

Vote 27

Communications

Adjusted budget summary

R thousand	2011/12			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 889 112	2 002 865	–	113 753
of which:				
Current payments	585 237	589 090	–	3 853
Transfers and subsidies	1 299 616	1 409 516	–	109 900
Payments for capital assets	4 259	4 259	–	–
Executive authority	Minister of Communications			
Accounting officer	Director-General of Communications			
Website address	www.doc.gov.za			

Aim

Develop information and communication technology (ICT) policies and legislation that create favourable conditions for accelerated and shared sustainable economic growth that positively impact on the wellbeing of all South Africans.

Mid-year performance status

Indicator	Programme	Annual performance		
As published in the 2011 ENE	Programme linked to the indicator	Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September)	Changed estimate for 2011/12
Percentage of broadband penetration	Information and Communication technology Infrastructure Development	4%	0	
Total number of Dinaledi Schools connected to the internet	Information and Communication technology Infrastructure Development	125	0	
Percentage household coverage of digital television transmission infrastructure	Information and Communication technology Infrastructure Development	80%	0	
Percentage reduction of per minute cost of mobile phones (wholesale interconnection rate per minute)	Information and Communication technology Policy Development	14% (R0.73)	14% (R0.73)	
Percentage reduction of per minute cost for fixed line (public access) phones	Information and Communication technology Policy Development	10% (R0.08)	0	0
Total number of community radio stations provided with broadcasting infrastructure	Information and Communication technology Policy Development	7	0	
Number of ICT position papers developed for international engagement per year	Information and Communication technology International Affairs and Trade	5	2	
Number of young people participating in the national youth information society and development programme per year	Presidential National Commission	1 100	0	500
Number of e-cooperatives established to increase entry of youth owned small enterprises into the ICT sector per year	Presidential National Commission	60	0	20
Number of provinces for which provincial cultural heritage contents is captured in the national digital repository per year	Presidential National Commission	4	0	
Number of ICT SMME hubs created in each province per year	Information and Communication technology Enterprise Development	2	0	

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September)	Changed estimate for 2011/12
Total number of jobs created through ICT related projects	Information and Communication technology Enterprise Development and Presidential National Commission	17 322 (20%)	0	

Changes to indicators and targets published in the 2011 ENE

The indicator relating to percentage reduction of per minute cost for fixed line (public access) phones has been removed as it falls within the mandate of the Independent Communications Authority of South Africa and not the department.

The target for the number of young people participating in the national youth information society and development programme and the target for the number of e-cooperatives established to increase the entry of youth owned enterprises into the ICT sector per year has been reduced due to the reprioritisation of funds to the e-Skills Institute.

Mid-year progress

None of the 125 Dinaledi Schools projected to receive internet connectivity has been connected, as provincial members of the executive councils for education and the national Department of Basic Education have been in discussion around how this will be rolled out. This has delayed the signing of contracts by the departments of basic education and communications, and Telkom. There has been no capturing of the cultural heritage contents of provinces in the national digital repository mainly due to the delay in the implementation of the project itself.

The digital television transmission standards were reviewed and South Africa has adopted the DVB-T2 as the new standard.

Adjusted Estimates of National Expenditure 2011

Programme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Administration	148 505	1 180	–	–	–	1 180	149 685
ICT International Affairs and Trade	40 890	–	–	–	500	500	41 390
ICT Policy Development	94 699	–	–	–	1 040	1 040	95 739
ICT Enterprise Development	1 289 416	109 900	–	–	–	109 900	1 399 316
ICT Infrastructure Development	280 911	1 133	–	–	–	1 133	282 044
Presidential National Commission	34 691	–	–	–	–	–	34 691
Total	1 889 112	112 213	–	–	1 540	113 753	2 002 865
Economic classification							
Current payments	585 237	2 313	–	–	1 540	3 853	589 090
Compensation of employees	171 673	–	–	–	1 540	1 540	173 213
Goods and services	413 564	2 313	–	–	–	2 313	415 877
Transfers and subsidies	1 299 616	109 900	–	–	–	109 900	1 409 516
Departmental agencies and accounts	692 674	–	–	–	–	–	692 674
Public corporations and private enterprises	603 242	109 900	–	–	–	109 900	713 142
Non-profit institutions	3 700	–	–	–	–	–	3 700
Payments for capital assets	4 259	–	–	–	–	–	4 259
Machinery and equipment	4 259	–	–	–	–	–	4 259
Total	1 889 112	112 213	–	–	1 540	113 753	2 002 865

