

VOTE 9

*Government Communication
and Information System*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

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2012

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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Government Communication and Information System

**National Treasury
Republic of South Africa**



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Vote 9

Government Communication and Information System

Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	170 839	170 240	–	599	127 450	135 799
Communication and Content Management	109 087	108 194	–	893	113 912	120 679
Government and Stakeholder Engagement	116 524	95 745	20 000	779	117 570	124 164
Communication Service Agency	32 645	31 469	–	1 176	34 353	36 451
Total expenditure estimates	429 095	405 648	20 000	3 447	393 285	417 093
Executive authority	Minister in the Presidency: Performance Monitoring and Evaluation as well as Administration					
Accounting officer	Chief Executive Officer Government Communication and Information System					
Website address	www.gcis.gov.za					

Aim

Provide a comprehensive communication service on behalf of government to facilitate the involvement of the majority of South Africans in governance, reconstruction and development, nation building and reconciliation.

Programme purposes

Programme 1: Administration

Purpose: Provide overall support services to the department.

Programme 2: Communication and Content Management

Purpose: Coordinate the strategic planning of communication related initiatives and activities in the Government Communication and Information System and in government departments.

Programme 3: Government and Stakeholder Engagement

Purpose: Maintain and strengthen a well functioning communication system that proactively informs and engages with the public through the implementation of development communication, face-to-face, direct and unmediated communication, and sound stakeholder relations and partnerships. Provide strategic cluster communication advice and support departments. Transfer funds to the Media Development and Diversity Agency.

Programme 4: Communication Service Agency

Purpose: Provide core communication and media buying services to Government Communication and Information System and other government departments, both in-house and outsourced.

Strategic overview: 2008/09 – 2014/15

The vision of Government Communication and Information System is to be the centre of communication excellence in government. It is structured as a government department and is accountable to the Minister in the

Presidency: Performance Monitoring and Evaluation as well as Administration. The organisation's primary mandate is to meet the communication needs of government and the public. It is mandated to provide strategic leadership in government communication and coordinate a government communication system that ensures that the public is continuously informed of government programmes and policies in order to improve their lives.

The primary responsibility of the organisation is to ensure the strength, success and security of South Africa's democracy through the rapid, responsive and continuous communication of government's achievements. It also ensures the strategic alignment of the government communication system with the national government agenda so that government wide communication supports the five priority areas of government: education, fighting crime, health, job creation and rural development.

In realising its main goals, the department aims to increase and strengthen its communication platforms such as the Vuk'uzenzele and the Public Sector Manager publications. Through the Public Sector Manager magazine, the department also aims to contribute to building an efficient and effective public service.

Policy and practice changes

Government wide communication system

The organisation reviewed the government wide communication system in 2007/08 to ascertain which challenges impacted on the quality and efficacy of the system. Some of the challenges identified included: the organisation's lack of authority in providing leadership to government communications, the limited strategic value attributed to communication within government, a shortage of communication skills, and the department's minimal uptake of the organisation's services such as booking media space or developing communication strategies. Several recommendations to address these have since been implemented. For example, Cabinet resolved that all departments needed to book advertising space through this department. Departments are currently making their own bookings but will be brought into the bulk buying strategy over the medium term.

Following the review of the communication system in 2010/11 the organisation reviewed the government communication strategy, which resulted in a shift in the approach to communication for the next five years. The review was initiated in response to Cabinet's concern that government communication work should improve. The revised strategy, which was approved by Cabinet in June 2011, will drive government wide communication programmes in responding to the current communication challenges and provide communication support. This strategy was aligned with the medium term strategic framework and adopts a more measured approach to communication in support of the five national priorities and the outcomes based approach. In 2011/12, the first year of the strategy's implementation, the department attempted to respond to the communication environment with greater speed and impact to the communication environment and has extended its reach to showcase government programmes through new platforms.

Focus over the medium term

Over the medium term, the department aims to gradually implement the 2011-14 government communication strategy to support the communication campaigns of other departments. The use of social media will be further explored to ensure a constant presence of government messages on these platforms.

The marketing and communication strategy for Thusong service centres will be implemented to promote awareness of government information and services. In addition, political principals will continue to interact with members of the public through the public participation programme.

The rapid response unit will manage the implementation of the recommendations provided to other government department through regular and frequent meetings with government communicators. Key among the recommendations to be implemented is the establishment of a system to manage and coordinate parliamentary questions and replies. The full rollout of the unit will take place over the medium term.

Media bulk buying

In instituting an effective system to enable government departments to secure savings from bulk buying, the department reviewed its organisational structure. The department has upgraded the communication service agency to a branch to increase its capacity to service other government departments. The branch will be capacitated over the medium term.

Community and stakeholder liaison visits

The organisation's new focus is on working with major stakeholders and forums in the districts as compared to small communities in a ward. These projects include community information sessions, community radio programmes, door-to-door campaigns, town hall meetings, outreach events at Thusong service centres and a range of other locally based communication platforms, where information about government programmes and opportunities is provided directly to citizens.

Selected performance indicators**Table 9.1 Government Communication and Information System**

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of national and international media coverage reports per year	Communication and Content Management	246	357	600	800	800	800	800
Number of regular and ad hoc analytical reports per year	Communication and Content Management	42	48	48	280	280	280	280
Number of copies of Vuk'uzenzele magazine published per year	Communication and Content Management	10 million	10 million	10 million	15 million	20.4 million	20.4 million	20.4 million
Number of rapid responses, agendas and recommendations per year	Government and Stakeholder Engagement	398	551	720	500	500	500	500
Number of media engagements implemented per year ¹	Government and Stakeholder Engagement	90	158	140	100	100	100	100
Number of community and stakeholder liaison visits per year	Government and Stakeholder Engagement	–	7 895	6 534	3 600	3 280	3 280	3 280
Number of development communication projects aligned with the government communication programme per year	Government and Stakeholder Engagement	2 496	4 583	2 970	2 970	2 460	2 460	2 460
Number of communication materials, such as pamphlets, distributed per year	Communication and Content Management	7 083	1 989 970	700 000	1 million	1 million	1 million	1 million
Number of rapid response facilitated reports per year ¹	Government and Stakeholder Engagement	–	–	–	–	264	264	264
Number of marketing events per Thusong service centre per year ¹	Government and Stakeholder Engagement	–	–	–	0	680	680	680
Number of radio advertisements and dramas produced per year	Communication and Content Management	45	66	15	48	48	48	48
Number of video programmes produced per year	Communication and Content Management	13	54	13	120	120	120	120
Number of requests for photographic coverage handled per year	Communication and Content Management	600	484	600	500	500	500	500
Number of live broadcasts on community radio stations per year	Communication and Content Management	35	59	100	54	54	54	54
Number of radio talk shows arranged per year	Communication and Content Management	40	55	37	33	33	33	33
Number of government and national events covered by video per year	Communication and Content Management	100	54	150	400	400	400	400
Number of graphic designs produced per year	Communication and Content Management	100	155	100	160	160	160	160

