

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%	116.5%	106.8%	112.5%	116.5%	106.8%	112.5%	116.5%	106.8%	112.5%	116.5%	106.8%	112.5%	116.5%	106.8%	112.5%	116.5%	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%	116.5%	99.6%	116.5%	116.5%	99.6%	116.5%	116.5%	99.6%	116.5%	116.5%	99.6%	116.5%	116.5%	99.6%	116.5%	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%	83.7%	86.6%	83.7%	83.7%	86.6%	83.7%	83.7%	86.6%	83.7%	83.7%	86.6%	83.7%	83.7%	86.6%	83.7%	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%	465.6%	100.3%	465.6%	465.6%	100.3%	465.6%	465.6%	100.3%	465.6%	465.6%	100.3%	465.6%	465.6%	100.3%	465.6%	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%	73.7%	75.5%	73.7%	73.7%	75.5%	73.7%	73.7%	75.5%	73.7%	73.7%	75.5%	73.7%	73.7%	75.5%	73.7%	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%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	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%	65.6%	65.1%	65.6%	65.6%	65.1%	65.6%	65.6%	65.1%	65.6%	65.6%	65.1%	65.6%	65.6%	65.1%	65.6%	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%	98.4%	96.9%	98.4%	98.4%	96.9%	98.4%	98.4%	96.9%	98.4%	98.4%	96.9%	98.4%	98.4%	96.9%	98.4%	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%	48.9%	49.9%	48.9%	48.9%	49.9%	48.9%	48.9%	49.9%	48.9%	48.9%	49.9%	48.9%	48.9%	49.9%	48.9%	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%	105.2%	105.1%	105.2%	105.2%	105.1%	105.2%	105.2%	105.1%	105.2%	105.2%	105.1%	105.2%	105.2%	105.1%	105.2%	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%	95.7%	96.6%	95.7%	95.7%	96.6%	95.7%	95.7%	96.6%	95.7%	95.7%	96.6%	95.7%	95.7%	96.6%	95.7%	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%	104.3%	105.7%	104.3%	104.3%	105.7%	104.3%	104.3%	105.7%	104.3%	104.3%	105.7%	104.3%	104.3%	105.7%	104.3%	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%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%	120.7%			
Households	-	-	0.7	-	-	0.5	-	-	1.8	-	18.9	18.9	-	-	115.7%	-	-	115.7%	-	-	115.7%	-	-	115.7%	-	-	115.7%	-	-	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%	86.4%	105.9%	86.4%	86.4%	105.9%	86.4%	86.4%	105.9%	86.4%	86.4%	105.9%	86.4%	86.4%	105.9%	86.4%	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%	73.7%	70.0%	73.7%	73.7%	70.0%	73.7%	73.7%	70.0%	73.7%	73.7%	70.0%	73.7%	73.7%	70.0%	73.7%	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%	181.7%	111.5%	181.7%	181.7%	111.5%	181.7%	181.7%	111.5%	181.7%	181.7%	111.5%	181.7%	181.7%	111.5%	181.7%	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%	100.0%	1 122.7%	100.0%	100.0%	1 122.7%	100.0%	100.0%	1 122.7%	100.0%	100.0%	1 122.7%	100.0%	100.0%	1 122.7%	100.0%	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%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	192.7%	94.4%	192.7%	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%	
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	2015/16 - 2018/19	2019/20		
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
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	2015/16 - 2018/19	2019/20		
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
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	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	2019/20 - 2021/22
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	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	2019/20 - 2021/22
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 (%)		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	
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		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		Unit cost	2020/21		Unit cost			2021/22		Unit cost				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22					
Telecommunications and Postal Services		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	0.3%	100.0%	
Salary level																						
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	26	10.8	0.4	-1.3%	9.2%
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	100	64.8	0.6	-1.9%	34.8%
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	61	61.1	1.0	-	20.9%
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	94	131.6	1.4	0.4%	32.3%
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	12	8.0	0.7	58.7%	2.9%
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	293	276.4	0.9	0.3%	100.0%
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	158	136.8	0.9	2.7%	53.0%
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	17	18.6	1.1	2.0%	5.7%
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	73	68.8	0.9	1.9%	24.7%
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	22	26.0	1.2	-5.4%	7.9%
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	23	26.2	1.1	-11.3%	8.7%

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 million											
Ministry	4.2	4.2	4.2	4.2	-	1.9%	4.8	4.9	5.2	7.1%	1.8%
Departmental Management	73.3	52.1	48.0	43.3	-16.1%	24.7%	49.2	54.6	59.2	11.0%	19.4%
Internal Audit	5.2	3.9	5.4	7.6	13.1%	2.5%	9.9	9.7	8.9	5.6%	3.4%
Corporate Services	62.6	70.5	74.2	93.5	14.3%	34.3%	117.8	95.4	103.0	3.3%	38.5%
Financial Management	70.4	75.7	74.8	77.5	3.3%	34.0%	75.4	82.0	84.4	2.9%	30.0%
Office Accommodation	6.1	5.2	2.8	9.2	14.4%	2.7%	19.7	21.3	22.9	35.6%	6.9%
Total	221.9	211.6	209.5	235.2	2.0%	100.0%	276.8	267.8	283.7	6.4%	100.0%
Change to 2018 Budget estimate				16.9			33.1	6.2	6.5		
Economic classification											
Current payments	217.2	204.1	198.8	204.5	-2.0%	93.9%	235.9	253.1	270.5	9.8%	90.6%
Compensation of employees	86.2	94.8	102.9	108.8	8.1%	44.7%	119.9	129.2	136.8	7.9%	46.5%
Goods and services ¹	131.0	109.3	95.9	95.7	-9.9%	49.2%	116.0	123.9	133.7	11.8%	44.1%
of which:											
Audit costs: External	28.1	6.5	7.0	5.1	-43.4%	5.3%	4.9	6.2	6.3	7.1%	2.1%
Computer services	5.0	5.5	5.3	5.3	2.1%	2.4%	8.0	7.5	9.3	20.2%	2.8%
Legal services	6.2	7.5	5.1	5.0	-6.7%	2.7%	8.5	8.3	9.8	25.2%	3.0%
Operating leases	42.4	41.0	33.7	37.7	-3.9%	17.6%	37.9	41.5	45.5	6.5%	15.3%
Property payments	10.1	11.7	11.9	10.3	0.5%	5.0%	14.4	15.6	15.7	15.1%	5.3%
Travel and subsistence	16.9	17.2	15.7	10.7	-13.9%	6.9%	14.9	17.4	19.4	21.8%	5.9%
Transfers and subsidies¹	0.3	0.3	1.1	19.0	308.5%	2.4%	27.4	0.0	0.0	-88.9%	4.4%
Households	0.2	0.3	1.1	18.9	323.7%	2.3%	27.4	-	-	-100.0%	4.4%

