

Vote 24

Communications

Adjusted budget summary

R thousand	2008/09			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 723 605	2 331 509	-	607 904
<i>of which:</i>				
Current payments	363 814	973 814	-	610 000
Transfers and subsidies	1 351 633	1 349 537	(2 096)	-
Payments for capital assets	8 158	8 158	-	-
Executive authority	Minister of Communications			
Accounting officer	Director-General of Communications			

Aim

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

Mid-year performance status

Indicators	Annual performance	
	Projected for 2008/09 as published in the 2008 ENE	Achieved in the first six months of 2008/09 (April to September)
As published in the 2008 ENE		
Number of Dinaledi schools with ICT connectivity	250	0
Percentage of public broadcasting infrastructure digitised as per Sentech's plan in terms of digital coverage of population	50%	0%
Number of reports on corporate governance of public entities	2	0
Number of stadiums with 100% ICT infrastructure coverage in fulfillment of ICT guarantees for the 2010 FIFA World Cup	5	0
Percentage of World Summit on Information Society targets met (to be achieved by 2015)	10%	0%
Percentage of unqualified audit reports from five state owned entities	100%	80%
Percentage operational submarine cable	25%	0%
Number of post offices rolled out to promote universal service and access objectives		
- new branches	85	7
- upgrades and relocations	81	17
Number of new addresses rolled out	1 800 000	827 188

233 Dinaledi schools have been identified to be connected to Sentech's wireless broadband network. There has been approximately 90 per cent acquisition of the GIS data sets for mapping. The network design has also been finalised. Furthermore, the ICT technical working group has been established to inform the process of connectivity and the deployment of ICT equipment.

Last year Sentech was doing the civil works in preparation for installing the infrastructure/transmitters for digital migration of public broadcasting. Thirteen per cent population coverage is expected by 1 November 2008 and 40 per cent by 31 March 2009.

A preferred service provider is currently doing reports on corporate governance in the SABC and Sentech, to be completed by the end of November 2008.

The scope of the guarantees has been clarified with the Local Organising Committee and the host cities, and the DoC/LOC agreement is being finalised. The Sentech contract has been finalised and procurement of the satellite equipment for 2010 has begun. The Telkom contract is in progress and should also be concluded by the third quarter of 2008/09. Telkom has already installed the access network outside the stadium precinct at all the venues. Telkom has also begun upgrading the national backbone, and the process for upgrading the SAT3 and SAFE submarine cables. Refurbishment on the International Broadcast Centre (IBC) started in April 2008, with surveying and detailed design in progress. Lastly, an emergency communications plan has been developed by the National Joint Command Centre.

Regarding the information society, the National ISAD plan was approved in 2007/08, and is being implemented. Capacity building: 370 young people were trained on e-Literacy and then deployed as volunteers providing IT support as part of community service. In North West, Northern Cape and Limpopo, they are performing community service in health institutions. In Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Mpumalanga and Western Cape, they have been deployed in Dinaledi and other schools.

The Kigali Protocol (Protocol on Policy and Regulatory Framework for the NEPAD ICT Broadband Infrastructure Network) was ratified by South Africa in July 2007, and is now in force as 51% of signatories have ratified it. The IGA Ministerial meeting, having met in October 2007, decided to extend the network to encircle the whole of Africa, with onward connections to Europe, Brazil and the Middle East, and to name the submarine cable system UHURUNET, the terrestrial network UMOJANET, and the company that will own, operate and maintain the submarine network, Baharicom. The following South African companies have expressed interest in participating in UHURUNET: Telkom, Sentech, MTN and Vodacom. A memorandum of understanding has also been signed between InfraCo and Baharicom for the West Coast segment. The development of the Project Implementation Memorandum (PIM) that will provide information to potential shareholders and investors of the Baharicom Development Company and the NEPAD SPV has begun. PIM will also assist in the business case for investment, management, structure and financial projections. The Baharicom Development Company will construct, maintain, own, operate and manage the NEPAD UHURUNET cable system.