1. No past data, as indicator is new.

Expenditure estimates

Table 9.2 Government Communication and Information System

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
R thousand								
Administration	73 546	80 077	89 297	122 482	122 482	170 839	127 450	135 799
Communication and Content Management	98 134	113 545	103 285	99 518	99 518	109 087	113 912	120 679
Government and Stakeholder Engagement	79 091	92 105	98 015	113 835	110 048	116 524	117 570	124 164
Communication Service Agency	36 984	48 307	61 619	28 472	28 472	32 645	34 353	36 451
Total	287 755	334 034	352 216	364 307	360 520	429 095	393 285	417 093
Change to 2011 Budget estimate				(132 086)	(135 873)	(95 312)	(158 692)	4 287

Economic classification

Current payments	269 007	314 158	329 442	342 781	338 994	405 648	368 725	391 095
Compensation of employees	113 963	138 745	147 203	166 936	163 936	176 370	185 003	195 797
Goods and services	155 044	175 413	182 239	175 845	175 058	229 278	183 722	195 298
<i>of which:</i>								
Administrative fees	64	94	148	169	169	214	227	238
Advertising	20 757	31 943	38 543	12 015	12 015	14 711	9 935	10 495
Assets less than the capitalisation threshold	1 031	903	1 032	2 711	2 711	29 958	2 463	2 601
Audit cost: External	1 051	1 234	1 489	1 520	1 520	1 668	1 760	1 856
Bursaries: Employees	652	463	417	400	400	500	528	557
Catering: Departmental activities	1 435	1 016	964	1 213	1 126	1 069	1 130	1 192
Communication	8 544	13 162	13 043	8 599	8 599	8 510	8 987	9 474
Computer services	14 145	15 766	17 395	13 089	13 089	14 332	15 133	15 389
Consultants and professional services: Business and advisory services	1 915	1 224	1 119	7 191	7 191	1 604	1 699	1 787
Consultants and professional services: Legal costs	246	725	227	1 186	1 186	501	529	558
Contractors	6 056	7 610	3 357	2 942	2 942	14 010	3 422	3 607
Agency and support / outsourced services	13 803	12 407	13 337	9 655	9 655	21 747	10 707	11 338
Entertainment	–	–	–	5	5	31	33	35
Inventory: Food and food supplies	–	50	66	173	173	201	213	227
Inventory: Fuel, oil and gas	–	–	–	1	1	–	–	–
Inventory: Learner and teacher support material	86	95	56	86	86	71	75	79
Inventory: Materials and supplies	51	675	1 148	163	163	193	204	214
Inventory: Medical supplies	30	29	36	151	151	76	80	84
Inventory: Medicine	–	–	1	41	41	13	14	15
Inventory: Other consumables	157	302	206	400	400	457	482	507
Inventory: Stationery and printing	10 084	3 785	3 510	7 791	7 791	5 993	6 327	6 671
Lease payments	12 230	12 886	16 447	32 204	32 204	37 921	40 045	44 077
Property payments	1 495	3 052	3 124	6 552	6 552	3 845	4 059	4 289
Travel and subsistence	18 650	18 888	18 284	19 638	18 938	21 341	22 539	23 905
Training and development	4 239	4 400	5 308	4 869	4 869	5 040	5 323	5 611
Operating expenditure	35 453	42 077	39 241	40 173	40 173	41 787	44 127	46 610
Venues and facilities	2 870	2 627	3 741	2 908	2 908	3 485	3 681	3 882

Table 9.2 Government Communication and Information System (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Transfers and subsidies	14 829	16 967	17 473	19 115	19 115	20 000	21 000	22 260
Departmental agencies and accounts	14 558	16 592	17 265	19 115	19 115	20 000	21 000	22 260
Households	271	375	208	-	-	-	-	-
Payments for capital assets	3 735	2 781	5 109	2 411	2 411	3 447	3 560	3 738
Machinery and equipment	3 735	2 729	5 109	2 051	2 051	2 721	3 374	3 552
Software and other intangible assets	-	52	-	360	360	726	186	186
Payments for financial assets	184	128	192	-	-	-	-	-
Total	287 755	334 034	352 216	364 307	360 520	429 095	393 285	417 093

Expenditure trends

The spending focus over the MTEF period will be on executing the department's mandate through implementing the national communication strategy. This will include providing dedicated video and photography support to the Presidency, developing personnel involved with government communication across government, and establishing a communication curriculum. Spending to support these activities will mainly be in compensation of employees and operating expenses related to the monthly production and distribution of the Vuk'uzenzele newspaper.

Expenditure increased from R287.8 million in 2008/09 to R364.3 million in 2011/12, at an average annual rate of 8.2 per cent, mainly as a result of increased spending on compensation of employees, which grew from R114 million in 2008/09 to R166.9 million in 2011/12, at an average annual rate of 13.5 per cent. The increase in spending on compensation of employees relates to an increased establishment from 2009/10 as a result of the expansion of the department and annual salary adjustments. The expansion was mainly due to: departmental activities in preparation for the 2010 FIFA World Cup and government's initiatives in the inclusive economy, where the department partnered with SABC 1 in 2009/10 to promote economic opportunities created by government through a 13-episode television programme called Rise Mzansi; additional capacity at provincial offices; the energy efficiency campaign; and communication programmes developed by the department for the CNBC Africa television channel. Expenditure on goods and services increased from R155 million in 2008/09 to R175.8 million in 2011/12, at an average annual rate of 4.3 per cent, mainly in lease payments for accommodation costs.

Over the medium term, expenditure is expected to increase to R417.1 million, at an average annual rate of 4.6 per cent, which is slightly below the projected rates of inflation. The increase is mainly in spending on compensation of employees, which is projected to grow to R195.8 million over the medium term, at an average annual rate of 5.5 per cent, in line with inflationary projections. The R19.5 million increase in expenditure on goods and services over the medium term is mainly in operating expenditure for an increased print run and production costs of Vuk'uzenzele newspaper, as well as lease payments in respect of the new head office building. Spending on travel and subsistence for assistance to provide video and photographic services to the president and deputy president during domestic and international trips also contributes to the increase over the medium term.

R6.7 million or 0.5 per cent of total departmental expenditure over the medium term is allocated as a contingency reserve for spending on consultants to assist the department in the resolution of legal disputes as well as translations and transcriptions of the Vuk'uzenzele newspaper and SA Yearbook publications.

The 2012 Budget sets out additional allocations of R3.5 million in 2012/13, R3.8 million in 2013/14 and R4.3 million in 2014/15 for improved conditions of service, and R50 million in 2012/13 for office accommodation and costs related to the new head office building.