Table 32.9 Administration 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 million											
Payments for capital assets	3.9	7.1	9.3	11.8	44.3%	3.7%	13.6	14.7	13.2	3.8%	5.0%
Machinery and equipment	1.9	3.3	3.3	7.3	57.5%	1.8%	6.6	6.7	5.2	-10.8%	2.4%
Software and other intangible assets	2.1	3.8	6.0	4.5	29.9%	1.9%	6.9	8.0	8.0	21.2%	2.6%
Payments for financial assets	0.4	0.0	0.3	–	-100.0%	0.1%	–	–	–	–	–
Total	221.9	211.6	209.5	235.2	2.0%	100.0%	276.8	267.8	283.7	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 selected transfers and subsidies											
Other transfers to households											
Current	0.2	–	0.5	18.9	384.0%	2.2%	27.4	–	–	-100.0%	4.4%
Households	0.2	–	0.5	–	-100.0%	0.1%	–	–	–	–	–
Claims against the State	–	–	–	18.9	–	2.2%	27.4	–	–	-100.0%	4.4%

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.

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 32.10 International Affairs and Trade 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 million											
International Affairs	10.5	13.4	12.5	14.8	12.2%	23.4%	13.8	18.1	19.3	9.2%	26.0%
ICT Trade/Partnership	31.0	33.5	38.1	65.1	28.0%	76.6%	43.2	39.5	40.5	-14.6%	74.0%
Total	41.5	46.9	50.6	80.0	24.4%	100.0%	57.1	57.6	59.8	-9.2%	100.0%
Change to 2018 Budget estimate				28.0			(1.3)	1.2	0.2		

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

Economic classification	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	2015/16 - 2021/22
R million											
Current payments	16.5	20.3	24.6	52.5	47.1%	52.0%	26.7	26.6	27.6	-19.3%	52.4%
Compensation of employees	10.6	12.7	17.0	13.7	9.1%	24.6%	16.1	17.3	18.6	10.6%	25.8%
Goods and services ¹	5.9	7.5	7.6	38.8	87.0%	27.3%	10.6	9.3	9.1	-38.4%	26.6%
<i>of which:</i>											
Administrative fees	0.1	0.2	0.1	0.2	22.3%	0.3%	0.2	0.2	0.2	3.9%	0.3%
Minor assets	0.1	0.0	0.0	0.2	18.4%	0.1%	0.2	0.2	0.3	19.8%	0.4%
Contractors	–	0.1	0.8	0.2	–	0.5%	0.6	0.9	0.2	5.5%	0.7%
Operating leases	0.1	0.1	0.1	0.1	12.6%	0.2%	0.3	0.3	0.3	38.7%	0.4%
Travel and subsistence	5.0	4.3	4.8	7.7	15.7%	9.9%	5.6	4.6	4.9	-14.2%	8.9%
Venues and facilities	0.2	1.4	1.2	25.4	407.5%	12.9%	2.7	2.2	2.3	-55.3%	12.8%
Transfers and subsidies¹	24.7	26.3	26.0	27.1	3.2%	47.5%	29.8	30.5	31.6	5.3%	46.8%
Foreign governments and international organisations	24.6	26.1	26.0	27.1	3.2%	47.4%	29.8	30.5	31.6	5.3%	46.8%
Households	0.0	0.1	0.0	–	–	–	–	–	–	–	–
Payments for capital assets	0.4	0.4	0.0	0.4	-100.0%	0.1%	0.5	0.6	0.6	–	–
Machinery and equipment	0.4	0.4	0.0	0.4	0.6%	0.6%	0.5	0.6	0.6	14.1%	0.8%
Total	41.5	46.9	50.6	80.0	0.6%	0.6%	57.1	57.6	59.8	14.1%	0.8%
Proportion of total programme expenditure to vote expenditure	3.2%	2.3%	1.0%	2.0%	24.4%	100.0%	3.4%	3.2%	3.6%	-9.2%	100.0%
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	24.6	26.1	26.0	27.1	3.2%	47.4%	29.8	30.5	31.6	5.3%	46.8%
Universal Postal Union	5.4	6.0	5.5	6.3	–	10.6%	6.7	6.3	6.6	–	10.2%
International	16.5	17.6	16.8	17.1	–	31.0%	18.9	19.4	20.0	–	29.6%
Telecommunications Union											
Pan-African Postal Union	1.1	1.0	1.0	1.1	-100.0%	1.9%	1.1	1.2	1.2	–	1.8%
Organisation for Economic Cooperation and Development	0.2	0.2	0.2	0.2	0.6%	0.3%	0.2	0.6	0.6	14.1%	0.6%
DONA Foundation	–	–	1.0	1.0	–	0.9%	1.2	1.3	1.3	–	1.9%
African Telecommunication Union	0.9	1.0	1.0	1.0	0.6%	1.8%	1.1	1.3	1.4	14.1%	1.9%
Commonwealth Telecommunication Organisation	0.4	0.4	0.4	0.4	–	0.8%	0.5	0.5	0.5	–	0.8%

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.

