

Vote 24

Communications

Adjusted budget summary

2009/10				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2 266 863	2 470 494	–	203 631
<i>of which:</i>				
Current payments	384 137	463 368	–	79 231
Transfers and subsidies	1 873 279	1 997 679	–	124 400
Payments for capital assets	9 447	9 447	–	–
Executive authority	Minister of Communications			
Accounting officer	Director-General of Communications			
Website address	www.doc.gov.za			

Aim

The aim of the Department of Communications is to develop 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.

Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)	Change of estimate for 2009/10
As published in the 2009 ENE	Programme linked to the indicator			
Total number of PC broadband subscribers in South Africa	ICT Policy Development	2 million	– 1	–
Number of broadband subscriber per 100 people	ICT Policy Development	3	– 1	–
Number of stadiums for 2009 FIFA Confederations Cup and 2010 FIFA World Cup linked to Telkom core network	ICT Infrastructure Development	4	4	–
Percentage readiness for service of the NEPAD submarine cable project	ICT International Affairs and Trade	50%	0%	–
Total number of community radio stations provided with broadcasting infrastructure	ICT Policy Development	45	29	–
Number of women in the construction sector listed on the e-commerce construction web portal each year	ICT Enterprise Development	900	0	–
Number of ICT positions papers developed for international engagement each year	ICT International Affairs and Trade	5	2	–
Number of young people who participated in the national youth information society and development programme each year	Presidential National Commission	2 500	252	502
Number of e-cooperatives established to increase entry of youth owned small enterprise into the ICT sector each year	Presidential National Commission	100	71	71

1. The department is unable to report on the increase in number of broadband subscribers yet. It is still in the process of collating ICT data.

The indicator “Percentage readiness for service of the NEPAD submarine cable project” needs to be reviewed. The department is experiencing difficulty in securing shareholder participation in Africa, and the global economic crisis has forced a review of the funding by international funders. Nevertheless, the 50% target for 2009/10 will be achieved through linking with other cables such as Seacom.

The estimated number of women in the construction sector listed on the e-commerce construction web portal in 2009/10 is zero at half year. A process for profiling the 900 women is underway and close to completion. The target for 2009/10 is expected to be reached.

The estimated number of young people who participated in the national youth information society and development programme in 2009/10 has been reduced, largely due to a change in the Presidential National Commission's strategy towards more intensive skills transfers to fewer people.

The estimated number of e-cooperatives established to increase entry of youth owned small enterprise into the ICT sector in 2009/10 has been reduced due to a change in the Presidential National Commission's strategy. No further e-cooperatives will be established. The focus will be on sustaining the 71 established in 2009/10.

Adjusted Estimates of National Expenditure 2009

Programme	2009/10							Adjusted appropriation
	Main appropriation	Additional appropriation					Total additional appropriation	
R thousand		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
1. Administration	152 290	–	–	(4 400)	–	–	(4 400)	147 890
2. ICT International Affairs and Trade	45 624	–	–	–	–	–	–	45 624
3. ICT Policy Development	94 171	–	3 631	–	–	–	3 631	97 802
4. ICT Enterprise Development	1 392 652	–	200 000	454 400	–	–	654 400	2 047 052
5. ICT Infrastructure Development	548 085	–	–	(450 000)	–	–	(450 000)	98 085
6. Presidential National Commission	34 041	–	–	–	–	–	–	34 041
Total	2 266 863	–	203 631	–	–	–	203 631	2 470 494
Economic classification								
Current payments	384 137	–	3 631	75 600	–	–	79 231	463 368
Compensation of employees	148 197	–	3 631	(4 400)	–	–	(769)	147 428
Goods and services	235 940	–	–	80 000	–	–	80 000	315 940
Transfers and subsidies	1 873 279	–	200 000	(75 600)	–	–	124 400	1 997 679
Departmental agencies and accounts	377 206	–	–	–	–	–	–	377 206
Public corporations and private enterprises	1 493 073	–	200 000	(75 600)	–	–	124 400	1 617 473
Non-profit institutions	3 000	–	–	–	–	–	–	3 000
Payments for capital assets	9 447	–	–	–	–	–	–	9 447
Machinery and equipment	9 447	–	–	–	–	–	–	9 447
Total	2 266 863	–	203 631	–	–	–	203 631	2 470 494

