MINISTRY
COMMUNICATIONS AND DIGITAL TECHNOLOGIES
REPUBLIC OF SOUTH AFRICA

FOR PUBLICATION:

Honourable Speaker

Honourable Members

My fellow South Africans

INTRODUCTION

From the heart of Gumbani in Limpopo, the province I am proud to call home, two young South Africans used a second-hand computer, R700 and sheer determination to crack open the digital world.

With no formal training, Marvel Shibambu and Malunghelo Mathonsi, built an e-learning platform called NOVAR to help high school learners study for free.

They are living proof that digital technology is a powerful force for unlocking opportunity, expanding access, and transforming lives.

Their story went viral on TikTok, capturing the imagination of South Africans across the country.

What followed was extraordinary: crowdfunding support, corporate backing through Liberty Group's #DriveHope initiative, business mentoring, new equipment, and space to grow their vision.

I was deeply honoured to witness the handover and offer my support because what Marvel and Malunghelo have built is more than an app.

It is a powerful real-life example of how digital access can change lives, showing what is possible when opportunity meets the talent and determination that lives in so many South Africans.

Digital access and inclusion gives people the tools to write their own future.

It is from stories like this that I draw inspiration from and which is what has guided the 2025/2026 Budget Vote for the Department of Communications and Digital Technologies (DCDT) which I table today.

Through this budget, it is our task to amplify our impact, ensuring that digital access and opportunity reaches every corner of South Africa.

Because when we connect people, we don't just change individual lives — we ignite economic potential, foster social inclusion, and spur progress that can drive this nation forward together, leaving no one behind.

The ICT Sector has the potential to move us ever-closer to this goal as the sector remains a critical driver of South Africa's economic growth. According to BMIT's 2025 SA ICT Market Sizing and Overview Report, South Africa's ICT market achieved 7.7% year-on-year growth, significantly outperforming the general economy.

And this is why our work, how we lead, where we invest, and what we prioritise as a department is so critical.

The actions and choices we take in this budget directly influence the trajectory of our economy, our society, and the opportunities available to our people.

BUDGETARY ALLOCATIONS

The Department's strategic approach reflects an emphasis on contributing to a capable, secure, and responsive digital and communications ecosystem that can serve as a catalyst for digital growth, innovation, and inclusion.

Over the Medium-Term Expenditure Framework, our Department has been allocated a total of **R7.8 billion**. Of this, **R5.4 billion** — or **69.1 percent** — is allocated to transfers to entities and project-specific funding.

In the **2025/26 financial year**, our estimated expenditure is **R2.545 billion**, with **69.5 percent** earmarked for transfers and subsidies to support the work of our key entities.

- **ICASA** receives **R588 million** this year, which includes an additional **R102 million** for the second phase of the spectrum licensing auction. Its total allocation over the MTEF is **R1.63 billion**. This funding will support regulatory work that facilitates investment in the sector, improves network quality, and helps reduce data costs — including finalising regulations on rapid deployment and dynamic spectrum access.

- The **Film and Publication Board** is allocated **R338 million** over the MTEF to support its mandate of protecting citizens, especially children, by regulating media content in a responsible and responsive way.

- **USAASA** receives **R268 million** for its operations, while the **Universal Service and Access Fund** is allocated **R173 million** to advance digital inclusion initiatives in unconnected areas.

- The **SABC** will receive **R704 million** over the MTEF. This includes **R43 million** for programme production, **R464 million** to support the core public broadcasting

mandate, and **R197 million** for **Channel Africa**, which amplifies South Africa's voice across the continent. Furthermore, a request for proposals has also been issued to develop a more sustainable funding model for the broadcaster.

- **NEMISA** is allocated **R318 million** over the MTEF to strengthen its role in digital skills development and media training, helping to equip young people with the capabilities they need for the future.

- The **SA Connect programme** has been allocated **R710 million** over the MTEF to accelerate broadband expansion, particularly in schools, clinics, and rural communities where access remains limited.

- The **South African Post Office** is allocated **R1.8 billion** over the MTEF to fulfil its universal service obligations, improve service delivery. This funding will support SAPO's efforts to diversify revenue, rebuild trust, and stabilise operations through strategic partnerships and good governance.

ACHIEVEMENTS

Honourable Members,

The numbers only tell part of the story, but they guide our strategic direction.

From the start, I have been clear: we must fix the fundamentals, restore accountability, and lay a foundation for meaningful, lasting progress that improves lives.

Together with the Department, we are taking firm steps to strengthen governance across the portfolio.

