.5% | 5.3% | 14 357 | 15 584 | 15 706 | 15.0% | 3.7% |
| Transport provided: Departmental activity | - | - | - | 100 | - | - | - | - | - | -100.0% | - |
| Travel and subsistence | 33 140 | 31 547 | 30 862 | 36 241 | 3.0% | 15.4% | 36 932 | 37 570 | 40 528 | 3.8% | 10.0% |
| Training and development | 2 433 | 9 955 | 2 610 | 9 133 | 55.4% | 2.8% | 11 343 | 10 463 | 10 045 | 3.2% | 2.7% |
| Operating payments | 1 325 | 912 | 1 002 | 3 243 | 34.8% | 0.8% | 1 610 | 1 676 | 1 849 | -17.1% | 0.6% |
| Venues and facilities | 2 277 | 4 483 | 3 109 | 29 749 | 135.5% | 4.6% | 8 327 | 8 164 | 8 142 | -35.1% | 3.6% |
| Total | 230 427 | 153 605 | 152 291 | 316 883 | 11.2% | 100.0% | 371 355 | 400 632 | 425 477 | 10.3% | 100.0% |

Transfers and subsidies expenditure trends and estimates

Table 32.6 Vote transfers and subsidies trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation 2018/19 | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|---|-----------------|----------------|----------------|-----------------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | 2015/16 - 2018/19 | Average: Expenditure/ Total (%) | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | Average: Expenditure/ Total (%) |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 438 | 318 | 1 240 | - | -100.0% | 0.1% | - | - | - | - | - |
| Households | 438 | 318 | 1 240 | - | -100.0% | 0.1% | - | - | - | - | - |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 532 574 | 790 789 | 295 181 | 247 556 | -22.5% | 57.5% | 265 918 | 309 144 | 326 147 | 9.6% | 31.8% |
| National Electronic Media Institute of South Africa | 36 601 | 77 200 | 85 785 | 90 761 | 35.4% | 8.9% | 95 347 | 100 583 | 106 115 | 5.3% | 10.9% |
| Universal Service and Access Agency of South Africa | 262 429 | 69 045 | 75 684 | 80 074 | -32.7% | 15.0% | 82 949 | 87 467 | 92 277 | 4.8% | 9.5% |
| Universal Service and Access Fund | 52 380 | 55 156 | 54 614 | 57 781 | 3.3% | 6.8% | 61 017 | 64 373 | 67 914 | 5.5% | 7.0% |
| Universal Service and Access Fund: Broadcasting digital migration | 181 160 | 589 384 | 79 098 | 18 940 | -52.9% | 26.8% | 26 605 | 56 721 | 59 841 | 46.7% | 4.5% |
| Radio licences | 4 | 4 | - | - | -100.0% | - | - | - | - | - | - |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 291 | 158 | 532 | 18 940 | 302.2% | 0.6% | 27 396 | - | - | -100.0% | 1.3% |
| Households | 291 | 158 | 532 | - | -100.0% | - | - | - | - | - | - |
| Claims against the state | - | - | - | 18 940 | - | 0.6% | 27 396 | - | - | -100.0% | 1.3% |
| Provinces and municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | - | - | - | 15 | - | - | 17 | 19 | 26 | 20.1% | - |
| Vehicle licences | - | - | - | 15 | - | - | 17 | 19 | 26 | 20.1% | - |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 24 629 | 26 136 | 25 964 | 27 084 | 3.2% | 3.2% | 29 808 | 30 476 | 31 632 | 5.3% | 3.3% |
| Universal Postal Union | 5 446 | 5 960 | 5 522 | 6 311 | 5.0% | 0.7% | 6 741 | 6 258 | 6 602 | 1.5% | 0.7% |
| International Telecommunication Union | 16 545 | 17 581 | 16 816 | 17 077 | 1.1% | 2.1% | 18 905 | 19 421 | 19 969 | 5.4% | 2.1% |
| African Telecommunication Union | 940 | 1 044 | 1 006 | 988 | 1.7% | 0.1% | 1 119 | 1 286 | 1 357 | 11.2% | 0.1% |
| Pan-African Postal Union | 1 071 | 1 033 | 1 031 | 1 061 | -0.3% | 0.1% | 1 120 | 1 182 | 1 247 | 5.5% | 0.1% |
| Organisation for Economic Cooperation and Development | 185 | 166 | 158 | 200 | 2.6% | - | 194 | 569 | 600 | 44.2% | - |
| Commonwealth Telecommunications Organisation | 442 | 352 | 426 | 440 | -0.2% | 0.1% | 529 | 491 | 518 | 5.6% | 0.1% |
| DONA Foundation | - | - | 1 005 | 1 007 | - | 0.1% | 1 200 | 1 269 | 1 339 | 10.0% | 0.1% |

Table 32.6 Vote transfers and subsidies trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|------------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------------|----------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| Public corporations and private enterprises | | | | | | | | | | | |
| Other transfers to private enterprises | | | | | | | | | | | |
| Current | - | 5 | - | - | - | - | - | - | - | - | - |
| Claims against the state | - | 5 | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | | | | | | | | | | | |
| Current | - | 25 | - | - | - | - | - | - | - | - | - |
| Universal Postal Union | - | 25 | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 115 104 | 240 045 | 240 000 | - | -100.0% | 18.3% | 474 627 | 500 731 | 528 276 | - | 41.7% |
| South African Post Office | 115 092 | - | - | - | -100.0% | 3.5% | 474 627 | 500 731 | 528 276 | - | 41.7% |
| South African Post Office: Broadcasting digital migration | - | 240 000 | 240 000 | - | - | 14.8% | - | - | - | - | - |
| Claims against the state | 12 | 45 | - | - | -100.0% | - | - | - | - | - | - |
| Capital | 209 000 | - | 246 000 | 203 900 | -0.8% | 20.3% | 250 934 | 265 694 | 70 455 | -29.8% | 21.9% |
| Sentech: Dual illumination costs relating to the digital migration project | 209 000 | - | 193 000 | 203 900 | -0.8% | 18.7% | 192 494 | 204 044 | - | -100.0% | 16.6% |
| Sentech: Migration of digital signals | - | - | 53 000 | - | - | 1.6% | 58 440 | 61 650 | 70 455 | - | 5.3% |
| Provinces and municipalities | | | | | | | | | | | |
| Provincial agencies and funds | | | | | | | | | | | |
| Current | 13 | 17 | - | - | -100.0% | - | - | - | - | - | - |
| Vehicle licences | 13 | 17 | - | - | -100.0% | - | - | - | - | - | - |
| Provinces and municipalities | | | | | | | | | | | |
| Municipal agencies and funds | | | | | | | | | | | |
| Current | - | - | 14 | - | - | - | - | - | - | - | - |
| Vehicle licences | - | - | 14 | - | - | - | - | - | - | - | - |
| Total | 882 049 | 1 057 493 | 808 931 | 497 495 | -17.4% | 100.0% | 1 048 700 | 1 106 064 | 956 536 | 24.3% | 100.0% |

Personnel information

Table 32.7 Vote personnel numbers and cost by salary level and programme¹

| Programmes | | | | | | | | | | | | | | | | | |
|---|---|--|------------|--------------|------------------|------------|-------------------|----------------------------------|------------|--------------|------------|------------|--------------|-------------------------|---------------------------------|--------------|------------|
| 1. Administration | | | | | | | | | | | | | | | | | |
| 2. International Affairs and Trade | | | | | | | | | | | | | | | | | |
| 3. Policy, Research and Capacity Development | | | | | | | | | | | | | | | | | |
| 4. ICT Enterprise Development and Public Entities Oversight | | | | | | | | | | | | | | | | | |
| 5. ICT Infrastructure Support | | | | | | | | | | | | | | | | | |
| Number of posts estimated for 31 March 2019 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | |
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | |
| | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | | | | | | | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | |
| Telecommunications and Postal Services | | | | | | | | | | | | | | | | | |
| Salary level | 282 | - | 293 | 219.8 | 0.8 | 290 | 224.3 | 0.8 | 291 | 241.4 | 0.8 | 294 | 259.5 | 0.9 | 293 | 276.4 | 0.9 |
| 1 – 6 | 23 | - | 37 | 7.7 | 0.2 | 27 | 8.8 | 0.3 | 27 | 9.6 | 0.4 | 27 | 10.4 | 0.4 | 26 | 10.8 | 0.4 |
| 7 – 10 | 99 | - | 99 | 47.1 | 0.5 | 106 | 54.0 | 0.5 | 100 | 55.8 | 0.6 | 100 | 60.3 | 0.6 | 100 | 64.8 | 0.6 |
| 11 – 12 | 63 | - | 61 | 48.8 | 0.8 | 61 | 49.8 | 0.8 | 61 | 53.3 | 0.9 | 61 | 57.1 | 0.9 | 61 | 61.1 | 1.0 |
| 13 – 16 | 93 | - | 93 | 109.4 | 1.2 | 93 | 105.7 | 1.1 | 95 | 116.0 | 1.2 | 95 | 124.3 | 1.3 | 94 | 131.6 | 1.4 |
| Other | 4 | - | 3 | 6.7 | 2.2 | 3 | 5.9 | 2.0 | 8 | 6.7 | 0.8 | 11 | 7.4 | 0.7 | 12 | 8.0 | 0.7 |
| Programme | 282 | - | 293 | 219.8 | 0.8 | 290 | 224.3 | 0.8 | 291 | 241.4 | 0.8 | 294 | 259.5 | 0.9 | 293 | 276.4 | 0.9 |
| Programme 1 | 145 | - | 154 | 102.9 | 0.7 | 146 | 108.8 | 0.7 | 156 | 119.9 | 0.8 | 159 | 129.2 | 0.8 | 158 | 136.8 | 0.9 |
| Programme 2 | 15 | - | 16 | 17.0 | 1.1 | 16 | 13.7 | 0.9 | 17 | 16.1 | 0.9 | 17 | 17.3 | 1.0 | 17 | 18.6 | 1.1 |
| Programme 3 | 71 | - | 68 | 52.1 | 0.8 | 69 | 52.6 | 0.8 | 73 | 59.9 | 0.8 | 73 | 64.2 | 0.9 | 73 | 68.8 | 0.9 |
| Programme 4 | 23 | - | 25 | 22.0 | 0.9 | 26 | 23.1 | 0.9 | 22 | 22.7 | 1.0 | 22 | 24.3 | 1.1 | 22 | 26.0 | 1.2 |
| Programme 5 | 28 | - | 30 | 25.8 | 0.9 | 33 | 26.2 | 0.8 | 23 | 22.9 | 1.0 | 23 | 24.5 | 1.1 | 23 | 26.2 | 1.1 |

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

2. Rand million.

Departmental receipts

Table 32.8 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 (%) |
|--|-------------------|----------------|------------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|----------------|----------------|-------------------------|----------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | | 2018/19 | 2019/20 | 2020/21 | | |
| Departmental receipts | 26 804 435 | 831 411 | 1 141 106 | 517 828 | 517 828 | -73.2% | 100.0% | 600 635 | 600 647 | 600 682 | 5.1% | - |
| Sales of goods and services produced by department | 52 | 51 | 57 | 53 | 53 | 0.6% | - | 53 | 55 | 55 | 1.2% | - |
| Administrative fees | 5 | 4 | 4 | 4 | 4 | -7.2% | - | 5 | 6 | 6 | 14.5% | - |
| of which: | | | | | | | | | | | | |
| Cryptography fees | 5 | 4 | 4 | 3 | 3 | -15.7% | - | 5 | 6 | 6 | 26.0% | - |
| Request for Information: Promotion of Access to Information Act (2000) | - | - | - | 1 | 1 | - | - | - | - | - | -100.0% | - |
| Other sales | 47 | 47 | 53 | 49 | 49 | 1.4% | - | 48 | 49 | 49 | - | - |
| of which: | | | | | | | | | | | | |
| Commission on insurance | 47 | 47 | 53 | 47 | 47 | - | - | 48 | 49 | 49 | 1.4% | - |
| Sale of obsolete equipment | - | - | - | 2 | 2 | - | - | - | - | - | -100.0% | - |
| Transfers received | - | - | - | 26 250 | 26 250 | - | 0.1% | - | - | - | -100.0% | - |
| Interest, dividends and rent on land | 1 335 925 | 831 077 | 1 140 002 | 490 877 | 490 877 | -28.4% | 13.0% | 600 142 | 600 152 | 600 162 | 6.9% | - |
| Interest | 446 | 264 | 293 399 | 200 | 200 | -23.5% | 1.0% | 110 | 120 | 130 | -13.4% | - |
| Dividends | 1 335 479 | 830 813 | 846 603 | 490 677 | 490 677 | -28.4% | 12.0% | 600 032 | 600 032 | 600 032 | 6.9% | - |
| of which: | | | | | | | | | | | | |
| Vodacom shares | 828 216 | - | - | 32 | 32 | -96.6% | 2.8% | 32 | 32 | 32 | - | - |
| Telkom shares | 507 263 | 830 813 | 846 603 | 490 645 | 490 645 | -1.1% | 9.1% | 600 000 | 600 000 | 600 000 | 6.9% | - |
| Sales of capital assets | - | - | 713 | 68 | 68 | - | - | - | - | 25 | -28.4% | - |
| Transactions in financial assets and liabilities | 25 468 458 | 283 | 334 | 580 | 580 | -97.2% | 86.9% | 440 | 440 | 440 | -8.8% | - |
| Total | 26 804 435 | 831 411 | 1 141 106 | 517 828 | 517 828 | -73.2% | 100.0% | 600 635 | 600 647 | 600 682 | - | - |

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 32.9 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 (%) |
|---------------------------------|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | | | | |
| Ministry | 4 211 | 4 211 | 4 228 | 4 211 | - | 1.9% | 4 773 | 4 864 | 5 180 | 7.1% | 1.8% |
| Departmental Management | 73 332 | 52 052 | 47 986 | 43 286 | -16.1% | 24.7% | 49 179 | 54 593 | 59 201 | 11.0% | 19.4% |
| Internal Audit | 5 245 | 3 939 | 5 402 | 7 589 | 13.1% | 2.5% | 9 934 | 9 707 | 8 937 | 5.6% | 3.4% |
| Corporate Services | 62 590 | 70 486 | 74 242 | 93 480 | 14.3% | 34.3% | 117 842 | 95 365 | 103 035 | 3.3% | 38.5% |
| Financial Management | 70 357 | 75 681 | 74 758 | 77 457 | 3.3% | 34.0% | 75 375 | 82 041 | 84 433 | 2.9% | 30.0% |
| Office Accommodation | 6 129 | 5 213 | 2 836 | 9 184 | 14.4% | 2.7% | 19 725 | 21 253 | 22 903 | 35.6% | 6.9% |
| Total | 221 864 | 211 582 | 209 452 | 235 207 | 2.0% | 100.0% | 276 828 | 267 823 | 283 689 | 6.4% | 100.0% |
| Change to 2018 | | | | 16 875 | | | 33 149 | 6 243 | 6 462 | | |
| Budget estimate | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 217 226 | 204 106 | 198 792 | 204 469 | -2.0% | 93.9% | 235 860 | 253 063 | 270 476 | 9.8% | 90.6% |
| Compensation of employees | 86 179 | 94 823 | 102 890 | 108 762 | 8.1% | 44.7% | 119 898 | 129 154 | 136 789 | 7.9% | 46.5% |
| Goods and services ¹ | 131 047 | 109 283 | 95 902 | 95 707 | -9.9% | 49.2% | 115 962 | 123 909 | 133 687 | 11.8% | 44.1% |
| of which: | | | | | | | | | | | |
| Audit costs: External | 28 067 | 6 499 | 6 962 | 5 089 | -43.4% | 5.3% | 4 850 | 6 228 | 6 257 | 7.1% | 2.1% |
| Computer services | 5 015 | 5 512 | 5 323 | 5 341 | 2.1% | 2.4% | 8 018 | 7 482 | 9 276 | 20.2% | 2.8% |
| Legal services | 6 155 | 7 454 | 5 074 | 5 000 | -6.7% | 2.7% | 8 456 | 8 340 | 9 804 | 25.2% | 3.0% |
| Operating leases | 42 390 | 41 047 | 33 709 | 37 657 | -3.9% | 17.6% | 37 949 | 41 522 | 45 531 | 6.5% | 15.3% |
| Property payments | 10 142 | 11 699 | 11 909 | 10 294 | 0.5% | 5.0% | 14 357 | 15 584 | 15 706 | 15.1% | 5.3% |
| Travel and subsistence | 16 853 | 17 180 | 15 713 | 10 740 | -13.9% | 6.9% | 14 855 | 17 350 | 19 403 | 21.8% | 5.9% |