Programme 1: Administration

Subprogramme		2011/12					
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
R thousand							
Ministry	3 494	–	–	–	–	–	3 494
Management	39 121	1 180	–	–	–	1 180	40 301
Operations	98 504	–	–	–	–	–	98 504
Office Accommodation	7 386	–	–	–	–	–	7 386
Total	148 505	1 180	–	–	–	1 180	149 685
Economic classification							
Current payments	147 263	1 180	–	–	–	1 180	148 443
Compensation of employees	70 809	–	–	–	–	–	70 809
Goods and services	76 454	1 180	–	–	–	1 180	77 634
Transfers and subsidies	225	–	–	–	–	–	225
Departmental agencies and accounts	225	–	–	–	–	–	225
Payments for capital assets	1 017	–	–	–	–	–	1 017
Machinery and equipment	1 017	–	–	–	–	–	1 017
Total	148 505	1 180	–	–	–	1 180	149 685

Programme 2: ICT International Affairs and Trade

Subprogramme		2011/12					
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
R thousand							
International Affairs	18 385	–	–	–	–	–	18 385
ICT Trade/Partnerships	22 505	–	–	–	500	500	23 005
Total	40 890	–	–	–	500	500	41 390
Economic classification							
Current payments	36 563	–	–	–	500	500	37 063
Compensation of employees	10 719	–	–	–	500	500	11 219
Goods and services	25 844	–	–	–	–	–	25 844
Transfers and subsidies	3 700	–	–	–	–	–	3 700
Non-profit institutions	3 700	–	–	–	–	–	3 700
Payments for capital assets	627	–	–	–	–	–	627
Machinery and equipment	627	–	–	–	–	–	627
Total	40 890	–	–	–	500	500	41 390

Programme 3: ICT Policy Development

Subprogramme		2011/12					
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
R thousand							
ICT Policy Development	52 415	–	–	–	–	–	52 415
Economic Analysis, Market Modelling and Research	9 464	–	–	–	–	–	9 464
ICT Uptake and Usage	5 153	–	–	–	1 040	1 040	6 193
Intergovernmental Relations	10 004	–	–	–	–	–	10 004
South African Broadcasting Corporation: Community Radio Stations	7 663	–	–	–	–	–	7 663
South African Broadcasting Corporation: Programme Production	10 000	–	–	–	–	–	10 000
Total	94 699	–	–	–	1 040	1 040	95 739

Programme 3: ICT Policy Development (continued)

		2011/12					Adjusted appropriation
		Adjustments appropriation				Total adjustments appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Economic classification							
Current payments	76 336	–	–	–	1 040	1 040	77 376
Compensation of employees	32 372	–	–	–	1 040	1 040	33 412
Goods and services	43 964	–	–	–	–	–	43 964
Transfers and subsidies	17 663	–	–	–	–	–	17 663
Public corporations and private enterprises	17 663	–	–	–	–	–	17 663
Payments for capital assets	700	–	–	–	–	–	700
Machinery and equipment	700	–	–	–	–	–	700
Total	94 699	–	–	–	1 040	1 040	95 739