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 32.11 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
ICT Policy Development	14.4	12.5	10.0	14.3	-0.3%	16.2%	16.1	16.5	17.5	7.1%	17.1%
Economic and Market Analysis	4.4	3.5	8.7	4.6	1.5%	6.7%	5.9	5.2	5.5	6.4%	5.6%
Research	4.2	6.9	6.9	7.2	19.9%	8.0%	7.1	7.6	8.1	4.0%	8.0%
Information Society Development	41.4	46.1	43.8	49.6	6.2%	57.3%	51.5	58.0	62.0	7.7%	58.8%
Capacity Development	9.6	9.5	9.0	9.3	-1.0%	11.8%	9.7	9.9	10.5	3.9%	10.5%
Total	74.0	78.5	78.5	85.0	4.7%	100.0%	90.2	97.2	103.6	6.8%	100.0%
Change to 2018 Budget estimate				(1.0)			1.0	1.1	1.6		
Economic classification											
Current payments	73.4	77.8	77.7	84.6	4.9%	99.2%	89.5	96.5	102.8	6.7%	99.3%
Compensation of employees	49.4	52.6	52.1	52.6	2.1%	65.4%	59.9	64.2	68.8	9.4%	65.3%
Goods and services ¹	24.0	25.2	25.6	32.0	10.1%	33.8%	29.6	32.3	34.0	2.0%	34.0%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.5	0.3	0.5	0.7	8.0%	0.7%	1.1	1.1	1.2	19.5%	1.1%
<i>Communication</i>	1.3	1.4	1.3	2.4	22.3%	2.1%	1.2	1.4	1.5	-15.9%	1.7%
<i>Consultants: Business and advisory services</i>	10.1	5.5	13.1	6.0	-16.2%	11.0%	7.2	9.0	9.8	18.0%	8.5%
<i>Travel and subsistence</i>	6.2	4.6	4.8	8.7	12.2%	7.7%	7.6	6.4	6.9	-7.7%	7.9%
<i>Training and development</i>	1.3	7.8	0.6	7.2	77.8%	5.3%	7.1	7.3	7.5	1.6%	7.7%
<i>Venues and facilities</i>	1.1	2.4	1.1	1.4	6.4%	1.9%	1.1	1.1	1.1	-7.3%	1.2%
Transfers and subsidies¹	0.3	0.0	0.4	-	-100.0%	0.2%	-	-	-	-	-
Households	0.3	0.0	0.4	-	-	-	-	-	-	-	-
Payments for capital assets	0.3	0.6	0.4	0.3	-100.0%	0.2%	0.7	0.7	0.8	-	-
Machinery and equipment	0.3	0.6	0.4	0.3	7.1%	0.5%	0.7	0.7	0.8	31.6%	0.7%
Software and other intangible assets	-	-	-	0.1	1.6%	0.5%	0.0	-	-	38.7%	0.7%
Total	74.0	78.5	78.5	85.0	-	-	90.2	97.2	103.6	-100.0%	-
Proportion of total programme expenditure to vote expenditure	5.7%	3.8%	1.6%	2.1%	4.7%	100.0%	5.4%	5.5%	6.2%	6.8%	100.0%

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.

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

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average Expenditure/ Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22		
R million											
Public Entity Oversight	480.1	869.8	3 937.1	3 200.0	88.2%	99.8%	739.2	779.3	824.2	-36.4%	99.6%
SMME Development	2.5	4.4	4.4	5.2	26.6%	0.2%	5.0	5.2	5.5	2.1%	0.4%
Total	482.6	874.3	3 941.5	3 205.1	88.0%	100.0%	744.2	784.4	829.7	-36.3%	100.0%
Change to 2018 Budget estimate				2 954.7			478.2	503.5	533.2		
Economic classification											
Current payments	15.6	22.3	25.1	29.0	23.0%	1.1%	30.1	30.8	34.7	6.1%	2.2%
Compensation of employees	12.8	19.8	22.0	23.1	21.6%	0.9%	22.7	24.3	26.0	4.1%	1.7%
Goods and services ¹	2.8	2.5	3.1	6.0	29.2%	0.2%	7.4	6.5	8.7	13.2%	0.5%
<i>of which:</i>											
<i>Bursaries: Employees</i>	0.1	0.2	0.1	0.6	70.4%	–	0.7	0.7	0.1	-51.8%	–
<i>Communication</i>	0.3	0.4	0.5	0.6	22.3%	–	0.4	0.6	0.7	5.9%	–
<i>Consultants: Business and advisory services</i>	0.8	0.2	0.0	0.1	-45.5%	–	3.4	2.5	4.6	227.2%	0.2%
<i>Operating leases</i>	0.1	0.2	0.2	0.2	14.9%	–	0.2	0.2	0.2	7.3%	–
<i>Travel and subsistence</i>	0.6	1.0	1.1	1.5	38.6%	–	1.7	1.8	1.5	-0.6%	0.1%
<i>Training and development</i>	0.0	0.2	0.3	–	-100.0%	–	0.3	0.1	0.6	–	–
Transfers and subsidies¹	466.6	201.4	216.1	228.6	-21.2%	13.1%	713.9	753.2	794.6	51.5%	44.8%
Departmental agencies and accounts	351.4	201.4	216.1	228.6	-13.4%	11.7%	239.3	252.4	266.3	5.2%	17.7%
Public corporations and private enterprises	115.1	–	–	–	-100.0%	1.4%	474.6	500.7	528.3	–	27.0%
Households	0.1	–	0.0	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.4	0.6	0.3	0.5	9.0%	–	0.2	0.5	0.5	-1.0%	–
Machinery and equipment	0.4	0.6	0.3	0.5	9.0%	–	0.2	0.5	0.5	-1.0%	–
Payments for financial assets	–	650.0	3 700.0	2 947.0	–	85.8%	–	–	–	-100.0%	53.0%
Total	482.6	874.3	3 941.5	3 205.1	88.0%	100.0%	744.2	784.4	829.7	-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 selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	351.4	201.4	216.1	228.6	-100.0%	11.7%	239.3	252.4	266.3	–	17.7%
National Electronic Media Institute of South Africa	36.6	77.2	85.8	90.8	–	3.4%	95.3	100.6	106.1	–	7.1%
Universal Service and Access Agency of South Africa	262.4	69.0	75.7	80.1	-100.0%	5.7%	82.9	87.5	92.3	–	6.2%
Universal Service and Access Fund	52.4	55.2	54.6	57.8	9.0%	2.6%	61.0	64.4	67.9	-1.0%	4.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	115.1	–	–	–	–	1.4%	474.6	500.7	528.3	–	27.0%
South African Post Office	115.1	–	–	–	–	1.4%	474.6	500.7	528.3	–	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.