Table 32.9 Administration expenditure trends and estimates by subprogramme and economic classification

| Economic classification | Audited outcome | | | Adjusted appropriation 2018/19 | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|--|-----------------|----------------|----------------|-----------------------------------|-------------------------|---------------|----------------------------------|----------------|----------------|-------------------------|---------------|
| | 2015/16 | 2016/17 | 2017/18 | | 2015/16 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 | 2021/22 |
| R thousand | | | | | | | | | | | |
| Transfers and subsidies¹ | 278 | 346 | 1 142 | 18 955 | 308.5% | 2.4% | 27 413 | 19 | 26 | -88.9% | 4.4% |
| Provinces and municipalities | 13 | 17 | 14 | 15 | 4.9% | – | 17 | 19 | 26 | 20.1% | – |
| Departmental agencies and accounts | 4 | 4 | – | – | -100.0% | – | – | – | – | – | – |
| Public corporations and private enterprises | 12 | 40 | – | – | -100.0% | – | – | – | – | – | – |
| Households | 249 | 285 | 1 128 | 18 940 | 323.7% | 2.3% | 27 396 | – | – | -100.0% | 4.4% |
| Payments for capital assets | 3 918 | 7 083 | 9 268 | 11 783 | 44.3% | 3.7% | 13 555 | 14 741 | 13 187 | 3.8% | 5.0% |
| Machinery and equipment | 1 862 | 3 262 | 3 269 | 7 280 | 57.5% | 1.8% | 6 611 | 6 730 | 5 162 | -10.8% | 2.4% |
| Software and other intangible assets | 2 056 | 3 821 | 5 999 | 4 503 | 29.9% | 1.9% | 6 944 | 8 011 | 8 025 | 21.2% | 2.6% |
| Payments for financial assets | 442 | 47 | 250 | – | -100.0% | 0.1% | – | – | – | – | – |
| Total | 221 864 | 211 582 | 209 452 | 235 207 | 2.0% | 100.0% | 276 828 | 267 823 | 283 689 | 6.4% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 17.1% | 10.2% | 4.3% | 5.9% | – | – | 16.4% | 15.0% | 16.9% | – | – |

Details of transfers and subsidies

| | | | | | | | | | | | |
|---|------------|------------|------------|---------------|----------------|-------------|---------------|-----------|-----------|----------------|-------------|
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 14 | 251 | 638 | – | -100.0% | 0.1% | – | – | – | – | – |
| Households | 14 | 251 | 638 | – | -100.0% | 0.1% | – | – | – | – | – |
| Departmental agencies and accounts (non-business entities) | | | | | | | | | | | |
| Current | 4 | 4 | – | – | -100.0% | – | – | – | – | – | – |
| Radio licences | 4 | 4 | – | – | -100.0% | – | – | – | – | – | – |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 235 | 34 | 490 | 18 940 | 332.0% | 2.2% | 27 396 | – | – | -100.0% | 4.4% |
| Households | 235 | 34 | 490 | – | -100.0% | 0.1% | – | – | – | – | – |
| Claims against the state | – | – | – | 18 940 | – | 2.2% | 27 396 | – | – | -100.0% | 4.4% |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 12 | 40 | – | – | -100.0% | – | – | – | – | – | – |
| Claims against the state | 12 | 40 | – | – | -100.0% | – | – | – | – | – | – |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | – | – | – | 15 | – | – | 17 | 19 | 26 | 20.1% | – |
| Vehicle licences | – | – | – | 15 | – | – | 17 | 19 | 26 | 20.1% | – |
| Provinces and municipalities | | | | | | | | | | | |
| Provinces | | | | | | | | | | | |
| Provincial agencies and funds | | | | | | | | | | | |
| Current | 13 | 17 | – | – | -100.0% | – | – | – | – | – | – |
| Vehicle licences | 13 | 17 | – | – | -100.0% | – | – | – | – | – | – |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal agencies and funds | | | | | | | | | | | |
| Current | – | – | 14 | – | – | – | – | – | – | – | – |
| Vehicle licences | – | – | 14 | – | – | – | – | – | – | – | – |

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

Personnel information**Table 32.10 Administration personnel numbers and cost by salary level¹**

| Number of posts estimated for 31 March 2019 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | | |
|---|---|--|-----------|------------------|-----------|-----------|----------------------------------|---------|-----------|---------|-------|-----------|-------------------------|--------------------------------|-----------|-----|-------|-----|------|--------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | | | | |
| | | 2017/18 | Unit cost | 2018/19 | Unit cost | 2019/20 | 2020/21 | 2021/22 | 2018/19 | 2021/22 | | | | | | | | | | |
| | | Number | Cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | |
| Administration | | | | | | | | | | | | | | | | | | | | |
| Salary level | 145 | – | – | 154 | 102.9 | 0.7 | 146 | 108.8 | 0.7 | 156 | 119.9 | 0.8 | 159 | 129.2 | 0.8 | 158 | 136.8 | 0.9 | 2.7% | 100.0% |
| 1 – 6 | 13 | – | – | 27 | 4.9 | 0.2 | 13 | 4.0 | 0.3 | 14 | 4.7 | 0.3 | 14 | 5.0 | 0.4 | 13 | 5.0 | 0.4 | – | 8.7% |
| 7 – 10 | 64 | – | – | 63 | 30.6 | 0.5 | 67 | 37.3 | 0.6 | 70 | 41.5 | 0.6 | 70 | 44.9 | 0.6 | 70 | 48.2 | 0.7 | 1.5% | 44.7% |

Table 32.10 Administration personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2019 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | Number | | | | | | | |
|---|---|--|----|------|------------------|----|------|----------------------------------|----|---------|-----|-------------------------|---------------------------------|---------|----|------|-----|-------|-------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | | | |
| | | 2017/18 | | | 2018/19 | | | 2019/20 | | 2020/21 | | | | 2021/22 | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 11 – 12 | 32 | – | 30 | 24.3 | 0.8 | 31 | 26.8 | 0.9 | 31 | 28.6 | 0.9 | 31 | 30.7 | 1.0 | 31 | 32.8 | 1.1 | – | 20.0% |
| 13 – 16 | 32 | – | 31 | 36.3 | 1.2 | 32 | 34.8 | 1.1 | 33 | 38.4 | 1.2 | 33 | 41.2 | 1.2 | 32 | 42.7 | 1.3 | – | 21.0% |
| Other | 4 | – | 3 | 6.7 | 2.2 | 3 | 5.9 | 2.0 | 8 | 6.7 | 0.8 | 11 | 7.4 | 0.7 | 12 | 8.0 | 0.7 | 58.7% | 5.5% |

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 foreign policy and international activities in the field of ICT.

Objectives

- Advance South Africa's ICT interests in regional and international forums to attain partnerships for economic growth and development by:
 - participating in the World Radio Conference, focusing on spectrum management and allocations for future technologies to support the development agenda, in March 2019
 - developing 3 South African position papers for the Brazil-Russia-India-China-South Africa (BRICS) group of countries' ICT ministerial meetings over the medium term.

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 by participating in the World Trade Organisation's ICT-related initiatives, and other international trade agreements such as the South Africa-European Union trade agreement and bilateral agreements with counterpart countries.

Expenditure trends and estimates

Table 32.11 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 (%) |
|---|-----------------|---------------|---------------|---------------|------------------------|-------------------------|---------------|----------------------------------|---------------|---------------|-------------------------|--------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | 2015/16 - 2018/19 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | | |
| R thousand | | | | | | | | | | | | |
| International Affairs | 10 511 | 13 434 | 12 502 | 14 838 | 12.2% | 23.4% | 13 812 | 18 118 | 19 320 | 9.2% | 26.0% | |
| ICT Trade/Partnership | 31 031 | 33 510 | 38 110 | 65 147 | 28.0% | 76.6% | 43 246 | 39 467 | 40 513 | -14.6% | 74.0% | |
| Total | 41 542 | 46 944 | 50 612 | 79 985 | 24.4% | 100.0% | 57 058 | 57 585 | 59 833 | -9.2% | 100.0% | |
| Change to 2018 | | | | 27 950 | | | (1 333) | 1 202 | 178 | | | |
| Budget estimate | | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | | |
| Current payments | 16 490 | 20 256 | 24 615 | 52 511 | 47.1% | 52.0% | 26 706 | 26 553 | 27 622 | -19.3% | 52.4% | |
| Compensation of employees | 10 557 | 12 728 | 16 978 | 13 725 | 9.1% | 24.6% | 16 104 | 17 303 | 18 557 | 10.6% | 25.8% | |
| Goods and services ¹ | 5 933 | 7 528 | 7 637 | 38 786 | 87.0% | 27.3% | 10 602 | 9 250 | 9 065 | -38.4% | 26.6% | |
| of which: | | | | | | | | | | | | |
| Administrative fees | 117 | 225 | 129 | 214 | 22.3% | 0.3% | 195 | 215 | 240 | 3.9% | 0.3% | |
| Minor assets | 103 | 3 | 1 | 171 | 18.4% | 0.1% | 240 | 190 | 294 | 19.8% | 0.4% | |
| Contractors | – | 110 | 763 | 178 | – | 0.5% | 623 | 876 | 209 | 5.5% | 0.7% | |
| Operating leases | 84 | 58 | 75 | 120 | 12.6% | 0.2% | 313 | 316 | 320 | 38.7% | 0.4% | |
| Travel and subsistence | 4 967 | 4 333 | 4 771 | 7 701 | 15.7% | 9.9% | 5 595 | 4 618 | 4 857 | -14.2% | 8.9% | |
| Venues and facilities | 194 | 1 430 | 1 189 | 25 364 | 407.5% | 12.9% | 2 721 | 2 150 | 2 260 | -55.3% | 12.8% | |
| Transfers and subsidies¹ | 24 669 | 26 263 | 25 968 | 27 084 | 3.2% | 47.5% | 29 808 | 30 476 | 31 632 | 5.3% | 46.8% | |
| Foreign governments and international organisations | 24 629 | 26 136 | 25 964 | 27 084 | 3.2% | 47.4% | 29 808 | 30 476 | 31 632 | 5.3% | 46.8% | |
| Non-profit institutions | – | 25 | – | – | – | – | – | – | – | – | – | |
| Households | 40 | 102 | 4 | – | -100.0% | 0.1% | – | – | – | – | – | |

Table 32.11 International Affairs and Trade 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 (%) |
|--|-----------------|---------------|---------------|------------------------|-------------------------|---------------------------------|----------------------------------|---------------|---------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | | | | |
| Payments for capital assets | 383 | 425 | 29 | 390 | 0.6% | 0.6% | 544 | 556 | 579 | 14.1% | 0.8% |
| Machinery and equipment | 383 | 425 | 29 | 390 | 0.6% | 0.6% | 544 | 556 | 579 | 14.1% | 0.8% |
| Total | 41 542 | 46 944 | 50 612 | 79 985 | 24.4% | 100.0% | 57 058 | 57 585 | 59 833 | -9.2% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 3.2% | 2.3% | 1.0% | 2.0% | - | - | 3.4% | 3.2% | 3.6% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 40 | 102 | 4 | - | - | - | - | - | - | - | - |
| Households | 40 | 102 | 4 | - | - | - | - | - | - | - | - |
| Non-profit institutions | | | | | | | | | | | |
| Current | - | 25 | - | - | 3.2% | 47.4% | - | - | - | 5.3% | 46.8% |
| Universal Postal Union | - | 25 | - | - | - | 10.6% | - | - | - | - | 10.2% |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 24 629 | 26 136 | 25 964 | 27 084 | -100.0% | 47.4% | 29 808 | 30 476 | 31 632 | - | 46.8% |
| Universal Postal Union | 5 446 | 5 960 | 5 522 | 6 311 | 0.6% | 10.6% | 6 741 | 6 258 | 6 602 | 14.1% | 10.2% |
| International Telecommunications Union | 16 545 | 17 581 | 16 816 | 17 077 | - | 31.0% | 18 905 | 19 421 | 19 969 | - | 29.6% |
| African Telecommunication Union | 940 | 1 044 | 1 006 | 988 | -100.0% | 1.9% | 1 119 | 1 286 | 1 357 | - | 1.8% |
| Pan-African Postal Union | 1 071 | 1 033 | 1 031 | 1 061 | 0.6% | 0.3% | 1 120 | 1 182 | 1 247 | 14.1% | 0.6% |
| Organisation for Economic Cooperation and Development Commonwealth Telecommunications Organisation | 185 | 166 | 158 | 200 | - | 0.9% | 194 | 569 | 600 | - | 1.9% |
| DONA Foundation | 442 | 352 | 426 | 440 | 0.6% | 1.8% | 529 | 491 | 518 | 14.1% | 1.9% |
| | - | - | 1 005 | 1 007 | - | 0.9% | 1 200 | 1 269 | 1 339 | - | 1.9% |

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

Personnel information

Table 32.12 International Affairs and Trade personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2019 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------|-----------|------------------|---------|-----------|----------------------------------|------|-----------|--------|-------------------|-----------|-------------------------|---------------------------------|-----------|-----|------|--------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | 2018/19 - 2021/22 | | | | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| International Affairs and Trade | | | | | | | | | | | | | | | | | | | |
| Salary level | 15 | - | 16 | 17.0 | 1.1 | 16 | 13.7 | 0.9 | 17 | 16.1 | 0.9 | 17 | 17.3 | 1.0 | 17 | 18.6 | 1.1 | 2.0% | 100.0% |
| 1-6 | - | - | - | 0.1 | - | 1 | 0.4 | 0.4 | 1 | 0.4 | 0.4 | 1 | 0.4 | 0.4 | 1 | 0.5 | 0.5 | - | 6.0% |
| 7-10 | 6 | - | 7 | 3.5 | 0.5 | 6 | 3.3 | 0.5 | 6 | 3.5 | 0.6 | 6 | 3.8 | 0.6 | 6 | 4.1 | 0.7 | - | 35.8% |
| 13-16 | 9 | - | 9 | 13.4 | 1.5 | 9 | 10.1 | 1.1 | 10 | 12.2 | 1.2 | 10 | 13.1 | 1.3 | 10 | 14.0 | 1.4 | 3.6% | 58.2% |

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

- Improve access to and the affordability of ICTs by facilitating the development of ICT policy and priority legislation, in line with the 2016 White Paper on National Integrated ICT Policy, and introducing them to Parliament over the medium term.

- Promote the growth and sustainability of SMMEs through facilitating the implementation of the ICT SMME development strategy, focusing on identified priority areas, over the medium term.
- Develop and implement a national e-strategy to prioritise e-government services by March 2020 by:
 - facilitating the implementation of the e-government programme for smart communities
 - developing the national digital skills strategy.

Subprogrammes

- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the telecommunications, postal and IT sectors to ensure broad-based economic development.
- *Economic and Market Analysis* conducts economic analyses of the telecommunications, postal and IT sectors to determine trends and make growth projections. This subprogramme also undertakes market research to explore areas that require policy intervention; and is responsible for the reduction of the cost of communication.
- *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. These include 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 32.13 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|--|-----------------|---------------|---------------|------------------------|-------------------------|-------------------|----------------------------------|---------------|----------------|-------------------------|-------------------|
| | 2015/16 | 2016/17 | 2017/18 | | 2018/19 | 2015/16 - 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | 2018/19 - 2021/22 |
| R thousand | | | | | | | | | | | |
| ICT Policy Development | 14 397 | 12 491 | 10 045 | 14 259 | -0.3% | 16.2% | 16 063 | 16 480 | 17 505 | 7.1% | 17.1% |
| Economic and Market Analysis | 4 392 | 3 468 | 8 727 | 4 589 | 1.5% | 6.7% | 5 878 | 5 220 | 5 533 | 6.4% | 5.6% |
| Research | 4 183 | 6 912 | 6 923 | 7 202 | 19.9% | 8.0% | 7 054 | 7 634 | 8 093 | 4.0% | 8.0% |
| Information Society Development | 41 397 | 46 138 | 43 819 | 49 609 | 6.2% | 57.3% | 51 456 | 58 003 | 62 007 | 7.7% | 58.8% |
| Capacity Development | 9 610 | 9 485 | 9 010 | 9 321 | -1.0% | 11.8% | 9 748 | 9 887 | 10 463 | 3.9% | 10.5% |
| Total | 73 979 | 78 494 | 78 524 | 84 980 | 4.7% | 100.0% | 90 199 | 97 224 | 103 601 | 6.8% | 100.0% |
| Change to 2018 Budget estimate | | | | (995) | | | 1 040 | 1 123 | 1 580 | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 73 406 | 77 838 | 77 676 | 84 636 | 4.9% | 99.2% | 89 480 | 96 536 | 102 817 | 6.7% | 99.3% |
| Compensation of employees | 49 422 | 52 642 | 52 089 | 52 592 | 2.1% | 65.4% | 59 873 | 64 244 | 68 804 | 9.4% | 65.3% |
| Goods and services ¹ | 23 984 | 25 196 | 25 587 | 32 044 | 10.1% | 33.8% | 29 607 | 32 292 | 34 013 | 2.0% | 34.0% |
| of which: | | | | | | | | | | | |
| <i>Catering: Departmental activities</i> | 548 | 324 | 546 | 691 | 8.0% | 0.7% | 1 086 | 1 111 | 1 180 | 19.5% | 1.1% |
| <i>Communication</i> | 1 335 | 1 397 | 1 306 | 2 444 | 22.3% | 2.1% | 1 236 | 1 359 | 1 452 | -15.9% | 1.7% |
| <i>Consultants: Business and advisory services</i> | 10 122 | 5 499 | 13 135 | 5 961 | -16.2% | 11.0% | 7 209 | 8 957 | 9 789 | 18.0% | 8.5% |
| <i>Travel and subsistence</i> | 6 172 | 4 578 | 4 774 | 8 719 | 12.2% | 7.7% | 7 613 | 6 421 | 6 867 | -7.7% | 7.9% |
| <i>Training and development</i> | 1 274 | 7 777 | 553 | 7 155 | 77.8% | 5.3% | 7 101 | 7 259 | 7 500 | 1.6% | 7.7% |
| <i>Venues and facilities</i> | 1 138 | 2 387 | 1 132 | 1 369 | 6.4% | 1.9% | 1 074 | 1 124 | 1 092 | -7.3% | 1.2% |
| Transfers and subsidies¹ | 293 | 28 | 430 | - | -100.0% | 0.2% | - | - | - | - | - |
| Public corporations and private enterprises | - | 5 | - | - | - | - | - | - | - | - | - |
| Households | 293 | 23 | 430 | - | -100.0% | 0.2% | - | - | - | - | - |
| Payments for capital assets | 280 | 628 | 418 | 344 | 7.1% | 0.5% | 719 | 688 | 784 | 31.6% | 0.7% |
| Machinery and equipment | 280 | 628 | 418 | 294 | 1.6% | 0.5% | 710 | 688 | 784 | 38.7% | 0.7% |
| Software and other intangible assets | - | - | - | 50 | - | - | 9 | - | - | -100.0% | - |
| Total | 73 979 | 78 494 | 78 524 | 84 980 | 4.7% | 100.0% | 90 199 | 97 224 | 103 601 | 6.8% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 5.7% | 3.8% | 1.6% | 2.1% | - | - | 5.4% | 5.5% | 6.2% | - | - |

