**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NO: 1424**

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**QUESTION PAPER NO.: 22**

**Mrs TG Mpambo-Sibhukwana (DA) to ask the Minister of Communications**

What precisely was the R540 million interest free loan from SA Social Security Agency to the SA Post Office used for?

NW2640E

**REPLY:**

**I have been informed by SAPO as follows:**

Following the withdrawal of the cash payment tender by SASSA, the Inter-Ministerial Committee (IMC) requested SAPO to look into assisting with the distribution of cash payments to beneficiaries through utilising SAPO infrastructure. An agreement was reached between the parties (SAPO and SASSA) to focus on the immediate needs to ensure that beneficiaries are serviced. SAPO was required to perform a detailed review of its current infrastructure to determine if any upgrades would be required to be able to adequately render the service to SASSA. The analysis indicated that SAPO would require R541 million in the FY 2018/19 to address all immediate needs which include the following capacity areas:

* IGPS licenses and a new instance for Cash (Biopay). This environment was subsequently funded by Postbank.
* Front End Infrastructure for Retail
* Dignity services
* Network Upgrade/ Refresher and banking host infrastructure
* CIT, Guarding and Response Service
* Risk Management (Insurance)
* Branch staffing
* Banking charges

The actual expenditure in the identified areas that was funded from the R541 million advance are reflected in the table below:



**MS STELLA NDABENI-ABRAHAMS**

**MINISTER**