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NOTICE OF 2021 NICTA BUDGET UNDER *NATIONAL ICT ACT, 2009*

I, **Kila Gulo-Vui**, Chief Executive Officer of National Information and Communications Technology Authority (also referred to as NICTA), as required by Section 30 (2) of the *National ICT Act, 2009*, hereby give notice of NICTA's 2021 Budget, made in accordance with the relevant provisions of the *National ICT Act, 2009* and set out below.

	2021 (K)	2020 (K)
Revenue		
Operational Revenue		
Operator License Fees	5,700,000	5,700,000
Spectrum License Fees	27,511,038	25,435,922
Corporate License Fees	1,000,000	1,000,000
Satellite Resources	12,010,530	12,010,530
Field Inspection/PABX/Cabling Fees	770,000	440,000
Numbering Fees	10,000	10,000
Others (Rental/Bank Interest/misc.)	140,000	130,000
Total Operational Revenue	47,141,568	44,726,452
Other Revenue		
Revenue from Asset Disposal	43,373	14,000,000
Sale of Badihagwa Land	-	4,500,000
Sale on 8 Mile Allotments	-	-
UAS Project Levy	10,000,000	20,000,000
GoPNG Counter Funding	-	10,000,000
Arrears Revenue	-	2,160,720
Total Other Revenue	10,043,373	50,660,720
Total Revenue	57,184,941	95,387,172
Operational Expenditure		
Board of Directors	1,050,000	1,050,000
Office of Chief Executive Officer	3,696,562	4,088,012
Economics, Consumer & International Affairs	6,051,276	5,836,916
Licensing & Enforcement	7,741,914	6,835,530
Engineering & Resource Planning	6,313,314	6,833,040

Notice of 2021 Nicta Budget under *National ICT Act, 2009*—*Continued*

UAS-Universal Access Secretariat	3,582,368	7,928,642
Corporate Services	12,889,507	14,130,032
Total Operational Expenditure	41,324,941	46,702,172
<u>Capital Expenditure</u>		
Office of Chief Executive Officer	225,000	225,000
Economics, Consumer & International Affairs	715,000	590,000
Licensing & Enforcement	1,890,000	1,890,000
Engineering & Resource Planning	510,000	510,000
UAS-Universal Access Secretariat	11,100,000	38,382,630
Corporate Services	1,420,000	7,087,370
Total Capital Expenditure	15,860,000	48,685,000
Total Expenditure	57,184,941	95,387,172
Net Surplus/ (Deficit)		

Explanatory Notes:

Revenue: Operational Revenue budgeted for 2021 is K47.1 million. A significant component of this revenue is to be collected from operator license fees, spectrum fees and satellite resources. The other significant revenue is to be collected from the UAS Project Levy budgeted at K10.0 million. Total revenue, inclusive of operational revenue, asset disposal, and UAS Projects is K57.1 million.

Expenditure: Operational Expenditure budgeted for 2021 is K41.3 million. This amount is allocated to six functional departments and the board directors; a total of seven cost centers. The total operational expenditure for 2021 has decreased by K5.3 million and is attributed to the decrease in staff accommodation costs, due to staff owing their own homes through the NICTA Home Ownership Scheme, and also the decreases in other corporate overhead costs budgeted for Economics, Consumer & International Relations, Engineering & Resource Planning, Corporate Services and Universal Access Secretariat.

Capital expenditure is decrease to K15.8 million from K46.6 million from the previous year. The decrease of K32.8 million is attributed to the reduction in funding from the Rural Communication Projects earmarked for 2021.

Budget Comparison: 2021 versus 2020

The increase of K2.4 million operational revenues in 2021 is attributed to the spectrum fees expected to be collected from the Digivoip Communications LTD company as a result of its rapid growth and expansion.

There is no surplus anticipated in the budget for 2021. Any surpluses that materialize during the budget implementation in 2021 will be the result of cost savings or revenue collections exceeding the budget.

Issued this 23rd day of December, 2020.

K.GULO-VUI,
Chief Executive Officer, NICTA.