Table 32.13 Policy, Research and Capacity Development 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 (%) | | | |
|--|-----------------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|---------|-------------------------|--------------------------------|---------|---------|-------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2015/16 - 2018/19 | 2019/20 | | | 2020/21 | 2021/22 | 2018/19 - 2021/22 |
| | R thousand | | | | | | | | | | | | | |
| Households | | | | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | | | | |
| Current | 287 | 9 | 398 | – | -100.0% | 0.2% | – | – | – | – | – | | | |
| Households | 287 | 9 | 398 | – | -100.0% | 0.2% | – | – | – | – | – | | | |
| Households | | | | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | | | | |
| Current | 6 | 14 | 32 | – | – | – | – | – | – | – | – | | | |
| Households | 6 | 14 | 32 | – | – | – | – | – | – | – | – | | | |
| Public corporations and private enterprises | | | | | | | | | | | | | | |
| Private enterprises | | | | | | | | | | | | | | |
| Other transfers to private enterprises | | | | | | | | | | | | | | |
| Current | – | 5 | – | – | 1.6% | – | – | – | – | 38.7% | – | | | |
| Claims against the state | – | 5 | – | – | – | – | – | – | – | – | – | | | |

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

Personnel information

Table 32.14 Policy, Research and Capacity Development personnel numbers and cost by salary level¹

| Policy, Research and Capacity Development | Number of posts estimated for 31 March 2019 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|------|--------|
| | Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | |
| | | | 2017/18 | | | 2018/19 | | | 2019/20 | | 2020/21 | | 2021/22 | | | | 2018/19 - 2021/22 | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | |
| Salary level | 71 | – | 68 | 52.1 | 0.8 | 69 | 52.6 | 0.8 | 73 | 59.9 | 0.8 | 73 | 64.2 | 0.9 | 73 | 68.8 | 0.9 | 1.9% | 100.0% |
| 1–6 | 8 | – | 8 | 2.4 | 0.3 | 10 | 3.5 | 0.4 | 11 | 4.2 | 0.4 | 11 | 4.6 | 0.4 | 11 | 4.9 | 0.4 | 3.2% | 14.9% |
| 7–10 | 19 | – | 19 | 8.1 | 0.4 | 18 | 7.4 | 0.4 | 18 | 8.0 | 0.4 | 18 | 8.6 | 0.5 | 18 | 9.3 | 0.5 | – | 25.0% |
| 11–12 | 16 | – | 15 | 13.0 | 0.9 | 15 | 11.5 | 0.8 | 17 | 13.9 | 0.8 | 17 | 14.9 | 0.9 | 17 | 16.0 | 0.9 | 4.3% | 22.9% |
| 13–16 | 28 | – | 26 | 28.6 | 1.1 | 26 | 30.2 | 1.2 | 27 | 33.7 | 1.2 | 27 | 36.1 | 1.3 | 27 | 38.7 | 1.4 | 1.3% | 37.2% |

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 Public Entities Oversight

Programme purpose

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

Objectives

- Improve the performance of public entities through proactive oversight by:
 - developing and submitting the State ICT Infrastructure Cost Company Bill to Cabinet for approval by March 2020
 - developing and submitting the State IT Services Company Bill to Cabinet for approval by March 2020
 - monitoring and evaluating the service delivery performance and compliance of public entities against strategic plans and relevant prescripts in quarterly performance reports over the medium term.

Subprogrammes

- *Public Entity Oversight* provides oversight on public entities and companies by managing government's shareholder interests in them. This includes facilitating their corporate plans and strategic plans, and ensuring that planning cycles are aligned with legislation and comply with guidelines.

- *SMME Development* facilitates the growth and development of, and hosts an e-commerce platform for, SMMEs in the ICT sector.

Expenditure trends and estimates

Table 32.15 ICT Enterprise Development and Public Entities 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 (%) |
|---|-----------------|----------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | | | | |
| Public Entity Oversight | 480 088 | 869 830 | 3 937 113 | 3 199 979 | 88.2% | 99.8% | 739 230 | 779 280 | 824 233 | -36.4% | 99.6% |
| SMME Development | 2 545 | 4 427 | 4 430 | 5 170 | 26.6% | 0.2% | 5 003 | 5 159 | 5 495 | 2.1% | 0.4% |
| Total | 482 633 | 874 257 | 3 941 543 | 3 205 149 | 88.0% | 100.0% | 744 233 | 784 439 | 829 728 | -36.3% | 100.0% |
| Change to 2018 | | | | 2 954 709 | | | 478 213 | 503 532 | 533 203 | | |
| Budget estimate | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 15 604 | 22 273 | 25 110 | 29 031 | 23.0% | 1.1% | 30 051 | 30 820 | 34 659 | 6.1% | 2.2% |
| Compensation of employees | 12 840 | 19 766 | 22 037 | 23 068 | 21.6% | 0.9% | 22 665 | 24 300 | 26 006 | 4.1% | 1.7% |
| Goods and services ¹ | 2 764 | 2 507 | 3 073 | 5 963 | 29.2% | 0.2% | 7 386 | 6 520 | 8 653 | 13.2% | 0.5% |
| of which: | | | | | | | | | | | |
| <i>Bursaries: Employees</i> | 123 | 167 | 138 | 609 | 70.4% | – | 730 | 691 | 68 | -51.8% | – |
| <i>Communication</i> | 328 | 364 | 456 | 600 | 22.3% | – | 447 | 560 | 713 | 5.9% | – |
| <i>Consultants: Business and advisory services</i> | 805 | 208 | 24 | 130 | -45.5% | – | 3 430 | 2 452 | 4 552 | 227.2% | 0.2% |
| <i>Operating leases</i> | 112 | 164 | 151 | 170 | 14.9% | – | 188 | 205 | 210 | 7.3% | – |
| <i>Travel and subsistence</i> | 557 | 1 023 | 1 057 | 1 482 | 38.6% | – | 1 741 | 1 769 | 1 454 | -0.6% | 0.1% |
| <i>Training and development</i> | 6 | 185 | 275 | – | -100.0% | – | 280 | 53 | 575 | – | – |
| Transfers and subsidies¹ | 466 641 | 201 401 | 216 085 | 228 616 | -21.2% | 13.1% | 713 940 | 753 154 | 794 582 | 51.5% | 44.8% |
| Departmental agencies and accounts | 351 410 | 201 401 | 216 083 | 228 616 | -13.4% | 11.7% | 239 313 | 252 423 | 266 306 | 5.2% | 17.7% |
| Public corporations and private enterprises | 115 092 | – | – | – | -100.0% | 1.4% | 474 627 | 500 731 | 528 276 | – | 27.0% |
| Households | 139 | – | 2 | – | -100.0% | – | – | – | – | – | – |
| Payments for capital assets | 388 | 583 | 348 | 502 | 9.0% | – | 242 | 465 | 487 | -1.0% | – |
| Machinery and equipment | 388 | 583 | 348 | 502 | 9.0% | – | 242 | 465 | 487 | -1.0% | – |
| Payments for financial assets | – | 650 000 | 3 700 000 | 2 947 000 | – | 85.8% | – | – | – | -100.0% | 53.0% |
| Total | 482 633 | 874 257 | 3 941 543 | 3 205 149 | 88.0% | 100.0% | 744 233 | 784 439 | 829 728 | -36.3% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 37.1% | 42.1% | 80.6% | 80.0% | – | – | 44.2% | 44.0% | 49.6% | – | – |
| Details of transfers and subsidies | | | | | | | | | | | |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 137 | – | – | – | – | – | – | – | – | – | – |
| Households | 137 | – | – | – | -13.4% | – | – | – | – | 5.2% | – |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 351 410 | 201 401 | 216 083 | 228 616 | -100.0% | 11.7% | 239 313 | 252 423 | 266 306 | – | 17.7% |
| National Electronic Media Institute of South Africa | 36 601 | 77 200 | 85 785 | 90 761 | – | 3.4% | 95 347 | 100 583 | 106 115 | – | 7.1% |
| Universal Service and Access Agency of South Africa | 262 429 | 69 045 | 75 684 | 80 074 | -100.0% | 5.7% | 82 949 | 87 467 | 92 277 | – | 6.2% |
| Universal Service and Access Fund | 52 380 | 55 156 | 54 614 | 57 781 | 9.0% | 2.6% | 61 017 | 64 373 | 67 914 | -1.0% | 4.5% |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 2 | – | 2 | – | – | – | – | – | – | – | – |
| Households | 2 | – | 2 | – | – | – | – | – | – | – | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 115 092 | – | – | – | – | 1.4% | 474 627 | 500 731 | 528 276 | – | 27.0% |
| South African Post Office | 115 092 | – | – | – | – | 1.4% | 474 627 | 500 731 | 528 276 | – | 27.0% |

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

Personnel information

Table 32.16 ICT Enterprise Development and Public Entities Oversight personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2019 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|--|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-----|--------|--------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2017/18 | | Unit cost | 2018/19 | | Unit cost | 2019/20 | | 2020/21 | | 2021/22 | | | | 2018/19 - 2021/22 | | | |
| ICT Enterprise Development and Public Entities Oversight | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 23 | – | 25 | 22.0 | 0.9 | 26 | 23.1 | 0.9 | 22 | 22.7 | 1.0 | 22 | 24.3 | 1.1 | 22 | 26.0 | 1.2 | -5.4% | 100.0% |
| 7 – 10 | 5 | – | 5 | 2.3 | 0.5 | 7 | 2.9 | 0.4 | 4 | 1.8 | 0.5 | 4 | 2.0 | 0.5 | 4 | 2.1 | 0.5 | -17.0% | 20.7% |
| 11 – 12 | 6 | – | 6 | 4.3 | 0.7 | 6 | 4.6 | 0.8 | 5 | 4.2 | 0.8 | 5 | 4.5 | 0.9 | 5 | 4.8 | 1.0 | -5.9% | 22.8% |
| 13 – 16 | 12 | – | 14 | 15.4 | 1.1 | 13 | 15.6 | 1.2 | 13 | 16.6 | 1.3 | 13 | 17.8 | 1.4 | 13 | 19.1 | 1.5 | – | 56.5% |

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.

Objectives

- Coordinate broadband connectivity through contributing to the achievement of 100 per cent population coverage by:
 - coordinating and monitoring the provision of broadband connectivity and services to 970 connected sites over the medium term
 - supporting the operations of the rapid deployment national coordination centre by establishing a certified cybersecurity hub by March 2020.
- Develop and implement ICT policy and legislation aimed at improving access to and the affordability of ICT by completing the world radiocommunication 2019 outcomes report to inform the revision of the 2020 national frequency plan, 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 making the frequency spectrum available for next generation mobile broadband and other applications.
- *ICT Support* is responsible for the management and protection of South Africa's ICT environment.

Expenditure trends and estimates

Table 32.17 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 (%) |
|--------------------------------|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | 2015/16 - 2018/19 | | | | | 2018/19 - 2021/22 | |
| Broadband | 83 540 | 26 935 | 39 313 | 162 412 | 24.8% | 13.2% | 221 389 | 244 018 | 256 584 | 16.5% | 46.8% |
| Digital Terrestrial Television | 390 213 | 829 384 | 565 098 | 222 840 | -17.0% | 85.1% | 277 539 | 322 415 | 130 296 | -16.4% | 50.4% |
| ICT Support | 6 326 | 8 096 | 7 513 | 16 363 | 37.3% | 1.6% | 17 328 | 9 457 | 10 040 | -15.0% | 2.8% |
| Total | 480 079 | 864 415 | 611 924 | 401 615 | -5.8% | 100.0% | 516 256 | 575 890 | 396 920 | -0.4% | 100.0% |
| Change to 2018 Budget estimate | | | | 84 990 | | | 149 086 | 185 269 | (15 546) | | |

Table 32.17 ICT Infrastructure Support 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 (%) |
|--|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | | | | |
| Current payments | 89 394 | 34 380 | 45 941 | 170 536 | 24.0% | 14.4% | 230 657 | 253 166 | 266 276 | 16.0% | 48.7% |
| Compensation of employees | 22 695 | 25 289 | 25 849 | 26 153 | 4.8% | 4.2% | 22 859 | 24 505 | 26 217 | 0.1% | 5.3% |
| Goods and services ¹ | 66 699 | 9 091 | 20 092 | 144 383 | 29.4% | 10.2% | 207 798 | 228 661 | 240 059 | 18.5% | 43.4% |
| <i>of which:</i> | | | | | | | | | | | |
| <i>Advertising</i> | 377 | 1 759 | 104 | 380 | 0.3% | 0.1% | 1 084 | 1 143 | 1 207 | 47.0% | 0.2% |
| <i>Computer services</i> | 94 | 152 | 1 621 | 1 660 | 160.4% | 0.1% | 9 226 | 126 | 184 | -52.0% | 0.6% |
| <i>Consultants: Business and advisory services</i> | 59 892 | 768 | 11 493 | 120 228 | 26.1% | 8.2% | 184 166 | 213 651 | 195 267 | 17.5% | 37.7% |
| <i>Agency and support/outsourced services</i> | – | – | – | 3 680 | – | 0.2% | 630 | 665 | 29 626 | 100.4% | 1.8% |
| <i>Travel and subsistence</i> | 4 591 | 4 433 | 4 547 | 7 599 | 18.3% | 0.9% | 7 128 | 7 412 | 7 947 | 1.5% | 1.6% |
| <i>Venues and facilities</i> | 162 | 115 | 194 | 1 900 | 127.2% | 0.1% | 2 787 | 2 968 | 2 809 | 13.9% | 0.6% |
| Transfers and subsidies¹ | 390 168 | 829 455 | 565 306 | 222 840 | -17.0% | 85.1% | 277 539 | 322 415 | 130 296 | -16.4% | 50.4% |
| Departmental agencies and accounts | 181 160 | 589 384 | 79 098 | 18 940 | -52.9% | 36.8% | 26 605 | 56 721 | 59 841 | 46.7% | 8.6% |
| Public corporations and private enterprises | 209 000 | 240 005 | 486 000 | 203 900 | -0.8% | 48.3% | 250 934 | 265 694 | 70 455 | -29.8% | 41.8% |
| Households | 8 | 66 | 208 | – | -100.0% | – | – | – | – | – | – |
| Payments for capital assets | 512 | 580 | 677 | 8 239 | 152.5% | 0.4% | 8 060 | 309 | 348 | -65.2% | 0.9% |
| Machinery and equipment | 512 | 200 | 664 | 1 679 | 48.6% | 0.1% | 1 580 | 218 | 255 | -46.6% | 0.2% |
| Software and other intangible assets | – | 380 | 13 | 6 560 | – | 0.3% | 6 480 | 91 | 93 | -75.8% | 0.7% |
| Payments for financial assets | 5 | – | – | – | -100.0% | – | – | – | – | – | – |
| Total | 480 079 | 864 415 | 611 924 | 401 615 | -5.8% | 100.0% | 516 256 | 575 890 | 396 920 | -0.4% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 36.9% | 41.6% | 12.5% | 10.0% | – | – | 30.6% | 32.3% | 23.7% | – | – |
| Details of transfers and subsidies | | | | | | | | | | | |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | – | 58 | 204 | – | – | – | – | – | – | – | – |
| Households | – | 58 | 204 | – | -52.9% | – | – | – | – | 46.7% | – |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 181 160 | 589 384 | 79 098 | 18 940 | -0.8% | 36.8% | 26 605 | 56 721 | 59 841 | -29.8% | 8.6% |
| Universal Service and Access Fund: Broadcasting digital migration | 181 160 | 589 384 | 79 098 | 18 940 | – | 36.8% | 26 605 | 56 721 | 59 841 | – | 8.6% |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 8 | 8 | 4 | – | – | – | – | – | – | – | – |
| Households | 8 | 8 | 4 | – | 48.6% | – | – | – | – | -46.6% | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | – | 240 005 | 240 000 | – | 48.6% | 20.4% | – | – | – | -46.6% | – |
| South African Post Office: Broadcasting digital migration | – | 240 000 | 240 000 | – | – | 20.4% | – | – | – | – | – |
| Claims against the state | – | 5 | – | – | -100.0% | – | – | – | – | – | – |
| Capital | 209 000 | – | 246 000 | 203 900 | – | 27.9% | 250 934 | 265 694 | 70 455 | – | 41.8% |
| Sentech: Dual illumination costs relating to the digital migration project | 209 000 | – | 193 000 | 203 900 | – | 25.7% | 192 494 | 204 044 | – | – | 31.8% |
| Sentech: Migration of digital signals | – | – | 53 000 | – | – | 2.2% | 58 440 | 61 650 | 70 455 | – | 10.1% |

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

Personnel information

Table 32.18 ICT Infrastructure Support personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2019 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | | | | |
|---|---|--|------|-----------|------------------|---------|-----------|----------------------------------|------|-----------|--------|-------------------|-----------|-------------------------|---------------------------------|-----------|-----|------|------|--------|--------|-------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | | | | |
| | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | 2018/19 - 2021/22 | | | | | | | | | | |
| ICT Infrastructure Support | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | | |
| Salary level | | 28 | – | – | 30 | 25.8 | 0.9 | 33 | 26.2 | 0.8 | 23 | 22.9 | 1.0 | 23 | 24.5 | 1.1 | 23 | 26.2 | 1.1 | -11.3% | 100.0% | |
| 1–6 | 2 | – | 2 | 0.3 | 0.1 | 3 | 1.0 | 0.3 | 1 | 0.3 | 0.3 | 1 | 0.4 | 0.4 | 1 | 0.4 | 0.4 | 1 | 0.4 | 0.4 | -30.7% | 5.9% |
| 7–10 | 5 | – | 5 | 2.6 | 0.5 | 8 | 3.2 | 0.4 | 2 | 1.0 | 0.5 | 2 | 1.1 | 0.5 | 2 | 1.2 | 0.6 | 2 | 1.2 | 0.6 | -37.0% | 13.7% |
| 11–12 | 9 | – | 10 | 7.2 | 0.7 | 9 | 6.9 | 0.8 | 8 | 6.5 | 0.8 | 8 | 7.0 | 0.9 | 8 | 7.5 | 0.9 | 8 | 7.5 | 0.9 | -3.9% | 32.4% |
| 13–16 | 12 | – | 13 | 15.7 | 1.2 | 13 | 15.1 | 1.2 | 12 | 15.0 | 1.2 | 12 | 16.1 | 1.3 | 12 | 17.2 | 1.4 | 12 | 17.2 | 1.4 | -2.6% | 48.0% |

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

2. Rand million.

Entities

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 entity in the Public Finance Management Act (1999). In 2002, the entity'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 32.19 Sentech performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/Objective/Activity | MTSF outcome | Past | | | Current | Projections | | |
|---|---|---|--|--|--|--|--|--|--|
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Percentage availability of digital terrestrial television per year | Attain digital terrestrial television network | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 99% (1.01 million hours/ 1.02 million hours) |
| Broadband sites connected in support of Internet for All project per year | Administration | Entity mandate | – ² | – ² | – ² | 4 | 6 | 6 | 6 |

1. No historical data available.

Expenditure analysis

Over the medium term, Sentech will focus on: increasing revenue and addressing challenges in areas of customer satisfaction; expanding its managed infrastructure services and connectivity services businesses; identifying possible acquisition targets; and executing its African business strategy, which involves expanding broadcasting services to other African markets.