Adjusted Estimates of National Expenditure 2008

Table 24.1: Adjusted estimates

Programme	2008/09						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1. Administration	146 810	-	-	-	-	-	146 810
2. ICT International Affairs and Trade	41 249	-	-	-	-	-	41 249
3. ICT Policy Development	91 992	-	-	(15 000)	-	(15 000)	76 992
4. ICT Enterprise Development	1 321 466	-	7 904	-	-	7 904	1 329 370
5. ICT Infrastructure Development	90 476	-	600 000	-	-	600 000	690 476
6. Presidential National Commission	31 612	-	-	15 000	-	15 000	46 612
Departmental Total	1 723 605	-	607 904	-	-	607 904	2 331 509
Economic classification							
Current payments	363 814	-	600 000	10 000	-	610 000	973 814
Compensation of employees	127 897	-	-	-	-	-	127 897
Goods and services	235 917	-	600 000	10 000	-	610 000	845 917
Transfers and subsidies	1 351 633	-	7 904	(10 000)	-	(2 096)	1 349 537
Departmental agencies and accounts	331 073	-	7 904	-	-	7 904	338 977
Public corporations and private enterprises	1 017 360	-	-	(10 000)	-	(10 000)	1 007 360
Foreign governments and international organisations	700	-	-	-	-	-	700
Non-profit institutions	2 500	-	-	-	-	-	2 500
Payments for capital assets	8 158	-	-	-	-	-	8 158
Machinery and equipment	8 158	-	-	-	-	-	8 158
Total	1 723 605	-	607 904	-	-	607 904	2 331 509

Details of adjustments to Estimates of National Expenditure 2008

Unforeseeable and unavoidable expenditure – R607.904 million

Programme 4: ICT Enterprise Development

R7.904 million has been allocated for the Universal Service and Access Agency of South Africa.

Programme 5: ICT Infrastructure Development

R600 million has been allocated for the “last mile” access network between 2010 FIFA World Cup stadium venues and the Telkom national network.

Virements

Table 24.2: Virements

Programme / Economic classification	R thousand		Details and motivation
	From	To	
3. ICT Policy Development	(15 000)	-	
Current payments	(5 000)	-	
Goods and services	(5 000)	-	To goods and services in programme 6
Transfers and Subsidies	(10 000)	-	
Public corporations and private enterprises	(10 000)	-	To goods and services in programme 6
6. Presidential National Commission	-	15 000	
Current payments	-	15 000	
Goods and services	-	15 000	R5 million from goods and services in programme 3 R10 million from public corporations and private enterprises in programme 3 For Apex priority number 3, namely increasing the uptake and usage of ICTs by government and individuals
Total for Vote	(15 000)	15 000	

Expenditure 2007/08 and preliminary expenditure 2008/09

Table 24.3: Expenditure trends

Programme	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 – Sep 07 % of adjusted appropriation	Apr 2007- Mar 2008	Apr 07 – Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 – Sep 08 % of adjusted appropriation
1. Administration	100 590	39 988	39.8	97 504	96.9	146 810	71 268	48.5
2. ICT International Affairs and Trade	42 764	12 031	28.1	43 145	100.9	41 249	38 896	94.3
3. ICT Policy Development	78 258	10 823	13.8	54 875	70.1	76 992	22 983	29.9
4. ICT Enterprise Development	1 608 963	517 124	32.1	1 619 869	100.7	1 329 370	461 410	34.7
5. ICT Infrastructure Development	65 762	33 471	50.9	69 094	105.1	690 476	51 286	7.4
6. Presidential National Commission	28 146	11 243	39.9	27 291	97.0	46 612	14 749	31.6
Total	1 924 483	624 680	32.5	1 911 778	99.3	2 331 509	660 592	28.3
Economic classification			-		-			-
Current payments	322 639	123 770	38.4	310 963	96.4	973 814	184 470	18.9
Compensation of employees	109 114	48 903	44.8	97 707	89.5	127 897	47 337	37.0
Goods and services	213 525	74 834	35.0	213 191	99.8	845 917	137 096	16.2
Financial transactions in assets and liabilities	-	33	-	65	-	-	37	-