Personnel information

Table 9.3 Details of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	496	496	5	463	477	501	482	505	505	505
Salary level 1 – 6	105	105	–	112	97	102	101	114	114	114
Salary level 7 – 10	251	251	5	233	254	258	250	254	254	254
Salary level 11 – 12	87	87	–	71	80	88	88	86	86	86
Salary level 13 – 16	53	53	–	47	46	53	43	51	51	51
Administration	148	148	1	136	129	143	141	154	154	154
Salary level 1 – 6	52	52	–	61	50	53	53	64	64	64
Salary level 7 – 10	56	56	1	42	44	51	53	50	50	50
Salary level 11 – 12	23	23	–	20	21	22	26	24	24	24
Salary level 13 – 16	17	17	–	13	14	17	9	16	16	16
Communication and Content Management	112	112	–	101	109	107	102	107	107	107
Salary level 1 – 6	15	15	–	15	15	13	13	13	13	13
Salary level 7 – 10	52	52	–	47	49	51	48	53	53	53
Salary level 11 – 12	29	29	–	24	29	30	29	29	29	29
Salary level 13 – 16	16	16	–	15	16	13	12	12	12	12
Government and Stakeholder Engagement	186	186	4	184	198	205	189	194	194	194
Salary level 1 – 6	27	27	–	25	24	27	25	27	27	27
Salary level 7 – 10	120	120	4	127	139	134	125	127	127	127
Salary level 11 – 12	23	23	–	16	21	24	21	21	21	21
Salary level 13 – 16	16	16	–	16	14	20	18	19	19	19
Communication Service Agency	50	50	–	42	41	46	50	50	50	50
Salary level 1 – 6	11	11	–	11	8	9	10	10	10	10
Salary level 7 – 10	23	23	–	17	22	22	24	24	24	24
Salary level 11 – 12	12	12	–	11	9	12	12	12	12	12
Salary level 13 – 16	4	4	–	3	2	3	4	4	4	4

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2011.

As at 30 September 2011, the department had an establishment of 496 posts, of which all were funded. The number of filled posts grew from 463 in 2008/09 to 482 in 2011/12. The growth was concentrated mainly in salary levels 7 to 10 in the Administration, Government and Stakeholder Engagement and Communication Service Agency programmes following Cabinet's approval in 2011/12 of the national communication strategy, which saw the department's mandate expand to include the coordination of a government communication system that better informs the public on government policies and programmes. The growth in expenditure in the Administration programme saw the establishment of the strategic planning and performance management unit, which is responsible for the development of the department's strategic and annual performance plans. The unit also monitors and evaluates the implementation of these plans and reports on the performance. The growth in spending in the Communication Service Agency programme will see the agency, which was previously in the Communication and Content Management programme, established as a stand-alone programme in 2012/13.

Over the MTEF period, the number of filled posts is expected to increase to 505, with the growth concentrated mainly in salary levels 1 to 6 and 13 to 16 in the Administration, Government and Stakeholder Engagement and Communication and Content Management programmes. The growth is due to the continued expansion of the department to coordinate the gradual and limited implementation of the national communication system from mid-2011/12, and to allow the department to continue providing support to communication programmes run by other departments.

There were 20 funded vacancies at 30 September 2011, distributed across various salary levels, mainly in the *Communication and Content Management* and *Administration* programmes. Most of these vacant posts have been advertised and some interviews have been held. The ratio of support staff to line staff is 1:3.

Departmental receipts

Table 9.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Departmental receipts	3 341	2 869	1 558	839	839	3 915	5 933	6 752
Sales of goods and services produced by department	3 064	2 589	1 177	250	250	3 386	5 394	6 203
Other sales	3 064	2 589	1 177	250	250	3 386	5 394	6 203
<i>of which:</i>								
<i>Books</i>	1	–	–	–	–	–	–	–
<i>Commission on insurance</i>	30	37	46	49	49	50	53	57
<i>Departmental publications</i>	2 947	2 436	1 077	69	69	3 200	5 200	6 000
<i>Replacements of security cards</i>	1	–	1	1	1	1	1	1
<i>Rental: Parking</i>	85	116	53	131	131	135	140	145
Interest, dividends and rent on land	197	98	240	222	222	232	232	232
Interest	197	98	240	222	222	232	232	232
Transactions in financial assets and liabilities	80	182	141	367	367	297	307	317
Total	3 341	2 869	1 558	839	839	3 915	5 933	6 752

Departmental revenue is derived mainly from the sale of photos and videos, interest on outstanding debt, and the sale of advertising space in the Vuk'uzenzele newspaper and the Public Sector Manager magazine.

Revenue decreased from R3.3 million in 2008/09 to R839 000 in 2011/12, at an average annual rate of 36.9 per cent, mainly due to the fact that no advertising space is sold in the Vuk'uzenzele newspaper, as was the case when the publication was a magazine. Over the medium term, revenue is expected to increase significantly to R6.8 million, at an average annual rate of 100.4 per cent, due to advertising space that will be sold in the Public Sector Manager magazine.

The department's commission on insurance is projected to increase from R49 000 in 2011/12 to R57 000 in 2014/15, at an average annual rate of 5.2 per cent, due to an increase in insurance deducted from employees' salaries and wages.

Programme 1: Administration

Expenditure estimates

Table 9.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Departmental Management	5 052	5 646	10 890	7 160	6 137	6 556	6 895
Corporate Services	34 340	36 150	38 123	46 561	47 584	50 142	52 530
Financial Administration	16 604	20 027	18 819	28 755	74 077	25 324	26 635
Internal Audit	4 564	5 347	5 561	6 000	6 231	6 557	6 895
Legal Services	817	201	–	–	–	–	–
Office Accommodation	12 169	12 706	15 904	34 006	36 810	38 871	42 844
Total	73 546	80 077	89 297	122 482	170 839	127 450	135 799
Change to 2011 Budget estimate				9 296	49 899	278	1 489

Table 9.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	71 481	78 369	87 212	122 167	170 240	126 799	135 117
Compensation of employees	33 114	39 664	39 961	47 865	48 261	50 789	53 673
Goods and services	38 367	38 705	47 251	74 302	121 979	76 010	81 444
<i>of which:</i>							
<i>Administrative fees</i>	64	65	100	121	128	136	142
<i>Advertising</i>	1 468	698	1 051	1 059	850	897	947
<i>Assets less than the capitalisation threshold</i>	513	369	332	1 324	28 842	1 284	1 359
<i>Audit cost: External</i>	1 051	1 234	1 489	1 520	1 668	1 760	1 856
<i>Bursaries: Employees</i>	652	463	417	400	500	528	557
<i>Catering: Departmental activities</i>	395	241	241	382	355	375	395
<i>Communication</i>	1 335	1 643	1 923	1 989	1 515	1 600	1 687
<i>Computer services</i>	6 326	5 606	7 236	10 433	11 379	12 014	12 102
<i>Consultants and professional services: Business and advisory services</i>	47	128	62	5 939	156	169	174
<i>Consultants and professional services: Legal costs</i>	245	725	219	1 186	500	528	557
<i>Contractors</i>	973	1 075	1 152	1 184	12 385	1 707	1 800
<i>Agency and support / outsourced services</i>	1 333	195	5 122	370	11 647	42	45
<i>Inventory: Food and food supplies</i>	–	17	26	53	64	67	72
<i>Inventory: Materials and supplies</i>	10	22	42	8	11	12	12
<i>Inventory: Medical supplies</i>	24	28	32	147	60	63	66
<i>Inventory: Medicine</i>	–	–	–	13	–	–	–
<i>Inventory: Other consumables</i>	117	175	165	295	345	364	384
<i>Inventory: Stationery and printing</i>	1 398	842	796	1 139	1 158	1 223	1 290
<i>Lease payments</i>	11 847	11 868	15 173	30 719	36 216	38 245	42 182
<i>Property payments</i>	1 288	2 816	2 840	6 132	3 440	3 631	3 838
<i>Travel and subsistence</i>	4 263	5 553	3 195	3 557	4 204	4 441	4 680
<i>Training and development</i>	2 116	1 304	2 069	2 527	2 330	2 461	2 594
<i>Operating expenditure</i>	1 798	2 767	2 978	3 146	3 157	3 334	3 513
<i>Venues and facilities</i>	1 104	871	591	659	1 069	1 129	1 192
Transfers and subsidies	29	146	64	–	–	–	–
Households	29	146	64	–	–	–	–
Payments for capital assets	1 951	1 550	2 009	315	599	651	682
Machinery and equipment	1 951	1 550	2 009	315	599	651	682
Payments for financial assets	85	12	12	–	–	–	–
Total	73 546	80 077	89 297	122 482	170 839	127 450	135 799