The company generates revenue from providing terrestrial television and radio services, satellite linking, facility rentals and sales, and direct-to-home satellite services. Revenue generated from these activities is expected to increase at an average annual rate of 1.1 per cent, from R3 billion in 2018/19 to R3.1 billion in 2021/22. Sentech also receives project-related funding from the department amounting to R587.1 million over the MTEF period. Of this, R396.5 million is allocated for dual illumination costs in 2019/20 and 2020/21, and R190.5 million is allocated for digital migration over the medium term.

The company aims to deliver digital terrestrial signals at 99 per cent availability per year and connect 6 broadband sites per year over the medium term. The latter is in support of Internet for All, a partnership

between the Department of Telecommunications and Postal Services, the World Economic Forum and other public, private and community organisations, which identifies areas with the most pressing need for internet connectivity and channels resources into them.

The company's number of personnel is expected to decrease from 533 in 2018/19 to 524 by 2021/22, mainly due to natural attrition. This explains the below inflation average annual increase of 1.9 per cent in spending on compensation of employees, from R468.8 million in 2018/19 to R496.6 million in 2021/22. Nevertheless, the company's total expenditure is expected to increase at an average annual rate of 6.3 per cent, from R1.5 billion in 2018/19 to R1.8 billion in 2021/22, mainly driven by spending on developing services.

Programmes/Objectives/Activities

Table 32.20 Sentech expenditure trends and estimates by programme/objective/activity

| | Audited outcome | | | Revised estimate 2018/19 | Average growth rate (%) 2015/16 - 2018/19 | Average: Expenditure/ Total (%) 2018/19 | Medium-term expenditure estimate | | | Average growth rate (%) 2018/19 - 2021/22 | Average: Expenditure/ Total (%) 2018/19 - 2021/22 |
|---|------------------|------------------|------------------|-----------------------------|--|--|----------------------------------|------------------|------------------|--|--|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2019/20 | 2020/21 | 2021/22 | | |
| R thousand | | | | | | | | | | | |
| Administration | 940 883 | 1 202 360 | 1 375 341 | 1 365 552 | 13.2% | 91.0% | 1 425 169 | 1 480 999 | 1 648 569 | 6.5% | 89.6% |
| Attain digital terrestrial television network | 100 728 | 89 806 | 134 933 | 159 415 | 16.5% | 9.0% | 167 386 | 175 755 | 184 367 | 5.0% | 10.4% |
| Total | 1 041 611 | 1 292 166 | 1 510 274 | 1 524 967 | 13.5% | 100.0% | 1 592 555 | 1 656 754 | 1 832 936 | 6.3% | 100.0% |

Statements of historical financial performance and position

Table 32.21 Sentech statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---|
| | Audited outcome | | Audited outcome | | Audited outcome | | Budget estimate | | Average: Outcome/ Budget (%) 2015/16 - 2018/19 |
| | Budget | 2015/16 | Budget | 2016/17 | Budget | 2017/18 | Budget estimate | Revised estimate | |
| R thousand | | | | | | | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 2 242 807 | 2 210 939 | 2 419 698 | 2 439 847 | 2 583 767 | 2 631 783 | 2 714 387 | 2 762 856 | 100.9% |
| Sale of goods and services other than capital assets | 2 221 467 | 2 157 050 | 2 395 698 | 2 285 626 | 2 551 652 | 2 429 434 | 2 704 752 | 2 579 250 | 95.7% |
| <i>of which:</i> | | | | | | | | | |
| <i>Sales by market establishment</i> | <i>1 110 733</i> | <i>1 078 525</i> | <i>1 197 849</i> | <i>1 142 813</i> | <i>1 275 826</i> | <i>1 214 717</i> | <i>1 352 376</i> | <i>1 289 625</i> | <i>95.7%</i> |
| <i>Terrestrial television services</i> | <i>547 849</i> | <i>555 198</i> | <i>614 999</i> | <i>576 145</i> | <i>636 259</i> | <i>614 454</i> | <i>728 243</i> | <i>667 161</i> | <i>95.5%</i> |
| <i>Terrestrial FM, AM and shortwave radio services</i> | <i>299 096</i> | <i>302 187</i> | <i>343 567</i> | <i>325 192</i> | <i>365 387</i> | <i>521 707</i> | <i>355 034</i> | <i>547 414</i> | <i>124.5%</i> |
| <i>Other</i> | <i>263 789</i> | <i>221 140</i> | <i>239 283</i> | <i>241 476</i> | <i>274 180</i> | <i>78 556</i> | <i>269 099</i> | <i>75 050</i> | <i>58.9%</i> |
| Other non-tax revenue | 21 340 | 53 889 | 24 000 | 154 221 | 32 115 | 202 348 | 9 635 | 183 606 | 682.1% |
| Transfers received | 95 614 | 209 000 | 2 785 | 100 000 | 246 000 | 246 000 | 203 900 | 203 900 | 138.4% |
| Total revenue | 2 338 421 | 2 419 939 | 2 422 483 | 2 539 847 | 2 829 767 | 2 877 783 | 2 918 287 | 2 966 756 | 102.8% |
| Expenses | | | | | | | | | |
| Current expenses | 1 011 117 | 1 001 503 | 1 195 417 | 1 302 156 | 1 297 775 | 1 457 840 | 1 321 946 | 1 483 092 | 108.7% |
| Compensation of employees | 366 939 | 398 300 | 386 310 | 409 986 | 426 031 | 457 084 | 448 507 | 468 781 | 106.5% |
| Goods and services | 583 103 | 512 490 | 727 155 | 784 496 | 771 548 | 897 517 | 764 178 | 900 152 | 108.7% |
| Depreciation | 60 576 | 80 591 | 81 952 | 103 466 | 100 196 | 99 060 | 109 260 | 114 055 | 112.8% |
| Interest, dividends and rent on land | 500 | 10 122 | – | 4 207 | – | 4 179 | – | 105 | 3 722.4% |
| Total expenses | 1 071 757 | 1 041 611 | 1 203 598 | 1 292 166 | 1 345 430 | 1 510 274 | 1 323 168 | 1 524 967 | 108.6% |
| Surplus/(Deficit) | 1 266 664 | 1 378 328 | 1 218 885 | 1 247 681 | 1 484 337 | 1 367 509 | 1 595 119 | 1 441 789 | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 931 369 | 846 351 | 1 081 271 | 946 509 | 1 163 576 | 954 437 | 1 176 666 | 941 365 | 84.7% |
| <i>of which:</i> | | | | | | | | | |
| <i>Acquisition of assets</i> | <i>(300 000)</i> | <i>(194 171)</i> | <i>(552 016)</i> | <i>(274 615)</i> | <i>(405 043)</i> | <i>(110 216)</i> | <i>(524 699)</i> | <i>(175 393)</i> | <i>42.3%</i> |
| Inventory | 83 169 | 73 345 | 47 838 | 80 301 | 63 861 | 82 305 | 51 089 | 58 842 | 119.9% |
| Receivables and prepayments | 66 491 | 63 811 | 22 112 | 43 131 | 58 846 | 297 931 | 47 077 | 119 521 | 269.6% |
| Cash and cash equivalents | 544 529 | 957 242 | 507 338 | 907 357 | 812 284 | 916 149 | 766 176 | 1 170 706 | 150.2% |
| Taxation | 50 401 | 13 283 | – | 18 138 | – | 12 687 | – | – | 87.5% |
| Total assets | 1 675 958 | 1 954 032 | 1 658 559 | 1 995 436 | 2 098 567 | 2 263 509 | 2 041 008 | 2 290 434 | 113.8% |

Table 32.21 Sentech statements of historical financial performance and position

| Statement of financial position | Budget | | Audited outcome | | Budget | | Audited outcome | | Average: Outcome/Budget (%) |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|-----------------------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2015/16 - 2018/19 | | | | |
| R thousand | | | | | | | | | |
| Accumulated surplus/(deficit) | 953 339 | 918 844 | 926 991 | 1 023 712 | 1 164 931 | 1 176 254 | 1 161 785 | 1 314 125 | 105.4% |
| Capital and reserves | 586 655 | 743 759 | 586 655 | 743 760 | 743 760 | 743 760 | 743 760 | 743 760 | 111.8% |
| Borrowings | 4 873 | – | – | – | – | – | – | – | – |
| Deferred income | – | 76 423 | – | 10 216 | 9 267 | 94 286 | – | 54 948 | 2 545.3% |
| Trade and other payables | 63 949 | 120 234 | 88 424 | 133 111 | 112 007 | 146 548 | 84 005 | 118 305 | 148.7% |
| Taxation | 67 143 | 68 602 | 56 489 | 40 577 | 68 602 | 53 073 | 51 458 | 40 577 | 83.2% |
| Provisions | – | 26 170 | – | 44 060 | – | 49 588 | – | 18 719 | – |
| Total equity and liabilities | 1 675 958 | 1 954 032 | 1 658 559 | 1 995 436 | 2 098 567 | 2 263 509 | 2 041 008 | 2 290 434 | 113.8% |

Statements of estimates of financial performance and position**Table 32.22 Sentech 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 (%) |
|--|------------------|-------------------------|--------------------------------|----------------------|------------------|------------------|-------------------------|--------------------------------|
| | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 2 762 856 | 7.7% | 93.0% | 2 782 304 | 2 859 437 | 2 993 689 | 2.7% | 93.5% |
| Sale of goods and services other than capital assets | 2 579 250 | 6.1% | 87.6% | 2 708 216 | 2 843 623 | 2 976 989 | 4.9% | 91.1% |
| <i>of which:</i> | | | | | | | | |
| <i>Sales by market establishment</i> | 1 289 625 | 6.1% | 43.8% | 1 354 108 | 1 421 812 | 1 488 495 | 4.9% | 45.5% |
| <i>Terrestrial television services</i> | 667 161 | 6.3% | 22.4% | 689 047 | 721 363 | 755 195 | 4.2% | 23.2% |
| <i>Terrestrial FM, AM and shortwave radio services</i> | 547 414 | 21.9% | 15.5% | 571 089 | 597 873 | 625 913 | 4.6% | 19.2% |
| <i>Other</i> | 75 050 | -30.2% | 6.0% | 93 972 | 102 575 | 107 386 | 12.7% | 3.1% |
| Other non-tax revenue | 183 606 | 50.5% | 5.4% | 74 088 | 15 814 | 16 700 | -55.0% | 2.4% |
| Transfers received | 203 900 | -0.8% | 7.0% | 250 934 | 265 694 | 70 455 | -29.8% | 6.5% |
| Total revenue | 2 966 756 | 7.0% | 100.0% | 3 033 238 | 3 125 131 | 3 064 144 | 1.1% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 1 483 092 | 14.0% | 97.7% | 1 583 189 | 1 646 864 | 1 827 070 | 7.2% | 98.9% |
| Compensation of employees | 468 781 | 5.6% | 32.7% | 476 987 | 491 379 | 496 637 | 1.9% | 29.4% |
| Goods and services | 900 152 | 20.7% | 57.1% | 1 001 595 | 1 049 831 | 1 218 862 | 10.6% | 62.9% |
| Depreciation | 114 055 | 12.3% | 7.4% | 104 608 | 105 654 | 111 570 | -0.7% | 6.6% |
| Interest, dividends and rent on land | 105 | -78.2% | 0.4% | – | – | – | -100.0% | 0.0% |
| Total expenses | 1 524 967 | 13.5% | 100.0% | 1 592 555 | 1 656 754 | 1 832 936 | 6.3% | 100.0% |
| Surplus/(Deficit) | 1 441 789 | | | 1 440 683 | 1 468 377 | 1 231 208 | | |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 941 365 | 3.6% | 43.5% | 958 307 | 978 514 | 1 076 365 | 4.6% | 43.8% |
| <i>of which:</i> | | | | | | | | |
| <i>Acquisition of assets</i> | (175 393) | -3.3% | -9.1% | (213 360) | (216 845) | (228 988) | 9.3% | -9.2% |
| Inventory | 58 842 | -7.1% | 3.5% | 54 151 | 46 028 | 50 631 | -4.9% | 2.3% |
| Receivables and prepayments | 119 521 | 23.3% | 6.0% | 149 824 | 162 976 | 179 274 | 14.5% | 6.8% |
| Cash and cash equivalents | 1 170 706 | 6.9% | 46.5% | 1 059 022 | 966 860 | 1 063 546 | -3.1% | 47.1% |
| Total assets | 2 290 434 | 5.4% | 100.0% | 2 221 304 | 2 154 378 | 2 369 816 | 1.1% | 100.0% |
| Accumulated surplus/(deficit) | 1 314 125 | 12.7% | 51.9% | 1 299 941 | 1 233 015 | 1 356 317 | 1.1% | 57.6% |
| Capital and reserves | 743 760 | 0.0% | 35.2% | 743 760 | 743 760 | 818 136 | 3.2% | 33.8% |
| Deferred income | 54 948 | -10.4% | 2.7% | – | – | – | -100.0% | 0.6% |
| Trade and other payables | 118 305 | -0.5% | 6.1% | 118 307 | 118 307 | 130 138 | 3.2% | 5.4% |
| Taxation | 40 577 | -16.1% | 2.4% | 40 577 | 40 577 | 44 635 | 3.2% | 1.8% |
| Provisions | 18 719 | -10.6% | 1.6% | 18 719 | 18 719 | 20 591 | 3.2% | 0.8% |
| Total equity and liabilities | 2 290 434 | 5.4% | 100.0% | 2 221 304 | 2 154 378 | 2 369 816 | 1.1% | 100.0% |

Personnel information

Table 32.23 Sentech personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2019 | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | Number | | | | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|--------------------------------|-------------------|-----|-------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | | |
| | | 2017/18 | | | 2018/19 | | | 2019/20 | | 2020/21 | | 2021/22 | | | | 2018/19 - 2021/22 | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Sentech | | | | | | | | | | | | | | | | | | | |
| Salary level | 533 | 533 | 538 | 457.1 | 0.8 | 533 | 468.8 | 0.9 | 533 | 477.0 | 0.9 | 533 | 491.4 | 0.9 | 524 | 496.6 | 0.9 | 1.9% | 100.0% |
| 7 – 10 | 102 | 102 | 102 | 50.3 | 0.5 | 102 | 52.0 | 0.5 | 102 | 53.3 | 0.5 | 102 | 55.7 | 0.5 | 95 | 51.3 | 0.5 | -0.5% | 18.9% |
| 11 – 12 | 302 | 302 | 306 | 190.3 | 0.6 | 302 | 192.5 | 0.6 | 302 | 195.6 | 0.6 | 302 | 199.4 | 0.7 | 300 | 205.5 | 0.7 | 2.2% | 56.8% |
| 13 – 16 | 126 | 126 | 127 | 210.6 | 1.7 | 126 | 216.1 | 1.7 | 126 | 219.6 | 1.7 | 126 | 227.6 | 1.8 | 126 | 230.8 | 1.8 | 2.2% | 23.7% |
| 17 – 22 | 3 | 3 | 3 | 5.9 | 2.0 | 3 | 8.2 | 2.7 | 3 | 8.5 | 2.8 | 3 | 8.8 | 2.9 | 3 | 9.1 | 3.0 | 3.5% | 0.6% |

1. Rand million.

South African Post Office

Mandate

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

Selected performance indicators

Table 32.24 South African Post Office performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/Objective/Activity | MTSF outcome | Past | | | Current | Projections | | |
|--|--------------------------------|----------------|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Total number of points of presence | Mail and retail business units | Entity mandate | 2 368 | 2 222 | 2 209 | 2 209 | 2 209 | 2 209 | 2 209 |
| Number of new addresses rolled out per year as part of the address expansion programme | Mail and retail business units | | 261 340 | 241 416 | 265 002 | 500 000 | 500 000 | 500 000 | 500 000 |

Expenditure analysis

Over the medium term, South African Post Office will focus on: stabilising its financial position by addressing its liquidity challenges and settling its debts, providing universal access to postal and related services, finalising the corporatisation of Postbank, optimising its personnel base to ensure operational effectiveness, and distributing social grants on behalf of the South African Social Security Agency.