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 32.13 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 million											
Broadband	83.5	26.9	39.3	162.4	24.8%	13.2%	221.4	244.0	256.6	16.5%	46.8%
Digital Terrestrial Television	390.2	829.4	565.1	222.8	-17.0%	85.1%	277.5	322.4	130.3	-16.4%	50.4%
ICT Support	6.3	8.1	7.5	16.4	37.3%	1.6%	17.3	9.5	10.0	-15.0%	2.8%
Total	480.1	864.4	611.9	401.6	-5.8%	100.0%	516.3	575.9	396.9	-0.4%	100.0%
Change to 2018 Budget estimate				85.0			149.1	185.3	(15.5)		
Economic classification											
Current payments	89.4	34.4	45.9	170.5	24.0%	14.4%	230.7	253.2	266.3	16.0%	48.7%
Compensation of employees	22.7	25.3	25.8	26.2	4.8%	4.2%	22.9	24.5	26.2	0.1%	5.3%
Goods and services ¹	66.7	9.1	20.1	144.4	29.4%	10.2%	207.8	228.7	240.1	18.5%	43.4%
of which:											
Advertising	0.4	1.8	0.1	0.4	0.3%	0.1%	1.1	1.1	1.2	47.0%	0.2%
Computer services	0.1	0.2	1.6	1.7	160.4%	0.1%	9.2	0.1	0.2	-52.0%	0.6%
Consultants: Business and advisory services	59.9	0.8	11.5	120.2	26.1%	8.2%	184.2	213.7	195.3	17.5%	37.7%
Agency and support/outourced services	–	–	–	3.7	–	0.2%	0.6	0.7	29.6	100.4%	1.8%
Travel and subsistence	4.6	4.4	4.5	7.6	18.3%	0.9%	7.1	7.4	7.9	1.5%	1.6%
Venues and facilities	0.2	0.1	0.2	1.9	127.2%	0.1%	2.8	3.0	2.8	13.9%	0.6%
Transfers and subsidies¹	390.2	829.5	565.3	222.8	-17.0%	85.1%	277.5	322.4	130.3	-16.4%	50.4%
Departmental agencies and accounts	181.2	589.4	79.1	18.9	-52.9%	36.8%	26.6	56.7	59.8	46.7%	8.6%
Public corporations and private enterprises	209.0	240.0	486.0	203.9	-0.8%	48.3%	250.9	265.7	70.5	-29.8%	41.8%
Households	0.0	0.1	0.2	–	-100.0%	–	–	–	–	–	–

Table 32.13 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 million											
Payments for capital assets	0.5	0.6	0.7	8.2	152.5%	0.4%	8.1	0.3	0.3	-65.2%	0.9%
Machinery and equipment	0.5	0.2	0.7	1.7	48.6%	0.1%	1.6	0.2	0.3	-46.6%	0.2%
Software and other intangible assets	–	0.4	0.0	6.6	–	0.3%	6.5	0.1	0.1	-75.8%	0.7%
Total	480.1	864.4	611.9	401.6	-100.0%	–	516.3	575.9	396.9	–	–
Proportion of total programme expenditure to vote expenditure	36.9%	41.6%	12.5%	10.0%	-5.8%	100.0%	30.6%	32.3%	23.7%	-0.4%	100.0%
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	181.2	589.4	79.1	18.9	-0.8%	36.8%	26.6	56.7	59.8	-29.8%	8.6%
Universal Service and Access Fund: Broadcasting digital migration	181.2	589.4	79.1	18.9	–	36.8%	26.6	56.7	59.8	–	8.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	240.0	240.0	–	48.6%	20.4%	–	–	–	-46.6%	–
South African Post Office: Broadcasting digital migration	–	240.0	240.0	–	–	20.4%	–	–	–	–	–
Capital	209.0	–	246.0	203.9	–	27.9%	250.9	265.7	70.5	–	41.8%
Sentech: Dual illumination costs relating to the digital migration project	209.0	–	193.0	203.9	–	25.7%	192.5	204.0	–	–	31.8%
Sentech: Migration of digital signals	–	–	53.0	–	–	2.2%	58.4	61.7	70.5	–	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.

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 32.14 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)	99% (1.01 million hours/ 1.02 million hours)	99% (1.01 million hours/ 1.02 million hours)	99% (1.01 million hours/ 1.02 million hours)	99% (1.01 million hours/ 1.02 million hours)	99% (1.01 million hours/ 1.02 million hours)	99% (1.01 million hours/ 1.02 million hours)
Broadband sites connected in support of Internet for All project per year	Administration	Entity mandate	– ¹	– ¹	– ¹	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 32.15 Sentech expenditure trends and estimates by programme/objective/activity

R million	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		
Administration	940.9	1 202.4	1 375.3	1 365.6	13.2%	91.0%	1 425.2	1 481.0	1 648.6	6.5%	89.6%
Attain digital terrestrial television network	100.7	89.8	134.9	159.4	16.5%	9.0%	167.4	175.8	184.4	5.0%	10.4%
Total	1 041.6	1 292.2	1 510.3	1 525.0	13.5%	100.0%	1 592.6	1 656.8	1 832.9	6.3%	100.0%

Statements of historical financial performance and position

Table 32.16 Sentech statements of historical financial performance and position

Statement of financial performance									
R million	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	2018/19 - 2018/19	
Revenue									
Non-tax revenue	1 111.9	1 079.7	1 199.1	1 144.1	1 277.1	1 216.1	1 353.7	1 291.1	95.7%
Sale of goods and services other than capital assets	1 111.8	1 079.6	1 199.0	1 144.0	1 277.1	1 215.9	1 353.7	1 290.9	95.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>1 110.7</i>	<i>1 078.5</i>	<i>1 197.8</i>	<i>1 142.8</i>	<i>1 275.8</i>	<i>1 214.7</i>	<i>1 352.4</i>	<i>1 289.6</i>	<i>95.7%</i>
<i>Terrestrial television services</i>	<i>547.8</i>	<i>555.2</i>	<i>615.0</i>	<i>576.1</i>	<i>636.3</i>	<i>614.5</i>	<i>728.2</i>	<i>667.2</i>	<i>95.5%</i>
<i>Terrestrial FM, AM and short wave radio services</i>	<i>299.1</i>	<i>302.2</i>	<i>343.6</i>	<i>325.2</i>	<i>365.4</i>	<i>521.7</i>	<i>355.0</i>	<i>547.4</i>	<i>124.5%</i>
<i>Other</i>	<i>263.8</i>	<i>221.1</i>	<i>239.3</i>	<i>241.5</i>	<i>274.2</i>	<i>78.6</i>	<i>269.1</i>	<i>75.0</i>	<i>58.9%</i>
Other non-tax revenue	21.3	53.9	24.0	154.2	32.1	202.3	9.6	183.6	682.1%
Transfers received	95.6	209.0	2.8	100.0	246.0	246.0	203.9	203.9	138.4%
Total revenue	112.0	1 079.9	1 199.1	1 144.2	1 277.4	1 216.4	1 353.9	1 291.3	95.7%
Expenses									
Current expenses	1 011.1	1 001.5	1 195.4	1 302.2	1 297.8	1 457.8	1 321.9	1 483.1	108.7%
Compensation of employees	366.9	398.3	386.3	410.0	426.0	457.1	448.5	468.8	106.5%
Goods and services	583.1	512.5	727.2	784.5	771.5	897.5	764.2	900.2	108.7%
Depreciation	60.6	80.6	82.0	103.5	100.2	99.1	109.3	114.1	112.8%
Interest, dividends and rent on land	0.5	10.1	-	4.2	-	4.2	-	0.1	3 722.4%
Total expenses	1 071.8	1 041.6	1 203.6	1 292.2	1 345.4	1 510.3	1 323.2	1 525.0	108.6%
Surplus/(Deficit)	1 110.9	1 078.8	1 197.9	1 142.9	1 276.0	1 214.9	1 352.6	1 289.8	

