BUDGET *2014*

ESTIMATES OF NATIONAL EXPENDITURE

VOTE 27 COMMUNICATIONS

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

"We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves."

UNION BUILDINGS, PRETORIA, 10 MAY 1994

national treasury

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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that 'Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.' The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a 'haircut' and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers' monies 'buy'. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers' committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.

Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Communications

National Treasury

Republic of South Africa

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Communications

Budget summary

R million	2014/15 Total	Current payments	Transfers and subsidies	Payments for capital assets	2015/16 Total	2016/17 Total
MTEF allocation						
Administration	216.4	214.3	0.3	1.8	225.2	237.8
International Affairs	36.8	20.1	16.2	0.6	39.0	41.3
Policy, Research and Capacity Development	98.0	96.9	–	1.1	101.6	107.9
ICT Enterprise Development and SOE Oversight	719.2	22.3	696.3	0.6	752.7	792.7
ICT Infrastructure Support	523.0	149.8	371.8	1.4	769.0	895.1
Total expenditure estimates	**1 593.4**	**503.4**	**1 084.5**	**5.5**	**1 887.5**	**2 074.8**

Executive authority	Minister of Communications
Accounting officer	Director General of Communications
Website address	www.doc.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, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

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

Mandate

The Department of Communications is mandated to: ensure that ICT policies are developed to create conditions for the accelerated and sustained growth of the South African economy and the development of robust, reliable, secure and affordable ICT infrastructure; contribute to the development of an inclusive information society that is aimed at establishing South Africa as an advanced, information based society; contribute to building an ICT skills base in the country, ensuring equitable prosperity and global competitiveness; strengthen the capacity of the Independent Communications Authority of South Africa to regulate the sector in the public interest and ensure growth and stability; enhance the capacity of, and exercise oversight over state owned enterprises; and fulfil South Africa's continental and international responsibilities in the ICT field.

The mandate is derived from the following legislation:

- the Electronic Communications Act (2006)
- the Electronic Communications and Transactions Act (2002)
- the Broadcasting Act (1999)
- the Independent Communications Authority of South Africa Act (2000)
- the Sentech Act (1996)
- the Postal Services Act (1998)
- the South African Post Office SOC Ltd Act (2011)
- the South African Postbank Limited Act (2010).

Strategic goals

The department's strategic goals over the medium term are to:

- enable maximum investment in the ICT sector and create new, competitive business opportunities for the growth of the ICT industry
- ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure
- accelerate the socioeconomic development of South Africans
- facilitate the building of an inclusive information society through partnerships with business, civil society and the three spheres of government
- improve departmental performance and enhance the role of ICT state owned entities as the delivery arms of government
- contribute to the global ICT agenda, prioritising Africa's development.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic support to the ministry and overall management of the department.

Programme 2: International Affairs

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

Programme 3: Policy, Research and Capacity Development

Purpose: Develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for the accelerated and shared growth of the economy. Develop strategies that increase the uptake and use of ICTs by the majority of the South African population in order to bridge the digital divide.

Programme 4: ICT Enterprise Development and SOE Oversight

Purpose: Oversee and manage government's shareholding interest in the ICT public entities. Facilitate growth and development of small, medium and micro enterprises (SMMEs) in the ICT sector.

Programme 5: ICT Infrastructure Support

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

Selected performance indicators

Table 27.1 Communications

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of ICT position papers developed for international engagements per year	International Affairs	Outcome 6: An efficient, competitive and responsive economic infrastructure network	8	5	5	5	5	5	5
Reduction in per minute call costs of mobile phones (wholesale interconnection rate per minute) per year	Policy, Research and Capacity Development		R0.89	R0.73	R0.4	R0.4	–[1]	–[1]	–[1]
Reduction in per minute call costs for fixed line (public access) phones per year	Policy, Research and Capacity Development		R0.21	R0.21	R0.12	R0.12	–[1]	–[1]	–[1]
Number of community radio stations provided with broadcasting infrastructure per year	Policy, Research and Capacity Development		15	7	5	5	5	5	5

Table 27.1 Communications

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of ICT small medium and micro enterprise hubs created in each province per year[1]	ICT Enterprise Development and State Owned Enterprise Oversight	Outcome 6: An efficient, competitive and responsive economic infrastructure network	–[2]	–[2]	–[2]	2	–[3]	–[3]	–[3]
Number of content and business profiles loaded into the e-commerce platform per year	ICT Enterprise Development and State Owned Enterprise Oversight		–[2]	–[2]	–[2]	–[2]	60	45	45
Number of Dinaledi and district schools connected to the internet per year	Infrastructure Support		–[4]	–[4]	–[4]	1 650[4]	–[4]	–[4]	–[4]
Number of set top boxes to be produced per year	Infrastructure Support		–[5]	–[5]	0[5]	2 016 000	676 000	235 000	246 000
Number of young people participating in the national youth information society and development programme per year	Policy, Research and Capacity Development		944	500	–[2]	500	–[3]	–[3]	–[3]
Number of e-cooperatives established to increase entry of youth owned small enterprises in to the ICT sector per year	Policy, Research and Capacity Development		40	–[2]	–[2]	60	–[3]	–[3]	–[3]
Number of provinces for which provincial cultural heritage content is captured in the national digital repository per year	Policy, Research and Capacity Development		4	–[2]	–[2]	2	–[3]	–[3]	–[3]
Number of jobs created through ICT related projects per year	Policy, Research and Capacity Development		–[2]	–[2]	–[2]	34 644 (40%)	–[1]	–[1]	–[1]
Number of television transmitter sites switched off nationally per year	Infrastructure Support		–[2]	–[2]	–[2]	–[2]	63	61	61

1. The indicator has been discontinued as the department does not have direct control over its achievement.
2. No data or the indicator is new.
3. The implementation of the programme was pushed back due to the reprioritisation of funds.
4. This was a once-off project that was implemented in 2013/14.
5. The project started in 2012/13, so no historical data is available. The target was not reached in 2012/13.

The national development plan

In response to the national development plan's priority of ensuring that South Africa's capacity to develop as an information society and knowledge economy is enhanced, the department is formulating various enabling policy frameworks. In December 2013, the department submitted the broadband policy, strategy and plan; the broadcasting digital migration policy; and the draft national integrated ICT policy paper to Cabinet. The department has undertaken a full ICT policy review and has prioritised the development of a national integrated for the ICT legislative framework to improve e-literacy, intensify competition in the ICT sector, and provide clarity on the roles and functions of the state to prevent unintended policy outcomes.

To achieve the target of 100 per cent broadband penetration by 2020, as outlined in the plan, the department has developed the national broadband policy, strategy and implementation plan, which ensures that the roles and responsibilities of key stakeholders in the sector are clearly defined and maps the rollout of broadband infrastructure across the country.

Together with the Independent Communications Authority of South Africa, the department has prioritised several initiatives over the medium term in an effort to reduce the costs of communication. These include finalising a data portal on ICT statistics, such as pricing trends used in the department's economic analysis, and conducting a broadband value chain analysis to promote competition and address market failures.

Expenditure estimates

Table 27.2 Communications

Programme	Audited outcome			Adjusted appropri-ation	Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R million	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	155.8	165.6	209.2	216.1	216.1	11.5%	10.3%	216.4	225.2	237.8	3.3%	11.3%
International Affairs	35.2	41.6	44.2	33.3	33.0	-2.2%	2.1%	36.8	39.0	41.3	7.8%	1.9%
Policy, Research and Capacity Development	95.3	104.8	113.3	89.4	88.3	-2.5%	5.5%	98.0	101.6	107.9	6.9%	5.0%
ICT Enterprise Development and SOE Oversight	1 039.2	829.3	839.2	761.1	760.1	-9.9%	47.9%	719.2	752.7	792.7	1.4%	38.2%
ICT Infrastructure Support	100.9	650.6	445.4	1 272.2	1 271.7	132.8%	34.1%	523.0	769.0	895.1	-11.0%	43.6%
Total	**1 426.5**	**1 792.0**	**1 651.2**	**2 372.1**	**2 369.1**	**18.4%**	**100.0%**	**1 593.4**	**1 887.5**	**2 074.8**	**-4.3%**	**100.0%**
Change to 2013 Budget estimate				328.2	325.2			(5.0)	295.0	395.0		
Economic classification												
Current payments	**307.4**	**365.5**	**414.1**	**760.0**	**760.0**	**35.2%**	**25.5%**	**503.4**	**520.8**	**551.5**	**-10.1%**	**29.5%**
Compensation of employees	145.1	151.6	157.5	195.0	195.0	10.4%	9.0%	204.6	217.1	231.5	5.9%	10.7%
Goods and services	162.0	213.9	256.5	565.0	565.0	51.7%	16.5%	298.8	303.7	320.0	-17.3%	18.8%
of which:												
Administration fees	*1.0*	*2.5*	*2.6*	*1.6*	*1.6*	*17.7%*	*0.1%*	*1.7*	*1.8*	*1.9*	*6.3%*	*0.1%*
Advertising	*7.4*	*9.1*	*39.9*	*65.8*	*65.8*	*107.3%*	*1.7%*	*46.3*	*46.6*	*49.1*	*-9.3%*	*2.6%*
Assets less than the capitalisation threshold	*0.6*	*1.0*	*0.4*	*4.0*	*4.0*	*91.5%*	*0.1%*	*5.6*	*5.8*	*6.1*	*15.4%*	*0.3%*
Audit costs: External	*3.3*	*6.2*	*14.7*	*2.2*	*2.2*	*-13.1%*	*0.4%*	*2.6*	*2.7*	*2.9*	*9.9%*	*0.1%*
Bursaries: Employees	*0.4*	*0.4*	*0.3*	*0.6*	*0.6*	*18.2%*	*0.0%*	*0.7*	*0.8*	*0.8*	*8.6%*	*0.0%*
Catering: Departmental activities	*1.5*	*2.2*	*3.5*	*1.5*	*1.5*	*-0.5%*	*0.1%*	*1.7*	*1.8*	*1.9*	*7.6%*	*0.1%*
Communication	*5.9*	*4.9*	*5.4*	*5.3*	*5.3*	*-3.8%*	*0.3%*	*6.3*	*6.6*	*7.0*	*9.9%*	*0.3%*
Computer services	*6.1*	*3.3*	*3.4*	*2.2*	*2.2*	*-29.3%*	*0.2%*	*2.5*	*3.4*	*3.6*	*18.5%*	*0.1%*
Consultants and professional services: Business and advisory services	*34.6*	*57.1*	*72.3*	*396.4*	*396.4*	*125.3%*	*7.7%*	*86.3*	*84.0*	*133.5*	*-30.4%*	*8.8%*
Consultants and professional services: Infrastructure and planning	–	–	–	*0.1*	*0.1*	–	*0.0%*	*0.1*	*0.1*	*0.1*	*5.2%*	*0.0%*
Consultants and professional services: Legal costs	*3.3*	*1.2*	*0.5*	*2.5*	*2.5*	*-9.2%*	*0.1%*	*2.7*	*2.9*	*3.0*	*6.6%*	*0.1%*
Contractors	*4.4*	*14.0*	*2.4*	*4.2*	*4.2*	*-1.3%*	*0.3%*	*16.6*	*17.2*	*4.5*	*2.1%*	*0.5%*
Agency and support / outsourced services	*1.6*	*0.0*	*0.9*	*0.8*	*0.8*	*-22.7%*	*0.0%*	*29.3*	*30.5*	*0.9*	*5.3%*	*0.8%*
Entertainment	*0.1*	*0.1*	*0.2*	*0.5*	*0.5*	*67.2%*	*0.0%*	*0.6*	*0.6*	*0.6*	*5.6%*	*0.0%*
Fleet services (including government motor transport)	*0.7*	*0.6*	*0.6*	*0.6*	*0.6*	*-4.7%*	*0.0%*	*0.6*	*0.6*	*0.7*	*5.2%*	*0.0%*
Inventory: Fuel, oil and gas	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*	*-30.7%*	*0.0%*	*0.0*	*0.0*	*0.0*	*5.6%*	*0.0%*
Inventory: Materials and supplies	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*17.3%*	*0.0%*	*0.0*	*0.0*	*0.0*	*1.6%*	*0.0%*
Inventory: Medical supplies	*0.0*	–	*0.0*	*0.0*	*0.0*	*68.7%*	*0.0%*	*0.0*	*0.0*	*0.0*	*4.0%*	*0.0%*
Inventory: Other supplies	*0.1*	*0.2*	*0.1*	*0.2*	*0.2*	*27.2%*	*0.0%*	*0.2*	*0.2*	*0.2*	*4.9%*	*0.0%*
Consumable supplies	–	–	–	*0.0*	*0.0*		*0.0%*	*0.1*	*0.1*	*0.1*	*71.0%*	*0.0%*
Consumable: Stationery, printing and office supplies	*4.9*	*5.4*	*6.2*	*5.1*	*5.1*	*1.6%*	*0.3%*	*6.4*	*6.5*	*6.9*	*10.1%*	*0.3%*
Operating leases	*41.2*	*38.4*	*38.4*	*28.7*	*28.7*	*-11.4%*	*2.0%*	*31.2*	*32.7*	*34.4*	*6.3%*	*1.6%*
Property payments	*10.6*	*9.3*	*10.9*	*10.7*	*10.7*	*0.1%*	*0.6%*	*11.4*	*12.0*	*12.6*	*5.8%*	*0.6%*
Transport provided: Departmental activity	–	*0.0*	–	*0.6*	*0.6*	–	*0.0%*	*0.6*	*0.7*	*0.7*	*5.4%*	*0.0%*
Travel and subsistence	*25.5*	*35.8*	*39.2*	*18.7*	*18.7*	*-9.9%*	*1.6%*	*25.2*	*25.3*	*26.7*	*12.6%*	*1.2%*
Training and development	*4.4*	*10.8*	*4.9*	*7.9*	*7.9*	*21.6%*	*0.4%*	*10.9*	*10.6*	*11.1*	*11.9%*	*0.5%*
Operating payments	*1.5*	*3.9*	*5.2*	*0.0*	*0.0*	*-68.6%*	*0.1%*	*3.1*	*3.9*	*4.1*	*349.9%*	*0.1%*
Venues and facilities	*2.8*	*7.2*	*4.6*	*4.8*	*4.8*	*20.4%*	*0.3%*	*5.9*	*6.2*	*6.5*	*10.3%*	*0.3%*
Rental and hiring	–	*0.0*	–	–	–		*0.0%*	–	–	–	–	–
Interest and rent on land	0.3	0.0	0.0	–	–	-100.0%	0.0%	–	–	–	–	–
Transfers and subsidies	**1 116.0**	**1 421.8**	**1 230.7**	**1 607.0**	**1 607.0**	**12.9%**	**74.3%**	**1 084.5**	**1 361.1**	**1 517.3**	**-1.9%**	**70.3%**
Provinces and municipalities	0.0	0.0	0.0	–	–	-100.0%	0.0%	–	–	–	–	–
Departmental agencies and accounts	430.5	692.7	775.2	788.4	788.4	22.3%	37.1%	771.4	1 107.1	1 249.9	16.6%	49.4%
Higher education institutions	–	0.1	0.1	–	–	–	*0.0%*	–	–	–	–	–
Foreign governments and international organisations	13.7	11.7	21.4	16.2	16.2	5.8%	0.9%	16.2	16.2	17.0	1.7%	0.8%
Public corporations and private enterprises	668.0	713.2	433.2	802.4	802.4	6.3%	36.2%	297.0	237.8	250.4	-32.2%	20.0%
Non-profit institutions	3.7	4.0	0.3	–	–	-100.0%	0.1%	–	–	–	–	–
Households	0.1	0.1	0.5	–	–	-100.0%	0.0%	–	–	–	–	–

Table 27.2 Communications

Economic classification	Audited outcome			Adjusted appropri-ation	Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R million	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Payments for capital assets	**2.4**	**2.6**	**6.1**	**5.2**	**2.2**	**-3.4%**	**0.2%**	**5.5**	**5.7**	**6.0**	**40.7%**	**0.2%**
Machinery and equipment	2.3	2.4	5.7	5.2	2.2	-2.1%	0.2%	5.5	5.7	6.0	40.7%	0.2%
Software and other intangible assets	0.1	0.2	0.4	–	–	-100.0%	0.0%	–	–	–	–	–
Payments for financial assets	**0.7**	**2.1**	**0.3**	**–**	**–**	**-100.0%**	**0.0%**	**–**	**–**	**–**	**–**	**–**
Total	**1 426.5**	**1 792.0**	**1 651.2**	**2 372.1**	**2 369.1**	**18.4%**	**100.0%**	**1 593.4**	**1 887.5**	**2 074.8**	**-4.3%**	**100.0%**

Personnel information

Table 27.3 Details of approved establishment and personnel numbers according to salary level[1]

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Communications			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**373**	**31**	**317**	**157.5**	**0.5**	**317**	**195.0**	**0.6**	**329**	**204.6**	**0.6**	**329**	**217.1**	**0.7**	**329**	**231.5**	**0.7**	**1.2%**	**100.0%**
1 – 6	61	8	61	7.1	0.1	61	10.1	0.2	61	8.5	0.1	61	8.6	0.1	61	9.1	0.1	–	18.7%
7 – 10	138	12	108	34.1	0.3	108	46.2	0.4	113	49.8	0.4	113	52.7	0.5	113	55.5	0.5	1.5%	34.3%
11 – 12	64	5	62	32.7	0.5	62	39.2	0.6	69	46.4	0.7	69	50.3	0.7	69	53.4	0.8	3.6%	20.6%
13 – 16	108	6	84	79.4	0.9	84	95.0	1.1	84	95.1	1.1	84	100.5	1.2	84	108.2	1.3	–	25.8%
Other	2	–	2	4.2	2.1	2	4.5	2.2	2	4.8	2.4	2	5.0	2.5	2	5.4	2.7	–	0.6%

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

Expenditure trends

The spending focus over the medium term will be on preparing the broadcasting digital migration call centre, implementing the broadcasting digital migration awareness campaign on digital terrestrial television, expediting the rollout of infrastructure for digital terrestrial television by providing a subsidy scheme for set top boxes, reviewing ICT policies, and accelerating access to ICT by coordinating the participation of the government in specialised ICT agencies. Thus the bulk of the department's budget over the medium term is allocated to the *Infrastructure Support* programme, which accounts for 43.6 per cent of total expenditure over the medium term and makes transfers to the department's public entities and state owned companies over which the department exercises oversight. In this regard, the significant increase in spending on departmental agencies and accounts expected between 2014/15 and 2016/17 is due to the Cabinet approved additional allocations of R700 million to the Universal Service and Access Fund for the broadcasting digital migration project.