After posting a net loss in 2017/18, Cabinet approved R2.9 billion in 2018/19 towards recapitalising the company to stabilise its financial position. Additional allocations amounting to R1.5 billion over the MTEF period have also been approved to subsidise universal service obligations. As a result, the company's financial outlook is expected to improve, with projected budget surpluses of R744.9 million in 2020/21 and R934 million in 2021/22.

In its continuing effort to provide universal access to postal and related services, the company expects to roll out 500 000 verifiable community addresses per year over the medium term in areas where they are lacking. In addition, 2 209 points of presence per year, including post offices, mobile units and retail postal agencies, are expected to be maintained to meet government's social mandate to provide postal services in underserved areas. These activities are carried out in the mail, retail and transport programme.

Postbank, a division of South African Post Office, is expected to provide inclusive and affordable financial services to communities in rural areas. In realising this expectation, the company plans to meet the Reserve Bank's requirements for licensing Postbank and finalise its transition into a commercial bank. Accordingly, spending in the *Postbank* programme is expected to increase at an average annual rate of 37 per cent, from R436.4 million in 2018/19 to R1.1 billion in 2021/22, due to increases in spending on compensation of employees, interest on loans, depreciation and IT services costs.

The company generates revenue by providing postal and courier services, and from fees for financial transactions; and derives other income from interest on investments, and transfers from the Department of Telecommunications and Postal Services for its obligations to provide universal access to postal and related services. Total revenue is expected to increase at an average annual rate of 18 per cent, from R5 billion in 2018/19 to R8.2 billion in 2021/22, due to an expected increase in business opportunities such as the provision of courier services.

Total expenditure is expected to increase at an average annual rate of 5.3 per cent, from R6.2 billion in 2018/19 to R7.2 billion in 2021/22. Due to the labour-intensive nature of the company's work, compensation of employees is its largest spending area, amounts to R11 billion over the medium term. The company's number of personnel is expected to decrease from 17 770 in 2018/19 to 14 256 in 2021/22, mainly due to the personnel optimisation project. This explains the below inflation average annual increase of 0.1 per cent in spending on compensation of employees, which remains at R3.6 billion in 2021/22.

Programmes/Objectives/Activities

Table 32.25 South African Post Office 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 (%) |
|--------------------------------|------------------|------------------|------------------|------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| Administration | 2 131 151 | 1 850 474 | 1 572 025 | 1 675 432 | -7.7% | 28.9% | 1 320 165 | 1 506 618 | 1 769 593 | 1.8% | 23.0% |
| Logistics | 262 575 | 113 026 | 45 591 | 39 361 | -46.9% | 1.8% | 41 597 | 43 727 | 46 027 | 5.4% | 0.6% |
| Postbank | 169 643 | 301 924 | 311 809 | 436 416 | 37.0% | 4.9% | 1 008 945 | 1 064 437 | 1 122 981 | 37.0% | 13.0% |
| Mail and Retail business units | 4 020 107 | 4 044 592 | 3 950 351 | 4 047 151 | 0.2% | 64.4% | 4 778 806 | 4 249 639 | 4 303 369 | 2.1% | 63.4% |
| Total | 6 583 476 | 6 310 016 | 5 879 776 | 6 198 360 | -2.0% | 100.0% | 7 149 513 | 6 864 421 | 7 241 970 | 5.3% | 100.0% |

Statements of historical financial performance and position

Table 32.26 South African Post Office 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 | 2015/16 | Budget | 2016/17 | Budget | 2017/18 | 2018/19 | 2018/19 - 2018/19 | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 6 719 984 | 5 356 780 | 6 596 799 | 5 083 164 | 6 667 323 | 4 731 572 | 5 994 912 | 4 975 350 | 77.6% |
| Sale of goods and services other than capital assets | 5 618 570 | 4 730 779 | 6 397 461 | 4 626 325 | 6 493 660 | 4 515 257 | 5 873 748 | 4 881 111 | 76.9% |
| <i>of which:</i> | | | | | | | | | |
| <i>Sales by market establishment</i> | 5 618 570 | 4 730 779 | 6 397 461 | 4 626 325 | 6 493 660 | 4 515 257 | 5 873 748 | 4 881 111 | 76.9% |
| <i>Postal services and courier services</i> | 4 475 683 | 3 654 941 | 4 750 966 | 3 391 338 | 4 742 069 | 3 166 810 | 4 052 533 | 3 135 279 | 74.1% |
| <i>Financial services (retail and Postbank)</i> | 656 581 | 585 818 | 1 131 281 | 644 691 | 1 070 985 | 729 853 | 1 224 008 | 1 138 650 | 75.9% |
| <i>Postbank interest revenue</i> | 486 306 | 490 020 | 515 214 | 590 296 | 680 606 | 618 594 | 597 207 | 607 182 | 101.2% |
| Other non-tax revenue | 1 101 414 | 626 001 | 199 338 | 456 839 | 173 663 | 216 315 | 121 164 | 94 239 | 87.3% |
| Transfers received | 64 852 | 115 092 | 240 000 | 240 000 | 240 000 | 240 000 | - | - | 109.2% |
| Total revenue | 6 800 043 | 5 471 872 | 6 836 799 | 5 323 164 | 6 907 323 | 4 971 572 | 5 994 912 | 4 975 350 | 78.2% |
| Expenses | | | | | | | | | |
| Current expenses | 6 902 497 | 6 583 406 | 7 984 704 | 6 290 288 | 6 820 737 | 5 879 680 | 6 500 456 | 6 198 360 | 88.5% |
| Compensation of employees | 4 152 795 | 3 476 167 | 3 914 210 | 3 560 358 | 3 488 213 | 3 532 440 | 3 788 246 | 3 603 401 | 92.4% |
| Goods and services | 2 505 910 | 2 775 375 | 3 561 233 | 2 194 783 | 2 699 188 | 1 784 542 | 2 204 120 | 2 114 452 | 80.8% |
| Depreciation | 151 786 | 165 192 | 204 487 | 142 308 | 150 669 | 139 677 | 159 504 | 136 626 | 87.6% |
| Interest, dividends and rent on land | 92 006 | 166 672 | 304 774 | 392 839 | 482 667 | 423 021 | 348 586 | 343 881 | 108.0% |
| Total expenses | 6 902 497 | 6 583 476 | 7 984 704 | 6 310 016 | 6 820 737 | 5 879 776 | 6 500 456 | 6 198 360 | 88.5% |
| Surplus/(Deficit) | (102 454) | (1 111 604) | (1 147 905) | (986 852) | 86 586 | (908 204) | (505 544) | (1 223 010) | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 2 050 069 | 1 190 586 | 1 962 556 | 2 733 906 | 2 831 729 | 2 714 914 | 3 793 121 | 3 044 833 | 91.0% |
| <i>of which:</i> | | | | | | | | | |
| <i>Acquisition of assets</i> | (530 174) | (45 791) | (900 000) | (54 374) | (58 268) | (44 145) | (1 196 428) | (597 245) | 27.6% |
| Investments | 4 589 324 | 5 510 327 | 5 502 384 | 5 966 455 | 6 064 468 | 5 968 918 | 6 409 200 | 6 319 994 | 105.3% |
| Inventory | 69 844 | 54 784 | 74 765 | 70 001 | 69 301 | 61 499 | 68 608 | 65 189 | 89.0% |
| Receivables and prepayments | 522 338 | 428 230 | 574 619 | 408 655 | 400 166 | 479 970 | 487 339 | 454 465 | 89.3% |
| Cash and cash equivalents | 4 342 020 | 2 885 035 | 2 790 881 | 4 055 510 | 4 536 808 | 4 242 831 | 3 670 094 | 3 992 423 | 98.9% |
| Taxation | 735 855 | 727 | - | - | - | - | - | - | 0.1% |
| Total assets | 12 309 450 | 10 069 689 | 10 905 205 | 13 234 527 | 13 902 472 | 13 468 132 | 14 428 362 | 13 876 904 | 98.3% |

Table 32.26 South African Post Office statements of historical financial performance and position

| Statement of financial position | | | | | | | | | | Average: Outcome/ Budget (%) | |
|-------------------------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|--------------------|--|---------------------------------------|---------------------|
| Budget | | Audited outcome | | Budget | | Audited outcome | | Budget estimate | | | Revised estimate |
| 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2015/16 - 2018/19 | | | |
| R thousand | | | | | | | | | | | |
| Accumulated surplus/(deficit) | (1 241) | (1 203 241) | (2 274 533) | (2 236 421) | (3 561 669) | (3 325 166) | (4 067 213) | (4 943 744) | | | 118.2% |
| Capital and reserves | 1 806 577 | 961 309 | 1 578 140 | 3 137 831 | 6 956 740 | 6 847 952 | 6 956 740 | 9 794 952 | | | 119.9% |
| Borrowings | 1 200 000 | 1 237 659 | 3 850 170 | 3 700 980 | 1 000 000 | 400 305 | 2 000 000 | - | | | 66.3% |
| Finance lease | 4 450 | 6 141 | - | 11 019 | 10 094 | 4 155 | 9 084 | 3 116 | | | 103.4% |
| Deferred income | 346 579 | 258 635 | 266 143 | 223 564 | 240 869 | 226 849 | 261 913 | 238 191 | | | 84.9% |
| Trade and other payables | 7 264 911 | 7 183 746 | 5 825 209 | 6 776 107 | 7 145 620 | 7 712 319 | 7 041 508 | 7 088 392 | | | 105.4% |
| Provisions | 1 688 174 | 1 625 440 | 1 660 076 | 1 621 447 | 1 710 818 | 1 601 718 | 1 826 330 | 1 695 997 | | | 95.1% |
| Total equity and liabilities | 12 309 450 | 10 069 689 | 10 905 205 | 13 234 527 | 13 502 472 | 13 468 132 | 14 028 362 | 13 876 904 | | | 99.8% |

Statements of estimates of financial performance and position**Table 32.27 South African Post Office statements of estimates of financial performance and position**

| Statement of financial performance | | | | | | | | | | Average: Expenditure/ Total (%) | |
|--|--------------------|----------------------------------|---------------|--|-------------------|----------------------|--------------|---------------|----------------------------------|--|--|
| Revised estimate | | Average growth rate (%) | | Average: Expenditure/ Total (%) | | Medium-term estimate | | | Average growth rate (%) | | |
| 2018/19 | | 2015/16 - 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | 2018/19 - 2021/22 | |
| R thousand | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | | | | | | | | | | | |
| Sale of goods and services other than capital assets | 4 975 350 | -2.4% | 97.1% | 6 368 162 | 7 108 557 | 7 647 706 | 15.4% | 95.0% | | | |
| of which: | 4 881 111 | 1.0% | 90.6% | 5 942 394 | 6 252 015 | 6 727 169 | 11.3% | 87.3% | | | |
| Sales by market establishment | 4 881 111 | 1.0% | 90.6% | 5 942 394 | 6 252 015 | 6 727 169 | 11.3% | 87.3% | | | |
| Postal services and courier services | 3 135 279 | -5.0% | 64.3% | 5 483 506 | 3 341 838 | 3 595 818 | 4.7% | 57.8% | | | |
| Financial services (Retail and Postbank) | 1 138 650 | 24.8% | 15.1% | 1 286 759 | 2 093 263 | 2 252 351 | 25.5% | 24.2% | | | |
| Postbank interest revenue | 607 182 | 7.4% | 11.2% | 621 331 | 816 914 | 879 000 | 13.1% | 10.7% | | | |
| Other non-tax revenue | 94 239 | -46.8% | 6.6% | 425 768 | 856 542 | 920 537 | 113.8% | 7.7% | | | |
| Transfers received | - | -100.0% | 2.9% | 474 627 | 500 731 | 528 276 | - | 5.0% | | | |
| Total revenue | 4 975 350 | -3.1% | 100.0% | 6 842 789 | 7 609 288 | 8 175 982 | 18.0% | 100.0% | | | |
| Expenses | | | | | | | | | | | |
| Current expenses | | | | | | | | | | | |
| Compensation of employees | 6 198 360 | -2.0% | 99.9% | 7 149 513 | 6 864 421 | 7 241 970 | 5.3% | 100.0% | | | |
| Goods and services | 3 603 401 | 1.2% | 56.9% | 4 001 712 | 3 429 806 | 3 618 447 | 0.1% | 53.5% | | | |
| Depreciation | 2 114 452 | -8.7% | 35.4% | 2 693 577 | 2 955 354 | 3 117 848 | 13.8% | 39.5% | | | |
| Interest, dividends and rent on land | 136 626 | -6.1% | 2.3% | 325 574 | 343 482 | 362 373 | 38.4% | 4.2% | | | |
| | 343 881 | 27.3% | 5.4% | 128 650 | 135 779 | 143 302 | -25.3% | 2.8% | | | |
| Total expenses | 6 198 360 | -2.0% | 100.0% | 7 149 513 | 6 864 421 | 7 241 970 | 5.3% | 100.0% | | | |
| Surplus/(Deficit) | (1 223 010) | | | (306 724) | 744 867 | 934 012 | | | | | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets | 3 044 833 | 36.8% | 18.6% | 3 899 228 | 4 247 664 | 4 511 961 | 14.0% | 26.2% | | | |
| of which: | | | | | | | | | | | |
| Acquisition of assets | (597 245) | 135.4% | -1.4% | (1 179 000) | (750 000) | (687 000) | 4.8% | -5.5% | | | |
| Investments | 6 319 994 | 4.7% | 47.4% | 6 809 596 | 7 286 187 | 8 128 508 | 8.8% | 47.8% | | | |
| Inventory | 65 189 | 6.0% | 0.5% | 69 100 | 73 246 | 77 641 | 6.0% | 0.5% | | | |
| Receivables and prepayments | 454 465 | 2.0% | 3.5% | 467 388 | 502 623 | 520 021 | 4.6% | 3.3% | | | |
| Cash and cash equivalents | 3 992 423 | 11.4% | 29.9% | 2 570 161 | 2 990 177 | 3 709 274 | -2.4% | 22.3% | | | |
| Total assets | 13 876 904 | 11.3% | 100.0% | 13 815 473 | 15 099 897 | 16 947 405 | 6.9% | 100.0% | | | |
| Accumulated surplus/(deficit) | (4 943 744) | 60.2% | -22.3% | (5 250 468) | (4 505 601) | (3 571 585) | -10.3% | -31.1% | | | |
| Capital and reserves | 9 794 952 | 116.8% | 38.7% | 9 794 952 | 9 794 952 | 9 794 952 | - | 66.0% | | | |
| Finance lease | 3 116 | -20.2% | 0.0% | - | - | - | -100.0% | 0.0% | | | |
| Deferred income | 238 191 | -2.7% | 1.9% | 250 101 | 262 606 | 275 736 | 5.0% | 1.7% | | | |
| Trade and other payables | 7 088 392 | -0.4% | 57.7% | 7 222 548 | 7 637 088 | 8 415 338 | 5.9% | 50.9% | | | |
| Provisions | 1 695 997 | 1.4% | 13.1% | 1 798 340 | 1 910 852 | 2 032 964 | 6.2% | 12.5% | | | |
| Total equity and liabilities | 13 876 904 | 11.3% | 100.0% | 13 815 473 | 15 099 897 | 16 947 405 | 6.9% | 100.0% | | | |

Personnel information**Table 32.28 South African Post Office personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2019 | | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | |
|---|---|---------------|--|----------------|------------|------------------|----------------|------------|----------------------------------|----------------|------------|---------------|-------------------|------------|-------------------------|--------------------------------|------------|
| Number of funded posts | Number of posts on approved establishment | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | |
| | | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | 2018/19 - 2021/22 | | | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost |
| South African Post Office | | | | | | | | | | | | | | | | | |
| Salary level | 17 770 | 17 770 | 18 104 | 3 532.4 | 0.2 | 17 770 | 3 603.4 | 0.2 | 17 770 | 4 001.7 | 0.2 | 14 254 | 3 429.8 | 0.2 | 14 256 | 3 618.4 | 0.3 |
| 1 - 6 | 14 066 | 14 066 | 14 443 | 2 239.4 | 0.2 | 14 066 | 2 279.9 | 0.2 | 14 066 | 2 536.6 | 0.2 | 11 262 | 2 153.8 | 0.2 | 11 262 | 2 271.7 | 0.2 |
| 7 - 10 | 3 574 | 3 574 | 3 526 | 1 151.0 | 0.3 | 3 574 | 1 180.2 | 0.3 | 3 574 | 1 313.1 | 0.4 | 2 861 | 1 115.0 | 0.4 | 2 864 | 1 176.0 | 0.4 |
| | | | | | | | | | | | | | | | | | |

Table 32.28 South African Post Office personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2019 | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------|-----------|------------------|---------|-----------|----------------------------------|------|-----------|--------|-------------------|-----------|-------------------------|---------------------------------|-----------|-----|------|------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | 2018/19 - 2021/22 | | | | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| South African Post Office | | | | | | | | | | | | | | | | | | | |
| 11 – 12 | 78 | 78 | 82 | 74.0 | 0.9 | 78 | 76.1 | 1.0 | 78 | 80.6 | 1.0 | 78 | 85.5 | 1.1 | 78 | 90.6 | 1.2 | 6.0% | 0.5% |
| 13 – 16 | 48 | 48 | 49 | 56.3 | 1.1 | 48 | 54.2 | 1.1 | 48 | 57.5 | 1.2 | 48 | 60.9 | 1.3 | 48 | 64.6 | 1.3 | 6.0% | 0.3% |
| 17 – 22 | 4 | 4 | 4 | 11.8 | 3.0 | 4 | 13.0 | 3.3 | 4 | 13.8 | 3.5 | 4 | 14.6 | 3.7 | 4 | 15.5 | 3.9 | 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), as amended, and is listed as a schedule 3A public entity in the Public Finance Management Act (1999). The State Information Technology Agency Act (1998) mandates the agency to consolidate and coordinate government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities and the 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 transversal systems.