Table 32.16 Sentech statements of historical financial performance and position

Statement of financial position									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2015/16 - 2018/19
R million	2015/16		2016/17		2017/18		2018/19		
Carrying value of assets	931.4	846.4	1 081.3	946.5	1 163.6	954.4	1 176.7	941.4	84.7%
<i>of which:</i>									
Acquisition of assets	(300.0)	(194.2)	(552.0)	(274.6)	(405.0)	(110.2)	(524.7)	(175.4)	42.3%
Inventory	83.2	73.3	47.8	80.3	63.9	82.3	51.1	58.8	119.9%
Receivables and prepayments	66.5	63.8	22.1	43.1	58.8	297.9	47.1	119.5	269.6%
Cash and cash equivalents	544.5	957.2	507.3	907.4	812.3	916.1	766.2	1 170.7	150.2%
Taxation	50.4	13.3	-	18.1	-	12.7	-	-	87.5%
Total assets	1 676.0	1 954.0	1 658.6	1 995.4	2 098.6	2 263.5	2 041.0	2 290.4	113.8%
Accumulated surplus/(deficit)	953.3	918.8	927.0	1 023.7	1 164.9	1 176.3	1 161.8	1 314.1	105.4%
Capital and reserves	586.7	743.8	586.7	743.8	743.8	743.8	743.8	743.8	111.8%
Borrowings	4.9	-	-	-	-	-	-	-	-
Deferred income	-	76.4	-	10.2	9.3	94.3	-	54.9	2 545.3%
Trade and other payables	63.9	120.2	88.4	133.1	112.0	146.5	84.0	118.3	148.7%
Taxation	67.1	68.6	56.5	40.6	68.6	53.1	51.5	40.6	83.2%
Provisions	-	26.2	-	44.1	-	49.6	-	18.7	-
Total equity and liabilities	1 676.0	1 954.0	1 658.6	1 995.4	2 098.6	2 263.5	2 041.0	2 290.4	113.8%

Statements of estimates of financial performance and position**Table 32.17 Sentech 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 (%)	Average: Expenditure/ Total (%)	
R million	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue									
Non-tax revenue	1 291.1	6.1%	100.0%	1 355.5	1 423.2	1 490.0	4.9%	100.0%	
Sale of goods and services other than capital assets	1 290.9	6.1%	100.0%	1 355.5	1 423.2	1 490.0	4.9%	100.0%	
<i>of which:</i>									
Sales by market establishment	1 289.6	6.1%	0.1%	1 354.1	1 421.8	1 488.5	4.9%	0.1%	
Terrestrial television services	667.2	6.3%	51.0%	689.0	721.4	755.2	4.2%	51.0%	
Terrestrial FM, AM and short wave radio services	547.4	21.9%	35.4%	571.1	597.9	625.9	4.6%	42.1%	
Other	75.0	-30.2%	13.5%	94.0	102.6	107.4	12.7%	6.8%	
Other non-tax revenue	183.6	50.5%	0.0%	74.1	15.8	16.7	-55.0%	0.0%	
Transfers received	203.9	-0.8%	0.0%	250.9	265.7	70.5	-29.8%	0.0%	
Total revenue	1 291.3	6.1%	100.0%	1 355.9	1 423.5	1 490.1	4.9%	100.0%	
Expenses									
Current expenses	1 483.1	14.0%	97.7%	1 583.2	1 646.9	1 827.1	7.2%	98.9%	
Compensation of employees	468.8	5.6%	32.7%	477.0	491.4	496.6	1.9%	29.4%	
Goods and services	900.2	20.7%	57.1%	1 001.6	1 049.8	1 218.9	10.6%	62.9%	
Depreciation	114.1	12.3%	7.4%	104.6	105.7	111.6	-0.7%	6.6%	
Interest, dividends and rent on land	0.1	-78.2%	0.4%	-	-	-	-100.0%	0.0%	
Total expenses	1 525.0	13.5%	100.0%	1 592.6	1 656.8	1 832.9	6.3%	100.0%	
Surplus/(Deficit)	1 289.8			1 354.2	1 421.9	1 488.2			
Statement of financial position									
Carrying value of assets	941.4	3.6%	43.5%	958.3	978.5	1 076.4	4.6%	43.8%	
<i>of which:</i>									
Acquisition of assets	(175.4)	-3.3%	-9.1%	(213.4)	(216.8)	(229.0)	9.3%	-9.2%	
Inventory	58.8	-7.1%	3.5%	54.2	46.0	50.6	-4.9%	2.3%	
Receivables and prepayments	119.5	23.3%	6.0%	149.8	163.0	179.3	14.5%	6.8%	
Cash and cash equivalents	1 170.7	6.9%	46.5%	1 059.0	966.9	1 063.5	-3.1%	47.1%	
Total assets	2 290.4	5.4%	100.0%	2 221.3	2 154.4	2 369.8	1.1%	100.0%	
Accumulated surplus/(deficit)	1 314.1	12.7%	51.9%	1 299.9	1 233.0	1 356.3	1.1%	57.6%	
Capital and reserves	743.8	0.0%	35.2%	743.8	743.8	818.1	3.2%	33.8%	
Deferred income	54.9	-10.4%	2.7%	-	-	-	-100.0%	0.6%	
Trade and other payables	118.3	-0.5%	6.1%	118.3	118.3	130.1	3.2%	5.4%	
Taxation	40.6	-16.1%	2.4%	40.6	40.6	44.6	3.2%	1.8%	
Provisions	18.7	-10.6%	1.6%	18.7	18.7	20.6	3.2%	0.8%	
Total equity and liabilities	2 290.4	5.4%	100.0%	2 221.3	2 154.4	2 369.8	1.1%	100.0%	