Details of transfers and subsidies

Households							
Social benefits							
Current	29	146	64	–	–	–	–
Employee social benefits	29	146	64	–	–	–	–

Expenditure trends

Expenditure increased from R73.5 million in 2008/09 million to R122.5 million in 2011/12, at an average annual rate of 18.5 per cent. The increase was mainly due to spending on compensation of employees, which grew from R33.1 million to R47.9 million, at an average annual rate of 13.1 per cent, due to additional allocations for improved conditions of service.

Spending in the Office Accommodation increased from R12.2 million to R34 million between 2008/09 and 2011/12, due to increased lease costs in respect of the department's new head office building, while spending in the Corporate Services subprogramme increased from R34.3 million to R46.6 million, due to increased spending on information management and technology, as well as the expansion of the strategic planning and programme management office.

Over the medium term, expenditure is expected to increase to R135.8 million, at an average annual rate of 3.5 per cent, mainly as a result of spending on compensation of employees, which increased due to an additional R11.6 million allocated over the medium term for improved conditions of service. The programme has a budget of R2.1 million for consultants between 2012/13 and 2014/15, which is mainly a contingency allocation to assist the department in the resolution of legal disputes.

Programme 2: Communication and Content Management

Objectives and measures

- Inform government's communication strategy and decisions by analysing the communication environment on a weekly, monthly and quarterly basis and continuously conducting communication research.
- Intensify the provision of government information to the general public, specifically through promoting greater application of public socioeconomic programmes, by repositioning Vuk'uzenzele magazine as a monthly newspaper that produces and distributes 20.4 million copies per year.
- Improve unmediated and direct communication by government to the public by:
 - maintaining the print run and distribution of Vuk'uzenzele newspaper at 1.7 million per month
 - updating the electronic version of Vuk'uzenzele newspaper every second month
 - disseminating the Braille version of Vuk'uzenzele newspaper to visually impaired individuals and organisations every second month.
- Explore the professionalism of government communicators through a qualification course in government communication that will be developed over the medium term, in conjunction with academic institutions working with the Public Administration Leadership and Management Academy.
- Increase the knowledge base of Cabinet ministers by producing analytical reports that highlight issues and trends in national and international media on a fortnightly basis.
- Inform the public of government's programmes and developments in the country by producing 45 000 copies of the South Africa Yearbook and 20 000 copies of the Pocket Guide to South Africa annually.

Subprogrammes

- *Programme Management for Communication and Content Management* coordinates communication strategic planning in the department and government departments. The subprogramme has a strategic function, which includes ensuring adherence to government communication standards. This subprogramme had a staff complement of 5 and a total budget of R2.6 million in 2011/12, of which 78.5 per cent was used for compensation of employees. Activities carried out in 2011/12 include communication strategic leadership, development, and coordinating a training programme, which covers all aspects of government communication. In line with departmental policy, the subprogramme is reducing expenditure on daily running costs such as catering, stationery, and telephones and mobile phones, and is limiting the hiring of venues and facilities. These cost reduction measures will not hamper service delivery.
- *Policy and Research* conducts research to assess public opinion on a wide range of communication issues, and monitors media coverage of government programmes and policies. This subprogramme had a staff complement of 52 and a total budget of R33.9 million in 2011/12, of which 57.5 per cent was used for

compensation of employees. The subprogramme's outputs include fortnightly communication environment reports, weekend analysis reports, policy analysis reports, monthly communication environment analysis reports, highlights of good news research findings, annual qualitative and quantitative research projects, and research reports for political principals. In line with departmental policy, the subprogramme is reducing expenditure on daily running costs such as catering, stationery, and telephones and mobile phones, and is limiting the hiring of venues and facilities. These cost reduction measures will not hamper service delivery.

- *Content and Writing* develops content for the department's products, which include the South Africa Yearbook, Pocket Guide to South Africa, Vuk'uzenzele newspaper and the Public Sector Manager magazine. Key functions include the development of information products and communication platforms that enable government to communicate directly with citizens and public servants. The subprogramme manages: the coverage of stories and the production of the Vuk'uzenzele newspaper, the annual South Africa Yearbook and the partner Pocket Guide to South Africa, including the design, layout, editing and proofreading, and the updating of these publications. The subprogramme is also responsible for the editorial production of the Public Sector Manager magazine and the GovComms newsletter, which focuses on trends and developments in the communication profession that are of interest to government communicators. This subprogramme also generates content for the website of the government news agency, BuaNews, and its Facebook and Twitter pages. This subprogramme had a staff complement of 49 and a total budget of R63 million in 2011/12, of which 72.2 per cent was used for goods and services. In 2010/11, the budget for the Vuk'uzenzele magazine was reallocated to the repackaged monthly government newspaper. The department changed the quality of the paper used to print from magazine to newspaper quality, which has reduced costs. This has allowed the department to produce the Vuk'uzenzele monthly, instead of every second month, at the same cost. In line with departmental policy, the subprogramme is reducing expenditure on daily running costs such as catering, stationery, and telephones and mobile phones, and is limiting the hiring of venues and facilities. These cost reduction measures will not hamper service delivery.
- *2010 Government Communication Project Management* focused on producing marketing and communication material for the 2010 FIFA World Cup project. The activities of this subprogramme were concluded in 2010/11 after the country's successful hosting of the 2010 FIFA World Cup event.