Selected performance indicators

Table 32.29 State Information Technology Agency performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/Objective/Activity | MTSF Outcome | Past | | | Current | Projections | | |
|--|------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|---------------|---------------|
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Number of e-government services implemented per year | Business operations | | 24 | 28 | 23 | 50 | 80 | 100 | 100 |
| Percentage of projects timeously, successfully and satisfactorily delivered within budget per year | Business operations | Entity mandate | 85% (809/955) | 90% (851/941) | 86% (787/920) | 85% (799/935) | 96% (892/930) | 100% (910) | 100% (910) |

Expenditure analysis

Over the medium term, the State Information Technology Agency will focus on connecting government as part of the South Africa Connect broadband policy, and addressing long-standing service delivery and internal inefficiency challenges by implementing revised business and operating models. This will be done in the context of the agency being repositioned by the Department of Telecommunications and Postal Services to provide services to government in a reliable, efficient and cost-effective manner.

Activities over the MTEF period include continuing projects such as the e-government programme, which aims to develop applications for government; and the cloud computing programme, which allows government to securely store and manage large volumes of data. The agency plans to increase the number of e-government services implemented from 50 in 2018/19 to 100 in 2021/22 in the business operations programme.

Expenditure is expected to increase at an average annual rate of 8.2 per cent, from R6.2 billion in 2018/19 to R7.8 billion in 2020/22. Compensation of employees is one of the agency's main spending areas, accounting for 29.2 per cent of total expenditure from 2018/19 to 2021/22. Spending on compensation of employees increases at an average annual rate of 5.4 per cent, from R1.9 billion in 2018/19 to R2.2 billion in 2021/22, in line with cost of living adjustments, as the agency's number of personnel remains constant at 3 220 over the MTEF period.

The agency derives its revenue mainly from providing ICT infrastructure and services to customers. Revenue is projected to increase at an average annual rate of 9.3 per cent, from R6.3 billion in 2018/19 to R8.2 billion in 2021/22. The agency projects surpluses amounting to R848.2 million over the medium term, mainly due to long-term financial commitments for assets and services.

Programmes/Objectives/Activities

Table 32.30 State Information Technology Agency expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2018/19 | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|---------------------|------------------|------------------|------------------|-----------------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | 2015/16 - 2018/19 | Average Expenditure/ Total (%) | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | Average Expenditure/ Total (%) |
| Administration | 1 132 453 | 954 839 | 1 057 320 | 1 274 798 | 4.0% | 18.9% | 1 355 889 | 1 442 423 | 1 534 782 | 6.4% | 20.3% |
| Business operations | 4 710 313 | 4 661 882 | 4 574 901 | 4 908 261 | 1.4% | 81.1% | 5 235 680 | 5 590 439 | 6 305 000 | 8.7% | 79.7% |
| Total | 5 842 766 | 5 616 721 | 5 632 221 | 6 183 059 | 1.9% | 100.0% | 6 591 569 | 7 032 862 | 7 839 782 | 8.2% | 100.0% |

Statements of historical financial performance and position

Table 32.31 State Information Technology Agency statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------------|
| R thousand | Audited outcome | | Audited outcome | | Audited outcome | | Budget estimate | | Average: Outcome/ Budget (%) |
| | Budget | 2015/16 | Budget | 2016/17 | Budget | 2017/18 | Budget estimate | Revised estimate | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 5 676 863 | 5 685 497 | 6 463 994 | 5 777 561 | 6 441 542 | 5 859 100 | 6 925 485 | 6 279 854 | 92.5% |
| Sale of goods and services other than capital assets | 5 592 317 | 5 458 603 | 6 395 449 | 5 680 793 | 6 360 669 | 5 746 223 | 6 839 790 | 6 204 611 | 91.7% |
| <i>of which:</i> | | | | | | | | | |
| <i>Sales by market establishment</i> | 5 592 317 | 5 458 603 | 6 395 449 | 5 680 793 | 6 360 669 | 5 746 223 | 6 839 790 | 6 204 611 | 91.7% |
| Other non-tax revenue | 84 546 | 226 894 | 68 545 | 96 768 | 80 873 | 112 877 | 85 695 | 75 243 | 160.1% |
| Total revenue | 5 676 863 | 5 685 497 | 6 463 994 | 5 777 561 | 6 441 542 | 5 859 100 | 6 925 485 | 6 279 854 | 92.5% |
| Expenses | | | | | | | | | |
| Current expenses | 6 127 392 | 5 792 080 | 6 290 709 | 5 532 549 | 6 184 587 | 5 564 461 | 6 853 700 | 6 111 274 | 90.4% |
| Compensation of employees | 2 354 577 | 1 743 829 | 2 245 542 | 1 786 606 | 1 774 216 | 1 753 259 | 1 880 677 | 1 876 899 | 86.7% |
| Goods and services | 3 532 586 | 3 836 447 | 3 780 616 | 3 521 795 | 4 191 420 | 3 591 097 | 4 759 703 | 4 008 920 | 92.0% |
| Depreciation | 240 229 | 167 817 | 264 551 | 174 470 | 218 951 | 220 105 | 213 320 | 225 455 | 84.1% |
| Interest, dividends and rent on land | – | 43 987 | – | 49 678 | – | – | – | – | – |
| Total expenses | 6 165 065 | 5 842 766 | 6 328 615 | 5 616 721 | 6 252 347 | 5 632 221 | 6 925 485 | 6 183 059 | 90.7% |
| Surplus/(Deficit) | (488 202) | (157 269) | 135 379 | 160 840 | 189 195 | 226 879 | – | 96 795 | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 1 583 015 | 1 171 185 | 1 950 579 | 1 271 149 | 1 657 566 | 1 166 578 | 1 917 171 | 1 174 246 | 67.3% |
| <i>of which:</i> | | | | | | | | | |
| <i>Acquisition of assets</i> | (1 151 000) | (511 416) | (496 189) | (203 894) | (545 742) | (99 125) | (442 270) | (201 605) | 38.6% |
| Investments | – | 13 724 | – | 70 254 | – | 41 050 | – | – | – |
| Receivables and prepayments | 973 109 | 1 067 323 | 804 075 | 1 176 497 | 1 081 790 | 1 223 920 | 1 082 377 | 2 048 849 | 140.0% |
| Cash and cash equivalents | 875 073 | 1 152 486 | 1 117 742 | 1 183 329 | 1 209 095 | 1 605 114 | 1 239 595 | 1 221 757 | 116.2% |
| Taxation | 115 000 | 387 462 | 202 668 | 215 301 | 205 054 | 112 413 | 195 722 | 1 141 | 99.7% |
| Total assets | 3 546 197 | 3 792 180 | 4 075 064 | 3 916 530 | 4 153 505 | 4 149 075 | 4 434 865 | 4 445 993 | 100.6% |
| Accumulated surplus/(deficit) | 2 200 455 | 1 946 312 | 2 287 406 | 2 107 152 | 2 408 957 | 2 334 030 | 2 621 943 | 2 350 107 | 91.8% |
| Capital and reserves | 627 333 | 627 334 | 627 335 | 627 335 | 627 335 | 627 335 | 627 335 | 627 335 | 100.0% |
| Trade and other payables | 569 756 | 1 095 906 | 1 009 434 | 1 067 741 | 991 480 | 1 090 033 | 1 047 282 | 1 088 997 | 120.0% |
| Taxation | – | – | – | – | – | – | – | 272 110 | – |
| Provisions | 148 653 | 122 628 | 150 889 | 114 302 | 125 733 | 97 677 | 138 305 | 107 444 | 78.4% |
| Total equity and liabilities | 3 546 197 | 3 792 180 | 4 075 064 | 3 916 530 | 4 153 505 | 4 149 075 | 4 434 865 | 4 445 993 | 100.6% |

Statements of estimates of financial performance and position

Table 32.32 State Information Technology Agency statements of estimates of financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|-----------------------------|-------------------------|--------------------------------|----------------------|------------------|------------------|-------------------------|--------------------------------|--|
| R thousand | Revised estimate 2018/19 | Average growth rate (%) | | Medium-term estimate | | | Average growth rate (%) | | |
| | | 2015/16 - 2018/19 | Average Expenditure/ Total (%) | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | Average Expenditure/ Total (%) | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 6 279 854 | 3.4% | 100.0% | 6 781 685 | 7 328 049 | 8 202 629 | 9.3% | 100.0% | |
| Sale of goods and services other than capital assets | 6 204 611 | 4.4% | 97.8% | 6 700 980 | 7 237 258 | 8 105 505 | 9.3% | 98.8% | |
| <i>of which:</i> | | | | | | | | | |
| <i>Sales by market establishment</i> | 6 204 611 | 4.4% | 97.8% | 6 700 980 | 7 237 258 | 8 105 505 | 9.3% | 98.8% | |
| Other non-tax revenue | 75 243 | -30.8% | 2.2% | 80 705 | 90 791 | 97 124 | 8.9% | 1.2% | |
| Total revenue | 6 279 854 | 3.4% | 100.0% | 6 781 685 | 7 328 049 | 8 202 629 | 9.3% | 100.0% | |

Table 32.32 State Information Technology Agency 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 | 2018/19 | 2015/16 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | 2018/19 - 2021/22 |
| R thousand | | | | | | | | |
| Expenses | | | | | | | | |
| Current expenses | | | | | | | | |
| | 6 111 274 | 1.8% | 98.8% | 6 515 414 | 6 953 573 | 7 756 529 | 8.3% | 98.9% |
| Compensation of employees | 1 876 899 | 2.5% | 30.8% | 1 924 420 | 2 050 339 | 2 199 507 | 5.4% | 29.2% |
| Goods and services | 4 008 920 | 1.5% | 64.2% | 4 328 302 | 4 623 549 | 5 260 490 | 9.5% | 65.8% |
| Depreciation | 225 455 | 10.3% | 3.4% | 262 692 | 279 685 | 296 531 | 9.6% | 3.8% |
| Total expenses | 6 183 059 | 1.9% | 100.0% | 6 591 569 | 7 032 862 | 7 839 783 | 8.2% | 100.0% |
| Surplus/(Deficit) | | | | | | | | |
| | 96 795 | | | 190 116 | 295 187 | 362 847 | | |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 1 174 246 | 0.1% | 29.5% | 1 425 281 | 1 759 281 | 2 074 337 | 20.9% | 33.0% |
| <i>of which:</i> | | | | | | | | |
| Acquisition of assets | (201 605) | -26.7% | -6.4% | (400 000) | (480 000) | (480 000) | 33.5% | -8.0% |
| Receivables and prepayments | 2 048 849 | 24.3% | 33.4% | 2 069 677 | 2 170 594 | 2 239 626 | 3.0% | 44.3% |
| Cash and cash equivalents | 1 221 757 | 2.0% | 31.7% | 1 043 382 | 1 026 941 | 1 036 899 | -5.3% | 22.6% |
| Taxation | 1 141 | -85.7% | 4.6% | 1 206 | 1 275 | 1 347 | 5.7% | 0.0% |
| Total assets | 4 445 993 | 5.4% | 100.0% | 4 539 546 | 4 958 091 | 5 352 209 | 6.4% | 100.0% |
| Accumulated surplus/(deficit) | 2 350 107 | 6.5% | 53.6% | 2 453 812 | 2 624 441 | 2 840 550 | 6.5% | 53.2% |
| Capital and reserves | 627 335 | 0.0% | 15.4% | 627 335 | 627 335 | 627 335 | - | 13.1% |
| Trade and other payables | 1 088 997 | -0.2% | 26.7% | 1 193 241 | 1 274 634 | 1 436 783 | 9.7% | 25.8% |
| Taxation | 272 110 | - | 1.5% | 146 969 | 301 673 | 304 533 | 3.8% | 5.3% |
| Provisions | 107 444 | -4.3% | 2.7% | 118 189 | 130 008 | 143 008 | 10.0% | 2.6% |
| Total equity and liabilities | 4 445 993 | 5.4% | 100.0% | 4 539 546 | 4 958 091 | 5 352 209 | 6.4% | 100.0% |

Personnel information

Table 32.33 State Information Technology Agency personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2019 | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | Number | | | | | | | |
|---|---|--|-----------|------------------|-----------|----------------------------------|-----------|---------|-----------|---------|-----------|-------------------------|--------------------------------|-------|---------|---------|------|--------|-------|
| Number of funded posts | Number of posts on approved establishment | Actual | | Revised estimate | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | | | | |
| | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | | | | | | | | |
| State Information Technology Agency | | Number | Unit cost | Number | Unit cost | Number | Unit cost | Number | Unit cost | Number | Unit cost | 2018/19 - 2021/22 | | | | | | | |
| Salary level | 3 220 | 3 157 | 1 753.3 | 0.6 | 3 220 | 1 876.9 | 0.6 | 3 220 | 1 924.4 | 0.6 | 3 220 | 1 924.4 | 0.6 | 3 220 | 2 199.5 | 0.7 | 5.4% | 100.0% | |
| 1-6 | 187 | 187 | 183 | 26.1 | 0.1 | 187 | 27.9 | 0.1 | 187 | 28.6 | 0.2 | 187 | 30.5 | 0.2 | 187 | 32.7 | 0.2 | 5.4% | 5.8% |
| 7-10 | 2 079 | 2 079 | 2 038 | 830.3 | 0.4 | 2 079 | 888.8 | 0.4 | 2 079 | 911.3 | 0.4 | 2 079 | 971.0 | 0.5 | 2 079 | 1 041.6 | 0.5 | 5.4% | 64.6% |
| 11-12 | 329 | 329 | 323 | 249.9 | 0.8 | 329 | 267.5 | 0.8 | 329 | 274.3 | 0.8 | 329 | 292.2 | 0.9 | 329 | 313.5 | 1.0 | 5.4% | 10.2% |
| 13-16 | 615 | 615 | 603 | 619.0 | 1.0 | 615 | 662.6 | 1.1 | 615 | 679.4 | 1.1 | 615 | 723.9 | 1.2 | 615 | 776.5 | 1.3 | 5.4% | 19.1% |
| 17-22 | 10 | 10 | 10 | 28.1 | 2.9 | 10 | 30.0 | 3.0 | 10 | 30.8 | 3.1 | 10 | 32.8 | 3.3 | 10 | 35.2 | 3.5 | 5.4% | 0.3% |

1. Rand million.

Broadband Infraco

Mandate

Broadband Infraco's legislative mandate, as set out in the Broadband Infraco Act (2007), is to provide ICT infrastructure and broadband capacity in South Africa. The main objectives in terms of the act are to expand the availability and affordability of access to electronic communications, including but not limited to, underdeveloped and underserved areas; ensure that the bandwidth requirements for specific projects of national interest are met; and enable the state to provide affordable access to electronic communications networks and services. Broadband Infraco is owned by Numberment and the Industrial Development Corporation.

Selected performance indicators

Table 32.34 Broadband Infraco performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/Objective/Activity | MTSF outcome | Past | | | Current | Projections | | |
|---|------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Network performance rebates paid as percentage of gross revenue | Network operations | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 0.17 (17/100) | 0.1% (10/100) | 0.2% (20/100) | 0.2% (20/100) | 0.2% (20/100) | 0.2% (20/100) | 0.2% (20/100) |
| Actual time to restore core network faults | Network operations | | 5.5 hours | 6.1 hours | 7.5 hours | 7.5 hours | 7.5 hours | 7 hours | 7 hours |
| Average percentage monthly service availability per year | Network operations | | 99.9% | 99% | 99.7% | 98% | 98% | 98% | 98% |

Expenditure analysis

Broadband Infraco's focus over the medium term will be on providing connectivity in line with the South Africa Connect broadband policy, expanding and maintaining broadband network infrastructure through the deployment of wholesale communications services to deliver on its legislative mandate and customer requirements, and ensuring long-term financial sustainability.

The company generates revenue from providing related services. Revenue is expected increase at an average annual rate of 11.2 per cent, from R536.4 million in 2018/19 to R736.7 million in 2021/22, due to anticipated growth in the company's customer base and projected income from the South Africa Connect broadband project. Total expenditure is also expected to increase, at an average rate of 4.7 per cent, from R644.2 million in 2018/19 to R739.9 million in 2021/22. Goods and services is the company's largest cost driver, spending on which is expected to increase at an annual average rate of 10 per cent, from R293.9 million in 2018/19 to R391.7 million in 2021/22.