The broadcasting digital migration project was also the reason for the significant increase in expenditure between 2010/11 and 2013/14 in the *Administration* programme for the advertising campaign to raise public awareness about the migration process. Over the same period, spending on transfers to public corporations and private enterprises also increased, due to the rescheduling of the transfer payment to Sentech, as funding was made available to expedite the digitisation process in support of government's target to switch off the analogue signal in June 2015. Spending on public corporations and private enterprises is expected to decrease over the medium term, mainly because the final allocation to Sentech for digitisation will be transferred in 2014/15.

Through the 2013 adjustments budget, the department received additional allocations for the school connectivity project, which contributes to the increase in spending on consultants between 2010/11 and 2013/14. Transfers to departmental agencies and accounts increased significantly due to an additional allocation in 2012/13 to fund office equipment and relocation costs for the Independent Communication Authority of South Africa, and for the adjusted allocation for the 2013 Africa Cup of Nations to the South African Broadcasting Corporation.

Cabinet approved reductions of R15 million over the medium term have been effected on the 112 emergency call centre project, and this is not expected to impact adversely on performance. In 2013/14, the department finalised its organisational review process, which will result in all critical vacant posts being filled.

Infrastructure spending

R265 million over the medium term has been allocated for the broadcasting digital migration project. Of this, R195.1 million is allocated to the South African Broadcasting Corporation for the digital library and a digital playout centre. Sentech is allocated R69.8 million in 2014/15 to finalise the rollout of digital terrestrial television infrastructure. These allocations do not include the R1.5 billion allocated to the Universal Service and Access Fund to subsidise set top boxes, antennas and installation.

Departmental receipts

Table 27.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Departmental receipts	**1 528 347**	**2 321 086**	**2 612 220**	**3 044 645**	**2 915 988**	**24.0%**	**92.5%**	**2 993 946**	**3 042 642**	**3 072 785**	**1.8%**	**96.9%**
Sales of goods and services produced by department	**531 258**	**899 729**	**941 913**	**1 374 373**	**1 202 960**	**31.3%**	**35.3%**	**974 948**	**1 023 466**	**1 053 470**	**-4.3%**	**34.3%**
Sales by market establishments	70	98	117	129	65	-2.4%	–	–	–	–	-100.0%	–
of which:												
Rent received	*70*	*98*	*117*	*129*	*65*	*-2.4%*	–	–	–	–	*-100.0%*	–
Administration fees	523 545	891 500	933 774	1 367 097	1 194 470	31.6%	34.9%	967 600	1 015 759	1 045 541	-4.3%	34.0%
of which:												
Cellular network licence fees	*287 439*	*1 040*	*1 703*	*1 185*	*1 185*	*-84.0%*	*2.9%*	*1 244*	*1 306*	*1 345*	*4.3%*	–
Private radio stations licences	*109 144*	*382 562*	*439 308*	*850 120*	*645 000*	*80.8%*	*15.5%*	*431 057*	*452 610*	*466 188*	*-10.3%*	*16.1%*
Private television licences	*91 322*	*116 586*	*149 164*	*128 524*	*167 000*	*22.3%*	*5.2%*	*134 950*	*141 698*	*145 949*	*-4.4%*	*4.7%*
Telecommunication service licences	*17 315*	*372 193*	*324 053*	*367 411*	*360 207*	*175.0%*	*10.6%*	*378 217*	*397 128*	*409 042*	*4.3%*	*12.4%*
Post office licence fees	*18 325*	*19 119*	*19 546*	*19 857*	*21 078*	*4.8%*	*0.8%*	*22 132*	*23 017*	*23 017*	*3.0%*	*0.7%*
Other sales	7 643	8 131	8 022	7 147	8 425	3.3%	0.3%	7 348	7 707	7 929	-2.0%	0.3%
of which:												
Telephone equipment licences	*7 356*	*7 920*	*7 531*	*6 975*	*8 263*	*4.0%*	*0.3%*	*7 181*	*7 540*	*7 762*	*-2.1%*	*0.2%*
Unreserved postal service fees	*172*	*150*	*438*	*107*	*107*	*-14.6%*	–	*107*	*107*	*107*	–	–
Commission on insurance	*31*	*34*	*44*	*40*	*30*	*-1.1%*	–	*35*	*35*	*35*	*5.3%*	–
Cryptography law annual fees	*79*	*1*	*9*	*25*	*25*	*-31.9%*	–	*25*	*25*	*25*	–	–
Other	*5*	*26*	–	–	–	*-100.0%*	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	**–**	**–**	**36**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
of which:												
Sales tender documents	–	–	*36*	–	–	–	–	–	–	–	–	–
Transfers received	**86**	**–**	**–**	**–**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Interest, dividends and rent on land	**996 294**	**1 420 768**	**1 669 331**	**1 669 372**	**1 710 781**	**19.7%**	**57.2%**	**2 018 717**	**2 018 895**	**2 019 034**	**5.7%**	**62.6%**
Interest	2 466	2 492	2 610	2 651	2 651	2.4%	0.1%	4 455	4 633	4 772	21.6%	0.1%
Dividends	993 828	1 418 276	1 666 721	1 666 721	1 708 130	19.8%	57.1%	2 014 262	2 014 262	2 014 262	5.6%	62.4%
of which:												
Telkom dividend	*258 810*	*300 219*	–	–	–	*-100.0%*	*5.5%*	*347 541*	*347 541*	*347 541*	–	*8.4%*
Vodacom dividend	*735 018*	*1 118 057*	*1 666 721*	*1 666 721*	*1 708 130*	*32.5%*	*51.5%*	*1 666 721*	*1 666 721*	*1 666 721*	*-0.8%*	*54.0%*
Transactions in financial assets and liabilities	**709**	**589**	**940**	**900**	**2 247**	**46.9%**	**–**	**281**	**281**	**281**	**-50.0%**	**–**
National Revenue Fund receipts	**366 509**	**8 276**	**–**	**390 355**	**390 355**	**2.1%**	**7.5%**	**–**	**–**	**–**	**-100.0%**	**3.1%**
of which:												
Special dividends from Telkom	*362 333*	–	–	–	–	*-100.0%*	*3.6%*	–	–	–	–	–
Independent Communications Authority of South Africa	*4 176*	*8 276*	–	*8 795*	*8 795*	*28.2%*	*0.2%*	–	–	–	*-100.0%*	*0.1%*
2010 FIFA close-up project	–	–	–	*381 560*	*381 560*	–	*3.8%*	–	–	–	*-100.0%*	*3.1%*
Total	**1 894 856**	**2 329 362**	**2 612 220**	**3 435 000**	**3 306 343**	**20.4%**	**100.0%**	**2 993 946**	**3 042 642**	**3 072 785**	**-2.4%**	**100.0%**

Programme 1: Administration

Expenditure estimates

Table 27.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Ministry	3 318	3 622	3 629	3 871	5.3%	1.9%	4 103	4 292	4 575	5.7%	1.9%
Departmental Management	34 147	41 828	42 139	34 279	0.1%	20.4%	34 372	36 162	38 549	4.0%	16.0%
Internal Audit	3 374	3 199	5 450	3 735	3.4%	2.1%	4 510	5 718	6 078	17.6%	2.2%
Corporate Services	51 281	54 691	88 710	107 394	27.9%	40.5%	102 228	104 485	109 680	0.7%	47.3%
Financial Management	50 609	55 100	63 735	58 550	5.0%	30.5%	62 455	65 397	69 332	5.8%	28.6%
Office Accommodation	13 089	7 171	5 521	8 237	-14.3%	4.6%	8 731	9 133	9 617	5.3%	4.0%
Total	**155 818**	**165 611**	**209 184**	**216 066**	**11.5%**	**100.0%**	**216 399**	**225 187**	**237 831**	**3.3%**	**100.0%**
Change to 2013 Budget estimate				–			8 100	8 100	–		
Economic classification											
Current payments	**153 573**	**162 270**	**203 147**	**214 695**	**11.8%**	**98.3%**	**214 346**	**223 067**	**235 630**	**3.2%**	**99.1%**
Compensation of employees	60 296	63 970	71 075	78 114	9.0%	36.6%	88 801	93 610	99 392	8.4%	40.2%
Goods and services	92 961	98 285	132 049	136 581	13.7%	61.6%	125 545	129 457	136 238	-0.1%	58.9%
of which:											
Administration fees	*442*	*1 137*	*1 234*	*1 163*	*38.1%*	*0.5%*	*1 283*	*1 339*	*1 407*	*6.6%*	*0.6%*
Advertising	*3 625*	*5 436*	*35 781*	*64 906*	*161.6%*	*14.7%*	*45 323*	*45 568*	*47 984*	*-9.6%*	*22.8%*
Assets less than the capitalisation threshold	*374*	*349*	*167*	*2 355*	*84.7%*	*0.4%*	*2 802*	*2 920*	*3 063*	*9.2%*	*1.2%*
Audit costs: External	*3 174*	*5 574*	*4 652*	*2 171*	*-11.9%*	*2.1%*	*2 619*	*2 740*	*2 885*	*9.9%*	*1.2%*
Bursaries: Employees	*128*	*177*	*153*	*197*	*15.5%*	*0.1%*	*275*	*288*	*303*	*15.4%*	*0.1%*
Catering: Departmental activities	*624*	*1 644*	*1 611*	*736*	*5.7%*	*0.6%*	*780*	*815*	*857*	*5.2%*	*0.4%*
Communication	*2 647*	*2 241*	*2 893*	*2 265*	*-5.1%*	*1.3%*	*2 459*	*2 571*	*2 704*	*6.1%*	*1.1%*
Computer services	*3 306*	*2 914*	*3 133*	*373*	*-51.7%*	*1.3%*	*377*	*381*	*385*	*1.1%*	*0.2%*
Consultants and professional services: Business and advisory services	*8 206*	*2 015*	*4 775*	*1 955*	*-38.0%*	*2.3%*	*4 408*	*6 131*	*6 453*	*48.9%*	*2.1%*
Consultants and professional services: Infrastructure and planning	–	–	–	*110*	–	–	*117*	*122*	*128*	*5.2%*	*0.1%*
Consultants and professional services: Legal costs	*3 027*	*1 146*	*541*	*1 964*	*-13.4%*	*0.9%*	*1 982*	*2 074*	*2 184*	*3.6%*	*0.9%*
Contractors	*2 600*	*2 501*	*1 787*	*2 459*	*-1.8%*	*1.3%*	*2 787*	*2 903*	*3 043*	*7.4%*	*1.2%*
Agency and support / outsourced services	*6*	*37*	*627*	*221*	*232.7%*	*0.1%*	*234*	*245*	*258*	*5.3%*	*0.1%*
Entertainment	*53*	*53*	*77*	*277*	*73.5%*	*0.1%*	*302*	*315*	*330*	*6.0%*	*0.1%*
Fleet services (including government motor transport)	*657*	*517*	*470*	*498*	*-8.8%*	*0.3%*	*528*	*552*	*581*	*5.3%*	*0.2%*
Inventory: Fuel, oil and gas	*15*	–	*6*	*17*	*4.3%*	–	*18*	*19*	*20*	*5.6%*	–
Inventory: Materials and supplies	*9*	*38*	*36*	*4*	*-23.7%*	–	*4*	*4*	*4*	–	–
Inventory: Medical supplies	*1*	–	*2*	*24*	*188.4%*	–	*25*	*26*	*27*	*4.0%*	–
Inventory: Other supplies	*85*	*144*	*65*	*146*	*19.8%*	*0.1%*	*154*	*161*	*169*	*5.0%*	*0.1%*
Consumable supplies	–	–	–	*10*	–	–	*50*	*50*	*50*	*71.0%*	–
Consumable: Stationery, printing and office supplies	*3 500*	*3 974*	*3 799*	*3 081*	*-4.2%*	*1.9%*	*3 336*	*3 286*	*3 450*	*3.8%*	*1.5%*
Operating leases	*38 927*	*36 448*	*36 635*	*27 188*	*-11.3%*	*18.6%*	*28 742*	*30 064*	*31 660*	*5.2%*	*13.1%*
Property payments	*8 219*	*7 473*	*10 868*	*10 651*	*9.0%*	*5.0%*	*11 444*	*11 971*	*12 605*	*5.8%*	*5.2%*
Transport provided: Departmental activity	–	–	–	*598*	–	*0.1%*	*634*	*664*	*700*	*5.4%*	*0.3%*
Travel and subsistence	*11 165*	*17 405*	*17 552*	*7 317*	*-13.1%*	*7.2%*	*7 942*	*7 821*	*8 252*	*4.1%*	*3.5%*
Training and development	*556*	*2 852*	*2 198*	*2 755*	*70.5%*	*1.1%*	*3 567*	*2 923*	*3 049*	*3.4%*	*1.4%*
Operating payments	*661*	*2 371*	*2 108*	*652*	*-0.5%*	*0.8%*	*741*	*772*	*810*	*7.5%*	*0.3%*
Venues and facilities	*954*	*1 839*	*879*	*2 488*	*37.6%*	*0.8%*	*2 612*	*2 732*	*2 877*	*5.0%*	*1.2%*
Interest and rent on land	316	15	23	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	**351**	**379**	**309**	**249**	**-10.8%**	**0.2%**	**264**	**276**	**291**	**5.3%**	**0.1%**
Provinces and municipalities	6	7	5	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts	125	225	–	249	25.8%	0.1%	264	276	291	5.3%	0.1%
Foreign governments and international organisations	5	6	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises	78	49	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	–	15	11	–	–	–	–	–	–	–	–
Households	137	77	293	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	**1 186**	**841**	**5 385**	**1 122**	**-1.8%**	**1.1%**	**1 789**	**1 844**	**1 910**	**19.4%**	**0.7%**
Machinery and equipment	1 157	841	5 016	1 122	-1.0%	1.1%	1 789	1 844	1 910	19.4%	0.7%
Software and other intangible assets	29	–	369	–	-100.0%	0.1%	–	–	–	–	–
Payments for financial assets	**708**	**2 121**	**343**	**–**	**-100.0%**	**0.4%**	**–**	**–**	**–**	**–**	**–**
Total	**155 818**	**165 611**	**209 184**	**216 066**	**11.5%**	**100.0%**	**216 399**	**225 187**	**237 831**	**3.3%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**10.9%**	**9.2%**	**12.7%**	**9.1%**			**13.6%**	**11.9%**	**11.5%**		

Table 27.5 Administration

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Households											
Other transfers to households											
Current	**137**	**77**	**293**	**–**	**-100.0%**	**0.1%**	**–**	**–**	**–**	**–**	**–**
Households	137	77	293	–	-100.0%	0.1%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**125**	**225**	**–**	**249**	**25.8%**	**0.1%**	**264**	**276**	**291**	**5.3%**	**0.1%**
Information Systems, Electronics and Telecommunication Technologies Education and Training Authority	125	225	–	249	25.8%	0.1%	264	276	291	5.3%	0.1%
Non-profit institutions											
Current	**–**	**15**	**11**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-profit institution	–	15	11	–	–	–	–	–	–	–	–
Foreign governments and international organisations											
Current	**5**	**6**	**–**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Foreign Government and International Organisations	5	6	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	**6**	**7**	**5**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Provinces and municipalities	6	7	5	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	**78**	**20**	**–**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Mohlaba and Moshoana	78	–	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises	–	20	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	**–**	**29**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Public corporations and private enterprises	–	29	–	–	–	–	–	–	–	–	–

Personnel information

Table 27.6 Details of approved establishment and personnel numbers according to salary level[1]

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Administration			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**165**	**11**	**165**	**71.1**	**0.4**	**165**	**78.1**	**0.5**	**177**	**88.8**	**0.5**	**177**	**93.6**	**0.5**	**177**	**99.4**	**0.6**	**2.4%**	**100.0%**
1 – 6	54	3	54	5.7	0.1	54	6.5	0.1	54	5.6	0.1	54	5.6	0.1	54	5.9	0.1	–	31.0%
7 – 10	47	5	54	17.9	0.3	54	21.1	0.4	59	25.3	0.4	59	26.9	0.5	59	28.6	0.5	3.0%	33.2%
11 – 12	28	2	27	16.5	0.6	27	17.5	0.6	34	23.3	0.7	34	24.5	0.7	34	26.0	0.8	8.0%	18.5%
13 – 16	34	1	28	26.8	1.0	28	28.5	1.0	28	29.8	1.1	28	31.6	1.1	28	33.6	1.2	–	16.1%
Other	2	–	2	4.2	2.1	2	4.5	2.2	2	4.8	2.4	2	5.0	2.5	2	5.4	2.7	–	1.1%

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

Expenditure trends

The spending focus over the medium term will be on providing strategic support to the ministry and overall management to the department, and supporting the implementation of the broadcasting digital migration through awareness campaigns. This accounts for the significant spending projected over the medium term on advertising and in the *Corporate Services* subprogramme, which was due to funds being reprioritised in 2012/13 and 2013/14 for the digital terrestrial television awareness campaign. These funds were reprioritised mostly from allocations to the 112 emergency call centre project, which experienced implementation delays.

The department also aims to upgrade its IT systems over the medium term to improve efficiency. Service providers will be appointed over the medium term to perform this task. This explains the expected increase in spending on consultants over the medium term. The number of personnel in this programme is expected to increase from 165 in 2012/13 to 177 in 2016/17, mostly in salary levels 7 to 10 and 11 and 12, as the department finalises its organisational review.

Programme 2: ICT International Affairs and Trade

Objectives

- Advance the South African ICT agenda through active participation in multilateral, bilateral and other international forums by:
  - coordinating the implementation of the Southern African Development Community's (SADC) ICT infrastructure master plan with relevant stakeholders by March 2015
  - facilitating the implementation of the SADC digital broadcasting migration roadmap and reporting on the regional status of broadcasting digital migration by March 2015
  - negotiating, developing and facilitating the implementation of 2 bilateral programmes with countries of the South by March 2015.
- Explore trade and investment opportunities for the ICT sector in South Africa by reviewing 5 existing bilateral agreements to facilitate market access, trade and investment opportunities to the identified countries by March 2015.