Personnel information

Table 32.18 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		533			533			533			533			524			1.9%	100.0%	
Salary level																			
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 32.19 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 32.20 South African Post Office expenditure trends and estimates by programme/objective/activity

R million	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 (%) 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	2 131.2	1 850.5	1 572.0	1 675.4	-7.7%	28.9%	1 320.2	1 506.6	1 769.6	1.8%	23.0%
Logistics	262.6	113.0	45.6	39.4	-46.9%	1.8%	41.6	43.7	46.0	5.4%	0.6%
Postbank	169.6	301.9	311.8	436.4	37.0%	4.9%	1 008.9	1 064.4	1 123.0	37.0%	13.0%
Mail and Retail business units	4 020.1	4 044.6	3 950.4	4 047.2	0.2%	64.4%	4 778.8	4 249.6	4 303.4	2.1%	63.4%
Total	6 583.5	6 310.0	5 879.8	6 198.4	-2.0%	100.0%	7 149.5	6 864.4	7 242.0	5.3%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									Average: Outcome/ Budget (%) 2015/16 - 2018/19
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2015/16		2016/17		2017/18		2018/19		
Revenue									
Non-tax revenue	6 720.0	5 356.8	6 596.8	5 083.2	6 667.3	4 731.6	5 994.9	4 975.4	77.6%
Sale of goods and services other than capital assets	5 618.6	4 730.8	6 397.5	4 626.3	6 493.7	4 515.3	5 873.7	4 881.1	76.9%
of which:									
Sales by market establishment	5 618.6	4 730.8	6 397.5	4 626.3	6 493.7	4 515.3	5 873.7	4 881.1	76.9%
Postal services and courier services	4 475.7	3 654.9	4 751.0	3 391.3	4 742.1	3 166.8	4 052.5	3 135.3	74.1%
Financial services (Retail and Postbank)	656.6	585.8	1 131.3	644.7	1 071.0	729.9	1 224.0	1 138.7	75.9%
Postbank interest revenue	486.3	490.0	515.2	590.3	680.6	618.6	597.2	607.2	101.2%
Other non-tax revenue	1 101.4	626.0	199.3	456.8	173.7	216.3	121.2	94.2	87.3%
Transfers received	64.9	115.1	240.0	240.0	240.0	240.0	-	-	109.2%
Total revenue	6 800.0	5 471.9	6 836.8	5 323.2	6 907.3	4 971.6	5 994.9	4 975.4	78.2%
Expenses									
Current expenses	6 902.5	6 583.4	7 984.7	6 290.3	6 820.7	5 879.7	6 500.5	6 198.4	88.5%
Compensation of employees	4 152.8	3 476.2	3 914.2	3 560.4	3 488.2	3 532.4	3 788.2	3 603.4	92.4%
Goods and services	2 505.9	2 775.4	3 561.2	2 194.8	2 699.2	1 784.5	2 204.1	2 114.5	80.8%
Depreciation	151.8	165.2	204.5	142.3	150.7	139.7	159.5	36.6	87.6%
Interest, dividends and rent on land	92.0	166.7	304.8	392.8	482.7	423.0	348.6	343.9	108.0%
Total expenses	6 902.5	6 583.5	7 984.7	6 310.0	6 820.7	5 879.8	6 500.5	6 198.4	88.5%
Surplus/(Deficit)	(102.0)	(1 112.0)	(1 148.0)	(987.0)	87.0	(908.0)	(506.0)	(1 223.0)	
Statement of financial position									
Carrying value of assets	2 050.1	1 190.6	1 962.6	2 733.9	2 831.7	2 714.9	3 793.1	3 044.8	91.0%
of which:									
Acquisition of assets	(530.2)	(45.8)	(900.0)	(54.4)	(58.3)	(44.1)	(1 196.4)	(597.2)	27.6%
Investments	4 589.3	5 510.3	5 502.4	5 966.5	6 064.5	5 968.9	6 409.2	6 320.0	105.3%
Inventory	69.8	54.8	74.8	70.0	69.3	61.5	68.6	65.2	89.0%
Receivables and prepayments	522.3	428.2	574.6	408.7	400.2	480.0	487.3	454.5	89.3%
Cash and cash equivalents	4 342.0	2 885.0	2 790.9	4 055.5	4 536.8	4 242.8	3 670.1	3 992.4	98.9%
Taxation	735.9	0.7	-	-	-	-	-	-	0.1%
Total assets	12 309.5	10 069.7	10 905.2	13 234.5	13 902.5	13 468.1	14 428.4	13 876.9	98.3%

Table 32.21 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	Audited outcome	Budget estimate	Revised estimate	
R million	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Accumulated surplus/(deficit)	(1.2)	(1 203.2)	(2 274.5)	(2 236.4)	(3 561.7)	(3 325.2)	(4 067.2)	(4 943.7)	118.2%
Capital and reserves	1 806.6	961.3	1 578.1	3 137.8	6 956.7	6 848.0	6 956.7	9 795.0	119.9%
Borrowings	1 200.0	1 237.7	3 850.2	3 701.0	1 000.0	400.3	2 000.0	-	66.3%
Finance lease	4.5	6.1	-	11.0	10.1	4.2	9.1	3.1	103.4%
Deferred income	346.6	258.6	266.1	223.6	240.9	226.8	261.9	238.2	84.9%
Trade and other payables	7 264.9	7 183.7	5 825.2	6 776.1	7 145.6	7 712.3	7 041.5	7 088.4	105.4%
Provisions	1 688.2	1 625.4	1 660.1	1 621.4	1 710.8	1 601.7	1 826.3	1 696.0	95.1%
Total equity and liabilities	12 309.5	10 069.7	10 905.2	13 234.5	13 502.5	13 468.1	14 028.4	13 876.9	99.8%