Table 24.3: Expenditure trends (continued)

R thousand	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 – Sep 07 % of adjusted appropriation	Apr 2007 - Mar 2008	Apr 07 – Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 – Sep 08 % of adjusted appropriation
Economic classification								
Transfers and subsidies	1 594 301	497 832	31.2	1 592 345	99.9	1 349 537	468 914	34.7
Provinces and municipalities	6	3	50.0	69	1150.0	-	3	-
Departmental agencies and accounts	310 565	168 359	54.2	319 565	102.9	338 977	126 049	37.2
Universities and technikons	-	-	-	-	-	-	98	-
Public corporations and private enterprises	1 280 330	329 364	25.7	1 269 386	99.1	1 007 360	340 124	33.8
Foreign governments and international organisations	1 400	-	-	1 178	84.1	700	2	0.3
Non-profit institutions	2 000	50	2.5	2 050	102.5	2 500	2 600	104.0
Households	-	56	-	97	-	-	38	-
Payments for capital assets	7 543	3 078	40.8	8 470	112.3	8 158	7 208	88.4
Buildings and other fixed structures	-	17	-	-	-	-	-	-
Machinery and equipment	7 543	3 029	40.2	18	0.2	8 158	3 098	38.0
Heritage assets	-	-	-	8 075	-	-	-	-
Software and other intangible assets	-	32	-	377	-	-	4 110	-
			-		-			-
Total	1 924 483	624 680	32.5	1 911 778	99.3	2 331 509	660 592	28.3

Selected expenditure trends for the first half of 2008/09

Expenditure in the first six months of 2008/09 was R661 million, or 28.3 per cent of the adjusted appropriation of R2.332 billion for the year as a whole. Expenditure in the first six months of 2008/09 increased by 5.7 per cent compared to spending in the first six months of 2007/08 which amounted to R624.7 million or 32.5 per cent of the 2007/08 adjusted appropriation.

Expenditure for 2007/08 was 99.3 per cent of the adjusted appropriation for that year.

Departmental receipts

Table 24.4: Receipts

R thousand	2008/09			
	Budget estimate	Adjusted estimate	Actual receipts Apr 08 - Sep 08	% of Adjusted estimate
Departmental receipts				
Sales of goods and services other than capital assets	2 088 773	1 848 139	1 051 138	56.9
Interest, dividends and rent on land	1 144 191	1 369 840	1 368 621	99.9
<i>Of which:</i>				
Dividends	1 141 297	1 366 514	1 366 514	100.0
Sales of capital assets	-	296	296	100.0
Financial transactions in assets and liabilities	654	654	407	62.2
Total	3 233 618	3 218 929	2 420 462	75.2

Actual departmental revenue collections for the first six months of 2008/09 were R2.4 billion or 75.2 per cent of the adjusted estimate of R3.2 billion.

Changes to transfers and subsidies, and conditional grants

Table 24.5: Summary of changes to transfers and subsidies per programme

		2008/09					
		Additional Appropriation				Total additional appropriation	Adjusted appropriation
R thousands	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements	Other adjustments		
3. ICT Policy Development	37 060	-	-	(10 000)	-	(10 000)	27 060
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	37 060	-	-	(10 000)	-	(10 000)	27 060
South African Broadcasting Corporation: Programme Production	25 000	-	-	(10 000)	-	(10 000)	15 000
4. ICT Enterprise Development	1 303 760	-	7 904	-	-	7 904	1 311 664
Departmental agencies and accounts (non-business entities)							
Current	329 460	-	7 904	-	-	7 904	337 364
Universal Service and Access Agency of South Africa	22 304	-	7 904	-	-	7 904	30 208