Subprogrammes

- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations. In 2012/13, South Africa was elected to the Council of Administration of the Universal Postal Union for the first time since admission in 1994, receiving the highest number of votes within the Africa region, and among the top 6 countries elected overall. South Africa was also selected to chair the future strategy committee, and consequently will form part of the union's management board. South Africa also chaired the Pan African Postal Union committee on strategy, which included the development of three-year and one-year work plans focused on the implementation of the Doha world postal strategy and the African regional strategy, as well as the development of the new postal strategy. The department will be hosting the extraordinary SADC meeting of ministers responsible for ICTs and postal services in March 2014. This subprogramme had a staff complement of 12 in 2013/14.
- *ICT Trade/Partnerships* develops and advances the country's interests in international trade forums through participation in World Trade Organisation ICT related initiatives and other international trade agreements such as the South Africa-European Union trade agreement and bilateral agreements with counterpart countries. The annual trade and investment conference and exhibition, which was held in North West in 2012/13, provided an opportunity for ICT SMMEs to showcase their products, services and innovations, with a view to attracting interest from the delegates and creating strategic business collaborations. The conference was hosted in partnership with the Department of Trade and Industry. This subprogramme had a staff complement of 6 in 2013/14.

Expenditure estimates

Table 27.7 International Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
International Affairs	12 345	16 720	11 803	11 957	-1.1%	34.2%	12 416	13 264	14 084	5.6%	34.4%
ICT Trade/Partnerships	22 878	24 892	32 387	21 314	-2.3%	65.8%	24 401	25 782	27 216	8.5%	65.6%
Total	**35 223**	**41 612**	**44 190**	**33 271**	**-1.9%**	**100.0%**	**36 817**	**39 046**	**41 300**	**7.5%**	**100.0%**
Change to 2013 Budget estimate				–			–	–	–		

Table 27.7 International Affairs

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	**18 039**	**26 182**	**22 719**	**16 573**	**-2.8%**	**54.1%**	**20 087**	**22 290**	**23 655**	**12.6%**	**54.9%**
Compensation of employees	10 075	11 826	11 293	11 944	5.8%	29.3%	13 027	14 161	15 096	8.1%	36.0%
Goods and services	7 964	14 356	11 426	4 629	-16.5%	24.9%	7 060	8 129	8 559	22.7%	18.9%
of which:											
Administration fees	*78*	*356*	*347*	*44*	*-17.4%*	*0.5%*	*46*	*49*	*51*	*5.0%*	*0.1%*
Advertising	*826*	*280*	*52*	*215*	*-36.2%*	*0.9%*	*141*	*157*	*165*	*-8.4%*	*0.5%*
Assets less than the capitalisation threshold	*8*	*8*	*2*	*236*	*209.0%*	*0.2%*	*262*	*275*	*290*	*7.1%*	*0.7%*
Bursaries: Employees	*–*	*–*	*–*	*69*	*–*	*–*	*73*	*76*	*80*	*5.1%*	*0.2%*
Catering: Departmental activities	*464*	*263*	*1 160*	*125*	*-35.4%*	*1.3%*	*133*	*139*	*147*	*5.6%*	*0.4%*
Communication	*496*	*527*	*456*	*834*	*18.9%*	*1.5%*	*784*	*821*	*864*	*1.2%*	*2.2%*
Computer services	*6*	*11*	*6*	*–*	*-100.0%*	*–*	*–*	*–*	*–*	*–*	*–*
Consultants and professional services: Business and advisory services	*64*	*283*	*139*	*412*	*86.0%*	*0.6%*	*437*	*457*	*481*	*5.3%*	*1.2%*
Contractors	*631*	*394*	*18*	*484*	*-8.5%*	*1.0%*	*421*	*448*	*472*	*-0.8%*	*1.2%*
Entertainment	*3*	*8*	*6*	*49*	*153.7%*	*–*	*52*	*54*	*57*	*5.2%*	*0.1%*
Inventory: Fuel, oil and gas	*8*	*4*	*–*	*–*	*-100.0%*	*–*	*–*	*–*	*–*	*–*	*–*
Inventory: Materials and supplies	*1*	*–*	*–*	*1*	*–*	*–*	*1*	*1*	*1*	*–*	*–*
Inventory: Other supplies	*2*	*2*	*–*	*2*	*–*	*–*	*2*	*2*	*2*	*–*	*–*
Consumable: Stationery, printing and office supplies	*204*	*91*	*363*	*112*	*-18.1%*	*0.5%*	*119*	*125*	*131*	*5.4%*	*0.3%*
Operating leases	*815*	*980*	*368*	*278*	*-30.1%*	*1.6%*	*295*	*308*	*325*	*5.3%*	*0.8%*
Travel and subsistence	*3 467*	*5 399*	*7 302*	*3 135*	*-3.3%*	*12.5%*	*2 903*	*3 042*	*3 204*	*0.7%*	*8.2%*
Training and development	*6*	*38*	*36*	*87*	*143.8%*	*0.1%*	*92*	*96*	*101*	*5.1%*	*0.2%*
Operating payments	*751*	*1 260*	*44*	*(1 954)*	*-237.5%*	*0.1%*	*804*	*1 540*	*1 621*	*-194.0%*	*1.3%*
Venues and facilities	*134*	*4 452*	*1 127*	*500*	*55.1%*	*4.0%*	*495*	*539*	*567*	*4.3%*	*1.4%*
Transfers and subsidies	**17 150**	**15 351**	**21 383**	**16 161**	**-2.0%**	**45.4%**	**16 161**	**16 161**	**17 018**	**1.7%**	**43.5%**
Foreign governments and international organisations	13 650	11 647	21 383	16 161	5.8%	40.7%	16 161	16 161	17 018	1.7%	43.5%
Non-profit institutions	3 500	3 700	–	–	-100.0%	4.7%	–	–	–	–	–
Households	–	4	–	–	–	–	–	–	–	–	–
Payments for capital assets	**34**	**79**	**88**	**537**	**150.9%**	**0.5%**	**569**	**595**	**627**	**5.3%**	**1.5%**
Machinery and equipment	34	79	88	537	150.9%	0.5%	569	595	627	5.3%	1.5%
Total	**35 223**	**41 612**	**44 190**	**33 271**	**-1.9%**	**100.0%**	**36 817**	**39 046**	**41 300**	**7.5%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**2.5%**	**2.3%**	**2.7%**	**1.4%**			**2.3%**	**2.1%**	**2.0%**		

Details of transfers and subsidies											
Households											
Other transfers to households											
Current	**–**	**4**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Households	–	4	–	–	–	–	–	–	–	–	–
Non-profit institutions											
Current	**3 500**	**3 700**	**–**	**–**	**-100.0%**	**4.7%**	**–**	**–**	**–**	**–**	**–**
New Partnership for Africa's Development e-Africa Commission	3 500	3 700	–	–	-100.0%	4.7%	–	–	–	–	–
Foreign governments and international organisations											
Current	**13 650**	**11 647**	**21 383**	**16 161**	**5.8%**	**40.7%**	**16 161**	**16 161**	**17 018**	**1.7%**	**43.5%**
Universal Postal Union	2 800	–	7 380	3 555	8.3%	8.9%	3 555	3 555	3 743	1.7%	9.6%
International Telecommunications Union	8 683	10 176	12 450	10 826	7.6%	27.3%	10 826	10 826	11 400	1.7%	29.2%
African Telecommunications Union	1 569	668	708	710	-23.2%	2.4%	710	710	748	1.8%	1.9%
Pan African Postal Union	470	494	733	680	13.1%	1.5%	680	680	716	1.7%	1.8%
Organisational Economic Corporation Development	97	104	112	109	4.0%	0.3%	109	109	115	1.8%	0.3%
Commonwealth Telecommunication Organisation	31	205	–	281	108.5%	0.3%	281	281	296	1.7%	0.8%

Personnel information

Table 27.8 Details of approved establishment and personnel numbers according to salary level[1]

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
International Affairs			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**20**	**1**	**18**	**11.3**	**0.6**	**18**	**11.9**	**0.7**	**18**	**13.0**	**0.7**	**18**	**14.2**	**0.8**	**18**	**15.1**	**0.8**	**–**	**100.0%**
1 – 6	2	–	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	–	5.6%
7 – 10	6	1	7	2.0	0.3	7	2.1	0.3	7	2.2	0.3	7	2.4	0.3	7	2.0	0.3	–	38.9%
13 – 16	12	–	10	9.0	0.9	10	9.7	1.0	10	10.6	1.1	10	11.6	1.2	10	12.8	1.3	–	55.6%

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

Expenditure trends

The spending focus over the medium term will be on: ensuring alignment between South Africa's international activities and agreements in the ICT sector and its foreign policy through funding the country's participation by paying membership fees to international communications organisations; participating in the global discourse within the United Nations system on telecommunications, postal services, information society and green technology; participating in engagements that result in e-skills development initiatives for young South Africans and employment creation projects; and pursuing bilateral engagement with other countries. Thus the bulk of the programme's allocation of the medium term is spent in the *ICT Trade Partnerships* subprogramme, which is responsible for membership fees. Over the medium term, payments will continue to be made to organisations such as the Universal Postal Union, the International Telecommunications Union and the African Telecommunications Union. The department also expects to submit five ICT position papers focusing on promoting South Africa's national ICT interests to relevant forums for international engagements each year.

Expenditure on goods and services decreased significantly between 2010/11 to 2013/14, as lower expenditure on travel and subsistence was incurred because the programme undertook fewer international engagements. Expenditure on consultants increased by 86 per cent between 2010/11 and 2013/14 due to the appointment of a service provider for the SADC conference that the department hosted in February 2014. This programme had a staff complement of 20 posts at the end of November 2013, 18 of which are currently filled.

Programme 3: Policy, Research and Capacity Development

Objectives

- Create an enabling environment for the growth of the ICT sector through policy and legislative reform by:
  - publishing the White Paper on National Integrated ICT Policy by March 2015
  - drafting the National Integrated ICT Bill by March 2016
  - tabling the National Integrated ICT Bill in Parliament by March 2017
  - developing an approved e-strategy by March 2017
  - developing the Public Service Broadcasting Bill by March 2015.
- Provide marginalised communities with banking and financial services through the full corporatising and operationalising of the South African Postbank by March 2015.
- Improve evidence based ICT policy making by collecting and collating relevant ICT data by March 2015
- Issue 3 policy directives to reduce the costs of communication by 2016/17.

Subprogrammes

- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the broadcasting, telecommunications, postal and IT sectors, thus ensuring broad based economic development within the ICT sector. In 2012/13, consultations were held with National Treasury on Postbank's borrowing, lending, and

investment policies. In 2013/14, a green paper for South Africa's national integrated information and communications technology (ICT) policy was developed and the Electronic Communications Amendment Bill, the ICASA Amendment Bill, the South African Post Office SOC Limited Amendment Bill, and the South African Postbank Amendment Bill were submitted to Cabinet for approval. This subprogramme had a staff complement of 20 in 2013/14.

- *Economic and Market Analysis* conducts economic analyses of the broadcasting, telecommunications, postal and IT sectors to determine trends and make growth projections; undertakes market research to explore areas that require policy intervention; and is responsible for reducing communication costs. In 2013/14, the broadband value chain, which covers the related communications and network services, was analysed to find ways of promoting competition and addressing market failures. In addition, network operators and relevant government departments were engaged to explore ways in which communication costs could be reduced, with the operators proposing an industry forum in which the Minister of Communications could engage the ICT sector on pricing matters and other sectoral issues. It is envisaged that this forum will complement the independent role of the Independent Communications Authority of South Africa. This subprogramme had a staff complement of 2 in 2013/14.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy. In 2012/13, a global benchmarking exercise was conducted with countries in Europe, Asia, North and South America and the Brazil-Russia-India-China-South Africa (BRICS) group of countries on the establishment of a global ICT research council, for which a report has been completed. In 2013/14, activities at the department sponsored African Centre of Excellence for Information Ethics at the University of Pretoria were managed. A provincial seminar on information ethics was also hosted to create a platform to discuss policy development and interpretation related to information ethics and research in Africa and the department developed a report on green ICT initiatives in South Africa. This subprogramme had a staff complement of 9 in 2013/14.
- *Information Society Development* supports the effective and efficient functioning of the information society; and the development of institutional mechanisms, such as the interministerial committee on information society and development, the information society and development intergovernmental relations forum, the forum of South African directors general for information society and development, and the intergovernmental relations forum technical committee. Subsequent to the hosting of the ICT indaba, a programme of action was developed in line with the outcomes to ensure the implementation of the declaration signed by ICT ministers. Broadband, rural connectivity, schools connectivity and e-skills development are some of the initiatives that were advanced in 2013/14. This subprogramme had a staff complement of 39 in 2013/14.
- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society. In 2012/13, an e-skills virtual network for knowledge production and transfer was constructed in Cape Town and is currently being used to test targeted courses developed by the e-Skills Institute. In 2013/14, the iKamva National eSkills Institute, which integrates the e-Skills Institute, the National Electronic Media Institute of South Africa and the Institute for Satellite and Software Applications, was launched that in the future will increase e-skills capacity in South Africa for employability in the knowledge economy. This subprogramme had a staff complement of 14 in 2013/14.

Expenditure estimates

Table 27.9 Policy, Research and Capacity Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
ICT Policy Development	25 377	23 456	41 817	32 877	9.0%	30.7%	31 054	29 886	31 720	-1.2%	31.6%
Economic and Market Analysis	784	1 321	1 870	1 234	16.3%	1.3%	1 295	1 355	1 439	5.3%	1.3%
Research	4 660	4 632	5 086	7 377	16.5%	5.4%	8 540	8 933	9 501	8.8%	8.7%
Information Society Development	34 539	50 039	46 369	34 392	-0.1%	41.0%	42 862	46 402	49 272	12.7%	43.6%
Capacity Development	29 982	25 354	18 120	13 518	-23.3%	21.6%	14 278	15 027	15 933	5.6%	14.8%
Total	**95 342**	**104 802**	**113 262**	**89 398**	**-2.1%**	**100.0%**	**98 029**	**101 603**	**107 865**	**6.5%**	**100.0%**
Change to 2013 Budget estimate				5 000			–	–	–		

Table 27.9 Policy, Research and Capacity Development

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	**94 544**	**102 955**	**112 501**	**87 886**	**-2.4%**	**98.8%**	**96 882**	**100 403**	**106 601**	**6.6%**	**98.7%**
Compensation of employees	50 133	51 257	56 643	59 617	5.9%	54.0%	63 175	67 565	72 024	6.5%	66.1%
Goods and services	44 411	51 698	55 858	28 269	-14.0%	44.7%	33 707	32 838	34 577	6.9%	32.6%
of which:											
Administration fees	*363*	*785*	*863*	*235*	*-13.5%*	*0.6%*	*254*	*266*	*280*	*6.0%*	*0.3%*
Advertising	*2 066*	*582*	*3 941*	*459*	*-39.4%*	*1.7%*	*604*	*631*	*665*	*13.2%*	*0.6%*
Assets less than the capitalisation threshold	*97*	*604*	*202*	*341*	*52.1%*	*0.3%*	*360*	*377*	*397*	*5.2%*	*0.4%*
Audit costs: External	*130*	*–*	*–*	*–*	*-100.0%*	*–*	*–*	*–*	*–*	*–*	*–*
Bursaries: Employees	*172*	*105*	*106*	*84*	*-21.3%*	*0.1%*	*89*	*93*	*98*	*5.3%*	*0.1%*
Catering: Departmental activities	*423*	*187*	*471*	*286*	*-12.2%*	*0.3%*	*418*	*437*	*460*	*17.2%*	*0.4%*
Communication	*1 851*	*1 290*	*1 460*	*1 253*	*-12.2%*	*1.5%*	*1 659*	*1 736*	*1 829*	*13.4%*	*1.6%*
Computer services	*2 768*	*413*	*228*	*120*	*-64.9%*	*0.9%*	*268*	*280*	*295*	*35.0%*	*0.2%*
Consultants and professional services: Business and advisory services	*20 591*	*18 432*	*26 895*	*15 155*	*-9.7%*	*20.1%*	*11 778*	*9 854*	*10 374*	*-11.9%*	*11.9%*
Consultants and professional services: Legal costs	*302*	*26*	*–*	*–*	*-100.0%*	*0.1%*	*–*	*–*	*–*	*–*	*–*
Contractors	*1 119*	*11 084*	*440*	*428*	*-27.4%*	*3.2%*	*502*	*526*	*555*	*9.0%*	*0.5%*
Agency and support / outsourced services	*–*	*–*	*293*	*105*	*–*	*0.1%*	*113*	*118*	*124*	*5.7%*	*0.1%*
Entertainment	*41*	*49*	*60*	*119*	*42.6%*	*0.1%*	*125*	*131*	*138*	*5.1%*	*0.1%*
Fleet services (including government motor transport)	*–*	*–*	*84*	*70*	*–*	*–*	*73*	*76*	*80*	*4.6%*	*0.1%*
Inventory: Materials and supplies	*3*	*2*	*5*	*14*	*67.1%*	*–*	*14*	*14*	*14*	*–*	*–*
Inventory: Other supplies	*12*	*10*	*7*	*17*	*12.3%*	*–*	*17*	*17*	*18*	*1.9%*	*–*
Consumable: Stationery, printing and office supplies	*823*	*1 095*	*1 590*	*616*	*-9.2%*	*1.0%*	*1 368*	*1 443*	*1 519*	*35.1%*	*1.2%*
Operating leases	*1 240*	*728*	*1 191*	*529*	*-24.7%*	*0.9%*	*1 236*	*1 304*	*1 373*	*37.4%*	*1.1%*
Property payments	*36*	*7*	*47*	*–*	*-100.0%*	*–*	*–*	*–*	*–*	*–*	*–*
Transport provided: Departmental activity	*–*	*1*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*
Travel and subsistence	*7 157*	*7 899*	*10 650*	*3 085*	*-24.5%*	*7.1%*	*6 870*	*7 209*	*7 592*	*35.0%*	*6.2%*
Training and development	*3 644*	*7 350*	*2 129*	*4 337*	*6.0%*	*4.3%*	*6 445*	*6 742*	*7 097*	*17.8%*	*6.2%*
Operating payments	*9*	*277*	*2 975*	*10*	*3.6%*	*0.8%*	*50*	*52*	*55*	*76.5%*	*–*
Venues and facilities	*1 564*	*771*	*2 221*	*1 006*	*-13.7%*	*1.4%*	*1 464*	*1 532*	*1 614*	*17.1%*	*1.4%*
Rental and hiring	*–*	*1*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*
Transfers and subsidies	**235**	**445**	**202**	**–**	**-100.0%**	**0.2%**	**–**	**–**	**–**	**–**	**–**
Higher education institutions	–	100	100	–	–	–	–	–	–	–	–
Public corporations and private enterprises	3	–	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	223	300	–	–	-100.0%	0.1%	–	–	–	–	–
Households	9	45	102	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	**563**	**1 402**	**559**	**1 512**	**39.0%**	**1.0%**	**1 147**	**1 200**	**1 264**	**-5.8%**	**1.3%**
Machinery and equipment	563	1 402	559	1 512	39.0%	1.0%	1 147	1 200	1 264	-5.8%	1.3%
Total	**95 342**	**104 802**	**113 262**	**89 398**	**-2.1%**	**100.0%**	**98 029**	**101 603**	**107 865**	**6.5%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**6.7%**	**5.8%**	**6.9%**	**3.8%**			**6.2%**	**5.4%**	**5.2%**		