Programmes/Objectives/Activities

Table 32.35 Broadband Infraco expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/ Total (%) |
|--------------------|-----------------|----------------|----------------|------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | 2018/19 | 2015/16 - 2018/19 | 2019/20 | 2020/21 | 2021/22 | | |
| Administration | 100 817 | 159 365 | 177 363 | 149 379 | 14.0% | 24.5% | 133 682 | 135 868 | 140 546 | -2.0% | 20.2% |
| Network operations | 450 512 | 451 176 | 408 181 | 494 819 | 3.2% | 75.5% | 550 534 | 574 323 | 599 357 | 6.6% | 79.8% |
| Total | 551 329 | 610 541 | 585 544 | 644 198 | 5.3% | 100.0% | 684 216 | 710 191 | 739 903 | 4.7% | 100.0% |

Statements of historical financial performance and position

Table 32.36 Broadband Infraco 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 (%) |
| | 2015/16 | 2016/17 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2018/19 | 2015/16 - 2018/19 | |
| Revenue | | | | | | | | | |
| Tax revenue | 465 251 | – | 457 267 | – | – | – | – | – | – |
| Non-tax revenue | 12 433 | 460 559 | 5 133 | 486 122 | 492 251 | 472 401 | 567 727 | 536 406 | 181.5% |
| Sale of goods and services other than capital assets | – | 451 650 | – | 479 892 | 492 046 | 468 767 | 567 727 | 536 406 | 182.7% |
| of which: | | | | | | | | | |
| Sales by market establishment | – | 451 650 | – | 479 892 | 492 046 | 468 767 | 567 727 | 536 406 | 182.7% |
| Other non-tax revenue | 12 433 | 8 909 | 5 133 | 6 230 | 205 | 3 634 | – | – | 105.6% |
| Total revenue | 477 684 | 460 559 | 462 400 | 483 081 | 492 251 | 472 073 | 567 727 | 536 406 | 97.6% |
| Expenses | | | | | | | | | |
| Current expenses | 613 101 | 551 329 | 614 623 | 610 541 | 541 616 | 585 544 | 565 698 | 644 198 | 102.4% |
| Compensation of employees | 132 841 | 116 189 | 142 473 | 100 094 | 116 801 | 102 004 | 124 114 | 119 879 | 84.9% |
| Goods and services | 338 313 | 305 470 | 313 747 | 261 779 | 259 243 | 238 406 | 276 039 | 293 904 | 92.6% |
| Depreciation | 139 592 | 129 420 | 144 370 | 163 775 | 154 001 | 151 018 | 152 310 | 187 158 | 107.0% |
| Interest, dividends and rent on land | 2 355 | 250 | 14 033 | 84 893 | 11 571 | 94 116 | 13 235 | 43 257 | 540.2% |
| Total expenses | 613 101 | 551 329 | 614 623 | 610 541 | 541 616 | 585 544 | 565 698 | 644 198 | 102.4% |
| Surplus/(Deficit) | (135 417) | (90 770) | (152 223) | (127 460) | (49 365) | (113 471) | 2 029 | (107 792) | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 1 499 025 | 1 354 468 | 1 356 571 | 1 257 363 | 1 269 252 | 1 139 131 | 1 119 822 | 1 390 263 | 98.0% |
| of which: | | | | | | | | | |
| Acquisition of assets | (692 998) | (161 012) | (716 925) | (71 014) | (127 532) | (41 130) | (2 880) | (2 880) | 17.9% |
| Investments | 13 782 | 13 587 | 12 643 | 12 340 | 10 170 | 12 836 | 9 031 | 7 879 | 102.2% |
| Loans | – | – | – | 8 930 | – | – | – | – | – |
| Receivables and prepayments | 70 807 | 47 444 | 72 656 | 85 777 | 78 171 | 77 126 | 68 281 | 68 278 | 96.1% |
| Cash and cash equivalents | 143 074 | 141 625 | 66 794 | 35 515 | 4 349 | 19 550 | 92 287 | – | 64.2% |
| Taxation | – | 1 286 | – | – | 1 868 | – | 943 | – | 45.7% |
| Total assets | 1 726 688 | 1 558 410 | 1 508 664 | 1 399 925 | 1 363 810 | 1 248 643 | 1 290 364 | 1 466 420 | 96.3% |
| Accumulated surplus/(deficit) | (1 024 414) | (957 266) | (1 176 637) | (1 079 524) | (1 124 138) | (1 192 995) | (1 122 110) | (1 272 837) | 101.2% |
| Capital reserve fund | 1 829 530 | – | 1 829 530 | – | – | – | – | – | – |
| Borrowings | 243 000 | – | 243 000 | 52 420 | 125 719 | 31 845 | 102 717 | 369 499 | 63.5% |
| Deferred income | 589 615 | 574 616 | 529 926 | 512 487 | 449 926 | 489 108 | 386 490 | 461 514 | 104.2% |
| Trade and other payables | 88 956 | 75 767 | 82 846 | 73 430 | 66 544 | 80 347 | 77 116 | 64 384 | 93.2% |
| Taxation | – | – | – | – | – | 964 | – | 3 528 | – |
| Provisions | – | 16 441 | – | 566 737 | 7 030 | 469 421 | 7 030 | 10 802 | 7 563.3% |
| Derivatives financial instruments | – | 1 848 852 | – | 1 274 375 | 1 838 729 | 1 369 953 | 1 839 121 | 1 829 530 | 171.9% |
| Total equity and liabilities | 1 726 687 | 1 558 410 | 1 508 665 | 1 399 925 | 1 363 810 | 1 248 643 | 1 290 364 | 1 466 420 | 96.3% |

Statements of estimates of financial performance and position

Table 32.37 Broadband Infraco 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 | 2018/19 | 2015/16 - 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | 2018/19 - 2021/22 | |
| R thousand | | | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 536 406 | 5.2% | 100.0% | 651 083 | 692 094 | 736 727 | 11.2% | 100.0% |
| Sale of goods and services other than capital assets | 536 406 | 5.9% | 99.2% | 651 083 | 692 094 | 736 727 | 11.2% | 100.0% |
| <i>of which:</i> | | | | | | | | |
| <i>Sales by market establishment</i> | <i>536 406</i> | <i>5.9%</i> | <i>99.2%</i> | <i>651 083</i> | <i>692 094</i> | <i>736 727</i> | <i>11.2%</i> | <i>100.0%</i> |
| Total revenue | 536 406 | 5.2% | 100.0% | 651 083 | 692 094 | 736 727 | 11.2% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 644 198 | 5.3% | 100.0% | 684 216 | 710 191 | 739 903 | 4.7% | 100.0% |
| Compensation of employees | 119 879 | 1.0% | 18.4% | 125 263 | 132 776 | 140 745 | 5.5% | 18.7% |
| Goods and services | 293 904 | -1.3% | 46.2% | 362 693 | 376 826 | 391 702 | 10.0% | 51.2% |
| Depreciation | 187 158 | 13.1% | 26.3% | 177 601 | 186 626 | 196 108 | 1.6% | 26.9% |
| Interest, dividends and rent on land | 43 257 | 457.2% | 9.2% | 18 659 | 13 963 | 11 348 | -36.0% | 3.2% |
| Total expenses | 644 198 | 5.3% | 100.0% | 684 216 | 710 191 | 739 903 | 4.7% | 100.0% |
| Surplus/(Deficit) | (107 792) | | | (33 133) | (18 097) | (3 176) | | |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 1 390 263 | 0.9% | 90.7% | 1 020 700 | 851 701 | 674 275 | -21.4% | 82.8% |
| <i>of which:</i> | | | | | | | | |
| <i>Acquisition of assets</i> | <i>(2 880)</i> | <i>-73.8%</i> | <i>-4.7%</i> | <i>(24 279)</i> | <i>(17 625)</i> | <i>(18 683)</i> | <i>86.5%</i> | <i>-1.5%</i> |
| Investments | 7 879 | -16.6% | 0.8% | 10 074 | 7 807 | 5 540 | -11.1% | 0.7% |
| Receivables and prepayments | 68 278 | 12.9% | 5.0% | 114 369 | 128 927 | 139 778 | 27.0% | 10.3% |
| Cash and cash equivalents | - | -100.0% | 3.3% | 45 904 | 76 252 | 134 861 | - | 6.3% |
| Total assets | 1 466 420 | -2.0% | 100.0% | 1 191 047 | 1 064 687 | 954 454 | -13.3% | 100.0% |
| Accumulated surplus/(deficit) | (1 272 837) | 10.0% | -80.2% | (1 311 391) | (1 329 418) | (1 332 541) | 1.5% | -115.3% |
| Borrowings | 369 499 | - | 7.9% | 115 045 | 81 593 | 50 134 | -48.6% | 11.9% |
| Deferred income | 461 514 | -7.0% | 36.0% | 460 950 | 385 968 | 310 986 | -12.3% | 34.8% |
| Trade and other payables | 64 384 | -5.3% | 5.2% | 53 671 | 53 673 | 53 675 | -5.9% | 4.9% |
| Taxation | 3 528 | - | 0.1% | 6 358 | 6 260 | 5 152 | 13.5% | 0.5% |
| Provisions | 10 802 | -13.1% | 20.0% | 22 462 | 22 659 | 23 096 | 28.8% | 1.8% |
| Derivatives financial instruments | 1 829 530 | -0.3% | 111.0% | 1 843 952 | 1 843 952 | 1 843 952 | 0.3% | 161.5% |
| Total equity and liabilities | 1 466 420 | -2.0% | 100.0% | 1 191 047 | 1 064 687 | 954 454 | -13.3% | 100.0% |

Personnel information

Table 32.38 Broadband Infraco personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2019 | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|---|---|--|--------------|------------|------------------|--------------|------------|----------------------------------|--------------|------------|------------|--------------|------------|-------------------------|---------------------------------|-------------------|-------------|---------------|-------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2017/18 | | | 2018/19 | | | 2019/20 | | 2020/21 | | 2021/22 | | | | 2018/19 - 2021/22 | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | | |
| Broadband Infraco | | 183 | 102.0 | 0.6 | 183 | 119.9 | 0.7 | 183 | 125.3 | 0.7 | 183 | 132.8 | 0.7 | 183 | 140.7 | 0.8 | 5.5% | 100.0% | |
| 7 – 10 | 116 | 119 | 106 | 37.3 | 0.4 | 116 | 45.0 | 0.4 | 116 | 47.0 | 0.4 | 116 | 49.7 | 0.4 | 116 | 52.9 | 0.5 | 5.5% | 63.4% |
| 11 – 12 | 37 | 37 | 34 | 26.2 | 0.8 | 37 | 31.3 | 0.8 | 37 | 32.8 | 0.9 | 37 | 34.7 | 0.9 | 37 | 36.8 | 1.0 | 5.6% | 20.2% |
| 13 – 16 | 27 | 27 | 22 | 26.9 | 1.2 | 27 | 34.5 | 1.3 | 27 | 36.1 | 1.3 | 27 | 38.3 | 1.4 | 27 | 40.5 | 1.5 | 5.5% | 14.8% |
| 17 – 22 | 3 | 3 | 3 | 11.5 | 3.8 | 3 | 9.1 | 3.0 | 3 | 9.5 | 3.2 | 3 | 10.1 | 3.4 | 3 | 10.5 | 3.5 | 5.0% | 1.6% |

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 were structured to enhance the market readiness of students in a wide range of broadcasting disciplines. Its mandate has since been expanded to include the development of South Africans' e-skills capacity. Accordingly, it is responsible for the implementation of e-skills programmes, including broadcasting, in collaboration with its partners.

The process to transform the institute to the iKamva National Digital Skills Institute over the medium term is under way. This process will merge the institute with the e-Skills Institute and the Institute for Satellite and

Software Applications. The rationale for the merger is to consolidate all electronic media support functions into a single organisation to improve coordination, avoid duplication and improve outcomes in the sector. The new entity will provide digital skills programmes undertaken through collaborative laboratories, which are positioned at higher learning institutions. The identified e-skills priority areas include government e-enablement, creative new media industries, e-inclusion and social innovation, knowledge-based economies and e-literacy, ICT for rural development, e-health, e-tourism and e-agriculture.

Selected performance indicators

Table 32.39 National Electronic Media Institute of South Africa performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/Objective/Activity | MTSF outcome | Past | | | Current | Projections | | |
|---|--------------------------------|--|----------------|---------|---------|---------|-------------|---------|---------|
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Number of co-laboratories established, funded and supported in each province per year | Multistakeholder collaboration | Entity mandate | – ¹ | 6 | 4 | 7 | 9 | 9 | 9 |
| Number of sector users trained per year | e-Astuteness development | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 705 | 789 | 1 776 | 2 000 | 2 500 | 3 000 | 3 200 |
| Number of ICT practitioners certified as competently trained per year | e-Astuteness development | | 162 | 599 | 768 | 700 | 800 | 900 | 1 000 |
| Number of non-degree research and postgraduate projects funded per year | Knowledge for innovation | Entity mandate | 9 | 5 | 7 | 4 | 3 | 3 | 3 |

1. No historical data available.

Expenditure analysis

Over the medium term, the National Electronic Media Institute of South Africa will focus on implementing the operating model for the iKamva National e-Skills Institute and e-skills agenda in collaboration with government, education, business and civil society. The institute will also focus on delivering e-astuteness, which is a concept that allows people to continuously appropriate technology into their personal, work, education, business, and social and family contexts. This will ensure that South Africa improves its e-readiness ranking and develops a vibrant digital society and economy.

To fund its operations, the institute receives transfers from the department amounting to R323.3 million over the MTEF period. Expenditure is expected to decrease at an average annual rate of 0.2 per cent, from R111.7 million in 2018/19 to R111.1 million in 2021/22, as the institute expects its number of personnel to decrease to 42 by 2021/22. Nevertheless, spending on compensation of employees is expected to increase at an average annual rate of 3.9 per cent, from R30.8 million in 2018/19 to R34.5 million in 2021/22.

Programmes/Objectives/Activities

Table 32.40 National Electronic Media Institute of South Africa expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | | Average Expenditure/ Total (%) | |
|---------------------------------|-----------------|---------------|----------------|------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|---------------|--------------------------------|--|
| | 2015/16 | 2016/17 | 2017/18 | | 2018/19 | 2015/16 - 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | 2018/19 | 2021/22 | |
| Administration | 31 214 | 39 828 | 68 887 | 55 670 | 21.3% | 60.3% | 53 223 | 58 296 | 58 574 | 1.7% | 50.7% | | |
| Multi stakeholder collaboration | 2 000 | 38 | 5 247 | 15 720 | 98.8% | 5.7% | 13 459 | 12 526 | 13 252 | -5.5% | 12.3% | | |
| e-Astuteness development | 15 291 | 13 273 | 16 054 | 26 612 | 20.3% | 22.5% | 27 929 | 18 809 | 20 055 | -9.0% | 20.9% | | |
| Knowledge for innovation | 3 021 | 6 628 | 12 780 | 11 489 | 56.1% | 9.8% | 12 063 | 12 667 | 12 713 | 3.4% | 11.0% | | |
| Aggregation framework | 1 600 | – | 1 500 | 2 204 | 11.3% | 1.6% | 7 663 | 6 161 | 6 469 | 43.2% | 5.0% | | |
| Total | 53 126 | 59 767 | 104 468 | 111 695 | 28.1% | 100.0% | 114 337 | 108 459 | 111 063 | -0.2% | 100.0% | | |

Statements of historical financial performance

Table 32.41 National Electronic Media Institute of South Africa statements of historical financial performance

| Statement of financial performance | | Budget | | Audited outcome | | Budget | | Audited outcome | | Budget | | Audited outcome | | Budget estimate | | Revised estimate | | Average: Outcome/Budget (%) |
|--|--|---------|--------|-----------------|---------|---------|---------|-----------------|---------|---------|--|-----------------|--|-----------------|--|------------------|--|-----------------------------|
| R thousand | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2018/19 | | 2018/19 | | 2018/19 | | 2018/19 | | 2015/16 - 2018/19 |
| Revenue | | | | | | | | | | | | | | | | | | |
| Non-tax revenue | | 16 683 | 18 576 | 5 499 | 7 773 | 5 203 | 8 591 | 3 635 | 4 138 | | | | | | | | | 126.0% |
| Sale of goods and services other than capital assets | | 13 833 | 11 304 | 1 244 | 6 568 | 1 073 | – | – | – | | | | | | | | | 110.7% |
| of which: | | | | | | | | | | | | | | | | | | |
| Sales by market establishment | | 13 833 | 11 304 | 1 244 | 6 568 | 1 073 | – | – | – | | | | | | | | | 110.7% |
| Other non-tax revenue | | 2 850 | 7 272 | 4 255 | 1 205 | 4 130 | 8 591 | 3 635 | 4 138 | | | | | | | | | 142.6% |
| Transfers received | | 36 601 | 36 601 | 77 200 | 50 456 | 85 785 | 90 397 | 90 761 | 107 557 | | | | | | | | | 98.2% |
| Total revenue | | 53 284 | 55 177 | 82 699 | 58 229 | 90 988 | 98 988 | 94 396 | 111 695 | | | | | | | | | 100.8% |
| Expenses | | | | | | | | | | | | | | | | | | |
| Current expenses | | 53 284 | 53 126 | 82 699 | 46 511 | 93 007 | 104 468 | 54 190 | 71 489 | | | | | | | | | 97.3% |
| Compensation of employees | | 21 180 | 17 890 | 23 558 | 20 461 | 27 758 | 21 835 | 29 766 | 30 757 | | | | | | | | | 88.9% |
| Goods and services | | 31 175 | 34 307 | 57 700 | 24 609 | 63 718 | 81 124 | 24 304 | 40 732 | | | | | | | | | 102.2% |
| Depreciation | | 929 | 929 | 1 441 | 1 441 | 1 531 | 1 509 | 120 | – | | | | | | | | | 96.5% |
| Transfers and subsidies | | – | – | – | 13 256 | – | – | 40 206 | 40 206 | | | | | | | | | 133.0% |
| Total expenses | | 53 284 | 53 126 | 82 699 | 59 767 | 93 007 | 104 468 | 94 396 | 111 695 | | | | | | | | | 101.8% |
| Surplus/(Deficit) | | – | 2 051 | – | (1 538) | (2 019) | (5 480) | – | – | | | | | | | | | |