Statements of estimates of financial performance and position**Table 32.22 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: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)	
R million	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue									
Non-tax revenue	4 975.4	-2.4%	97.1%	6 368.2	7 108.6	7 647.7	15.4%	95.0%	
Sale of goods and services other than capital assets	4 881.1	1.0%	90.6%	5 942.4	6 252.0	6 727.2	11.3%	87.3%	
<i>of which:</i>									
<i>Sales by market establishment</i>	4 881.1	1.0%	90.6%	5 942.4	6 252.0	6 727.2	11.3%	87.3%	
<i>Postal services and courier services</i>	3 135.3	-5.0%	64.3%	5 483.5	3 341.8	3 595.8	4.7%	57.8%	
<i>Financial services (Retail and Postbank)</i>	1 138.7	24.8%	15.1%	1 286.8	2 093.4	2 252.4	25.5%	24.2%	
<i>Postbank interest revenue</i>	607.2	7.4%	11.2%	621.3	816.9	879.0	13.1%	10.7%	
Other non-tax revenue	94.2	-46.8%	6.6%	425.8	856.5	920.5	113.8%	7.7%	
Transfers received	-	-100.0%	2.9%	474.6	500.7	528.3	-	5.0%	
Total revenue	4 975.4	-3.1%	100.0%	6 842.8	7 609.3	8 176.0	18.0%	100.0%	
Expenses									
Current expenses	6 198.4	-2.0%	99.9%	7 149.5	6 864.4	7 242.0	5.3%	100.0%	
Compensation of employees	3 603.4	1.2%	56.9%	4 001.7	3 429.8	3 618.4	0.1%	53.5%	
Goods and services	2 114.5	-8.7%	35.4%	2 693.6	2 955.4	3 117.8	13.8%	39.5%	
Depreciation	136.6	-6.1%	2.3%	325.6	343.5	362.4	38.4%	4.2%	
Interest, dividends and rent on land	343.9	27.3%	5.4%	128.7	135.8	143.3	-25.3%	2.8%	
Total expenses	6 198.4	-2.0%	100.0%	7 149.5	6 864.4	7 242.0	5.3%	100.0%	
Surplus/(Deficit)	(1 223.0)			(307.0)	745.0	934.0			
Statement of financial position									
Carrying value of assets	3 044.8	36.8%	18.6%	3 899.2	4 247.7	4 512.0	14.0%	26.2%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(597.2)	135.4%	-1.4%	(1 179.0)	(750.0)	(687.0)	4.8%	-5.5%	
Investments	6 320.0	4.7%	47.4%	6 809.6	7 286.2	8 128.5	8.8%	47.8%	
Inventory	65.2	6.0%	0.5%	69.1	73.2	77.6	6.0%	0.5%	
Receivables and prepayments	454.5	2.0%	3.5%	467.4	502.6	520.0	4.6%	3.3%	
Cash and cash equivalents	3 992.4	11.4%	29.9%	2 570.2	2 990.2	3 709.3	-2.4%	22.3%	
Total assets	13 876.9	11.3%	100.0%	13 815.5	15 099.9	16 947.4	6.9%	100.0%	
Accumulated surplus/(deficit)	(4 943.7)	60.2%	-22.3%	(5 250.5)	(4 505.6)	(3 571.6)	-10.3%	-31.1%	
Capital and reserves	9 795.0	116.8%	38.7%	9 795.0	9 795.0	9 795.0	-	66.0%	
Finance lease	3.1	-20.2%	0.0%	-	-	-	-100.0%	0.0%	
Deferred income	238.2	-2.7%	1.9%	250.1	262.6	275.7	5.0%	1.7%	
Trade and other payables	7 088.4	-0.4%	57.7%	7 222.5	7 637.1	8 415.3	5.9%	50.9%	
Provisions	1 696.0	1.4%	13.1%	1 798.3	1 910.9	2 033.0	6.2%	12.5%	
Total equity and liabilities	13 876.9	11.3%	100.0%	13 815.5	15 099.9	16 947.4	6.9%	100.0%	

Personnel information

Table 32.23 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		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		2018/19 - 2021/22	
South African Post Office		Number	Cost		Unit cost	Number		Cost	Unit cost		Number	Cost		Unit cost	Number	Cost	Unit cost		Number
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	0.1%	100.0%
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	-0.1%	79.1%
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	-0.1%	20.1%
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 32.24 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 32.25 State Information Technology Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2015/16 - 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		
Administration	1 132.5	954.8	1 057.3	1 274.8	4.0%	18.9%	1 355.9	1 442.4	1 534.8	6.4%	20.3%
Business operations	4 710.3	4 661.9	4 574.9	4 908.3	1.4%	81.1%	5 235.7	5 590.4	6 305.0	8.7%	79.7%
Total	5 842.8	5 616.7	5 632.2	6 183.1	1.9%	100.0%	6 591.6	7 032.9	7 839.8	8.2%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate 2018/19	Revised estimate 2018/19	Average: Outcome/ Budget (%) 2015/16 - 2018/19
	Budget 2015/16	2016/17	2016/17	2017/18	2017/18	2018/19			
Revenue									
Non-tax revenue	5 676.9	5 685.5	6 464.0	5 777.6	6 441.5	5 859.1	6 925.5	6 279.9	92.5%
Sale of goods and services other than capital assets	5 592.3	5 458.6	6 395.4	5 680.8	6 360.7	5 746.2	6 839.8	6 204.6	91.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	5 592.3	5 458.6	6 395.4	5 680.8	6 360.7	5 746.2	6 839.8	6 204.6	91.7%
Other non-tax revenue	84.5	226.9	68.5	96.8	80.9	112.9	85.7	75.2	160.1%
Total revenue	5 676.9	5 685.5	6 464.0	5 777.6	6 441.5	5 859.1	6 925.5	6 279.9	92.5%
Expenses									
Current expenses	6 127.4	5 792.1	6 290.7	5 532.5	6 184.6	5 564.5	6 853.7	6 111.3	90.4%
Compensation of employees	2 354.6	1 743.8	2 245.5	1 786.6	1 774.2	1 753.3	1 880.7	1 876.9	86.7%
Goods and services	3 532.6	3 836.4	3 780.6	3 521.8	4 191.4	3 591.1	4 759.7	4 008.9	92.0%
Depreciation	240.2	167.8	264.6	174.5	219.0	220.1	213.3	225.5	84.1%
Interest, dividends and rent on land	-	44.0	-	49.7	-	-	-	-	-
Total expenses	6 165.1	5 842.8	6 328.6	5 616.7	6 252.3	5 632.2	6 925.5	6 183.1	90.7%
Surplus/(Deficit)	(488.0)	(157.0)	135.0	161.0	189.0	227.0	-	97.0	
Statement of financial position									
Carrying value of assets	1 583.0	1 171.2	1 950.6	1 271.1	1 657.6	1 166.6	1 917.2	1 174.2	67.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(1 151.0)	(511.4)	(496.2)	(203.9)	(545.7)	(99.1)	(442.3)	(201.6)	38.6%
Investments	-	13.7	-	70.3	-	41.1	-	-	-
Receivables and prepayments	973.1	1 067.3	804.1	1 176.5	1 081.8	1 223.9	1 082.4	2 048.8	140.0%
Cash and cash equivalents	875.1	1 152.5	1 117.7	1 183.3	1 209.1	1 605.1	1 239.6	1 221.8	116.2%
Taxation	115.0	387.5	202.7	215.3	205.1	112.4	195.7	1.1	99.7%
Total assets	3 546.2	3 792.2	4 075.1	3 916.5	4 153.5	4 149.1	4 434.9	4 446.0	100.6%
Accumulated surplus/(deficit)	2 200.5	1 946.3	2 287.4	2 107.2	2 409.0	2 334.0	2 621.9	2 350.1	91.8%
Capital and reserves	627.3	627.3	627.3	627.3	627.3	627.3	627.3	627.3	100.0%
Trade and other payables	569.8	1 095.9	1 009.4	1 067.7	991.5	1 090.0	1 047.3	1 089.0	120.0%
Taxation	-	-	-	-	-	-	-	272.1	-
Provisions	148.7	122.6	150.9	114.3	125.7	97.7	138.3	107.4	78.4%
Total equity and liabilities	3 546.2	3 792.2	4 075.1	3 916.5	4 153.5	4 149.1	4 434.9	4 446.0	100.6%