Details of transfers and subsidies											
Households											
Other transfers to households											
Current	**9**	**45**	**102**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Households	9	45	102	–	-100.0%	–	–	–	–	–	–
Non-profit institutions											
Current	**223**	**300**	**–**	**–**	**-100.0%**	**0.1%**	**–**	**–**	**–**	**–**	**–**
Non-profit institutions	223	300	–	–	-100.0%	0.1%	–	–	–	–	–
Higher education institutions											
Current	**–**	**100**	**100**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Universities and technikons	–	100	100	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	**3**	**–**	**–**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers and subsidies: Private enterprises	3	–	–	–	-100.0%	–	–	–	–	–	–

Personnel information

Table 27.10 Details of approved establishment and personnel numbers according to salary level[1]

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Policy, Research and Capacity Development			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**125**	**15**	**84**	**56.6**	**0.7**	**84**	**59.6**	**0.7**	**84**	**63.2**	**0.8**	**84**	**67.6**	**0.8**	**84**	**72.0**	**0.9**	**–**	**100.0%**
1 – 6	4	3	4	0.8	0.2	4	0.8	0.2	4	0.9	0.2	4	0.9	0.2	4	1.0	0.2	–	4.8%
7 – 10	63	5	29	9.1	0.3	29	8.3	0.3	29	8.8	0.3	29	9.4	0.3	29	10.0	0.3	–	34.5%
11 – 12	23	3	22	11.9	0.5	22	12.7	0.6	22	13.5	0.6	22	14.4	0.7	22	15.3	0.7	–	26.2%
13 – 16	35	4	29	34.9	1.2	29	37.9	1.3	29	40.0	1.4	29	42.9	1.5	29	45.7	1.6	–	34.5%

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

Expenditure trends

The spending focus over the medium term will be on providing support to improve the functioning of information society and promoting the development and use of ICTs through the *Information Society Development* subprogramme. Through the *ICT Policy Development* subprogramme, the programme will also review of ICT policies and legislation. Building on the department's previous work on the integrated ICT policy review, which resulted in the production of the green paper on South Africa's national integrated ICT policy, over the medium term this subprogramme will develop the white paper, which is set to be released by mid-2014.

Consultants are appointed to support the department in the policy and legislative making process. The significant increase in spending on consultants in 2012/13 was mostly due to the appointment of consultants to assist with the proposed transaction between Telkom and Korea Telecom. This also accounts for the significant increase in spending in the *ICT Policy Development* subprogramme in that year. The decrease in expenditure in the *Capacity Development* subprogramme between 2010/11 and 2013/14 was due to the high expenditure on consultants in 2010/11, mostly for the e-skills summit, which the department hosted in July 2010. Expenditure on goods and services also decreased from 2010/11 to 2013/14 as a result of cost cutting measures and reprioritisation towards other programmes in the department.

Spending on consultants is expected to account for a relatively high proportion of the programme's budget over the medium term to provide support to the department in finalising outstanding policies and legislation. This programme had a funded staff complement of 125 at the end of November 2013, of which 84 are currently filled.

Programme 4: ICT Enterprise Development and SOE Oversight

Objectives

- Strengthen the performance, good governance and legislative compliance, and ensure the effectiveness and efficiency of all 6 ICT sector public entities by:
  - analysing their quarterly and annual performance reports against their corporate strategic plans and providing recommendations within 30 days of receipt, and enforcing compliance with applicable legislation on a regular basis
  - analysing their expenditure patterns against financial allocations and projections on an ongoing basis
  - facilitating the alignment of all corporate strategic plans to reflect the outputs and outcomes as outlined in government priorities and mandates, annually.
- Accelerate socioeconomic development through facilitating the growth and development of ICT SMMEs and improve their sustainability by:
  - loading business profiles of 60 SMMEs onto the e-commerce platform by March 2015

– compiling 4 quarterly reports on job creation through the implementation of relevant ICT projects in the communications portfolio by March 2015
– compiling 4 quarterly reports on how small medium micro enterprises are benefiting from ICT state owned entities and the department by March 2015.

Subprogrammes

- *Public Entity Oversight* provides oversight of state owned enterprises by managing government's shareholder interests in public enterprises. This includes facilitating entities' corporate plans and ensuring that planning cycles are aligned and comply with guidelines. In 2013/14, R1.1 billion was transferred to public entities, the development of budgets for entities over the medium term were facilitated along with engagements to discuss entities' additional funding requests, quarterly reports were analysed and feedback was given to the entities. This subprogramme had a staff complement of 4 in 2013/14.
- *Small Medium and Micro Enterprise Development* facilitates the growth and development of ICT SMMEs through a comprehensive capacity building programme. In 2012/13, the Minister of Communications approved the King III compliance scorecard, which will be used to measure compliance by the state owned enterprises within the department. In 2013/14, a company was appointed to host the e-commerce platform and the process of adding content, covering agriculture, tourism and arts and craft sectors is continuing. 87 SMMEs have been capacitated on the use of the platform and their business profiles and offerings have been uploaded. Quarterly reports have also been developed on job creation through the implementation of relevant ICT projects. This subprogramme had a staff complement of 3 in 2013/14.
- *ICT Support* administers and manages the transfers to the .za domain and hosts the 112 emergency call centre programme. The implementation of the 112 emergency call centre has been put on hold, as the department has reprioritised the allocations towards the broadcasting digital migration process. This subprogramme had a staff complement of 5 in 2013/14.

Expenditure estimates

Table 27.11 ICT Enterprise Development and SOE Oversight

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Public Entity Oversight	1 030 723	799 286	815 415	744 136	-10.3%	97.7%	704 573	737 355	776 425	1.4%	97.9%
Small Medium and Micro Enterprise Development	3 731	13 278	15 786	9 388	36.0%	1.2%	6 311	6 671	7 179	-8.6%	1.0%
ICT Support	4 788	16 775	7 992	7 619	16.7%	1.1%	8 298	8 680	9 091	6.1%	1.1%
Total	**1 039 242**	**829 339**	**839 193**	**761 143**	**-9.9%**	**100.0%**	**719 182**	**752 706**	**792 695**	**1.4%**	**100.0%**
Change to 2013 Budget estimate				(368 155)			(410 564)	(423 802)	(108 105)		
Economic classification											
Current payments	**11 838**	**32 432**	**26 460**	**20 766**	**20.6%**	**2.6%**	**22 287**	**23 321**	**24 621**	**5.8%**	**3.0%**
Compensation of employees	6 357	7 105	8 016	11 723	22.6%	1.0%	10 694	11 655	12 430	2.0%	1.5%
Goods and services	5 481	25 327	18 444	9 043	18.2%	1.7%	11 593	11 666	12 191	10.5%	1.5%
of which:											
Administration fees	*50*	*74*	*78*	*67*	*10.2%*	*–*	*71*	*75*	*79*	*5.6%*	*–*
Advertising	*614*	*2 796*	*2*	*170*	*-34.8%*	*0.1%*	*180*	*189*	*199*	*5.4%*	*–*
Assets less than the capitalisation threshold	*60*	*–*	*2*	*274*	*65.9%*	*–*	*291*	*304*	*321*	*5.4%*	*–*
Bursaries: Employees	*9*	*40*	*–*	*–*	*-100.0%*	*–*	*–*	*–*	*–*	*–*	*–*
Catering: Departmental activities	*24*	*47*	*64*	*175*	*93.9%*	*–*	*186*	*193*	*203*	*5.1%*	*–*
Communication	*270*	*287*	*291*	*368*	*10.9%*	*–*	*389*	*407*	*429*	*5.2%*	*0.1%*
Computer services	*15*	*1*	*2*	*43*	*42.1%*	*–*	*115*	*48*	*51*	*5.9%*	*–*
Consultants and professional services: Business and advisory services	*2 842*	*20 034*	*15 698*	*3 328*	*5.4%*	*1.2%*	*5 359*	*5 296*	*5 484*	*18.1%*	*0.6%*
Contractors	*–*	*8*	*1*	*7*	*–*	*–*	*7*	*7*	*7*	*–*	*–*
Agency and support / outsourced services	*–*	*–*	*–*	*433*	*–*	*–*	*459*	*480*	*505*	*5.3%*	*0.1%*
Entertainment	*7*	*11*	*11*	*37*	*74.2%*	*–*	*39*	*42*	*44*	*5.9%*	*–*
Inventory: Other supplies	*3*	*–*	*–*	*26*	*105.4%*	*–*	*28*	*30*	*32*	*7.2%*	*–*
Consumable: Stationery, printing and office supplies	*115*	*136*	*176*	*423*	*54.4%*	*–*	*452*	*467*	*492*	*5.2%*	*0.1%*

Table 27.11 ICT Enterprise Development and SOE Oversight

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Operating leases	*78*	*71*	*64*	*131*	*18.9%*	–	*139*	*145*	*153*	*5.3%*	–
Property payments	*2*	–	–	–	*-100.0%*	–	–	–	–	–	–
Travel and subsistence	*1 153*	*1 291*	*1 359*	*1 661*	*12.9%*	*0.2%*	*1 803*	*1 829*	*1 925*	*5.0%*	*0.2%*
Training and development	*122*	*459*	*403*	*310*	*36.5%*	–	*334*	*344*	*362*	*5.3%*	–
Operating payments	–	*1*	*41*	*1 237*	–	–	*1 360*	*1 422*	*1 497*	*6.6%*	*0.2%*
Venues and facilities	*117*	*71*	*252*	*353*	*44.5%*	–	*381*	*388*	*408*	*4.9%*	*0.1%*
Transfers and subsidies	**1 027 181**	**796 691**	**812 700**	**739 246**	**-10.4%**	**97.3%**	**696 290**	**728 734**	**767 357**	**1.3%**	**96.9%**
Departmental agencies and accounts	430 342	472 449	545 191	548 126	8.4%	57.5%	531 122	555 807	585 264	2.2%	73.4%
Public corporations and private enterprises	596 837	324 242	267 409	191 120	-31.6%	39.8%	165 168	172 927	182 093	-1.6%	23.5%
Non-profit institutions	–	–	100	–	–	–	–	–	–	–	–
Households	2	–	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	**223**	**216**	**33**	**1 131**	**71.8%**	**–**	**605**	**651**	**717**	**-14.1%**	**0.1%**
Machinery and equipment	200	30	33	1 131	78.2%	–	605	651	717	-14.1%	0.1%
Software and other intangible assets	*23*	*186*	–	–	*-100.0%*	–	–	–	–	–	–
Total	**1 039 242**	**829 339**	**839 193**	**761 143**	**-9.9%**	**100.0%**	**719 182**	**752 706**	**792 695**	**1.4%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**72.9%**	**46.3%**	**50.8%**	**32.1%**			**45.1%**	**39.9%**	**38.2%**		
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	**2**	**–**	**–**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Households	2	–	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**430 342**	**472 449**	**545 191**	**548 126**	**8.4%**	**57.5%**	**531 122**	**555 807**	**585 264**	**2.2%**	**73.4%**
Independent Communications Authority of South Africa	290 923	313 378	405 797	390 661	10.3%	40.4%	376 221	393 619	414 481	2.0%	52.1%
National Electronic Media Institute of South Africa	32 602	33 473	34 116	50 746	15.9%	4.4%	37 859	39 601	41 700	-6.3%	5.6%
Universal Service and Access Agency of South Africa	66 704	83 168	59 801	60 090	-3.4%	7.8%	65 376	68 452	72 080	6.3%	8.8%
Universal Service and Access Fund	38 613	40 930	43 977	45 046	5.3%	4.9%	49 988	52 380	55 156	7.0%	6.7%
.za Domain Name Authority	1 500	1 500	1 500	1 583	1.8%	0.2%	1 678	1 755	1 847	5.3%	0.2%
Non-profit institutions											
Current	**–**	**–**	**100**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-profit organisations	–	–	100	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	**596 837**	**324 242**	**267 409**	**191 120**	**-31.6%**	**39.8%**	**165 168**	**172 927**	**182 093**	**-1.6%**	**23.5%**
South African Post Office	306 077	180 442	51 965	–	-100.0%	15.5%	–	–	–	–	–
South African Broadcasting Corporation: Channel Africa	38 896	41 230	43 292	44 673	4.7%	4.8%	47 413	49 640	52 271	5.4%	6.4%
South African Broadcasting Corporation: Public broadcaster	230 014	84 907	154 152	127 055	-17.9%	17.2%	97 199	101 785	107 180	-5.5%	14.3%
South African Broadcasting Corporation: Community radio stations	6 850	7 663	8 000	8 842	8.9%	0.9%	9 373	9 804	10 324	5.3%	1.3%
South African Broadcasting Corporation: Programme productions	15 000	10 000	10 000	10 550	-11.1%	1.3%	11 183	11 698	12 318	5.3%	1.5%

Personnel information

Table 27.12 Details of approved establishment and personnel numbers according to salary level[1]

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
ICT Enterprise Development and SOE Oversight			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**16**	**–**	**12**	**8.0**	**0.7**	**12**	**11.7**	**1.0**	**12**	**10.7**	**0.9**	**12**	**11.7**	**1.0**	**12**	**12.4**	**1.0**	**–**	**100.0%**
7 – 10	5	–	4	1.1	0.3	4	1.2	0.3	4	1.3	0.3	4	1.4	0.3	4	1.5	0.4	–	33.3%
11 – 12	2	–	3	1.6	0.5	3	1.7	0.6	3	1.8	0.6	3	3.4	1.1	3	3.6	1.2	–	25.0%
13 – 16	8	–	5	5.3	1.1	5	8.8	1.8	5	7.6	1.5	5	6.9	1.4	5	7.4	1.5	–	41.7%

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

Expenditure trends

The spending focus over the medium term will be on continuing to strengthen the department's ability to exercise oversight over the public entities, making transfers to public entities, and facilitating the development of ICT SMMEs. Thus, over the medium term, the department expects to continue interventions such as establishing ICT hubs in underserved provinces such as Limpopo and Free State. It will also focus on e-commerce, export readiness and the broadcasting digital migration value chain. This also accounts for the increases in the *ICT Support* and *Small Medium and Micro Enterprise Developme*nt subprogrammes over the medium term. The department appointed a service provider to assist with the establishment of the ICT hubs, which explains the increase in spending on consultants in 2011/12.

As such, 93.5 per cent of the programme's allocation over the medium is transferred to the department's public entities and enterprises, while a significant portion of the balance is spent on consultants who provide critical skills, particularly with regard to ICT research, implementing ICT hubs around the country and the broadcasting digital migration project in 2016/17.

Expenditure on transfers to public corporations and private enterprises decreased significantly between 2010/11 and 2013/14, due to the final allocation to the South African Broadcasting Corporation for the technology programme in 2010/11 and the South African Post Office in 2012/13 for universal access. Expenditure on transfers to departmental agencies and accounts increased between 2010/11 and 2013/14 due to allocations in 2012/13 to fund office equipment and relocation costs for the Independent Communications Authority of South Africa, and National Electronic Media Institute of South Africa's implementation of e-skills programmes. The transfer for the e-skills programmes included a once-off additional allocation of R15 million, which is why expenditure on transfers to departmental agencies is projected to increase at a slower rate over the medium term.

The allocations to the Universal Service and Access Agency of South Africa for the broadcasting digital migration project have been shifted to the *Infrastructure Support* programme. This has been done to create better transparency in reporting by consolidating the funding for the project in a single programme.

This programme has a funded staff complement of 16 posts, 12 of which are projected to be filled at the end of 2013/14.

Programme 5: ICT Infrastructure Support

Objectives

- Facilitate broadcasting digital migration from analogue to digital television by:
  - allocating 676 000 subsidised digital set top boxes to subsidy scheme recipients by March 2015
  - switching off 63 analogue transmitter sites nationally by March 2015
  - transferring required funding for the rollout of digital infrastructure to Sentech by March 2015.
- Increase broadband coverage by completing the 4 phases of the national broadband implementation plan, developing the digital opportunity plan and digital development plan by March 2014, and the digital readiness plan and digital future plan by 31 December 2014.
- Increase cybersecurity across South Africa through establishing a cybersecurity hub in Pretoria in order to support a secure broadband infrastructure by March 2015.

Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the ICT infrastructure broadband strategy and implementation plan, and ensures that broadband goals are achieved. A revised broadband policy was developed in 2012/13. In 2013/14, a broadband stakeholder consultation workshop was held to solicit the views of industry, experts, government and civil society. A revised broadband policy, strategy and implementation plan was approved by Cabinet in December 2013. This subprogramme had a staff complement of 38 in 2013/14.
- *Digital Terrestrial Television* is responsible for making transfers to Sentech to roll out ICT infrastructure for the migration of signal distribution from analogue to digital. Other allocations under this programme include transfers to the South African Broadcasting Corporation for its digital terrestrial television projects, funding

for the set top box subsidy including antennae and installation, and the envisaged broadband digital migration call centre to deal with queries on the migration process.