Since taking office, we have finalised board appointments at BBI, .ZADNA, Sentech and Postbank, reinforcing ethical leadership and professional integrity.

The appointment processes for SITA and the Post Office are currently underway, and I intend to conclude and communicate these soon. To this end, I'd also like to thanks the Portfolio Committee members for their work in conducting interviews and making recommendations for these posts.

To drive this governance agenda, we convened our first Governance, Compliance and Delivery Workshop. This brought together CEOs of all 11 entities, the Department, and oversight institutions such as the Auditor-General, Public Protector, National Treasury and Public Service Commission.

As part of the ongoing efforts to uphold good governance, we approached the Public Service Commission to investigate the endemic lapse of goverance governace and procurement irregularities that have contributed to the instability at SITA.

It marked a new chapter of joint accountability, stronger compliance, and renewed commitment to consequence management.

We are also aligning policy to attract investment.

Through the draft Policy Direction on Equity Equivalent Investment Programmes in the ICT sector, we aim to fully align ICT sector codes with broader transformation laws. This

provides clarity and certainty to investors while ensuring that global companies meet transformation obligations through skills development, SMME support and shared infrastructure investment.

We received more than 19,000 submissions in the public consultation process. While analysis is ongoing, the initial view shows strong support. Public participation is essential to our democracy, and the volume of submissions reflects how seriously South Africans engage in policy processes. I thank everyone who contributed, including political parties in this House. All of your inputs will inform the final policy direction.

We are also enabling the state to better use digital technologies to improve service delivery.

We have empowered departments to procure digital services independently where there is a compelling business case for better value and faster turnaround. The amended SITA regulations will strengthen national and provincial capacity to deliver reliable, cost-effective digital services. This will introduce much-needed competition, push SITA to raise its performance, and ensure compliance with sound procurement principles.

We successfully lobbied National Treasury to reduce the ad valorem tax on smart devices priced below R2,500. We are also working with the GSMA to measure the impact and explore additional steps to make devices more affordable.

Together with private sector partners, universities and non-profits, we have launched eight cyberlabs at schools in underserved communities. These labs offer training in robotics, coding and device repair, creating pathways into the digital economy.

Through SA Connect, we have provided broadband to 1.8 million households and supported 79 internet service providers and SMMEs between October 2023 and March 2025. Between April 2023 and May 2025, Broadband Infraco connected 3,401 public Wi-Fi hotspots.

With the infrastructure backbone now in place, we expect to reach 5.5 million households by the end of 2026.

We have also made significant progress in digitising government services. Over 136 services are now online. This is reflected in the 2024 UN e-Government Index, where South Africa rose from 65th in 2022 to 40th today, the highest in Africa.

Our ranking in the e-Participation Index also improved from 61st to 29th, showing that more citizens are using digital tools to engage government.

International players like Microsoft have committed R5.4 billion to expand cloud and AI infrastructure by 2027. Other companies, including IBM, Amazon Web Services and Canal Plus, are also expanding their operations in South Africa.

We also welcome the agreement between the Competition Commission, Vodacom and Maziv to proceed with their merger, which includes commitments to lower data costs, broaden coverage and improve connectivity. This aligns with government's efforts to connect more communities to affordable, high-speed internet.

We are also looking forward to the Competition Tribunal's finalisation of the Canal+'s proposed acquisition of MultiChoice.shorten

CHALLENGES

While we are making steady progress, the reality is that this progress it is not fast or expansive enough.

Too many people remain deprived of access to affordable and reliable connectivity, and governance failures at our entities impede our ability to deliver the services our people are entitled to.

These are compounded by policy uncertainty, an outdated regulatory framework, and a lack of adequate institutional capacity to deal with the rapid evolution of the ICT sector.

Earlier this year, the analogue switch-off planned for the end of March was halted by the Court. We have taken note of the court's findings and given the Department's legal representatives the mandate to engage with their counterparts to ensure we can find a non-litigious solution to this lingering issue.

Overcoming these challenges is at the core of the Department's strategic response, which informs our budget.

It is now well-established that my Ministerial priorities are:

- Increasing connectivity and access to the internet and devices
- Improving digital skills in the public and private sectors
- Productive use of the internet and digital technologies
- Establishing a supportive environment for digital inclusion, investment and innovation

These priorities are aligned with the Medium-Term Development Plan, which implores all South African government departments to prioritise:

- Inclusive growth and job creation
- Reducing poverty and tackling the high cost of living
- A capable, ethical and development state.