Details of Adjustments to Estimates of National Expenditure 2009

Unforeseeable and unavoidable expenditure – R203.631 million

Programme 3: ICT Policy Development

An additional R3.631 million is allocated for higher salary increases than the main budget provided for.

Programme 4: ICT Enterprise Development

An additional R200 million is allocated for the South African Broadcasting Corporation's immediate liquidity requirements and to allow it to continue to trade.

Virements

Programmes					
1. Administration					
2. ICT International Affairs and Trade					
3. ICT Policy Development					
4. ICT Enterprise Development					
5. ICT Infrastructure Development					
6. Presidential National Commission					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(4 400)	Programme 4		4 400
Compensation of employees	Reduction due to vacant posts	(4 400)	Public corporations and private enterprises (current)	For the restraint of trade agreement between the SABC and its former group CEO	4 400
Programme 4		(80 000)	Programme 4		80 000
Public corporations and private enterprises (capital)	Reduction in Telkom 2010 FIFA World Cup transfer	(80 000)	Goods and services	For the City of Johannesburg to establish and operate the international broadcasting centre for the 2010 FIFA World Cup	80 000
Programme 5		(450 000)	Programme 4		450 000
Public corporations and private enterprises (capital)	Incorrectly classified in the 2009 ENE	(450 000)	Public corporations and private enterprises (capital)	Incorrectly classified in the 2009 ENE	450 000
Total		(534 400)			534 400

Expenditure for 2008/09 and preliminary expenditure for 2009/10

Programme	2008/09 Expenditure outcome					2009/10 Preliminary expenditure			
	Adjusted appropriation	Apr 08 - Sep 08	% of adjusted appropriation	Apr 08 - Mar 09	% of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	% of adjusted appropriation	
R thousand									
1. Administration	146 810	71 268	48.5	147 431	100.4	147 890	88 576	59.9	
2. ICT International Affairs and Trade	41 249	38 896	94.3	53 479	129.6	45 624	26 520	58.1	
3. ICT Policy Development	76 992	22 983	29.9	71 491	92.9	97 802	25 419	26.0	
4. ICT Enterprise Development	1 329 370	461 410	34.7	1 918 413	144.3	2 047 052	566 076	27.7	
5. ICT Infrastructure Development	690 476	51 286	7.4	94 849	13.7	98 085	40 193	41.0	
6. Presidential National Commission	46 612	14 749	31.6	42 948	92.1	34 041	14 961	43.9	
Total	2 331 509	660 592	28.3	2 328 611	99.9	2 470 494	761 745	30.8	
Economic classification									
Current payments	373 814	184 470	49.3	377 365	100.9	463 368	187 859	40.5	
Compensation of employees	127 897	47 336	37.0	107 953	84.4	147 428	60 733	41.2	
Goods and services	245 917	137 097	55.7	269 291	109.5	315 940	127 074	40.2	
Interest and rent on land	–	–	–	–	–	–	30	–	
Financial transactions in assets and liabilities	–	37	–	121	–	–	22	–	
Transfers and subsidies	1 949 537	468 914	24.1	1 938 461	99.4	1 997 679	567 133	28.4	
Provinces and municipalities	–	3	–	6	–	–	103	–	
Departmental agencies and accounts	338 977	126 049	37.2	338 977	100.0	377 206	172 343	45.7	
Universities and technikons	–	98	–	98	–	–	–	–	
Public corporations and private enterprises	1 607 360	340 124	21.2	1 596 484	99.3	1 617 473	394 169	24.4	
Foreign governments and international organisations	700	2	0.3	9	1.3	–	3	–	
Non-profit institutions	2 500	2 600	104.0	2 824	113.0	3 000	327	10.9	
Households	–	38	–	63	–	–	188	–	
Payments for capital assets	8 158	7 208	88.4	12 785	156.7	9 447	6 753	71.5	
Machinery and equipment	8 158	3 098	38.0	6 659	81.6	9 447	3 879	41.1	
Software and other intangible assets	–	4 110	–	6 126	–	–	2 874	–	
Total	2 331 509	660 592	28.3	2 328 611	99.9	2 470 494	761 745	30.8	