Expenditure estimates

Table 27.13 ICT Infrastructure Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Broadband	27 693	38 381	48 518	419 780	147.5%	21.6%	68 231	71 995	162 478	-27.1%	20.9%
Digital Terrestrial Television	73 159	612 209	396 864	852 459	126.7%	78.4%	454 769	697 002	732 634	-4.9%	79.1%
Total	**100 852**	**650 590**	**445 382**	**1 272 239**	**132.8%**	**100.0%**	**523 000**	**768 997**	**895 112**	**-11.1%**	**100.0%**
Change to 2013 Budget estimate				691 355			397 464	710 702	108 105		
Economic classification											
Current payments	**29 403**	**41 628**	**49 242**	**420 075**	**142.6%**	**21.9%**	**149 836**	**151 674**	**160 971**	**-27.4%**	**25.5%**
Compensation of employees	18 222	17 427	10 485	33 597	22.6%	3.2%	28 902	30 076	32 556	-1.0%	3.6%
Goods and services	11 181	24 201	38 757	386 478	225.7%	18.7%	120 934	121 598	128 415	-30.7%	21.9%
of which:											
Administration fees	*44*	*183*	*101*	*86*	*25.0%*	*–*	*90*	*94*	*99*	*4.8%*	*–*
Advertising	*258*	*5*	*164*	*79*	*-32.6%*	*–*	*83*	*87*	*92*	*5.2%*	*–*
Assets less than the capitalisation threshold	*28*	*31*	*–*	*776*	*202.6%*	*–*	*1 863*	*1 949*	*2 050*	*38.2%*	*0.2%*
Audit costs: External	*–*	*666*	*10 003*	*–*	*–*	*0.4%*	*–*	*–*	*–*	*–*	*–*
Bursaries: Employees	*66*	*99*	*–*	*269*	*59.7%*	*–*	*282*	*295*	*311*	*5.0%*	*–*
Catering: Departmental activities	*11*	*31*	*218*	*203*	*164.3%*	*–*	*213*	*223*	*235*	*5.0%*	*–*
Communication	*643*	*599*	*269*	*537*	*-5.8%*	*0.1%*	*1 052*	*1 100*	*1 158*	*29.2%*	*0.1%*
Computer services	*7*	*7*	*–*	*1 622*	*514.2%*	*0.1%*	*1 779*	*2 713*	*2 857*	*20.8%*	*0.3%*
Consultants and professional services: Business and advisory services	*2 936*	*16 334*	*24 829*	*375 506*	*403.8%*	*17.0%*	*64 308*	*62 250*	*110 741*	*-33.4%*	*17.7%*
Consultants and professional services: Legal costs	*–*	*–*	*–*	*528*	*–*	*–*	*754*	*789*	*831*	*16.3%*	*0.1%*
Contractors	*61*	*25*	*153*	*868*	*142.3%*	*–*	*12 847*	*13 313*	*439*	*-20.3%*	*0.8%*
Agency and support / outsourced services	*1 638*	*–*	*–*	*–*	*-100.0%*	*0.1%*	*28 481*	*29 667*	*–*	*–*	*1.7%*
Entertainment	*6*	*5*	*7*	*32*	*74.7%*	*–*	*33*	*35*	*37*	*5.0%*	*–*
Fleet services (including government motor transport)	*–*	*35*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*
Inventory: Fuel, oil and gas	*28*	*–*	*–*	*–*	*-100.0%*	*–*	*–*	*–*	*–*	*–*	*–*
Inventory: Materials and supplies	*–*	*–*	*–*	*2*	*–*	*–*	*2*	*3*	*3*	*14.5%*	*–*
Inventory: Medical supplies	*4*	*–*	*–*	*–*	*-100.0%*	*–*	*–*	*–*	*–*	*–*	*–*
Inventory: Other supplies	*1*	*1*	*1*	*21*	*175.9%*	*–*	*22*	*23*	*24*	*4.6%*	*–*
Consumable: Stationery, printing and office supplies	*243*	*141*	*238*	*898*	*54.6%*	*0.1%*	*1 142*	*1 195*	*1 258*	*11.9%*	*0.1%*
Operating leases	*165*	*159*	*161*	*535*	*48.0%*	*–*	*832*	*870*	*916*	*19.6%*	*0.1%*
Property payments	*2 347*	*1 859*	*–*	*–*	*-100.0%*	*0.2%*	*–*	*–*	*–*	*–*	*–*
Travel and subsistence	*2 592*	*3 768*	*2 349*	*3 507*	*10.6%*	*0.5%*	*5 672*	*5 445*	*5 734*	*17.8%*	*0.6%*
Training and development	*71*	*129*	*104*	*422*	*81.1%*	*–*	*443*	*463*	*488*	*5.0%*	*0.1%*
Operating payments	*32*	*20*	*–*	*100*	*46.2%*	*–*	*105*	*110*	*116*	*5.1%*	*–*
Venues and facilities	*–*	*104*	*160*	*487*	*–*	*–*	*931*	*974*	*1 026*	*28.2%*	*0.1%*
Transfers and subsidies	**71 056**	**608 902**	**396 113**	**851 304**	**128.8%**	**78.1%**	**371 805**	**615 892**	**732 634**	**-4.9%**	**74.3%**
Departmental agencies and accounts	–	220 000	230 000	240 000	–	27.9%	240 000	551 040	664 345	40.4%	49.0%
Public corporations and private enterprises	71 055	388 900	165 834	611 304	104.9%	50.1%	131 805	64 852	68 289	-51.8%	25.3%
Non-profit institutions	–	–	198	–	–	–	–	–	–	–	–
Households	1	2	81	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	**393**	**60**	**27**	**860**	**29.8%**	**0.1%**	**1 359**	**1 431**	**1 507**	**20.6%**	**0.1%**
Machinery and equipment	347	60	27	860	35.3%	0.1%	1 359	1 431	1 507	20.6%	0.1%
Software and other intangible assets	*46*	–	–	–	*-100.0%*	–	–	–	–	–	–
Total	**100 852**	**650 590**	**445 382**	**1 272 239**	**132.8%**	**100.0%**	**523 000**	**768 997**	**895 112**	**-11.1%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**7.1%**	**36.3%**	**27.0%**	**53.6%**			**32.8%**	**40.7%**	**43.1%**		
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	**1**	**2**	**81**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Households	1	2	81	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**–**	**220 000**	**230 000**	**240 000**	**–**	**27.9%**	**240 000**	**551 040**	**664 345**	**40.4%**	**49.0%**
Universal Service and Access Fund: Broadcasting digital migration	–	220 000	230 000	240 000	–	27.9%	240 000	551 040	664 345	40.4%	49.0%

Table 27.13 ICT Infrastructure Support

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Non-profit institutions											
Current	**–**	**–**	**198**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-profit institution	–	–	198	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	**–**	**–**	**–**	**76 000**	**–**	**3.1%**	**62 000**	**64 852**	**68 289**	**-3.5%**	**7.8%**
South African Broadcasting Corporation: Digital migration project	–	–	–	76 000	–	3.1%	62 000	64 852	68 289	-3.5%	7.8%
Capital	**71 000**	**388 900**	**165 834**	**535 304**	**96.1%**	**47.0%**	**69 805**	**–**	**–**	**-100.0%**	**17.5%**
Sentech: Digitisation	71 000	268 900	165 834	423 304	81.3%	37.6%	69 805	–	–	-100.0%	14.3%
Sentech: African Nations Championship	–	–	–	6 000	–	0.2%	–	–	–	-100.0%	0.2%
Sentech: Digital terrestrial television (dual illumination)	–	120 000	–	106 000	–	9.2%	–	–	–	-100.0%	3.1%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	**55**	**–**	**–**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Public corporations and private enterprises	55	–	–	–	-100.0%	–	–	–	–	–	–

Personnel information

Table 27.14 Details of approved establishment and personnel numbers according to salary level[1]

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Infrastructure Support			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**47**	**4**	**38**	**10.5**	**0.3**	**38**	**33.6**	**0.9**	**38**	**28.9**	**0.8**	**38**	**30.1**	**0.8**	**38**	**32.6**	**0.9**	**–**	**100.0%**
1 – 6	–	2	2	0.4	0.2	2	2.6	1.3	2	1.7	0.9	2	1.9	0.9	2	2.0	1.0	–	5.3%
7 – 10	17	1	14	3.9	0.3	14	13.5	1.0	14	12.2	0.9	14	12.6	0.9	14	13.4	1.0	–	36.8%
11 – 12	11	–	10	2.8	0.3	10	7.3	0.7	10	7.8	0.8	10	8.1	0.8	10	8.6	0.9	–	26.3%
13 – 16	19	1	12	3.4	0.3	12	10.2	0.8	12	7.1	0.6	12	7.6	0.6	12	8.6	0.7	–	31.6%

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

Expenditure trends

The spending focus over the medium term will be on implementing the broadband policy, finalising the broadband implementation plan, and making transfers of the set top box subsidy for poor households through the Universal Service and Access Agency of South Africa. The transfer to the agency is the reason for the significant spending projected over the medium term in the *Digital Terrestrial Television* subprogramme. Between 2011/12 and 2013/14, R690 million was transferred to the agency to cover the subsidies for the set top boxes. These funds remain unused due to a delay in finalising the criteria to determine qualifying households and the court case around the set top box mechanism. The funds have been retained for use over the medium term. An additional R700 million has been made available under the *Digital Terrestrial Television* subprogramme to enable the agency to roll out set top boxes, antennae and installation over the medium term.

Funds have also been reprioritised towards planning for the broadband rollout, which accounts for the strong growth in the *Broadband* subprogramme over the medium term. The department also aims to finalise government's policy on radio frequency spectrum in the next few months. The release of high demand spectrum has the potential to play an important role in improving access to wireless broadband. The large increase in external audit costs in 2012/13 is due to performance audits carried out on the national frequency spectrum in order to determine if it was used efficiently.

Spending on travel and subsistence is expected to increase to R5.7 million in 2016/17 due to increased travelling relating to the implementation of the digital terrestrial television project. This project also increased spending on transfers to Sentech between 2010/11 and 2013/14, as funding was made available for digitisation in support of government's target to switch off the analogue signal in June 2015. Over the medium term, expenditure is projected to decrease significantly due to the final allocation to Sentech for digital terrestrial television in 2014/15.

The national cybersecurity policy framework was approved by Cabinet, and mandates the establishment of a cybersecurity hub in terms of the justice, crime prevention and security cluster. The department entered into a memorandum of understanding with the Council for Scientific and Industrial Research to establish this hub, which further accounts for the large increase in consultants in 2011/12. Expenditure on consultants increased significantly between 2010/11 and 2013/14, due to an additional allocation received through the adjustments budget for school connectivity, and for service providers who assisted the department to develop the report on baseline data on broadband coverage, penetration, speed and cost, and implementing a testing centre for set top boxes. In addition, the increase in spending on goods and services over the medium term, particularly on consultants, is as a result of funds from the 112 emergency call centre project being reprioritised to the broadcast digital migration project, which will include a call centre to deal with queries related to the migration process. To give effect to Cabinet approved budget reductions, R15 million over the medium term has been reduced from spending on consultants. This programme had a staff complement of 47 funded posts at the end of November 2013, of which 38 are envisaged to be filled by 2014/15.

Public entities and other agencies

South African Broadcasting Corporation

Mandate and goals

The South African Broadcasting Corporation is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). Its mandate is set out in its charter and in the Broadcasting Act (1999), which requires it to provide radio and television broadcasting services to South Africa.

The corporation's strategic goals over the medium term are to:

- ensure access of its services to all citizens throughout the country
- inform, educate and entertain and provide services in all official languages
- reflect both the unity and diverse cultural and multilingual nature of South Africa and all of its cultures and regions, to audiences
- provide programming for children, women, youth and people with disabilities, and broadcast national, developmental and minority sports
- develop talent and showcase South African content
- provide independent news of high quality standards
- ensure the financial sustainability of the corporation through the cost effective use of budgets and resources
- implement the digital content strategy
- complete the digital migration and multi-channel offering.

Selected performance indicators

Table 27.15 South African Broadcasting Corporation

Indicator[1]	Programme/Activity/Objective	Past			Current	Projections		
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Value of operational expenditure: Digital terrestrial television per year	Digital terrestrial migration	–[2]	–[2]	0[3]	R70m	R130m	R250m	R1.5bn
Local content as a percentage of total public broadcasting service television per year	Local content delivery	75%	75%	75%	75%	75%	75%	75%
Local content as a percentage of total public commercial broadcasting service television	Local content delivery	35%	35%	35%	35%	35%	35%	35%
Local content as a percentage of total public broadcasting service radio	Local content delivery	70%	70%	70%	70%	70%	70%	70%
Local content as a percentage of total public commercial broadcasting service radio	Local content delivery	45%	45%	45%	45%	45%	45%	45%
Number of low power television transmitters switched on per year	Universal access transmitter rollout	426	300	300	300	367	–[4]	–[4]
Number of low power radio transmitters switched on per year	Universal access transmitter rollout	105	100	100	100	100	–[4]	–[4]

1. The entity is reviewing objectives in order to align it to its corporate plan, which means that *new programmes and existing programmes and special projects will be absorbed into others. Thus the current performance indicators will be different in the upcoming reporting period.*
2. No data in 2010/11 and 2011/12 as the project was delayed and the amounts reflected in the previous year were incorrect.
3. The operational expenditure on digital terrestrial television per year was zero in 2012/13 due to implementation delays. Thus the target was not achieved.
4. No data is available for 2015/16 and 2016/17 as the projects will be completed in 2014/15. Furthermore, the rollout of low power transmitters has been placed on hold.

Programmes/activities/objectives

Table 27.16 South African Broadcasting Corporation

	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	1 114 530	1 233 100	1 350 477	1 609 621	13.0%	20.2%	1 801 530	1 876 633	1 952 819	6.7%	22.6%
Local content delivery	2 259 105	2 228 765	2 220 836	2 466 350	3.0%	35.1%	2 620 152	2 754 729	2 905 561	5.6%	33.6%
Local content delivery	696 384	850 310	846 071	916 026	9.6%	12.6%	939 818	986 804	1 036 776	4.2%	12.1%
Universal access transmitter rollout	505 886	542 036	576 208	671 443	9.9%	8.7%	748 281	744 160	821 624	7.0%	9.3%
Sports of national Interest and mandate	793 934	493 715	705 201	683 265	-4.9%	10.3%	727 131	769 537	802 255	5.5%	9.3%
Digital terrestrial migration	788 586	844 328	841 507	937 579	5.9%	13.0%	1 027 414	1 085 689	1 122 957	6.2%	13.0%
Total expense	**6 158 425**	**6 192 254**	**6 540 300**	**7 284 284**	**5.8%**	**100.0%**	**7 864 326**	**8 217 552**	**8 641 992**	**5.9%**	**100.0%**

Expenditure estimates

Table 27.17 South African Broadcasting Corporation

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	**5 363 516**	**6 003 510**	**6 234 415**	**6 618 051**	7.3%	90.5%	**7 023 136**	**7 336 063**	**7 676 694**	5.1%	90.8%
Sale of goods and services other than capital assets	5 298 398	5 931 115	6 080 192	6 533 048	7.2%	89.1%	6 969 220	7 299 980	7 638 446	5.3%	90.1%
of which:											
Administrative fees	*911 777*	*931 967*	*957 787*	*1 011 776*	*3.5%*	*14.3%*	*1 106 676*	*1 155 535*	*1 207 323*	*6.1%*	*14.2%*
Sales by market establishment	*4 386 621*	*4 999 148*	*5 122 405*	*5 521 272*	*8.0%*	*74.8%*	*5 862 544*	*6 144 445*	*6 431 123*	*5.2%*	*75.9%*
Other non-tax revenue	65 118	72 395	154 223	85 003	9.3%	1.4%	53 916	36 083	38 248	-23.4%	0.7%
Transfers received	**665 638**	**532 237**	**635 397**	**688 513**	**1.1%**	**9.5%**	**744 412**	**730 308**	**744 636**	**2.6%**	**9.2%**
Total revenue	**6 029 154**	**6 535 747**	**6 869 812**	**7 306 564**	**6.6%**	**100.0%**	**7 767 548**	**8 066 371**	**8 421 330**	**4.8%**	**100.0%**
Expenses											
Current expenses	**6 087 730**	**6 089 501**	**6 427 735**	**7 229 862**	**5.9%**	**98.7%**	**7 806 520**	**8 156 542**	**8 577 592**	**5.9%**	**99.3%**
Compensation of employees	1 481 870	1 576 044	1 762 226	2 166 745	13.5%	26.6%	2 320 550	2 461 906	2 612 097	6.4%	29.9%
Goods and services	4 192 702	4 144 637	4 305 406	4 744 260	4.2%	66.5%	5 145 823	5 346 083	5 638 844	5.9%	65.2%
Depreciation	294 242	266 914	284 106	296 316	0.2%	4.4%	324 997	337 199	307 728	1.3%	4.0%
Interest, dividends and rent on land	118 916	101 906	75 997	22 541	-42.6%	1.3%	15 150	11 354	18 923	-5.7%	0.2%
Transfers and subsidies	**60 929**	**73 342**	**89 566**	**29 423**	**-21.5%**	**1.0%**	**57 806**	**61 010**	**64 400**	**29.8%**	**0.7%**
Total expenses	**6 158 425**	**6 192 254**	**6 540 300**	**7 284 284**	**5.8%**	**100.0%**	**7 864 326**	**8 217 552**	**8 641 992**	**5.9%**	**100.0%**
Surplus/(Deficit)	**(129 271)**	**343 493**	**329 512**	**22 280**	**-155.7%**		**(96 778)**	**(151 181)**	**(220 662)**	**-314.8%**	

