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[2012

National Information and Communication Technology Act 2009 (National ICT Act 2009)

NOTICE OF 2012 NICTA BUDGET UNDER NATIONAL ICT ACT 2009

I, Charles S. Punaha, Chief Executive Officer of the National Information and Communications Technology Authority (also referred to as NICTA), by virtue of the powers conferred by Section 30(1) and (2) of the *National ICT Act 2009* and all other powers me enabling, hereby give notice of NICTA's 2012 Budget set out below and which Budget, in accordance with of the relevant provisions of the *National ICT Act 2009* has been submitted to the Secretary Department of Treasury.

Revenue & Expenditure Summary Year Ended 31.12.2012	2012 Budget 31.12.2012	2011 Budget 31.12.2011
Operational Revenue:		
	K	K
Operator Licence Fees	5,500,000	5,040,000
Spectrum Licence Fees	16,410,000	12,938,248
Corporate Licence Fees....	360,000	500,000
Satellite Resources	1,802,936	2,113,097
Field Inspection/PABX/Cabling Fees	210,000	210,000
Numbering Fees	350,000	399,999
Others (rental/bank interest/misc)	910,000	1,014,000
Operational Revenue	25,542,936	22,215,344
Revenue from Asset Disposal	3,500,000	—
Arrears Revenue	3,500,000	3,500,000
Total Revenue	32,542,936	25,715,344
Operational Expenditure:		
	K	K
Board of Directors	595,000	560,000
Chief Executive Officer's Office	2,256,125	2,371,190
Engineering & Standards	—	1,370,546
Operations Department	—	1,358,488
Regulatory & External Affairs	—	2,307,294
Wholesale Regulation	—	658,957
Communication & Consumer Affairs	—	459,010

Notice of 2012 NICTA Budget under *National ICT Act 2009*—continued

Revenue & Expenditure Summary Year Ended 31.12.2012	2012 Budget 31.12.2012	2011 Budget 31.12.2011
Operational Expenditure:—continued		
Economic, Consumer & International Affairs	3,894,731	—
Licensing & Enforcement	3,270,319	—
Engineering and Resource Planning	3,717,462	—
Universal Access Scheme (UAS)	1,074,381	455,755
Corporate Services Department	9,776,721	10,314,831
Total Operational Expenditure	24,584,739	19,856,071
Capital Expenditure:		
	K	K
Chief Executive Officer's Office	30,000	40,000
Engineering & Standards	—	50,000
Operations Department	—	470,000
Regulatory & External Affairs	—	350,000
Wholesale Regulation	—	30,000
Communication & Consumer Affairs	—	30,000
Economic, Consumer & International Affairs	215,000	—
Licensing & Enforcement	1,080,000	—
Engineering and Resource Planning	230,000	—
Universal Access Scheme (UAS)	325,197	30,000
Corporate Services Department	6,078,000	1,588,000
Total Capital Expenditure	7,958,197	2,588,000
Total Expenditure	32,542,936	22,444,071
Net Surplus/(Deficit)	—	3,271,273

Explanatory Notes:

Revenue—Operational Revenue budgeted for 2012 is K25.5 million. Significant component of this revenue is to be collected from Operator License Fees, Sepectrum Fees and Satellite Resources. These three sources contribute total revenue of K23.7 million.

Disposal of assets and associated revenue is budgeted at K3.5 million.

Areears Revenue estimated at K3.5 million is budgeted for collection in 2012.

Total revenue inclusive of operational revenue, assets disposal and arrears: K32.5 million.

Budget Comparisons: 2011 versus 2012.

Increase of K6.8 million Operational Revenue in 2012, attributed to the following: Assets disposal K3.5 million and spectrum license fees K3.3 million.

Expenditure—Operational Expenditure budgeted for 2012 is K24.6 million. This amount is allocated to six functional departments and the board directors, a total of seven cost centres. Functional departments under the new structure are: (1) CEO's Office; (2) Economic, Consumer and International Affairs; (3) Licensing & Enforcement; (4) Engineering & Resource Planning; (5) Universal Access Scheme; and (6) Corporate Services.

Budget Comparisons: 2011 versus 2012.

The 2011 budget was based on an interim organizational structure with eight departments in addition to the board directors, a total of nine cost centers with total operational expenditure budget of K19.9 million.

Following the organizational restructure, the number of functional departments were reduced to six as stated earlier. Operational expenditure budget under the new organizational structure however increased by K4.7 million to K24.6 million. This is the net increase after netting off savings of K6.3 million from abolished departments with K10.9 million additional costs as a result of merger of abolished departments into new functional departments. Capital expenditure budgeted under the new structure increased by K5.4 million to K8.0 million in 2012. This is attributed to new capital expenditure item budgeted for next year which is the new head office building with an estimated budget of K4.5 million. A further addition to capital expenditure budget is K0.5 million budgeted for new regional offices.

Notice of 2012 NICTA Budget under *National ICT Act 2009*—continued

Surplus—There is no surplus anticipated in the budget for 2012. Surpluses that materialize during the budget implementation in 2012 will be the result of cost savings or revenue collection exceeding budget.

Budget Comparisons: 2011 versus 2012.

The 2011 budget had a surplus of K3.3 million attributed to an operational surplus of K2.4 million that is netted off with K3.5 million arrears revenue and capital expenditure of K2.6 million. In 2012 a balanced budget is anticipated assuming K4.5 million operational surplus is netted off with K3.5 million arrears revenue and K8 million capital expenditure.

Dated this 17th day of January, 2012.

C. S. PUNAHA,
CEO.