The work we do as the Department of Communications and Digital Technologies has an impact on all three priorities, and our budget reflects how we are making tangible contributions to our broader governmental goals.

STRATEGIC VISION FOR THE MTEF

Let me now shift our attention to our priority programmes for the next year.

Many stakeholders, including the Chair and members of the Portfolio Committee and various industry members, have called for a comprehensive review of the legislation governing this sector. I have heard these calls, and I agree with you.

Thirty years into our democracy, the legislation in our portfolio has not kept up with the evolution of the sector. It is for this reason that I am today announcing a legislative and policy colloquium.

This process will bring together all stakeholders – government, business, civil society, academia – to determine the exact steps needed to ensure that our legislation is fit-for-purpose and future-oriented.

I want to emphasise that this will be an intensive process, that will lead to action from the Department within months, not years. We will move with speed and urgency and drive this collective agenda for change and progress as a matter of priority.

Additionally, I am happy to announce that we today gazetted the Draft White Paper on Audio and Audiovisual Media Services and Online Safety.

We will also continue to pursue meaningful connectivity – that is, connectivity that is affordable, reliable and fast enough for modern applications. Through the Cost to Communicate Programme of Action, ICASA's updated regulations, improving access to smart devices and further connecting more underserved communities via SA Connect, we are actively expanding internet access to minimise the digital divide.

I am also today launching our initiative at expanding access to smart devices. The Department of Communications and Digital Technologies will facilitate a process between government, original equipment manufacturers and the private sector to provide access to free smart devices to learners, students, and township entrepreneurs.

We are thus calling on the private sector to pledge funds for this initiative, and on OEMs to make devices available at a discounted price, so that we can reach as many beneficiaries as possible. Through these pledges, the private sector will procure devices directly from manufacturers, which will then be distributed directly to beneficiaries.

Government will only facilitate this process, rather than being involved with procurement or distribution, so that we can reach our beneficiaries with efficiency and cost-effectiveness.

The governance and performance of the Department and entities reporting to the Department has been a standing area of concern in this portfolio. To address this, we are taking proactive measures to increase accountability in the portfolio, which includes:

- A monthly governance cycle where entities report directly to the Minister, rather than relying solely on quarterly reports.
- Issuing an instruction to the Department to do monthly expenditure reviews to identify areas for cost-savings and to enforce financial discipline.
- Continuing the work on the merger of Sentech and BBI to improve expenditure efficiencies.
- Continuing the process of disestablishing USAASA and repurposing the Universal Service Access Fund.

- Redesigning SITA's business model to improve service delivery.

The work ahead demands a new standard and this portfolio must be defined by performance, accountability, and impact, not by excuses or complacency.

South Africa has a long way to go for us to achieve our goals of universal connectivity and empowering all our citizens with the skills and resources to use that connectivity productively.

Making progress will require that we, as a Department and entities reporting to the Department, approach every day with an unwavering commitment to serving our people.

Making progress will require that we work closely with all stakeholders in society to ensure that we grow our sector to the benefit of all South Africans.

CONCLUSION

Chair,

As I conclude, I wish to give my sincere appreciation to the Deputy Minister for his continued support in advancing the work of this portfolio.

I also recognise and thank the Director-General, Deputy Director-Generals, and all officials in the Department for their support for and contribution to delivering on our shared mandate.

My appreciation extends to the board members, CEOs and leadership and all those in our entities for their efforts and commitment to our strategic objectives. The progress we are working to achieve depends on the collective effort, discipline, and accountability of all those entrusted with this important work.

Today is not only about tabling our annual budget. It is about our public commitment to South Africa's digital future. It is about injecting a new energy into the work we are doing to address the digital divide and to make sure that each and every single South African has access to the transformative power of connectivity.

It is about reminding ourselves that our work is not only technical, but deeply human. It is about expanding freedom, accelerating transformation, unlocking opportunity, and restoring dignity through the tools of connectivity.

To achieve all of these means change is inevitable. In pursuit of this, I draw inspiration from the words of the literary giant Arnold Bennett from his seminal book, The Great Adventures, when he said`;

> "*Any change, even a change for the better, is always accompanied by discomforts.*"

It is how we navigate those discomforts that ultimately counts.

This budget is our commitment to serve with a clarity of purpose and an unrelenting precision towards meaningful delivery.

Honourable Members, it is my honour to hereby table the Budget Vote for the Department of Communications and Digital Technologies for the 2025/2026 financial year.

Thank you.