Table 27.17 South African Broadcasting Corporation

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Carrying value of assets	1 657 389	1 495 979	1 337 542	1 220 292	-9.7%	31.5%	1 242 437	1 252 758	1 293 434	2.0%	32.1%
of which:											
Acquisition of assets	*115 164*	*104 530*	*124 734*	*180 000*	*16.1%*	*2.9%*	*350 000*	*350 000*	*350 000*	*24.8%*	*8.0%*
Investments	854 355	1 095 558	1 018 769	1 336 886	16.1%	24.0%	896 826	605 756	757 992	-17.2%	22.7%
Inventory	932 483	866 805	689 636	554 833	-15.9%	16.7%	677 016	655 825	632 370	4.5%	16.2%
Receivables and prepayments	961 050	1 034 886	927 910	1 077 436	3.9%	22.2%	1 055 816	1 107 436	1 161 784	2.5%	28.2%
Cash and cash equivalents	108 753	217 732	207 428	20 000	-43.1%	3.0%	20 000	20 000	20 000	–	0.5%
Defined benefit plan assets	226 633	155 277	69 202	–	-100.0%	2.4%	–	–	–	–	–
Derivatives financial instruments	4 847	4 755	6 759	6 759	11.7%	0.1%	6 759	6 759	6 759	–	0.2%
Total assets	**4 745 510**	**4 870 992**	**4 257 246**	**4 216 206**	**-3.9%**	**100.0%**	**3 898 854**	**3 648 534**	**3 872 339**	**-2.8%**	**100.0%**
Accumulated surplus/(deficit)	848 199	1 115 780	1 333 926	1 303 427	15.4%	25.8%	1 206 410	1 054 854	844 377	-13.5%	28.1%
Capital and reserves	2 455	3 138	5 765	5 765	32.9%	0.1%	5 765	5 765	5 765	–	0.1%
Capital reserve fund	507 167	435 710	280 037	346 764	-11.9%	8.6%	326 650	260 727	209 652	-15.4%	7.3%
Borrowings	1 179 145	788 390	359 660	–	-100.0%	12.4%	–	–	344 727	–	2.2%
Finance lease	167 661	389 031	56 978	175 768	1.6%	4.3%	224	–	–	-100.0%	1.0%
Deferred income	130 346	122 828	191 780	115 370	-4.0%	3.1%	115 370	115 370	115 370	–	3.0%
Trade and other payables	990 297	932 770	694 460	781 327	-7.6%	18.7%	899 616	900 872	931 121	6.0%	22.6%
Taxation	57 198	62 988	68 902	–	-100.0%	1.0%	–	–	–	–	–
Provisions	835 658	992 966	1 237 709	1 360 175	17.6%	24.8%	1 317 194	1 283 355	1 393 716	0.8%	34.3%
Derivatives financial instruments	27 390	27 391	28 029	127 610	67.0%	1.2%	27 625	27 591	27 611	-40.0%	1.3%
Total equity and liabilities	**4 745 516**	**4 870 992**	**4 257 246**	**4 216 206**	**-3.9%**	**100.0%**	**3 898 854**	**3 648 534**	**3 872 339**	**-2.8%**	**100.0%**

Personnel information

Table 27.18 South African Broadcasting Corporation

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**3 720**	**3 720**	**3 687**	**1 762.2**	**0.5**	**3 621**	**2 166.7**	**0.6**	**3 720**	**2 320.6**	**0.6**	**3 720**	**2 461.9**	**0.7**	**3 661**	**2 612.1**	**0.7**	**6.4%**	**100.0%**
7 – 10	2 569	2 569	2 537	939.1	0.4	2 483	1 145.4	0.5	2 570	1 226.7	0.5	2 570	1 301.4	0.5	2 511	1 380.8	0.5	6.4%	68.8%
11 – 12	989	989	989	653.7	0.7	985	802.9	0.8	996	859.9	0.9	996	912.3	0.9	996	968.0	1.0	6.4%	27.0%
13 – 16	162	162	161	169.4	1.1	153	218.4	1.4	154	233.9	1.5	154	248.2	1.6	154	263.3	1.7	6.4%	4.2%

1. Rand million.

Expenditure trends

The corporation generates revenues mainly from television licence fees, advertising and sponsorships, as well as a transfer from the department. Over the MTEF period, revenue is expected to increase from R7.3 billion in 2013/14 to R8.4 billion in 2016/17, due to the increase in advertising revenue in line with the new multichannel environment created by the expected rollout of digital terrestrial television.

The spending focus over the MTEF period will be on realigning the organisation's operational model with the digital broadcasting requirements, with an emphasis on audiences, editorial integrity, developing local content, and telling authentic South African stories. Expenditure is expected to increase from R7.3 billion in 2013/14 to R8.6 billion in 2016/17, mainly due to activities involving improving the corporation's services offered around radio, television, news and sports content. The increase in spending between 2010/11 and 2013/14 was due to higher broadcast costs, signal distribution costs, and the remuneration of freelance artists. Moreover, higher revenue collection costs also contributed to the increasing costs over the same period as the corporation attempted to improve liquidity. At the end of December 2012, the entity had achieved a positive liquidity ratio of above R1 billion and was further able to settle its bank loan by September 2013, 14 months earlier than the expected loan term. This saved the entity R17 million in interest.

The corporation had a funded establishment of 3 720 posts, of which 3 621 were filled at the end of November 2013. The number of filled posts is expected to increase to 3 661 over the medium term, which explains the

subsequent increase in spending on compensation of employees by 6.4 per cent between 2013/14 and 2016/17. The additional appointments are to meet the requirements for implementing digital terrestrial television and the organisation's strategy to expand regional content and thus contribute to job creation.

South African Post Office

Mandate and goals

The 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 South African Post Office SOC Ltd Act (2011) and the South African Postbank Limited Act (2010). The Postal Services Act (1998) grants it an exclusive mandate to conduct postal services. This act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations and the financial services activities of Postbank.

The entity's strategic goals over the medium term are to:

- maintain good corporate governance principles
- remain customer centric by providing quality services
- invest in employees by building capacity and implementing transformation programmes
- attain financial sustainability while delivering on government's social mandate
- provide affordable postal and related services that meet the needs of customers
- remain environmentally conscious by promoting green practices
- provide a secure, efficient and integrated infrastructure for better responses to its stakeholders
- continue the corporatisation of Postbank and the upgrading of its banking systems.

Selected performance indicators

Table 27.19 South African Post Office

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of new points of presence per year	Mail, retail and e-business	Outcome 6: An efficient, competitive and responsive infrastructure network	20	50	50	50	50	50	50
Total number of points of presence	Mail, retail and e-business		2 487	2 537	2 497	2 547	2 597	2 647	2 697
Number of new addresses as part of the address expansion	Mail, retail and e-business	Outcome 11: Create a better South Africa and contributing to a better and safer Africa in a better world	1 646 000	1 199 273	1 201 263	1 195 690	1 195 690	1 195 690	1 195 690
Postbank depositor's funds	Postbank		R4bn	R4.3bn	R4.5bn	R4.8bn	R5.1bn	R5.4bn	R5.7bn

Programmes/activities/objectives

Table 27.20 South African Post Office

	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	1 707 278	1 802 561	1 694 084	1 925 208	4.1%	28.3%	2 074 819	1 949 652	2 033 733	1.8%	27.4%
Logistics	574 611	634 320	664 567	678 240	5.7%	10.1%	763 452	818 068	872 806	8.8%	10.7%
Postbank	158 350	151 670	137 507	128 061	-6.8%	2.3%	183 666	193 686	204 255	16.8%	2.4%
Mail, retail and e- business	3 465 468	3 585 463	3 871 996	3 991 277	4.8%	59.2%	4 200 408	4 440 792	4 695 932	5.6%	59.4%
Total expense	**5 905 707**	**6 174 014**	**6 368 154**	**6 722 786**	**4.4%**	**100.0%**	**7 222 345**	**7 402 198**	**7 806 726**	**5.1%**	**100.0%**

Expenditure estimates

Table 27.21 South African Post Office

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	**5 717 386**	**6 151 427**	**6 137 502**	**6 440 550**	4.0%	97.8%	**6 859 077**	**7 007 732**	**7 376 954**	4.6%	100.0%
Sale of goods and services other than capital assets	5 576 062	5 700 797	5 696 236	5 878 811	1.8%	91.5%	6 323 975	6 696 792	7 079 354	6.4%	93.8%
of which:											
Sales by market establishment	*5 576 062*	*5 700 797*	*5 696 236*	*5 878 811*	*1.8%*	*91.5%*	*6 323 975*	*6 696 792*	*7 079 354*	*6.4%*	*93.8%*
Other non-tax revenue	141 324	450 630	441 266	561 739	58.4%	6.3%	535 102	310 940	297 600	-19.1%	6.2%
Transfers received	**306 077**	**180 442**	**51 965**	**–**	**-100.0%**	**2.2%**	**–**	**–**	**–**	**–**	**–**
Total revenue	**6 023 463**	**6 331 869**	**6 189 467**	**6 440 550**	**2.3%**	**100.0%**	**6 859 077**	**7 007 732**	**7 376 954**	**4.6%**	**100.0%**
Expenses											
Current expenses	**5 836 703**	**6 081 743**	**6 368 154**	**6 722 786**	**4.8%**	**99.3%**	**7 221 954**	**7 401 201**	**7 805 665**	**5.1%**	**100.0%**
Compensation of employees	3 095 374	3 372 014	3 600 566	3 816 600	7.2%	55.1%	4 045 598	4 272 159	4 507 118	5.7%	57.1%
Goods and services	2 473 432	2 464 252	2 533 703	2 648 177	2.3%	40.2%	2 905 321	2 843 344	2 997 413	4.2%	39.1%
Depreciation	187 511	193 892	161 832	188 728	0.2%	2.9%	199 101	209 875	221 213	5.4%	2.8%
Interest, dividends and rent on land	80 386	51 585	72 053	69 281	-4.8%	1.1%	71 934	75 823	79 921	4.9%	1.0%
Total expenses	**5 905 707**	**6 174 014**	**6 368 154**	**6 722 786**	**4.4%**	**100.0%**	**7 222 345**	**7 402 198**	**7 806 726**	**5.1%**	**100.0%**
Surplus/(Deficit)	**117 756**	**157 855**	**(178 687)**	**(282 236)**	**-233.8%**		**(363 268)**	**(394 466)**	**(429 772)**	**15.0%**	
Statement of financial position											
Carrying value of assets	1 360 927	1 269 267	1 260 380	1 301 208	-1.5%	12.5%	1 345 941	1 395 271	1 450 036	3.7%	12.7%
of which:											
Acquisition of assets	*186 697*	*105 895*	*158 471*	*176 400*	*-1.9%*	*1.5%*	*263 765*	*274 088*	*289 922*	*18.0%*	*2.3%*
Investments	3 021 033	4 922 721	4 740 622	5 254 699	20.3%	43.1%	5 580 820	5 939 109	6 309 694	6.3%	53.2%
Inventory	47 448	61 293	50 854	49 837	1.7%	0.5%	48 840	47 863	46 906	-2.0%	0.4%
Receivables and prepayments	625 655	527 699	608 479	596 309	-1.6%	5.7%	584 384	572 696	561 242	-2.0%	5.3%
Cash and cash equivalents	4 756 214	3 277 157	3 276 755	3 076 755	-13.5%	34.8%	2 876 755	2 576 755	2 276 755	-9.6%	25.0%
Non-current assets held for sale	–	201	–	–	–	0.0%	–	–	–	–	–
Taxation	285 866	316 928	379 813	422 056	13.9%	3.4%	379 850	341 866	307 679	-10.0%	3.4%
Total assets	**10 097 143**	**10 375 266**	**10 316 903**	**10 700 864**	**2.0%**	**100.0%**	**10 816 590**	**10 873 560**	**10 952 312**	**0.8%**	**100.0%**
Accumulated surplus/(deficit)	1 602 540	1 761 247	1 582 683	1 300 447	-6.7%	15.1%	937 179	542 713	112 941	-55.7%	6.7%
Capital and reserves	951 802	950 950	950 827	1 155 827	6.7%	9.7%	1 450 862	1 450 862	1 450 862	7.9%	12.7%
Capital reserve fund	237 458	94 602	79 580	39 790	-44.9%	1.1%	–	–	–	-100.0%	0.1%
Finance lease	51 714	60 302	68 913	74 673	13.0%	0.6%	80 646	87 098	94 066	8.0%	0.8%
Deferred income	346 726	373 049	354 941	347 842	0.1%	3.4%	340 885	334 068	327 386	-2.0%	3.1%
Trade and other payables	5 615 697	5 888 210	6 055 066	6 573 235	5.4%	58.1%	6 812 340	7 277 736	7 798 782	5.9%	65.6%
Taxation	28 862	8 937	826	867	-68.9%	0.1%	911	956	1 004	5.0%	0.0%
Provisions	1 253 692	1 237 969	1 224 067	1 208 183	-1.2%	11.9%	1 193 767	1 180 127	1 167 271	-1.1%	11.0%
Derivatives financial instruments	8 652	–	–	–	-100.0%	0.0%	–	–	–	–	–
Total equity and liabilities	**10 097 143**	**10 375 266**	**10 316 903**	**10 700 864**	**2.0%**	**100.0%**	**10 816 590**	**10 873 560**	**10 952 312**	**0.8%**	**100.0%**

Personnel information

Table 27.22 South African Post Office

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**23 560**	**31 776**	**15 557**	**3 600.6**	**0.2**	**23 362**	**3 816.6**	**0.2**	**23 408**	**4 045.6**	**0.2**	**23 431**	**4 272.2**	**0.2**	**23 447**	**4 507.1**	**0.2**	**5.7%**	**100.0%**
1 – 6	8 859	10 937	890	434.0	0.5	8 815	456.8	0.1	8 830	484.5	0.1	8 835	513.6	0.1	8 838	544.4	0.1	6.0%	37.7%
7 – 10	9 880	15 086	9 910	1 523.1	0.2	9 871	1 629.7	0.2	9 880	1 727.3	0.2	9 891	1 814.7	0.2	9 901	1 902.2	0.2	5.3%	42.2%
11 – 12	4 625	5 498	4 579	1 491.5	0.3	4 498	1 570.0	0.3	4 510	1 664.2	0.4	4 517	1 764.0	0.4	4 520	1 869.9	0.4	6.0%	19.3%
13 – 16	196	255	178	152.0	0.9	178	160.0	0.9	188	169.6	0.9	188	179.8	1.0	188	190.6	1.0	6.0%	0.8%

1. Rand million.

Expenditure trends

The entity generates revenue from the provision of postal, courier, and banking services, and from interest and financial transaction fees. The post office received a government subsidy to fund the universal services obligations and investment in infrastructure, but this came to an end in 2012/13. Revenue increased marginally by 2.3 per cent between 2010/11 and 2013/14 as a result of difficult trading conditions, declining mail volumes and lower interest rates. Revenue growth over the medium term is projected to increase at 4.6 per cent, from R6.4 billion in 2013/14 to R7.4 billion in 2016/17, due to the expected growth in income from the postal service, courier and banking services and financial transaction fees.

The spending focus over the medium term will be on continuing to provide for universal access obligations by creating 50 new post office points of presence per year, increasing the number of addresses to allow wider access to postal and financial services in the underserviced areas, and continuing with the corporatisation of Postbank. This provides for increasing the number of service points from 2 597 in 2014/15 to 2 697 in 2016/17, and the growth in Postbank depositor funds from R5.1 billion in 2014/15 to R5.7 billion in 2016/17. As a result, spending on the acquisition of assets remains high over the medium term.

The increase in expenditure of 4.4 per cent between 2010/11 and 2013/14 can be attributed to yearly inflation related adjustments to salaries, property costs and transport costs. Prudent cost management over this period, such as on transport, property, communication and security, has limited the expenditure increase. Expenditure over the medium term is expected to increase by 5.1 per cent, while staff costs are expected to increase by 5.7 per cent over the medium term to R4.5 billion in 2016/17. This is due to the entity's plans to increase its establishment to 23 447 by 2016/17 to meet the anticipated increase in demand for postal and financial services as the sector recovers. 23 362 posts in the entity's funded establishment of 23 560 posts in 2013 were filled.

Sentech

Mandate and goals

Sentech Limited is a state owned enterprise established in terms of the Sentech Act (1996) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). The company is mandated to provide broadcasting signal distribution for broadcasting licensees, with a particular focus on accelerating the implementation of government ICT interventions within the framework of the national development plan and the strategic integrated project for expanding access to communication technology.

The entity's strategic goals over the medium term are to:

- align its strategic roadmap with shareholder programmes to enable the development of open access government participation in the communications industry through infrastructure based investment
- continue working to support and realise government's ICT vision and goals, including innovation in broadcasting and media services and content management and distribution
- create solutions that enhance the customer experience and are in line with government's mandate of providing all citizens with access to communication services
- repackage social responsibility interventions and create community social investment ICT programmes that improve lives, create value and are sustainable.