Expenditure estimates

Table 9.6 Communication and Content Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Programme Management for Communication and Content Management	1 594	2 345	2 281	2 601	5 234	4 570	4 803
Policy and Research	26 623	34 436	33 032	33 886	34 954	36 793	39 147
Content and Writing	58 174	62 570	60 509	63 031	68 899	72 549	76 729
2010 Government Communication Project Management	11 743	14 194	7 463	–	–	–	–
Total	98 134	113 545	103 285	99 518	109 087	113 912	120 679
Change to 2011 Budget estimate				(156 641)	(161 946)	(169 538)	873

Economic classification

Current payments	97 536	113 199	101 814	99 176	108 194	113 058	119 783
Compensation of employees	26 534	35 363	38 184	38 871	44 360	45 649	48 580
Goods and services	71 002	77 836	63 630	60 305	63 834	67 409	71 203
of which:							
Administrative fees	–	29	10	30	10	10	10
Advertising	1 717	1 938	582	103	2 501	2 641	2 784
Assets less than the capitalisation threshold	147	222	172	420	491	519	547

Table 9.6 Communication and Content Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
<i>Catering: Departmental activities</i>	144	73	93	103	47	50	53
<i>Communication</i>	1 792	3 415	4 807	1 326	1 226	1 295	1 365
<i>Computer services</i>	7 284	9 461	9 886	2 571	2 848	3 008	3 170
<i>Consultants and professional services: Business and advisory services</i>	1 282	1 036	1 047	1 154	1 360	1 437	1 515
<i>Contractors</i>	3 981	5 140	652	224	210	221	233
<i>Agency and support / outsourced services</i>	11 962	11 148	6 252	9 134	9 987	10 546	11 168
<i>Inventory: Food and food supplies</i>	–	12	14	42	49	52	55
<i>Inventory: Learner and teacher support material</i>	86	95	56	86	71	75	79
<i>Inventory: Materials and supplies</i>	2	5	6	3	4	4	4
<i>Inventory: Medical supplies</i>	1	–	–	3	–	–	–
<i>Inventory: Other consumables</i>	6	8	6	9	4	4	4
<i>Inventory: Stationery and printing</i>	5 143	1 100	1 102	5 016	3 242	3 423	3 608
<i>Lease payments</i>	127	724	972	1 062	1 120	1 183	1 247
<i>Property payments</i>	5	83	85	106	126	133	140
<i>Travel and subsistence</i>	2 623	2 339	1 907	2 032	2 399	2 533	2 671
<i>Training and development</i>	1 430	2 659	684	1 052	1 035	1 093	1 152
<i>Operating expenditure</i>	32 786	37 991	35 118	35 309	36 289	38 321	40 491
<i>Venues and facilities</i>	484	358	179	520	815	861	907
Payments for capital assets	563	346	1 456	342	893	854	896
<i>Machinery and equipment</i>	563	346	1 456	342	343	854	896
<i>Software and other intangible assets</i>	–	–	–	–	550	–	–
Payments for financial assets	35	–	15	–	–	–	–
Total	98 134	113 545	103 285	99 518	109 087	113 912	120 679

Expenditure trends

Expenditure increased from R98.1 million in 2008/09 to R99.5 million in 2011/12, at an average annual rate of 0.5 per cent, and is expected to increase to R120.7 million over the medium term, at an average annual rate of 6.6 per cent. The bulk of the increase over the medium term is concentrated in spending on compensation of employees, and goods and services costs related to the increased print run of the Vuk'uzenzele newspaper and research projects related to public opinion on government activities. This is mainly reflected in the increased spending on operating expenses, and travel and subsistence costs incurred during the research conducted to ascertain public opinion. The programme receives an additional allocation of R2.5 million over the medium term for improved conditions of service.

Repositioning the Vuk'uzenzele magazine as a monthly newspaper is expected to increase the production run from 10 million copies in 2008/09 to 21.4 million copies each year over the medium term. Each print run of Vuk'uzenzele as a glossy magazine used to cost R3.2 million. Once it has been converted to a monthly newspaper, each print run will cost much less, at R1.2 million. The programme has a budget of R4.3 million for consultants between 2012/13 and 2014/15. Consultants are mainly used to provide skills related to the translation and transcription of the Vuk'uzenzele newspaper and the South African Year Book publication.

Programme 3: Government and Stakeholder Engagement

Objectives and measures

- Ensure the centrality of government's voice in the media by driving and participating in daily rapid response teleconferences that analyse and recommend proactive and reactive communication on issues in the national and international environment.
- Provide strategic leadership in the development of departmental and provincial communication strategies that are aligned to the government communication strategy framework and driven by the priorities of government's programme of action, through the continuous development and review of national communication programmes that will serve as a benchmark to provide feedback to departments on a quarterly basis.
- Ensure the effective communication of government policies and programmes by building and strengthening relations with the media on an ongoing basis.
- Ensure a consistent, coherent and seamless approach to messaging among government departments by driving government communicators' forums on an ongoing basis.
- Provide communication support in the Parliament precinct by distributing parliamentary questions and programmes and providing support for media briefings weekly.
- Address the communication and information needs of communities through monthly community and stakeholder liaison visits, information sessions and communication interventions.
- Improve access to government services and information by implementing 4 promotion drives per Thusong service centre per year.

Subprogrammes

- *Programme Management for Government and Stakeholder Engagement* ensures a well functioning communication system that proactively informs and engages the public. This entails providing strategic leadership and coordination of communication clusters. This subprogramme had a staff complement of 12 and a total budget of R3.6 million in 2011/12, of which 72.9 per cent was used for compensation of employees. This subprogramme's main outputs in 2011/12 included the development of the government communication programme, advice and leadership on key cluster programmes and the development of communication strategies. In line with departmental policy, the subprogramme is reducing expenditure by 5 per cent each year on daily running costs such as catering, stationery, and telephone and mobile phones, as well as limiting the hiring of venues and facilities. These cost reduction measures will not hamper service delivery.
- *Provincial and Local Liaison* ensures that the government communication strategy is presented to all provinces for alignment and that various media channels, contracted human resources, platforms and materials are in place to promote government messages to the public at the local level. Its function is to cascade the national communication strategic framework to provincial and local stakeholders and partners as well as to implement development communication campaigns and programmes aligned with the government communication programme. It also provides administration capacity to ensure the consolidation of provincial activities and ensures uniform reporting standards to provinces. This subprogramme had a staff complement of 159 and a total budget of R83.1 million in 2011/12, of which 67.2 per cent was used for compensation of employees. The activities carried out in 2012/13 will include coordinating communication campaigns through community media and outreach platforms, including town hall meetings, the distribution of government communication material, public participation programme events and stakeholder engagements aligned with key priorities in line with departmental policy. The subprogramme has brought 170 Thusong service centres into operation in the years up to 2011/12 and intends to market their services to members of the public. The subprogramme is reducing expenditure by 5 per cent each year on daily running costs such as catering, stationery and telephone and mobile phones as well as limiting the hiring of venues and facilities. These cost reduction measures will not hamper service delivery.
- *Media Engagement* leads and drives interaction and communication between government and the media. Its function is to facilitate the communication of government policies and programmes of action by building,

maintaining and improving relations with the media. The subprogramme is also responsible for coordinating forums for government communicators to allow planning for consistent and coherent messaging across the three spheres of government. This subprogramme had a staff complement of 21 and a total budget of R8 million in 2011/12, of which 75.9 per cent was used for compensation of employees. In 2012/13, the subprogramme will hold regular post-Cabinet briefings following Cabinet meetings, bi-weekly communication planning meetings, government communicators' forum meetings, cluster content meetings, meetings with the South African National Editors' Forum, and foster relationships with the Office of the Leader of Government Business in the National Assembly to develop guidelines for responding to parliamentary questions. In October 2011, the subprogramme hosted an annual 2-day meeting involving Cabinet and the South African National Editors' Forum to strengthen relationships and discuss issues of mutual interest and concern. R300 000 was budgeted for this event.