Programme 4: ICT Enterprise Development

		2011/12					Adjusted appropriation
		Adjustments appropriation				Total adjustments appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Economic classification							
Current payments	12 624	–	–	–	–	–	12 624
Compensation of employees	7 082	–	–	–	–	–	7 082
Goods and services	5 542	–	–	–	–	–	5 542
Transfers and subsidies	1 276 528	109 900	–	–	–	109 900	1 386 428
Departmental agencies and accounts	690 949	–	–	–	–	–	690 949
Public corporations and private enterprises	585 579	109 900	–	–	–	109 900	695 479
Payments for capital assets	264	–	–	–	–	–	264
Machinery and equipment	264	–	–	–	–	–	264
Total	1 289 416	109 900	–	–	–	109 900	1 399 316

Programme 5: ICT Infrastructure Development

		2011/12					Adjusted appropriation
		Adjustments appropriation				Total adjustments appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Economic classification							
Current payments	278 376	1 133	–	–	–	1 133	279 509
Compensation of employees	32 287	–	–	–	–	–	32 287
Goods and services	246 089	1 133	–	–	–	1 133	247 222
Transfers and subsidies	1 500	–	–	–	–	–	1 500
Departmental agencies and accounts	1 500	–	–	–	–	–	1 500
Payments for capital assets	1 035	–	–	–	–	–	1 035
Machinery and equipment	1 035	–	–	–	–	–	1 035
Total	280 911	1 133	–	–	–	1 133	282 044

Details of adjustments to Estimates of National Expenditure 2011

Roll-overs – R112.213 million

Programme 1: Administration

R1.180 million has been rolled over for service deployment in the e-Cadre programme, the department's flagship programme for the National Youth Service.

Programme 4: ICT Enterprise Development

R109.900 million has been rolled over and will be transferred to Sentech to continue with phase 5 of the digital terrestrial television project.

Programme 5: ICT Infrastructure Development

R1.133 million has been rolled over to finalise the electronic document management system project, specifically the project for the automation of business processes.

Other adjustments – R1.540 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R1.540 million has been allocated for higher personnel remuneration increases than the main budget provided for, as follows:

Programme 2: ICT International Affairs and Trade

R500 000

Programme 3: ICT Policy Development

R1.040 million

Expenditure for 2010/11 and preliminary expenditure for 2011/12

Programme	2010/11 Expenditure outcome					2011/12 Preliminary expenditure		
		Apr 10 - Sep 10	Apr 10 - Sep 10	Apr 10 - Mar 11	Apr 10 - Mar 11		Apr 11 - Sep 11	Apr 11 - Sep 11
R thousand	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	% of adjusted appropriation
Administration	159 001	66 224	41.7	145 614	91.6	149 685	73 889	49.4
ICT International Affairs and Trade	44 618	7 261	16.3	35 223	78.9	41 390	22 512	54.4
ICT Policy Development	102 164	27 933	27.3	89 712	87.8	95 739	28 542	29.8
ICT Enterprise Development	1 617 992	427 553	26.4	1 083 606	67.0	1 399 316	408 810	29.2
ICT Infrastructure Development	180 156	20 929	11.6	44 842	24.9	282 044	18 538	6.6
Presidential National Commission	34 070	10 602	31.1	27 480	80.7	34 691	11 404	32.9
Total	2 138 001	560 502	26.2	1 426 477	66.7	2 002 865	563 695	28.1
Economic classification								
Current payments	502 178	135 612	27.0	321 047	63.9	589 090	156 364	26.5
Compensation of employees	164 614	71 769	43.6	145 083	88.1	173 213	74 273	42.9
Goods and services	337 564	63 687	18.9	175 647	52.0	415 877	82 091	19.7
Interest and rent on land	–	156	0.0	317	0.0	–	–	0.0