Statements of estimates of financial performance and position

Table 32.27 State Information Technology Agency statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2015/16 - 2018/19	Medium-term estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2018/19 - 2021/22
				2019/20	2020/21	2021/22		
Revenue								
Non-tax revenue	6 279.9	3.4%	100.0%	6 781.7	7 328.0	8 202.6	9.3%	100.0%
Sale of goods and services other than capital assets	6 204.6	4.4%	97.8%	6 701.0	7 237.3	8 105.5	9.3%	98.8%
<i>of which:</i>								
<i>Sales by market establishment</i>	6 204.6	4.4%	97.8%	6 701.0	7 237.3	8 105.5	9.3%	98.8%
Other non-tax revenue	75.2	-30.8%	2.2%	80.7	90.8	97.1	8.9%	1.2%
Total revenue	6 279.9	3.4%	100.0%	6 781.7	7 328.0	8 202.6	9.3%	100.0%

Table 32.27 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		2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	
R million		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	
Expenses								
Current expenses	6 111.3	1.8%	98.8%	6 515.4	6 953.6	7 756.5	8.3%	98.9%
Compensation of employees	1 876.9	2.5%	30.8%	1 924.4	2 050.3	2 199.5	5.4%	29.2%
Goods and services	4 008.9	1.5%	64.2%	4 328.3	4 623.5	5 260.5	9.5%	65.8%
Depreciation	225.5	10.3%	3.4%	262.7	279.7	296.5	9.6%	3.8%
Total expenses	6 183.1	1.9%	100.0%	6 591.6	7 032.9	7 839.8	8.2%	100.0%
Surplus/(Deficit)	97.0			190.0	295.0	363.0		
Statement of financial position								
Carrying value of assets	1 174.2	0.1%	29.5%	1 425.3	1 759.3	2 074.3	20.9%	33.0%
<i>of which:</i>								
Acquisition of assets	(201.6)	-26.7%	-6.4%	(400.0)	(480.0)	(480.0)	33.5%	-8.0%
Receivables and prepayments	2 048.8	24.3%	33.4%	2 069.7	2 170.6	2 239.6	3.0%	44.3%
Cash and cash equivalents	1 221.8	2.0%	31.7%	1 043.4	1 026.9	1 036.9	-5.3%	22.6%
Taxation	1.1	-85.7%	4.6%	1.2	1.3	1.3	5.7%	0.0%
Total assets	4 446.0	5.4%	100.0%	4 539.5	4 958.1	5 352.2	6.4%	100.0%
Accumulated surplus/(deficit)	2 350.1	6.5%	53.6%	2 453.8	2 624.4	2 840.6	6.5%	53.2%
Capital and reserves	627.3	0.0%	15.4%	627.3	627.3	627.3	-	13.1%
Trade and other payables	1 089.0	-0.2%	26.7%	1 193.2	1 274.6	1 436.8	9.7%	25.8%
Taxation	272.1	-	1.5%	147.0	301.7	304.5	3.8%	5.3%
Provisions	107.4	-4.3%	2.7%	118.2	130.0	143.0	10.0%	2.6%
Total equity and liabilities	4 446.0	5.4%	100.0%	4 539.5	4 958.1	5 352.2	6.4%	100.0%

Personnel information**Table 32.28 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		2018/19 - 2021/22							
State Information Technology Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	3 220	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	2 050.3	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.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- **Broadband Infraco's** legislative mandate, which is 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; to ensure that the bandwidth requirements for specific projects of national interest are met; and to enable the state to provide affordable access to electronic communications networks and services. The company's total budget for 2019/20 is R684.2 million.
- 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 ongoing activities include offering national certificates and short courses in the areas of television production, animation and radio production. The institute is in the process of being merged with other entities to form the iKamva National Digital Skills Institute. The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting and e-skills disciplines. The institute's total budget for 2019/20 is R114.3 million.

- The **Universal Service and Access Agency of South Africa** was established in terms of section 80 of the Electronic Communications Act (2005) as a statutory body and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Its sole mandate is to promote universal service and access to electronic communications services, electronic communications network services and broadcasting services. The agency's total budget for 2019/20 is R83.8 million.
- 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 the construction and extension of 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. The fund's total budget for 2019/20 is R137.6 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	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
Department 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	113.0	–	–	53.0	–	58.4	61.7	70.5
Total			113.0	–	–	53.0	–	58.4	61.7	70.5