- *Media Development and Diversity Agency* funds the Media Development and Diversity Agency in the form of a transfer payment to allow it to carry out operations in promoting local media development and diversity. This subprogramme had a staff complement of 23 and a total budget of R19.1 million in 2011/12, all of which was transferred to the Media Development and Diversity Agency.

Expenditure estimates

Table 9.7 Government and Stakeholder Engagement

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Programme Management for Government and Stakeholder Engagement	1 373	1 608	1 596	3 562	10 733	11 281	11 858
Provincial and Local Liaison	55 579	62 075	69 503	83 115	75 180	73 972	78 141
Media Engagement	7 581	11 830	9 651	8 043	10 611	11 317	11 905
Media Development and Diversity Agency	14 558	16 592	17 265	19 115	20 000	21 000	22 260
Total	79 091	92 105	98 015	113 835	116 524	117 570	124 164
Change to 2011 Budget estimate				15 259	14 569	9 130	1 406

Economic classification

	63 720	74 751	79 744	94 225	95 745	95 750	101 041
Current payments							
Compensation of employees	43 872	51 493	55 301	64 563	64 772	68 639	72 322
Goods and services	19 848	23 258	24 443	29 662	30 973	27 111	28 719
<i>of which:</i>							
Administrative fees	–	–	19	18	44	47	50
Advertising	1 423	4 615	1 502	7 299	7 575	2 401	2 543
Assets less than the capitalisation threshold	283	221	449	906	497	525	553
Catering: Departmental activities	853	679	611	690	639	675	712
Communication	2 667	2 942	2 706	3 293	3 699	3 906	4 118
Computer services	9	–	9	–	15	16	17
Consultants and professional services: Business and advisory services	45	17	10	96	88	93	98
Consultants and professional services: Legal costs	1	–	8	–	1	1	1
Contractors	793	1 187	1 067	1 374	1 144	1 208	1 273
Agency and support / outsourced services	508	50	11	51	–	–	–
Entertainment	–	–	–	5	31	33	35
Inventory: Food and food supplies	–	18	20	76	85	91	97
Inventory: Fuel, oil and gas	–	–	–	1	–	–	–
Inventory: Materials and supplies	23	636	1 085	152	128	135	142
Inventory: Medical supplies	4	1	4	1	16	17	18
Inventory: Medicine	–	–	–	27	12	13	14
Inventory: Other consumables	26	101	34	95	97	102	107
Inventory: Stationery and printing	1 161	1 221	1 004	1 019	1 006	1 062	1 120
Lease payments	211	251	263	364	402	424	445
Property payments	202	153	199	314	279	295	311
Travel and subsistence	9 438	8 766	9 502	9 523	10 445	11 030	11 755

Table 9.7 Government and Stakeholder Engagement (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
Training and development	385	230	2 370	1 123	1 122	1 185	1 249
Operating expenditure	566	780	745	1 670	2 187	2 309	2 434
Venues and facilities	1 250	1 390	2 825	1 565	1 461	1 543	1 627
Transfers and subsidies	14 758	16 763	17 409	19 115	20 000	21 000	22 260
Departmental agencies and accounts	14 558	16 592	17 265	19 115	20 000	21 000	22 260
Households	200	171	144	–	–	–	–
Payments for capital assets	567	487	705	495	779	820	863
Machinery and equipment	567	487	705	495	779	820	863
Payments for financial assets	46	104	157	–	–	–	–
Total	79 091	92 105	98 015	113 835	116 524	117 570	124 164
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	14 558	16 592	17 265	19 115	20 000	21 000	22 260
Media Development and Diversity Agency	14 558	16 592	17 265	19 115	20 000	21 000	22 260
Households							
Social benefits							
Current	200	171	144	–	–	–	–
Employee social benefits	200	171	144	–	–	–	–

Expenditure trends

Expenditure increased from R79.1 million in 2008/09 to R113.8 million in 2011/12, at an average annual rate of 12.9 per cent. The bulk of the budget went to compensation of employees, due to the incorporation of the *Media Engagement* subprogramme from the *Communication and Content Management* programme into this programme in 2011/12, following the organisational review.

Expenditure is expected to increase to R124.2 million over the medium term, at an average annual rate of 2.9 per cent, mainly in spending on compensation of employees and the transfer payment to the Media Development and Diversity Agency. An additional R4 million is allocated to this programme over the medium term for improved conditions of service.

R282 000 between 2012/13 and 2014/15 is allocated for spending on consultants mainly for translation and transcription for support services provided to Parliament and contingency allocations to assist the department in the resolution of legal disputes.

Programme 4: Communication Service Agency

Objectives and measures

- Ensure that government's communication products reach the intended audience in a timely manner by providing distribution services as and when needed.
- Inform the public of government's programmes and development in the country by continuously:
 - providing photographic, video and graphic design services to government
 - conducting phone-in radio programmes on government's programmes, documenting the public programmes of the Presidency, both domestically and internationally, on video and in photographs to profile the work of government.

Subprogrammes

- *Programme Management for Communication Service Agency* provides strategic leadership in development and production. Its function is of a strategic nature, with outputs including the management and strategic direction of media buying, marketing, distribution and media production services provided to government. It also manages the corporate identity of national government.
- *Marketing, Advertising and Media Buying* provides marketing and advertising expertise to government communication programmes, both for the department as well as for other government departments. The outputs contributing to the subprogramme include media buying, and marketing and distribution services provided to government. It also manages government's corporate identity. This subprogramme had a staff complement of 16 and a total budget of R11.3 million in 2011/12, of which 59.8 per cent was used for compensation of employees. In line with departmental policy, the subprogramme is reducing expenditure on daily running costs such as catering, stationery, and telephones and mobile phones, and is limiting the hiring of venues and facilities. These cost reduction measures will not hamper service delivery.
- *Media Production* provides for the production of videos, photographs and radio programmes in support of government communication programmes. The subprogramme's function is to provide product development services to government. This subprogramme had a staff complement of 31 and a total budget of R17.1 million in 2011/12, of which 51.7 per cent was used for compensation of employees. In line with departmental policy, the subprogramme is reducing expenditure on daily running costs such as catering, stationery, and telephones and mobile phones, and is limiting the hiring of venues and facilities. These cost reduction measures will not hamper service delivery.