Selected performance indicators

Table 27.23 Sentech

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage household coverage of digital television transmission infrastructure	Attain digital terrestrial television network objectives	Outcome 6: An efficient, competitive and responsive infrastructure network	60%	70%	80%	96%	100%	100%	100%
Terrestrial analogue television (measured by percentage availability)	Attain digital terrestrial television network objectives		100%	100%	100%	100%	100%	100%	100%
Digital terrestrial television (measured by percentage availability)	Attain digital terrestrial television network objectives		99%	100%	100%	100%	100%	100%	100%
Number of new radio transmitters switched on per year	Attain digital terrestrial television network objectives		10	10	10	10	21	21	21
Number of new television transmitters switched on per year	Attain digital terrestrial television network objectives		90	10	10	280	–[1]	–[1]	–[1]

1. The project is expected to be complete in 2013/14.

Programmes/activities/objectives

Table 27.24 Sentech

	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	323 671	449 333	572 120	272 584	-5.6%	49.5%	738 171	717 203	654 559	33.9%	60.5%
Attain digital terrestrial television network	357 690	291 103	402 390	609 234	19.4%	50.5%	200 918	283 148	421 095	-11.6%	39.5%
Total expense	**681 361**	**740 436**	**974 511**	**881 818**	**9.0%**	**100.0%**	**939 089**	**1 000 351**	**1 075 653**	**6.8%**	**100.0%**

Expenditure estimates

Table 27.25 Sentech

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	**818 020**	**838 452**	**858 644**	**881 731**	2.5%	93.4%	**928 441**	**983 089**	**1 032 284**	5.4%	89.8%
Sale of goods and services other than capital assets	757 932	776 325	831 159	846 807	3.8%	88.2%	895 807	945 540	998 490	5.6%	86.6%
of which:											
Sales by market establishment	*757 932*	*776 325*	*831 159*	*846 807*	*3.8%*	*88.2%*	*895 807*	*945 540*	*998 490*	*5.6%*	*86.6%*
Other non-tax revenue	60 088	62 127	27 485	34 924	-16.5%	5.2%	32 634	37 549	33 794	-1.1%	3.3%
Transfers received	**36 260**	**36 260**	**68 224**	**106 000**	**43.0%**	**6.6%**	**106 000**	**107 000**	**112 992**	**2.2%**	**10.2%**
Total revenue	**854 280**	**874 712**	**926 868**	**987 731**	**5.0%**	**100.0%**	**1 034 441**	**1 090 089**	**1 145 276**	**5.1%**	**100.0%**
Expenses											
Current expenses	**619 972**	**682 453**	**915 691**	**820 907**	**9.8%**	**92.6%**	**882 637**	**944 232**	**1 016 392**	**7.4%**	**94.0%**
Compensation of employees	230 878	265 664	289 521	290 241	7.9%	33.1%	379 705	378 219	399 399	11.2%	37.1%
Goods and services	268 444	339 795	399 771	463 506	20.0%	44.7%	437 773	496 544	540 822	5.3%	49.8%
Depreciation	99 846	58 528	33 366	65 122	-13.3%	8.3%	64 209	68 969	75 642	5.1%	7.0%
Interest, dividends and rent on land	20 804	18 466	193 034	2 038	-53.9%	6.4%	950	500	528	-36.3%	0.1%
Total expenses	**681 361**	**740 436**	**974 511**	**881 818**	**9.0%**	**100.0%**	**939 089**	**1 000 351**	**1 075 653**	**6.8%**	**100.0%**
Surplus/(Deficit)	**172 919**	**134 276**	**(47 643)**	**105 913**	**-15.1%**		**95 352**	**89 738**	**69 623**	**-13.1%**	
Statement of financial position											
Carrying value of assets	499 168	506 808	545 559	609 440	6.9%	29.9%	680 287	610 400	644 582	1.9%	40.0%
of which:											
Acquisition of assets	*67 103*	*81 053*	*457 073*	*913 790*	*138.8%*	*22.7%*	*69 270*	*12 135*	*18 931*	*-72.5%*	*17.1%*
Inventory	7 315	7 491	13 127	11 372	15.8%	0.5%	8 529	6 823	7 205	-14.1%	0.5%
Receivables and prepayments	31 408	41 235	60 495	36 425	5.1%	2.3%	32 812	30 627	32 342	-3.9%	2.1%
Cash and cash equivalents	1 135 800	1 605 937	1 560 260	815 139	-10.5%	67.1%	830 169	977 397	1 032 131	8.2%	57.2%
Defined benefit plan assets	1 300	1 300	–	1 500	4.9%	0.1%	1 750	1 900	2 006	10.2%	0.1%
Taxation	11 476	322	–	–	-100.0%	0.2%	–	–	–	–	–
Total assets	**1 686 467**	**2 163 093**	**2 179 441**	**1 473 876**	**-4.4%**	**100.0%**	**1 553 547**	**1 627 147**	**1 718 267**	**5.2%**	**100.0%**

Table 27.25 Sentech

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Accumulated surplus/(deficit)	216 354	350 629	302 987	586 159	39.4%	19.5%	681 511	771 249	814 439	11.6%	44.6%
Capital and reserves	529 294	558 446	586 655	614 664	5.1%	30.2%	593 051	589 493	619 521	0.3%	38.0%
Capital reserve fund	638 432	889 294	792 648	206 000	-31.4%	31.9%	27 000	36 000	41 000	-41.6%	5.1%
Borrowings	64 731	45 429	55 512	–	-100.0%	2.1%	–	–	–	–	–
Trade and other payables	85 036	105 014	224 229	56 232	-12.9%	5.9%	33 739	23 245	24 547	-24.1%	2.2%
Taxation	10 643	2 653	5 907	10 071	-1.8%	0.4%	4 858	2 820	2 978	-33.4%	0.3%
Provisions	141 977	211 628	211 503	200 750	12.2%	10.0%	213 388	204 341	215 784	2.4%	13.1%
Total equity and liabilities	**1 686 467**	**2 163 093**	**2 179 441**	**1 673 876**	**-0.2%**	**100.0%**	**1 553 547**	**1 627 148**	**1 718 268**	**0.9%**	**103.4%**

Personnel information

Table 27.26 Sentech

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**613**	**613**	**522**	**289.5**	**0.6**	**523**	**290.2**	**0.6**	**613**	**379.7**	**0.6**	**613**	**378.2**	**0.6**	**613**	**399.4**	**0.7**	**11.2%**	**100.0%**
1 – 6	48	48	40	9.6	0.2	38	10.8	0.3	48	12.5	0.3	48	13.3	0.3	48	14.2	0.3	9.4%	7.7%
7 – 10	71	71	70	24.0	0.3	69	21.9	0.3	71	32.2	0.5	71	26.7	0.4	71	28.4	0.4	9.0%	12.0%
11 – 12	327	327	282	111.0	0.4	279	106.4	0.4	327	135.4	0.4	327	134.0	0.4	327	141.5	0.4	10.0%	53.3%
13 – 16	153	153	121	123.0	1.0	127	127.5	1.0	153	169.3	1.1	153	171.1	1.1	153	180.0	1.2	12.2%	24.8%
17 – 22	14	14	9	21.9	2.4	10	23.6	2.4	14	30.4	2.2	14	33.1	2.4	14	35.3	2.5	14.3%	2.2%

1. Rand million.

Expenditure trends

Sentech derives its revenue from terrestrial television services, terrestrial FM and AM radio services, satellite linking, facility rentals sales, direct to home satellite services, and very small aperture terminal services. The entity also receives transfers from the department to cover incremental costs arising from the dual illumination period, during which the analogue and digital television signals will be run at the same time. Revenues from operations, excluding transfers from government, increased from R757.9 million in 2010/11 to R846.8 million in 2013/14 as a result of tariff increases, with little new sales activity during this period. Revenue is not expected to grow significantly over the medium term.

Over the medium term, Sentech's spending focus will be on investing in capital assets to expand the network to new sites in areas that were previously not covered, and preparing for the launch of commercial digital terrestrial television. This accounts for the large acquisition of assets in 2013/14 and 2014/15 as the entity, through the digital terrestrial television project, has to ensure that the country benefits from the evolution of broadcast television in the advance from analogue to digital television. The upward trend in goods and services expenditure over the MTEF period is also as a result of additional services emanating from the expansion of the digital terrestrial television network to provide national coverage, and the increased travel and subsistence costs incurred by the maintenance teams. Given the digital terrestrial television network project's target to cover a certain percentage of the country, maintenance teams are required to travel more regularly to conduct upgrades and maintenance on the network. The escalating fuel and electricity costs and other related costs all contribute to the higher spending on goods and services over the medium term.

At the end of November 2013, the entity had a total of 523 filled posts out of a total funded establishment of 613. The number of filled posts is expected to increase from 522 in 2012/13 to 613 over the medium term due to additional personnel requirements, which will see employee costs increasing over the same period. The additional personnel will be used to support the new business endeavours, which bring with it a variety of changes in the company's managerial, legal, and financial structure, needs, and objectives. At the end of

November 2013, there were 34 appointments and 35 terminations and retirements. The vacancies were mostly at the skilled and middle management levels, but are not expected to affect service delivery.

Independent Communications Authority of South Africa

Mandate and goals

The Independent Communications Authority of South Africa was established in terms of the Independent Communications Authority of South Africa Act (2000), as amended, and is listed as a schedule 1 constitutional institution in terms of the Public Finance Management Act (1999). The authority makes regulations and issues communications licences in terms of the Electronic Communications Act (2005) and Postal Services Act (1998). Enabling legislation also empowers the authority to monitor and enforce licensee compliance with licence terms and conditions; and protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licensees, and controls and manages the frequency spectrum.

As part of delivering on the requirements of the national development plan, the authority has identified five strategic goals over the medium term. These are to:

- promote competition by removing bottlenecks, ensure that South African ICT retail prices fairly reflect costs, ensure effective participation by historically disadvantaged individuals and in terms of broad based black economic empowerment
- facilitate nationwide broadband penetration by 2020, and promote the development of public community and commercial broadcasting services in the context of digital migration
- promote the efficient use of spectrum resources by establishing innovative approaches to technology usage, and support the rapid uptake of new ICT technologies
- promote consumers' rights and ensure universal service and access
- modernise the authority through improved operational processes and performance.

Selected performance indicators

Table 27.27 Independent Communications Authority of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of pre-assigned spectrum licenses processed per year	Licensing and compliance	Outcome 6: An efficient, competitive and responsive infrastructure network	1 350	1 485	1 634	1 600	1 600	1 600	1 600
Number of licences issued per year (class broadcasting services, class electronic communications services, electronic communications network services and unreserved	Licensing and compliance		25	30	35	124	132	147	147
Number of applications closed per year (equipment type approvals)	Engineering and technology		2 000	2 223	2 000	2 300	2 300	2 300	2 300
Number of applications closed per year (spectrum licensing)	Engineering and technology		3 040	3 344	3 680	2 800	2 940	3 087	3 087
Percentage of people consumer complaints resolved (consumer affairs)	Consumer affairs		1	1	1	1	1	1	1
Number of people who participated in public awareness campaigns per year (public awareness)	Consumer affairs		672	705	740	450	500	550	600
Number of tariff lodgements per year	Consumer affairs		55	52	52	72	70	70	75

Programmes/activities/objectives

Table 27.28 Independent Communications Authority of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	223 919	229 570	232 339	229 681	0.9%	70.1%	249 284	262 994	290 108	8.1%	65.2%
Licensing and compliance	19 541	22 463	22 348	30 665	16.2%	7.2%	33 044	34 632	36 293	5.8%	8.5%
Engineering and technology	33 324	33 172	37 493	42 812	8.7%	11.2%	46 115	48 419	50 817	5.9%	11.9%
Markets and competition	16 472	17 741	21 014	31 465	24.1%	6.5%	33 551	35 010	36 540	5.1%	8.6%
Consumer affairs	12 682	10 859	21 736	20 758	17.9%	5.0%	22 109	23 062	24 066	5.1%	5.7%
Total expense	**305 938**	**313 805**	**334 930**	**355 381**	**5.1%**	**100.0%**	**384 103**	**404 116**	**437 825**	**7.2%**	**100.0%**

Expenditure estimates

Table 27.29 Independent Communications Authority of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	**5 908**	**6 971**	**6 289**	**10 216**	20.0%	2.1%	**5 512**	**5 024**	**6 000**	-16.3%	1.7%
Sale of goods and services other than capital assets	7	7	–	–	-100.0%	0.0%	–	–	–	–	–
of which:											
Administrative fees	*7*	*7*	–	–	*-100.0%*	*0.0%*	–	–	–	–	–
Other non-tax revenue	5 901	6 964	6 289	10 216	20.1%	2.1%	5 512	5 024	6 000	-16.3%	1.7%
Transfers received	**290 923**	**313 378**	**342 385**	**390 661**	**10.3%**	**97.9%**	**376 221**	**393 619**	**414 481**	**2.0%**	**98.3%**
Total revenue	**296 831**	**320 349**	**348 673**	**400 877**	**10.5%**	**100.0%**	**381 733**	**398 643**	**420 481**	**1.6%**	**100.0%**
Expenses											
Current expenses	**305 938**	**313 804**	**334 928**	**355 380**	**5.1%**	**100.0%**	**384 103**	**404 116**	**437 825**	**7.2%**	**100.0%**
Compensation of employees	171 543	186 210	194 269	214 098	7.7%	58.4%	232 007	244 947	257 194	6.3%	60.0%
Goods and services	121 001	118 571	128 048	123 482	0.7%	37.6%	133 314	144 169	165 631	10.3%	35.7%
Depreciation	13 394	9 023	12 612	17 800	9.9%	4.0%	18 782	15 000	15 000	-5.5%	4.3%
Total expenses	**305 938**	**313 804**	**334 928**	**355 380**	**5.1%**	**100.0%**	**384 103**	**404 116**	**437 825**	**7.2%**	**100.0%**
Surplus/(Deficit)	**(9 106)**	**6 545**	**13 745**	**45 497**	**-271.0%**		**(2 370)**	**(5 473)**	**(17 344)**	**-172.5%**	
Statement of financial position											
Carrying value of assets	100 374	99 579	99 264	198 103	25.4%	12.4%	208 000	203 000	197 300	-0.1%	69.1%
of which:											
Acquisition of assets	*22 437*	*12 421*	*17 105*	*46 975*	*27.9%*	*2.4%*	*31 412*	*9 300*	–	*-100.0%*	*5.3%*
Investments	898 483	–	–	–	-100.0%	21.4%	–	–	–	–	–
Inventory	–	508	530	510	–	0.0%	530	550	560	3.2%	0.2%
Receivables and prepayments	7 603	666 190	720 733	876 094	386.6%	58.6%	8 100	8 300	8 600	-78.6%	22.1%
Cash and cash equivalents	41 110	45 551	155 117	50 000	6.7%	7.5%	23 000	23 500	23 500	-22.3%	8.6%
Total assets	**1 047 570**	**811 828**	**975 644**	**1 124 706**	**2.4%**	**100.0%**	**239 630**	**235 350**	**229 960**	**-41.1%**	**100.0%**
Accumulated surplus/(deficit)	112 554	119 586	133 589	215 430	24.2%	14.3%	207 006	198 900	190 560	-4.0%	68.2%
Capital reserve fund	–	–	63 412	47 000	–	2.6%	–	–	–	-100.0%	1.0%
Finance lease	–	1 604	988	680	–	0.1%	324	2 250	1 400	27.2%	0.4%
Trade and other payables	22 991	15 475	19 663	3 500	-46.6%	1.6%	4 000	4 500	5 000	12.6%	1.5%
Provisions	6 610	9 154	10 185	25 300	56.4%	1.2%	28 300	29 700	33 000	9.3%	10.3%
Managed funds (e.g. poverty alleviation fund)	905 417	665 837	747 716	906 453	0.0%	80.2%	–	–	–	-100.0%	20.1%
Total equity and liabilities	**1 047 571**	**811 656**	**975 554**	**1 198 363**	**4.6%**	**100.0%**	**239 630**	**235 350**	**229 960**	**-42.3%**	**101.6%**

Personnel information

Table 27.30 Independent Communications Authority of South Africa

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**394**	**419**	**413**	**194.3**	**0.5**	**405**	**214.1**	**0.5**	**408**	**232.0**	**0.6**	**410**	**244.9**	**0.6**	**410**	**257.2**	**0.6**	**6.3%**	**100.0%**
1 – 6	20	20	65	6.5	0.1	32	4.0	0.1	35	4.3	0.1	37	4.7	0.1	37	4.9	0.1	7.5%	8.6%
7 – 10	80	101	71	19.7	0.3	80	24.0	0.3	80	25.2	0.3	80	26.4	0.3	80	27.8	0.3	5.0%	19.6%
11 – 12	220	224	212	102.3	0.5	219	114.0	0.5	219	118.6	0.5	219	125.7	0.6	219	132.0	0.6	5.0%	53.6%
13 – 16	73	73	64	64.0	1.0	73	70.2	1.0	73	81.9	1.1	73	86.0	1.2	73	90.3	1.2	8.7%	17.9%
17 – 22	1	1	1	1.8	1.8	1	1.9	1.9	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	5.0%	0.2%

1. Rand million.

Expenditure trends

The spending focus over the medium term will be on enhancing regulatory capacity, improving access to broadband services and optimising the use of the radio frequency spectrum to extend access to affordable ICT services to all South Africans. The increase in expenditure between 2009/10 and 2012/13 was mainly due to funding made available in 2012/13 for projects relating to digital terrestrial television, the provision of broadband services and additional commercial radio services, and the broadcasting of the 2013 African Cup of Nations soccer tournament. The projected deficits over the medium term are due to major projects that have been delayed in previous years that will now be executed over the MTEF period. The allocation and efficient use of broadband spectrum will play an important role in the rollout of broadband services in the country. The authority will acquire customer relations, management and spectrum management tools to ensure the optimal use of spectrum by licence holders. In order to improve spectrum management, core modules of the new spectrum management system will be implemented. Hand held spectrum analysers will be bought and test equipment upgrades will be made in order to support digital technology. These and other projects account for the large increase in acquisition of assets in 2014/15, and the deficits over the medium term.

The number of posts decreased from 413 in 2012/13to 405 in 2013/14 as a result of the decision to place a moratorium to freeze non-core or less significant vacant posts until such time that the authority has finalised the organisational review. Over the medium term, staff numbers are expected to increase to 410, mainly to support the monitoring and enforcement function of the authority.

National Electronic Media Institute of South Africa

Mandate and goals

The National Electronic Media Institute of South Africa was established as a non-profit institute of education by the Department of Communications 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). Formed as part of a government initiative in 1998 in response to the White Paper on Broadcasting Policy, the institute's main purpose is to train previously disadvantaged individuals, particularly women, to equip them with the necessary skills to play significant roles in the constantly changing broadcasting environment. The institute offers hands-on training in electronic media, including content design and production, technical operations and content transmission.

The institute's ongoing activities included offering national certificates and short courses in the areas of television production, animation and radio production. The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines.

The department has started a process to transfer the e-Skills Institute and the Institute for Space and Software Applications to the institute in order to establish a new body that will become a key national catalytic collaborator in e-skilling the nation in relation to: employment readiness; effective e-governance and service delivery; business development; socioeconomic development; and research and development, which is critical for the development of South Africa.

Selected performance indicators

Table 27.31 National Electronic Media Institute of South Africa[1]

Indicator	Programme/Activity/Objective	Outcome	Past			Current[1]	Projections[1]		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of learners trained in the television production per year	Recruit and train learners in the electronic media sphere; and promote the institute as the training institute of choice in the ICT sector, especially for creative media and broadcasting	Outcome 5: A skilled and capable workforce to support an inclusive growth path	23	35	38	38	–	–	–
Number of learners trained in the radio production per year	Recruit and train learners in the electronic media sphere; and promote the institute as the training institute of choice in the ICT sector, especially for creative media and broadcasting		19	25	24	17	–	–	–
Number of learners trained in the Graphic design per year	Recruit and train learners in the electronic media sphere; and promote the institute as the training institute of choice in the ICT sector, especially for creative media and broadcasting		40	40	15	46	–	–	–
Number of special projects offered per year: television production	Establish a sustainable digital content development hub, and provide advanced multimedia skills and enhance local content generation		40	40	–	84	–	–	–

1. The institute is undergoing restructuring. New programmes and special projects will be created, and some of the existing programmes and special projects will be absorbed into others. Thus no projections are available.