R thousand	2010/11 Expenditure outcome					2011/12 Preliminary expenditure		
	Adjusted appropriation	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted appropriation	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
Economic classification								
Transfers and subsidies	1 631 704	423 985	26.0	1 102 323	67.6	1 409 516	405 441	28.8
Provinces and municipalities	–	2	0.0	6	0.0	–	3	0.0
Departmental agencies and accounts	610 467	227 537	37.3	430 467	70.5	692 674	236 328	34.1
Universities and technikons	–	–	0.0	–	0.0	–	106	0.0
Foreign governments and international organisations	–	2	0.0	–	0.0	–	–	0.0
Public corporations and private enterprises	1 017 737	196 243	19.3	667 973	65.6	713 142	168 990	23.7
Non-profit institutions	3 500	183	5.2	3 752	107.2	3 700	4	0.1
Households	–	18	0.0	125	0.0	–	10	0.0
Payments for capital assets	4 119	822	20.0	2 399	58.2	4 259	1 883	44.2
Machinery and equipment	4 119	771	18.7	2 301	55.9	4 259	1 697	39.8
Software and other intangible assets	–	51	0.0	98	0.0	–	186	0.0
Payments for financial assets	–	83	–	708	–	–	7	–
Total	2 138 001	560 502	26.2	1 426 477	66.7	2 002 865	563 695	28.1

Main expenditure trends for the first half of 2011/12

Total expenditure for 2010/11 was 66.7 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 was R563.695 million, 28.1 per cent of the adjusted appropriation of R2.003 billion for the year as a whole. In comparison, mid-year expenditure in 2010/11 was R560.502 million, or 26.2 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 increased by R3.193 million or 0.1 per cent, compared to the first six months of 2010/11.

The main expenditure increase compared to 2010/11 is due to membership fees to international organisations that were paid earlier in 2011/12 than in 2010/11.

Departmental receipts

R thousand	2010/11					2011/12			
	Adjusted estimate	Audited outcome			Apr 10 - Mar 11 % of adjusted estimate	Actual receipts			Apr 11 - Sep 11 % of adjusted estimate
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11		Budget estimate	Adjusted estimate	Apr 11 - Sep 11	
Departmental receipts	1 398 742	709 492	50.7	1 528 347	109.3	913 439	1 424 527	1 338 193	93.9
Sales of goods and services produced by department	574 579	86 659	15.1	531 258	92.5	288 310	541 835	456 767	84.3
Transfers received	81	81	100.0	86	106.2	–	15	–	–
Interest, dividends and rent on land	824 082	622 447	75.5	996 294	120.9	624 993	882 467	881 255	99.9
Transactions in financial assets and liabilities	–	305	–	709	–	136	210	171	81.4
National Revenue Fund receipts	398	362 333	91 038.4	366 509	92 087.7	–	5 351	5 351	100.0
Special dividends from Telkom	–	362 333	–	362 333	–	–	–	–	–
Departmental agencies and accounts	–	–	–	4 176	–	–	5 351	5 351	100.0
Account Receivable	398	–	–	–	–	–	–	–	–
Total	1 399 140	1 071 825	76.6	1 894 856	135.4	913 439	1 429 878	1 343 544	94.0

Main departmental revenue trends for the first half of 2011/12

Departmental revenue collection in the first six months of 2011/12 was R1.343 billion, or 94 per cent of the adjusted revenue estimate of R1.430 billion for the year as a whole. In comparison, mid-year revenue collection in 2010/11 was R1.072 billion, or 76.6 per cent of the 2010/11 adjusted estimate. Departmental revenue collection in the first six months of 2011/12 increased by R271.719 million or 25.4 per cent, compared to revenue in the first six months of 2010/11.

The main revenue increase compared to 2010/11 is due to the Telkom licence fees collected by the Independent Communications Authority of South Africa and dividends declared by Vodacom and Telkom.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

Summary of changes to transfers and subsidies per programme							
R thousand	Main appropriation	2011/12					Adjusted appropriation
		Adjustments appropriation				Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Information Communication Technology Enterprise Development							
Public corporations and private enterprises							
Public corporations							
Subsidies on production or products							
Capital	159 000	109 900	–	–	–	109 900	268 900
Sentech - digitisation	159 000	109 900	–	–	–	109 900	268 900