Expenditure estimates

Table 9.8 Communication Service Agency

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Marketing, Advertising and Media Buying	24 615	33 484	46 456	11 324	3 250	13 942	14 820
Media Production	12 369	14 823	15 163	17 148	19 395	20 411	21 631
Total	36 984	48 307	61 619	28 472	32 645	34 353	36 451
Change to 2011 Budget estimate				–	2 166	1 438	519

Economic classification

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Current payments	36 270	47 839	60 672	27 213	31 469	33 118	35 154
Compensation of employees	10 443	12 225	13 757	15 637	18 977	19 926	21 222
Goods and services	25 827	35 614	46 915	11 576	12 492	13 192	13 932
<i>of which:</i>							
Administrative fees	–	–	19	–	32	34	36
Advertising	16 149	24 692	35 408	3 554	3 785	3 996	4 221
Assets less than the capitalisation threshold	88	91	79	61	128	135	142
Catering: Departmental activities	43	23	19	38	28	30	32
Communication	2 750	5 162	3 607	1 991	2 070	2 186	2 304
Computer services	526	699	264	85	90	95	100
Consultants and professional services: Business and advisory services	541	43	–	2	–	–	–
Contractors	309	208	486	160	271	286	301
Agency and support / outsourced services	–	1 014	1 952	100	113	119	125
Inventory: Food and food supplies	–	3	6	2	3	3	3
Inventory: Materials and supplies	16	12	15	–	50	53	56
Inventory: Medical supplies	1	–	–	–	–	–	–

Table 9.8 Communication Service Agency (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
<i>Inventory: Medicine</i>	–	–	1	1	1	1	1
<i>Inventory: Other consumables</i>	8	18	1	1	11	12	12
<i>Inventory: Stationery and printing</i>	2 382	622	608	617	587	619	653
<i>Lease payments</i>	45	43	39	59	183	193	203
<i>Travel and subsistence</i>	2 326	2 230	3 680	4 526	4 293	4 535	4 799
<i>Training and development</i>	308	207	185	167	553	584	616
<i>Operating expenditure</i>	303	539	400	48	154	163	172
<i>Venues and facilities</i>	32	8	146	164	140	148	156
Transfers and subsidies	42	58	–	–	–	–	–
Households	42	58	–	–	–	–	–
Payments for capital assets	654	398	939	1 259	1 176	1 235	1 297
Machinery and equipment	654	346	939	899	1 000	1 049	1 111
Software and other intangible assets	–	52	–	360	176	186	186
Payments for financial assets	18	12	8	–	–	–	–
Total	36 984	48 307	61 619	28 472	32 645	34 353	36 451

Details of transfers and subsidies

Households							
Social benefits							
Current	42	58	–	–	–	–	–
Employee social benefits	42	58	–	–	–	–	–

Expenditure trends

Expenditure decreased from R37 million in 2008/09 to R28.5 million in 2011/12, at an average annual rate of 8.3 per cent, mainly in spending on advertising due to the 2010/11 cancellation of the energy efficiency campaign, which is now under the control of the Department of Energy, and the discontinuation of support services provided to CNBC Africa for communication programmes. Over the medium term, expenditure is expected to increase to R36.5 million, at an average annual rate of 8.6 per cent, mainly in spending on compensation of employees due to allocations for improved conditions of service and inflation related adjustments. This programme receives an additional allocation of R1.3 million for the improvement of conditions to service.

The increase in spending on goods and services between 2011/12 and 2014/15 is mainly in advertising, in line with projections for inflation, and for training and development for the training of officials in video and photographic software.

Public entities and other agencies**Media Development and Diversity Agency****Overview: 2008/09 – 2014/15**

The Media Development and Diversity Agency was set up in terms of the Media Development and Diversity Agency Act (2002) to enable historically disadvantaged communities and individuals to gain access to the media.

The mandate of the Media Development and Diversity Agency is to: create an enabling environment for media development and diversity that reflects the needs and aspirations of all South Africans; redress the exclusion and

marginalisation of disadvantaged communities and people from access to the media and the media industry; and promote media development and diversity by providing support primarily to community and small commercial media projects. The overall objective of the agency is to ensure that all citizens can access information in a language of their choice, and to transform media access, ownership and control patterns in South Africa.

Over the medium term, the agency's strategic focus will be on: advocating for media development and diversity; developing advertising partnerships with government departments, public entities and the private sector to enhance the sustainability of the small commercial media projects; providing grant and seed funding for community and small commercial media; providing capacity building interventions for beneficiary organisations and communities, including mentorship and monitoring and evaluation; strengthening and consolidating beneficiary projects to levels of sustainability; conducting research and knowledge management; promoting media literacy and a culture of reading; communicating and encouraging public awareness about the media sector; promoting quality programming and production in community broadcasting; and raising funds and mobilising resources.

Performance

In 2010/11, the agency approved R25.7 million for disbursements to support 59 projects, trained 437 people, and completed a number of research studies into challenges facing the community media and small commercial media sectors.

The number of community media projects funded per year is expected to decrease from 29 in 2011/12 to 19 in 2014/15 as the entity consolidates support for projects funded in previous years to ensure their viability. In 2013/14 and 2014/15, fewer new projects will be funded, in line with the aim of consolidating funding for previously supported projects. The number of projects supported also depends on the quality and quantity of applications received.

Selected performance indicators

Table 9.9 Media Development Diversity Agency

Indicator	Activity/Objective/Programme/Project	Past			Current 2011/12	Projections		
		2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Number of community media projects funded per year	Grant funding	21	16	28	29	32	18	19
Number of small commercial media projects funded per year	Grant funding	11	8	20	19	21	12	12
Number of research and training projects undertaken/funded per year	Research, knowledge management, monitoring and evaluation	25	6	30	30	32	9	8
Number of seminars/media summits conducted in all provinces	Advocacy for media development and diversity	12	12	12	12	13	13	11
Number of programming and production projects funded per year	Quality programming and production in community broadcasting sector	–	7	5	7	9	7	5

Programmes/activities/objectives

Table 9.10 Media Development Diversity Agency

R thousand	Audited outcome			Revised estimate 2011/12	Medium-term estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Grant funding	16 230	21 973	25 114	33 123	30 654	31 286	32 031
Fundraising and resource mobilisation	200	279	1 512	4 326	4 495	4 800	5 150
Research, knowledge management, monitoring and evaluation	1 097	291	1 120	3 711	3 593	3 772	3 954
Advocacy for media development and diversity	1 030	969	546	2 680	2 720	2 640	2 603
Other objectives	8 753	10 185	11 195	10 412	10 746	11 331	12 351
Total expense	27 310	33 697	39 487	54 252	52 208	53 829	56 089

The Media Development Diversity Agency had a total budget of R54.3 million in 2011/12, of which 61.1 per cent was used to fund approved grant applications.

Savings and cost effectiveness measures

The agency has not effected any cost efficiency measures or budget reductions over the MTEF period. As the agency's budget sees no considerable increase over the MTEF period, the agency's spending patterns are unlikely to change.