Programmes/activities/objectives

Table 27.32 National Electronic Media Institute of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	39 416	41 113	41 814	35 486	-3.4%	91.8%	28 360	29 594	30 859	-4.6%	72.4%
Establish a sustainable digital content development hub, and provide advanced multimedia skills and enhance local content generation	–	–	–	17 415	–	8.2%	9 760	10 286	10 841	-14.6%	27.6%
Total expense	**39 416**	**41 113**	**41 814**	**52 901**	**10.3%**	**100.0%**	**38 120**	**39 880**	**41 700**	**-7.6%**	**100.0%**

Expenditure estimates

Table 27.33 National Electronic Media Institute of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	**2 525**	**2 203**	**6 723**	**2 155**	-5.1%	8.5%	**260**	**280**	**–**	-100.0%	1.4%
Sale of goods and services other than capital assets	1 940	1 973	6 228	1 905	-0.6%	7.5%	–	–	–	-100.0%	0.9%
of which:											
Sales by market establishment	*1 940*	*1 973*	*6 228*	*1 905*	*-0.6%*	*7.5%*	–	–	–	*-100.0%*	*0.9%*
Other non-tax revenue	585	230	495	250	-24.7%	1.0%	260	280	–	-100.0%	0.5%
Transfers received	**32 602**	**33 473**	**34 116**	**50 746**	**15.9%**	**91.5%**	**37 859**	**39 601**	**41 700**	**-6.3%**	**98.6%**
Total revenue	**35 127**	**35 676**	**40 839**	**52 901**	**14.6%**	**100.0%**	**38 119**	**39 881**	**41 700**	**-7.6%**	**100.0%**
Expenses											
Current expenses	**39 416**	**41 113**	**41 814**	**37 901**	**-1.3%**	**92.9%**	**38 119**	**39 881**	**41 700**	**3.2%**	**92.9%**
Compensation of employees	11 905	17 488	16 930	16 723	12.0%	36.2%	21 738	22 912	24 148	13.0%	51.0%
Goods and services	24 703	20 950	22 930	18 701	-8.9%	51.0%	14 597	15 285	15 988	-5.1%	37.6%
Depreciation	2 808	2 675	1 954	2 477	-4.1%	5.7%	1 784	1 684	1 564	-14.2%	4.3%
Transfers and subsidies	**–**	**–**	**–**	**15 000**	**–**	**7.1%**	**–**	**–**	**–**	**-100.0%**	**7.1%**
Total expenses	**39 416**	**41 113**	**41 814**	**52 901**	**10.3%**	**100.0%**	**38 119**	**39 881**	**41 700**	**-7.6%**	**100.0%**
Surplus/(Deficit)	**(4 289)**	**(5 437)**	**(975)**	**–**	**-100.0%**		**–**	**–**	**–**	**–**	

Personnel information

Table 27.34 National Electronic Media Institute of South Africa

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**33**	**33**	**40**	**16.9**	**0.4**	**33**	**16.7**	**0.5**	**56**	**21.7**	**0.4**	**54**	**22.9**	**0.4**	**53**	**24.1**	**0.5**	**13.0%**	**100.0%**
1 – 6	–	–	2	0.1	0.1	–	–	–	9	1.0	0.1	7	0.7	0.1	7	0.7	0.1	–	10.6%
7 – 10	11	11	18	5.1	0.3	11	3.1	0.3	22	6.3	0.3	21	6.2	0.3	18	5.6	0.3	21.0%	36.4%
11 – 12	13	13	12	5.1	0.4	13	5.6	0.4	17	7.4	0.4	17	7.8	0.5	19	8.8	0.5	16.2%	34.3%
13 – 16	9	9	8	6.6	0.8	9	8.0	0.9	8	7.0	0.9	9	8.2	0.9	9	9.1	1.0	4.4%	18.8%

1. Rand million.

Expenditure trends

The spending focus over the medium term will be on the integration of the e-Skills Institute and the Institute for Space and Software Applications. The e-Skills institute is a government initiative that aims to skill the nation in employment readiness, effective e-governance and service delivery, business development, socioeconomic development, and research development. This will complement the work of the institute, especially around the training of previously disadvantaged individuals to play meaningful roles in the broadcasting industry. The institute establishment and budget has not been finalised to include the budget for the e-Skills Institute and Space and Software Applications Institute. The new model of the institute is designed to achieve more with fewer resources by leveraging on existing infrastructure and resources. Staff numbers are expected to increase over the medium term due to the planned merger of the three institutes. This also accounts for the 13 per cent growth in spending on compensation of employees over the medium term. At the end of November 2013, the entity had an establishment of 33 posts, all of which are funded and none of which were vacant.

Expenditure on compensation of employees increased significantly between 2010/11 and 2013/14, as the institute reprioritised funds from non-essential items, such as catering, and contractors, to provide for part time additional staff employed over this period. In 2012, the entity's board decided to put the filling of non-essential permanent posts on hold until the establishment of the new institute is finalised.

In 2013/14, the department implemented cost saving measures to reduce spending. The measures include opting to advertise in the Government Gazette and newspapers with lower advertising rates, and ensuring that the meetings for different board committees are scheduled on the same day.

Universal Services and Access Agency of South Africa and Universal Service and Access Fund

Mandate and goals

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 strategic goals over the medium term are to:

- facilitate the rollout of broadband infrastructure in the 250 identified underserviced areas
- ensure that all targeted needy households are subsidised in the switch to digital broadcasting
- ensure the effective and efficient administration of the Universal Service and Access Fund
- enhance the strategic and operational capacity of the agency and maintain good corporate governance
- facilitate connectivity in primary health care facilities and government institutions
- facilitate connectivity in all schools, including schools for people with disabilities.

Selected performance indicators

Table 27.35 Universal Service and Access Agency of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of under-serviced areas covered with broadband infrastructure per year	Broadband infrastructure in under-serviced areas	Outcome 6: An efficient, competitive and responsive infrastructure network	1	1	–[1]	2	2	60	60
Number of new ICT access facilities deployed in underserviced areas per year	ICT rapid deployment programme		–[1]	44	75	30	5	118	118
Number of poor television-owning households subsidised (for purchase of set top boxes as part of broadcasting digital migration) per year	Broadcasting digital migration programme	Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	–[1]	–[1]	290 000	300 000	300 000	318 800	830 430

1. No data available.

Programmes/activities/objectives

Table 27.36 Universal Service and Access Agency of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	69 541	76 163	60 477	57 778	-6.0%	100.0%	65 376	68 452	72 080	7.7%	100.0%
Total expense	**69 541**	**76 163**	**60 477**	**57 778**	**-6.0%**	**100.0%**	**65 376**	**68 452**	**72 080**	**7.7%**	**100.0%**

Expenditure estimates

Table 27.37 Universal Service and Access Agency of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	**404**	**14**	**395**	**–**	-100.0%	0.3%	**–**	**–**	**–**	–	–
Other non-tax revenue	404	14	395	–	-100.0%	0.3%	–	–	–	–	–
Transfers received	**66 704**	**83 168**	**59 801**	**60 090**	**-3.4%**	**99.7%**	**65 376**	**68 452**	**72 080**	**6.3%**	**100.0%**
Total revenue	**67 108**	**83 182**	**60 196**	**60 090**	**-3.6%**	**100.0%**	**65 376**	**68 452**	**72 080**	**6.3%**	**100.0%**
Expenses											
Current expenses	**69 541**	**76 163**	**60 477**	**57 778**	**-6.0%**	**100.0%**	**65 376**	**68 452**	**72 080**	**7.7%**	**100.0%**
Compensation of employees	25 216	35 440	33 421	36 171	12.8%	50.2%	38 522	40 294	42 551	5.6%	59.9%
Goods and services	42 998	37 516	23 754	21 607	-20.5%	46.9%	26 854	28 158	29 529	11.0%	40.1%
Depreciation	1 301	3 190	3 194	–	-100.0%	2.8%	–	–	–	–	–
Interest, dividends and rent on land	26	17	108	–	-100.0%	0.1%	–	–	–	–	–
Total expenses	**69 541**	**76 163**	**60 477**	**57 778**	**-6.0%**	**100.0%**	**65 376**	**68 452**	**72 080**	**7.7%**	**100.0%**
Surplus/(Deficit)	**(2 433)**	**7 019**	**(281)**	**2 312**	**-198.3%**		**–**	**–**	**–**	**-100.0%**	

Personnel information

Table 27.38 Universal Service and Access Agency of South Africa

	Number of posts estimated for 31 March 2014		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 (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	**59**	**70**	**59**	**33.4**	**0.6**	**58**	**36.2**	**0.6**	**65**	**38.5**	**0.6**	**65**	**40.3**	**0.6**	**65**	**42.6**	**0.7**	**5.6%**	**100.0%**
1 – 6	2	2	2	0.3	0.1	2	0.2	0.1	2	0.3	0.2	2	0.4	0.2	2	0.4	0.2	16.3%	3.2%
7 – 10	16	22	14	4.9	0.4	14	5.9	0.4	18	6.4	0.4	18	6.7	0.4	18	7.1	0.4	6.4%	26.8%
11 – 12	24	28	25	13.2	0.5	23	12.0	0.5	25	12.7	0.5	25	13.4	0.5	25	14.2	0.6	5.8%	38.8%
13 – 16	17	18	18	15.0	0.8	19	18.0	0.9	20	19.1	1.0	20	19.8	1.0	20	20.9	1.0	5.0%	31.3%

1. Rand million.

Expenditure trends

The spending focus over the MTEF period will be on: providing households in need with subsidies for set top boxes, if they meet the qualifying criteria; rolling out broadband infrastructure in underserviced areas by upgrading current infrastructure, providing cables and establishing point of access in communities; and ensuring that schools have connectivity by providing IT equipment and setting up cyber labs. Thus, excluding the subsidy, which is provided for in the Universal Service and Access Fund discussed in the following section, spending on staff and the related costs of monitoring and evaluating projects are the most significant item of expenditure over the medium term. These monitoring and evaluation costs include spending on travel and subsistence and are incurred when projects are signed off and during site visits. The entity had a total establishment of 70 posts, of which 59 were funded at the end of November 2013 and 12 were vacant. These vacant posts have been frozen in order to keep expenditure in line with the budget.

Programmes/activities/objectives

Table 27.39 Universal Service and Access Fund

	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	622	719	527	2 053	48.9%	4.3%	3 683	3 853	4 058	25.5%	0.8%
Handover of existing access centres	14 007	1 105	4 003	–	-100.0%	14.4%	–	–	–	–	–
Broadband infrastructure in under-serviced areas	13 500	–	–	21 575	16.9%	8.5%	28 545	29 858	31 440	13.4%	6.7%
E-connectivity	3 804	215	2 893	–	-100.0%	4.5%	–	–	–	–	–
Rapid deployment of access centres	17 551	3 056	36 279	21 418	6.9%	44.9%	17 862	18 776	19 771	-2.6%	4.9%
Development of standard operating manual and national strategy	1 788	14	2 710	–	-100.0%	2.4%	–	–	–	–	–
Broadcasting digital migration programme	–	–	–	240 000	–	21.0%	240 000	551 040	664 345	40.4%	87.6%
Total expense	**51 272**	**5 109**	**46 412**	**285 046**	**77.2%**	**100.0%**	**290 090**	**603 527**	**719 614**	**36.2%**	**100.0%**

Expenditure estimates

Table 27.40 Universal Service and Access Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	**161**	**214**	**10 679**	**5 000**	214.3%	1.5%	**102**	**107**	**113**	-71.7%	0.4%
Other non-tax revenue	161	214	10 679	5 000	214.3%	1.5%	102	107	113	-71.7%	0.4%
Transfers received	**38 613**	**260 930**	**273 977**	**285 046**	**94.7%**	**98.5%**	**289 988**	**603 420**	**719 501**	**36.2%**	**99.6%**
Total revenue	**38 774**	**261 144**	**284 656**	**290 046**	**95.6%**	**100.0%**	**290 090**	**603 527**	**719 614**	**35.4%**	**100.0%**

Table 27.40 Universal Service and Access Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expen-diture/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen-diture/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Expenses											
Current expenses	**16 417**	**1 838**	**7 240**	**2 053**	**-50.0%**	**21.1%**	**3 683**	**3 853**	**4 058**	**25.5%**	**0.8%**
Goods and services	16 417	1 838	7 240	2 053	-50.0%	21.1%	3 683	3 853	4 058	25.5%	0.8%
Transfers and subsidies	**34 855**	**3 271**	**39 172**	**282 993**	**101.0%**	**78.9%**	**286 407**	**599 674**	**715 556**	**36.2%**	**99.2%**
Total expenses	**51 272**	**5 109**	**46 412**	**285 046**	**77.2%**	**100.0%**	**290 090**	**603 527**	**719 614**	**36.2%**	**100.0%**
Surplus/(Deficit)	**(12 498)**	**256 035**	**238 244**	**5 000**	**-173.7%**		**–**	**–**	**–**	**-100.0%**	

Expenditure trends

The fund was established in terms of the Electronic Communications Act (2002) to fund projects and programmes that work towards the mandate of the Universal Service and Access Agency, which is to meet universal communications service obligation in underserviced areas. The fund generates revenue from contributions made by licenced telecommunications operators and broadcasters. Since 2011/12, revenue grew significantly due to the transfers the fund received from the department for the set top boxes subsidy. Between 2011/12 and 2013/14, R690 million was transferred to the fund to provide for the subsidies for the set top boxes, antenna and installation in poor households. However, these funds remain unused and have been retained for use over the medium term due to the delay in the finalising of the digital migration process by the department. The spending focus over the MTEF period will therefore be on providing the subsidy to poor households, to which an additional R700 million over the period has been allocated. This explains the significant anticipated increase in spending on transfers and subsidies.

Additional tables

Table 27.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation Main	Appropriation Adjusted	Audited outcome	Appropriation Main	Appropriation Adjustments	Appropriation Adjusted	Revised estimate
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	152 596	197 009	195 959	216 066	–	216 066	216 066
International Affairs	38 046	41 046	44 190	33 271	–	33 271	32 971
Policy, Research and Capacity Development	100 221	107 863	113 262	84 398	5 000	89 398	88 250
ICT Enterprise Development and SOE Oversight	1 100 272	1 067 902	1 062 701	708 143	53 000	761 143	760 091
Infrastructure Support	321 204	241 204	235 099	1 002 039	270 200	1 272 239	1 271 739
Total	**1 712 339**	**1 655 024**	**1 651 211**	**2 043 917**	**328 200**	**2 372 117**	**2 369 117**
Economic classification							
Current payments	**475 512**	**421 036**	**414 069**	**484 795**	**275 200**	**759 995**	**759 995**
Compensation of employees	182 875	184 517	157 512	194 995	–	194 995	194 995
Goods and services	292 637	236 519	256 534	289 800	275 200	565 000	565 000
Interest and rent on land	–	–	23	–	–	–	–
Transfers and subsidies	**1 131 936**	**1 229 097**	**1 230 707**	**1 553 960**	**53 000**	**1 606 960**	**1 606 960**
Provinces and municipalities	–	–	5	–	–	–	–
Departmental agencies and accounts	759 427	775 427	775 191	773 375	15 000	788 375	788 375
Higher education institutions	–	–	100	–	–	–	–
Foreign governments and international organisations	–	16 161	21 383	16 161	–	16 161	16 161
Public corporations and private enterprises	368 624	433 624	433 243	764 424	38 000	802 424	802 424
Non-profit institutions	3 885	3 885	309	–	–	–	–
Households	–	–	476	–	–	–	–
Payments for capital assets	**104 891**	**4 891**	**6 092**	**5 162**	**–**	**5 162**	**2 162**
Buildings and other fixed structures	100 000	–	–	–	–	–	–
Machinery and equipment	4 891	4 891	5 723	5 162	–	5 162	2 162
Software and other intangible assets	–	–	369	–	–	–	–
Payments for financial assets	**–**	**–**	**343**	**–**	**–**	**–**	**–**
Total	**1 712 339**	**1 655 024**	**1 651 211**	**2 043 917**	**328 200**	**2 372 117**	**2 369 117**

Table 27.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Compensation of employees (R thousand)	145 083	151 585	157 512	194 995	204 599	217 067	231 498
Training expenditure (R thousand)	5 083	10 828	3 921	3 256	3 429	3 610	3 802
Training spend as percentage of compensation	3.5%	7.1%	2.5%	1.7%	1.7%	1.7%	1.6%
Total number trained (headcount)	155	190	184	205			
of which:							
Employees receiving bursaries (headcount)	*44*	*53*	*48*	*59*			
Internships (headcount)	*41*	*18*	*30*	*54*			
Households receiving bursaries (R thousand)	–	–	–	–	1 000	1 075	1 125

Table 27.C Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand				2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Departmental infrastructure										
Broadband services infrastructure in under-serviced and rural areas	Access and backhaul broadband infrastructure in all provinces	Construction	535 000	–	–	–	125 000	–	–	–
Infrastructure transfers to other spheres, agencies and departments										
Sentech: Digitisation of terrestrial television network	Efficient use of spectrum, broadcast digital dividend, multiple channel possibilities and new content generation	Design	1 534 862	71 000	388 900	–	423 304	69 805	–	–
Sentech: 2010	2010 FIFA World Cup satellite back-up links between stadiums and the international broadcast centre	Hand over	420 000	100 000	120 000	–	–	–	–	–
South African Broadcasting Corporation: Digital migration project	Efficient use of spectrum, broadcast digital dividend, multiple channel possibilities and new content generation	Various	138 000	–	–	–	76 000	62 000	64 852	68 289
Universal Service and Access Agency of South Africa	Subsidisation of ICT infrastructure to promote universal access and services	Various	55 000	20 000	25 000	–	–	–	–	–
Total			**2 682 862**	**191 000**	**533 900**	**–**	**624 304**	**131 805**	**64 852**	**68 289**

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ESTIMATES OF NATIONAL EXPENDITURE

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