Statements of estimates of financial performance

Table 32.42 National Electronic Media Institute of South Africa statements of estimates of financial performance

| Statement of financial performance | | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
|------------------------------------|--|------------------|-------------------------|--------------------------------|----------------------|---------|---------|-------------------------|--------------------------------|
| R thousand | | 2018/19 | 2015/16 - 2018/19 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | 2018/19 - 2021/22 |
| Revenue | | | | | | | | | |
| Non-tax revenue | | 4 138 | -39.4% | 14.8% | 4 100 | 4 715 | 1 763 | -24.8% | 3.3% |
| Other non-tax revenue | | 4 138 | -17.1% | 6.9% | 4 100 | 4 715 | 1 763 | -24.8% | 3.3% |
| Transfers received | | 107 557 | 43.2% | 85.2% | 110 237 | 103 744 | 109 300 | 0.5% | 96.7% |
| Total revenue | | 111 695 | 26.5% | 100.0% | 114 337 | 108 459 | 111 063 | -0.2% | 100.0% |
| Expenses | | | | | | | | | |
| Current expenses | | 71 489 | 10.4% | 85.5% | 68 846 | 66 376 | 67 164 | -2.1% | 61.5% |
| Compensation of employees | | 30 757 | 19.8% | 29.1% | 32 718 | 35 239 | 34 483 | 3.9% | 29.9% |
| Goods and services | | 40 732 | 5.9% | 55.0% | 36 128 | 31 005 | 32 542 | -7.2% | 31.5% |
| Depreciation | | – | -100.0% | 1.4% | – | 132 | 139 | – | 0.1% |
| Transfers and subsidies | | 40 206 | – | 14.5% | 45 491 | 42 083 | 43 899 | 3.0% | 38.5% |
| Total expenses | | 111 695 | 28.1% | 100.0% | 114 337 | 108 459 | 111 063 | -0.2% | 100.0% |
| Surplus/(Deficit) | | – | – | – | – | – | – | – | – |

Personnel information

Table 32.43 National Electronic Media Institute of South Africa personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2019 | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-----|-------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2017/18 | | Unit cost | 2018/19 | | Unit cost | 2019/20 | | 2020/21 | | 2021/22 | | | | 2018/19 - 2021/22 | | | |
| 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 | 46 | 46 | 38 | 21.8 | 0.6 | 46 | 30.8 | 0.7 | 46 | 32.7 | 0.7 | 46 | 35.2 | 0.8 | 42 | 34.5 | 0.8 | 3.9% | 100.0% |
| 1 – 6 | 3 | 3 | 2 | 0.4 | 0.2 | 3 | 0.7 | 0.2 | 3 | 0.8 | 0.3 | 3 | 0.8 | 0.3 | 3 | 0.9 | 0.3 | 8.0% | 6.7% |
| 7 – 10 | 28 | 28 | 25 | 11.0 | 0.4 | 28 | 13.2 | 0.5 | 28 | 14.3 | 0.5 | 28 | 15.4 | 0.5 | 26 | 15.8 | 0.6 | 6.2% | 61.1% |
| 11 – 12 | 5 | 5 | 5 | 4.0 | 0.8 | 5 | 4.3 | 0.9 | 5 | 4.7 | 0.9 | 5 | 5.1 | 1.0 | 5 | 5.5 | 1.1 | 8.1% | 11.1% |
| 13 – 16 | 10 | 10 | 6 | 6.4 | 1.1 | 10 | 12.5 | 1.2 | 10 | 13.0 | 1.3 | 10 | 14.0 | 1.4 | 8 | 12.3 | 1.5 | -0.5% | 21.1% |

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.

Expenditure analysis

Over the medium term, the Universal Service and Access Agency of South Africa will focus on improving its performance audit outcomes and internal controls, including the implementation of its project management framework, policies and technology. It will also conduct technical evaluations of broadband projects and determine the district-wide baseline and needs assessment for the uMgungundlovu district municipality, and manage and support the Universal Service and Access Fund.

The agency receives transfers from the department amounting to R262.7 million over the medium term to cover operational costs and fund projects. Expenditure is expected to increase at an average annual rate of 4.7 per cent, from R81.1 million in 2018/19 to R93 million in 2021/22.

Programmes/Objectives/Activities

Table 32.44 Universal Service and Access Agency of South Africa 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 (%) |
|----------------|-----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|---------------|---------------|-------------------------|---------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | | | | |
| Administration | 79 278 | 146 993 | 164 263 | 81 074 | 0.7% | 100.0% | 83 849 | 88 267 | 92 977 | 4.7% | 100.0% |
| Total | 79 278 | 146 993 | 164 263 | 81 074 | 0.7% | 100.0% | 83 849 | 88 267 | 92 977 | 4.7% | 100.0% |

Statements of historical financial performance

Table 32.45 Universal Service and Access Agency of South Africa statements of historical financial performance

| Statement of financial performance | Budget | | Audited outcome | | Budget | | Revised estimate | | Average: Outcome/ Budget (%) |
|--------------------------------------|----------------|----------------|-----------------|-----------------|---------------|-----------------|------------------|---------------|------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | |
| R thousand | | | | | | | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | – | 8 872 | – | 10 669 | – | 4 419 | – | 1 000 | – |
| Other non-tax revenue | – | 8 872 | – | 10 669 | – | 4 419 | – | 1 000 | – |
| Transfers received | 262 429 | 262 429 | 69 045 | 69 045 | 75 684 | 75 684 | 80 074 | 80 074 | 100.0% |
| Total revenue | 262 429 | 271 301 | 69 045 | 79 714 | 75 684 | 80 103 | 80 074 | 81 074 | 105.1% |
| Expenses | | | | | | | | | |
| Current expenses | 262 429 | 79 278 | 69 045 | 146 993 | 75 684 | 164 263 | 80 074 | 81 074 | 96.8% |
| Compensation of employees | 41 161 | 38 165 | 43 461 | 42 076 | 47 429 | 44 409 | 51 318 | 51 318 | 96.0% |
| Goods and services | 221 207 | 37 801 | 25 519 | 101 817 | 28 255 | 103 654 | 28 756 | 29 756 | 89.9% |
| Depreciation | – | 3 228 | – | 3 100 | – | 16 200 | – | – | – |
| Interest, dividends and rent on land | 61 | 84 | 65 | – | – | – | – | – | 66.7% |
| Total expenses | 262 429 | 79 278 | 69 045 | 146 993 | 75 684 | 164 263 | 80 074 | 81 074 | 96.8% |
| Surplus/(Deficit) | – | 192 023 | – | (67 279) | – | (84 160) | – | – | |

Statements of estimates of financial performance

Table 32.46 Universal Service and Access Agency of South Africa statements of estimates of financial performance

| Statement of financial performance | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|------------------------------------|------------------|-------------------------|---------------------------------|----------------------|---------------|---------------|-------------------------|---------------------------------|
| | | | | 2018/19 | 2019/20 | 2020/21 | | |
| R thousand | | | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 1 000 | -51.7% | 5.9% | 900 | 800 | 700 | -11.2% | 1.0% |
| Other non-tax revenue | 1 000 | -51.7% | 5.9% | 900 | 800 | 700 | -11.2% | 1.0% |
| Transfers received | 80 074 | -32.7% | 94.1% | 82 949 | 87 467 | 92 277 | 4.8% | 99.0% |
| Total revenue | 81 074 | -33.1% | 100.0% | 83 849 | 88 267 | 92 977 | 4.7% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 81 074 | 0.7% | 100.0% | 83 849 | 88 267 | 92 977 | 4.7% | 100.0% |
| Compensation of employees | 51 318 | 10.4% | 41.8% | 53 865 | 58 171 | 62 269 | 6.7% | 65.1% |
| Goods and services | 29 756 | -7.7% | 54.2% | 29 984 | 30 096 | 30 708 | 1.1% | 34.9% |
| Total expenses | 81 074 | 0.7% | 100.0% | 83 849 | 88 267 | 92 977 | 4.7% | 100.0% |
| Surplus/(Deficit) | – | | | – | – | – | | |

Personnel information

Table 32.47 Universal Service and Access Agency of South Africa personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2019 | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-----------|-------------------|------|--------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | | |
| | | 2017/18 | | | 2018/19 | | | 2019/20 | | 2020/21 | | 2021/22 | | | | | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2018/19 - 2021/22 | | | |
| Universal Service and Access Agency of South Africa | | 60 | 60 | 56 | 44.4 | 0.8 | 60 | 51.3 | 0.9 | 60 | 53.9 | 0.9 | 60 | 58.2 | 1.0 | 60 | 62.3 | 1.0 | 6.7% | 100.0% |
| Salary level | 60 | 60 | 56 | 44.4 | 0.8 | 60 | 51.3 | 0.9 | 60 | 53.9 | 0.9 | 60 | 58.2 | 1.0 | 60 | 62.3 | 1.0 | 6.7% | 100.0% | |
| 1-6 | 2 | 2 | 2 | 0.3 | 0.1 | 2 | 0.3 | 0.1 | 2 | 0.3 | 0.1 | 2 | 0.3 | 0.2 | 2 | 0.3 | 0.2 | 7.7% | 3.3% | |
| 7-10 | 24 | 24 | 23 | 12.5 | 0.5 | 24 | 11.4 | 0.5 | 24 | 12.3 | 0.5 | 24 | 13.3 | 0.6 | 24 | 14.2 | 0.6 | 7.7% | 40.0% | |
| 11-12 | 11 | 11 | 10 | 8.0 | 0.8 | 11 | 9.8 | 0.9 | 11 | 10.6 | 1.0 | 11 | 11.5 | 1.0 | 11 | 12.3 | 1.1 | 7.7% | 18.3% | |
| 13-16 | 23 | 23 | 21 | 23.7 | 1.1 | 23 | 29.8 | 1.3 | 23 | 30.6 | 1.3 | 23 | 33.1 | 1.4 | 23 | 35.5 | 1.5 | 5.9% | 38.3% | |

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 sole mandate is to make payments for subsidies towards the provision of ICT equipment and services, as well as to construct and extend electronic communication and broadcasting networks for those 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 service licensees.

Selected performance indicators

Table 32.48 Universal Service and Access Fund performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/Objective/Activity | MTSF outcome | Past | | | Current | Projections | | |
|---|---|----------------|---------|---------|---------|---------------------|----------------------|----------------------|----------------------|
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Number of underserved areas covered with broadband infrastructure per year | Broadband infrastructure in underserved areas | Entity mandate | 2 | 2 | 1 | 2 | 2 | 2 | 2 |
| Number of existing ICT access facilities with internet deployed in underserved areas and schools per year | Rapid deployment of access centres | | 63 | 68 | 680 | 676 | 953 | 1 253 | 1 253 |
| Number of new sites with internet connectivity per year | Rapid deployment of access centres | | -1 | -1 | 609 | 275 | 300 | 330 | 330 |
| 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 | | -2 | -2 | 691 080 | 22 282 ³ | 202 667 ³ | 213 814 ³ | 213 814 ³ |

1. Indicator introduced in 2017/18.

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

3. Lower figure relates to set-top boxes that have already been procured.

Expenditure analysis

Over the medium term, the Universal Service and Access Fund will focus on increasing access to connectivity and digital broadcasting services by rolling out electronic communication infrastructure in new sites and maintaining existing ones in underserved municipal areas, and providing subsidies to qualifying households for set-top boxes.

Funds retained in previous years, as approved by National Treasury, will be used over the period ahead to finalise contracts for the supply of set-top boxes as part of the digital migration project. A new delivery model involving a voucher system will then be implemented by the Department of Communications. 960 new sites are expected to be equipped with internet connectivity over the medium term.

The fund receives transfers from the department amounting to R336.5 million over the MTEF period to cover operational costs and fund specific projects. Total expenditure decreases at an average rate of 1.9 per cent, from R156.7 million in 2018/19 to R147.8 million in 2021/22. Expenditure is mainly driven by allocations for broadcasting digital migration, with the remainder of the budget used for projects relating to the rapid deployment of access centres and the rollout of broadband infrastructure in underserved areas.

Programmes/Objectives/Activities

Table 32.49 Universal Service and Access Fund expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2018/19 | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) 2018/19 - 2021/22 | Average Expenditure/ Total (%) |
|--|-----------------|---------------|----------------|-----------------------------|-------------------------|---------------|----------------------------------|----------------|----------------|--|--------------------------------|
| | 2015/16 | 2016/17 | 2017/18 | | 2015/16 - 2018/19 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | | |
| Administration | 1 080 | 1 518 | 840 | 3 727 | 51.1% | 1.4% | 3 936 | 4 152 | 4 381 | 5.5% | 2.7% |
| Broadband infrastructure in under-served areas | 44 502 | 17 791 | 26 617 | 113 037 | 36.4% | 40.8% | 57 491 | 66 806 | 58 830 | -19.6% | 49.5% |
| E-connectivity | 14 927 | 10 404 | – | – | -100.0% | 8.3% | – | – | – | – | – |
| Rapid deployment of access centres | 1 886 | 1 287 | 977 | 21 017 | 123.4% | 4.4% | 22 194 | 23 415 | 24 703 | 5.5% | 15.4% |
| Broadcasting digital migration programme | 4 343 | 65 289 | 417 792 | 18 940 | 63.4% | 45.0% | 54 001 | 56 721 | 59 841 | 46.7% | 32.3% |
| Total | 66 738 | 96 289 | 446 226 | 156 721 | 32.9% | 100.0% | 137 622 | 151 094 | 147 755 | -1.9% | 100.0% |

Statements of historical financial performance

Table 32.50 Universal Service and Access Fund statements of historical financial performance

| Statement of financial performance | | | | | | | | | |
|------------------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|------------------|------------------------------|
| R thousand | Audited outcome | | Audited outcome | | Audited outcome | | Budget estimate | Revised estimate | Average: Outcome/ Budget (%) |
| | Budget | 2015/16 | Budget | 2016/17 | Budget | 2017/18 | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | – | 98 452 | – | 108 696 | – | 105 712 | – | 80 000 | – |
| Other non-tax revenue | – | 98 452 | – | 108 696 | – | 105 712 | – | 80 000 | – |
| Transfers received | 233 540 | 233 540 | 644 540 | 644 540 | 133 712 | 133 712 | 95 661 | 76 721 | 98.3% |
| Total revenue | 233 540 | 331 992 | 644 540 | 753 236 | 133 712 | 239 424 | 95 661 | 156 721 | 133.8% |
| Expenses | | | | | | | | | |
| Current expenses | 3 581 | 1 080 | 3 746 | 1 518 | 3 522 | 840 | 3 727 | 3 727 | 49.2% |
| Goods and services | 3 581 | 1 080 | 3 746 | 1 518 | 3 522 | 840 | 3 727 | 3 727 | 49.2% |
| Transfers and subsidies | 229 959 | 65 658 | 640 794 | 94 771 | 110 325 | 445 386 | 91 934 | 152 994 | 70.7% |
| Total expenses | 233 540 | 66 738 | 644 540 | 96 289 | 113 847 | 446 226 | 95 661 | 156 721 | 70.4% |
| Surplus/(Deficit) | – | 265 254 | – | 656 947 | 19 865 | (206 802) | – | – | |

Statements of estimates of financial performance

Table 32.51 Universal Service and Access Fund statements of estimates of financial performance

| Statement of financial performance | | | | | | | | |
|------------------------------------|-----------------------------|--|---------------------------------|----------------------|----------------|----------------|--|---------------------------------|
| R thousand | Revised estimate 2018/19 | Average growth rate (%) 2015/16 - 2018/19 | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) 2018/19 - 2021/22 | Average: Expenditure/ Total (%) |
| | | | | 2019/20 | 2020/21 | 2021/22 | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 80 000 | -6.7% | 34.8% | 50 000 | 30 000 | 20 000 | -37.0% | 30.2% |
| Other non-tax revenue | 80 000 | -6.7% | 34.8% | 50 000 | 30 000 | 20 000 | -37.0% | 30.2% |
| Transfers received | 76 721 | -31.0% | 65.2% | 87 622 | 121 094 | 127 755 | 18.5% | 69.8% |
| Total revenue | 156 721 | -22.1% | 100.0% | 137 622 | 151 094 | 147 755 | -1.9% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 3 727 | 51.1% | 1.4% | 3 936 | 4 152 | 4 381 | 5.5% | 2.7% |
| Goods and services | 3 727 | 51.1% | 1.4% | 3 936 | 4 152 | 4 381 | 5.5% | 2.7% |
| Transfers and subsidies | 152 994 | 32.6% | 98.6% | 133 686 | 146 942 | 143 374 | -2.1% | 97.3% |
| Total expenses | 156 721 | 32.9% | 100.0% | 137 622 | 151 094 | 147 755 | -1.9% | 100.0% |
| Surplus/(Deficit) | – | | | – | – | – | | |

Additional table: Summary of expenditure on infrastructure

| Project name R thousand | Service delivery outputs | Current project stage | Total project cost | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|---|--------------------------|-----------------------|-----------------|----------|---------------|---------------------------|----------------------------------|---------------|---------------|
| | | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Departmental Infrastructure | | | | | | | | | | |
| Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle) | | | | | | | | | | |
| Sentech: Digital signal migration | Efficient use of spectrum, achievement of broadcast digital dividend, achievement of multiple channel possibilities and generation of new content | Design | 113 000 | – | – | 53 000 | – | 58 440 | 61 650 | 70 455 |
| Total | | | 113 000 | – | – | 53 000 | – | 58 440 | 61 650 | 70 455 |



2019 BUDGET

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