Expenditure estimates

Table 9.11 Media Development Diversity Agency

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Revenue							
Non-tax revenue	9 257	5 417	4 147	6 703	7 374	7 990	8 990
Transfers received	24 658	39 254	42 144	47 549	44 834	45 839	47 099
Total revenue	33 915	44 671	46 291	54 252	52 208	53 829	56 089
Expenses							
Current expense	8 753	10 185	11 195	14 326	14 858	15 724	17 039
Compensation of employees	2 805	3 958	4 673	6 200	6 993	7 455	7 975
Goods and services	5 607	5 985	6 266	7 890	7 587	8 076	8 896
Depreciation	341	242	256	236	278	193	168
Transfers and subsidies	18 557	23 512	28 292	39 926	37 350	38 105	39 050
Total expenses	27 310	33 697	39 487	54 252	52 208	53 829	56 089
Surplus / (Deficit)	6 605	10 974	6 804	-	-	-	-
Acquisition of assets	277	101	105	274	133	106	157
Statement of financial position							
Carrying value of assets	666	503	352	390	245	158	147
<i>of which: Acquisition of assets</i>	277	101	105	274	133	106	157
Accrued Investment Interest	-	3	6	-	-	-	-
Receivables and prepayments	10 345	24 705	15 968	180	451	668	434
Cash and cash equivalents	55 646	56 427	65 895	46 589	42 591	41 593	40 893
Total assets	66 657	81 638	82 221	47 159	43 287	42 419	41 474
Accumulated surplus/deficit	19 398	30 618	37 422	37 422	37 422	37 422	37 422
Finance lease	792	49 287	43 677	11 821	4 367	2 805	2 257
Deferred income	16	104	-	-	-	-	-
Trade and other payables	46 009	1 629	1 122	(2 259)	1 299	1 993	1 567
Provisions	442	-	-	175	199	199	228
Total equity and liabilities	66 657	81 638	82 221	47 159	43 287	42 419	41 474

Expenditure trends

The spending focus over the MTEF will be on: funding the small commercial and community media sectors and small to medium companies to ensure that all citizens can access information in a language of their choice; and transforming media access, ownership and control patterns in South Africa.

The agency is funded by transfers from the Government Communication and Information System and grants from broadcast and print media. Transfers received from the department increased from R14.6 million in 2008/09 to R19.1 million in 2011/12, at an average annual rate of 9.5 per cent, and are expected to decrease to R22.3 million over the medium term, at an average annual rate of 5.2 per cent.

Expenditure increased from R27.3 million in 2008/09 to R54.3 million in 2011/12, at an average annual rate of 25.7 per cent, and is expected to increase to R56.1 million over the medium term, at an average annual rate 1.1 per cent. The increase in both periods provides mainly for increasing personnel capacity and additional spending on goods and services to upgrade the agency's IT systems. As a result, expenditure on compensation of employees is expected to increase from R6.2 million in 2011/12 to R8 million in 2014/15, at an average annual rate of 8.8 per cent, and spending on goods and services is expected to increase from R7.9 million from 2011/12 to R8.9 million in 2014/15, at an average annual rate of 4.1 per cent.

Between 2008/09 and 2011/12, expenditure on transfers and subsidies to projects increased from R18.6 million to R39.9 million, at an average annual rate of 29.1 per cent, mainly due to more projects being funded. Over the medium term, expenditure on transfers and subsidies is expected to decrease to R39.1 million, at an average

annual rate of 0.7 per cent, due to the agency's decision to continue to fund currently supported small commercial and community projects to ensure their sustainability. As a result, only a small number of new projects will be taken on over the medium term.

Personnel information

Table 9.12 Media Development Diversity Agency

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of Posts Additional to the Establishment	Actual			Mid-year ¹ 2011/12	Medium-term estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive Board Members	-	-	-	-	-	-	-	-	-	-
Executive Management	3	3	3	3	3	3	3	3	3	3
Senior Management	-	-	-	-	-	-	-	-	-	-
Middle Management	4	6	6	4	6	6	7	8	8	8
Professionals	-	-	-	-	-	-	-	-	-	-
Skilled	14	13	13	14	13	13	13	16	18	18
Semi-skilled	-	-	-	-	-	-	-	-	-	-
Very low skilled	-	-	-	-	-	-	-	-	-	-
Total	21	22	22	21	22	22	23	27	29	29
Compensation (R thousand)				2 805	3 958	4 673	6 200	6 993	7 455	7 975
Unit cost (R thousand)				134	180	212	270	259	257	275

1. As at 30 September 2011.

The number of filled posts grew from 21 in 2008/09 to 23 in 2011/12, mainly due to increased staff capacity in the grant funding cycle, particularly project officers. Over the medium term, the number of filled posts is expected to increase to 29, due to the new organisational structure, which is aligned to the strategic objectives of the agency and its legislative and regulatory mandates.

Additional tables

Table 9.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome 2010/11	Appropriation			Revised estimate 2011/12
	Main 2010/11	Adjusted		Main	Additional 2011/12	Adjusted	
R thousand							
Administration	104 803	105 803	88 969	113 186	9 296	122 482	122 482
Communication and Content Management	110 690	111 690	103 285	96 014	3 504	99 518	99 518
Government and Stakeholder Engagement	99 440	100 440	98 337	118 632	(4 797)	113 835	110 048
Communication Service Agency	61 138	62 138	61 625	28 472	–	28 472	28 472
Total	376 071	380 071	352 216	356 304	8 003	364 307	360 520

Economic classification

Current payments	355 451	358 866	329 442	334 778	8 003	342 781	338 994
Compensation of employees	147 034	150 726	147 203	165 433	1 503	166 936	163 936
Goods and services	208 417	208 140	182 239	169 345	6 500	175 845	175 058
Transfers and subsidies	17 265	17 473	17 473	19 115	–	19 115	19 115
Departmental agencies and accounts	17 265	17 265	17 265	19 115	–	19 115	19 115
Households	–	208	208	–	–	–	–
Payments for capital assets	3 355	3 732	5 109	2 411	–	2 411	2 411
Machinery and equipment	3 355	3 732	5 109	2 051	–	2 051	2 051
Software and other intangible assets	–	–	–	360	–	360	360
Payments for financial assets	–	–	192	–	–	–	–
Total	376 071	380 071	352 216	356 304	8 003	364 307	360 520

Table 9.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Compensation of employees (R thousand)	113 963	138 744	147 203	166 936	173 367	183 154	195 797
Training expenditure (R thousand)	4 239	4 400	5 308	4 809	5 040	5 323	5 611
Training as percentage of compensation	3.7%	3.2%	3.6%	2.9%	2.9%	2.9%	2.9%
Total number trained in department (headcount)	381	342	358	90			
<i>of which:</i>							
Employees receiving bursaries (headcount)	135	51	19	35			
Leaverships (headcount)	10	11	–	–			
Internships (headcount)	25	26	–	–			
Households receiving bursaries (R thousand)	–	–	–	–	–	–	–
Households receiving bursaries (headcount)	–	–	–	–			

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