Main expenditure trends for the first half of 2009/10

Total expenditure for 2008/09 was 99.9 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 was R761.7 million, or 30.8 per cent of the adjusted appropriation of R2.470 billion for the year as a whole. In comparison, mid-year expenditure in 2008/09 was R660.6 million, or 28.3 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 increased by R101.2 million or 15.3 per cent, compared to expenditure in the first six months of 2008/09.

The main expenditure increase compared to 2008/09 is mainly due to additional transfers to Telkom for the 2010 FIFA World Cup stadiums ICT connectivity and operationalising the international broadcasting centre.

Departmental receipts

R thousand	2008/09					2009/10			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate
Departmental receipts	3 218 633	2 420 166	75.2	3 519 825	109.4	3 311 237	933 026	818 950	87.8
Sales of goods and services produced by department	1 848 139	1 051 138	56.9	2 148 962	116.3	1 940 545	650 000	575 081	88.5
Transfers received	-	-	-	-	-	-	2 340	2 340	100.0
Interest, dividends and rent on land	1 368 840	1 368 621	99.9	1 370 204	100.0	1 370 006	280 000	240 956	86.1
Transactions in financial assets and liabilities	654	407	62.2	659	100.8	686	686	573	83.5
Extraordinary receipts	-	-	-	-	-	-	4 472 226	4 472 226	100.0
Proceeds from sale of Telkom's share in Vodacom	-	-	-	-	-	-	3 933 903	3 933 903	100.0
Special dividends from Telkom	-	-	-	-	-	-	538 323	538 323	100.0
Total	3 218 633	2 420 166	75.2	3 519 825	109.4	3 311 237	5 405 252	5 291 176	97.9

Main departmental revenue trends for the first half of 2009/10

Departmental revenue collection in the first six months of 2009/10 was R5.291 billion, or 97.9 per cent of the adjusted revenue estimate of R5.405 billion for the year as a whole. In comparison, mid-year revenue collection in 2008/09 was R2.420 billion, or 75.2 per cent of the 2008/09 adjusted estimate. Departmental revenue collection in the first six months of 2009/10 increased by R2.871 billion or 118.6 per cent, compared to revenue collected in the first six months of 2008/09.

The main revenue increase compared to 2008/09 is due to the sale of Telkom shares in Vodacom.

Changes to transfers and subsidies, and conditional grants

Summary of changes to transfers and subsidies

		2009/10							
		Additional appropriation					Total	Adjusted appropriation	
R thousand	Main appropriation	Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	additional appropriation		
4. ICT Enterprise Development									
Public corporations and private enterprises									
Public corporations									
Other transfers									
	Current	225 485	-	200 000	4 400	-	-	204 400	429 885
South African Broadcasting Corporation: Public Broadcaster	225 485	-	200 000	4 400	-	-	204 400	429 885	
Capital									
		-	-	370 000	-	-	370 000	370 000	
Telkom: 2010 FIFA World Cup	-	-	-	370 000	-	-	370 000	370 000	
5. ICT Infrastructure Development									
Public corporations and private enterprises									
Public corporations									
Other transfers									
	Capital	450 000	-	-	(450 000)	-	-	(450 000)	-
Telkom: 2010 FIFA World Cup	450 000	-	-	(450 000)	-	-	(450 000)	-	

